Stock Code：6928

UBIQCONN TECHNOLOGY, INC.

2023　Annual Report

Printed on 30 April, 2024

Annual Report is available at: https://mops.twse.com.tw
https://www.ubiqconn.com/tw

Notice to readers

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

1. 、Spokesperson, Deputy Spokesperson：

Name:	Jason Huang
Title：	Assistant Vice President,Sustainable Development Department
Phone：	(02) 8751-6008
e-mail：	UTI-Spokesperson@ubiqconn.com
Name:	Richard Hsieh
Title：	Assistant Vice President,Finance Department
Phone：	(02) 8751-6008
e-mail：	UTI-Spokesperson@ubiqconn.com

2. Headquarters, Branches and Plant：

Headquarter's Address：	4 F., No. 300, Yangguang St., Neihu Dist., Taipei City 114718, Taiwan (R.O.C.)
Headquarter's Phones：	(02)8751-6008
Plant's Address：	12F., No. 186, Jian 1st Rd., Zhonghe Dist., New Taipei City , Taiwan (R.O.C.)
Headquarters Phones：	(02)8227-1889

3. Stock Transfer Agent：

Stock Transfer Agent：	Grand Fortune Securities Co., Ltd
Address：	Floor 5, 6, 7, 14,No. 6, Sec. 1, Chongxiao West Rd., Taipei City, Taiwan
Website：	https://www.gfortune.com.tw
Phone：	(02)2371-1658

4. Auditors：

Audit Firm：	PricewaterhouseCoopers
Auditors:	Lin Po-Chuan、Chang Shu-Chiung
Address：	27 F., No. 333, Sec. 1, Keelung Rd., Xinyi Dist., Taipei City 110208, Taiwan (R.O.C.)
Website：	https://www.pwc.tw
Phone：	(02)2729-6666

5. Overseas Securities Exchange：

   N/A

6. Corporate Website：https://www.ubiqconn.com/tw/

Contents

I. Letter to Shareholders

1. Annual Operating Results:

1) Implementation Results of Business Plan

The Company's consolidated net operating revenue for the fiscal year 2023 was NT$3,721,340 K, with a gross profit margin of 22%. Operating profit was NT$313,647 K, and net profit after tax was NT$257,868 K. Net profit attributable to owners of the parent company was NT$257,868 K, with earnings per share after tax of NT$3.44.

2) Execution Status of Operating Budget

The achievement rates for operating income, gross profit, operating profit, and pre-tax net profit were 97%, 99%, 106%, and 112%, respectively.

3) Financial income and expenditure and Profitability Analysis

Item	2022	2023
Return on Assets (%)	10.20	12.13
Return on Equity (%)	23.23	20.43
Pre-tax Net Profit to Paid-up Capital Ratio (%)	28.68	42.60
Net Profit Margin (%)	6.25	6.93
Earnings per Share (NT$)	3.13	3.44

4) Research and Development Status

The research and development (R&D) expenses incurred by the Company in 2023 amounted to NT$197,157 K, accounting for 5% of operating revenue. The Company focuses on its core technologies, primarily in rugged systems and wireless connectivity, and continues to allocate human resources and invest in R&D equipment based on future trends and demands in the industrial control technology market. The objective is to expand the application of existing rugged tablet computers and vehicle computers to new fields such as maritime vessels, smart agriculture, warehouse logistics, public transportation, and government solutions. This includes the development of specialized hardware platforms, rugged system mechanisms design, wireless narrowband satellite transmission links, proprietary field function firmware programming, and the establishment of related field application service programs and auxiliary system software development, aiming to strengthen the Company's competitiveness and increase product added value.

2. Summary of Annual Business Plan

1) Annual Business Policy:

Ubiqconn Technology Inc. is a rugged mobile solution provider engaged in the design, production, and sale of rugged industrial personal computers and embedded boards. Its subsidiary, RuggON Corporation (hereinafter referred to as "RuggON"), promotes products under its own brand, RuggON, in domestic and international markets. Ubiqconn Technology is committed to the challenging mobile application market in the field of industrial personal computers, expanding its business through customized services and a brand-based business model. In terms of customized services, Ubiqconn Technology offers customers comprehensive one-stop solution services, ranging from conceptualization and design development to product production. The Company utilizes various standardized modules and product lines it has developed to meet customers' diverse needs, covering basic models to high-end custom solutions. Through in-depth market research and close cooperation with customers, Ubiqconn Technology can deeply understand and precisely design products that meet customer requirements. The Company's main focus areas for customized services include the maritime, government solutions, office automation, voting machines, and satellite communications markets. Under its brand RuggON-based business model, Ubiqconn Technology focuses on providing high-quality rugged mobile solutions. It deeply cultivates four major application markets: agriculture, public transportation, government solutions, and logistics. The primary sales points are in the United States and Europe. RuggON branded products are known for their high durability, excellent performance, and innovative technology, making them suitable for use in extreme environments and meeting the stringent requirements of specific industries. They provide customers with efficient, reliable, and flexible solutions.

2) Expected Sales Volume and Key Production and Sales Policies

(1) Market Focus: The primary market focus is on satellite applications, including maritime, agriculture, logistics, transportation, satellite communications, and government solutions.
(2) Service Provision: We offer end-to-end services to our customers, assisting them in translating market demands into technical specifications, rapidly prototyping products, engaging with the market, and ultimately managing the product lifecycle from mass production to end-of-life.
(3) Technological Emphasis: Our focus lies in satellite application-related technologies, with a particular emphasis on mobile applications. Robust design and RF technology are pivotal. Additionally, software and firmware capabilities enable us to provide added value.
(4) Branding Strategy:
Ubiqconn: Our ODM brand centers around providing customers with end-to-end services.
RuggON: Focused on satellite application solutions, this brand prioritizes rapid market penetration.
(5) Operational Approach: A healthy free cash flow is our primary focus, with a commitment to inventory, accounts payable (AP), accounts receivable (AR), TTM (time-to-market), quality, and efficient investment management.

3. Future Company Development Strategy:

The primary growth driver for the future is satellite communications. Since 2021, we have been developing mobile satellite gateways and related communication products in preparation for 6G, continuously advancing towards the vision of "ubiquitous connectivity."

4. Impact of External Competitive Environment, Regulatory Environment, and Overall Business Environment:

The global market for rugged multifunction displays is forecasted to achieve a compound annual growth rate of 6.12% through 2027, reaching a value of US$12.7 billion. Market fragmentation currently prevails, with no dominant leader, indicating a long-tail market structure. Since its inception, our Company has upheld stringent standards and steered clear of following trends blindly. Over the past decade, we have diligently cultivated the rugged mobile computer sector, establishing a comprehensive service system from market research to design, production, and supply chain management. This effort has resulted in significant visibility across multiple vertical markets, positioning us as a benchmark supplier of rugged mobile computers in Taiwan. Positive aspects include our solid reputation in the rugged mobile computer market, which attracts collaboration opportunities with international partners seeking high-quality services, thus driving our future growth. However, negative factors arise from increasing service demands, with human resource management emerging as a primary challenge. Addressing issues such as declining fertility rates and a shortage of skilled labor in Taiwan will be critical in our strategic planning for the future.

We would like to express our gratitude to shareholders for their long-term support. The entire management team of the Company will continue to exert efforts to enhance profitability and value, and share fruitful results with shareholders.

Ubiqconn Technology Inc.

Chairman: Chien Leo Ming-Tz

II. Company Profile

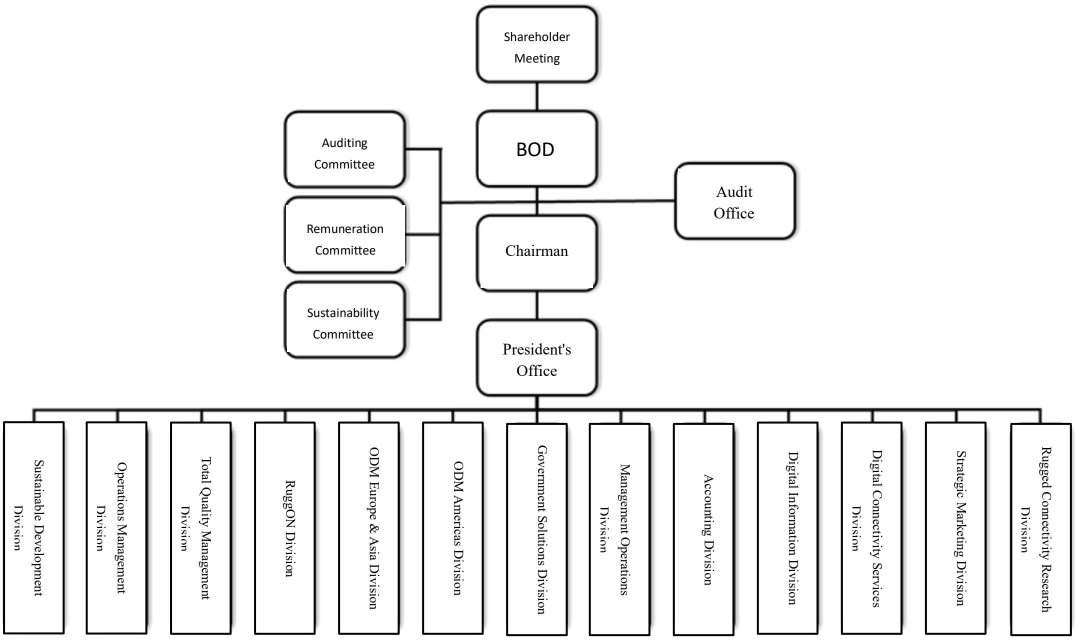
1. Date of Incorporation: June 10, 2011.
2. Company History:

Year	Event
2011	● The Company was established on June 10, 2011, located on Yangguang Street in Neihu District, Taipei City, with a paid-in capital of NT$180,000 K.
2012	● The Company launched the development, manufacturing, and sales of voting machine products, successfully penetrating foreign markets. ● The Company became a customized service partner for a globally renowned rugged tablet computer company.
2013	● The Company obtained certifications from customers Verizon LTE, Google GMS, and GMS Android PAD. ● The Company carried out a cash capital increase totaling NT$65,000 K, resulting in a cumulative paid-in capital of NT$245,000 K.
2014	● The Company was selected as the supplier of onboard systems for the "2014 FIFA World Cup" in Brazil, assisting the Brazilian police in setting up rugged tablet computers. ● The Company successfully developed onboard computers. ● The Company became a customized service partner for a first-tier surveying company. ● The Company conducted a cash capital increase totaling NT$105,000 K, with NT$74,000 K paid in cash for capital contributions and NT$31,000 K paid through debt settlement, resulting in a cumulative paid-in capital of NT$350,000 K.
2016	● The Company became a customized service partner for a first-tier leisure fish finder electronics company. ● The Company established leased factory premises in Zhonghe District, New Taipei City.
2017	● The Board of Directors resolved to invest in the leading brand of rugged portable computers, "RuggON Corporation," aiming to shift away from Taiwan's primarily customized service-based business model and establish RuggON as a world-class leader in rugged mobile solution brands. The Company held 100% equity in RuggON and expanded overseas sales channels. ● The Company was honored with the Best Supplier Award from a top-tier leisure fish finder electronics company. ● The Company entered the government project market.
2019	● The rugged tablet computers of the Company passed Android 9.0 GMS certification. ● The Company conducted a cash capital increase totaling NT$60,000 K, with debt settlement against capital contribution amounting to NT$60,000 K, resulting in a total paid-in capital of NT$410,000 K.
2020	● The rugged tablet computers of the Company passed Android 10 GMS certification.
2021	● The Company conducted a cash capital increase totaling NT$190,000 K, with NT$53,650 K paid in cash for capital contributions and NT$136,350 K paid through debt settlement, resulting in a cumulative paid-in capital of NT$600,000 K.
2022	● The Company conducted a cash capital increase totaling NT$150,000 K, with NT$100,000 K paid in cash and NT$50,000 K settled through debt, resulting in a cumulative paid-in capital of NT$750,000 K. ● In October 2022, the Company signed a contract with a renewable energy power sales operator. ● On October 4, 2022, the Company's stocks were publicly listed.
2023	● On May 3, 2023, the Company was officially listed on the Emerging Stock Market. ● The Company obtained ISO 27001 information security certification.
2024	● On January 24, 2024, the company obtained the listing review meeting of the stock exchange and the board of directors of the stock exchange on February 20, 2024 approved application.

III. Corporate Governance Report

1. Organizational Structure:

1) The organizational structure of the Company:



2) The business of each major division is as follows:

	Division	Business Scope and Responsibilities
1	Chairman	● Determining corporate policies, strategies, and development directions. ● Executing resolutions of the Board of Directors. ● Handling matters related to meetings of the Board of Directors and shareholders' meetings in accordance with the law.
2	President's Office	● Drafting corporate business strategies and policy objectives as well as overall planning, promotion, digital transformation, and tracking of various operational processes. ● Participating in board decision-making to implement corporate operational outcomes, achieve annual budget and financial targets, and execute external communications and public relations. ● Building and consolidating corporate culture and team organizational structure, establishing corporate systems and processes, etc. ● Conducting specific project research, planning, and execution guidance, as well as coordinating integration among various departments. ● Appointing and dismissing senior management personnel. ● Enhancing coordination and execution of corporate governance, employee well-being, and sustainable environmental development matters. ● Supervising and executing significant contract signings, as well as intellectual property and corporate legal matters. ● Supervising company environmental, health, and safety management, as well as employee health maintenance and care.
3	Audit Office	● Drafting and executing annual audit plans for the Company and its subsidiaries. ● Executing and tracking improvement recommendations for internal control anomalies.

	Division	Business Scope and Responsibilities
4		● Conducting regular and ad-hoc audits, providing suggestions for identified issues, and monitoring the progress of improvements. ● Ensuring the effectiveness of the internal control system, its status, and operational functionality.
4	Sustainable Development Division	● Participating in corporate business strategies, corporate culture, and formulating human resources strategies. ● Establishing a comprehensive human resources management system and policies (including recruitment, performance, training, compensation, and employee development), as well as employee services. ● Creating a safe and healthy work environment, responsible for environmental safety, general affairs administration, and employee services. ● Assisting and ensuring the Company's compliance with relevant regulations, reviewing contracts, and providing timely legal compliance advice.
5	Operations Management Division	● Developing material procurement and supplier planning, executing procurement or outsourcing, and tracking incoming raw material schedules. ● Planning information intelligence mapping, maintaining and establishing company information software, hardware, and systems, and developing intelligent systems. ● Planning and executing production scheduling, managing raw material and finished product inventory and warehouse operations.
6	Total Quality Management Division	● Planning corporate quality strategies, formulating and executing quality policies, and drafting and revising inspection items and methods for all products. ● Conducting sampling and inspection of raw materials, semi-finished products, and finished products according to operating procedures, and accurately and completely recording, tracking, and improving test results.
7	RuggON Division	● Developing brand product strategies, planning, and supervising execution, assisting RuggON Corp in developing key customers, providing appropriate proposals for various project requirements, coordinating the workflow of various company units, and improving process efficiency. ● Conducting market research, product planning, and development of related products such as brand car computers, assisting RuggON Corp in product promotion, understanding customer needs, and providing final solutions.
8	ODM Europe & Asia Division	● Responsible for market development and maintenance of enterprise OEM customers in Europe and Asia.
9	ODM Americas Division	● Responsible for market development and maintenance of enterprise OEM customers in the Americas.
10	Government Solutions Division	● Responsible for market development and maintenance of government solution customers worldwide.
11	Management Operations Division	● Responsible for investment assessment and establishment of long investment subsidiary cases, financial risk management, derivatives hedging operations, fundraising, utilization and management of operating funds, and customer credit management. ● Preparation and analysis of budgets for decision-making department and formulate policies.
12	Accounting Division	● Compiling and analyzing financial statements and budgets for decision-making units to manage and formulate policies. ● Establishing, evaluating, and implementing accounting systems. ● Planning and filing various tax declarations. ● Regularly announcing or reporting financial conditions.

	Division	Business Scope and Responsibilities
13	Digital Information Division	● Developing and introducing enterprise digital information policies, and planning, managing, executing, and controlling system security.
14	Digital Connectivity Services Division	● Drafting enterprise software development strategies and objectives, and ensuring that the software quality and progress of each development project meet customer requirements.
15	Strategic Marketing Division	● Planning and designing the appearance, graphics, and UI of company products, devising marketing strategies and planning marketing activities, and managing activities such as marketing planning, advertising, organization, coordination, guidance, control, and assessment. ● Responsible for brand positioning, formulation of product marketing plans, ensuring competitiveness of services, and meeting market expectations.
16	Rugged Connectivity Research Division	● Formulating enterprise R&D strategies and objectives. ● Supervising the R&D department to ensure that the quality and progress of each R&D project meet customer requirements. ● Establishing core key technologies for branding and customized services to enhance corporate competitiveness. ● Training R&D engineers and building a high-quality and innovative R&D team.

2. Director, President, Vice President, Department Heads, and Branch Managers Information:

1) Directors:

1. Director Information (I)

April 06, 2024; Unit: Shares; %

Title (Note 1)	Nationality or Place of Registration	Name	Gender Age (Note2)	Date of Appointment	Term	Initial Appointment (Note3)	Shares Held at the Time of Appointment		Current Shareholding		Shares Held by Spouse and Minor Children Now		Shares Held through Nominees		Education & Work Experience (Note 4)	Current Concurrent Positions Held in This Company and Others	Other Executives, Directors, or Supervisors who are spouses or within 2nd-degree-kinship			Remarks (Note5)
							No. of Shares	%	No. of Shares	%	No. of Shares	%	No. of Shares	%			Title	Name	Rship.	
Chairman	ROC	FIC Global, Inc.	-	2022.12.2	3 yrs	2011.5.26	39,142,389	52.19	37,827,389	50.44	-	-	-	-	-	Chairman, First International Computer (FIC) Chairman, FICTA Technology, Inc. Supervisor, GeoIntelligence Systems, Inc.	-	-	-	-
	USA	Chien Min-Tz	M 41-50	2022.12.2		2011.5.26	-	-	-	-	-	-	-	-	MS in Electrical Engineering, UCLA Chief Operating Officer, FIC	Chairman and President of FIC Global Inc. Chairman, FIC Chairman, RuggON Corp. Director, King's Sports Co. Director, Witology Co. Independent Director, Cyberlink Corp. Independent Director, Promate Electronic Co. Director, 3CEMS Corp. Director, 3CEMS (Hong Kon)g Investment Management Limited President, FIC	-	-	-	-
Director	ROC	FIC Global, Inc.	-	2022.12.2	3 yrs	2011.5.26	39,142,389	52.19	37,827,389	50.44	-	-	-	-	-	Chairman, FIC Chairman, FICTA Technology, Inc. Supervisor, GeoIntelligence Systems, Inc.	-	-	-	-

Title (Note 1)	Nationality or Place of Registration	Name	Gender Age (Note2)	Date of Appointment	Term	Initial Appointment (Note3)	Shares Held at the Time of Appointment		Current Shareholding		Shares Held by Spouse and Minor Children Now		Shares Held through Nominees		Education & Work Experience (Note 4)	Current Concurrent Positions Held in This Company and Others	Other Executives, Directors, or Supervisors who are spouses or within 2nd-degree-kinship			Remarks (Note5)
							No. of Shares	%	No. of Shares	%	No. of Shares	%	No. of Shares	%			Title	Name	Rship.	
	ROC	Representative: Hsu Ching-Chen	F 61-70	2022.12.2		2011.5.26	729,405	0.97	729,405	0.97	-	-	-	-	EMBA in IT, National Chengchi University (incomplete) Bachelor of Electronics, Hwa Hsia College CEO of Ubiqconn Technology (UNA) Inc. Vice President of FIC Assistant Vice President, Advantech Co. Vice President, Lite-On Technology Corp.	Director and CEO, RuggON Corp Chairman, Ubiqconn Technology (UNA) Inc.	-	-	-	-
Director	ROC	Lin Sung-Hsi	M 41-50	2022.12.2	3 yrs	2022.12.2	-	-	-	-	-	-	-	-	Bachelor's in Economics, UCLA Senior Manager at Dell Inc. Business Manager at BNP Paribas Securities (Taiwan) Co. Business Manager at Yuanta Securities Co.	Business Director at Intel Corp	-	-	-	-
Director	ROC	Tseng Huai-Yi	M 41-50	2022.12.2	3 yrs	2022.12.2	-	-	-	-	-	-	-	-	Master's in International Business Management, Tsinghua University, Beijing Bachelor's in Civil and Environmental Engineering, UCLA Vice President of Group Affairs, Trip.com Group Ltd. Chief Financial Officer, Anjuke Inc. Investor Relations, International Finance, and M&A Director and CFO at Baidu Netcom Science and Technology Co., Beijing Vice President at Deutsche Bank AG, Hong Kong Branch	Global Chief Financial Officer at KKDay Director, GFC, Ltd. Director, Axman Enterprise Co.	-	-	-	-
Independent Director	ROC	Yu Yung-Kuei	M 51-60	2022.12.2	3 yrs	2022.12.2	-	-	-		-	-	-	-	Master's in Mechanical Engineering, National Chiao Tung University Bachelor's in Mechanical Engineering, National Cheng Kung University	Director and President, TGVest Capital Inc. Director, Song Chuan Precision Co. Director, Yishuo Investment Co.	-	-	-	-

Title (Note 1)	Nationality or Place of Registration	Name	Gender Age (Note2)	Date of Appointment	Term	Initial Appointment (Note3)	Shares Held at the Time of Appointment		Current Shareholding		Shares Held by Spouse and Minor Children Now		Shares Held through Nominees		Education & Work Experience (Note 4)	Current Concurrent Positions Held in This Company and Others	Other Executives, Directors, or Supervisors who are spouses or within 2nd-degree-kinship			Remarks (Note5)
							No. of Shares	%	No. of Shares	%	No. of Shares	%	No. of Shares	%			Title	Name	Rship.	
															Director and President, Hung Din Venture Capital Co. Investment Manager, China Development Industrial Bank Specialist, Asia Pacific Investment Corp. Development Engineer, Chin Chun Motor Co.	Director, Yishuo II Investment Co. Director, Yishuo III Investment Co. Supervisor, Yida Partners Co. Director, Yishuo Partners I Co. Director, Yishuo Partners II Co. Director, Yisheng Partners Co. Director, TGVest Capital II, Ltd. Director, Yitao Partners Co. Director, T Blossom Investment, Inc. Director, Taiwan Maeden Innovation Co. Director, TXOne Networks Inc.				
Independent Director	ROC	Hsiao Tsu-Tse	M 61-70	2022.12.2	3 yrs	2022.12.2	-	-	-		-	-	-	-	Bachelor's in Electronic Engineering, National Taiwan Ocean University Vice President, ST Engineering (Taiwan) Ltd. Product Manager, Kang Jin Universe Technology Co. IT Manager, Ji Xiang Securities Co. R&D Engineer, UTSI Computer Co.	Chairman, Deli Energy Inc.	-	-	-	-
Independent Director	ROC	Huang Chung-Liang	M 51-60	2023.2.6	3 yrs	2023.2.6	-	-	-		-	-	-	-	Master's in Finance, Florida International University Executive Office Chairman's Special Assistant, EVP TECHNOLOGY LLC. (U.S.A.) Taiwan Branch Project Business Manager, Track Systems Division, Siemens AG Finance Project Manager, Otis Elevator Company (Taiwan) Limited	Senior Project Manager, Strategic Execution Office at Marketech International Corp.	-	-	-	-

Title (Note 1)	Nationality or Place of Registration	Name	Gender Age (Note2)	Date of Appointment	Term	Initial Appointment (Note3)	Shares Held at the Time of Appointment		Current Shareholding		Shares Held by Spouse and Minor Children Now		Shares Held through Nominees		Education & Work Experience (Note 4)	Current Concurrent Positions Held in This Company and Others	Other Executives, Directors, or Supervisors who are spouses or within 2nd-degree-kinship			Remarks (Note5)
							No. of Shares	%	No. of Shares	%	No. of Shares	%	No. of Shares	%			Title	Name	Rship.	

Note 1: Corporate shareholders should list the name of the corporation and its representative separately. If the representative is from a corporate shareholder, the name of the corporation should be indicated, and Table 1 below should be completed.

Note 2: Please provide the actual age, which may be expressed in ranges, such as 41-50 years old or 51-60 years old.

Note 3: Fill in the date of the first appointment as a director or supervisor of the Company. If there are any interruptions, please provide an explanation in the notes.

Note 4: Relevant experiences related to the current position should be listed. If the individual has worked for a certified public accountant firm or related enterprises during the aforementioned period, specify the position held and responsibilities.

Note 5: Where the chairman of the board of directors and the president or person of an equivalent post (the highest-level manager) of the Company are the same person, spouses, or relatives within the first degree of kinship, an explanation shall be given of the reason for, reasonableness, necessity thereof, and the measures adopted in response thereto (such as increasing the number of independent director seats, ensuring that more than half of the directors do not concurrently serve as employees or managers, etc.).

Table 1: Major Corporate Shareholders

April 08, 2024

Corporate Shareholder Name	Major Corporate Shareholder	Shareholding Ratio
FIC Global, Inc.	Chia Chao Investment Co.	19.48%
	Wang Yang Chiao-ai Love the Lord Society Welfare Charity Foundation	15.04%
	Bank of Taiwan Co.	13.63%
	Zong Ching Investment Co.	7.18%
	Chi Hsin Investment Co.	6.40%
	Ho Meng Investment Co.	2.72%
	Chien Min-Tz	1.96%
	CGCH Foundation For Education	1.70%
	Chien Ming-Jen	1.64%
	University Venture Capital Co.	1.17%

Note 1: Directors and supervisors who are representatives of corporate shareholders shall fill in the name of the corporate shareholder.
Note 2: Fill in the name of the major corporate shareholder (whose shareholding ratio ranks in the top 10) and its shareholding ratio. If the major shareholder is a legal entity, please fill in Table 2 below.
Note 3: For corporate shareholders that are not organizational entities of a company, the disclosed names and shareholding ratios above shall pertain to contributors or donors (refer to the Judicial Yuan's announcement inquiry) and their respective contribution or donation ratios. In case of deceased donors, please annotate "(Deceased)."

Table 2: The major shareholders who are corporate entities in Table 1

April 08, 2024

Chia Chao Investment Co.	Chien Ming-Jen	30%
	Lee Peng-Hsuan	35%
	Chen Hui-Chun	35%
Zong Ching Investment Co.	BVI Shang Jinabaiyi Ltd.	100.00%
Chi Hsin Investment Co.	Lee Peng-Hsuan	89.29%
	Chien Ming-Hui	9.48%
	Ho Meng Investment Co.	1.23%
Ho Meng Investment Co.	Lee Peng-Hsuan	99.99%
	Chien Ming-Jen	0.01%
University Venture Capital Co.	Chia Chao Investment Co.	68.98%
	Chi Hsin Investment Co.	20.00%
	Zong Ching Investment Co.	11.00%

Note 1: If the major shareholders in Table 1 are corporate entities, the name of the respective corporation shall be provided.

Note 2: Fill in the name of the major corporate shareholder (whose shareholding ratio ranks in the top 10) and its shareholding ratio.

Note 3: For corporate shareholders that are not organizational entities of a company, the disclosed names and shareholding ratios above shall pertain to contributors or donors (refer to the Judicial Yuan's announcement inquiry) and their respective contribution or donation ratios. In case of deceased donors, please annotate "(Deceased)."

2. Director Information (II)

A. Disclosure of Director's Professional Qualifications and Independence of Independent Directors:

Criteria / Name	Professional Qualifications and Experience (Note 1)	Independence Status (Note 2)	Number of Other Public Companies Where Serving Concurrently as Independent Director
FIC Global, Inc. (Chairman) Representative: Chien Min-Tz	Industry Experience / Professional Competence: Operational management, industry experience, professional knowledge, leadership decision-making. Key Experiences: President at FIC Chief Operating Officer at FIC Chairman at RuggON Corp. Director at FIC Global, Inc. Director at City Smarter Technologies Corp. Director at King's Sports Co. Independent Director at Promate Electronic Co. Director at Witology Co. Possesses over five years of work experience and practical experience required for company operations. No circumstances falling under Article 30 of the Company Act.	(3)(10)(11)	2
FIC Global, Inc. (Director) Representative: Hsu Ching-Chen	Industry Experience / Professional Competence: Operational management, industry experience, professional knowledge, leadership decision-making. Key Experiences: CEO at RuggON Corp. Chairman at Ubiqconn Technology (UNA) Inc. Vice President at FIC Assistant Vice President at Advantech Co. Vice President at Lite-On Technology Corp. Possesses over five years of work experience and practical experience required for company operations. No circumstances falling under Article 30 of the Company Act.	(4)(5)(6)(7)(8)(9)(10)(11)	–
Lin Sung-Hsi (Director)	Industry Experience / Professional Competence: Operational management, industry experience, professional knowledge, leadership decision-making. Key Experiences: Business Director at Intel Corp Senior Manager at Dell Inc. Business Manager at BNP Paribas Securities (Taiwan) Co. Business Manager at Yuanta Securities Co. Possesses over five years of work experience and practical experience required for company operations. No circumstances falling under Article 30 of the Company Act.	(1)(2)(3)(4)(5)(6)(7)(8)(9)(10)(11)(12)	–

Criteria / Name	Professional Qualifications and Experience (Note 1)	Independence Status (Note 2)	Number of Other Public Companies Where Serving Concurrently as Independent Director
Tseng Huai-Yi (Director)	Industry Experience / Professional Competence: Operational management, industry experience, professional knowledge, financial accounting, leadership decision-making. Key Experiences: Director at GFC, Ltd. Director at Axman Enterprise Co. Director at Chang Star Corp. Director at Hua Star Investment Co. Global Chief Financial Officer at KKDay Vice President of Corporate Affairs at Trip.com Group Ltd. CFO at Anjuke Inc. Director and CFO of Investor Relations, International Finance, and M&A at Baidu Netcom Science and Technology Co. Vice President at Deutsche Bank AG, Hong Kong Branch Investment Assistant at Vincera Capital Co. Sales and Marketing Specialist at Chang Star Corp. Possesses over five years of work experience and practical experience required for company operations. No circumstances falling under Article 30 of the Company Act.	(1)(2)(3)(4)(5)(6)(7)(8)(9)(10)(11)(12)	–
Yu Yung-Kuei (Independent Director)	Industry Experience / Professional Competence: Operational management, industry experience, professional knowledge, leadership decision-making. Key Experiences: Director and President, TGVest Capital Inc. Director and President, Hung Din Venture Capital Co. Director, Song Chuan Precision Co. Director, Yishuo Investment Co. Director, Yishuo II Investment Co. Director, Yishuo III Investment Co. Supervisor, Yida Partners Co. Director, Yishuo Partners I Co. Director, Yishuo Partners II Co. Director, Yisheng Partners Co. Director, TGVest Capital II, Ltd. Director, Yitao Partners Co. Director, T Blossom Investment, Inc. Investment Manager, China Development Industrial Bank Specialist, Asia Pacific Investment Corp. Development Engineer, Chin Chun Motor Co. Possesses over five years of work experience and practical experience required for company operations. No circumstances falling under Article 30 of the Company Act.	(1)(2)(3)(4)(5)(6)(7)(8)(9)(10)(11)(12)	–

Criteria / Name	Professional Qualifications and Experience (Note 1)	Independence Status (Note 2)	Number of Other Public Companies Where Serving Concurrently as Independent Director
Hsiao Tsu-Tse (Independent Director)	Industry Experience / Professional Competence: Operational management, industry experience, professional knowledge, leadership decision-making. Key Experiences: Chairman, Deli Energy Inc. Vice President, ST Engineering (Taiwan) Ltd. Product Manager, Kang Jin Universe Technology Co. IT Manager, Ji Xiang Securities Co. R&D Engineer, UTSI Computer Co. Possesses over five years of work experience and practical experience required for company operations. No circumstances falling under Article 30 of the Company Act.	(1)(2)(3)(4)(5)(6)(7)(8)(9)(10)(11)(12)	–
Huang Chung-Liang (Independent Director)	Industry Experience / Professional Competence: Operational management, industry experience, professional knowledge, financial accounting, leadership decision-making. Key Education and Experiences: Master's in Finance, Florida International University Gloria & Partners L.T.D. President special assistant Senior Project Manager, Strategic Execution Office, Marketech International Corp. Executive Office Chairman's Special Assistant, EVP Technology LLC. (U.S.A.) Taiwan Branch Project Business Manager, Track Systems Division, Siemens AG Finance ERP Project Manager, Otis Elevator Company (Taiwan) Limited Possesses over five years of work experience and practical experience required for company operations. No circumstances falling under Article 30 of the Company Act.	(1)(2)(3)(4)(5)(6)(7)(8)(9)(10)(11)(12)	–

<table>
<tr><th>Criteria
Name</th><th>Professional Qualifications and Experience (Note 1)</th><th>Independence Status (Note 2)</th><th>Number of Other Public Companies Where Serving Concurrently as Independent Director</th></tr>
<tr><td colspan="4">Note: Independence status of directors during the two years before appointment and tenure. (Relevant disclosures are made in the table above)
(1) Not an employee of the company or any of its affiliates.
(2) Not a director or supervisor of the company or any of its affiliates (However, if serving as an independent director concurrently with the company and its parent, subsidiary, or subsidiary of the same parent company established under the Company Act or local laws, it is not subject to this restriction).
(3) Not a natural-person shareholder who holds shares, together with those held by the person's spouse, minor children, or held by the person through nominees, in an aggregate of one percent or more of the total number of issued shares of the company or ranking in the top 10 in holdings.
(4) Not a spouse, relative within the second degree of kinship, or lineal relative within the third degree of kinship, of a manager under 1. or any of the persons in 2. or 3.
(5) Not a director, supervisor, or employee of a corporate shareholder that directly holds 5% or more of the total number of issued shares of the company, or that ranks among the top five in shareholdings, or that designates its representative to serve as a director or supervisor of the company under Article 27, paragraph 1 or 2 of the Company Act. (However, if serving as an independent director concurrently with the company and its parent, subsidiary, or subsidiary of the same parent company established under the Company Act or local laws, it is not subject to this restriction).
(6) Not a director, supervisor, or employee of another company where a majority of the director seats or voting rights of the company are controlled by the same individual (However, if serving as an independent director concurrently with the company and its parent, subsidiary, or subsidiary of the same parent company established under the Company Act or local laws, it is not subject to this restriction).
(7) Not a director, supervisor, or employee of that other company or institution where the chairman, president, or person holding an equivalent position of the company and a person in any of those positions at another company or institution are the same person or are spouses (However, if serving as an independent director concurrently with the company and its parent, subsidiary, or subsidiary of the same parent company established under the Company Act or local laws, it is not subject to this restriction).
(8) Not a director, supervisor, manager, or shareholder holding 5% or more of the shares of a specified company or institution that has a financial or business relationship with the company (However, if serving as an independent director concurrently for a specific company or institution that holds 20% or more but less than 50% of the total issued shares of the company, with the company and its parent, subsidiary, or subsidiary of the same parent company established under the Company Act or local laws, this limitation does not apply.)
(9) Not a professional individual who, or an owner, partner, director, supervisor, or manager of a sole proprietorship, partnership, company, or institution that, provides auditing services to the company or any affiliate of the company, or that provides commercial, legal, financial, accounting or related services to the company or any affiliate of the company for which the provider in the past 2 years has received cumulative compensation exceeding NT$500,000, or a spouse thereof; provided, this restriction does not apply to a member of the remuneration committee, public tender offer review committee, or special committee for merger/consolidation and acquisition, who exercises powers pursuant to the Securities and Exchange Act or to the Business Mergers and Acquisitions Act or related laws or regulations.
(10) No spousal or second-degree relative relationships with other directors.
(11) No circumstances falling under Article 30 of the Company Act.
(12) Not elected as the government, legal entities, or their representatives under Article 27 of the Company Act.</td></tr>
</table>

2) Board Diversity and Independence:

I. Board Diversity：

The Company respects and advocates a policy of board diversity, and formulates appropriate diversification policies based on its own operations, business models, and development needs, including fundamental criteria and values, professional knowledge, and skills, as well as the knowledge, skills, and qualities required for carrying out duties. The Board consists of 7 directors, including 3 independent directors, with one female director. The Company promotes and respects a policy of board diversity to strengthen corporate governance and facilitates the sound development of board composition and structure, believing that diversity policies contribute to enhancing overall corporate performance. Director appointments are based on the principle of selecting the best person for the job, possessing diverse complementary abilities across industry domains (including fundamental criteria and values such as gender and age), as well as individual professional knowledge and skills (such as legal, accounting, industry, finance, marketing, or technological backgrounds, professional skills, and industry experience). The current status and implementation of the Company's board diversity policy are as follows:

Diversification / Director Name	Gender	Age	Experience				Professional Cpmpetence		
			Mgmt.	Financial Accounting	Industry Experience	Professional Knowledge	Financial Accounting	Leadership & Decision-making	Mgmt.
FIC Global Inc. Representative: Chien Min-Tz (Chairman)	M	41-50	V		V	V		V	V
FIC Global Inc. Representative: Hsu Ching-Chen (Director and CEO)	F	61-70	V		V	V		V	V
Lin Sung-Hsi	M	41-50	V		V	V		V	V
Tseng Huai-Yi	M	41-50	V	V	V	V	V	V	V
Yu Yung-Kuei (Independent Director)	M	51-60	V		V	V		V	V
Hsiao Tsu-Tse (Independent Director)	M	61-70	V		V	V		V	V
Huang Chung-Liang (Independent Director)	M	41-50	V	V	V	V	V	V	V

II. Board Independence:

The board of directors of the Company comprises seven members, of which three are independent directors. Please refer to Chapter Two for the independence of the board of directors, the director, president, vice president, department heads, and branch managers' information, as well as the disclosure of professional qualifications and independence information of the directors. From the aforementioned director information table, it can be observed that there are no marital or blood relationships within the second degree of kinship between directors, supervisors, or between directors and supervisors. Therefore, there are no circumstances as stipulated in Article 26-3, paragraphs 3 and 4 of the Securities Exchange Act.

3) President, Vice Presidents, Assistant Vice Presidents, Heads of Departments and Branches:

April 06, 2024; Unit: Shares; %

Job Title (Note 1)	Nationality	Name	Gender	Date of Appointment	Shares Held		Shares Held by Spouse and Minor Children		Shares Held through Nominees		Education & Work Experience (Note 2)	Concurrent Positions in Other Companies	Managers who are spouses or within 2nd-degree-kinship			Remarks
					No. of Shares	%	No. of Shares	%	No. of Shares	%			Title	Name	Rship.	
Chief Executive Officer	ROC	Hsu Ching-Chen	F	2011.6.28	729,405	0.97	-	-	-	-	EMBA in IT, National Chengchi University (incomplete) Bachelor of Electronics, Hwa Hsia College CEO, RuggON Corp. Vice President, FIC Assistant Vice President, Advantech Co. Vice President, Lite-On Technology Corp.	Chief Executive Officer, RuggON Corp. Chairman, Ubiqconn Technology (USA) Inc	-	-	-	-
Assistant Vice President, Sustainable Development Department	ROC	Huang Chien-Chen	M	2021.12.1	45,000	0.06	-	-	-	-	Master of Laws, National Tsing Hua University Legal Affairs Officer, Fubon Financial Legal Affairs Project Manager, FIC	Supervisor, RuggON Corp. Taipei Branch Manager and Taiwan Branch Manager, BVI Perfect Union Global Inc. Director, Prime Base Inc. Director, 3CEMS (Hong Kong) Investment Management Limited	-	-	-	-
Vice President, ODM Americas Division	ROC	Liao Shan-Ju	F	2013.11.18	135,000	0.18	-	-	-	-	Bachelor of Cooperative Economics, Tamkang University Assistant Vice President, FIC Procurement Manager, Semp Toshiba Informatica Ltda Taiwan Office	-	-	-	-	-
Chief Technology Officer, Rugged Connectivity Research Division	ROC	Wang Chien-Hsiung	M	2021.6.28	576,000	0.77	-	-	-	-	Bachelor of Electronics, Hwa Hsia College R&D Vice President, FIC Chief Technology Officer, EZHI Technologies, Inc.	-	-	-	-	-
Assistant Vice President, Hardware Design Dept, Rugged Connectivity Research Division	ROC	Chang Chih-Chun	M	2021.6.28	128,000	0.17	-	-	-	-	Bachelor of Electronics, National Taiwan Institute of Technology Assistant Vice President, FIC Project Manager, EZHI Technologies, Inc. Hardware Section Manager, Senao International Co.	-	-	-	-	-
Assistant Vice President, System	ROC	Huang Meng-Chou	M	2011.6.28	118,969	0.16	-	-	-	-	Master of Mechatronic Engineering, National Taipei University of Technology	-	-	-	-	-

April 06, 2024; Unit: Shares; %

Job Title (Note 1)	Nationality	Name	Gender	Date of Appointment	Shares Held		Shares Held by Spouse and Minor Children		Shares Held through Nominees		Education & Work Experience (Note 2)	Concurrent Positions in Other Companies	Managers who are spouses or within 2nd-degree-kinship			Remarks
					No. of Shares	%	No. of Shares	%	No. of Shares	%			Title	Name	Rship.	
Architecture Design Dept, Rugged Connectivity Research Division											Assistant Vice President, FIC Senior Engineer, Inventec Corp.					
Assistant Vice President, Product Design Verification Dept, Rugged Connectivity Research Division	ROC	Chen Han-Tun	M	2011.6.28	75,000	0.10	-	-	-	-	Master of Aeronautics and Astronautics, National Cheng Kung University Assistant Vice President, FIC Technician, National Chung-Shan Institute of Science and Technology Senior Engineer, Featron Computer Corp.	-				
Vice President, Operations Management Division	ROC	Chien Chin-Sheng	M	2017.7.3	195,000	0.26	-	-	-	-	Master of Management, National Taiwan University of Science and Technology Linkou Board Factory Director, Advantech Co. Assistant Project Manager, Strategic Planning Dept, ASE Technology Holding Co IE Section Chief, Compal Electronics	-	-	-	-	-
Vice President, Digital Information Division and Digital Connectivity Services Division	ROC	Tien Lien-Jen	M	2021.6.28	140,650	0.19	-	-	-	-	NYIT Master of Computer Science Vice President, Digital Connectivity Services Division, Ubiqconn Technology, Inc. Vice President, Software Technology Dept, FIC	-	-	-	-	-
Assistant Vice President, ODM Europe and Asia Division	ROC	Kuo Chia-Chi	M	2020.5.4	40,000	0.05	-	-	-	-	Master of Industrial Engineering, Purdue University Vice President, Business Headquarters, Ennoconn Corp Assistant Vice President of Application Computer Group, Advantech Co. Senior Assistant Vice President of Sales Dept, Compal Communications, Inc.	-	-	-	-	-

April 06, 2024; Unit: Shares; %																
Job Title (Note 1)	Nationality	Name	Gender	Date of Appointment	Shares Held		Shares Held by Spouse and Minor Children		Shares Held through Nominees		Education & Work Experience (Note 2)	Concurrent Positions in Other Companies	Managers who are spouses or within 2nd-degree-kinship			Remarks
					No. of Shares	%	No. of Shares	%	No. of Shares	%			Title	Name	Rship.	
											Assistant Vice President, FIC					
Assistant Vice President, RuggON Division	ROC	Lee Po-Cheng	M	2023.1.3	59,856	0.08	-	-	-	-	Simon Fraser University Bachelor of Arts Channel Marketing Specialist, Future Shop Canada Overseas Business Manager, Plustek Inc.	Director (Corporate Representative), RuggON Corp.	-	-	-	-
Corporate Governance Manager	ROC	Chang Hsu-Ming	M	2023.03.28	-	-	-	-	-	-	MBA, State University of New York at New Patz Bachelor of Business Administration,. National Yunlin University of Science and Technology Assistant manager of Stock affair department ,Kinpo Electronic Special assistant of General Manager, SINBON Electronics	-	-	-	-	-
Finance Manager	ROC	Hsieh Kuo-Tsai	M	2015.3.25	45,000	0.06	-	-	-	-	MBA, Tunghai University Bachelor of Business Administration, National Sun Yat-sen University Chief Financial Officer, ACA Digital Corp Assistant Audit Manager, Hong Shuo Technology Co. Finance Manager, JVC Jianxing (Guangzhou) Technology Co. Deputy Accounting Manager, Jianxing Electronics (now Lite-On) Technology Co. International Business Review Specialist, Chailease Finance Co.	-	-	-	-	-
Accounting Manager	ROC	Yu Chia-Ju	F	2021.12.24	5,000	0.01	-	-	-	-	Bachelor's in Accounting and Statistics, Chungyu Junior College of Business Administration Accounting Manager, TMP International Corp Auditor, Chuang Chi-Hui Accounting Firm	-	-	-	-	-

Note 1: The information should include data on the Presidents, Vice Presidents, Assistant Vice Presidents, department heads, and branch managers. Additionally, any positions equivalent to President, Vice President, Assistant Vice President, regardless of title, should also be disclosed.

Note 2: Relevant experiences to the current position, such as previous employment in a certified public accountant firm or related enterprises during the aforementioned period, should be specified, including the job title and responsibilities held.

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

1) Remuneration for Directors (including Independent Directors) (Aggregate Disclosure with Name Ranges)

December 31, 2023; in NT$ K

Title	Name	Director Remuneration								Ratio of Total Remuneration (A+B+C+ +D) to Net Income		Relevant Remuneration Received by Directors Who are Also Employees								Ratio of Total Remuneration (A+B+C+D+E+F+G) to Net Income (%)		Remuneration from Ventures Outside Subsidiaries or from Parent
		Remuneration (A)		Retirement Pension (B)		Director Fees (C)		Business Execution Expenses (D)				Salaries, Bonuses, and Special Allowances, etc. (E)		Retirement Pension (F)		Employee Compensation (G)						
																Company		All Companies in Financial Statements				
		Company	All Companies in Financial Statements	Company	All Companies in Financial Statements	Company	All Companies in Financial Statements	Company	All Companies in Financial Statements	Company (%)	All Companies in Financial Statements (%)	Company	All Companies in Financial Statements	Company	All Companies in Financial Statements	Cash Amount	Stock Amount	Cash Amount	Stock Amount	Company (%)	All Companies in Financial Statements (%)	
Corporate Director	FIC Global, Inc.	-	-	-	-	4,914	4,914	63	63	4,977 1.93.%	4,977 1.93%	5,308	5,308	-	-	-	-	-	-	10,285 3.99%	10,285 3.99%	-
Chairman	FICG Rep.: Chien Min-Tz																					
Director Rep.	FICG Rep.: Hsu Ching-Chen																					
Director	Lin Sung-Hsi																					
Director	Tseng Huai-Y																					
Independent Director	Yu Yung-Kuei	-	-	-	-	-	-	115	115	115 0.04%	115 0.04%	-	-	-	-	-	-	-	-	115 0.04%	115 0.04%	-
Independent Director	Hsiao Tsu-Tse																					
Independent Director	Huang Chung-Liang (Note)																					

1. Please specify the compensation policy, system, standards, and structure for independent directors, and articulate the correlation between the amount of compensation and factors such as responsibilities, risks, and time commitment: In the fiscal year 2023, independent directors of the Company only received transportation allowances for attending audits and board meetings (NT$5,000 per attendance per person), and did not receive any other remuneration.
2. In addition to the disclosures in the table above, the remuneration received by directors for services provided in the most recent fiscal year (such as acting as consultants [not as employees] to the parent company / all companies within the financial reports/ investee companies): None.

Remuneration Range Table

Payment Range of Remuneration to Each Director of the Company	Name of Directors			
	Total Amount of First Four Categories of Remuneration (A+B+C+D)		Total Amount of First Seven Categories of Remuneration (A+B+C+D+E+F+G)	
	Company (Note 8)	All Companies in Financial Statements (Note 9) H	Company (Note 8)	All Companies in Financial Statements (Note 9) I
Below NT$1,000,000	Hsu Ching-Chen, Lin Sung-Hsi, Tseng Huai-Yi, Yu Yung-Kuei, Hsiao Tsu-Tse, Huang Chung-Liang	Chien Min-Tz, Hsu Ching-Chen, Lin Sung-Hsi, Tseng Huai-Yi, Yu Yung-Kuei, Hsiao Tsu-Tse, Huang Chung-Liang	Chien Min-Tz, Hsu Ching-Chen, Lin Sung-Hsi, Tseng Huai-Yi, Yu Yung-Kuei, Hsiao Tsu-Tse, Huang Chung-Liang	Chien Min-Tz, Hsu Ching-Chen, Lin Sung-Hsi, Tseng Huai-Yi, Yu Yung-Kuei, Hsiao Tsu-Tse, Huang Chung-Liang
NT$1,000,000 (inclusive) - NT$2,000,000 (exclusive)	Chien Ming-Tz,	Chien Ming-Tz,	Chien Ming-Tz,	Chien Ming-Tz,
NT$2,000,000 (inclusive) - NT$3,500,000 (exclusive)	-	-		
NT$3,500,000 (inclusive) - NT$5,000,000 (exclusive)	-	-		
NT$5,000,000 (inclusive) - NT$10,000,000 (exclusive)	-	-	Hsu Ching-Chen	Hsu Ching-Chen
NT$10,000,000 (inclusive) - NT$15,000,000 (exclusive)	-	-	-	-
NT$15,000,000 (inclusive) - NT$30,000,000 (exclusive)	-	-	-	-
NT$30,000,000 (inclusive) - NT$50,000,000 (exclusive)	-	-	-	-
NT$50,000,000 (inclusive) - NT$100,000,000 (exclusive)	-	-	-	-
NT$100,000,000 or above	-	-	-	-
Total	7 individuals	7 individuals	7 individuals	7 individuals

Note 1: Directors' names shall be separately listed (for corporate shareholders, the name of the corporate shareholder and its representative shall be separately listed), and both general directors and independent directors shall be separately listed, with various payment amounts disclosed in aggregate. If a director concurrently serves as a president or vice president, this table and the following table (3-1) or tables (3-2-1) and (3-2-2) shall be completed.

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

Note 3: Represents the director's remuneration amount distributed in the most recent fiscal year approved by the Board of Directors.

Note 4: Refers to the relevant business execution expenses of directors in the most recent fiscal year (including transportation allowances, special allowances, various subsidies, accommodation, vehicle provisions, etc.). When providing housing, vehicles, and other transport means or exclusive personal expenditures, the nature and cost of the provided assets, actual rent or rent calculated at fair market value, fuel costs, and other benefits shall be disclosed. Additionally, if a driver is provided, please provide a note explaining the remuneration paid by the Company to the driver, but excluding from the remuneration calculation.

Note 5: Refers to the remuneration received by directors who concurrently serve as employees in the most recent fiscal year (including those concurrently serving as presidents, vice presidents, other managers, and employees), including salaries, duty allowances, severance pay, various bonuses, incentives, transportation allowances, special allowances, various subsidies, accommodation, vehicle provisions, etc. When providing housing, vehicles, and other transport means or exclusive personal expenditures, the nature and cost of the provided assets, actual rent or rent calculated at fair market value, fuel costs, and other benefits shall be disclosed. Additionally, if a driver is provided, please provide a note explaining the remuneration paid by the Company to the driver, but excluding from the remuneration calculation. Furthermore, according to IFRS 2 "Share-based Payment," salary expenses recognized include stock options granted to employees, restricted stock awards, and subscription for newly issued shares through cash capital increase, which shall also be included in remuneration calculations.

Note 6: Refers to directors who concurrently serve as employees in the most recent fiscal year (including those serving as president, vice president, other managers, and employees) receiving employee compensation (including stocks and cash). The amount of employee compensation distributed in the most recent fiscal year as approved by the Board of Directors shall be disclosed. If it cannot be estimated, the proposed distribution amount for this year shall be calculated based on the proportion of actual distribution amounts from the previous year. In addition, Schedule 1-3 shall be filled out accordingly.

Note 7: The total amount of remuneration paid to directors of the Company by all companies (including the Company) within the consolidated financial statements shall be disclosed.

Note 8: For the total amount of remuneration paid to each director by the Company, the names of the directors within their respective remuneration brackets shall be disclosed.

Note 9: The aggregate remuneration provided to each director of the Company by all companies (including the Company) encompassed in the consolidated financial statements shall be disclosed, along with the directors' names enumerated within their respective remuneration brackets.

Note 10: The net income after tax refers to the net profit after tax for the most recent fiscal year as reported in the parent company only or individual financial statements.

Note 11:

a. This column shall clearly indicate the amount of remuneration received by the Company's directors from investment ventures outside of subsidiaries or from the parent company. If no such remuneration is received, please indicate "None."

b. If Company directors receive remuneration from investment ventures outside of subsidiaries or from the parent company, such remuneration thus received by the Company's directors shall be included in column I of the remuneration range table, with the column name changed to "Parent Company and All Investment Ventures."

c. Remuneration refers to the compensation, remuneration (including employee, director, and supervisor remuneration), and business execution expenses received by the Company's directors in their capacity as directors, supervisors, or managers of investment ventures outside of subsidiaries or from the parent company.

*The contents of remuneration disclosed in this table are different from the concept of income under the Income Tax Act; therefore, the purpose of this table is for information disclosure purposes only and not for taxation purposes.

2) Remuneration for President and Vice Presidents (Aggregate Disclosure with Name Ranges)

December 31, 2023; in NT$ K

Job Title	Name	Salary (A) (Note 2)		Retirement Pension (B)		Bonuses, Special Allowances, etc. (C) (Note 3)		Employee Compensation (D) (Note 4)				Ratio of Total Compensation (A+B+C+D) to Net Income (%) (Note 8)		Remuneration from Ventures Outside Subsidiaries or from Parent (Note 9)
		Company	All Companies in Financial Statements (Note 5)	Company	All Companies in Financial Statements (Note 5)	Company	All Companies in Financial Statements (Note 5)	Company		All Companies in Financial Statements (Note 5)		Company	All Companies in Financial Statements (Note 5)	
								Cash Amount	Stock Amount	Cash Amount	Stock Amount			
CEO	Hsu Ching-Chen	10,978	10,978	432	432	11,850	11,850	392	—	—	—	23,652 9.17%	23,652 9.17%	—
CTO	Wang Chien-Hsiung													
VP	Liao Shan-Ju													
VP	Chien Chin-Sheng													
VP	Tien Lien-Jen													

* Regardless of title, all positions equivalent to President or Vice President (e.g., President, CEO, Director-General, etc.) shall be disclosed.

Remuneration Range Table

Payment Range of Remuneration to Each Director of the Company	Name of President and Vice Presidents	
	The Company	All Companies in Financial Statements
Below NT$1,000,000	-	-
NT$1,000,000 (inclusive) - NT$2,000,000 (exclusive)	-	-
NT$2,000,000 (inclusive) - NT$3,500,000 (exclusive)	-	-
NT$3,500,000 (inclusive) - NT$5,000,000 (exclusive)	Liao Shan-Ju, Tien Lien-Jen, Chien Chin-Sheng	Liao Shan-Ju, Tien Lien-Jen, Chien Chin-Sheng
NT$5,000,000 (inclusive) - NT$10,000,000 (exclusive)	Hsu Ching-Chen, Wang Chien-Hsiung	Hsu Ching-Chen, Wang Chien-Hsiung
NT$10,000,000 (inclusive) - NT$15,000,000 (exclusive)	-	-
NT$15,000,000 (inclusive) - NT$30,000,000 (exclusive)	-	-
Total	5 individuals	5 individuals

Note 1: The names of the President and Vice Presidents shall be separately listed, disclosing various remuneration amounts in an aggregated manner. Where a director also serves as President or Vice President, both this table and Table (1-1), or (1-2-1) and (1-2-2), shall be completed.

Note 2: Refers to the salaries, duty allowances, and severance pay of the President and Vice Presidents for the most recent fiscal year.

Note 3: Refers to various bonuses, incentives, transportation allowances, special allowances, and miscellaneous allowances, accommodation expenses, vehicle provisions, and other in-kind benefits, along with any other remuneration provided to the President and Vice Presidents for the most recent fiscal year. When providing accommodation, automobiles, and other means of transportation or personal expenses, please disclose details regarding the nature and cost of the provided assets, the actual or fair market value-based rent, fuel costs, and other associated benefits. Additionally, if a driver is provided, please include a note explaining the relevant compensation paid by the Company to the driver, which is not considered part of the remuneration. Furthermore, salary expenses recognized under IFRS 2 "Share-based Payment," such as stock options granted to employees, restricted stock awards, and subscriptions for newly issued shares through cash capital increases, shall also be included in the remuneration.

Note 4: This pertains to the amount of employee compensation distributed to the President and Vice Presidents for the most recent fiscal year, including stocks and cash, approved by the Board of Directors. If it cannot be estimated, the proposed distribution amount for this year shall be calculated based on the proportion of actual distribution amounts from the previous year. In addition, Schedule 1-3 shall be filled out accordingly.

Note 5: The total remuneration paid to the President and Vice Presidents of the Company by all companies (including the Company) included in the consolidated financial statements shall be disclosed.

Note 6: For the total amount of remuneration paid to each President and Vice President by the Company, the names of the President and Vice Presidents within their respective remuneration brackets shall be disclosed.

Note 7: The aggregate remuneration provided to each President and Vice President of the Company by all companies (including the Company) included in the consolidated financial statements shall be disclosed, along with the names of the President and Vice Presidents enumerated within their respective remuneration brackets.

Note 8: "Net income after tax" refers to the net income after tax for the most recent fiscal year as reported in the parent company only or individual financial statements.

Note 9: a. This column shall clearly indicate the amount of remuneration received by the Company's President and Vice Presidents from investment ventures outside of subsidiaries or from the parent company. If no such remuneration is received, please indicate "None."

b. If the Company's President and Vice Presidents receive remuneration from investment ventures outside of subsidiaries or from the parent company, such remuneration thus received by the Company's President and Vice Presidents shall be included in column E of the remuneration range table, with the column name changed to "Parent Company and All Investment Ventures."

c. Remuneration refers to the compensation, remuneration (including employee, director, and supervisor remuneration), and business execution expenses received by the Company's President and Vice Presidents in their capacity as directors, supervisors, or managers of investment ventures outside of subsidiaries or from the parent company.

*The contents of remuneration disclosed in this table are different from the concept of income under the Income Tax Act; therefore, the purpose of this table is for information disclosure purposes only and not for taxation purposes.

3) Managers allocating employee compensation and distribution status: No instances identified.

Separately compare and describe total remuneration, as a percentage of net income stated in the parent company only financial reports or individual financial reports, as paid by the Company and by each other company included in the consolidated financial statements during the past 2 fiscal years to the Company's directors, supervisors, presidents, and vice presidents, and analyze and describe remuneration policies, standards, and packages, the procedure for determining remuneration, and its linkage to operating performance and future risk exposure:

III. Total remuneration, as a percentage of net income stated in the parent company only financial reports or individual financial reports, as paid by the Company and by each other company included in the consolidated financial statements to the Company's directors, supervisors, presidents, and vice presidents:

Fiscal Year / Item	2022		2023	
	Company	All Companies in Consolidated Reports	Company	All Companies in Consolidated Reports
Director	6.33%	7.52%	3.99%	3.99%
Supervisor	-	-	-	-
President & Vice President	10.87%	10.87%	9.17%	9.17%

IV. Remuneration policies, standards, and packages, the procedure for determining remuneration, and its linkage to operating performance and future risk exposure:

A. Directors and Supervisors

The remuneration of directors in the Company includes transportation allowances and attendance fees for attending board meetings and functional committee meetings, as well as fixed compensation for functional committees.

The Company's policy on remunerating directors and supervisors is stipulated in the Company's articles of corporation. In years of profitability, up to 1.5% may be allocated by the Board of Directors for director and supervisor remuneration. The evaluation of director remuneration allocated annually under the articles of corporation, as reported to the shareholders' meeting, is determined by the Board of Directors, taking into account key factors such as individual contributions to the Company's performance, future risks, and industry benchmarks, in addition to the overall operational performance of the Company.

B. President and Vice Presidents

The remuneration of the Company's president and vice presidents includes salary, bonuses, and employee compensation. Key factors in evaluating remuneration include the position held, responsibilities undertaken, and contributions to the Company, as well as industry benchmarks. In addition, employee compensation may be allocated not less than 1% annually by the Board of Directors, as stipulated in the Company's articles of corporation, in profitable years.

4. Corporate Governance Operations:

1) Board of Directors Operations:

I. From January 1, 2023 to April 2024, the Company's Board of Directors held 8 (A) meetings, and the attendance of directors is as follows:

Title	Name (Note 1)	Actual Attendance Count (B)	Proxy Attendance Count	Actual Attendance (%) [B/A] (Note 2)	Remarks
Chairman	FICG Rep.: Chien Min-Tz	8	-	100.00%	-
Director	FICG Rep.: Hsu Ching-Chen	6	2	75.00%	-
Director	Lin Sung-Hsi	4	2	50.00%	
Director	Tseng Huai-Yi	7	1	87.50%	
Independent Director	Yu Yung-Kuei	7	1	87.50%	
Independent Director	Hsiao Tsu-Tse	8	-	100.00%	
Independent Director	Huang Chung-Liang	8	-	100.00%	

1. Other Matters to be Disclosed:
Should the Board of Directors operate under any of the following circumstances, details including the board meeting date, session, proposal content, opinions of all independent directors, and the Company's response to those opinions shall be specified:
A. Matters stipulated in Article 14-3 of the Securities and Exchange Act: The Company established an Audit Committee, subsequently adhering to relevant provisions set out in Article 14-5 of the same Act.
B. Apart from the aforementioned, any other decisions made by the Board of Directors that elicited objections or reservations from independent directors, along with documented records or written statements: None.
2. Regarding directors' recusal from conflict-of-interest proposals, the names of directors, proposal details, reasons for recusal due to conflict of interest, and their participation in voting shall be specified: N/A.

Directors Recusing from Conflict of Interest	Board Meeting Date	Session	Proposal	Recusal Reasons & Voting Participation
FICG Rep.: Hsu Ching-Chen	2023/05/09	5th Term 5th Session	Distribution of Managerial Staff Compensation	Due to Director Hsu Ching-Chen holding a manager position, there was a conflict of interest, leading to her abstention from discussion and resolution. Following consultation by the Chair with all attending directors (total of 6), no objections were raised, and the decision was unanimously approved.
FICG Rep.: Hsu Ching-Chen	2023/11/07	5th Term 8th	Special Bonus for Managers in 2023	Due to Director Hsu Ching-Chen holding a manager position, there was a conflict of interest, leading to

		Session		her abstention from discussion and resolution. Following consultation by the Chair with all attending directors (total of 6), no objections were raised, and the proposal was unanimously approved.
FICG Rep.: Chien Min-Tz, Hsu Ching-Chen	2023/11/07	5th Term 8th Session	Retroactive Recognition of the Company's Acquisition (Lease) of Real Estate Usage Rights from Related Parties	As corporate directors FICG and FIC are related parties, represented by Chairman Chien Min-Tz and Director Hsu Ching-Chen, they opted to recuse themselves from discussion and resolution on this proposal. After consultation by the Chair with all attending directors (total of 5), no objections were raised, and the proposal was unanimously approved.
FICG Rep.: Chien Min-Tz, Hsu Ching-Chen	2023/11/07	5th Term 8th Session	Retroactive Recognition of Contracts for Computer Software Licensing between the Company and Affiliates	Given that corporate director FICG is a related party, represented by Chairman Chien Min-Tz and Director Hsu Ching-Chen, they opted to recuse themselves from discussion and resolution on this proposal. Following consultation by the Chair with all attending directors (total of 5), no objections were raised, and the proposal was unanimously approved.
FICG Rep.: Hsu Ching-Chen	2024/03/13	5th Term 10th Session	Employee Share Subscription Distribution Plan for Cash Capital Increase by Issuing New Shares	As the representative of corporate director FICG, Hsu Ching-Chen also served as a manager of the Company, leading to her recusal from discussion and resolution on this proposal. After consultation by the Chair with all attending directors (total of 6), no objections were raised, and the proposal was unanimously approved.

3. The information regarding the evaluation cycle, period, scope, method, and content of the Board of Directors' self-assessment (or peer assessment), with the implementation status of the assessment as follows:

Board of Directors Report Date	March 13, 2024
Evaluation Cycle	Annually
Evaluation Period	From January 1, 2023, to December 31, 2023
Evaluation Scope	1. Entire Board of Directors 2. Individual Directors 3. Functional Committees: Audit Committee and Remuneration Committee; the Sustainable Development Committee, established in 2023, was not evaluated as it had not been operational for a full year.

<table>
<tr><td>Evaluation Subjects</td><td colspan="3">Members of the current Board of Directors and Functional Committees</td></tr>
<tr><td>Evaluation Methods</td><td colspan="3">1. Self-assessment questionnaires for the Board of Directors
2. Self-assessment questionnaires for Board members
3. Self-assessment questionnaires for the Audit Committee
4. Self-assessment questionnaires for the Remuneration Committee</td></tr>
<tr><td>Evaluation Content</td><td colspan="3">1. Dimensions of Performance Evaluation for the Entire Board of Directors:
A. Engagement in Company Operations
B. Enhancement of Board Decision Quality
C. Board Composition and Structure
D. Director Election and Continuous Education
E. Internal Controls
2. Dimensions of Performance Evaluation for Individual Board Members:
A. Grasp of Company Goals and Mission
B. Awareness of Director Responsibilities
C. Engagement in Company Operations
D. Management of Internal Relationships and Communication
E. Professionalism and Continuous Education of Directors
F. Internal Controls
3. Dimensions of Performance Evaluation for the Audit Committee:
A. Engagement in Company Operations
B. Awareness of Audit Committee Responsibilities
C. Enhancement of Audit Committee Decision Quality
D. Composition and Selection of Audit Committee Members
E. Internal Controls
4. Dimensions of Performance Evaluation for the Remuneration Committee:
A. Engagement in Company Operations
B. Awareness of Remuneration Committee Responsibilities
C. Enhancement of Remuneration Committee Decision Quality
D. Composition and Selection of Remuneration Committee Members</td></tr>
<tr><td rowspan="23">Evaluation Results (Note):</td><td colspan="3">1. Entire Board of Directors:</td></tr>
<tr><td>Dimension</td><td>Average Score</td><td>Rating</td></tr>
<tr><td>A. Engagement in Company Operations</td><td>4.78</td><td>Very good</td></tr>
<tr><td>B. Enhancement of Board Decision Quality</td><td>5.00</td><td>Excellent</td></tr>
<tr><td>C. Board Composition and Structure</td><td>5.00</td><td>Excellent</td></tr>
<tr><td>D. Director Selection and Continuous Education</td><td>5.00</td><td>Excellent</td></tr>
<tr><td>E. Internal Controls</td><td>5.00</td><td>Excellent</td></tr>
<tr><td>Overall Average</td><td>4.93</td><td>Very good</td></tr>
<tr><td colspan="3">2. Dimensions of Performance Evaluation for Individual Board Members:</td></tr>
<tr><td>Dimension</td><td>Average Score</td><td>Rating</td></tr>
<tr><td>A. Grasp of Company Goals and Mission</td><td>4.62</td><td>Very good</td></tr>
<tr><td>B. Awareness of Director Responsibilities</td><td>4.79</td><td>Very good</td></tr>
<tr><td>C. Engagement in Company Operations</td><td>4.54</td><td>Very good</td></tr>
<tr><td>D. Management of Internal Relationships and Communication</td><td>4.62</td><td>Very good</td></tr>
<tr><td>E. Professionalism and Continuous Education of Directors</td><td>4.71</td><td>Very good</td></tr>
<tr><td>F. Internal Controls</td><td>4.71</td><td>Very good</td></tr>
<tr><td>Overall Average</td><td>4.65</td><td>Very good</td></tr>
<tr><td colspan="3">3. Dimensions of Performance Evaluation for the Audit Committee:</td></tr>
<tr><td>Dimension</td><td>Average Score</td><td>Rating</td></tr>
<tr><td>A. Engagement in Company Operations</td><td>4.67</td><td>Very good</td></tr>
<tr><td>B. Awareness of Audit Committee Responsibilities</td><td>4.60</td><td>Very good</td></tr>
</table>

	C. Enhancement of Audit Committee Decision Quality	4.48	Very good
	D. Composition and Selection of Audit Committee Members	4.67	Very good
	E. Internal Controls	4.67	Very good
	Overall Average	4.59	Very good
	4. Dimensions of Performance Evaluation for the Remuneration Committee:		
	Dimension	Average Score	Rating
	A. Engagement in Company Operations	4.75	Very good
	B. Awareness of Remuneration Committee Responsibilities	4.25	Very good
	C. Enhancement of Remuneration Committee Decision Quality	4.29	Very good
	D. Composition and Selection of Remuneration Committee Members	4.50	Very good
	Overall Average	4.42	Very good

Note: Numeric Scale: 1: Very Poor (Strongly Disagree); 2: Poor (Disagree); 3: Average (Neutral); 4: Very good (Agree); 5: Excellent (Strongly Agree).

4. Goals for strengthening board functions in the current and most recent fiscal years (e.g. establishing an Audit Committee, improving information transparency) and evaluation of their implementation: The Company established the Sustainable Development Committee in November 2023.
   (1) The Company established the Sustainable Development Committee in November 2023.
   (2) The Company has set forth the "Rules of Procedure for Board of Directors Meetings," which govern the content of board meeting minutes, operational procedures, matters to be documented in the minutes, announcements, and other compliance matters. Board meetings are held at least quarterly, with a policy focused on maximizing shareholder interests. Board members act as prudent and faithful stewards, exercising their duties with a high level of self-discipline and caution.

2) Audit Committee Operation:

3) From January 1, 2023, to April 2024, the Board of Directors of the Company convened 7 (A) meetings. The attendance of directors is as follows:

Title	Name	Actual Attendance Count (B)	Proxy Attendance Count	Actual Attendance (%) (B/A) (Note 1, Note 2)	Remarks
Independent Director	Yu Yung-Kuei	7	-	100.00%	Convener
Independent Director	Hsiao Tsu-Tse	7	-	100.00%	-
Independent Director	Huang Chung-Liang	7	-	100.00%	-

Other Matters to be Disclosed:

1. If the Audit Committee operates under any of the following circumstances, the following details shall be specified: the Audit Committee meeting date, session, proposal content, independent directors' objections, reservations or significant recommendations, decision outcomes of the Audit Committee, and the Company's response to the opinions of the Audit Committee.

(1) Matters listed in Article 14-5 of the Securities and Exchange Act.

<table>
<tr><th>Date</th><th>Session</th><th>Agenda Items</th><th>Opinions of All Independent Directors and Company's Handling of Such Opinions</th></tr>
<tr><td rowspan="10">2022/12/19</td><td rowspan="10">1st Term 1st Session</td><td>Internal Audit Plan for 2023</td><td rowspan="13">1. Content of Objections, reservations, or significant suggestions from independent directors: None.
2. All attending independent directors and directors approved the proposals without objection.
3. Company's response to independent directors' opinions: None.</td></tr>
<tr><td>Addition of "Compensation and Performance Bonus Policy"</td></tr>
<tr><td>Establishment of Transportation Allowance Policy for Directors and Independent Directors of the Company</td></tr>
<tr><td>Amendment of the Company's Budget Management Regulations</td></tr>
<tr><td>Budget Report for 2023</td></tr>
<tr><td>Amendment of the "Investment Acquisition or Disposal Operations" of the Company</td></tr>
<tr><td>Amendment of the "Acquisition or Disposal Asset Handling Procedures" of the Company</td></tr>
<tr><td>Amendment of the "Derivative Trading Procedures" of the Company</td></tr>
<tr><td>Amendment of the "Endorsement Guarantee Handling Procedures" of the Company</td></tr>
<tr><td>Amendment of the "Funds Loan to Others Handling Procedures" of the Company</td></tr>
<tr><td rowspan="3">2023/03/28</td><td rowspan="3">1st Term 2nd Session</td><td>Annual Financial Statements for 2022</td></tr>
<tr><td>Profit Distribution for 2022</td></tr>
<tr><td>Discussion on the Company's "Assessment of Effectiveness of Internal Control System" and "Internal Control System Statement" for 2022</td></tr>
</table>

		Deliberation on the Assessment Results of the Independence of the Company's Auditors	
		Assessment of the Conversion of Accounts Receivable or Other Funds into Loans	
		Credit Limit from Zhongxiao Branch of Land Bank of Taiwan	
		Short to Medium-Term Credit Limit from Songshan Branch of Taichung Commercial Bank	
		Acquisition of Long-Term Equity Investment (100% Fully Owned U.S. Subsidiary, UNA)	
		Application for Stock Listing (or OTC Listing) by the Company and Proposal for Cash Capital Increase through Issuance of New Shares as the Source of Shares for Public Offering Prior to Listing (or OTC Listing), with All Existing Shareholders Waiving Subscription	
2023/05/09	1st Term 4th Session	-	
2023/06/27	1st Term 4th Session	Revision of the Company's "Financial Operations Regulations among Affiliated Enterprises"	
		Revision of the Company's "Production Cycle"	
		Revision of the Company's "Research and Development Cycle"	
2023/08/08	1st Term 5th Session	The Company's Financial Statements for Q2 of 2023	
		The Company's Plan to Enhance the Capability of Self-prepared Financial Statements for 2023	
		Revision of the Company's "Production Cycle"	
2023/11/07	1st Term 6th Session	The Company's Financial Statements for Q3 of 2023	
		Forecast for Q4 of 2023 and Q1 of 2024 Financial Statements	
		Issuance of “Assessment of the Effectiveness of the Internal Control System” and “Statement on Internal Control System” During Company Project Review Period	
		Amendment to Certain Articles of the Company's "Sales and Receivables Cycle"	
		Amendment to Certain Articles of the Company's "Endorsement Guarantee Processing Procedure"	
		Amendment to Certain Articles of the Company's "Endorsement Guarantee Management Regulations"	
		Amendment to Certain Articles of the Company's "Procurement and Payment Cycle"	
		Amendment to Certain Articles of the Company's "Financing Cycle"	
		Amendment to Certain Articles of the Company's "Investment Cycle"	
		Amendment to Certain Articles of the Company's "Loans to Others Management Regulations"	
		Amendment to Certain Articles of the Company's "Bill Receipt Management Regulations"	
		Amendment to Certain Articles of the Company's "Real Estate, Plant, and Equipment Cycle"	
		Amendment to Certain Articles of the Company's "Liability Commitments and Contingent Liabilities Management Regulations"	
		Amendment to Certain Articles of the Company's "Related	

		Party Transaction Management Regulations"	
		Amendment to Certain Articles of the Company's "Financial Statement Preparation Process Management Regulations"	
		Establishment of the Company's "Corporate Group Transaction Procedure"	
		Retroactive Recognition of the Company's Acquisition (Lease) of Real Estate Usage Rights from Related Parties	
		Waiver of Non-compete Clauses for Directors and Their Representatives.	
		Retroactive Recognition of the Computer Software Licensing Agreement between the Company and Affiliates	
2023/12/20	1st Term 7th Session	Revision of the Company's "Payroll Cycle"	
		The Company's Annual Budget Report 2024	
2024/3/13	1st Term 8th Session	The Company's Financial Statements for 2023	
		Profit Distribution for 2023	
		Discussion on the Company's "Assessment of Internal Control System Effectiveness" and "Internal Control System Statement" for 2023	
		Deliberation on the Assessment Results of the Independence of the Company's Auditors	
		Proposal for Cash Capital Increase Through New Share Issuance for Public Offering before the Initial Public Offering	
		Amendment to Certain Articles in the "Procedures for Handling Material Inside Information"	
		Amendment to Certain Articles in the "Prevention of Insider Trading Management Regulations."	
		Amendment to Certain Articles in the "Rules of Procedure for Board of Directors Meetings"	
		Amendment to Certain Articles in the "Organization Regulations of the Audit Committee"	
		Amendment to Certain Articles in the "Electronic Data Circulation."	
		Waiver of Non-compete Clauses for Directors' Representatives.	
		Proposal for Approval of the Certified Public Accounting Firm and its Affiliates to Provide Non-assurance Services to the Company and its Subsidiaries.	

(2) Apart from the aforementioned matters, other decisions made without the approval of the Audit Committee but with the consent of two-thirds or more of all directors: None.

2. The status of independent directors' recusal from proposals involving conflicts of interest shall entail the name of the independent director, the proposal's content, the reasons for recusal due to potential conflicts of interest, and their voting participation: N/A.

3. Communication between independent directors and the internal auditing officer and auditors (including significant matters, methods, and outcomes of communication over the Company's financial and business conditions).

(1) The Company's internal auditing officer regularly presents audit operations reports and engages in discussions with the Audit Committee. Communication between the Audit Committee and the internal auditing officer is satisfactory.

Communication Date	Summary of Communication Highlights	Suggested Implementation
112/05/09	internal audit implementation progress	Acknowledged understanding

Audit Committee	and tracking improvements in 1Q 2023	and exchanged opinions.
112/08/08	internal audit implementation progress and tracking improvements in 2Q 2023	Acknowledged understanding and exchanged opinions.
112/11/07 Before Audit Committee	internal audit implementation progress and tracking improvements in 3Q 2023	Acknowledged understanding and exchanged opinions.
113/03/13 Board meeting	internal audit implementation progress and tracking improvements in 4Q 2023	Acknowledged understanding and exchanged opinions.

(2) At each quarterly Audit Committee meeting, the Company's external auditors provide reports on the results of the audit or review of quarterly financial statements and other communication matters mandated by relevant laws. In case of any special circumstances, they promptly report to the Audit Committee members. There were no such special circumstances in the fiscal year 2023. Communication between the Audit Committee and the external auditors is satisfactory. Detailed communication matters between independent directors and the external auditors are provided in the following table:

Communication Date	Summary of Communication Highlights	Suggested Implementation
2023/03/28	Scope and Significance of the Audit Audit Report and Key Audit Matters Independence of the Auditor Other Communication Matters Recent Legal Updates	Acknowledged understanding and exchanged opinions.
2023/08/08	Review Method and Scope Independence of the Auditor Other Communication Matters Recent Legal Updates	Acknowledged understanding and exchanged opinions.
2023/11/07	Review Method and Scope Significant Matters Discussed with Management Independence of the Auditor Other Communication Matters	Acknowledged understanding and exchanged opinions.
2023/12/20	Communication Plan Role and Responsibilities of the Lead Auditor Audit Plan Independence of the Auditor	Acknowledged understanding and exchanged opinions.
2024/03/13	Scope and Significance of the Audit Audit Report and Key Audit Matters Independence of the Auditor Other Communication Matters Recent Legal Updates	Acknowledged understanding and exchanged opinions

Note 1: In case of the resignation of an independent director before the fiscal year-end, the resignation date shall be specified in the remarks column. The actual attendance rate (%) shall be calculated based on the number of Audit Committee meetings held during their tenure and their actual attendance count.

Note 2: Before the end of the fiscal year, if there have been reelections of independent directors, both the new and incumbent independent directors shall be listed. In the remarks column, it shall be indicated whether the independent director is an incumbent, incoming, or reelected, along with the date of the reelection. The actual attendance rate (%) shall be calculated based on the number of Audit Committee meetings held during their tenure and their actual attendance count.

4) The State of the Company's Implementation of Corporate Governance, Any Deviation from the Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies, and the Reason for Any Such Deviation:

Evaluation Item	Implementation Status (Note)			Any Deviation from the Principles and the Reason therefor
	Yes	No	Summary Explanation	
1. Has the company formulated and disclosed corporate governance best practice principles as per the Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies?	✓		The Company has adopted corporate governance best practice principles as resolved by the board of directors. It has also instituted comprehensive internal control systems in line with these principles, ensuring fair treatment of shareholders and protection of their rights.	N/A
2. Company's Equity Structure and Shareholders' Equity: (1) Has the company established internal procedures to handle shareholder suggestions, queries, disputes, and legal matters, and executed them accordingly?	✓		The Company has established the "Regulations Governing the Administration of Shareholder Services" and appointed dedicated personnel in investor relations, public relations, legal affairs, and other relevant areas to handle shareholder suggestions or disputes with care.	N/A
(2) Does the company have a list of principal shareholders exercising control over the company, along with the ultimate controllers of these principal shareholders?	✓		In case of stock transfer suspension, such as during shareholder meetings or ex-dividend periods, the Company may request access to shareholder rosters and related information from the Taiwan Depository & Clearing Corporation (TDCC).	N/A
(3) Has the company established and enforced risk management and firewall mechanisms with its affiliated entities?	✓		The selection of organizational structures for affiliated companies has all considered firewall mechanisms, and all subsidiary companies have established relevant internal control systems.	N/A
(4) Does the Company have internal regulations in place prohibiting insiders from trading securities based on undisclosed material information in the market?	✓		The Company has implemented the "Procedures for Ethical Management and Guidelines for Conduct," strictly prohibiting insiders from trading securities based on undisclosed material information in the market.	N/A
3. Composition and Responsibilities of the Board of Directors (1) Has the Board of Directors formulated a policy regarding diversity, specific management objectives, and ensured their implementation?	✓		The Company has established a board diversity policy, under which the composition of the board of directors is mandated to consider diversity. Based on the operation, business model, and development needs of the Company, members of the board with diverse backgrounds and perspectives, including but not limited to gender, age, nationality, culture, educational and professional backgrounds (including law, accounting, industry, finance, marketing, or technology), skills, and industry experience, are selected. Additionally, the nomination criteria for board members entail integrity, reputation, achievements, commitment to corporate	N/A

Evaluation Item	Implementation Status (Note)			Any Deviation from the Principles and the Reason therefor
	Yes	No	Summary Explanation	
			supervision, management assistance capabilities, and contributions to the Company's success. Independent directors must meet legal qualifications. On March 28, 2023, the Company's board of directors approved the "Corporate Governance Best Practice Principles," including a diversity policy in Chapter Four, "Enhancing Board Functions." Board member nominations and elections adhere to the Company's articles of incorporation, utilizing a candidate nomination system. Stakeholder opinions are considered alongside candidate qualifications and experiences, in compliance with the "Rules for Elections of Directors and Supervisors" and "Corporate Governance Best Practice Principles" to ensure board diversity and independence. The Company's board composition consists of 1/7 directors with employee status, 3/7 independent directors, and 1/7 female directors. The diversity policy for board composition is publicly disclosed on the Company's website and the Market Observation Post System (MOPS).	
(2) Besides establishing the Remuneration Committee and Audit Committee as mandated by law, has the company voluntarily established other functional committees?	✓		The Company's Sustainable Development Division, led by the management team, convenes monthly cross-divisional meetings. These meetings ensure alignment between ESG initiatives' progress and direction with both the board of directors' expectations and societal needs.	N/A
(3) Has the company established the Rules for Performance Evaluation of Board of Directors and its evaluation criteria? Does it conduct regular annual performance evaluations and submit the results to the Board of Directors? Are these results used as references for individual director compensation and nomination for re-election?	✓		On October 17, 2022, the Company's board of directors adopted the "Rules for Performance Evaluation of Board of Directors," which stipulates an annual performance evaluation for the overall board, individual directors, and functional committees. External professional entities, experts, or other appropriate methods may be enlisted when necessary to conduct these assessments. The criteria for evaluating the board's, individual directors', and functional committees' performance shall encompass, at minimum, the following aspects or other elements as mandated or modified by laws or regulations: (1) Board performance evaluation: involvement in corporate operations, enhancement of board decision-making quality, board composition and structure, director selection and continuing education, internal controls; (2) Individual director performance evaluation: comprehension of corporate objectives and missions, awareness of directorial responsibilities, involvement in corporate operations, internal relationship management and communication, professional competence, continuing education of directors, and internal controls; and (3) Functional committee performance evaluation: involvement in	N/A

Evaluation Item	Implementation Status (Note)			Any Deviation from the Principles and the Reason therefor
	Yes	No	Summary Explanation	
			corporate operations, awareness of committee responsibilities, decision-making quality of committees, composition of committees, member selection, and internal controls. The benchmarks for board performance evaluation shall be tailored to the Company's operations and requirements, ensuring they are apt and conducive to the execution of performance assessments. The outcomes of the annual board performance evaluation are presented to the board of directors in the first quarter of each year. These results serve as a basis for determining compensation for individual directors/committee members and for pinpointing areas for improvement. The assessment findings for the most fiscal year were reported to the board on March 13, 2024, detailed in Section 3-4 of the Corporate Governance Operations.	
(4) Does the company regularly evaluate the independence of the auditor?	✓		The Company performs an annual evaluation of the auditor's independence and suitability, conducted at least once every fiscal year. This evaluation encompasses various factors, including the financial interests of the auditing firm, financing and guarantees, business relationships, personal and familial ties, employment arrangements, gifts and preferential treatment, auditor rotation, and non-audit services. Additionally, the Company procures an independence declaration from the auditor. The assessment findings for the most recent fiscal year were presented to the board on March 13, 2024. Detailed information regarding the auditor's independence assessment is provided in Schedule 1.	N/A
4. Does the TWSE/TPEx listed company appoint competent and adequate personnel for corporate governance, including assigning a corporate governance officer responsible for governance matters (such as providing directors and supervisors with necessary information for business execution, assisting them in legal compliance, managing affairs related to board and shareholder meetings, and preparing minutes of such meetings)?	✓		As resolved by the board of directors on March 28, 2023, the Company appointed Senior Manager Chang Shu-Ming of Corporate Governance and Investor Relations as the Corporate Governance Officer. This appointment aims to safeguard shareholder rights and strengthen the functions of the board of directors as Chang possesses over three years of experience in managerial positions related to shareholder services in publicly traded companies. The primary responsibilities of the Corporate Governance Officer include handling matters related to board and shareholder meetings in compliance with the law, preparing meeting minutes, assisting directors in assuming their duties and continuing education, providing necessary information to the directors for business execution, and ensuring directors' adherence to laws and regulations.	N/A

Evaluation Item	Implementation Status (Note)			Any Deviation from the Principles and the Reason therefor
	Yes	No	Summary Explanation	
5. Has the company established communication channels with stakeholders (including but not limited to shareholders, employees, customers, and suppliers), set up a stakeholder section on its website, and appropriately addressed significant corporate social responsibility issues raised by stakeholders?	✓		The Company hosts a dedicated section on corporate sustainable development on its website, complete with contact information for relevant personnel. Additionally, there is a stakeholder communication section to promptly address issues raised by stakeholders: https://www.ubiqconn.com/tw/investor_stakeholder.php	N/A
6. Does the company engage a professional shareholder services agency to handle shareholder meeting affairs?	✓		The Company has entrusted Grand Fortune Securities Co.'s shareholder services department to handle matters related to shareholder meetings.	N/A
7. Information Disclosure (1) Does the company have a website disclosing financial and governance information?	✓		The Company regularly discloses financial and governance-related information on its website (https://www.ubiqconn.com/tw/, available in both Chinese and English).	N/A
(2) Does the company utilize alternative methods for information disclosure (such as establishing an English website, appointing personnel for corporate information collection and disclosure, implementing a spokesperson system, and publishing investor conferences on the company website)?	✓		1. The Company has assigned a specific individual from the Corporate Governance and Investor Relations Department to handle the collection and disclosure of corporate information (email: uti-ir@ubiqconn.com). 2. The Company has implemented a spokesperson system (Spokesperson: Assistant Vice President Huang Chien-Chen of Sustainable Development; Acting Spokesperson: Assistant Vice President Hsieh Kuo-Tsai of Finance). 3. The Company simultaneously publishes relevant materials on its website (https://www.ubiqconn.com/tw/) during investor conferences.	N/A
(3) Does the company disclose and file annual financial reports within two months after the end of the fiscal year, and disclose and file Q1, Q2, and Q3 financial reports and monthly operational status reports prior to prescribed deadlines?	✓		The Company provides real-time information to shareholders and stakeholders through the Market Observation Post System and its website. We ensure timely disclosure and filing of annual financial reports within the statutory period following the end of the fiscal year, along with quarterly financial reports and monthly operational status reports within the prescribed deadlines.	N/A
8. Does the Company provide additional essential information to facilitate understanding of corporate governance operations? This includes, but is not	✓		1. The Company consistently publishes financial and governance-related information on its website (https://www.ubiqconn.com/tw), available in both Chinese and English. This transparent disclosure allows general employees, investors, suppliers, and stakeholders to access	N/A

Evaluation Item	Implementation Status (Note)			Any Deviation from the Principles and the Reason therefor
	Yes	No	Summary Explanation	
limited to, employee rights, employee well-being, investor relations, supplier relations, stakeholder rights, status of directors' and supervisors' continuing education, implementation of risk management policies and risk measurement standards, execution of customer policies, and the Company's procurement of liability insurance for directors and supervisors.			information freely. 2. All directors of the Company are professionals in their respective fields. The Company consistently provides directors with relevant regulatory information they need to be aware of, and the management team regularly conducts business briefings and other relevant briefings for them. Further details regarding Company directors' continuing education can be found on the Market Observation Post System. 3. The Company has established robust internal control systems in compliance with applicable laws and effectively executes them. Additionally, it conducts appropriate risk assessments for major counterparty banks, customers, and suppliers to mitigate credit risks. 4. Directors of the Company all abstain from voting on proposals involving conflicts of interest. 5. The Company has procured liability insurance for directors and key personnel. 6. In succession planning for senior management at Ubiqconn Technology, emphasis is placed not only on the successor's strategic planning and operational capabilities but also on their adherence to core values (Curiosity, Empathy, Agility, Can-do Attitude, Discipline). Succession candidates for managers on the Company's board of directors and in senior management undergo rotational assignments to the senior management teams across subsidiary companies within the group and across business units within the headquarters. This is complemented by coaching from internal and external senior executives, deepening of professional capabilities, and personal development plans to cultivate breadth and depth in decision-making and practical operations, thereby laying the groundwork for future succession.	
9. Please provide an explanation of improvements based on the recent corporate governance evaluation results released by the Taiwan Stock Exchange's Corporate Governance Center, and identify priority areas and measures for enhancement for those areas that have not yet been improved. The Company has not yet undergone evaluation.				
Note: Regardless of whether the evaluation item is achieved or not ("Yes" or "No"), an explanation shall be provided in the summary column.				

5) Composition, Responsibilities, and Operations of the Remuneration Committee:

1) Member Information of the Remuneration Committee:

Title (Note 1)	Criteria / Name	Professional Qualifications and Experience (Note 2)	Independence Status (Note 3)	Number of Other Public Companies Where Serving Concurrently on Remuneration Committee
Independent Director	Yu Yung-Kuei	Industry Experience / Professional Competence: Operational management, industry experience, professional knowledge, leadership decision-making. Key Experiences: Director and President, TGVest Capital Inc. Director and President, Hung Din Venture Capital Co. Director, Song Chuan Precision Co. Director, Yishuo Investment Co. Director, Yishuo II Investment Co. Director, Yishuo III Investment Co. Supervisor, Yida Partners Co. Director, Yishuo Partners I Co. Director, Yishuo Partners II Co. Director, Yisheng Partners Co. Director, TGVest Capital II, Ltd. Director, Yitao Partners Co. Director, T Blossom Investment, Inc. Investment Manager, China Development Industrial Bank Specialist, Asia Pacific Investment Corp. Development Engineer, Chin Chun Motor Co. Possesses over five years of work experience and practical experience required for company operations. No circumstances falling under Article 30 of the Company Act.	No circumstances listed in the note	None
Independent Director	Hsiao Tsu-Tse	Industry Experience / Professional Competence: Operational management, industry experience, professional knowledge, leadership decision-making. Key Experiences: Chairman, Deli Energy Inc. Vice President, ST Engineering (Taiwan) Ltd. Product Manager, Kang Jin Universe Technology Co. IT Manager, Ji Xiang Securities Co. R&D Engineer, UTSI Computer Co. Possesses over five years of work experience and practical experience required for company operations. No circumstances falling under Article 30 of the Company Act.	No circumstances listed in the note	None

Title (Note 1)	Name	Criteria: Professional Qualifications and Experience (Note 2)	Independence Status (Note 3)	Number of Other Public Companies Where Serving Concurrently on Remuneration Committee
Independent Director	Huang Chung-Liang	Industry Experience / Professional Competence: Operational management, industry experience, professional knowledge, financial accounting, leadership decision-making. Key Experiences: (Independent Director with Financial Expertise)" Master's in Finance, Florida International University Gloria & Partners L.T.D. President special assistant Senior Project Manager, Strategic Execution Office, Marketech International Corp. Executive Office Chairman's Special Assistant, EVP Technology LLC. (U.S.A.) Taiwan Branch Project Business Manager, Track Systems Division, Siemens AG Finance ERP Project Manager, Otis Elevator Company (Taiwan) Limited Possesses over five years of work experience and practical experience required for company operations. No circumstances falling under Article 30 of the Company Act.	No circumstances listed in the note	None

Note: This includes, but is not limited to, whether oneself, spouse, and relatives within the second degree of kinship serve as directors, supervisors, or employees of the Company or its affiliated enterprises.; the quantity and proportion of shares held by oneself, spouse, and relatives within the second degree of kinship (or held through nominees), whether they serve as directors, supervisors, or employees of companies with specific relationships with the Company (refer to Article 3, Paragraph 1, Subparagraphs 5-8 of the Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies); and the remuneration received for providing business, legal, financial, accounting, or other services to the Company or its affiliated enterprises in the most recent two years.

2) Information on the Operation of the Remuneration Committee:

A. The Remuneration Committee of the Company consists of three members.

B. Term of the current members: from February 6, 2023, to December 1, 2025. In the most recent fiscal year, the Remuneration Committee held 5 meetings (A). The qualifications of the members and their attendance record are as follows:

Title	Name	Actual Attendance Count (B)	Proxy Attendance Count	Actual Attendance (%) (B/A) (Note)	Remark
Convener	Huang Chung-Liang	5	0	100	
Member	Hsiao Tsu-Tse	5	0	100	
Member	Yu Yung-Kuei	5	0	100	

Other Matters to Be Disclosed:
1. In cases where the Board of Directors does not adopt or modify the recommendations of the Remuneration Committee, details including the board meeting date, session, proposal content, resolutions, and the Company's response to the Remuneration Committee's opinions shall be provided (e.g., if the approved remuneration by the Board exceeds the Committee's recommendations, the disparities and reasons thereof shall be specified): N/A.
2. Regarding decisions made by the Remuneration Committee where members express objections or reservations and said objections or reservations have been recorded or prepared as a written statement, disclosure shall include the Committee's meeting date, session, proposal content, all members' opinions, and how these opinions were

addressed: N/A.
Note 1: In case of the resignation of a Remuneration Committee member before the fiscal year-end, the resignation date shall be specified in the remarks column. The actual attendance rate (%) shall be calculated based on the number of Remuneration Committee meetings held during their tenure and their actual attendance count. Note 2: Before the end of the fiscal year, if there have been reelections of the Remuneration Committee, both the new and incumbent committee members shall be listed. In the remarks column, it shall be indicated whether the member is an incumbent, incoming, or reelected, along with the date of the reelection. The actual attendance rate (%) shall be calculated based on the number of Remuneration Committee meetings held during their tenure and their actual attendance count.

6) The State of the Company's Promotion of Sustainable Development, Any Deviation from the Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies, and the Reason for Any Such Deviation

Promotion Initiatives	Implementation Status (Note 1)			Any Deviation from the Principles and the Reason therefor
	Yes	No	Summary Explanation	
1. Has the company established a governance framework for advancing sustainable development, including the appointment of a full-time (or part-time) position dedicated to promoting sustainable development, with authorization delegated to senior management by the Board of Directors, and oversight provided by the Board of Directors?	✓		The Company established a Sustainable Development Committee in 2023, with a dedicated unit responsible for sustainability regularly reporting to the Board of Directors on governance, environmental, and social policy planning and progress. Upon approval by the Board of Directors, the dedicated unit for sustainable development, together with five working groups focusing on Workplace Wellness, Resource Management, Corporate Governance, Green Sustainability, and Partnerships, proceeds with project execution. Operating under the "P-D-C-A" (Plan-Do-Check-Act) management model, the dedicated unit for sustainable development periodically identifies stakeholders, collects and reviews stakeholder concerns, and addresses important sustainability promotion initiatives and specific promotion plans. Reporting at least twice a year (already reported on March 13, 2024), the unit provides the Board of Directors with updates on significant promotion initiatives, execution progress, and future plans. The Board reviews these initiatives, evaluates their status, and passes relevant resolutions while allocating necessary resources. Additionally, the Board offers feedback for the management team's consideration and adjustment. Ubiqconn Technology's ESG implementation framework is as shown in the following figure. 	N/A
2. Does the company conduct risk assessments on environmental, social, and corporate governance (ESG) issues related to its operations in accordance with materiality principles, and establish relevant risk management policies or	✓		The Company conducts risk assessments on environmental, social, and corporate governance (ESG) issues related to its operations according to materiality principles, as outlined in Table 2. The pertinent risk management policies or strategies are delineated in the Company's 2023 ESG report.	N/A

Promotion Initiatives	Implementation Status (Note 1)			Any Deviation from the Principles and the Reason therefor
	Yes	No	Summary Explanation	
strategies? (Note 2)				
3. Environmental Issues (1) Has the company established an appropriate environmental management system based on its industry characteristics?	✓		On March 28, 2023, the Board of Directors endorsed the adoption of the "Sustainable Development Best Practice Principles," which adhere to four major tenets: implementing corporate governance, fostering sustainable environments, promoting social welfare, and enhancing corporate sustainability disclosure. The primary promotion initiatives and practices of the environmental management system encompass: - Conducting greenhouse gas inventories - Advocating energy conservation and carbon reduction - Implementing green power procurement - Managing waste Further details can be found in the Company's 2023 ESG report. On November 7, 2023, the Board of Directors approved the establishment of the Sustainable Development Committee, with independent directors appointed as committee members. The committee is mandated to convene meetings at least twice a year and regularly report to the Board of Directors on the progress and efficacy of sustainable development initiatives in meeting societal expectations.	N/A
(2) Is the company dedicated to enhancing energy efficiency and mitigating environmental impact through the adoption of renewable materials?	✓		In 2022, the Company initiated an energy-saving initiative by replacing fluorescent lights with LED panel lights (23W per fixture) at its Neihu headquarters on the fourth floor, totaling 420 fixtures replaced and resulting in an annual energy saving of 10,535 kWh. In 2023, similar replacements were carried out at the Zhonghe factory, and approximately 155 sets were replaced in both Zhonghe and Neihu areas, leading to an annual energy saving of 6,738 kWh. Additionally, during the same year, the Company renegotiated its contract capacity with the Taiwan Power Company, effectively promoting energy conservation. Moreover, beginning in 2023, the Company commenced the procurement of green energy, aiming to achieve a 10% green energy procurement by 2025. Looking ahead, the Company will persist in advocating for on-site energy conservation and green design to manufacture products in a more energy-efficient manner, steadily advancing towards reducing energy intensity.	N/A
(3) Does the company evaluate the potential risks and opportunities of climate change on its current and future	✓		The Company conducts assessments based on the GRI standards to identify material topics, evaluating risks to people and the environment, as well as providing products, services, or investments with beneficial	N/A

Promotion Initiatives	Implementation Status (Note 1)			Any Deviation from the Principles and the Reason therefor
	Yes	No	Summary Explanation	
operations, and implement relevant response measures?			impacts. It aligns these assessments with sustainable development goals (SDGs), aiming to make the most significant contribution to SDGs. Starting from 2023, the Company further evaluates significant risks and opportunities using the TCFD (Task Force on Climate-related Financial Disclosures) framework, with relevant response measures detailed in the Company's 2023 ESG report.	
(4) Has the company compiled data on greenhouse gas emissions, water usage, and total waste weight for the past two years and formulated policies for greenhouse gas reduction, water conservation, or other waste management?	✓		The Company continues to implement energy-saving and carbon-reduction measures. The greenhouse gas emission data for the past two years are as follows: 2022 (Scope 1 + Scope 2): 531.9 tons CO_2e 2023 (Scope 1 + Scope 2 + Category 3.3 Employee Commuting + Category 3.5 Business Travel): 737.4 tons CO_2e *The 2023 calculation results are pending verification, and the data are provided for reference only. The exact figures and details will be disclosed in the ESG report after the issuance of the verification report. ** The scopes for the past two years do not include data from subsidiaries in the United States.	N/A
4. Social Issues (1) Has the company established relevant management policies and procedures in accordance with relevant regulations and international human rights conventions?	✓		The Company's board of directors approved Article 18 of the "Sustainable Development Best Practice Principles" on March 28, 2023, explicitly stating the Company's commitment to compliance with relevant regulations and adherence to international human rights conventions, such as gender equality, labor rights, and non-discrimination. To fulfill its responsibility to protect human rights, the Company has established related management policies and procedures, including: (1) Formulating corporate human rights policies and statements; (2) Assessing the impact of corporate operations and internal management on human rights and establishing corresponding procedures; (3) Regularly reviewing the effectiveness of corporate human rights policies or statements; and (4) Disclosing procedures for handling human rights violations to stakeholders when necessary. The Company adheres to internationally recognized labor rights, such as freedom of association, collective bargaining rights, caring for vulnerable groups, prohibition of child labor, elimination of all forms of forced labor, and elimination of employment and workplace discrimination. It ensures that its human resources utilization policies provide equal and fair treatment regardless of gender, race, socioeconomic status, age, marital and family status, to implement equality and fairness in employment conditions, remuneration, benefits, training, performance evaluation, and promotion opportunities. Regarding matters that may harm workers' rights, the Company provides effective and appropriate complaint mechanisms to ensure equality and transparency in the complaint	N/A

Promotion Initiatives	Implementation Status (Note 1)			Any Deviation from the Principles and the Reason therefor
	Yes	No	Summary Explanation	
			process. The complaint channels are clear, convenient, and accessible, and appropriate responses are provided to employee complaints. Furthermore, the Chairman of the Board signed the "Ubiqconn Group Human Rights Policy" on April 24, 2023, which has been published on the Company's ESG section website.	
(2) Has the company established and implemented reasonable employee welfare measures, including compensation, leave, and other benefits, and appropriately reflected operational performance or results in employee compensation?	✓		The Company provides insurance benefits beyond regulatory requirements, such as group insurance and family insurance to ensure the safety and well-being of employees and their families. Additionally, various benefits are offered, including meal subsidies, annual gatherings, health check-ups, trips, long-service bonuses, and allowances for marriage, childbirth, injuries/illness, and funeral expenses. Recognizing employees as the Company's most valuable assets, we encourage them to autonomously establish clubs beneficial to their physical and mental well-being. This not only fosters interaction among employees but also helps them relieve stress during leisure time, promote health, and yield positive effects.	N/A
(3) Does the company provide a safe and healthy working environment for employees and regularly conduct safety and health education for them?	✓		In compliance with the Labor Standards Act, the Labor Pension Act, and the Enforcement Rules of the Labor Pension Act, as well as accounting standards for retirement benefits. the Company makes monthly contributions to employees' individual accounts at the Bank of Taiwan and the Bureau of Labor Insurance. The Labor Pension Reserve Supervisory Committee holds regular meetings to review the utilization of retirement benefits to safeguard employees' retirement rights. Details regarding the amount recognized for employee retirement benefits are provided in the financial statements. Additionally, the Company allocates a certain amount of welfare funds to the Employee Welfare Committee on a monthly basis, based on revenue conditions.	N/A
(4) Has the company established effective career development and training programs for employees?	✓		The Company aims to enhance employee competence and improve job performance by encouraging their participation in educational training. Training programs are categorized as follows: 1. Newcomer Orientation Training: Includes knowledge required for all employees, such as cybersecurity and occupational safety and health. 2. On-the-Job Professional Training: Conducted by respective department supervisors and focuses on professional skills relevant to each unit. 3. Management Skills Training: Designed to cultivate potential managerial talents or enhance the management skills of existing supervisors. 4. Workplace Safety Education and Training: Covers safety and health education, first aid training, and other occupational safety education and training. 5. General Education Courses: Aimed at broadening employees' knowledge and skills across various	N/A

<table>
<tr><th rowspan="2">Promotion Initiatives</th><th colspan="3">Implementation Status (Note 1)</th><th rowspan="2">Any Deviation from the Principles and the Reason therefor</th></tr>
<tr><th>Yes</th><th>No</th><th>Summary Explanation</th></tr>
<tr><td></td><td></td><td></td><td>areas to expand their perspectives, enhance their professional abilities, and improve job performance.
Training data for 2023 is summarized as follows:
<table>
<tr><th>Category</th><th>Total Participants</th><th>Total Hours</th></tr>
<tr><td>Newcomer Orientation Training (Note 1)</td><td>212</td><td>572</td></tr>
<tr><td>On-the-Job Professional Training</td><td>411</td><td>1693.5</td></tr>
<tr><td>Management Skills Training</td><td>31</td><td>530</td></tr>
<tr><td>Workplace Safety Education and Training</td><td>398</td><td>831.5</td></tr>
<tr><td>General Education Courses</td><td>1421</td><td>1936.5</td></tr>
<tr><td></td><td>2473</td><td>5563.5</td></tr>
</table>Note 1: Newcomer Orientation Training records refer to the number of employees who have completed orientation training after joining and passed the test after three months of probation. It does not include employees who resigned during the probation period before completion.</td><td></td></tr>
<tr><td>(5) Does the company comply with relevant regulations and international standards concerning customer health and safety, customer privacy, marketing, and labeling of its products and services, and has it established related policies and complaint procedures to safeguard consumer or customer rights?</td><td>✓</td><td></td><td>In addition to advocating for the importance of customer privacy in its employee code of conduct, the Company proactively addresses product quality and liability concerns, striving to deliver safe and dependable products while enhancing customer satisfaction. There were no reported complaints regarding breaches of customer privacy or loss of customer data in 2023. Furthermore, the Company obtained ISO 27001 certification in 2023 to ensure the information security of both its customers and its upstream and downstream data.</td><td>N/A</td></tr>
<tr><td>(6) Has the company established a supplier management policy requiring suppliers to adhere to relevant standards in environmental protection, occupational health and safety, and labor rights, and what is the implementation status?</td><td>✓</td><td></td><td>The Company operates with a philosophy of mutually beneficial relationships with suppliers and customers, prioritizing ethical and environmentally responsible practices in sourcing and manufacturing. In addition to regular supplier audits and ongoing communication, exemplary suppliers are incentivized with benefits such as shortened payment terms, thus fostering mutual benefit. Currently, supplier selection criteria include vital indicators like RoHS Directive, ISO 14001, ISO 45001, and corporate social responsibility. Suppliers must adhere to requirements regarding freedom of assembly, prohibition of child labor, and elimination of labor exploitation. They are also required to sign an Ethical Management and Corporate Social Responsibility Commitment to uphold fundamental human rights. These criteria are integrated into the "New Supplier Evaluation Form" for audits of new suppliers. Furthermore, to ensure suppliers' compliance with the International Labor Organization's Tripartite</td><td>N/A</td></tr>
</table>

<table>
<tr><th rowspan="2">Promotion Initiatives</th><th colspan="3">Implementation Status (Note 1)</th><th rowspan="2">Any Deviation from the Principles and the Reason therefor</th></tr>
<tr><th>Yes</th><th>No</th><th>Summary Explanation</th></tr>
<tr><td></td><td></td><td></td><td>Declaration of Principles Concerning Multinational Enterprises and Social Policy, the Company's procurement and general affairs units oversee supplier and contractor (including security companies) management. The Company aims to establish an ESG code of conduct for suppliers, covering environmental protection, occupational health and safety, labor rights, and ethical standards, ensuring that the products and services provided comply with all applicable laws and regulations worldwide.
1. Labor Rights: Suppliers must establish appropriate grievance mechanisms, prohibit child labor, provide reasonable benefits, prevent workplace bullying, avoid employment discrimination, safeguard freedom of association, and continuously improve employee skills.
2. Occupational Health and Safety: Suppliers must comply with ISO 45001 occupational safety standards, identify workplace hazards, and control them through proper design, engineering, management controls, and maintenance and safety procedures. Personal protective equipment shall be provided to employees when hazards cannot be fully controlled, without relying on disciplinary measures to enhance safety awareness.
3. Environmental Protection: Suppliers must bear responsibility for environmental protection, minimizing adverse impacts on the environment and natural resources during manufacturing while protecting public health and safety.
4. Ethical Standards: Suppliers are expected to uphold the highest ethical standards in business transactions, strictly prohibiting corruption, extortion, bribery, and improper benefits.
5. Ethical Corporate Management: Recognizing its social responsibility, the Company commits to fair competition, anti-corruption efforts, and fulfilling its obligations alongside corporate growth.</td><td></td></tr>
<tr><td>5. Does the company refer to internationally recognized reporting standards or guidelines when compiling sustainability reports or other reports disclosing non-financial information? Have these reports obtained assurance from third-party verification units?</td><td>✓</td><td></td><td>The Company has strengthened its sustainability strategy by following the GRI (Global Reporting Initiative) standards. In 2022, we published our corporate sustainability report, transparently presenting our strategies in corporate governance, environmental, and social aspects to stakeholders and the general public, thus highlighting the Company's long-term value. Since 2023, our reports have undergone verification by independent third-party units.</td><td>N/A</td></tr>
<tr><td colspan="5">6. If the company has its own sustainability principles based on the "Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies," please elaborate on its operation and how it differs from the established principles:
The Company has devised its own "Sustainable Development Best Practice Principles" aligned with the "Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies," publicly available on both our website and the Market Observation Post System (MOPS). Additionally, under the CEO Office, we've established a dedicated Sustainable</td></tr>
</table>

<table>
<tr><th rowspan="2">Promotion Initiatives</th><th colspan="3">Implementation Status (Note 1)</th><th rowspan="2">Any Deviation from the Principles and the Reason therefor</th></tr>
<tr><th>Yes</th><th>No</th><th>Summary Explanation</th></tr>
<tr><td colspan="5">Development Division to effectively advance corporate social responsibility, foster sustainable environments, participate in social welfare initiatives, bolster information disclosure, and adhere to industry standards in the electronics sector. These initiatives ensure the integration of sustainable development into our operational strategies. Furthermore, in accordance with the GRI Standards, we produce sustainability reports, accessible on our website and MOPS. A dedicated section on our website offers comprehensive information into our sustainable development endeavors.</td></tr>
<tr><td colspan="5">7. Other pertinent information contributing to understanding the execution of sustainable development: Please consult our Company's 2022 Sustainability Report available on the following website: https://www.ubiqconn.com/tw/esg_env.php.</td></tr>
<tr><td colspan="5">Note 1: If "Yes" is selected for the implementation status, please furnish specific details regarding the significant policies, strategies, measures, and their execution. Should "No" be selected for the implementation status, please elucidate any deviations from the principles along with the reasons in the "Any Deviation from the Principles and the Reason therefor" column, and delineate plans for adopting pertinent policies, strategies, and measures in the future.
Note 2: Materiality principles pertain to issues related to the environment, society, and corporate governance that wield a substantial impact on the Company's investors and other stakeholders.
Note 3: For disclosure methods, please refer to the Best Practice Reference Examples available on the Taiwan Stock Exchange Corporate Governance Center website.</td></tr>
</table>

Table 2

No.	Stakeholders	Topics of Concern	Communication Channels	Communication Frequency	Responsible Units	Complaint Channels
1	Suppliers	Taxation Ethical Management Anti-competitive Behavior Regulatory Compliance Product Quality and Satisfaction	Supplier ESG Advocacy	Annually	Strategic Procurement Department	uti-supplier@ubiqconn.com
			Supplier ESG Assessment	Annually		
			Disclosure of Sustainability Reports and Website Information	Regular		
2	Affiliated Enterprises (Subsidiaries)	Economic Performance Occupational Safety Management Compensation and Benefits	Thematic Education and Training (Online/Offline)	Ad hoc	Human Resources Department	uiti-hr@ubiqconn.com
			Company Portal	Ad hoc		
			Labor-Management Meetings	Quarterly		
3	Employees	Economic Performance Ethical Management Regulatory Compliance Compensation and Benefits Forced or Compulsory Labor	Employee Welfare Committee	Quarterly	Human Resources Department	uiti-hr@ubiqconn.com
			Company Portal	Ad hoc		
			Labor-Management Meetings	Quarterly		
			Thematic Education and Training (Online/Offline)	Ad hoc		
4	Customers	Product Quality and Satisfaction Occupational Safety Management Employee Health Diversity and Equality in Employment Environmental Pollution	Annual Customer Satisfaction Survey	Annually	Strategic Marketing Division, Sales Division	mkt@ubiqconn.com
			Customer Business Meetings (Weekly/Monthly / Quarterly/Annually)	Ad hoc		
			Response to Customer ESG Concerns	Ad hoc		
5	Shareholders	Corporate Governance Economic Performance Product Quality and Satisfaction Operational Risk Management	Investor Service Mailbox	Ad hoc	Corporate Governance and Investor Relations Department	uti-ir@ubiqconn.com
			MOPS	Ad hoc		
			Spokesperson Mailbox	Ad hoc		
			Annual General Meeting	Annually		
6	Government Agencies		Disclosure of Sustainability Reports and Website Information	Regular	Corporate Governance and Investor Relations Department	uti-ir@ubiqconn.com
			MOPS	Ad hoc		
			Government Policy Advocacy (Official Documents)	Ad hoc		
			Revenue Information Release	Monthly		
			ESG Mailbox Setup on Company Website	Ad hoc		
7	Non-Governmental Organizations (NGOs)		Disclosure of Sustainability Reports and Website Information	Regular	Sustainable Development Division	uti-esg@ubiqconn.com
			ESG Mailbox Setup on Company Website	Regular		
			Community Engagement	Ad hoc		
			Occasional Visits	Ad hoc		

Table 3

Material Topics Matrix

7) The State of the Company’s Performance in the Area of Ethical Corporate Management, Any Deviation from the Ethical Corporate Management Best Practice Principles for TWSE/TPEx Listed Companies, and the Reason for Any Such Deviation

Evaluation Item	Implementation Status (Note 1)			Any Deviation from the Principles and the Reason therefor
	Yes	No	Summary Explanation	
1. Establishment of Ethical Business Policies and Programs				
(1) Has the company developed an ethical business policy approved by the Board of Directors and clearly delineated ethical business policies and practices in regulatory documents and external communications, while demonstrating the commitment of the Board of Directors and senior management to implement these policies?	✓		On March 28, 2023, the Board of Directors endorsed the "Ethical Corporate Management Best Practice Principles" and the "Procedures for Ethical Management and Guidelines for Conduct," which are duly implemented and made publicly available on the Company's website. Upon assuming their roles, directors and managers are obligated to sign a "Statement of Non-violation of Ethical Principles."	N/A
(2) Has the company established a mechanism to assess the risk of unethical conduct, regularly analyzing and evaluating business activities with a higher risk of unethical behavior within its business scope, and using this information to develop measures to prevent unethical behavior, including at least preventive measures for the behaviors specified in Article 7, Paragraph 2 of the "Ethical Corporate Management Best Practice Principles for TWSE/TPEx Listed Companies"?	✓		The aforementioned principles, operational procedures, and conduct guidelines are incorporated into the Company's annual training curriculum and published on its website. Additionally, the Company's website includes a section for stakeholders, offering channels to report any unethical behavior.	N/A
(3) Does the company outline operational procedures, conduct guidelines, disciplinary measures for violations, and a complaint system within the framework of an unethical conduct prevention plan, and effectively execute periodic reviews and adjustments to this plan?	✓		Internal audits are part of the annual audit plan, involving regular and ad hoc audits of implementation status.	N/A
2. Implement Ethical Management				
(1) Does the company assess the ethical records of its counterparties and include ethical conduct clauses in contracts signed with them?	✓		Such clauses are incorporated into the Company's standardized contracts.	N/A
(2) Has the company established a dedicated unit under the Board of Directors to promote ethical management, and does it regularly (at least once a year) report its ethical management policies and	✓		The Company's "Corporate Governance Unit" reports to the Board of Directors at least annually, or as needed if violations are discovered.	N/A

Evaluation Item	Implementation Status (Note 1)			Any Deviation from the Principles and the Reason therefor
	Yes	No	Summary Explanation	
measures to prevent unethical conduct to the Board of Directors, as well as supervise their implementation?				
(3) Has the company formulated policies to prevent conflicts of interest, provided appropriate channels for representation, and implemented them?	✓		The Company has established channels for complaints and maintains a complaint mailbox, as well as a "Stakeholders' Area" on the Company website.	N/A
(4) Has the company established effective accounting systems and internal control systems to implement ethical management practices? Does the internal audit unit formulate relevant audit plans based on the assessment results of unethical conduct risks and use them to audit compliance with the measures to prevent unethical behavior, or does it entrust auditors to carry out audits?	✓		Such practices are included in the annual audit plan for implementation In accordance with the Company's "Ethical Corporate Management Best Practice Principles" and "Procedures for Ethical Management and Guidelines for Conduct."	N/A
(5) Does the company regularly conduct internal and external education and training on ethical management practices?	✓		The Board of Directors of the Company schedules an annual review of ethical management principles reports for reference, and new employees are included in the orientation training program.	N/A
3. Operation of the Company's Whistleblowing System				
(1) Has the company established specific reporting and reward systems, as well as convenient reporting channels, and designated appropriate personnel to handle reported matters?	✓		Article 21 of the Company's "Procedures for Ethical Management and Guidelines for Conduct" outlines specific reporting and reward systems, with a designated individual responsible for the "Stakeholders' Area" on the Company website.	N/A
(2) Has the company established standard operating procedures for investigating reported matters, post-investigation measures, and relevant confidentiality mechanisms?	✓		Article 21 of the Company's "Procedures for Ethical Management and Guidelines for Conduct" specifies standard operating procedures for addressing reported matters, post-investigation measures, and relevant confidentiality mechanisms, all of which are publicly available on the Company website.	N/A
(3) Does the company take steps to safeguard whistleblowers from unfair treatment?	✓		The Company's whistleblower protection measures include non-disclosure of information sources, third-party investigations, and the execution of confidentiality agreements with relevant parties.	N/A
4. Enhanced Information Disclosure Does the company disclose the contents of its established ethical management principles and the effectiveness of their implementation on its website and the Market Observation Post	✓		1. The Company's website can be found at: https://www.ubiqconn.com/tw/ 2. The Market Observation Post System website can be found at: https://mops.twse.com.tw/mops/web/t100sb04_1 3. The Company has no history of penalties for breaching ethical management	N/A

<table>
<tr><td rowspan="2">Evaluation Item</td><td colspan="3">Implementation Status (Note 1)</td><td rowspan="2">Any Deviation from the Principles and the Reason therefor</td></tr>
<tr><td>Yes</td><td>No</td><td>Summary Explanation</td></tr>
<tr><td>System (MOPS)?</td><td></td><td></td><td>practices.</td><td></td></tr>
<tr><td colspan="5">5. If the company has established its own ethical management principles based on the "Ethical Corporate Management Best Practice Principles for TWSE/TPEx Listed Companies," please describe its implementation and any deviations from the established principles: No deviations exist.</td></tr>
<tr><td colspan="5">6. Other pertinent information aiding in the comprehension of the company's ethical management practices (including the company's review and revision of its established ethical management principles):
The Board of Directors schedules an annual review of reports on ethical management principles for reference. Additionally, new employees undergo orientation training, with audits regularly incorporated as part of the oversight process.</td></tr>
</table>

8) If the company has established corporate governance principles and related regulations, it should disclose how they can be accessed:

V. The Company has established various regulations, including the "Corporate Governance Best Practice Principles," "Ethical Corporate Management Best Practice Principles," "Code of Ethical Conduct," and "Sustainable Development Best Practice Principles." These regulations align with corporate governance principles and adhere to relevant standards. By revising pertinent management regulations, we aim to enhance information transparency and bolster the functions of the Board of Directors in promoting corporate governance. These regulations are available on our website at https://www.ubiqconn.com/tw/ for shareholders' reference. Additionally, they are disclosed in accordance with relevant regulations such as the "Regulations Governing Information to be Published in Annual Reports of Public Companies," on the Market Observation Post System at http://mops.twse.com.tw.

9) Other pertinent information for understanding corporate governance operations:

I. The Company regularly schedules directors to attend corporate governance training courses. In 2023, directors and the corporate governance officer participated in various corporate governance-related courses for further education. Please see the table below for details:

Job Title	Date of Assumption of Office	Date of Training	Organizer	Course Title	Training Hours	Total Training Hours for the Year
Corporate Director Rep. Chien Min-Tz	2022/12/02	2023/09/20	Corporate Operating and Sustainable Development Association(COSDA)	Corporate Governance and Securities Regulations - Legal Framework and Practical Case Studies on Insider Trading	3.0	9.0
		2023/08/18		Exploration of Business Ownership Risk Management and Independent Director System	3.0	
		2023/07/26		Due Diligence and Financial Evaluation in Mergers and Acquisitions	3.0	
Corporate Director Rep. Hsu Ching-Chen	2022/12/02	2023/09/20	COSDA	Corporate Governance and Securities Regulations - Legal Framework and Practical Case Studies on Insider Trading	3.0	12.0
		2023/08/18		Exploration of Business Ownership Risk Management and Independent Director System	3.0	
		2023/07/26		Due Diligence and Financial Evaluation in Mergers and Acquisitions	3.0	
		2023/09/04	Financial Supervisory Commission	14th Taipei Corporate Governance Forum	6.0	
Director Lin Sung-Hsi	2022/12/02	2023/10/20	COSDA	Labor Incident Act Practices	3.0	12.0
		2023/09/20		Corporate Governance and Securities Regulations - Legal Framework and Practical Case Studies on Insider Trading	3.0	
		2023/08/18		Exploration of Business Ownership Risk Management and Independent Director System	3.0	
		2023/07/26		Due Diligence and Financial Evaluation in Mergers and Acquisitions	3.0	

Job Title	Date of Assumption of Office	Date of Training	Organizer	Course Title	Training Hours	Total Training Hours for the Year
Director Tseng Huai-Yi	2022/12/02	2023/09/20	COSDA	Corporate Governance and Securities Regulations - Legal Framework and Practical Case Studies on Insider Trading	3.0	9.0
		2023/09/08	Taiwan Corporate Governance Association	Initiation of Succession Plan - Employee Incentive Plans and Equity Succession	3.0	
		2023/08/18		Big Data Analysis and Fraud Prevention	3.9	
Independent Director Yu Yung-Kuei	2022/12/02	2023/09/26	COSDA	Digital Transformation: Innovating for the Future and New Thinking in Risk Management	3.0	12.0
		2023/09/20		Corporate Governance and Securities Regulations - Legal Framework and Practical Case Studies on Insider Trading	3.0	
		2023/09/08		Exploration of Business Ownership Risk Management and Independent Director System	3.0	
		2023/07/26		Due Diligence and Financial Evaluation in Mergers and Acquisitions	3.0	
Independent Director Hsiao Tsu-Tse	2022/12/02	2023/09/20	COSDA	Exploration of Business Ownership Risk Management and Independent Director System	3.0	12.0
		2023/08/18		Exploration of Business Ownership Risk Management and Independent Director System	3.0	
		2023/07/26		Due Diligence and Financial Evaluation in Mergers and Acquisitions	3.0	
		2023/08/09	Taipei Exchange	Briefing Session on Insider Stock Ownership in OTC-listed Companies and Emerging Stock Companies		
Independent Director Huang	2023/02/06	2023/10/24	COSDA	Legal Framework and Practical Case Studies on Insider Trading	3.0	12.0
		2023/09/20		Corporate Governance and	3.0	

Job Title	Date of Assumption of Office	Date of Training	Organizer	Course Title	Training Hours	Total Training Hours for the Year
Chung-Liang				Securities Regulations - Legal Framework and Practical Case Studies on Insider Trading		
		2023/09/08		Exploration of Business Ownership Risk Management and Independent Director System	3.0	
		2023/07/26		Due Diligence and Financial Evaluation in Mergers and Acquisitions	3.0	
Corporate Governance Officer Chang Shu-Ming	2023/02/06	2023/09/20	COSDA	Legal Framework and Practical Case Studies on Insider Trading	3.0	21.0
		2023/08/18		Exploration of Business Ownership Risk Management and Independent Director System	3.0	
		2023/07/26		Due Diligence and Financial Evaluation in Mergers and Acquisitions	3.0	
		2023/10/26	Taipei Exchange	New Perspectives on Sustainable Investment and Financing Forum	3.0	
		2023/08/09		Briefing Session on Insider Stock Ownership in OTC-listed Companies and Emerging Stock Companies	3.0	
		2023/09/04	Financial Supervisory Commission	14th Taipei Corporate Governance Forum	6.0	

10) Matters to be Disclosed Regarding the Implementation of the Internal Control System:

1) Statement on Internal Control:

Ubiqconn Technology Inc.

Statement on Internal Control System

Date: March 13, 2024

We hereby declare our Company's internal control system for the year 2023, as assessed independently, is as follows:

1. The Company recognizes that the establishment, implementation, and maintenance of internal control systems are the responsibilities of the Board of Directors and managers. Accordingly, our Company has established such a system with the aim of achieving operational effectiveness and efficiency (including profitability, performance, and asset safeguarding), ensuring the reliability of financial reporting, and complying with relevant laws and regulations to provide reasonable assurance.
2. Internal control systems inherently have limitations. Regardless of how well-designed they are, effective internal control systems can only reasonably assure the achievement of the aforementioned three objectives. Additionally, changes in the environment and circumstances may affect the effectiveness of internal control systems. However, our Company's internal control system incorporates a self-monitoring mechanism. Any identified deficiencies immediately prompt corrective actions by the Company.
3. Our Company adopts the criteria stipulated in the "Regulations Governing Establishment of Internal Control Systems by Public Companies" (hereinafter "the Regulations") to determine the efficacy of the internal control system's design and execution. These criteria, as prescribed by the Regulations for assessing internal control systems, categorize them into five components based on the process of management control: (1) Control Environment; (2) Risk Assessment and Response; (3) Control Activities; (4) Information and Communication; and (5) Monitoring Activities. Each component comprises several elements. Please consult the Regulations for details on the aforementioned elements.
4. Our Company has applied the aforementioned criteria to assess the effectiveness of the internal control system's design and implementation.
5. Based on the preceding assessment outcomes, our Company deems that the internal control system (including oversight and management of subsidiaries) as of December 31, 2023, encompassing design and execution related to understanding operational effectiveness and efficiency, reliability of financial reporting, and compliance with relevant laws and regulations, is effective in reasonably ensuring the achievement of the aforementioned objectives.
6. This statement will serve as the primary content of our Company's annual report and prospectus, and will be made available to the public. Any false or concealed information in the disclosed content may incur legal liabilities under Articles 20, 32, 171, and 174 of the Securities and Exchange Act.
7. This statement was endorsed by the Board of Directors of our Company on March 13, 2024, with attendance of 7 directors, none of whom dissented, and all concurred with the content of this statement, as hereby declared.

Ubiqconn Technology Inc.

Chairman:

Manager:

2) When engaging an auditor for special review of the internal control system, the auditor's review report shall be disclosed:

pwc 資誠

內部控制制度審查確信報告

資會綜字第 23006678 號

攸泰科技股份有限公司 公鑒：

後附攸泰科技股份有限公司謂經評估其與外部財務報導及保障資產安全有關之內部控制制度，於民國 112 年 9 月 30 日係有效設計及執行之聲明書，業經本會計師執行合理確信審查程序竣事。

標的、標的資訊與適用基準

本確信案件之標的及標的資訊係攸泰科技股份有限公司與外部財務報導和保障資產安全有關之內部控制制度於民國 112 年 9 月 30 日之設計及執行情形，及 攸泰科技股份有限公司於民國 112 年 11 月 7 日所出具謂經評估其與外部財務報導及保障資產安全有關之內部控制制度係有效設計及執行之聲明書(以下併稱確信標的)。

用以衡量或評估上開確信標的之適用基準係「公開發行公司建立內部控制制度處理準則」之內部控制制度有效性判斷項目。

先天限制

由於任何內部控制制度均有其先天上之限制，故攸泰科技股份有限公司上述內部控制制度仍可能未能預防或偵測出業已發生之錯誤或舞弊。此外，未來之環境可能變遷，遵循內部控制制度之程度亦可能降低，故在本期有效之內部控制制度，並不表示在未來亦必有效。

管理階層之責任

管理階層之責任係依據相關法令規章建立內部控制制度，且隨時檢討，以維持內部控制制度之設計及執行持續有效，並於評估其有效性後，據以出具內部控制制度聲明書。

會計師之責任

本會計師之責任係依照「公開發行公司建立內部控制制度處理準則」及確信準則 3000 號「非屬歷史性財務資訊查核或核閱之確信案件」對確信標的執行必要程序以取得合理確信，並對確信標的在所有重大方面是否遵循適用基準及是否允當表達作成結論。

資誠聯合會計師事務所 PricewaterhouseCoopers, Taiwan
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27F, No. 333, Sec. 1, Keelung Rd., Xinyi Dist., Taipei 110208, Taiwan
T: +886 (2) 2729 6666, F: +886 (2) 2729 6686, www.pwc.tw

pwc 資誠

獨立性及品質管理規範

本會計師及所隸屬會計師事務所已遵循會計師職業道德規範中有關獨立性及其他道德規範之規定，該規範之基本原則為正直、公正客觀、專業能力及專業上應有之注意、保密及專業行為。此外，本會計師所隸屬會計師事務所遵循品質管理準則，維持完備之品質管理制度，包含與遵循職業道德規範、專業準則及所適用法令相關之書面政策及程序。

所執行程序之彙總說明

本會計師係基於專業判斷規劃及執行必要程序，以獲取相關確信標的之證據。所執行之程序包括瞭解公司內部控制制度、評估管理階層評估整體內部控制制度有效性之過程、測試及評估其與外部財務報導及保障資產安全有關之內部控制制度設計及執行之有效性，以及本會計師認為必要之其他審查程序。本會計師相信此項審查工作可對所表示之結論提供合理之依據。

確信結論

依本會計師意見，依照「公開發行公司建立內部控制制度處理準則」之內部控制制度有效性判斷項目判斷，攸泰科技股份有限公司與外部財務報導及保障資產安全有關之內部控制制度於民國 112 年 9 月 30 日之設計及執行，在所有重大方面可維持有效性；攸泰科技股份有限公司於民國 112 年 11 月 7 日所出具謂經評估其與外部財務報導及保障資產安全有關之內部控制制度係有效設計及執行之聲明書，在所有重大方面則屬允當。

資 誠 聯 合 會 計 師 事 務 所

會計師 姚 賓 謙
張 淑 瓊

中 華 民 國 1 1 2 年 1 2 月 8 日

11) During the most recent fiscal year or during the current fiscal year up to the publication date of the annual report, penalties imposed on the Company and internal personnel by law, penalties imposed by the Company on its internal personnel for violations of internal control system regulations, major deficiencies, and condition of improvement: N/A.

12) During the most recent fiscal year or during the current fiscal year up to the publication date of the annual report, important resolutions of the shareholders' meeting and the board of directors meeting:

I. Important resolutions and implementation status of the 2023 Annual General Meeting:
(1). Approval of the 2022 financial statements.
(2). Approval of the 2022 profit distribution proposal.
(3). Approval of the amendment to the Articles of Incorporation. Implementation status: Announced on the Company's website and processed according to the revised procedures.
(4). Approval of the cash capital increase through the issuance of new shares for the Company's initial public offering (IPO) on the stock exchange/OTC.

VI. Important resolutions of the Board of Directors from 2023 to the publication date of the annual report:

Passed on February 6, 2023:
(1). Appointment of members of the Company's first Remuneration Committee

Passed on March 28, 2023:
(1). Establishment of the "Sustainable Development Best Practice Principles" of the Company
(2). Establishment of the "Sustainable Development Policy" of the Company
(3). Amendment of the "Articles of Incorporation" of the Company
(4). Amendment of the "Procedures for Handling Material Inside Information" of the Company
(5). Amendment of the "Regulations Governing Insider Reporting Management Practice" of the Company
(6). Establishment of the "Corporate Governance Best Practice Principles" of the Company
(7). Establishment of the "Ethical Corporate Management Best Practice Principles" of the Company
(8). Establishment of the "Procedures for Ethical Management and Guidelines for Conduct" of the Company
(9). Establishment of the "Code of Ethical Conduct" of the Company
(10). Establishment of the "Regulations Governing the Remuneration and Performance Evaluation of Directors and Managers" of the Company
(11). Credit limit from Zhongxiao Branch of Land Bank of Taiwan.
(12). Short to medium-term credit limit from Songshan Branch of Taichung Commercial Bank.
(13). Acquisition of long-term equity investment (100% fully owned U.S. subsidiary, UNA).
(14). The Company's 2022 annual financial statements.
(15). The distribution of profits for the fiscal year 2022.
(16). Discussion on the "Assessment of the Effectiveness of the Internal Control System" and “Statement on Internal Control System” of the Company for the fiscal year 2022.
(17). The Assessment of independence of the Company’s independent auditor.
(18). Evaluation of the conversion of accounts receivable or other funds into loans.
(19). Appointment of the Company's corporate governance officer.

(20). Allocation of employee compensation and director remuneration for the fiscal year 2022.
(21). Promotion and salary adjustment for managers (Assistant Vice Presidents and above) and corporate governance officer compensation for the fiscal year 2023.
(22). The Company's application for stock listing (or OTC listing) and the cash capital increase through the issuance of new shares as the source of shares for public offering before listing (or OTC listing), and all existing shareholders' waiver of their subscription rights.
(23). Matters regarding the calling of the annual general meeting.

Passed on May 9, 2023:
(1). Compensation distribution for managerial staff.
(2). Compensation distribution for directors.
(3). Change of the Company's registered address.

Passed on June 27, 2023:
(1). Retroactive recognition and authorization of Chairman Chien Min-Tz to fully manage the renewal and utilization of a short-term loan facility of NT$10 million from the Yanji Branch of First Commercial Bank to meet operational needs.
(2). Amendment of the "Rules Governing Financial and Business Matters Between the Company and Affiliated Enterprises" of the Company.
(3). Revision of the "Production Cycle" of the Company.
(4). Revision of the "Research and Development Cycle" of the Company.

Passed on November 7, 2023:
(1). The Company's Q2 2023 financial statements.
(2). The Company's plan to enhance its ability to prepare financial reports for 2023.
(3). Revision of the Company's "Production Cycle."

Passed on December 20, 2023:
(1). The Company's Q3 2023 financial statements.
(2). The financial forecasts for Q4 2023 and Q1 2024.
(3). Issuance of "Assessment of the Effectiveness of the Internal Control System" and "Statement on Internal Control System" during the Company project review period.
(4). Authorization for the lead underwriter appointed by the Company to conduct oversubscription and voluntary centralized custody for specific shareholders during the subscription period.
(5). Application for the listing of the Company's stock.
(6). Formulation of the organizational regulations for the Company's Sustainable Development Committee.
(7). Establishment of the Company's Sustainable Development Committee and appointment of committee members.
(8). Retroactive recognition and authorization of Chairman Chien Min-Tz to fully manage the signing and utilization of a short-term loan facility of NT$50 million from the Shuanghe Branch of Mega International Commercial Bank.
(9). Special bonuses for managers in 2023.
(10). Lifting non-compete agreements with directors.
(11). Amendment to certain articles of the Company's "Articles of Incorporation."
(12). Amendment to certain articles of the Company's "Endorsement Guarantee Processing Procedure."
(13). Amendment to certain articles of the Company's "Endorsement Guarantee Management Regulations."
(14). Amendment to certain articles of the Company's "Procurement and Payment Cycle."

(15). Amendment to certain articles of the Company's "Financing Cycle."
(16). Amendment to certain articles of the Company's "Investment Cycle."
(17). Amendment to certain articles of the Company's "Loans to Others Management Regulations."
(18). Amendment to certain articles of the Company's "Bill Receipt Management Regulations."
(19). Amendment to certain articles of the Company's "Real Estate, Plant, and Equipment Cycle."
(20). Amendment to certain articles of the Company's "Liability Commitments and Contingent Liabilities Management Regulations."
(21). Amendment to certain articles of the Company's "Related Party Transaction Management Regulations."
(22). Amendment to certain articles of the Company's "Financial Statement Preparation Process Management Regulations."
(23). Amendment to certain articles of the Company's "Sales and Receivables Cycle."
(24). Establishment of the Company's "Corporate Group Transaction Procedure."
(25). Retroactive recognition of the Company's acquisition (lease) of real estate usage rights from related parties.
(26). Retroactive recognition of the computer software licensing agreement between the Company and affiliates.

Passed on March 13, 2024:

(1). The Company's 2023 annual financial statements.
(2). The distribution of profits for 2023.
(3). The Company's 2023 “Assessment of the Effectiveness of the Internal Control System” and “Statement on Internal Control System.”
(4). The Assessment Results of the Independence of the Company's Auditors.
(5). Adjustment of manager's fixed compensation.
(6). Special bonuses for the Company's managers for 2023.
(7). Directors' remuneration and managerial staff compensation for 2023.
(8). Cash capital increase through new share issuance for public offering before the initial public offering.
(9). Employee share subscription distribution plan for cash capital increase by issuing new shares.
(10). Amendment to certain articles in the "Procedures for Handling Material Inside Information."
(11). Amendment to certain articles in the "Prevention of Insider Trading Management Regulations."
(12). Amendment to certain articles in the "Rules of Procedure for Board of Directors Meetings."
(13). Amendment to certain articles in the "Organization Regulations of the Audit Committee."
(14). Amendment to certain articles in the "Electronic Data Circulation."
(15). Waiver of non-compete clauses for directors’ representatives.
(16). Matters regarding the calling of the annual general meeting.

13) Where, during the most recent fiscal year or during the current fiscal year up to the date of publication of the annual report, a director or supervisor has expressed a dissenting opinion with respect to a material resolution passed by the board of directors, and said dissenting opinion has been recorded or prepared as a written statement, disclose the principal content thereof: N/A.

14) A summary of resignations and dismissals, during the most recent fiscal year or during the current fiscal year up to the date of publication of the annual report, of the company's chairman, president, chief accounting officer, chief financial officer, chief internal auditor, chief corporate governance officer, and chief research and development officer: N/A.

5. Information regarding auditor's fee:

Auditor's Fee Information

In NT$ K

Accounting Firm	Auditor's Name	Audit Period	Audit Fee	Non-audit Fee	Total	Remarks
PwC Taiwan	Chang Shu-Chiung Lin Po-Chuan	2024/1/1- 2024/12/31	3,230	1,650	4,880	

Please specify the details of non-audit fee services (e.g., tax certification, assurance, or other financial consulting services).

Note: If the Company changes auditors or accounting firms during the fiscal year, please list the audit period separately, explain the reason for the change in the remarks column, and disclose in sequence the information on audit and non-audit fees paid accordingly. Non-audit fees shall also be accompanied by explanations of the services provided:

Breakdown of Non-Audit Fees: (1) Transfer Pricing Report for 2023 at NT$200 K; (2) Public Offering Project Service for 2022 at NT$1,450 K.

(1) When the company changes its accounting firm and the audit fees paid for the fiscal year in which such change took place are lower than those for the previous fiscal year, the amounts of the audit fees before and after the change and the reasons shall be disclosed: N/A.

(2) When the audit fees paid for the current fiscal year are lower than those for the previous fiscal year by 10 percent or more, the reduction in the amount of audit fees, reduction percentage, and reason(s) therefor shall be disclosed: N/A.

6. Information on replacement of auditor: N/A.

7. Where the company's chairman, president, or any manager in charge of finance or accounting matters has in the most recent year held a position at the accounting firm of its auditor or at an affiliated enterprise of such accounting firm, the name and position of the person, and the period during which the position was held, shall be disclosed: N/A.

8. Any transfer of equity interests and/or pledge of or change in equity interests by a director, supervisor, manager, or shareholder with a stake of more than 10 percent during the most recent fiscal year or during the current fiscal year up to the date of publication of the annual report:

1) Changes in the Equity Holdings of Directors, Supervisors, Managers, and Major Shareholders:

Unit: Shares

Title	Name	2022		2023		As of end of March 2024	
		Change in Number of Held Shares	Change in Number of Pledged Shares	Change in Number of Held Shares	Change in Number of Pledged Shares	Change in Number of Held Shares	Change in Number of Pledged Shares
Chairman and Major Shareholder (Notes 1, 4)	FIC Global, Inc.	8,479,389	-	(1,315,000)	-	-	-
Rep. 1 (Notes 1, 4)	Chien Min-Tz	-	-	-	-	-	-
Rep. 2 (Notes 1, 4)	Hsu Ching-Chen	619,405	-	-	-	-	-
Rep. 3 (Notes 1, 4)	Wang Chien-Hsiung	532,000	-	-	-	-	-
Supervisor and Major Shareholder (Note 1)	FICTA Technology, Inc.	-	-	-	-	-	-
	Rep.: Huang Chien-Chen	45,000	-	-	-	-	-
Supervisor and Major Shareholder (Notes 1, 3)	FICTA Technology, Inc.	-	-	-	-	-	-
	Rep.: Chiang Po-I	-	-	-	-	-	-
Supervisor (Note 3)	Chiang Po-I	-	-	Note 4	Note 4	Note 4	Note 4
Supervisor (Note 3)	Lin Shao-Wei	19,400	-	Note 4	Note 4	Note 4	Note 4
Director (Note)	Lin Sung-Hsi	-	-	-	-	-	-
Director (Note)	Tseng Huai-Yi	-	-	-	-	-	-
Independent Director (Note)	Yu Yung-Kuei	-	-	-	-	-	-
Independent Director (Note)	Hsiao Tsu-Tse	-	-	-	-	-	-
Independent Director (Note)	Huang Chung-Liang	-	-	-	-	-	-
CEO	Hsu Ching-Chen	619,405	-	-	-	-	-
Assistant Vice President, Sustainable Development Department	Huang Chien-Chen	45,000	-	-	-	-	-
Vice President, ODM Americas Division	Liao Shan-Ju	35,000	-	-	-	-	-
Chief Technology Officer, Rugged Connectivity Research Division	Wang Chien-Hsiung	532,000	-	-	-	-	-
Assistant Vice President, Hardware Design Dept, Rugged Connectivity Research Division	Chang Chih-Chun	108,000	-	-	-	-	-
Assistant Vice President, System Architecture Design Dept, Rugged Connectivity Research Division	Huang Meng-Chou	92,000	-	-	-	-	-

Title	Name	2022		2023		As of end of March 2024	
		Change in Number of Held Shares	Change in Number of Pledged Shares	Change in Number of Held Shares	Change in Number of Pledged Shares	Change in Number of Held Shares	Change in Number of Pledged Shares
Assistant Vice President, Product Design Verification Dept, Rugged Connectivity Research Division	Chen Han-Tun	60,000	-	-	-	-	-
Vice President, Operations Management Division	Chien Chin-Sheng	95,000	-	-	-	-	-
Vice President, Digital Information Division and Digital Connectivity Services Division	Tien Lien-Jen	90,650	-	-	-	-	-
Assistant Vice President, ODM Europe and Asia Division	Kuo Chia-Chi	20,000	-	-	-	-	-
Assistant Vice President, RuggON Division	Lee Po-Cheng	12,000	-	-	-	-	-
Finance Manager	Hsieh Kuo-Tsai	35,000	-	-	-	-	-
Accounting Manager	Yu Chia-Ju	2,000	-	-	-	-	-
Corporate Governance Officer	Chang Shu-Ming	-	-	-	-	-	-

Note 1: FICTA Technology, Inc. replaced its corporate supervisor representative from Huang Chien-Chen to Chiang Po-I on January 26, 2022.
Note 2: The Company conducted a by-election during its annual general meeting on June 30, 2022, electing two individual supervisors, Chiang Po-I and Lin Shao-Wei.
Note 3: The Company held a comprehensive election at an extraordinary general meeting on December 2, 2022. Chien Min-Tz and Hsu Ching-Chen were elected as legal representatives of corporate director for FIC Global, Inc., while Lin Sung-Hsi and Tseng Huai-Yi as directors, Yu Yung-Kuei and Hsiao Tsu-Tse as independent directors. Chien Min-Tz assumed the position of Chairman. On February 6, 2023, Huang Chung-Liang was elected as an independent director during a by-election at an extraordinary general meeting.

2) Share Transfer Information: N/A.

3) Share Pledge Information: N/A.

9. If any of the company's top 10 shareholders are related parties, spouses or relatives within the second degree of kinship of another, disclose the relationship information:

April 06, 2024; In shares; %

Name	Own Holdings		Spouse, Minor Children's Holdings		Holdings through Nominees		Names and Relationships of Top 10 Shareholders Who are Related Parties, Spouses, or Relatives Within 2nd-Degree Kinship of Another:		Remarks
	No. of Shares	%	No. of Shares	%	No. of Shares	%	Name	Relation	
FIC Global, Inc.	37,827,389	50.44	-	-	-	-	FICTA	Affiliate	-
FIC Global, Inc. Rep. Chien Min-Tz	-	-	-	-	-	-	-	-	-
FICTA Technology, Inc.	14,751,000	19.67	-	-	-	-	FICG	Affiliate	-
FICTA Technology, Inc. Rep. Lin Tung-Hsing	-	-	-	-	-	-	-	-	-
Lee Peng-Hsuan	6,564,393	8.75	-	-	-	-	Chien Min-Tz	2nd-degree kinship	-
Delta Electronics Capital Co.	4,969,311	6.63	-	-	-	-	-	-	-
Delta Electronics, Inc. Rep. Liu Liang-Fu	-	-	-	-	-	-	-	-	-
Asia Vital Components Co.	4,140,259	5.52	-	-	-	-	-	-	-
Asia Vital Components Co. Rep. Chen Ching-Hsing	-	-	-	-	-	-	-	-	-
Grand Fortune Securities Co.	931,153	1.24	-	-	-	-	-	-	-
Grand Fortune Securities Co. Rep. Huang Ping-Chun	-	-	-	-	-	-	-	-	-
Hsu Ching-Chen	729,405	0.97	-	-	-	-	-	-	-
Wang Chien-Hsiung	576,000	0.77	-	-	-	-	-	-	-
Chien Chin-Sheng	195,000	0.26	-	-	-	-	-	-	-
Wang I-Te	150,000	0.20	-	-	-	-	-	-	-

10. The total number of shares and total equity stake held in any single enterprise by the company, its directors and supervisors, managers, and any companies controlled either directly or indirectly by the company:

In shares; %

Investee Company (Note)	Investment by the Company		Investment by Directors, Supervisors, Managers, and Companies Directly or Indirectly Controlled		Comprehensive Investment	
	No. of Shares	Percentage	No. of Shares	Percentage	No. of Shares	Percentage
RuggON Corporation	12,000	100%	-	-	12,000	100%
Ubiqconn Technology (USA) Inc.	5,500	100%	-	-	5,500	100%

Note: Investments accounted for using the equity method by the Company.

IV. Information on Capital Raising Activities

1. Capital and Shares:

1) Source of Capital Stock:

Year & Month	Issue Price	Authorized Capital		Paid-in Capital		Remarks		
		No. of Shares (in K Shares)	Amount (in NT$ K)	No. of Shares (in K Shares)	Amount (in NT$ K)	Source of Capital Stock	Non-cash Capital Contributions	Other
2011.06	10	36,000	360,000	18,000	180,000	Initial Capital	N/A	Note 1
2013.09	12	36,000	360,000	24,500	245,000	Cash Capital Increase NT$65,000 K	N/A	Note 2
2014.09	18	36,000	360,000	35,000	350,000	Cash Capital Increase NT$74,000 K	Capital Increase by Debt Conversion NT$31,000 K	Note 3
2019.04	18	50,000	500,000	41,000	410,000	Cash Capital Increase NT$0 K	Capital Increase by Debt Conversion NT$60,000 K	Note 4
2022.02	18	80,000	800,000	60,000	600,000	Cash Capital Increase NT$53,650 K	Capital Increase by Debt Conversion NT$136,350 K	Note 5
2022.09	20	150,000	1,500,000	75,000	750,000	Cash Capital Increase NT$100,000 K	Capital Increase by Debt Conversion NT$50,000 K	Note 6

Note 1: Fu-Chan-Ye-Shang-Zi Approval Letter No. 10084454210 dated June 10, 2011 by Taipei City Government.
Note 2: Fu-Chan-Ye-Shang-Zi Approval Letter No. 10288298700 dated September 30, 2013 by Taipei City Government.
Note 3: Fu-Chan-Ye-Shang-Zi Approval Letter No. 10387625410 dated September 19, 2014 by Taipei City Government.
Note 4: Fu-Chan-Ye-Shang-Zi Approval Letter No. 10848674710 dated April 24, 2019 by Taipei City Government.
Note 5: Jing-Shou-Shang-Zi Approval Letter No. 11101028790 dated February 22, 2022 by the Ministry of Economic Affairs.
Note 6: Jing-Shou-Shang-Zi Approval Letter No. 11101162030 dated September 1, 2022 by the Ministry of Economic Affairs.

Unit: Shares

Type of Shares	Authorized Capital Stock			Remarks
	Outstanding Capital Stock (Note)	Unissued Capital Stock	Total	
Common Stock	75,000,000	75,000,000	150,000,000	Including 3,500,000 shares reserved for issuance under employee stock option certificates.

Note: Please specify whether the stock is listed on the exchange or traded over-the-counter (OTC), and indicate any restrictions on trading in the exchange market or an OTC market.

2) Shareholder Structure:

April 6, 2024; Unit: Persons; Shares; %

Shareholder Structure	Number of Shareholders	Shares Held	Ownership Percentage
Government Agencies	-	-	-
Financial Institutions	-	-	-
Other Legal Entities	10	62,253,399	83.01
Foreign Institutions and Foreign Individuals	1	6,000	0.00
Individuals	710	12,740,601	16.99
Total	721	75,000,000	100.00

3) Diffusion of Ownership:

April 6, 2024; Unit: Persons; Shares; %

Shareholding Tier	Number of Shareholders	Shares Held	Ownership Percentage (%)
1-999	127	16,701	0.02
1,000-5,000	447	853,468	1.14
5,001-10,000	57	446,485	0.59
10,001-15,000	17	225,400	0.30
15,001-20,000	13	233,975	0.31
20,001-30,000	13	336,019	0.45
30,001-40,000	10	365,746	0.49
40,001-50,000	8	358,500	0.48
50,001-100,000	12	876,181	1.17
100,001-200,000	9	1,255,234	1.67
200,001-400,000	0	0	0.00
400,001-600,000	2	1,100,534	1.47
600,001-800,000	1	729,405	0.97
800,001-1,000,000	0	0	0.00
1,000,001 shares or more	5	68,202,352	90.94
Total	721	75,000,000	100.00

4) List of Major Shareholders:

April 6, 2024; Unit: Shares; %

Shares / Major Shareholders	Shares Held	Ownership Percentage
FIC Global, Inc.	37,827,389	50.44
FICTA Technology, Inc.	14,751,000	19.67
Lee Peng-Hsuan	6,564,393	8.75
Delta Electronics Capital Co.	4,919,311	6.56
Asia Vital Components Co.	4,140,259	5.52
Hsu Ching-Chen	729,405	0.97
Wang Chien-Hsiung	576,000	0.77
Grand Fortune Securities Co.	524,534	0.70
Chien Chin-Sheng	195,000	0.26

April 6, 2024; Unit: Shares; %

Shares / Major Shareholders	Shares Held	Ownership Percentage
Wang I-Te	150,000	0.20

5) The Company's Market Price, Net Worth, Earnings, Dividends Per Share, and Related Information for the Past Two Fiscal Years:

In NT$; K Shares

Item / Fiscal Year			2022	2023	Current Fiscal Year Up to March 31, 2024 (Note 8)
Market Price per Share	Highest		Unlisted	Unlisted	Unlisted
	Lowest		Unlisted	Unlisted	Unlisted
	Average		Unlisted	Unlisted	Unlisted
Net Worth per Share	Before Distribution		15.29	18.37	18.71
	After Distribution		14.79	17.22	18.71
Earnings per Share	Weighted Average Shares		66,164	75,000	75,000
	Earnings Per Share	Before Adjustment	3.13	3.44	0.33
		After Adjustment	3.13	3.44	0.33
Dividends per Share	Cash Dividends		0.50	1.14666666	—
	Stock Dividends	-	-	-	—
		-	-	-	—
	Accumulated Undistributed Dividends		-	-	—
Return on Investment	Price / Earnings Ratio (Note 1)		Unlisted	Unlisted	Unlisted
	Price / Dividend Ratio (Note 2)		Unlisted	Unlisted	Unlisted
	Cash Dividend Yield Rate (Note 3)		Unlisted	Unlisted	Unlisted

If shares are distributed in connection with a capital increase out of earnings or capital reserve, additional information should be disclosed regarding retroactively adjusted market prices and cash dividends based on the number of shares after distribution.

Note 1: Set forth the highest and lowest market price per share for each fiscal year and calculate each fiscal year's average market price based on each fiscal year's actual transaction prices and volume.

Note 2: Please use the number of shares issued at the year-end as the reference and fill in accordance with the distribution determined at the shareholders' meeting of the following year.

Note 3: If retroactive adjustments are necessary due to situations such as stock dividends, both pre-adjustment and post-adjustment earnings per share should be disclosed.

Note 4: If the equity securities issuance conditions stipulate that undistributed dividends in the current fiscal year may accumulate until a profitable year, accumulated undistributed dividends up to the end of the current fiscal year should be disclosed separately.

Note 5: Price-to-earnings ratio = Average closing price per share for the year / Earnings per share.

In NT$; K Shares			
Fiscal Year Item	2022	2023	Current Fiscal Year Up to March 31, 2024 (Note 8)
Note 6: Price-to-dividend ratio = Average closing price per share for the year / Cash dividends per share. Note 7: Cash dividend yield rate = Cash dividends per share / Average closing price per share for the year. Note 8: Net worth per share and earnings per share should be filled in up to the most recent quarter audited (reviewed) by the auditor as of the publication date of the annual report; the remaining columns should contain data for the current fiscal year up to the publication date of the annual report.			

6) The Company's Dividend Policy and Implementation Thereof:

I. Dividend Policy as Stipulated in the Company's Articles of Incorporation

In the event of a surplus in the Company's annual financial statements, tax obligations take precedence, followed by the offsetting of accumulated losses. Subsequently, 10% of the surplus shall be allocated to the legal reserve, unless the legal reserve has already reached the total amount of the Company's paid-in capital, in which case this requirement does not apply. Moreover, in consideration of the Company's operational needs and compliance with relevant laws and regulations, any provision or reversal of special reserves, along with the undistributed earnings from the beginning of the period, contribute to the accumulated distributable earnings for the shareholders. The Board of Directors has the discretion to retain a portion of these earnings and propose a dividend distribution plan for approval by the shareholders' meeting.

II. Proposed (Approved) Dividend Distribution for the Current Fiscal Year:

On March 13, 2024, the Board of Directors approved the dividend distribution plan for the fiscal year 2023. It was resolved that, after offsetting the accumulated losses with profits for the year 2023, a cash dividend of NT$86,000,000 per share would be distributed from the remaining earnings. The dividend amount per share is NT$1.14666666.

7) Effect Upon Business Performance and Earnings Per Share of Any Stock Dividend Distribution Proposed or Adopted at the Most Recent Shareholders' Meeting.

The Company has no plans for stock dividend distribution this fiscal year, thus there is no impact.

8) Profit-sharing Compensation of Employees, Directors, and Supervisors:

I. The Percentages or Ranges with Respect to Employee, Director, and Supervisor Profit-sharing Compensation, as Set Forth in the Company's Articles of Incorporation:

If the Company generates profits for the fiscal year, it shall allocate not less than 1% for employee compensation, which may be distributed in the form of stocks or cash at the discretion of the Board of Directors. The recipients of such distributions may include employees of the parent or subsidiaries of the Company who meet certain conditions. Additionally, the Company may allocate up to 1.5% of the aforementioned profits for the remuneration of directors and supervisors, as decided by the Board of Directors. However, in the presence of accumulated losses, an amount shall be reserved in advance for offsetting purposes.

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

Employee and director compensation estimations are derived from the current period's pre-tax net profit, calculated based on the percentage stipulated in the articles of incorporation, and recorded as salary expenses. Any disparities arising from subsequent shareholder meeting decisions regarding the actual distributed amount versus the estimated figure are adjusted in accordance with accounting estimate changes.

II. Information on Approval of Profit-sharing Compensation Distribution by the Board of Directors:

A. The amount of any employee profit-sharing compensation and director and supervisor profit-sharing compensation distributed in cash or stocks. Any variance between the approved amounts and the estimated figures for the fiscal year in question, along with the reason for the discrepancy and its status of treatment, shall be disclosed: The Board of Directors approved the distribution of employee and director compensation for the fiscal year 2023 on March 13, 2024, with cash disbursements of NT$3,276,329 for employees and NT$4,914,494 for directors. These amounts align with the estimated expenses for 2023.

B. The amount of any employee profit-sharing compensation distributed in stocks, and the size of that amount as a percentage of the sum of the after-tax net income for the current period and total employee profit-sharing compensation: No stock dividends were issued as employee compensation, hence not applicable.

III. Shareholders' Meeting Report on Compensation Distribution and Results:

As of the publication date of the annual report, the Board of Directors resolved on March 13, 2024, to distribute employee and director compensation in cash, totaling NT$3,276,329 and NT$4,914,494, respectively. This information is expected to be presented at the shareholders' meeting for the current year.

IV. The actual distribution of profit-sharing compensation for employees, directors, and supervisors for the previous fiscal year shall be provided, including details such as the number of shares, monetary amounts, and stock prices of the distributed shares. Any disparities between the actual distribution and recognized compensation shall be disclosed, along with explanations of the reasons for the discrepancies and how they have been addressed:

The Board of Directors resolved on March 28, 2023, to distribute employee and director compensation for the fiscal year 2022 in cash, totaling NT$978,412 and NT$1,467,618, respectively, in alignment with the estimated expenses for 2022.

9) Repurchase of Its Own Shares by the Company: Not Applicable.

2. Corporate Bond Issuance : Not Applicable.

3. Preferred Stock Issuance : Not Applicable.

4. Global Depository Receipt Issuance : Not Applicable.

5. Employee Stock Option Certificate Issuance : Not Applicable.

6. Restricted Stock Issuance : Not Applicable.

7. Mergers and Acquisitions (Including Mergers, Acquisitions, and Divestitures) : Not Applicable.

8. Matters to Be Recorded in the Implementation of the Capital Utilization Plan: Not Applicable.

V. Overview of Business Operations

1. Business Contents:

1) Business Scope:

I. The Company’s Primary Business Activities

A. The Company functions as a provider of rugged mobile solutions, involved in the design, manufacturing, and sales of rugged industrial personal computers and embedded boards. Through its subsidiaries, RuggON Corporation (RuggON) and Ubiqconn Technology (USA) Inc. (UNA), it markets products under the proprietary brand RuggON in both domestic and international markets.

B. The Company is dedicated to the challenging mobile application market in the industrial personal computer sector, advancing its business through bespoke services and a branded business model. In offering customized services, the Company provides clients with an one-stop solution, ranging from conceptualization and design to product development and manufacturing. By utilizing a range of standardized modules and product lines, the Company caters to diverse customer needs, spanning from basic models to high-end bespoke solutions. Through extensive market research and close collaboration with clients, the Company gains profound insights and meticulously designs products tailored to meet customer requirements. Its key focus areas for customized services encompass maritime, governmental solutions, office automation, voting machines, satellite communications, and other sectors. Operating under its proprietary brand, RuggON, the Company concentrates on delivering premium rugged mobile solutions. It strategically penetrates four major application markets: agriculture, public transportation, governmental solutions, and logistics, with primary sales channels in the United States and Europe. RuggON-branded products are renowned for their durability, exceptional performance, and innovative technology, making them ideal for use in challenging environments. They meet the rigorous demands of specific industry work settings, providing clients with effective, dependable, and adaptable solutions.

II. Business Composition

In NT$ K; %

Fiscal Year / Product	2022		2023	
	Net Revenue	Percentage (%)	Net Revenue	Percentage (%)
Industrial Personal Computers	2,701,150	81.48	2,682,469	72.08
Embedded Boards	441,407	13.32	508,930	13,68
Others	172,478	5.20	529,941	14.24
Total	3,315,035	100.00	3,721,340	100.00

III. Company's Current Products

A. The Company and its subsidiaries offer services encompassing the design, production, and sale of rugged industrial personal computers and embedded boards. Emphasizing ubiquitous connectivity, our products find application across diverse sectors including maritime, government solutions, office automation, voting machines, satellite communications, agriculture, public transportation, and logistics. Given the often-challenging environments in these sectors, our products are engineered for high stability and reliability.

Sector	Product Type	Product Features
Maritime	Fish Detector Ship Multifunctional Display Rugged Flat Panel for Port Cranes	• Durable Housing: Withstands extreme temperatures, strong vibrations, dust, and moisture, ensuring stable operation under harsh conditions. • High Brightness Screen and Touch Functionality: Provides clear readability and operation even in direct sunlight. • Powerful Processor and Sufficient Storage: Handles various computing and data processing needs effectively. • Multiple Connectivity Options: Equipped with Wi-Fi, Bluetooth, and mobile network connectivity to maintain seamless connectivity in mobile environments.
Government Solutions	Rugged Tablet for Police Use Government Solution Board Government Solution IPC Unmanned Aerial Vehicle (UAV) Tablet Computer for UAV Control	• Durability: Vital for operation in extreme environments to ensure devices function reliably under various conditions. • Compliance with Government Standards: Computers meet reliability and stability standards for government solutions, undergoing rigorous testing to suit special use cases. • Information Security: Computers feature robust security such as hardware encryption and biometric authentication to process sensitive information. • Seamless Integration: To ensure seamless integration with other devices, computers feature special input and output interfaces such as communication interfaces and wireless communication capabilities.
Office Automation	Conference Room Automation Manager Customized Tablet Display	• Touch and Stylus Support: Allows intuitive interaction with applications. • Remote Management and Software Installation: Enables simplified IT management processes. • Multiple Connectivity Options: Includes Wi-Fi, Bluetooth, USB, and other communication interfaces for seamless connection with other office equipment. • Hardware Expansion: Allows for hardware expansion to meet future technological needs.
Voting Machines	Voting Machine Board Voting Machine	• Robust Security Features for Voting Machines: Ensures the security of the voting process and results, including physical security, data encryption, tamper-proof mechanisms, etc., to prevent unauthorized access and manipulation. • Transparency and Traceability: Provides transparency in the voting process with traceable information to ensure the credibility of election results. • User-Friendly Design: Easy-to-use interface ensures voters can easily understand and operate the machine. • Reliability and Stability: Hardware and software are reliable and stable to prevent system failures or crashes.
Satellite Communications	Satellite Communications	• Global Coverage: Ensures connectivity from any location worldwide.

Sector	Product Type	Product Features
	Equipment GPS Industrial Personal Computer Very Small Aperture Terminal (VSAT) Gateway VoIP Phone	• High Reliability and Stability: Ensures operation under various weather and environmental conditions. • Sufficient Bandwidth and Transmission Rate: Satellite communications products provide adequate bandwidth and transmission rates for efficient transfer of video, audio, and data. • Security Features: Satellite communications involve sensitive communications, featuring data encryption, authentication mechanisms, etc., to ensure confidentiality and integrity of communication. • Diverse Application Support: Offers diverse application support, making these products more flexible and widely applicable.
Agriculture	Agricultural Tablet	• Robust Construction: Features a sturdy body structure to withstand common vibrations and impacts in vehicle environments. • Advanced Vehicle Communication and Navigation Features: Include GPS positioning, wireless connectivity, and various data interfaces, to meet the needs of public transportation, logistics, and emergency services. • Support for Various Vehicle Power Standards and Extended Temperature Range: Ensures stable operation in diverse environments.
Public Transportation	Bus-mounted Computer	
Logistics	Vehicle-mounted Logistics Computer Vehicle-mounted Warehouse Computer Smart Warehouse Forklift Tablet	

IV. Development Plan for New Products:

A. We are developing a Proof of Concept (POC) prototype of mobile satellite communications ground equipment. This equipment is specifically designed to offer robust communication capabilities in remote areas. It will provide satellite communications subscription services, expanding service coverage and delivering continuous value to our customers. By integrating satellite communications modules into all rugged products of RuggON, we ensure that our products achieve connectivity anywhere. By capitalizing on the popularity of low-earth orbit satellite communications, we explore new application opportunities in various sectors such as agriculture, transportation, government solutions, and logistics.

B. We are also developing a POC prototype of rugged vehicle-mounted computers tailored for government solutions. These computers will meet the high-intensity and reliability requirements in the government sector.

C. Additionally, we are working on a prototype of Virtual Path Cross-Connect (VPX) tailored for high-performance embedded computing applications.

D. To meet the specific needs of industries or clients, we are offering customized software solutions. These solutions include system integration, application development, and customized software functionalities.

E. Furthermore, we are developing and promoting a brand of drone controllers to strengthen our market position and awareness.

F. Lastly, we are developing tablet computers specifically designed for automobile inspection and diagnosis, meeting the specific requirements of the automotive industry.

2) Industry Overview:

I. Current Status and Development of the Industry

The Company is committed to the challenging mobile application market in the Industrial Personal Computer (IPC) sector. Our products are engineered to meet the demands of mobile applications, boasting adaptability to diverse environments. They are designed to endure extreme conditions such as wide temperature ranges, humidity, salt exposure, and seismic activities. Given the prolonged development phase for such products, their lifecycle is extended, prioritizing reliability over the pursuit of the latest specifications. Moreover, by offering semi-standardized and customized product specifications, we introduce a range of products in limited quantities following consultations with our clientele. Our design, development, and production processes are highly flexible, enabling us to cater to long-term customer supply requirements. Additionally, we extend technical support services to our customers, resulting in high entry barriers and fostering customer loyalty.

Our product portfolio primarily serves mobile application needs, with a strong nexus between our offerings and the satellite communications industry. Notably, our maritime products have demonstrated commendable performance in satellite communications capabilities. Furthermore, in 2021, we ventured into the ground satellite communications receiving equipment market, collaborating with globally recognized providers of satellite communications system equipment to develop rugged mobile and portable satellite communications connectivity devices. In terms of product services, our customized offerings predominantly target applications in maritime, government solutions, office automation, and satellite communications sectors. Meanwhile, our branded products primarily cater to applications in agriculture, public transportation, government solutions, and logistics industries. The following elucidates the current status and evolution of the satellite communications industry, along with the pivotal focus areas encompassing maritime, agriculture, public transportation, and logistics industries, pertinent to our Company's operations:

A. Satellite Communications

The satellite communications industry involves the utilization of artificial satellites in Earth's orbit for transmitting communication, comprising four primary sub-industries: satellite manufacturing, launch services, ground equipment, and satellite services. This sector offers advantages such as extensive coverage, high transmission speeds, and enhanced security, finding widespread applications in government solutions, remote sensing, scientific research, television broadcasting, telecommunications, and other domains.

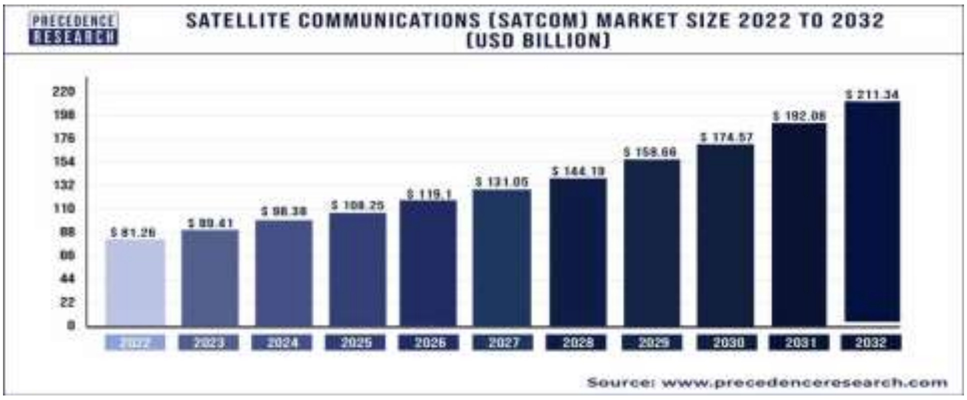
Satellite communications technology has evolved, advancing from the initial Geostationary Orbit (GEO) communication satellites to Medium Earth Orbit (MEO) satellites, and more recently, the emergence of Low Earth Orbit (LEO) communication satellites. LEO communication satellites operate in orbits ranging from 500 to 2,000 kilometers above the Earth's surface. In comparison to GEO communication satellites, LEO communication satellites offer benefits like low transmission latency, high bandwidth, and reduced costs, presenting a promising opportunity in the satellite communications industry. Since 2014, emerging satellite operators like SpaceX and OneWeb have proposed plans to construct LEO satellite constellations, prompting other industry players such as Amazon and Telesat to join the competition for LEO satellites. According to data from the U.S. SIA, the global satellite industry's total revenue reached $384 billion in 2022, with ground receiving equipment and satellite services accounting for approximately 67% of the revenue, while satellite manufacturing and launch services constituted 6%. It is estimated that by 2032, the global satellite industry's revenue will reach \$615.7 billion, with a compound annual growth rate of 8.1%.

Figure 1: Global Satellite Industry Revenues in 2022

Source: Satellite Industry Association (SIA)

The satellite communications industry market in the satellite industry reached $81.26 billion in 2022, projected to grow to $211.34 billion by 2032, with a compound annual growth rate of 10.03% from 2023 to 2032.

Figure 2: Global Satellite Communications Market Size from 2022 to 2032



Source: Precedence Research

According to a report from the International Telecommunications Union (ITU), over 3 billion people worldwide lack access to fiber optic networks, resulting in inadequate broadband coverage. Advancements in satellite miniaturization and payload system technology, coupled with reduced costs of low-orbit rocket launches, as well as the broader coverage and increased bandwidth capabilities of individual satellites, are driving the rapid transition of LEO satellites from government-exclusive applications to commercial uses. LEO satellites are becoming the primary communication solution for areas where establishing traditional network infrastructure is challenging, or for maritime and airborne vehicles requiring continuous connectivity. In the future, 6G networks can integrate with ground and airborne stations to complement existing communication blind spots. According to statistics from the Industrial Technology Research Institute's Industry Science and Technology International Strategy Center, there were 1,715 satellite launches worldwide in 2021, representing a 30% annual increase, with LEO satellites accounting for 98%. The industry's total value increased from $268.5 billion in 2017 to $279.4 billion, with satellite ground equipment contributing 51% of the overall value.

For Taiwan, opportunities in the satellite communications industry are primarily concentrated in two main areas: ground equipment and satellite manufacturing, with a strong emphasis on hardware production and component supply. In terms of ground equipment, several Taiwanese companies possess technical expertise in microwave/millimeter-wave passive communication components and antennas, and have penetrated the supply chains of global satellite communications system manufacturers. While Taiwan's focus in satellite manufacturing has traditionally been on research, there still exists a solid foundation in research and development, exemplified by projects like the FormoSat satellite program and the national space organization. Looking ahead, Taiwan can expedite the development of advanced technologies in the satellite communications industry through government policy support and international collaborations, thereby enhancing competitiveness and value.

Since its inception, our Company has remained dedicated to the industrial PC sector, specializing in precision agriculture, maritime, logistics, and transportation fields that heavily rely on satellite applications. Commencing in 2021, we have shifted our focus from unidirectional satellite communications (SATCOM) applications of the Global Navigation Satellite System (GNSS) to more advanced bidirectional SATCOM applications, aligning with current trends. In light of the Taiwanese government's proactive promotion of the satellite industry, our Company has forged a robust industry ecosystem in Taiwan, offering customers more comprehensive and enhanced solutions and services.

B. Maritime

The maritime industry refers to the sector that utilizes information, communication, electronic, and sensing technologies to offer solutions related to maritime activities. It encompasses diverse sectors such as shipping, ports, maritime transportation, maritime safety, marine environment, and marine resources, playing a pivotal role in the maritime economy. According to a report from Transparency Market Research, the global maritime digitization market was valued at $167.7 billion in 2022 and is expected to reach $367.7 billion by 2031, with a compound annual growth rate of 9.3% from 2023 to 2031.

Figure 3: Global Maritime Digitization Market

Source: Transprarency Market Research

The global maritime industry's primary offerings encompass maritime satellite communications, maritime software, maritime hardware, and maritime services. Maritime satellite communications involve using artificial satellites as relay stations to transmit voice, data, images, and other messages, extensively applied across shipping, ports, maritime transportation, and maritime safety sectors. Maritime software includes applications for maritime-related information systems, management systems, and intelligent solutions like vessel management, tracking, port management, maritime transportation, and maritime safety systems. Maritime hardware comprises equipment used for maritime-related information, sensing, and communication purposes, such as satellite terminals, shipboard computers, shipboard sensors, and shipboard communication devices. Maritime services encompass information provision, consultancy, training, maintenance, etc., tailored for maritime operations. The global maritime industry's progress stems from technological advancements, innovations, market demand, and competitive dynamics. In terms of technology, the integration and utilization of emerging technologies like 5G, the Internet of Things (IoT), and big data offer the maritime sector higher speeds, wider coverage, richer data, smarter analytics, and more secure transactions. On the market front, the expansion and revival of global trade, coupled with heightened consumer expectations for quality, safety, and diversity in maritime services, drive increased demand and opportunities in the maritime industry.

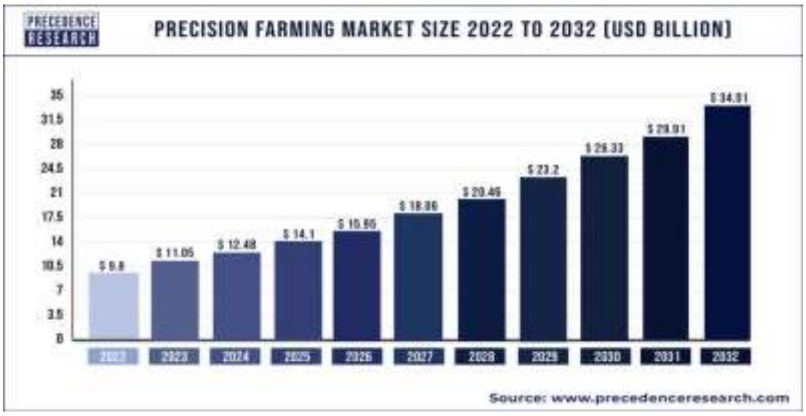
The future development of the maritime industry entails the emergence of LEO satellite communications and innovations in smart ports. LEO satellite communications offer high-speed, low-latency, and highly reliable communication services, thereby boosting communication quality and efficiency while lowering costs and energy consumption. Moreover, it broadens coverage and accessibility, and enhances communication security and privacy. The primary application areas include maritime satellite communications, maritime satellite networks, and maritime Internet of Things (IoT). Smart ports leverage information, communication, electronic, and sensing technologies to monitor, control, predict, optimize, and make decisions concerning port operations, management, services, and safety. This port management model aims to improve port efficiency, quality, environmental friendliness, and economic benefits. Key application areas encompass port management systems, port logistics systems, port security systems, and port environmental systems.

Since 2015, our Company has actively engaged in the maritime digitization industry, initially focusing on fisheries detection. Over time, we have expanded our business scope to encompass critical areas such as port digitization and shipboard management systems. Moving forward, our Company plans to integrate advanced SATCOM technology to further enhance and broaden our coverage in the maritime digitization industry, with a firm commitment to advancing the digitization process in the maritime sector.

C. Agriculture

Precision agriculture embodies an agricultural management paradigm that harnesses information, communication, electronic, and sensing technologies to monitor, control, predict, optimize, and make informed decisions throughout the agricultural production process. Its primary goal is to bolster the efficiency, quality, environmental friendliness, and economic benefits of agricultural endeavors. A cornerstone of smart agriculture, precision agriculture stands as a pivotal strategy for tackling pressing global challenges such as food security, climate change, and resource scarcity. According to Precedence Research, the global precision agriculture market surged to $9.8 billion in 2022, and it is poised to ascend to $34 billion by 2032, boasting a robust compound annual growth rate (CAGR) of 13.3% from 2023 to 2032. The market's momentum is driven by escalating food demand, superior yield rates relative to conventional farming practices, and resilience against the repercussions of climate change.

Figure 4: Global Precision Farming Market Size from 2022 to 2032



Source: Precedence Research

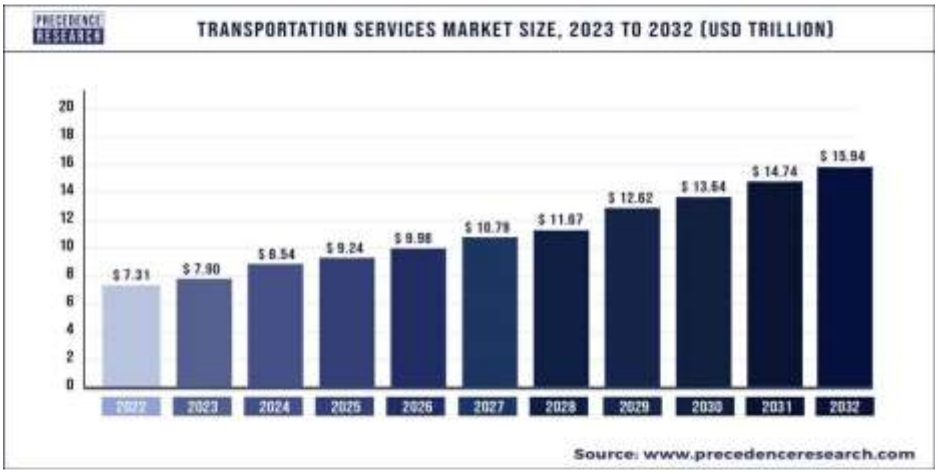
The global precision agriculture market's primary offerings encompass hardware (e.g., sensors, drones, satellites, GPS, etc.), software (e.g., data management, analysis, prediction, etc.), and services (e.g., consulting, training, maintenance, etc.). Major application areas include crop management (e.g., irrigation, fertilization, pest control, etc.), livestock management (e.g., health monitoring, breeding control, feed management, etc.), and aquaculture management (e.g., water quality monitoring, aquaculture optimization, catch prediction, etc.). The development of the global precision agriculture market is fueled by technological advancements, innovations, and government support and incentives. The adoption and integration of emerging technologies like 5G, the Internet of Things (IoT), and big data equip precision agriculture with higher speeds, broader coverage, richer data, smarter analytics, and more secure transactions. Furthermore, numerous countries and organizations have devised policies and initiatives to foster the growth and adoption of precision agriculture.

Since our Company's entry into the market in 2020 under the RuggON brand, we have expanded our operations from the North American market to regions in South America, Eastern Europe, and Central Asia. RuggON boasts an in-house developed high-precision GPS module with centimeter-level positioning accuracy. Leveraging this GPS functionality, strategic partners across various countries can harness RuggON's diverse wired and wireless communication technologies to propose comprehensive precision agriculture information systems and on-site operational solutions covering six key agricultural phases: water resource management, land preparation, seeding, fertilization and pest management, irrigation, and harvesting.

D. Public Transportation and Logistics

RuggON has established a strong presence in the public transportation market for several years, consistently securing numerous contracts in the South American railway market, as well as in the European and Middle Eastern bus transportation sectors. According to a report by Precedence Research, countries are continuing to invest in public transportation infrastructure, leading to substantial growth in the global transportation services market. In 2022, this market reached a value of $7.31 trillion and is projected to expand to approximately $15.94 trillion by 2032, representing a CAGR of 8.11% from 2023 to 2032. RuggON plans to collaborate with major transportation service system integrators in Europe to address various system requirements, including ticketing, carriage advertising, driver assistance, pre-vehicle inspection, and 5G transmission systems. The Company is committed to continuously upgrading vehicle computers and peripheral devices while delivering customized solutions to meet specific needs.

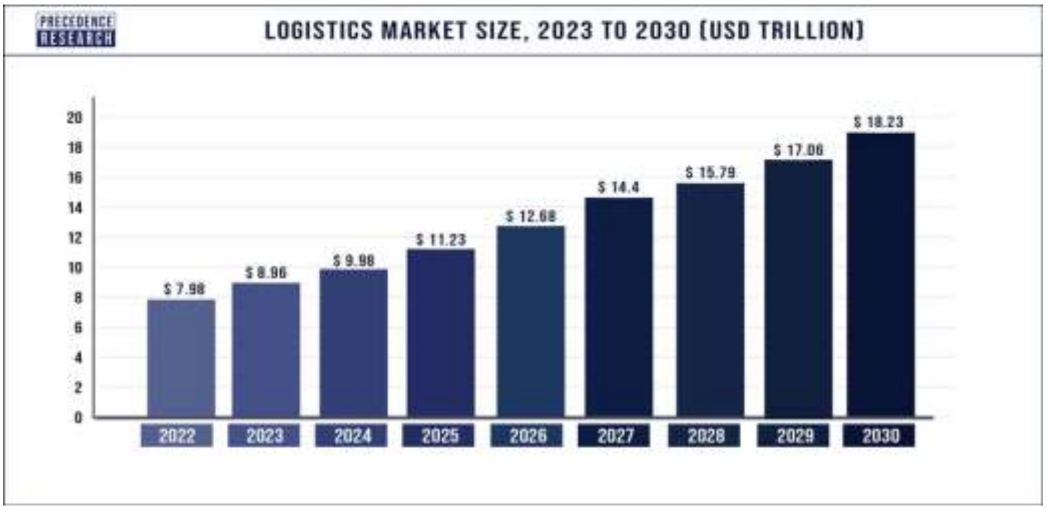
Figure 5: Global Public Transportation Market Size from 2023 to 2032



Source: Precedence Research

According to a research report by Precedence Research, the global logistics market reached $7.98 trillion in 2022 and is anticipated to grow to approximately $18.23 trillion by 2030, with a CAGR of 10.7% from 2023 to 2030.

Figure 6: Global Logistics Market Size from 2023 to 2030



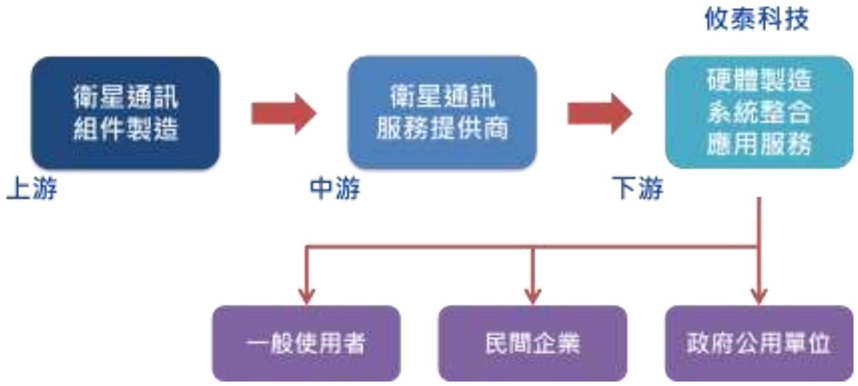
Source: Precedence Research

RuggON specializes in developing dedicated equipment for transportation vehicles in industries such as mining, ports, and warehouses. Through collaboration with local strategic partners across various countries, the Company offers integrated hardware and software services along with one-stop solutions. Successful outcomes have been realized in markets such as Latin America, Eastern Europe, and Central Asia in 2021. RuggON remains committed to investing in meeting the demands of this specialized field and expanding the promotion of related solutions to markets in Australia and North America based on its successful track record.

V. 2) Interconnectedness between Upstream, Midstream, and Downstream Industry Segments

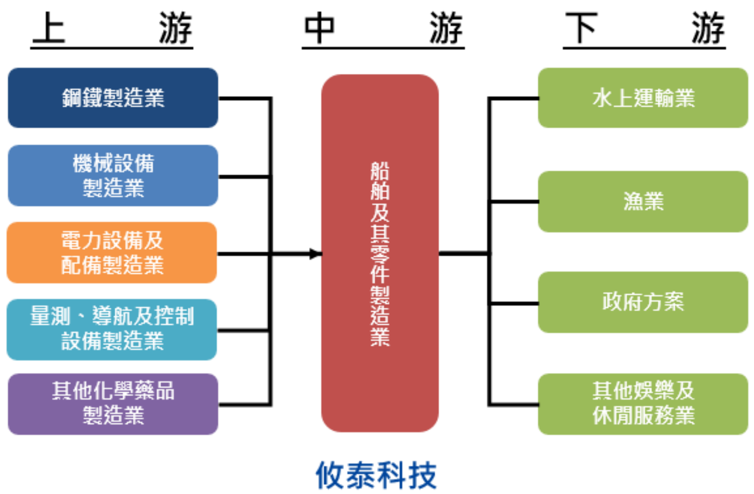
A. Satellite Communications

Our Company operates in the SATCOM sector as a downstream hardware design and system integration manufacturer. We collaborate with midstream SATCOM service providers and upstream SATCOM component manufacturers to assist government agencies, SATCOM enterprises, and users by providing hardware design manufacturing, system integration, and application software development. The industry relationship diagram is shown below:



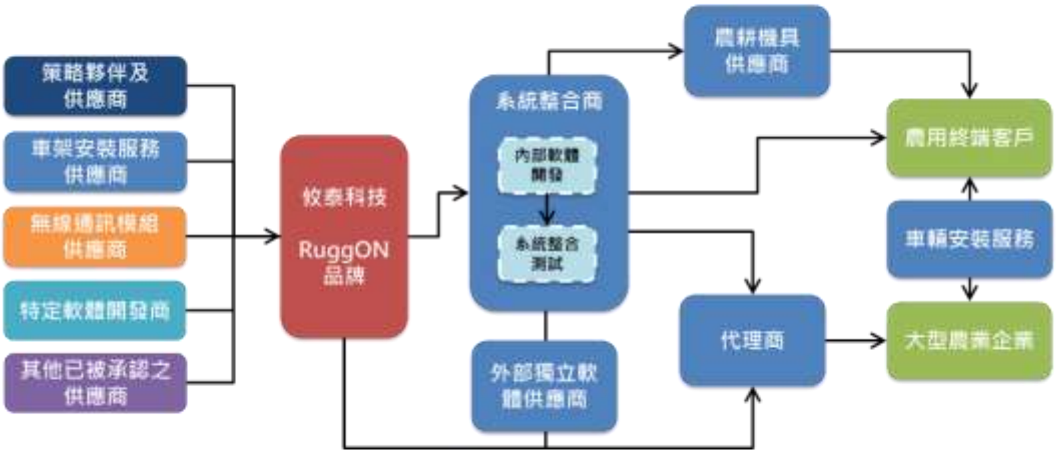
B. Maritime

Maritime equipment encompasses ship and component manufacturing, with numerous collaborative suppliers across the industry's upstream, midstream, and downstream sectors. Upstream suppliers primarily include steel manufacturing, machinery and equipment manufacturing, electrical equipment and apparatus manufacturing, and other chemical product manufacturing industries. Our Company operates in the midstream of this industry, while downstream demand markets mainly consist of the maritime transportation industry, fisheries, government solution affairs, and other entertainment and leisure service industries. Both our Company and subsidiaries belong to the midstream equipment manufacturing sector of the maritime industry.



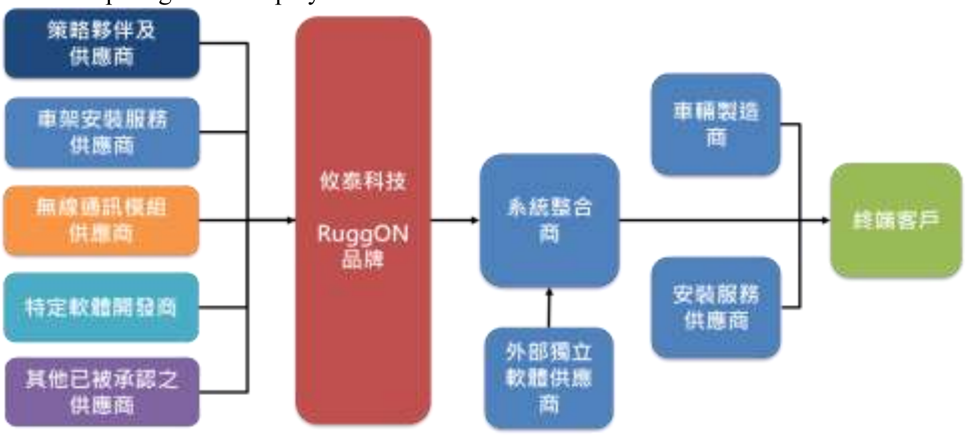
C. Agriculture

Our Company serves as a midstream manufacturer, integrating suppliers of upstream chassis assembly, wireless communication modules, specific software, and more to design and develop precision agriculture products marketed under the RuggOn brand. We collaborate with midstream system integrators and independent software suppliers, forming an ecosystem partnership to jointly provide equipment and added value to agricultural machinery dealers, large-scale agricultural and animal husbandry enterprises, as well as individual farm operators. The industry relationship diagram is presented below.



D. Public Transportation and Logistics

Our Company operates as a midstream manufacturer, integrating suppliers of upstream chassis assembly, wireless communication modules, specific software, and other components to design and develop products for public transportation and logistics marketed under the RuggOn brand. We collaborate with midstream system integrators and independent software suppliers, forming an ecosystem partnership to jointly provide tablet computers, on-board computers, and one-stop solutions to fleet management companies and transportation operators. The industry relationship diagram is displayed below.



VI. 3) Various Development Trends and Competitive Landscape

A. Diverse Product Development Trends

Our Company specializes as a rugged mobile solution provider, with a focus on industries including satellite communications, maritime, agriculture, public transportation, and logistics. We are dedicated to innovation and excellence across each application domain. The rugged mobile application industry aims to achieve ubiquitous connectivity, catering not only to urban areas and regions with high network coverage but also to remote areas or oceans beyond the reach of traditional communication networks. With advancements in technology, the demand for efficient and reliable communication solutions is on the rise. Integrating satellite communication technology into rugged products can lead to the creation of more efficient, widespread, and dependable communication solutions. Furthermore, in terms of solution application, we are continuously expanding into diverse markets. Drawing on our wealth of experience in developing customized maritime solutions, we are broadening our offerings in other sectors under our proprietary brand RuggON, such as precision agriculture, extreme sports, transportation, and more. This enables us to provide specialized solutions tailored to niche markets. Additionally, in line with the global promotion of ESG concepts and initiatives, we introduce ESG and green product concepts into our product development process, from ideation to design, development, production, and recycling. This approach ensures that we meet customer demands while advancing sustainability goals.

B. Competitive Landscape

The realm of industrial PC applications is extensive, and our Company specializes in rugged mobile applications tailored to specific sectors. Among domestic listed companies in the same industry, while the types of product applications are similar to those of our Company, each company operates within its own specialized domain. As a rugged mobile solution provider, our mission is to craft solutions that effectively address customer pain points. Our products boast customization options in small quantities and a diverse range, offering customers one-stop customized services and solutions under our proprietary brand RuggON. Our research and development team seamlessly incorporates satellite communications technology into our product development process. The innovation, quality, reliability, supply chain scheduling, and service support of our products have garnered recognition from our customers. We remain committed to enhancing the image and market promotion of our proprietary brand to erect a formidable entry barrier for our Company.

3) Overview of Technology and Research Development:

I. Technical Levels and Research Development

Our Company is committed to tackling the most demanding mobile application market within the industrial PC sector. Our focus in technological and research development encompasses rugged mechanical structures, intelligent battery management, wide-range vehicle power, and software services aimed at achieving seamless wireless connectivity. Our goal is to optimize and enhance our technical capabilities to establish a robust competitive edge in this industry.

A. Rugged Mechanical Structures:

Delivering robust and durable equipment for challenging environments is essential for specific applications. Our Company's rugged mechanical structure technology provides dependable and comprehensive solutions without compromising user habits and working conditions. This includes designs tailored for high and low-temperature environments and mobility, integrating features such as waterproofing, dustproofing, drop resistance, and vibration resistance.

B. Display Technology: High-brightness screens, anti-glare, and anti-reflection coatings ensure clear readability even in sunlight.

C. Touchscreen Technology: Supporting glove mode or wet-hand operation, suitable for various environments.

D. Intelligent Battery Management: Maintaining high mobility and continuous power supply in extreme environments is crucial for any mobile device. Our Company's intelligent battery management technology eliminates downtime related to power issues by safely controlling battery charging and discharging currents in different temperature environments, ensuring uninterrupted power supply.

E. Wide-Range Vehicle Power: In automotive applications, stable and efficient power is paramount due to the irregular voltage of vehicle power sources and noise interference from onboard electrical devices. Our Company's wide-range vehicle power technology offers superior noise resistance and ensures the most stable vehicle power supply. Considered a pivotal aspect in vehicle power design, it guarantees the ultimate solution for onboard computing equipment, providing optimal immunity to interference and a consistent power supply.

F. Software Services: Our Company's software team boasts expertise in Linux, Android, and Windows platforms, delivering operating system porting services and tailored CMOS/BIOS settings. We provide comprehensive board-level software services, intuitive dashboard utility tools, and APIs tailored to meet diverse customer needs.

G. Seamless Wireless Connectivity: Our Company's seamless wireless connectivity technology supports various wireless applications, offering comprehensive solutions with high/low data rates and different ranges. Our technology not only optimizes wireless design and deployment but also enhances signal sensitivity. We support customized antenna solutions to ensure optimal transmission and reception performance.

II. R&D Personnel and Their Education and Experience

Education	2022		2023		As of March 31, 2024	
	Number	%	Number	%	Number	%
Doctorate	0	0.00	0	0.00	1	0.89
Master's	19	21.35	35	32.41	35	30.97
Bachelor's	65	73.03	69	63.89	73	64.60
High School or Below	5	5.62	4	3.70	4	3.54
Total	89	100.00	108	100.00	113	100.00

VII.

III. R&D Expenses for Each of the Last Five Years

In NT$ K; %

Item/ Fiscal Year	2019	2020	2021	2022	2023
Net Revenue (A)	1,649,364	1,617,189	3,213,231	3,315,035	3,721,340
3. R&D Expense (B)	138,130	139,479	161,865	176,306	197,157
R&D Expense as a Percentage of Net Revenue (B)/(A)	8.37%	8.62%	5.04%	5.32%	5.30%

IV. Technological or Product Developments Successful in the Last Five Years

Fiscal Year	Product/Technology
2019	➢ Developed rugged 10.4-inch in-vehicle computer – built on the high-performance x86 CPU platform – Intel Whisky Lake U ➢ Aluminum alloy enclosure with high-strength IP68 waterproof and dustproof rating (6 indicates complete protection of internal circuits from dust ingress, "8" indicates that when submerged in water up to a depth of 1 meter, it can provide internal components with protection for at least 1 hour.), compliant with MIL-STD 810H shock and vibration and vehicle vibration system structural design ➢ High-brightness 1200 nits LCD technology for sunlight readability ➢ Resistive multi-touch screen technology and defogging function technology ➢ Fanless system cooling and power management technology ➢ Automotive 9-60V DC power management technology ➢ Multiple I/O interfaces (RS232/422/485, Gigabit Ethernet, USB, Type C(Alt Mode Supported), CAN bus, DIDO, Video In) ➢ Dual-band wireless WiFi 802.11ac fast roaming and Bluetooth 5.0 for continuous updates ➢ 4G LTE wireless broadband and GNSS (Global Navigation Satellite System) support ➢ 5G FR1 frequency range (Sub 6GHz band) RF wireless broadband connection technology ➢ Wide temperature range design for systems: -30°C to +55°C Reliability design certified by government standard MIL-STD 810G
2020	➢ Developed rugged 7-inch in-vehicle computer - based on the high-performance

	ARM CPU-Qualcomm 660 chipset ➢ Utilized aluminum alloy for high-strength IP65 waterproof and dustproof rating, meeting government standard 810H for impact and 40G in-vehicle shock system design ➢ Featured high-brightness 500 nits LCD sunlight readability technology ➢ Capacitive multi-touch screen technology ➢ Fanless system cooling and power management technology ➢ Automotive 9-36V DC power management technology ➢ Multiple I/O interfaces (RS232/422/485, Gigabit Ethernet, USB, Type C (Alt Mode Supported), CAN bus, DIDO, Video In) ➢ Dual-band wireless WiFi 802.11ac fast roaming and Bluetooth 5.0 for continuous updates ➢ 4G LTE wireless broadband and GNSS support ➢ Wide temperature range design for systems: -20°C to +60°C ➢ Reliability design certified by government standard MIL-STD 810H Successfully obtained Google Mobile Service MS 11.0 Google certification.
2021	➢ Developed rugged 8-inch tablet computers - based on x86 CPU - Intel Tiger Lake U chipset and ARM CPU - Qualcomm 660 chipset. ➢ Utilized aluminum alloy for high-strength IP65 waterproof and dustproof rating, featuring a system structure design capable of withstanding drops from over 5 feet ➢ Industrial-specific Type-C connection technology solution - Docking and peripheral devices such as 3D cameras, keyboards, fingerprint readers, ultra-high frequency RFID readers, passport readers, magnetic stripe readers, etc. ➢ High-brightness 1000 nits LCD sunlight readability technology ➢ Capacitive multi-touch screen technology ➢ Fanless system cooling and power management technology ➢ Type C I/O interface (Dual Role Power & Alt Mode Supported) ➢ Dual-band wireless WiFi 802.11ac fast roaming and Bluetooth 5.0 for continuous updates ➢ 4G LTE wireless broadband and GNSS support ➢ 5G FR1 (Sub 6G) RF broadband wireless connection technology ➢ x86 Core-i (Intel processor core code) platform for small-sized systems (8 inches), featuring fanless cooling technology and unique power management technology ➢ EMC technology certified by government standard MIL-STD 461F Reliability design certified by government standard MIL-STD 810H
2022	➢ Developed VPX 3U government solution computer module - based on high-performance x86 CPU - Intel Tiger Lake H chipset ➢ VPX 3U - Multi-CPU hardware platform module + VPX backplane I/O architecture ➢ VPX system fan cooling technology ➢ VPX power management technology ➢ Developed VPX hardware platform management system - Chassis Manager firmware + IPMC firmware ➢ EMC technology certified by government standard MIL-STD 461F Reliability design certified by government standard MIL-STD 810H
2023	➢ Developed rugged 14-inch tablet computer - based on x86 CPU - Intel Raptor Lake U chipset ➢ Developed high-strength IP65 waterproof and dustproof plastic, capable of withstanding drops of over 3 feet ➢ Industrial-specific spring-loaded connection technology solution - for docking and

	peripherals such as 3D cameras, keyboards, fingerprint scanners, ultra-high frequency RFID devices, external GNSS satellite, 4G receiving antennas, etc. ➢ Capacitive multi-touch screen technology, supporting finger, glove, and raindrop operation modes ➢ IP65 waterproof fan cooling technology and power management technology ➢ Hot-swappable dual lithium battery power module design technology ➢ Dual-band WiFi 6 fast roaming and Bluetooth 5.0 support ➢ L-band satellite communications connectivity technology ➢ Wide temperature range design for systems: -20°C to +55°C EMC technology certified by government standard MIL-STD 461G

4) Long and Short-Term Business Development Plans:

I. Short-Term Development Plan

To align with market dynamics and provide customers with distinctive and high-value-added product solutions.

A. Marketing and Product Development Plan

- Offer comprehensive customization services: From proof of concept (POC) samples to mass production, we provide a one-stop solution covering product design, manufacturing, market strategies, and subsequent support services. We focus particularly on the maritime, satellite communications, and government solutions markets to satisfy the growing demand in these sectors.

B. Enhance the influence of the RuggON brand in key markets: By penetrating the agriculture, public transportation, logistics, and government solutions markets, the Company aims to boost brand recognition and prominence, establishing RuggON as the preferred brand in the industry.

C. Establish a leading technological position in the market: Through continuous innovation and technological advancements, the Company aims to solidify RuggON's reputation as a market leader in technology. This involves investing in research and development, collaborating with leading technology firms, and actively participating in the development of industry standards.

D. Expand the global operational network: The Company continuously expand operational presence in key regions to provide faster and more convenient localized services, thereby bringing the Company closer to its customers.

E. Production and Operations Plan

- Fully integrate the supply chain: We strengthen bargaining power by fully integrating the supply chain to optimize cost control and supply chain management. We forge robust partnerships with primary suppliers while maintaining relationships with secondary ones to ensure flexibility in pricing during market fluctuations.
- Improve the production efficiency of the Zhonghe plant: The Company leverages existing technology and equipment to bolster production capacity at the Zhonghe facility. This involves streamlining production processes, introducing advanced manufacturing technology, and implementing automation solutions to bring down costs and boost product quality and output.
- Strengthen ecosystem collaboration: We collaborate with industry partners to develop new products, expand market reach, and collectively address industry challenges through strategic cooperation. By fostering a more comprehensive ecosystem, we aim to attract additional opportunities to drive overall business growth.
- Promote digital collaborative work environments and adopt agile organizational frameworks: We continuously invest in digital tools and platforms to facilitate more

effective collaboration across departments and teams. By encouraging collaboration among cross-functional teams, we adopt agile methodologies to boost efficiency and innovation capabilities.

II. Long-Term Development Plan

To establish RuggON as a premier brand in mobile satellite communications ground equipment and services, with satellite communications technology at its core.

A. Marketing and Product Development Plan

- Consolidate RuggON's leading position in the field of satellite communications: We offer value-added services tailored to the agriculture, public transportation, logistics, and government solutions markets. We aspire to become the foremost provider of mobile satellite application solutions in these sectors within the next decade.
- Position mobile satellite communications applications as the main revenue source: Develop mobile satellite communications applications into the primary revenue contributor in the coming decade.
- Establish regional business units: Create regional business units in strategic markets to enhance market penetration and foster customer relationships.
- Innovate products centered around satellite communications technology: Continuously develop and optimize mobile rugged applications centered abound satellite communications technology to meet the diverse needs of vertical markets.
- Lead in drone controller technology: Strive to achieve leadership in the drone controller segment through innovative technology and market strategies.

B. Production and Operations Plan

C. Establish regionalized production bases: Establish production bases in major regions over the next decade, providing one-stop services from sample making to mass production, while also diversifying supply chain risks.

- Optimize and localize the supply chain: Continuously shorten and optimize the supply chain and promote a localization strategy to enhance efficiency and flexibility.
- Integrate and apply artificial intelligence: Introduce artificial intelligence technology to improve the efficiency and accuracy of material management, thereby lowering inventory costs.
- Continuously operate and optimize ecosystem: Continuously strengthen relationships with suppliers and partners to create greater synergies.
- Continuously promote digital transformation and optimize agile organizations: Enhance business process efficiency and flexibility through the application of digital technology; strengthen agile organizational structures to respond to market changes and adapt quickly to new challenges.

2. Market and Sales Overview:

1) Market Analysis:

I. Sales Regions of Main Products

Item \ Fiscal Year		2022 Amount	2022 %	2023 Amount	2023 %
Domestic Sales		68,770	2.07	122,162	3.28
Export Sales	Americas	1,787,322	53.92	1,473,912	39.61
	Australia	285,587	8.61	457,812	12.30
	Netherlands	483,418	14.58	503,128	13.52
	Other	689,938	20.82	1,164,326	31.29

Item \ Fiscal Year		2022		2023	
		Amount	%	Amount	%
	Subtotal	3,246,265	97.93	3,599,178	96.72
Total		3,315,035	100	3,721,340	100

II. Market Share

Our Company's core business revolves around providing customers with customized design and production services for rugged mobile solutions, LCD display touch solutions, embedded modules, and satellite modules. Our main focus lies in serving clients within the industrial PC, rugged tablet, and embedded board product sectors. According to statistics from the Department of Statistics, Ministry of Economic Affairs (MOEA), the total sales value of industrial PCs in Taiwan in 2023 amounted to NT$58,936,633 K. Based on our Company's net operating revenue of NT$3,721,340 K in 2023, our market share stood at approximately 6.31%. This signifies significant potential for future growth.

Overview of Sales Volume and Value in the Taiwan IPC Manufacturing Industry

Fiscal Year	Sales Volume (units)	Annual Sales Volume Growth Rate (%)	Sales Value (NT$ K)	Annual Sales Value Growth Rate (%)
2023	5,250,720	(16.93)	58,936,633	(11.17)

Source: Industrial production statistics data from the MOEA Department of Statistics

III. Future Supply and Demand Outlook in the Market

A. Future Supply and Demand Situation in the Market

Based on statistics on industrial production from the Department of Statistics, Ministry of Economic Affairs, Taiwan's industrial PC supply totaled 5.72 million units in 2022, with a total production value of NT$59.6 billion. In terms of demand, the primary markets are in Europe and the United States, with a total sales volume of 6.32 million units and a total sales value of NT$66.3 billion. In 2023, geopolitical tensions, including the unresolved war between Russia and Ukraine, as well as trade and technology conflicts between the United States and China, have persisted. These factors, coupled with global currency inflation, prompted central banks worldwide to implement tight monetary policies and raise interest rates to curb inflation. Consequently, global economic growth has slowed, leading to higher corporate financing costs and reduced capital expenditures. As a result, the downstream terminal market for industrial PCs faces pressure from slowing demand growth and the need to clear inventory. According to statistics from the MOEA Department of Statistics, the sales value of Taiwan's IPC manufacturing industry in 2023 was NT$52.5 billion, representing an 11.17% decrease from the same period in 2022. However, according to the International Monetary Fund (IMF)'s "World Economic Outlook" released in October 2023, as the effects of global monetary tightening policies become evident, coupled with a decline in international commodity prices, global inflation is expected to decline steadily from 8.7% in 2022 to 6.9% in 2023 and 5.8% in 2024. Furthermore, as the business operating environment gradually changes and the demand for business and production digital transformation continues to increase, coupled with breakthroughs in AI technology and the emergence of related industrial applications, industries worldwide are accelerating transformation. This is driving demand growth in the industrial PC market. Traditional manufacturing industries such as semiconductors, transportation, and infrastructure have begun to increase capital expenditures through equipment renewal. At the same time, it is also driving the emergence of new application areas such as Artificial Intelligence of Things (AIoT), smart healthcare, and smart finance. With the completion of inventory adjustments in downstream terminal markets, the outlook for market demand growth is expected to improve. Therefore, according to a report by Markets and Markets, the global industrial PC market is estimated to grow from \$5 billion in 2023 to \$6.6 billion by 2028.

VIII. B. Market Growth

(A) Satellite Communications: The satellite communications industry is undergoing rapid evolution and transformation, with Low Earth Orbit (LEO) satellite communications technology emerging as a promising opportunity. Advantages such as low latency, high bandwidth, and cost-effectiveness make LEO satellite communications an attractive choice. The market was valued at \$81.26 billion in 2022 and is forecasted to reach \$211.34 billion by 2032, boasting a compound annual growth rate (CAGR) of 10.03%. This growth is propelled by technological innovations in satellite communications and the expanding scope of applications, particularly in government solutions, remote sensing, scientific research, and telecommunications.

(B) Maritime: Digitization is fueling rapid growth in the maritime industry. The global maritime digitization market, valued at \$167.7 billion in 2022, is projected to hit \$367.7 billion by 2031, boasting a CAGR of 9.3%. This growth is primarily fueled by advancements in technologies like satellite communications, 5G, Internet of Things (IoT), and big data, alongside increasing market demand for enhanced quality and safety in maritime services.

(C) Agriculture: The precision agriculture market, which reached \$9.8 billion in 2022, is anticipated to surge to \$34 billion by 2032, exhibiting a CAGR of 13.3%. This growth is chiefly driven by the deployment of hardware such as sensors, drones, satellites, and GPS, along with the adoption of data management and analytics software.

(D) Public Transportation and Logistics: The public transportation and logistics sectors are witnessing growth propelled by global trade expansion and technological innovation. The transportation services market, valued at \$7.31 trillion in 2022, is poised to reach \$15.94 trillion by 2032, with a CAGR of 8.11%. Meanwhile, the global logistics market, standing at \$7.98 trillion in 2022, is forecasted to climb to \$18.23 trillion by 2030, boasting a CAGR of 10.7%.

The growth across these markets underscores several shared trends, including technological innovation, rising market demand, and government policy support. With rapid advancements, particularly in communication and data processing, geared towards meeting escalating demand and offering business opportunities for ecosystem supply chain vendors, these sectors are driving continuous innovation and development, paving the way for robust growth in the market in the years ahead.

IV. Competitive Advantages

Our Company has erected several crucial technological barriers, encompassing system integration, software and firmware design, RF research and development, mechanical research and development, display technology, and safety certification. We predominantly favor trade secrets over patent protection due to a myriad of reasons such as swift technological advancements, confidentiality preservation, cost-effectiveness, and the variability of application processes. Notably, system integration often entails undisclosed technical know-how (e.g., wireless communication shielding, mechanical closeness, and power efficiency), hence our inclination towards trade secrets. Our competitive advantages are delineated as follows:

A. Professional Experience and Expertise: With years of immersion in the rugged mobile computing realm, our Company has amassed extensive professional knowledge and technical proficiency, laying a robust groundwork for our foray into the mobile satellite communications ground equipment market.

B. High Barrier Strategy Advantage: Since its inception, our Company has steadfastly adhered to the philosophy of eschewing low barriers, emblematic of our unwavering focus on technology-intensive and innovation-driven domains. This positioning enables us to excel in upscale markets and arenas fraught with significant technical challenges.

C. Comprehensive Service System: We have instituted a comprehensive service ecosystem, spanning from market research to design fabrication, and further extending to supply chain management. This ensures streamlined and consistent processes in the development and provision of ground equipment for mobile satellite communications.

D. Visibility in Multiple Vertical Markets: Our Company's prominent presence and sterling reputation across various vertical markets will expedite the promotion of mobile satellite communications ground equipment and facilitate swift market acceptance.

V. Prospects: Favorable and Unfavorable Factors and Response Strategies

A. Favorable Factors

(A) Long-term Focus on the Mobile Industrial PC Market, Accumulating Technology and Strength

Our Company has steadfastly concentrated on providing rugged mobile solutions within the demanding domain of industrial PCs. Through long-term dedication to enhancing technology and fostering innovation, we continuously explore and solidify our product applications. Leveraging robust mechanical structural technology, our products can operate stably even in the most challenging environments, which is particularly crucial for specialized fields such as precision agriculture, maritime operations, government solutions, logistics, and transportation. We enhance display and touch screen technologies to ensure product efficiency and usability even in extreme outdoor conditions. Regarding intelligent battery management, our Company ensures that products deliver reliable power under various temperatures and conditions, significantly reducing downtime caused by power issues. Additionally, our wide-ranging onboard power supply technology provides stable and efficient energy solutions for vehicular applications, setting a high competitive threshold within the industry. Moreover, our Company possesses diverse software services and professional expertise, offering customized solutions to meet unique customer demands. Our technological prowess and innovative mindset grow in tandem with our customers, reinforcing our market position and establishing a solid foundation in the satellite communications market.

(B) Diversified Field Applications and Customization Capability

Our Company has deeply entrenched itself in the rugged mobile computer market, spanning sectors such as maritime, agriculture, public transportation, logistics, and government solutions. We provide one-stop customized services, leveraging our proprietary brand, RuggON, to extend our reach from the rugged market to the global mobile product market. Our brand not only signifies product strength and design innovation but also acts as a magnet for potential customers across diverse markets. As digitalization and smart transformation gain traction across industries, the demand for products tailored to meet specific terminal requirements and specifications becomes a pivotal force in the industrial PC sector. Through customized services and brand expansion endeavors, our Company has effectively introduced numerous tailored solutions across various industries, thereby bolstering our competitive stance in the market. Throughout the customization process, we continuously reinforce the resilience of our supply chain, thereby enhancing the competitiveness of our proprietary brand. The synergy between our brand and customization services enables us to flexibly adapt to market changes and cater to diverse customer needs.

(C) Comprehensive Service System

Our Company offers one-stop, comprehensive solutions for customized services, encompassing every stage from conceptualization and design to development, manufacturing, after-sales support, and end-of-life (EOL) product lifecycle management. This holistic approach not only meets the diverse needs of our customers but also bolsters our competitiveness in the market. Particularly, our supply chain management entails collaborative discussions with customers starting from the early stages of product design, boosting production efficiency. The RuggON brand business is founded on prototypes, with additional minor customization services provided to customers. This service model facilitates swift product launches into the market, catering to customer demands. Moreover, our Company ensures that project products supplied to customers have an extended product lifecycle, necessitating support for over five years. This not only underscores our confidence in product quality but also exhibits customers' trust in our quality and brand, fostering the establishment of long-term collaborative relationships between both parties.

(D) Advantages of the Industry Ecosystem

The electronic industry supply chain ecosystem in our nation is robust, featuring comprehensive vertical integration among upstream, midstream, and downstream sectors. This has led to the formation of efficient and highly collaborative industry clusters. Driven by the concentrated effects of industry clustering, a diverse array of product types and complete system module supply chains have emerged. These encompass central processing units, memory, touch panels, passive components, connectors, batteries, and more, thereby reducing the time and cost for industrial PC manufacturers to source and acquire components. Our Company has established an ecosystem chain in Taiwan, adept at seamlessly integrating local resources, including talent, technology, and supply chain management. This enhances operational efficiency and market responsiveness. By cultivating a rugged mobile ecosystem, we foster an integrated value chain, facilitating collaborative development of new products or services and enabling ecosystem members to collectively generate and share value.

B. Adverse Factors and Response Strategies

(A) Pressure from Technological Innovation Competition and Regulatory Requirements

Our Company has ventured into the market for rugged mobile satellite communications systems, partnering with internationally renowned maritime communication equipment providers to collaboratively develop mobile and portable rugged satellite communication link devices. However, satellite communication is a highly technology-intensive industry, subject to stringent industry, product, and safety regulations both internationally and regionally. Consequently, our Company faces increased compliance costs in market entry and product development. Moreover, as the satellite communications market emerges as a commercialized sector, the continual emergence of new applications and innovations in related technologies leads to rapid shifts in international market demands, intensifying the technological challenges faced by our Company.

Response Strategies:

Our Company is actively expanding its R&D personnel, bolstering internal R&D capabilities. Through continuous technical training and professional development, we ensure that our R&D team remains at the forefront of technology. We actively undertake government projects, collaborating with governmental agencies to continually sharpen our technological capabilities, expedite technological innovation and application development, and stay aligned with market changes and customer demands, thereby delivering higher-quality services and solutions to our customers. By collaborating with international satellite operators and providing customers with comprehensive service and feedback systems, we gain insights into satellite communications technology and market dynamics, enabling us to stay abreast of industry trends. Concurrently, we actively participate in relevant industry associations and standard-setting organizations to promptly access the latest industry information and regulatory changes, reinforcing our specialized team's compliance with regulations across various regions. This effectively guides our Company's product development and market strategies.

(B) Concentration of Existing Product Applications

The industrial PC's applications extend across various fields; however, developing products for specific sectors often demands significant resources. To provide customers with one-stop system integration solutions, our Company, in light of resource constraints, has focused on the maritime and shipping industry as its primary development market, drawn by its high technical entry barriers and limited competition. Nonetheless, this strategic choice entails the risk of over-reliance on specific sectors or clients for our current product sales.

Response Strategies:

Leveraging our current products and customer base, our Company aims to broaden its target clientele through accumulated expertise. We actively explore new technologies and application domains to mitigate the impact of market fluctuations in maritime and shipping. Alongside the ongoing development of our rugged industrial PC proprietary brand, RuggON, which caters to niche markets like logistics, agriculture, and public transportation, since 2021, our Company has ventured into the satellite communications equipment sector. We collaborate with satellite communications equipment providers to develop related products such as Mobile Gateways, Voice Over Internet Protocol (VOIP), Satellite Antenna Boxes, and Satellite Control Units. Already, we've secured significant customer purchase orders to mitigate the risks associated with product application concentration.

(C) Inventory Management Challenges

Our Company's products are utilized in diverse sectors including satellite communications, maritime, agriculture, logistics, and public transportation, each with unique applications and features. Given the nature of customized products and small-scale, high-variation production, our Company faces challenges in procuring and managing a wide array of raw materials for its production lines.

Response Strategies:

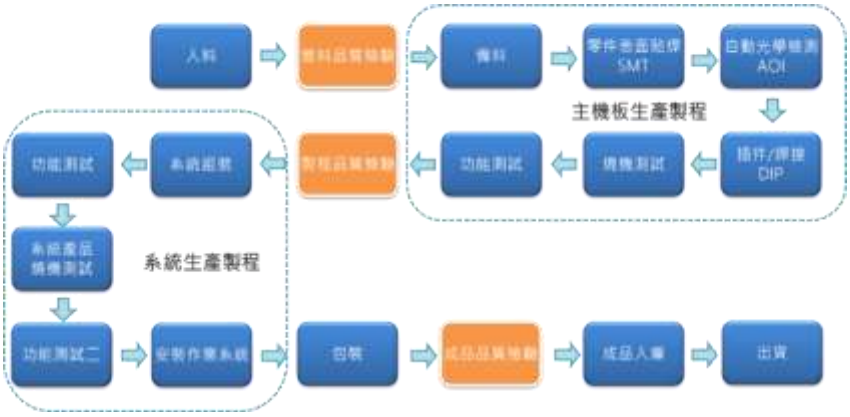
Our Company predominantly operates on a make-to-order basis, strategically planning raw material procurement based on customer orders and sales forecasts. We also prioritize modular product designs to streamline the procurement process for commonly used raw materials. For instances requiring specialized specifications or customer-specific materials, we proactively prepare materials in accordance with supplier lead times. Furthermore, we adjust raw material procurement based on short, medium, and long-term order forecasts obtained from our sales units to mitigate the risk of extended raw material stagnation.

2) Important Uses and Manufacturing Processes of Key Products:

I. Important Uses of Key Products

Main Products	Uses
Rugged Mobile Multi-Functional Display	Maritime, logistics, ports, mining, transportation, agriculture, government solutions
Rugged Tablets	Government solutions, maritime, logistics, ports, mining, agriculture, public transportation, automotive industry
Rugged Mobile Computers	Maritime, satellite reception and transmission, government solutions

II. Manufacturing Processes of Products



3) Supply Status of Main Raw Materials:

Main Raw Materials	Supplier	Supply Status
LCD Module (LCM)/Touch Panel (TP)	P-01	Good
Various Electronic Parts (e.g. ICs, Memory, Processors)	P-06, P-07	Good
Printed Circuit Boards (PCBs)	P-04, P-05	Good

4) List of suppliers and clients representing 10% or more of the company's total purchases/sales in either of the two most recent fiscal years, along with the corresponding amounts bought from/sold to each, the percentage of total purchases/sales accounted for by each, and an explanation for any changes in these figures:

I. List of suppliers and clients representing 10% or more of the company's total sales in either of the two most recent fiscal years, along with the corresponding amounts sold to each, the percentage of total sales accounted for by each, and an explanation for any changes in these figures:

In NT$ K

	2022				2023				Q1 2024 (Note 2)			
No.	Name	Amount	As a % of full-year net sales	Relation with Issuer	Name	Amount	As a % of full-year net sales	Relation with Issuer	Name	Amount	% of net sales for the year up to prior quarter	Relation with Issuer
1	S-01	1,664,545	50.21	N/A	S-01	1,361,290	36.58	N/A	S-01-2	100,818	19.52	N/A
2	S-01-2	478,692	14.44	N/A	S-01-2	498,112	13.39	N/A	S-01	88,054	17.05	N/A
3	S-01-1	270,477	8.16	N/A	S-01-1	484,907	13.03	N/A	-	-	-	-
4	S-04	251,694	7.59	-	S-04	431,546	11.60	-	-	-	-	-
	Other	649,627	19.60	-	Other	945,485	25.40	-	Other	327,649	63.43	-
	Net Sales	3,315,035	100.00	-	Net Sales	3,721,340	100.00	-	Net Sales	516,521	100.00	-

Note 1: The above sales customers have signed Non-Disclosure Agreements (NDAs).

Note 2: Our Company has not issue financial statements for the first quarter of 2024.

An explanation for any changes: Our business primarily originates from the industrial PC industry market. The changes in revenue and proportion from major customers are attributed to business expansion, fluctuations in market demand from end customers in various product application areas, as well as developments and sales of new products.

II. List of suppliers and clients representing 10% or more of the company's total purchases in either of the two most recent fiscal years, along with the corresponding amounts bought from each, the percentage of total purchases accounted for by each, and an explanation for any changes in these figures:

In NT$ K

	2022				2023				Q1 2024 (Note 2)			
No.	Name	Amount	As a % of full-year net purchases	Relation with Issuer	Name	Amount	As a % of full-year net purchases	Relation with Issuer	Name	Amount	% of net purchases for the year up to prior quarter	Relation with Issuer
1	P-01	675,226	27.24	N/A	P-01	624,015	26.79	N/A	P-01	51,465	18.63	N/A
2	P-03	362,869	14.64	N/A	-	-	-	-	-	-	-	-
3	Other	1,440,989	58.12	-	Other	1,705,070	73.21	-	Other	224,712	81.37	-
	Net Purchases	2,479,084	100.00	-	Net Purchases	2,329,085	100.00	-	Net Purchases	276,177	100.00	-

Note 1: The above suppliers have signed Non-Disclosure Agreements (NDAs).

Note 2: Our Company has not issue financial statements for the first quarter of 2024.

An explanation for any changes: Due to the growth in our Company's and subsidiaries' performance, there has been a simultaneous increase in material procurement demand.

5) The production volume for the two most recent fiscal years:

Fiscal Year / Production Volume	2022				2023			
Main Products	Capacity	Volume	Capacity Utilization (%)	Value	Capacity	Volume	Capacity Utilization (%)	Value
Industrial PC	237,600	173,881	73.18%	2,396,636	213,600	158,123	74.03%	2,651,323
Embedded Boards	Note 1	-	-	-	Note 1	-	-	-
Other (Note 3)	Note 2	-	-	-	Note 2	-	-	-
Total	237,600	173,881	73.18%	2,396,636	213,600	158,123	74.03%	2,651,323

Note 1: Embedded boards were outsourced for production, and the Company did not engage in manufacturing processes, hence not applicable.
Note 2: Mainly electronic parts were outsourced, and there was no manufacturing process involved, hence not applicable.
Note 3: It includes other components and maintenance services.

6) The sales volume for the two most recent fiscal years:

Fiscal Year / Sales Volume / Main Products	2022				2023			
	Domestic Sales		Exports		Domestic Sales		Exports	
	Volume	Value	Volume	Value	Volume	Value	Volume	Value
Industrial PC	1,155	62,579	177,946	2,634,490	1,674	92,891	155,644	2,589,578
Embedded Boards	3,002	324	287,500	441,083	12,618	2,267	167,637	506,663
Other (Note)	397,511	5,867	3,428,596	170,692	2,755,560	27,004	20,750,086	502,937
Total	401,668	68,770	3,894,042	3,246,265	2,769,852	122,162	21,073,367	3,599,178

Note: It includes other components and maintenance services.

3. The Number of Employees Employed for the Two Most Recent Fiscal Years, and During the Current Fiscal Year Up to the Date of Publication of the Annual Report, Their Average Years of Service, Average Age, and Education Levels (Including the Percentage of Employees at Each Level):

Fiscal Year		2022	2023	Current year up to March 31, 2024
Number of Employees	Manager	9	13	13
	Direct Labor	94	94	85
	Indirect Labor	234	286	310
	Total	337	393	408
Average Age		40.5	41	43
Average Years of Service		5.2	4.6	5.2
Distribution of Education Levels	Doctorate	-	0.25	0.26
	Master's	16.62	21.12	21.9
	Bachelor's	47.77	49.62	49.4
	Associate Degree	12.46	11.71	11.05
	High School or Below	23.15	17.30	17.4

Fiscal Year		2022	2023	Current year up to March 31, 2024
	Total	100.00%	100.00%	100.00%

4. Disbursements for Environmental Protection:

1) The total amount of losses and disposals suffered by the company in the most recent fiscal year and up to the annual report publication date due to environmental pollution incidents: None.

2) Future Response Strategies and Potential Expenditures:

I. Currently, our Company does not face any pollution issues. However, we proactively implement the ISO 14001 Environmental Management Systems to manage environmental impacts effectively. Through annual external audits, we identify operational activities that may have significant adverse effects and take preventive measures to mitigate such impacts. This ensures that our Company maintains a clean environmental record without experiencing any major pollution incidents.

II. In the fiscal year 2022, our Company evaluated the adoption of the Electronic Product Environmental Assessment Tool (EPEAT) in the United States. The primary objective is to meet the growing demand for "Green Electronic Products" from various governments and large organizations. EPEAT encompasses product assessment criteria and registration, and an application management system, covering the entire product lifecycle from design, production, energy usage, to recycling.

- Reduction/Elimination of Environmentally Sensitive Materials
- Material Selection
- Design for End of Life
- Product Longevity/Life Extension
- Energy Conservation
- End of Life Management
- Corporate Performance
- Packaging

III. Our Company places a high priority on environmental protection and advocates for energy-saving initiatives through the following measures:

- Full adoption of high-efficiency lighting, such as LED panel lights, across all office areas.
- Continual optimization of workflows, including the promotion of TEAMS video conferences to replace physical meetings, reducing electricity consumption in meeting rooms, and transitioning to electronic approval systems to minimize paper usage.
- Preference for procuring office equipment with energy-saving labels, such as refrigerators and microwaves.
- Turning off unnecessary lighting during lunch breaks, shutting down personal devices, unplugging or switching off extension cords' main switches based on equipment usage after work or during long holidays, and encouraging the use of stairs from floors 1 to 4.

IV. Water Resource Usage

IX. Our Company is committed to water conservation practices. The water utilized at our operational sites is sourced from tap water, primarily serving domestic purposes within the office. Our water source originates from the Feitsui Reservoir, located outside water-sensitive areas, thus alleviating any pressure on water resources. We do not engage in industrial wastewater processes; all wastewater generated is categorized as domestic sewage. This sewage is collected via the building/campus sewage pipeline and discharged into the municipal sewage collection network.

V. In the fiscal year 2023, up to the publication date of the annual report, our Company incurred environmental protection expenses totaling NT$692 K. These expenses encompass certification fees for ISO 14001/45001 management systems, EPEAT certification, operational environmental monitoring, industrial waste disposal, and Energy Star certification.

5. Labor relations:

1) List any employee benefit plans, continuing education, training, retirement systems, and the status of their implementation:

I. Employees who demonstrate diligence, proactivity, and a willingness to collaborate with the Company are regarded as invaluable assets. It is our mission and objective to seek and retain top-tier talent, ensuring their rights are safeguarded beyond legal mandates while fostering a work environment that promotes physical, mental, and emotional well-being.

II. Employee benefit plans and their implementation

III. To foster unity between labor and management, bolster team cohesion, and address employee welfare, our Company has established an Employee Welfare Committee. In addition to statutory labor and health insurance coverage, this committee spearheads various initiatives aimed at enhancing employee welfare and facilitates effective communication and issue resolution between labor and management. The following welfare measures are available to our employees:

- A. Comprehensive employee benefits including labor insurance, national health insurance, and employee group insurance encompassing life, accident, medical, hospitalization, critical illness, cancer, occupational accident, overseas travel, and epidemic prevention coverage, as well as leave types approved under the Labor Standards Act.
- B. Diverse activities organized by the Employee Welfare Committee such as employee outings, departmental gatherings, club events and subsidies, annual year-end banquets, and contracted retailers.
- C. Robust education and training programs along with well-defined career advancement pathways.
- D. Healthcare: Annual health check-ups, on-site services by contracted physicians, and dedicated nurses who offer daily care and assistance.
- E. Various cash gifts, benefits, and allowances, including marriage bonuses, maternity subsidies, club subsidies, parking fee subsidies, travel subsidies, and hospitalization condolence payments.
- F. Health promotion: Health seminars and various clubs' promotion.
- G. Green workplace environment: Smoke-free workplace policy, regular environmental inspections, and environmental safety monitoring.

IV. Implementation of Continuing Education and Training

V. Guided by the principle of "nurturing talent and caring for employees," our Company ensures that employees can enhance their skills and personal development to achieve shared objectives. We establish a robust collaborative model and provide an inclusive learning environment for our workforce. Through internal or external training, participation in learning-focused book clubs, and guidance from supervisors or peers, employees continually push their boundaries for growth. Concurrently, our comprehensive training system enables employees to experience a profound sense of achievement. The creation and operation of a learning organization entail the utilization of digital learning platforms, promotion of departmental book clubs, and encouragement of employees to explore their potential actively. We conduct CEO forums to listen to the opinions of new hires. Furthermore, we underscore the preservation of the Company's core values to foster corporate culture and principles, thereby laying the groundwork for sustainability.

- A. Education and Training: Leveraging e-Learning platforms, case studies, employee book clubs, project groups focused on specific topics, and advocating for cross-departmental or intra-departmental job rotations as diverse talent development strategies.

B. Workplace Mentors: Ensuring the transfer of core technology knowledge in R&D, providing management training for supervisors, and enhancing leadership skills through communication and collaboration across departments.

VI. Pension Scheme and Implementation Status

A. Retirement procedures for Company employees adhere to the "Labor Retirement Regulations" and relevant legislation such as the "Labor Standards Act" and "Labor Pension Act."

B. Employees covered under the Labor Pension Act have 6% of their monthly salary deducted as contributions to the pension scheme, based on the salary classification table. These deductions are deposited into individual accounts established at the Bureau of Labor Insurance. Furthermore, the Company actively encourages and promotes employees to voluntarily contribute up to 6% towards their pension accounts.

VII. Labor-Management Agreements and Measures to Safeguard Employee Rights

VIII. Guided by the core principles of "harmonious labor relations" and "mutual growth," the Company prioritizes a supportive and transparent management style. It fosters various avenues for open communication, ensuring harmonious relations between labor and management. Together, we pursue corporate objectives, share profits, and establish stable labor-management relationships. Balancing empathy and reason, the Company engages in regular and effective communication and coordination with employees. It elucidates on the Company's challenges, issues, and prospects, articulating its stance. By embracing empathetic thinking, both labor and management receive equitable treatment, ensuring the Company remains free from losses due to labor disputes over the past three years. Collaboratively, we strive for professional advancement and the welfare of our employees.

2) List any losses suffered by the company in the most recent fiscal year and up to the annual report publication date due to labor disputes: None.

6. Cyber security management:

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

I. Cyber Security Risk Management Framework:

II. The Digital Information Division of our Company is tasked with planning, executing, monitoring, and enhancing information security management. It formulates pertinent management regulations and processing guidelines for compliance and handling purposes. We employ layered controls and protective mechanisms across system servers, operating systems, and network systems to mitigate abnormal disasters, prevent data corruption, and address confidentiality breaches. This approach aims to efficiently manage enterprise information system risks and uphold business continuity. To ensure secure information usage and establish a reliable information environment, the Company adheres to the following information security execution principles:

A. Compliance with regulatory requirements and promotion of cybersecurity awareness.

B. Emphasis on risk management to safeguard data security.

C. Requirement for all personnel to actively participate in continuous improvement efforts.

III. Cyber Security Policy

IV. To safeguard information assets, encompassing personnel, equipment, systems, data, and networks, against external threats or internal mismanagement that could result in risks like leakage, destruction, or loss, the following policy is established for all employees:

A. Efficiently manage information assets by continually assessing risks, identifying threats and vulnerabilities, evaluating risks, and implementing suitable protection measures to mitigate information asset risks to an acceptable level.
B. Safeguard information to prevent unauthorized access and uphold confidentiality.
C. Prevent unauthorized modifications to maintain the integrity of information.
D. Ensure information availability for authorized users when needed.
E. Comply with legal and regulatory requirements.
F. Evaluate the effects of various human-made or natural disasters, devise disaster prevention strategies, and create recovery plans for critical information assets and core business operations to ensure core business continuity.
G. Supervise employees in executing information security tasks, instill the principle of "information security is everyone's responsibility," and offer relevant training to raise information security awareness.
H. Employees found violating information security regulations will face disciplinary measures in accordance with applicable personnel policies.

V. Concrete Management Measures

A. Implementing a defense-in-depth architecture, incorporating endpoint protection and network gateway defenses, along with measures like network access control, file permission management, and computer hardware oversight to thwart external network attacks and internal data breaches.
B. Instituting access controls for sensitive areas, user authentication protocols for system access, password management, access authorization procedures, and regular system vulnerability assessments. Additionally, enhancing endpoint protection through the installation of antivirus software, timely security patch updates, and the establishment of system backup mechanisms.
C. Deploying a cybersecurity protection system to defend against hacker infiltrations and mitigate risks posed by computer viruses or malicious software, safeguarding information system integrity and preventing data espionage, theft, or ransomware attacks.
D. Conducting occasional information security education and training sessions for employees on an annual basis, complemented by testing and simulated email social engineering exercises, to bolster staff awareness of cybersecurity threats.
E. Performing annual assessments of cybersecurity protection measures and protocols, monitoring emerging cybersecurity challenges, and devising responsive strategies to ensure their continued relevance and effectiveness.

VI. Investment of Resources for Cybersecurity Management

A. In 2023, our Company's Digital Information Division introduced and established a comprehensive Information Security Management System (ISMS), investing NT$945 K. We have obtained ISO27001 certification for Information Security Management Systems, ensuring that information systems operate according to standardized management practices. This reduces security vulnerabilities and production abnormalities caused by human error. Through annual secondary review operations, we continually strive for improvement.
B. Annually, our Company implements various measures related to information security policies, conducts cybersecurity education and training, establishes physical and environmental security measures for computer rooms, devises internal audit plans for information security operations, develops business continuity plans, and conducts practical drills. We comply with government regulations, oversee the establishment and promotion of information security systems, and clearly define the usage permissions for information systems.

C. Endpoint Hardware and Software Equipment: Deployment of firewalls, computer antivirus software, email antivirus protection, spam filtering, and more.

D. Software Aspects: VPN access management, mobile device management, remote backup, and more.

E. Human Resources Input: Weekly computer room inspections, regular daily backups, annual cybersecurity awareness courses, yearly business continuity drills, annual internal audits, and audits by certified public accountants.

2) List any losses incurred by the company in the two most recent fiscal years and up to the publication date of the annual report due to significant cyber security incidents, along with the potential impacts therefrom, and response measures being or to be taken. In cases where a reasonable estimate cannot be made, provide an explanation detailing the reasons why: N/A.

7. Important Contracts:

Contract Nature	Contracting Parties	Contract Period	Major ontent	Restrictive Clauses
Comprehensive Credit Agreement	Mega International Commercial Bank	2022/03/11-2023/03/10	Short-term revolving credit facility	The purchasing parties may not be the parent company (FICG) group, affiliated enterprises of our Company, or related parties, investment enterprises, and corporate shareholders listed in our Company's financial audits for the most recent fiscal year.
Credit Agreement	Taichung Commercial Bank	2022/07/07-2023/07/07	Short-term revolving credit facility	The counterparty must not be a related party, and the disbursed funds shall not be transferred/deposited into the account of a related party. Prior to disbursement in the current month, the total funds deposited in the previous month must be examined. If the total does not exceed NT$15 million, the total funds utilized must not exceed NT$50 million, and the source of these funds must not be the borrower or its affiliates.
Comprehensive Credit Agreement	Yuanta Commercial Bank	2022/07/26-2023/07/25	Short-term revolving credit facility	N/A
Credit Agreement	Jih Sun International Commercial Bank	2022/07/28-2023/07/28	Short-term revolving credit facility	The purchasing party must not be any affiliated enterprise, investment enterprise, or corporate shareholder listed in the credit guarantee application, borrower's financial audit, or credit report.
Loan Agreement	First Commercial Bank	2022/08/05-2023/08/05	Short-term revolving credit facility	N/A
Credit Agreement	Taichung Commercial Bank	2023/05/11-2024/05/11	Short-term revolving credit facility	The counterparty must not be a related party, and the disbursed funds must not be transferred/deposited into the account of a related party
Promissory Note	Taichung Commercial Bank	2023/05/11-2026/05/11	Medium-term credit facility	N/A
Comprehensive Financing Agreement	Land Bank of Taiwan	2023/05/31-2024/05/31	Short-term revolving credit facility	The purchasing party must not be any affiliated enterprise, investment enterprise, or corporate shareholder listed in the application, corporate financial audit, or credit report.
Comprehensive Credit Agreement	Mega International Commercial Bank	2023/08/01-2024/07/31	Short-term revolving credit facility	The purchasing parties may not be the parent company (FICG) group, affiliated enterprises of our Company, or related parties, investment enterprises, and corporate shareholders listed in our Company's financial audits for the most recent fiscal year.

VI. Financial Overview

1. Condensed Financial Information for the Last Five Fiscal Years:

1) Condensed Balance Sheets for the Last Five Fiscal Years:

I. IFRS – Condensed Consolidated Balance Sheet

In NT$ K

Item \ Fiscal Year		Financial Data for the Last Five Fiscal Years					Current Year up to March 31, 2024
		2019 (Note)	2020	2021	2022	2023	
Current Assets		917,951	1,409,440	1,902,405	1,980,190	1,943,349	1,888,219
Property, Plant, and Equipment		30,219	28,532	27,385	35,803	53,317	56,011
Right-of-Use Assets		103,136	89,306	69,491	61,464	111,622	102,267
Intangible Assets		865	12,618	20,286	19,765	18,124	16,209
Other Assets		7,679	7,446	8,646	43,080	52,696	62,132
Total Assets		1,059,850	1,547,342	2,028,213	2,140,302	2,179,108	2,124,838
Current Liabilities	Pre-distribution	705,903	1,308,034	1,340,748	941,154	712,091	639,845
	Post-distribution	705,903	1,308,034	1,340,748	978,654	798,091	639,845
Non-current Liabilities		85,031	69,296	49,822	52,686	89,119	81,665
Total Liabilities	Pre-distribution	790,934	1,377,330	1,390,570	993,840	801,210	721,510
	Post-distribution	790,934	1,377,330	1,390,570	1,031,340	887,210	721,510
Equity Attributable to Shareholders of the Parent		268,916	170,012	637,643	1,146,462	1,377,898	1,403,328
Capital Stock		410,000	410,000	600,000	750,000	750,000	750,000
Capital Reserve		145,000	145,000	297,718	307,778	318,681	318,681
Retained Earnings	Pre-distribution	(287,093)	(385,596)	(260,403)	87,192	307,538	332,274
	Post-distribution	(287,093)	(385,596)	(260,403)	49,692	221,538	332,274
Other Equity		1,009	608	328	1,492	1,679	2,373
Treasury Stock		-	-	-	-	-	-
Non-controlling Interests		-	-	-	-	-	-
Total Equity	Pre-distribution	268,916	170,012	637,643	1,146,462	1,377,898	1,403,328
	Post-distribution	268,916	170,012	637,643	1,108,962	1,291,898	1,403,328

Source: Financial statements audited by CPAs for each fiscal year.
Note 1: The Company first applied the International Financial Reporting Standards (IFRS) and prepared consolidated financial statements starting from the fiscal year 2020, with comparative figures for 2019 provided.
Note 2: As of December 31, 2023, the Company has not conducted any asset revaluations.
Note 3: The Company incurred accumulated losses for the fiscal years 2019 to 2021; therefore, dividends were not declared at the shareholders' meetings. The dividend for 2023 was proposed by the Board of Directors on March 31, 2024, pending approval at the shareholders' meeting.

II. IFRS – Condensed Parent Company Only Balance Sheet

Item / Fiscal Year		Financial Data for the Last Five Fiscal Years				
		2019 (Note)	2020	2021	2022	2023
Current Assets		903,937	1,426,075	1,945,566	1,923,479	1,817,701
Property, Plant, and Equipment		28,043	27,228	26,321	35,120	53,118
Right-of-Use Assets		96,553	83,572	65,285	58,099	109,098
Intangible Assets		-	11,873	20,286	19,765	18,124
Other Assets		12,855	14,777	20,901	87,394	153,849
Total Assets		1,041,388	1,563,525	2,078,359	2,123,857	2,151,890
Current Liabilities	Pre-distribution	681,608	1,292,973	1,329,671	927,284	686,649
	Post-distribution	681,608	1,292,973	1,329,671	964,784	772,649
Non-current Liabilities		90,864	100,540	111,045	50,111	87,343
Total Liabilities	Pre-distribution	772,472	1,393,513	1,440,716	977,395	773,992
	Post-distribution	772,472	1,393,513	1,440,716	1,014,895	859,992
Equity Attributable to Shareholders of the Parent		268,916	170,012	637,643	1,146,462	1,377,898
Capital Stock		410,000	410,000	600,000	750,000	750,000
Capital Reserve		145,000	145,000	297,718	307,778	318,681
Retained Earnings (Accumulated Deficits)	Pre-distribution	(287,093)	(385,596)	(260,403)	87,192	307,538
	Post-distribution	(287,093)	(385,596)	(260,403)	49,692	221,538
Other Equity		1,009	608	328	1,492	1,679
Treasury Stock		-	-	-	-	-
Non-controlling Interests		-	-	-	-	-
Total Equity	Pre-distribution	268,916	170,012	637,643	1,146,462	1,377,898
	Post-distribution	268,916	170,012	637,643	1,108,962	1,291,898

Source: Parent company only financial statements audited by CPAs for each fiscal year.

Note 1: The Company first applied the IFRS and prepared consolidated financial statements starting from the fiscal year 2020, with comparative figures for 2019 provided.

Note 2: As of December 31, 2022, the Company has not conducted any asset revaluations.

Note 3: The Company incurred accumulated losses for the fiscal years 2019 to 2021; therefore, dividends were not declared at the shareholders' meetings. The dividend for 2022 was proposed by the Board of Directors on March 28, 2023, pending approval at the shareholders' meeting.

2) Statements of Comprehensive Income for the Last Five Fiscal Years:

I. IFRS – Condensed Consolidated Statement of Comprehensive Income

In NT$ K

Item \ Fiscal Year	Financial Data for the Last Five Fiscal Years					Current Year up to March 31, 2024
	2019	2020	2021	2022	2023	
Operating Revenue	1,649,364	1,617,189	3,213,231	3,315,035	3,721,340	516,521
Gross Profit	311,921	204,231	437,417	610,900	794,838	376,337
Operating Profit and Loss	8,382	(111,729)	104,859	192,990	313,647	140,184
Non-operating Income and Expenses	(2,510)	15,230	20,646	22,135	5,820	19,197
Profit before Tax	5,872	(96,499)	125,505	215,125	319,467	29,258
Profit from Continuing Operations	5,847	(98,503)	125,193	207,192	257,868	24,736
Loss from Discontinued Operations	-	-	-	-	-	-
Net Profit (Loss) for the Period	5,847	(98,503)	125,193	207,192	257,868	24,736
Other Comprehensive Income for the Period (Net of Tax)	833	(401)	(280)	1,164	165	694
Total Comprehensive Income for the Period	6,680	(98,904)	124,913	208,356	258,033	24,736
Profit Attributable to Owners of the Parent	5,847	(98,503)	125,193	207,192	257,868	25,430
Profit Attributable to Non-controlling Interests	-	-	-	-	-	-
Total Comprehensive Income Attributable to Owners of the Parent	6,680	(98,904)	124,913	208,356	258,033	25,431
Total Comprehensive Income Attributable to Non-controlling Interests	-	-	-	-	-	-
Earnings per Share	0.15	(2.40)	2.99	3.13	3.44	0.33

II. IFRS – Condensed Parent Company Only Statement of Comprehensive Income

Item \ Fiscal Year	Financial Data for the Last Five Fiscal Years				
	2019	2020	2021	2022	2023
Operating Revenue	1,635,427	1,599,108	3,199,230	3,267,810	3,618,390
Gross Profit	300,955	188,440	415,320	563,241	700,107
Operating Profit and Loss	22,396	(85,594)	128,029	203,890	278,425
Non-operating Income and Expenses	(16,549)	(12,750)	(2,995)	11,505	41,017
Profit before Tax	5,847	(98,344)	125,034	215,395	319,442

Item \ Fiscal Year	Financial Data for the Last Five Fiscal Years				
	2019	2020	2021	2022	2023
Profit from Continuing Operations	5,847	(98,503)	125,193	207,192	257,868
Loss from Discontinued Operations	-	-	-	-	-
Net Profit (Loss) for the Period	5,847	(98,503)	125,193	207,192	257,868
Other Comprehensive Income for the Period (Net of Tax)	833	(401)	(280)	1,164	165
Total Comprehensive Income for the Period	6,680	(98,904)	124,913	208,356	258,033
Profit Attributable to Owners of the Parent	5,847	(98,503)	125,193	207,192	257,868
Profit Attributable to Non-controlling Interests	-	-	-	-	-
Total Comprehensive Income Attributable to Owners of the Parent	6,680	(98,904)	124,913	208,356	258,033
Total Comprehensive Income Attributable to Non-controlling Interests	-	-	-	-	-
Earnings per Share	0.15	(2.40)	2.99	3.13	3.44
Source: Parent company only financial statements audited by CPAs for each fiscal year. Note 1: The Company first applied the IFRS and prepared consolidated financial statements starting from the fiscal year 2020, with comparative figures for 2019 provided.					

III.

3) The Name of Auditor and Audit Opinion for the Last Five Fiscal Years:

Fiscal Year	Accounting Firm	Auditor	Audit Opinion
2019	PwC Taiwan	Chang Shu-Chiung,Lin Po-Chuan	Unqualified Opinion
2020	PwC Taiwan	Chang Shu-Chiung, Lin Po-Chuan	Unqualified Opinion
2021	PwC Taiwan	Chang Shu-Chiung, Lin Po-Chuan	Unqualified Opinion
2022	PwC Taiwan	Chang Shu-Chiung, Lin Po-Chuan	Unqualified Opinion
2023	PwC Taiwan	Lin Po-Chuan,Chang Shu-Chiung	Unqualified Opinion

2. Financial Analysis for the Last Five Fiscal Years:

1) Financial Analysis

I. IFRS – Consolidated Financial Statement

Item (Note 3) \ Fiscal Year (Note 1)		Financial Analysis for the Last Five Fiscal Years					Current Year up to March 31, 2024
		2019	2020	2021	2022	2023	
Financial Structure	Liabilities to Assets Ratio (%)	74.63	89.01	68.56	46.43	36.77	33.96
	Long-term Capital to Property, Plant, and Equipment Ratio (%)	1,171.27	838.74	2,510.37	3,349.29	2,751.50	2,651.25
Solvency	Current Ratio (%)	130.04	107.75	141.89	210.40	272.91	295.11
	Quick Ratio (%)	74.94	52.02	62.78	93.19	158.89	173.55
	Interest Coverage Ratio (times)	1.58	(12.12)	17.43	32.27	62.12	43.46
Operating Ability	Accounts Receivable Turnover (times)	3.60	3.41	6.05	6.06	8.23	7.79
	Average Collection Days	102	108	61	61	45	47

Item (Note 3)	Fiscal Year (Note 1)	Financial Analysis for the Last Five Fiscal Years 2019	2020	2021	2022	2023	Current Year up to March 31, 2024
	Inventory Turnover (times)	3.30	2.22	2.85	2.24	2.71	3.24
	Accounts Payable Turnover (times)	3.27	2.27	3.75	4.34	6.15	4.40
	Average Sales Days	111	165	128	163	135	113
	Property, Plant, and Equipment Turnover (times)	55.61	55.05	114.93	104.93	83.51	68.08
	Total Asset Turnover (times)	1.50	1.24	1.80	1.59	1.72	0.96
Profitability	Return on Assets (%)	1.27	(7.10)	7.34	10.20	12.13	4.70
	Return on Equity (%)	2.76	(44.88)	31.00	23.23	20.43	7.12
	Income Before Tax to Paid-in Capital Ratio (%)	1.43	(23.54)	20.92	28.68	42.60	15.60
	Net Profit Margin (%)	0.35	(6.09)	3.90	6.25	6.93	4.79
	Earnings per Share (EPS) (NT$)	0.15	(2.40)	2.99	3.13	3.44	0.33
Cash Flow	Cash Flow Ratio (%)	7.60	0.90	(Note 2)	7.41	93.72	114.12
	Cash Flow Adequacy Ratio (%)	(Note 2)	(Note 2)	(Note 2)	(Note 2)	68.36	146.98
	Cash Reinvestment Ratio (%)	15.86	6.65	(Note 2)	6.09	46.13	53.28
Leverage	Operating Leverage	22.69	(0.70)	3.36	2.38	2.11	8.48
	Financial Leverage	(4.60)	0.94	1.08	1.04	1.02	1.07

Please provide explanations for the changes observed in various financial ratios over the past two years. (Analysis may be waived if the change is within 20%)

1. The decrease in the liabilities-to-assets ratio is primarily attributed to the repayment of bank loans in 2023.
2. The increase in the current ratio and quick ratio is mainly due to the repayment of bank loans in 2023.
3. The rise in the interest coverage ratio is primarily a result of the increased gross profit in 2023, leading to overall profit growth compared to the previous year.
4. The increase in the accounts receivable turnover ratio and the decrease in average collection days are primarily due to proactive reconciliation and collection efforts with customers in 2023, resulting in a reduction in overdue accounts receivable.
5. The increase in the inventory turnover ratio and the decrease in average sales days are primarily attributed to increased sales revenue leading to higher cost of goods sold, as well as a slowdown in customer demand in the fourth quarter of 2023, reducing the need for inventory stocking.
6. The rise in the accounts payable turnover ratio is primarily attributed to a reduction in the accounts payable balance for purchases by the end of 2023 compared to the same period last year.
7. The decline in the turnover ratio of property, plant, and equipment is mainly due to the acquisition of production equipment in 2023.
8. The increase in the ratio of pre-tax net income to paid-in capital is primarily driven by the rise in gross profit in 2023, resulting in overall profit growth.
9. The increase in the cash flow ratio, cash reinvestment ratio, and cash flow adequacy ratio is mainly attributed to the growth in gross profit margin in 2023, leading to increased profitability and generating cash inflows from operating activities.

Source: Consolidated financial statements audited by CPAs for each fiscal year.

Note 1: The Company first prepared consolidated financial statements in the fiscal year 2020, with comparative figures for 2019 provided.

Note 2: Net cash flows from operating activities or cumulative cash flows are outflows, rendering comparison irrelevant; therefore, related ratios are not presented.

II. IFRS – Parent Company Only

Item	Fiscal Year	Financial Analysis for the Last Five Fiscal Years				
		2019	2020	2021	2022	2023
Financial Structure	Liabilities to Assets Ratio (%)	74.18	89.13	69.32	46.02	35.97
	Long-term Capital to Property, Plant, and Equipment Ratio (%)	1,282.96	993.65	2,844.45	3,407.10	2758.46
Solvency	Current Ratio (%)	132.62	110.29	146.32	207.43	264.72
	Quick Ratio (%)	76.13	54.25	67.28	89.58	147.33
	Interest Coverage Ratio (times)	1.57	(12.66)	18.40	32.74	63.00
Operating Ability	Accounts Receivable Turnover (times)	3.43	3.08	5.34	5.50	7.76
	Average Collection Days	107	119	69	67	48
	Inventory Turnover (times)	3.31	2.22	2.87	2.25	2.72
	Accounts Payable Turnover (times)	3.26	2.27	3.76	4.34	6.14
	Average Sales Days	111	165	128	163	135
	Property, Plant, and Equipment Turnover (times)	57.25	57.86	119.49	106.37	82.01
	Total Asset Turnover (times)	1.50	1.23	1.76	1.56	1.69
Profitability	Return on Assets (%)	1.28	(7.12)	7.19	10.12	12.25
	Return on Equity (%)	2.76	(44.88)	31.00	23.23	20.43
	Income Before Tax to Paid-in Capital Ratio (%)	1.43	(23.99)	20.84	28.72	42.59
	Net Profit Margin (%)	0.36	(6.16)	3.91	6.34	7.13
	Earnings per Share (EPS) (NT$)	0.15	(2.40)	2.99	3.13	3.44
Cash Flow	Cash Flow Ratio (%)	5.64	0.27	(Note 2)	15.55	88.73
	Cash Flow Adequacy Ratio (%)	(Note 2)	(Note 2)	(Note 2)	(Note 2)	59.08
	Cash Reinvestment Ratio (%)	10.86	1.63	(Note 2)	13.10	45.28
Leverage	Operating Leverage	8.61	(0.86)	2.68	2.11	2.08
	Financial Leverage	1.83	0.92	1.06	1.03	1.02

Please provide explanations for the changes observed in various financial ratios over the past two years. (Analysis may be waived if the change is within 20%) 1. The decrease in the liabilities-to-assets ratio is primarily attributed to the Company's repayment of bank loans in 2023. 2. The increase in the current ratio and quick ratio is mainly due to the Company's repayment of bank loans in 2023. 3. The rise in the interest coverage ratio is primarily a result of the increased gross profit in 2023, leading to the Company's overall profit growth compared to the previous year. 4. The increase in the accounts receivable turnover ratio and the decrease in average collection days are primarily due to proactive reconciliation and collection efforts with customers in 2023, resulting in a reduction in overdue accounts receivable. 5. The increase in the inventory turnover ratio and the decrease in average sales days are primarily attributed to increased sales revenue and a slowdown in customer demand in the fourth quarter of 2023, reducing the need for inventory stocking. 6. The rise in the accounts payable turnover ratio is primarily attributed to a reduction in the accounts payable balance for purchases by the end of 2023 compared to the same period last year. 7. The decline in the turnover ratio of property, plant, and equipment is mainly due to the acquisition of production equipment in 2023. 8. The increase in the return on assets is primarily attributed to higher net income and reduced interest expenses in 2023. 9. The increase in the ratio of pre-tax net income to paid-in capital is primarily driven by the rise in gross profit in 2023, resulting in overall profit growth. 10. The increase in the cash flow ratio, cash reinvestment ratio, and cash flow adequacy ratio is mainly attributed to the growth in gross profit margin in 2023, leading to increased profitability and generating cash inflows from operating activities.

III. Source: Consolidated financial statements audited by CPAs for each fiscal year.

IV. Note 1: The Company first prepared consolidated financial statements in the fiscal year 2020, with comparative figures for 2019 provided.

V. Note 2: Net cash flows from operating activities or cumulative cash flows are outflows, rendering comparison irrelevant; therefore, related ratios are not presented.

Note 3: The calculation formulas for financial analysis are as follows:

1. Financial Structure

(1) Liabilities to Assets Ratio = Total Liabilities / Total Assets.

(2) Long-term Funds to Property, Plant, and Equipment Ratio = (Total Equity + Non-current Liabilities) / Net Property, Plant, and Equipment.

2. Solvency

(1) Current Ratio = Current Assets / Current Liabilities.

(2) Quick Ratio = (Current Assets - Inventory - Prepaid Expenses) / Current Liabilities.

(3) Interest Coverage Ratio = Profit before Tax and Interest Expense / Interest Expense for the Period.

3. Operating Ability

(1) Accounts Receivable (including accounts receivable and notes receivable generated from operations) Turnover Ratio = Net Sales / Average Accounts Receivable (including accounts receivable and notes receivable generated from operations) Balance.

(2) Average Collection Days = 365 / Accounts Receivable Turnover Ratio.

(3) Inventory Turnover Ratio = Cost of Goods Sold / Average Inventory.

(4) Accounts Payable (including accounts payable and notes payable generated from operations) Turnover Ratio = Cost of Goods Sold / Average Accounts Payable (including accounts payable and notes payable generated from operations) balance for each period.

(5) Average Sales Days = 365 / Inventory Turnover Ratio.

(6) Property, Plant, and Equipment Turnover Ratio = Net Sales / Average Net Property, Plant, and Equipment.

(7) Total Asset Turnover Ratio = Net Sales / Average Total Assets.

4. Profitability

(1) Return on Assets (ROA) = (Net Income + Interest Expense × (1 - Tax Rate)) / Average Total Assets.

(2) Return on Equity (ROE) = Net Income / Average Equity.

(3) Pre-tax Net Income to Paid-in Capital Ratio = Pre-tax Net Income / Paid-in Capital.

(4) Net Profit Margin = Net Income / Net Sales.

(5) Earnings per Share (EPS) = (Net Income Attributable to Owners of the Parent - Preferred Stock Dividends) / Weighted Average Number of Issued Shares.

5. Cash Flow

(1) Cash Flow Ratio = Net Cash Flows from Operating Activities / Current Liabilities.

(2) Cash Flow Adequacy Ratio = Net Cash Flows from Operating Activities for the Past Five Fiscal Years / (Capital Expenditures + Increase in Inventory + Cash Dividends) for the Past Five Fiscal Years.

(3) Cash Reinvestment Ratio = (Net Cash Flows from Operating Activities - Cash Dividends) / (Gross Property, Plant, and Equipment + Long-term Investments + Other Non-current Assets + Working Capital).

6. Leverage

(1) Operating Leverage = (Net Sales - Variable Operating Costs and Expenses) / Operating Income.

(2) Financial Leverage = Operating Income / (Operating Income - Interest Expense).

3. Supervisors' or Audit Committee's Report for the Most Recent Year's Financial Statement:

Ubiqconn Technology Inc.
Audit Committee Review Report

The Board of Directors has diligently prepared and submitted the Parent Company Only Financial Statements and the Consolidated Financial Statements for the fiscal year 2023. These statements have undergone thorough examination, and Independent Auditor’s Reports have been jointly issued by CPAs Lin Po-Chuan and Chang Shu-Chiung of PwC Taiwan. Additionally, the Audit Committee has meticulously reviewed the aforementioned financial statements, business reports, and the earnings distribution proposal, finding no discrepancies during this comprehensive review process. In accordance with Article 14-4 of the Securities and Exchange Act and Article 219 of the Company Act, the committee hereby presents this report for your esteemed scrutiny.

Sincerely presented to

Ubiqconn Technology Inc.'s 2024 Annual General Meeting

Audit Committee Convener

Yu Yung-Kuei

March 13, 2024

4. Financial statement for the most recent fiscal year, including an auditor's report issued by a certified public accountant, along with a two-year comparative balance sheet, statement of comprehensive income, statement of changes in equity, cash flow statement, and any related footnotes or attached appendices: Please refer to the attached Independent Auditor’s Report.

5. A parent company only financial statement for the most recent fiscal year, audited by a CPA, but excluding the statements of major accounting items: Please refer to the attached Independent Auditor’s Report.

6. If the company or its affiliates have experienced financial difficulties in the most recent fiscal year or during the current fiscal year up to the date of publication of the annual report, the annual report shall explain the anticipated impact of these difficulties on the company's financial situation: N/A.

VII. Review and Analysis of the Company's Financial Position and Performance, and Risk Assessment

1. Financial Position: Explain Main Reasons for Any Material Changes in Assets, Liabilities, and Equity over the Past Two Fiscal Years, Their Impact, and Response Measures:

Fiscal Year / Item	2022	2023	Difference		Main Reasons for Material Changes in Assets, Liabilities, and Equity (with Changes of 20% or More and Amounts of Change Reaching NT$10 Million) over the Past Two Fiscal Years, Their Impact, and Response Measures if Significant:
			Amount	%	
Current Assets	1,980,190	1,943,349	(36,841)	(1.86%)	Due to the continuous growth in operational profits.
Property, Plant, and Equipment	35,803	53,317	17,514	48.92%	Resulting from the collection of customer accounts receivable.
Right-of-Use Assets	61,464	111,622	50,158	81.61%	Due to accelerated inventory turnover driven by revenue growth and reduced demand in Q4 2023, reducing the need for inventory stocking.
Intangible Assets	19,765	18,124	(1,641)	(8.30%)	Resulting from the leasing of new office space in Neihu and factory premises in Zhonghe in 2023.
Other Assets	43,080	52,696	9,616	22.32%	Due to the repayment of bank loans.
Total Assets	2,140,302	2,179,108	38,806	1.81%	Due to reduced purchase volumes year-on-year as a result of decreased customer demand in Q4 2023.
Current Liabilities	941,154	712,091	(229,063)	(24.34%)	Resulting from the leasing of new office space in Neihu and factory premises in Zhonghe in 2023.
Non-current Liabilities	52,686	89,119	36,433	69.15%	Due to increase in operational profits in 2023.
Total Liabilities	993,840	801,210	(192,630)	(19.38%)	Due to increase in demand and production volume for new project products from customers in 2023.
Capital Stock	750,000	750,000	-	0.00%	Due to increase in gross profit margin driven by growing demand and effective control of product costs in 2023.
Capital Reserve	307,778	318,681	10,903	3.54%	Due to continuous revenue growth and increased hiring in 2023.
Retained Earnings	87,192	307,538	220,346	252.71%	Due to continuous revenue growth and increased hiring in 2023.
Other Equity	1,492	1,679	187	12.53%	Due to reduction in overdue accounts receivable in 2023.
Non-controlling Interests	-	-	-	0.00%	Due to increase in revenue and profits in 2023 while maintaining stable operating expenses.
Total Equity	1,146,462	1,377,898	231,436	20.19%	Due to increase in revenue and profits in 2023.
Future Response Plans for Significant Impact: The aforementioned changes have not significantly affected the Company adversely, and there are no notable abnormalities in overall performance. Therefore, no response plans are deemed necessary.					

2. Financial Performance: Explain Material Changes in Operating Revenues, Operating Income, or Pre-Tax Income over the Past Two Fiscal Years, Sales Volume Projection, Rationale, and Response Measures:

In NT$ K

Fiscal Year Item	2022	2023	Difference	
			Amount	%
Operating Revenue	3,315,035	3,721,340	406,305	12.26
Operating Costs	2,704,135	2,926,502	222,367	8.22
Gross Profit	610,900	794,838	183,938	30.11
Operating Expenses	417,910	481,191	63,281	15.14
Operating Profit	192,990	313,647	120,657	62.52
Non-operating Income and Expenses	22,135	5,820	(16,315)	(73.71)
Profit Before Tax	215,125	319,467	104,342	48.50
Income Tax Expense	(7,933)	(61,599)	(53,666)	676.49
Net Profit for the Period	207,192	257,868	50,676	24.46
Other Comprehensive Income for the Period (Net of Tax)	1,164	165	(999)	(85.82)
Total Comprehensive Income for the Period	208,356	258,033	49,677	23.84

1. Main Reasons for Material Changes in Operating Revenues, Operating Income, and Pre-Tax Income over the Past Two Fiscal Years (with changes of 20% or more and amounts of change reaching NT$10 million):

(1) Increase in Gross Profit and Operating Income: Primarily due to the mass production and shipment of new customer project products in 2023, coupled with effective control of production costs, resulting in an increase in gross profit margin compared to 2022.

(2) Decrease in Non-operating Income and Expenses: Mainly attributed to increased foreign exchange translation losses in 2023 from a year earlier.

(3) Increase in Profit Before Tax, Net Profit for the Period, and Comprehensive Income for the Period: Driven by operational growth and profitability in 2023.

(4) Increase in Income Tax Expenses: Reflecting an increase in net profit in 2023, resulting in higher income tax expenses.

2. Sales Volume Forecast and Basis: As the Company has not prepared or disclosed financial forecasts, sales volume forecasts and bases are not applicable.

3. Potential Impact on Financial Operations and Response Plans: The Company's financial position remains sound, and its operational status is favorable. Through cash capital increases to support relevant operational expenses, there should be no concerns regarding insufficient funds. Furthermore, the aforementioned changes have not significantly affected the Company adversely, and there are no notable abnormalities in overall performance, rendering response plans unnecessary.

3. Cash Flow:

1) Liquidity Analysis for the Past Two Fiscal Years:

In NT$ K

Item \ Fiscal Year	2022	2023	Increase (Decrease) Amount	Change (%)
Cash Inflows (Outflows) from Operating Activities	69,739	667,395	597,656	856.99
Cash Inflows (Outflows) from Investing Activities	(32,588)	(51,304)	(18,716)	57.43
Cash Inflows (Outflows) from Financing Activities	(16,067)	(164,511)	(148,444)	923.91

Cash Flow Changes During the Most Recent Fiscal Year: (Percentage change reaching 20% or more)

(1) Operating Activities: Cash inflows increased in 2023, primarily due to sustained growth in operating revenue and profits.

(2) Investing Activities: Cash outflows increased in 2023 compared to 2022, attributed to the purchase of production equipment and the deposit for new lease agreements for factory premises.

(3) Financing Activities: Cash outflows increased in 2023 compared to 2022, mainly due to the repayment of corporate loans and the issuance of cash dividends.

2) Cash Flow Analysis for the Coming Year:

In NT$ K

Opening Cash Balance A	Projected Net Cash Flow from Operating Activities for the Year B	Projected Net Cash Flow from Investing Activities for the Year C	Projected Net Cash Flow from Financing Activities for the Year D	Ending Cash Balance A + B + C + D	Remedial Measures for Projected Cash Shortfall	
					Investment Plans	Financing Plans
732,264	531,043	(56,790)	629,000	1,835,517	N/A	N/A

1. Analysis of Cash Flow Changes for the Coming Year:

(1) Operating Activities: Net cash inflow of NT$531,043 K, primarily driven by continuous operating revenue and profitability.

(2) Investing Activities: Net cash outflow of NT$56,790 K, mainly due to purchase of production and office equipment.

(3) Financing Activities: Net cash inflow of NT$629,000 K, primarily stemming from cash capital increases.

2. Remedial Measures for Projected Cash Shortfall: Not applicable, as there is no projected cash shortfall anticipated.

4. The Effect upon Financial Operations of Any Major Capital Expenditures During the Most Recent Fiscal Year:

The Company incurred no significant capital expenditures in the most recent fiscal year, thus having no significant adverse impact on the Company's finances and operations.

5. The Company's Reinvestment Policy for the Most Recent Fiscal Year, the Main Reasons for the Profits/Losses Generated Thereby, the Plan for Improving Re-investment Profitability, and Investment Plans for the Coming Year:

1) The Company's reinvestment policy is anchored in the principles of sustainable operation and business growth. It establishes asset acquisition or disposal procedures in alignment with the "Regulations Governing the Acquisition and Disposal of Assets by Public Companies." These protocols underpin the Company's reinvestment endeavors, ensuring a comprehensive grasp of associated business and financial conditions. Furthermore, to oversee and effectively manage invested entities, the Company has established monitoring and management guidelines for subsidiaries within its internal control framework. These guidelines encompass information disclosure, finances, business, inventory, and financial management, thus optimizing the efficacy of the Company's reinvestment initiatives.

2) Main reasons for profit or loss in the recent fiscal year for reinvestment activities and improvement plans:

In NT$ K

Invested Company	Main Business Activities	Investment Gain or Loss Recognized in 2023	Main Reasons for Profit or Loss	Improvement Plans
RuggON Corporation	Trading of industrial PCs, automotive products, electronic parts, and peripheral equipment.	40,812	RuggON witnessed significant profitability in fiscal 2023, marked by a revenue growth of approx. 45% from 2022, achieved through effective cost controls.	Sustain operational growth by deepening relationships with existing customers, understanding their needs, and increasing revenue. Actively pursue new customers to boost overall revenue.
Ubiqconn Technology (USA) Inc.	Trading of industrial PCs, automotive products, electronic parts, and peripheral equipment.	(1,613)	UNA incurred losses due to continued investments for customer and market development, yet revenue did not reach an economically viable scale.	Sustain operational growth by expanding sales personnel and participation in exhibitions to increase exposure and brand recognition in North America.

3) Future Investment Plans for the Coming Year:

Currently, the Company has no immediate plans for reinvestment. Should such initiatives become necessary in the future, they will be executed in accordance with the Company's business strategy, with announcements made in compliance with pertinent laws and regulations.

6. The Risk Assessment Section Shall Analyze the Following Aspects for the Most Recent Fiscal Year and as of the Date of the Annual Report's Publication:

1) The effect upon the company's profits or losses of interest and exchange rate fluctuations

and changes in the inflation rate, and response measures to be taken in the future:

I. Interest Rate Fluctuations:
During the fiscal years 2022 and 2023, the Company and its subsidiaries experienced net foreign exchange gains or losses of NT$5,307 K and NT$12,111 K, respectively. These figures represent 0.16% and 0.33% of the annual net operating revenue, and 2.47% and 3.79% of the pre-tax net profit, respectively. A 1% fluctuation in the USD exchange rate would impact the pre-tax net profit of the Company by NT$1,865 K and NT$2,971 K, respectively. Given that the Company and its subsidiaries primarily conduct exports, with sales receipts predominantly in USD, supplemented by EUR and other transaction currencies, and raw material procurement mostly in USD, supplemented by EUR, exchange rate fluctuations will affect both the Company and its subsidiaries.

II. Exchange Rate Fluctuations:
To effectively mitigate the impact of exchange rate fluctuations, the Company and its subsidiaries have adopted the following response measures, in addition to implementing a natural hedging policy with a basket of trading currencies:
A. Adjusting foreign currency cash positions promptly to minimize the impact of exchange rate fluctuations.
B. Maintaining close communication with major counterparty banks to gather relevant information on exchange rate changes and proactively respond to the negative effects of currency fluctuations.
C. Regularly evaluating net foreign assets (liabilities) and making dynamic adjustments based on the Company's fund needs and the magnitude of exchange rate fluctuations. Exchange gains or losses primarily result from corresponding foreign currency positions held in response to daily operational transactions and exchange rate fluctuations. By collecting information on exchange market changes and closely liaising with financial institutions, the Company monitors exchange rate trends and adopts timely measures to reduce exchange rate risks.

III. Inflation Situation:
As of the date of the annual report's publication, the Company and its subsidiaries have not experienced significant impacts on financial operations due to inflation. To maintain price stability, the Company and its subsidiaries closely monitor global economic and political changes and market price fluctuations. We also maintain good interactive relationships with suppliers and customers, dynamically adjusting production and sales strategies to mitigate the impact of inflation on the Company and its subsidiaries' profits and losses.

2) The company's policy regarding high-risk investments, highly leveraged investments, loans to other parties, endorsements, guarantees, and derivatives transactions; the main reasons for the profits/losses generated thereby; and response measures to be taken in the future.

I. Execution Status of High-Risk, High-Leverage Investments, and Future Response Measures:
The Company and its subsidiaries prioritize core business operations. Adhering to conservative and prudent principles, we have refrained from engaging in high-risk or high-leverage investment activities. Consequently, there will be no significant adverse impact on the Company's profits and losses.

II. Execution Status of Loans to Others, Endorsements and Guarantees, and Derivative Transactions, and Future Response Measures:
During the most recent fiscal year and up to the publication date of the annual report, the Company and its subsidiaries have abstained from lending funds to others, providing endorsements or guarantees for others, or trading in derivative products. However, the Company and its subsidiaries have established operational procedures, such as "Operational Procedures for

Loaning Funds to Others," "Operational Procedures for Endorsements/Guarantees," and "Procedures for Engaging in Derivatives Trading," which have received approval from the shareholders' meeting. Should the need arise to undertake such transactions, they will be conducted in accordance with the relevant operational procedures.

3) Future Research and Development Plans and Anticipated R&D Expenditure:

I. Future Research and Development Plans:

Our future endeavors will center on advancing product development in rugged connectivity-related technologies across diverse markets, including logistics and transportation, smart agriculture, government solution computing, smart ports, drones, maritime, and satellite communications, offering solutions tailored to these sectors.

A. Short-term objectives involve achieving the development of smart application platforms and rugged systems.

B. Mid-term objectives entail establishing application service programs and developing auxiliary system software for related fields.

C. Long-term objectives revolve around delivering comprehensive technical solutions for specialized application domains.

II. Expected R&D Expenditure:

We make continuous investments in human capital and R&D infrastructure for robust connectivity-related technologies, encompassing hardware platforms, system mechanisms, wireless transmission, firmware and software programming, and production testing. The projected R&D expenditure is set to not fall below 5% of the operating revenue.

4) Effect on the company's financial operations of important policies adopted and changes in the legal environment at home and abroad, and measures to be taken in response:

The Company and its subsidiaries conduct their business activities in compliance with regulatory requirements stipulated by governing authorities. We vigilantly monitor changes in significant domestic and international policies and legal regulations to stay informed and adapt to external circumstances, promptly responding to fluctuations in domestic and international political and economic environments. Throughout the most recent fiscal year and up to the date of the annual report's publication, the Company has not incurred substantial financial impacts resulting from changes in significant domestic and international policies and regulations.

5) Effect on the company's financial operations of developments in science and technology (including cyber security risks) as well as industrial change, and measures to be taken in response:

The Company and its subsidiaries keep a close watch on technological changes and advancements relevant to their industries, continuously enhancing their technical capabilities to align with industry and market trends. This ensures we can assist customers in integrating engineering technologies and upgrading their technical proficiency. Additionally, the Company has established a dedicated cybersecurity unit and appointed a Chief Information Security Officer on May 22, 2023. This position is responsible for overseeing, instituting, and promoting cybersecurity policies, initiatives, and operations. The cybersecurity unit's duties include advancing, coordinating, supervising, and reviewing cybersecurity management matters. Throughout the most recent fiscal year and up to the date of the annual report's publication, the Company has not experienced significant financial impacts due to technological changes (including cybersecurity risks) or industry developments.

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

The Company and its subsidiaries have consistently adhered to principles of professionalism and ethical management, emphasizing corporate image and risk management. Throughout the most recent fiscal year and up to the date of the annual report's publication, the Company has not encountered crisis management scenarios stemming from shifts in corporate image. Moving forward, the Company and its subsidiaries will maintain these efforts, upholding a positive corporate image while actively expanding business operations.

7) Expected benefits and possible risks associated with any merger and acquisitions, and mitigation measures being or to be taken:

During the most recent fiscal year and up to the date of the annual report's publication, the Company and its subsidiaries have no intentions of engaging in mergers and acquisitions. However, should such plans arise in the future, they will be executed in compliance with pertinent laws, regulations, and internal management protocols, ensuring the safeguarding of corporate interests and shareholder rights.

8) Expected benefits and possible risks associated with any plant expansion, and mitigation measures being or to be taken:

During the most recent fiscal year and up to the date of the annual report's publication, there are no proposed expansions of plant facilities by the Company and its subsidiaries.

9) Risks associated with any concentration of sales or purchasing operations, and mitigation measures being or to be taken:

I. Risks and Mitigation Strategies Regarding Purchasing Concentration

Throughout the fiscal years 2022 and 2023, neither the Company nor its subsidiaries faced significant concentration in purchasing. The highest proportions of purchases from a single supplier were 27.24% and 26.79%, respectively. Additionally, the Company maintains robust relationships with its suppliers, and mostly has alternative options. This ensures a stable supply chain. Furthermore, measures are implemented to step up control over major or long-term procurement activities, guaranteeing stable supply, high-quality products, and reliable service from suppliers. As a result, the risk associated with purchasing remains limited.

II. Risks and Mitigation Strategies Regarding Sales Concentration

The Company's primary business in industrial PC assembly is divided into customized services and proprietary brands. Customized services encompass rugged mobile solutions, LCD touch display solutions, embedded modules, and satellite module customization design and production services. Key focus areas include maritime, government solutions, office automation, voting machines, and satellite communications (future 6G). In addition, the proprietary brands, particularly the subsidiary RuggON, target four key vertical markets (agriculture, public transportation, government solutions, and logistics). As brand building necessitates long-term dedication, customized services have remained the primary revenue contributor over the past decade. In fiscal years 2022 and 2023, sales proportions to the largest customer were 50.21% and 36.58%, respectively, and to the largest group, they were 74.91% and 63.68%, respectively, indicating sales concentration. The following outlines the Company's risk management strategies for sales concentration:

A. We are actively cultivating our clientele for customized services, aiming to decrease the revenue contribution from such services to below 50%. Promising customer segments with potential high growth include government solutions, 6G, and office building automation, among others.

B. We are persistently investing in branding, which includes a substantial expansion of personnel in our U.S. branch office. We anticipate an increased contribution of our brand to the U.S. market in the future, further ensuring that revenue from major customized service clients falls below the target.

10) Effect upon and risk to the company regarding the transfer or change of ownership of a significant quantity of shares held by directors, supervisors, or shareholders with a stake exceeding 10 percent in the company, and mitigation measures being or to be taken:

Throughout the most recent fiscal year and up to the date of the annual report's publication, there have been no significant impacts on the Company's operations resulting from the transfer or change of ownership of a significant quantity of shares held by directors, supervisors, or shareholders with a stake exceeding 10 percent in the Company.

11) Effect upon and risk to the company associated with any change in ownership, and mitigation measures being or to be taken:

There have been no changes in ownership for the Company in the most recent fiscal year and up to the date of the annual report's publication. The Company has intensified various corporate governance measures and established an audit committee to enhance overall shareholder interest protection.

12) Regarding litigious and non-litigious matters, list any major litigious proceedings, non-litigious proceedings or administrative litigations that: (1) involve the company, its directors, supervisors, president, de facto responsible person, major shareholders holding over 10% stake, and subsidiaries; and (2) have been concluded by a final and unappealable judgment, or remained pending. Where such an outcome could materially affect shareholders' equity or the prices of the company's securities, the disputed facts, monetary amounts involved, litigation commencement dates, main parties involved, and current status as of the date of publication of the annual report should be disclosed:

The Company is not currently subject to the above-mentioned situation; however, additional explanations are provided as follows:

I. On October 16, 2020, the authorities investigated FIC Global, Inc. (FICG), a major shareholder and director of the Company, whose ownership exceeds 10 percent, regarding financing transactions involving negotiating bills of exchange with a bank against a letter of credit conducted by Perfect Union Global Inc. Taiwan Branch (B.V.I.) (PUG), an overseas subsidiary of FICG's invested enterprise 3CEMS Group. The investigation focused on alleged violations of the Banking Act, Securities and Exchange Act, and document falsification.

II. The investigation concluded in 2022, with all related financing funds repaid to the banks without causing any losses to them. FICG's financial statements were prepared in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers, the International Financial Reporting Standards, International Accounting Standards, interpretations, and announcements endorsed and issued by the Financial Supervisory Commission, audited by CPAs, and found to contain no hidden information. Additionally, the prosecutor took into account that the Chinese subsidiary of the 3CEMS Group genuinely imported materials of equivalent value, distinguishing it from the malicious fabrication of non-existent transactions aimed at deceiving banks for loan fraud. Since none of the relevant credit banks incurred any losses, the prosecutor opted not to pursue charges for violations of the Banking Act and the Securities and Exchange Act on September 12, 2022, and this decision has been formally finalized. In examining the falsification of documents, the temporal and spatial context of interest rate and exchange rate differentials at the time, alongside the primary objective geared toward meeting the Company's operational needs., the prosecutor concluded that the handling of letter of credit transactions for onshore guarantees for offshore loans was not aimed at seeking personal gain. Moreover, the profit or loss incurred in the letter of credit business primarily hinged on the company's adept financial judgment concerning exchange rate trends and transaction timing, rather than being an inevitable consequence of the forged documents. Consequently, on December 6, 2022, the involved parties, including Chien Min-Tz, Chairman of the Company and FICG, and Vice Chairman of 3CEMS Group, received deferred prosecution, a decision that has since been finalized, with the deferral period ending on January 5, 2024.

III. This case did not directly involve the Company. The 3CEMS Group's execution of onshore guarantees for offshore loans was a cross-strait financial strategy chosen amidst the circumstances of numerous Taiwanese businesses based in China at the time. The funds disbursed by the negotiating bank against the letters of credit were utilized for the operational needs of the 3CEMS Group. Furthermore, all financing involved in this case has been repaid to the banks without any losses incurred by them. Both FICG and the Company's operations and finances are proceeding as usual, having no impact on the rights and interests of the Company's shareholders.

13) Other important risks, and mitigation measures being or to be taken: None.

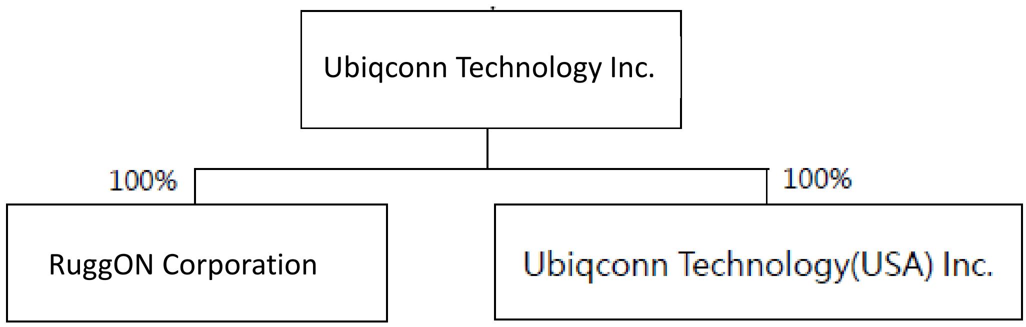
7. Other Important Matters: None.

VIII. Special Disclosures

1. Affiliates' Information:

1) Consolidated Business Reports of Affiliates:

I. Organizational Chart of Affiliates (as of December 31, 2023):



II. Basic information of affiliates:

Company	Incorporation Date	Currency	Paid-in Capital	Address	Principal Business or Production Items
RuggON Corporation	January 14, 2014	NTD	120,000,000	4F., No.298, Yangguang St., Neihu Dist., Taipei City	Trading of industrial PCs, automotive products, electronic parts, and peripheral equipment
Ubiqconn Technology (USA) Inc.	March 7, 2017	USD	550,000	17870 Castleton St Ste 116 City of Industry CA 91748 United States	Trading of industrial PCs, automotive products, electronic parts, and peripheral equipment

III. Same shareholder information for entities presumed to have controlling and subordinate relationships: None.

IV. Industries covered by the overall business operated by the affiliates: Trading of industrial PCs, automotive products, electronic parts, and peripheral equipment.

V. Directors, supervisors, and presidents of affiliates:

Company	Title	Name or Representative	Shareholding	
			Number of Shares	Percentage
RuggON Corporation	Chairman	Ubiqconn Technology, Inc. Rep.: Chien Min-Tz	12,000,000	100%
	Director	Ubiqconn Technology, Inc. Rep.: Hsu Ching-Chen	12,000,000	100%
	Director	Ubiqconn Technology, Inc. Rep.: Lee Po-Cheng	12,000,000	100%
	Supervisor	Ubiqconn Technology, Inc. Rep.: Huang Chien-Chen	12,000,000	100%
Ubiqconn Technology	Director	Ubiqconn Technology, Inc. Rep.: Hsu Ching-Chen	5,500,000	100%

Company	Title	Name or Representative	Shareholding	
			Number of Shares	Percentage
(USA) Inc.	Director	Ubiqconn Technology, Inc. Rep.: Wang I-Te	5,500,000	100%
	Director	Ubiqconn Technology, Inc. Rep.: Chou Yun-Chih	5,500,000	100%

IV.

VI. Financial condition and operational results of each affiliate:

Company	Capital		Total Assets (NT$ K)	Total Liabilities (NT$ K)	Net Worth (NT$ K)	Operating Revenue (NT$ K)	Operating Profit (NT$ K)	Net Income (After Tax) (NT$ K)	Earnings Per Share (NT$) (After Tax)
	Curr.	NT$ K							
RuggON Corporation	TWD	120,000	139,993	55,105	84,888	243,888	37,168	40,812	3.4
Ubiqconn Technology (USA) Inc.	USD	550	955	267	688	2,198	(126)	(37)	NA

VII. Consolidated Financial Statements of Affiliated Enterprises:

Declaration

For the fiscal year 2023 (from January 1, 2023 to December 31, 2023), the entities mandated for inclusion in the Company’s consolidated financial statements of affiliated enterprises under the "Criteria Governing Preparation of Affiliation Reports, Consolidated Business Reports, and Consolidated Financial Statements of Affiliated Enterprises" align with those entities required for inclusion in the consolidated financial statements of parent and subsidiary companies, as stipulated in International Financial Reporting Standard No. 10 (IFRS 10). Furthermore, all pertinent information mandated for disclosure in the consolidated financial statements of affiliates has been duly disclosed in the foregoing consolidated financial statements of parent and subsidiary companies. As a result, no separate consolidated financial statements of affiliates have been prepared.

Yours Faithfully

Ubiqconn Technology, Inc.

Chairman of the Board Chien Min-Tz

March 15, 2024

2. A private placement of securities during the most recent fiscal year or during the current fiscal year up to the date of publication of the annual report: N/A.
3. Holding or disposal of shares in the company by the company's subsidiaries during the most recent fiscal year or during the current fiscal year up to the date of publication of the annual report: N/A.
4. Other matters that require additional description: None.

IX. Any of the situations listed in Article 36, Paragraph 3, Subparagraph 2 of the Securities and Exchange Act, which might materially affect shareholders' equity or the price of the company's securities, has occurred during the most recent fiscal year or during the current fiscal year up to the date of publication of the annual report: N/A.

UBIQCONN TECHNOLOGY, INC. AND SUBSIDIARIES

CONSOLIDATED FINANCIAL STATEMENTS AND

INDEPENDENT AUDITORS' REPORT

DECEMBER 31, 2023 AND 2022

UBIQCONN TECHNOLOGY, INC.

DECEMBER 31, 2023 AND 2022 CONSOLIDATED FINANCIAL STATEMENTS AND INDEPENDENT AUDITORS' REPORT

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Ubiqconn Technology, Inc.

Declaration of Consolidated Financial Statements of Affiliated Enterprises

For the year ended December 31, 2023, pursuant to the “Criteria Governing Preparation of Affiliation Reports, Consolidated Business Reports and Consolidated Financial Statements of Affiliated Enterprises,” the company that is required to be included in the consolidated financial statements of affiliates, is the same as the company required to be included in the consolidated financial statements of parent and subsidiary companies under International Financial Reporting Standard 10. Also, 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,

Ubiqconn Technology, Inc.

Chien, Ming-Tz, Chairman

March 15, 2023

INDEPENDENT AUDITORS' REPORT TRANSLATED FROM CHINESE

To the Board of Directors and Shareholders of Ubiqconn Technology, Inc.

Opinion

We have audited the accompanying consolidated balance sheets of Ubiqconn Technology, Inc. and 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 significant accounting policies.

In our opinion, 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 Standards on Auditing of the Republic of China. Our responsibilities under those standards are further described in the Auditors' responsibilities for the audit of the consolidated financial statements section of our report. We are independent of the Group in accordance with the Norm of Professional Ethics for Certified Public Accountant of the Republic of China, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the Group's 2023 consolidated financial statements. 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 2023 consolidated financial statements are stated as follows:

Existence of revenue from customers

Description

Refer to Note 4(26) for accounting policies on revenue recognition, and Note 6(14) for details of operating revenue.

The Group is primarily engaged in the manufacture and sales of industrial computers and in-vehicle products, etc. The industrial computer business is easily affected by the project life cycle of products and needs to focus on accepting orders of new projects. As a result, we identified the existence of revenue from customers as one of the key audit matters.

How our audit addressed the matter

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

1. Assessed and tested whether the internal control procedures of sales transactions are in accordance with the Group's internal control policies.

2. Obtained and verified relevant vouchers of sales from customers of selected samples.

Evaluation of inventories

Description

Refer to Note 4(11) for accounting policies on inventory valuation, Note 5(2) for uncertainty of accounting estimates and assumptions in relation to inventory valuation, and Note 6(4) for details of inventory valuation.

The Group is primarily engaged in the manufacture and sales of industrial computers and in-vehicle products, etc. Given the long product life cycle of industrial computer products, some products or spare parts have long inventory period due to long-term supply and maintenance needs of customers. The order adjustments of customers or lower-than-expected market conditions may lead to fluctuations in product prices or low inventory correction, which may result in a higher risk of decrease in market value or obsolescence. As the Group is primarily engaged in the sales of industrial computers, its amounts of inventories are material and the types of inventories vary. Management evaluates inventories stated at the lower of cost and net realizable value. Since the evaluation of inventories is subject to management's judgment and the accounting estimations will have significant influence on the inventory values, the evaluation of inventories has been identified as one of the key audit matters.

How our audit addressed the matter

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

1. Assessed the policy of allowance for inventory valuation loss, based on our understanding of the operations and industry of the Group.

2. Inspected the management's individually identified out-of-date inventory list and checked the related supporting documents..

3. Tested the basis of market value used in calculating the net realizable value of each inventory and validated the accuracy of calculation of selected samples.

Other matter – Parent company only financial reports

We have audited and expressed an unqualified opinion on the parent company only financial statements of Ubiqconn Technology, Inc. as of and for the years ended December 31, 2023 and 2022.

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

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and 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 judgment and professional skepticism throughout the audit. We also:

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

2. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.

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

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

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

6. Obtain sufficient 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.

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

Lin, Po-Chuan

Chang, Shu-Chiung

For and on Behalf of PricewaterhouseCoopers, Taiwan

March 15, 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.
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.

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

	Assets	Notes	December 31, 2023 AMOUNT	%	December 31, 2022 AMOUNT	%
	Current assets					
1100	Cash and cash equivalents	6(1)	$ 732,264	34	$ 280,500	13
1136	Current financial assets at amortised cost	6(2) and 8	32,102	1	27,041	1
1140	Current contract assets	6(14)	5,487	-	6,879	-
1170	Accounts receivable, net	6(3)	340,957	16	525,564	25
1180	Accounts receivable - related parties	7	4,998	-	8,087	1
1200	Other receivables		15,383	1	28,943	1
1220	Current tax assets		240	-	18	-
130X	Inventory	6(4)	794,908	36	1,081,696	51
1410	Prepayments		17,010	1	21,462	1
11XX	**Current Assets**		1,943,349	89	1,980,190	93
	Non-current assets					
1600	Property, plant and equipment	6(5) and 7	53,317	3	35,803	2
1755	Right-of-use assets	6(6) and 7	111,622	5	61,464	3
1780	Intangible assets		18,124	1	19,765	1
1840	Deferred tax assets	6(20)	30,646	1	31,214	1
1920	Guarantee deposits paid	7	14,354	1	11,777	-
1990	Other non-current assets, others		7,696	-	89	-
15XX	**Non-current assets**		235,759	11	160,112	7
1XXX	**Total assets**		$ 2,179,108	100	$ 2,140,302	100

(Continued)

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

	Liabilities and Equity	Notes	December 31, 2023 AMOUNT	%	December 31, 2022 AMOUNT	%
	Current liabilities					
2100	Short-term borrowings	6(7)	$ -	-	$ 90,813	4
2130	Current contract liabilities	6(14)	62,759	3	57,420	3
2170	Accounts payable		377,140	17	557,115	26
2180	Accounts payable - related parties	7	-	-	267	-
2200	Other payables	6(8)	156,604	7	135,597	6
2220	Other payables - related parties	7	15,221	1	35,444	2
2230	Current income tax liabilities		51,306	3	37,811	2
2250	Current provisions		6,668	-	3,589	-
2280	Current lease liabilities	6(6) and 7	36,096	2	21,489	1
2399	Other current liabilities, others		6,297	-	1,609	-
21XX	**Current Liabilities**		712,091	33	941,154	44
	Non-current liabilities					
2550	Non-current provisions		2,381	-	2,113	-
2570	Deferred tax liabilities	6(20)	-	-	1,504	-
2580	Non-current lease liabilities	6(6) and 7	79,674	4	42,768	2
2600	Other non-current liabilities	7	7,064	-	6,301	-
25XX	**Non-current liabilities**		89,119	4	52,686	2
2XXX	**Total Liabilities**		801,210	37	993,840	46
	Equity					
	Equity attributable to owners of parent					
	Share capital	6(11)				
3110	Share capital - common stock		750,000	34	750,000	35
	Capital surplus	6(12)				
3200	Capital surplus		318,681	15	307,778	15
	Retained earnings	6(13)				
3310	Legal reserve		8,719	-	-	-
3350	Unappropriated retained earnings		298,819	14	87,192	4
	Other equity interest					
3400	Other equity interest		1,679	-	1,492	-
31XX	**Equity attributable to owners of the parent**		1,377,898	63	1,146,462	54
3XXX	**Total equity**		1,377,898	63	1,146,462	54
	Significant events after the balance sheet date	11				
3X2X	**Total liabilities and equity**		$ 2,179,108	100	$ 2,140,302	100

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

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

	Items	Notes	Year ended December 31 2023 AMOUNT	2023 %	2022 AMOUNT	2022 %
4000	Operating income	6(14) and 7	$ 3,721,340	100	$ 3,315,035	100
5000	Operating costs	6(4)(19) and 7	(2,926,502)	(78)	(2,704,135)	(81)
5900	Net operating margin		794,838	22	610,900	19
	Operating expenses	6(19) and 7				
6100	Selling expenses		(200,905)	(5)	(165,079)	(5)
6200	General & administrative expenses		(95,987)	(3)	(61,265)	(2)
6300	Research and development expenses		(197,157)	(5)	(176,306)	(5)
6450	Expected credit impairment gain or (loss)	12(2)	12,858	-	(15,260)	(1)
6000	Total operating expenses		(481,191)	(13)	(417,910)	(13)
6900	Operating profit		313,647	9	192,990	6
	Non-operating income and expenses					
7100	Interest income	6(15)	13,877	-	1,700	-
7010	Other income	6(16)	10,276	-	22,806	-
7020	Other gains and losses	6(17)	(13,106)	-	4,508	-
7050	Finance costs	6(18) and 7	(5,227)	-	(6,879)	-
7000	Total non-operating revenue and expenses		5,820	-	22,135	-
7900	**Profit before income tax**		319,467	9	215,125	6
7950	Income tax expense	6(20)	(61,599)	(2)	(7,933)	-
8200	**Profit for the year**		$ 257,868	7	$ 207,192	6
	Other comprehensive income (loss)					
	Components of other comprehensive loss that will not be reclassified to profit or loss					
8311	Losses on remeasurements of defined benefit plans		($ 22)	-	$ -	-
8310	Components of other comprehensive loss that will not be reclassified to profit or loss		(22)	-	-	-
	Components of other comprehensive income that will be reclassified to profit or loss					
8361	Financial statements translation differences of foreign operations		187	-	1,164	-
8360	Components of other comprehensive income that will be reclassified to profit or loss		187	-	1,164	-
8300	**Other comprehensive income for the year**		$ 165	-	$ 1,164	-
8500	**Total comprehensive income for the year**		$ 258,033	7	$ 208,356	6
	Profit attributable to:					
8610	Shareholders of parent		$ 257,868	7	$ 207,192	6
	Comprehensive income attributable to:					
8710	Shareholders of parent		$ 258,033	7	$ 208,356	6
	Basic earnings per share	6(21)				
9750	Basic earnings per share		$	3.44	$	3.13
9850	Diluted earnings per share		$	3.44	$	3.13

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

UBIQCONN TECHNOLOGY, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
YEARS ENDED DECEMBER 31, 2023 AND 2022
(Expressed in thousands of New Taiwan dollars)

		Equity attributable to owners of the parent					
				Retained Earnings			
	Notes	Share capital - common stock	Total capital surplus, additional paid-in capital	Legal reserve	Unappropriated retained earnings (accumulated deficit)	Financial statements translation differences of foreign operations	Total equity
Year ended December 31, 2022							
Balance at January 1, 2022		$ 600,000	$ 297,718	$ -	($ 260,403)	$ 328	$ 637,643
Profit for the year		-	-	-	207,192	-	207,192
Other comprehensive income		-	-	-	-	1,164	1,164
Total comprehensive income		-	-	-	207,192	1,164	208,356
Issue of shares	6(11)	150,000	150,000	-	-	-	300,000
Cash capital increase reserved for employee preemption	6(10)	-	463	-	-	-	463
Capital surplus used to offset accumulated deficits	6(13)	-	(140,403)	-	140,403	-	-
Balance at December 31, 2022		$ 750,000	$ 307,778	$ -	$ 87,192	$ 1,492	$ 1,146,462
Year ended December 31, 2023							
Balance at January 1, 2023		$ 750,000	$ 307,778	$ -	$ 87,192	$ 1,492	$ 1,146,462
Profit for the year		-	-	-	257,868	-	257,868
Other comprehensive income		-	-	-	(22)	187	165
Total comprehensive income		-	-	-	257,846	187	258,033
Appropriation of 2022 earnings:	6(13)						
Legal reserve		-	-	8,719	(8,719)	-	-
Cash dividends		-	-	-	(37,500)	-	(37,500)
Share-based payments	6(10)	-	10,903	-	-	-	10,903
Balance at December 31, 2023		$ 750,000	$ 318,681	$ 8,719	$ 298,819	$ 1,679	$ 1,377,898

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

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

	Notes	Year ended December 31 2023	2022
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before tax		$ 319,467	$ 215,125
Adjustments			
Adjustments to reconcile profit (loss)			
Depreciation expense	6(19)	52,772	44,235
Amortization expense	6(19)	5,243	4,111
Expected credit impairment (gain) loss	12(2)	(12,858)	15,260
Interest expense	6(18)	5,227	6,879
Interest income	6(15)	(13,877)	(1,700)
Gains on write-off of past due payable	6(16)	(4,464)	(4,099)
Gain on disposal of property, plan and equipment	6(17)	-	(4)
Share-based payments	6(10)	10,903	463
Changes in operating assets and liabilities			
Changes in operating assets			
Contract assets		1,392	(6,879)
Accounts receivable		197,465	(27,572)
Accounts receivable-related parties		3,089	16,823
Other receivable		13,841	(6,087)
Inventories		286,788	(43,809)
Prepayments		4,816	4,052
Changes in operating liabilities			
Contract liabilities		5,339	(74,573)
Notes payable		-	(1,695)
Accounts payable		(179,975)	(88,036)
Accounts payable - related parties		(267)	(2,349)
Other payables		24,993	23,812
Other payables-related parties		(20,123)	(1,686)
Provisions		3,347	(2,535)
Other current liabilities		4,688	(876)
Other non-current liabilities		741	6,301
Cash inflow generated from operations		708,547	75,161
Interest received		13,596	1,657
Interest paid		(5,484)	(6,644)
Income taxes paid		(49,264)	(435)
Net cash flows from operating activities		667,395	69,739

(Continued)

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

	Notes	Year ended December 31 2023	2022
CASH FLOWS FROM INVESTING ACTIVITIES			
Acquisition of financial assets at amortised cost		($ 5,061)	($ 4,631)
Acquisition of property, plant and equipment	6(22)	(31,506)	(20,226)
Disposal of property, plant and equipment		-	161
Acquisition of intangible assets		(4,464)	(3,605)
Increase in refundable deposits		(2,577)	(4,287)
Increase in other non-current assets		(7,696)	-
Net cash flows used in investing activities		(51,304)	(32,588)
CASH FLOWS FROM FINANCING ACTIVITIES			
Repayments of lease principal	6(23)	(36,198)	(30,927)
Increase in short-term borrowings	6(23)	53,000	315,705
Decrease in short-term borrowings	6(23)	(143,813)	(274,275)
Decrease in other payables to related parties	6(23)	-	(326,570)
Increase in long-term borrowings		100,000	5,000
Repayments of long-term borrowings		(100,000)	(5,000)
Cash dividends paid	6(13)	(37,500)	-
Proceeds from issuing shares	6(11)	-	300,000
Net cash flows used in financing activities		(164,511)	(16,067)
Effect of exchange rate changes		184	1,143
Net increase in cash and cash equivalents		451,764	22,227
Cash and cash equivalents at beginning of year		280,500	258,273
Cash and cash equivalents at end of year		$ 732,264	$ 280,500

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

UBIQCONN TECHNOLOGY, INC. 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 Organization

Ubiqconn Technology, Inc. (referred herein as 'Ubiqconn' or 'the Company') was incorporated as a company limited by shares under the provisions of the Company Act of the Republic of China (R.O.C.) on June 10, 2011 upon approval by the Ministry of Economic Affairs. Ubiqconn is primarily engaged in the manufacture and trading of industrial computers, in-vehicle products, electronic components and peripheral equipment. The Company's stocks were publicly issued in Taiwan in October 2022. Ubiqconn and the consolidated subsidiaries are collectively referred herein as "the Group". FIC Global, Inc. is the Company's parent company, which comprehensively holds a 64.04% equity interest in the Company.

2. The Date of Authorization for Issuance of the Financial Statements and Procedures for Authorization

These consolidated financial statements were authorized for issuance by the Board of Directors on March 13, 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 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

The 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. The consolidated financial statements have been prepared under the historical cost convention.

B. The preparation of financial statements in conformity 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 (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 recognized directly in equity.

(e) When the Group loses control of a subsidiary, the Group remeasures any investment retained in the former subsidiary at its fair value. That fair value is regarded as the fair value on initial recognition of a financial asset or the cost on initial recognition of the associate or joint venture. Any difference between fair value and carrying amount is recognized in profit or loss. All amounts previously recognized in other comprehensive income in relation to the subsidiary are reclassified to profit or loss on the same basis as would be required if the related assets or liabilities were disposed of. That is, when the Group loses control of a subsidiary, all gains or losses previously recognized in other comprehensive income in relation to the subsidiary should be reclassified from equity to profit or loss, if such gains or losses would be reclassified to profit or loss when the related assets or liabilities are disposed of.

B. Subsidiaries included in the consolidated financial statements:

Name of investor	Name of subsidiary	Main business activities	Ownership(%)		Description
			December 31, 2023	December 31, 2022	
Ubiqconn	Ruggon Corporation (Ruggon)	Sales of industrial computers, automotive electronics, electronic components and peripheral equipment	100%	100%	
	Ubiqconn Technology (USA) Inc. (Ubiqconn USA)	Sales of industrial computers, automotive electronics, electronic components and peripheral equipment	100%	100%	

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) <u>Foreign currency translation</u>

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 consolidated financial statements are presented in NTD, which is Ubiqconn’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 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

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

i. Assets and liabilities for each balance sheet presented are translated at the closing exchange rate at the date of that balance sheet;

ii. Income and expenses for each statement of comprehensive income are translated at average exchange rates of that period; and

iii. All resulting exchange differences are recognized in other comprehensive income.

(b) When the foreign operation partially disposed of or sold is a subsidiary, cumulative exchange differences that were recorded in other comprehensive income are proportionately transferred to the non-controlling interest in this foreign operation. In addition, even when the Group retains partial interest in the former foreign subsidiary after losing control of the former foreign subsidiary, such transactions should be accounted for as disposal of all interest in the foreign operation.

(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 equivalents

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

(7) Financial assets at amortized cost

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.

(8) 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.

(9) Impairment of financial assets

For financial assets at amortized cost including accounts receivable and contract assets that have a significant financing component, 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 and contract assets that do not contain a significant financing component, the Group recognizes the impairment provision for lifetime ECLs.

(10) Derecognition of financial assets

The Group derecognizes a financial asset when the contractual rights to receive the cash flows from the financial asset expire.

(11) Inventories

Inventories are stated at the lower of cost and net realizable value. Cost is determined using the weighted-average method. The cost of finished goods and work in progress comprises raw materials, direct labor, 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 costs of completion and the estimated costs necessary to make the sale.

(12) 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 part of an item of property, plant, and equipment with a cost that is significant in relation to the total cost of the item must be depreciated separately.

D. The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted if appropriate, at each financial year-end. 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:

Machinery and equipment	4~6 years
Office equipment	2~4 years
Leasehold improvements	2~4 years
Other equipments	3~6 years

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

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 Company 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;

(b) Any lease payments made at or before the commencement date;

(c) Any initial direct costs incurred by the lessee; and

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 recognized as an adjustment to the right-of-use asset.

(14) Intangible assets

Computer software is stated at cost and amortized on a straight-line basis over its estimated useful life of 3 to 8 years.

(15) Impairment of non-financial assets

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. When the circumstances or reasons for recognizing impairment loss for an asset in prior years no longer exist or diminish, the impairment loss is reversed. The increased carrying amount due to reversal should not be more than what the depreciated or amortized historical cost would have been if the impairment had not been recognized.

(16) Borrowings

Borrowings comprise short-term bank borrowings. 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.

(17) Notes and accounts 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.

(18) Derecognition of financial liabilities

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

(19) Offsetting financial instruments

Financial assets and liabilities are offset and reported in the net amount 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.

(20) Provisions

Provisions (including warranties) 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.

(21) 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

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

C. 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.

(22) 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. Cash-settled share-based payments granted by Ubiqconn's parent company, FIC Global, Inc. to Ubiqconn's employees are vested immediately on the grant date and are fully recognized as expense at fair value on the grant date and the capital surplus are adjusted.

(23) 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 Group 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 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 balance sheet. However, the deferred tax is not accounted for if it arises from initial recognition of goodwill or of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or

loss and does not give rise to equal taxable and deductible temporary differences. Deferred tax is provided on temporary differences arising on investments in subsidiaries, 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 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 tax asset is realized or the deferred tax liability is settled.

D. Deferred 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 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 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.

(24) Share capital

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.

(25) Dividends

Dividends are recorded in the Group's financial statements in the period in which they are resolved by the Group's shareholders. Cash dividends are recorded as liabilities.

(26) Revenue recognition

A. Sales revenue

The Group primarily manufactures and sells industrial computers, in-vehicle products, electronic components and peripheral equipment. 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 customer's acceptance of the products. Delivery occurs when the products have been shipped to the specific location, the risks of obsolescence and loss have been transferred to the customer, and either the customer has accepted the products in accordance with the sales contract, or the Group has objective evidence that all criteria for acceptance have been satisfied.

B. Service revenue

(a) Service revenue arises from product development and maintenance 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 to the end of the reporting period as a proportion of the total services to be provided. This is determined based on the completed satisfaction of the performance. The customer pays at the time specified in the payment schedule. If the services rendered exceed the payment, a contract asset is recognized. If the payments exceed the services rendered, a contract liability is recognized.

(b) The Group's estimate about revenue, 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.

(27) Operating segments

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The Group's 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 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 significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year; and the related information is addressed below:

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

None.

(2) Critical accounting estimates and assumptions

Evaluation of inventories

As inventories are stated at the lower of cost and net realizable value, the Group must determine the net realizable value of inventories on balance sheet date using judgements and estimates. Due to the rapid technology innovation, the Group evaluates 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. Such an evaluation of inventories is principally based on the demand for the products within the specified period in the future. Therefore, there might be material changes to the evaluation.

As of December 31, 2023, the carrying amount of inventories was $794,908.

6. Details of Significant Accounts

(1) Cash and cash equivalents

	December 31, 2023		December 31, 2022	
Petty cash	$	150	$	150
Checking accounts and demand deposits		355,384		280,350
Time deposits		376,730		-
	$	732,264	$	280,500

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 Group had classified cash and cash equivalents which pledged to others as collaterals to current financial assets at amortized cost, and the details are provided in Note 8.

(2) Financial assets at amortized cost

Items	December 31, 2023		December 31, 2022	
Current items:				
Restriced bank deposits	$	32,102	$	27,041

A. Amounts recognized in profit or loss in relation to financial assets at amortized cost are listed below:

	2023		2022	
Interest income	$	246	$	53

B. As at December 31, 2023 and 2022, without taking into account any collateral held or other credit enhancements, the maximum exposure to credit risk in respect of the amount that best represents the financial assets at amortized cost held by the Group was $32,102 and $27,041, respectively.

C. Details of the Group’s financial assets at amortized cost pledged to others as collateral are provided in Note 8.

D. Information relating to credit risk of financial assets at amortized cost is provided in Note 12(2).

(3) Notes and accounts receivable

	December 31, 2023		December 31, 2022	
Accounts receivable	$	347,157	$	544,622
Less: Allowance for uncollectible accounts	(	6,200)	(	19,058)
	$	340,957	$	525,564

A. The ageing analysis of accounts receivable (including related parties) that were past due but not impaired is as follows:

	December 31, 2023	December 31, 2022
Not past due	$ 253,798	$ 384,587
Up to 30 days past due	87,878	160,056
31 to 90 days past due	5,697	6,188
91 to 180 days past due	2	889
Over 180 days past due	4,780	989
	$ 352,155	$ 552,709

The above ageing analysis was based on past due date.

B. As of December 31, 2023 and 2022, accounts receivable (including related parties) were all from contracts with customers. And as of January 1, 2022, the balance of receivables and allowance for uncollectible accounts from contracts with customers amounted to $541,960 and $3,798, respectively.

C. As at December 31, 2023 and 2022, without taking into account any collateral held or other credit enhancements, the maximum exposure to credit risk in respect of the amount that best represents the Group’s accounts receivable (including related parties) was $345,955 and $533,651, respectively.

D. The Group did not hold collateral as security for accounts receivable.

E. Information relating to credit risk of accounts receivable is provided in Note 12(2).

(4) Inventories

	December 31, 2023		
	Cost	Allowance for valuation loss	Book value
Raw materials	$ 598,527	($ 100,092)	$ 498,435
Work in progress	218,328	(14,802)	203,526
Finished goods	92,391	(5,414)	86,977
Inventory in transit	5,970	-	5,970
	$ 915,216	$ (120,308)	$ 794,908

	December 31, 2022		
	Cost	Allowance for valuation loss	Book value
Raw materials	$ 1,010,702	($ 100,376)	$ 910,326
Work in progress	136,117	(17,411)	118,706
Finished goods	46,888	(5,040)	41,848
Inventory in transit	10,816	-	10,816
	$ 1,204,523	$ (122,827)	$ 1,081,696

The Group's operating costs recognized for the year:

	Year ended December 31	
	2023	2022
Cost of goods sold	$ 2,872,845	$ 2,621,214
Inventories obsolescence and devaluation loss (reversal gain)	(2,514)	21,856
Cost of service and warranty	56,171	61,065
	$ 2,926,502	$ 2,704,135

For the year ended December 31, 2023, the Group recognized gain from sale of Inventories previously devalued.

(5) Property, plant and equipment

	2023				
	Machinery and equipment	Office equipment	Leasehold improvements	Other equipments	Total
January 1, 2023					
Cost	$ 70,804	$ 15,692	$ 3,253	$ 16,448	$ 106,197
Accumulated depreciation and impairment	(53,638)	(8,203)	(1,757)	(6,796)	(70,394)
	$ 17,166	$ 7,489	$ 1,496	$ 9,652	$ 35,803
January 1, 2023	$ 17,166	$ 7,489	$ 1,496	$ 9,652	$ 35,803
Additions	17,902	3,944	10,214	668	32,728
Depreciation	(6,725)	(3,344)	(2,446)	(2,704)	(15,219)
Net exchange differences	-	-	-	5	5
December 31,2023	$ 28,343	$ 8,089	$ 9,264	$ 7,621	$ 53,317
December 31,2023					
Cost	$ 83,185	$ 15,192	$ 13,468	$ 14,552	$ 126,397
Accumulated depreciation and impairment	(54,842)	(7,103)	(4,204)	(6,931)	(73,080)
	$ 28,343	$ 8,089	$ 9,264	$ 7,621	$ 53,317

	2022				
	Machinery and equipment	Office equipment	Leasehold improvements	Other equipments	Total
January 1, 2023					
Cost	$ 61,777	$ 11,580	$ 1,472	$ 10,220	$ 85,049
Accumulated depreciation and impairment	(47,183)	(5,698)	(463)	(4,320)	(57,664)
	$ 14,594	$ 5,882	$ 1,009	$ 5,900	$ 27,385
January 1, 2023	$ 14,594	$ 5,882	$ 1,009	$ 5,900	$ 27,385
Additions	9,031	4,383	1,781	6,035	21,230
Disposals	-	(157)	-	-	(157)
Depreciation	(6,459)	(2,619)	(1,294)	(2,349)	(12,721)
Net exchange differences	-	-	-	66	66
December 31,2023	$ 17,166	$ 7,489	$ 1,496	$ 9,652	$ 35,803
December 31,2023					
Cost	$ 70,804	$ 15,692	$ 3,253	$ 16,448	$ 106,197
Accumulated depreciation and impairment	(53,638)	(8,203)	(1,757)	(6,796)	(70,394)
	$ 17,166	$ 7,489	$ 1,496	$ 9,652	$ 35,803

A. The Group had no interest expense which was capitalized as part of property, plant and equipment.

B. The Group’s property, plant and equipment were all for its own use.

C. The Group had no property, plant and equipment pledged to others as collateral.

(6) Leasing arrangements－lessee

Right-of-use assets

A. The Group leases various assets including buildings and business vehicles. Rental contracts are typically made for periods of 2 to 5 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.

B. Short-term leases with a lease term of 12 months or less comprise parking spaces.

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

	December 31, 2023	December 31, 2022
	Carrying amount	Carrying amount
Buildings and structures	$ 111,251	$ 61,327
Other equipment	371	137
	$ 111,622	$ 61,464

	Year ended December 31	
	2023	2022
	Depreciation charge	Depreciation charge
Buildings and structures	$ 37,405	$ 31,364
Other equipment	148	150
	$ 37,553	$ 31,514

D. For the years ended December 31, 2023 and 2022, the additions to right-of-use assets were $79,221 and $23,487, respectively.

E. Except for depreciation, other information on profit and loss accounts relating to lease contracts is as follows:

	Year ended December 31	
	2023	2022
Items affecting profit or loss		
Interest expense on lease liabilities	$ 3,033	$ 1,643
Expense on short-term lease contracts	537	103

F. For the years ended December 31, 2023 and 2022, the Group's total cash outflow for leases were $39,768 and $32,673, respectively.

Lease liability

Carrying amount of lease liabilities	December 31, 2023	December 31, 2022
Current	$ 36,096	$ 21,489
Non-current	$ 79,674	$ 42,768

(7) Short-term borrowings

Type of borrowings	December 31, 2023	December 31, 2022
Secured bank borrowing	$ -	$ 30,800
Unsecured bank borrowing	-	60,013
	$ -	$ 90,813
Interest rate range	-	2.28%~5.85%

Information regarding the collateral that was pledged for short-term borrowings is provided in Note 8.

(8) Other payables

	December 31, 2023	December 31, 2022
Salary and bonus payable	$ 96,781	$ 79,373
Employees' compensation and directors' remuneration payable	8,190	2,446
Material processing fees payable	16,556	8,408
Insurance expense payable	6,534	6,395
Freight expense payble	2,178	3,473
Payable on machinery and equipment	5,028	3,706
Others	21,337	31,796
	$ 156,604	$ 135,597

(9) Pensions

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 subsidiary in U.S has an individual pension plan sponsored by the Company. Each participating employee contributes 3% of salary to the Company's pension fund, which is jointly borne by the Company and employees.

C. The pension costs under defined contribution pension plans of the Group for the years ended December 31, 2023 and 2022, were $15,275 and $12,067, respectively.

(10) Share-based payment

A. For the years ended December 31, 2023 and 2022, the Group's share-based payment arrangements were as follows:

Type of arrangement	Grant date	Quantity granted	conditions
Ubiqconn Technology, Inc Cash capital increase reserved for employee preemption	2022.7.18	750	Vested immediately
Parent Company-FIC Global, Inc Cash capital increase reserved for employee preemption	2023.07.13	382	Vested immediately

The share-based payment arrangements above are settled by equity.

B. The fair value of stock options granted is measured using the Black-Scholes option-pricing model. Relevant information is as follows:

Type of arrangement	Grant date	Stock price	Exercise price	Expected price volatility	Expected option life	Risk-free interest rate	Fair value per unit
Ubiqconn Technology, Inc							
Cash capital increase reserved for employeepreemption	2022.7.18	$20.57	$20	27.94% (Note1)	0.01year	1.10%	$0.619
Parent Company-FIC Global, Inc							
Cash capital increase reserved for employee preemption	2023.07.13	$ 65.40	$50	52.74% (Note2)	0.05year	1.09%	$15.453

Note1: Expected price volatility rate was estimated by using the annualized implied volatility for 30 transaction days before the grant date of the comparable counterparties.

Note2: Expected price volatility rate was estimated by using the daily historical stock price volatility of FIC Global, Inc for the three months preceding the grant date.

C. Cash-settled share-based payments granted by the Company's parent company, FIC Global, Inc. to the Company's employees are vested immediately on the grant date and are fully recognized as expense at fair value on the grant date and the capital surplus are adjusted.

D. Expenses incurred on share-based payment transactions are shown below:

	Year ended December 31	
	2023	2022
Equity-settled	$ 5,903	$ 463
Cash-settled	5,000	-
	$ 10,903	$ 463

(11) Share capital

A. As of December 31, 2023, the Group's authorized capital was $1,500,000, consisting of 150,000 thousand shares of ordinary stock (including 3,500 thousand shares reserved for employee stock options), and the paid-in capital was $750,000 with a par value of $10 (in dollars) per share. All proceeds from shares issued have been collected.

Movements in the number of the Group's ordinary shares outstanding are as follows (share in thousands):

	2023	2022
At January 1	$ 75,000	$ 60,000
Cash capital increase	-	15,000
At December 31	$ 75,000	$ 75,000

B. On June 24, 2022, the Board of Directors of the Group resolved to raise additional cash through issuing 15,000 thousand ordinary shares with a par value of $10 (in dollars) per share, at an issuance price of $20 (in dollars) per share. The total issuance consideration was $300,000. The effective date of the capital increase was set on August 3, 2022 and the registration had been completed on September 1, 2022.

(12) Capital surplus

Pursuant to the R.O.C. Group Act, 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 Group 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.

(13) Retained earnings

A. Under the Group's Articles of Incorporation, the current year's earnings, if any, shall first be used to pay all taxes and offset prior years' operating losses and then 10% of the remaining amount shall be set aside as legal reserve until the legal reserve equals the paid-in capital. After setting aside or reversing a special reserve as required by the Group's operating needs and relevant laws, the appropriation of the remaining earnings, along with the beginning unappropriated earnings are the accumulated distributable earnings for shareholders, and after retaining certain earnings, shall be proposed by the Board of Directors and resolved by the shareholders.

B. The Group's dividend distribution policy aligns with the current and the future development plan by taking into account of factors such as investment environment, capital needs, domestic and overseas competition, along with the consideration of shareholders' interest. Earnings shall be distributed as stock dividends and cash dividends, and cash dividends shall account for at least 1% of the total dividends distributed.

C. 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 distribution of the reserve is limited to the portion in excess of 25% of the Company's paid-in capital.

D. 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.

E. For the year ended December 31, 2022, the shareholders of the Company resolved to offset deficits by capital surplus amounting to $10,403.

F. The appropriation of 2022 earnings as resolved by the shareholders on June 8, 2023 is as follows:

	2022		
	Amount		Dividends per share (in dollars)
Legal reserve appropriated	$	8,719	
Cash dividends		37,500	0.50

G. The appropriation of 2023 earnings as resolved by the Board of Directors on March 13, 2024 is as follows:

	2023		
	Amount		Dividends per share (in dollars)
Legal reserve appropriated	$	25,785	
Cash dividends		86,000	1.147

The appropriation of 2023 earnings has not yet been resolved by the shareholders.

H. Information about the appropriation earnings as resolved by the shareholders at their meeting will be posted in the "Market Observation Post System" at the website of the Taiwan Stock Exchange.

(14) Operating revenue

	Year ended December 31			
	2023		2022	
Revenue from contracts with customers	$	3,721,340	$	3,315,035

A. Disaggregation of revenue from contracts with customers

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:

2023	Sales Revenue	Service Revenue	Total
Revenue from external customer contracts	$ 3,658,135	$ 63,205	$ 3,721,340
Timing of revenue recognition			
At a point in time	$ 3,658,135	$ -	$ 3,658,135
Over time	-	63,205	63,205
	$ 3,658,135	$ 63,205	$ 3,721,340

2022	Sales Revenue	Service Revenue	Total
Revenue from external customer contracts	$ 3,242,717	$ 72,318	$ 3,315,035
Timing of revenue recognition			
At a point in time	$ 3,242,717	$ -	$ 3,242,717
Over time	-	72,318	72,318
	$ 3,242,717	$ 72,318	$ 3,315,035

B. Contract assets and liabilities

(a) The Group has recognized the following revenue-related contract assets and liabilities:

	December 31, 2023	December 31,	January 1, 2022
Contract assets:			
Contract assets -service contract	$ 5,487	$ 6,879	$ -
Contract liabilities:			
Contract liabilities -sales contracts	$ 45,420	$ 51,211	$ 116,922
Contract liabilities -service contract	17,339	6,209	15,071
	$ 62,759	$ 57,420	$ 131,993

(b) Revenue recognized that was included in the contract liability balance at the beginning of the year

	Year ended December 31	
	2023	2022
Revenue recognized that was included in the contract liability balance at the beginning of the period		
Sales contracts	$ 43,398	$ 104,835
Service contract	4,925	11,161
	$ 48,323	$ 115,996

(15) Interest income

	Year ended December 31	
	2023	2022
Interest income from bank deposits	$ 13,500	$ 1,590
Interest income from financial assets measured at amortized cost	246	53
Other interest income	131	57
	$ 13,877	$ 1,700

(16) Other income

	Year ended December 31	
	2023	2022
Freight revenue	$ 2,226	$ 5,087
Gains on write-off of past due payable	4,464	4,099
Other income	3,586	13,620
	$ 10,276	$ 22,806

(17) Other gains and losses

	Year ended December 31	
	2023	2022
Net foreign exchange (losses) gains	($ 12,111)	$ 5,307
Gains on disposals of property, plant and equipment	-	4
Other losses	(995)	(803)
	($ 13,106)	$ 4,508

(18) Finance costs

	Year ended December 31	
	2023	2022
Interest expense on bank borrowings	$ 2,194	$ 3,429
Interest expense on borrowings from related parties	-	1,807
Interest expense on lease liabilities	3,033	1,643
	$ 5,227	$ 6,879

(19) Employee benefit expense

	Year ended December 31, 2023		
	Operating cost	expenses	Total
Employee benefit expense			
Wages and salaries	$ 92,165	$ 306,174	$ 398,339
Labor and health insurance fees	8,518	22,901	31,419
Pension costs	3,445	11,830	15,275
Other personnel expenses	3,528	9,547	13,075
Depreciation charge	26,633	26,139	52,772
Amortization charge	194	5,049	5,243

	Year ended December 31, 2022		
	Operating cost	expenses	Total
Employee benefit expense			
Wages and salaries	$ 77,851	$ 233,329	$ 311,180
Labor and health insurance fees	7,490	19,187	26,677
Pension costs	3,015	9,052	12,067
Other personnel expenses	3,299	7,130	10,429
Depreciation charge	22,844	21,391	44,235
Amortization charge	155	3,956	4,111

A. Under the Group's Articles of Incorporation, the current year's earnings, if any, shall be appropriated as employees' compensation and directors' remuneration. The ratio shall not be lower than 1% for employees' compensation and shall not be higher than 1.5% for directors' remuneration. If a Group has accumulated deficit, earnings should be reserved to cover losses.

B. The Group's employees' compensation and directors' remuneration are accrued and estimated as follows:

	Year ended December 31, 2023	Year ended December 31, 2022
Employees' compensation	$ 3,276	$ 978
Directors' remuneration	4,914	1,468
	$ 8,190	$ 2,446

The employees' compensation and directors' remuneration were estimated and accrued based on 1% and 1.5% of distributable profit of current year for the years ended December 31, 2023 and 2022, respectively.

C. On March 13, 2024, employees' compensation and directors' remuneration for 2023 amounting to $3,276 and $4,914, respectively, as resolved at the meeting of Board of Directors were in agreement with those amounts recognized in the 2023 financial statements, and the employees' compensation will be distributed in the form of cash.

D. On March 28, 2023, employees' compensation and directors' remuneration for 2022 amounting to $978 and $1,468, respectively, as resolved at the meeting of Board of Directors were in agreement with those amounts recognized in the 2022 financial statements, and the employees' compensation will be distributed in the form of cash.

E. Information about employees' compensation and directors' remuneration of the Group as resolved by the Board of Directors will be posted in the "Market Observation Post System" at the website of the Taiwan Stock Exchange.

(20) Income tax

A. Income tax expense

	Year ended December 31	
	2023	2022
Current tax:		
Current tax on profits for the year	$ 57,084	$ 37,931
Tax on undistributed surplus earnings	2,049	-
Prior year income tax underestimation	3,402	-
Total current tax	62,535	37,931
Deferred tax:		
Origination and reversal of temporary differences	(936)	(29,998)
Total deferred tax	(936)	(29,998)
Income tax expense	$ 61,599	$ 7,933

B. Reconciliation between income tax expense and accounting profit

	Year ended December 31	
	2023	2022
Tax calculated based on profit before tax and statutory tax rate	$ 72,076	$ 43,040
Expenses disallowed by tax regulation	74	2,434
Tax exempt income by tax regulation	(7,840)	-
Temporary differences not recognized as deferred tax assets	222	160
Change in assessment of realization of deferred tax assets	(8,384)	(37,701)
Prior year income tax underestimation	3,402	-
Tax on undistributed surplus earnings	2,049	-
Income tax expense	$ 61,599	$ 7,933

C. Amounts of deferred tax assets or liabilities as a result of temporary differences are as follows:

	2023		
	January 1	Recognized in profit or loss	December 31
—Deferred tax assets:			
Temporary differences:			
Loss on inventory	$ 24,565	($ 589)	$ 23,976
Unrealized exchange loss	-	1,045	1,045
Others	6,649	(1,024)	5,625
	$ 31,214	($ 568)	$ 30,646
—Deferred tax liabilities:			
Unrealized exchange gain	($ 1,504)	$ 1,504	$ -
	($ 1,504)	$ 1,504	$ -
	$ 29,710	$ 936	$ 30,646

	2023		
	January 1	Recognized in profit or loss	December 31
—Deferred tax assets:			
Temporary differences:			
Loss on inventory	$ -	$ 24,565	$ 24,565
Others	-	6,649	6,649
	$ -	$ 31,214	$ 31,214
—Deferred tax liabilities:			
Unrealized exchange gain	($ 286)	($ 1,218)	($ 1,504)
Others	(2)	2	-
	($ 288)	($ 1,216)	($ 1,504)
	($ 288)	$ 29,998	$ 29,710

D. The amounts of deductible temporary difference that are not recognized as deferred tax assets are as follows:

	December 31, 2023	December 31, 2022
Deductible temporary differences	$ 37,755	$ 78,579

E. The Company's and domestic subsidiaries' income tax returns which were assessed and approved by the Tax Authority are as follows:

The company	Assessed year
Ubiqconn	2020
Ruggon	2021

(21) 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)
Basic earnings per share			
Profit attributable to ordinary shareholders of the parent	$ 257,868	75,000	$ 3.44
Diluted earnings per share			
Profit attributable to ordinary shareholders of the parent	$ 257,868	75,000	
Assumed conversion of all dilutive potential ordinary shares			
Employees' compensation	-	57	
Profit attributable to ordinary shareholders of the parent plus assumed conversion of all dilutive potential ordinary shares	$ 257,868	75,057	$ 3.44

	Year ended December 31, 2022		
	Amount after tax	Weighted average number of ordinary shares outstanding (share in thousands)	Earnings per share (in dollars)
Basic earnings per share			
Profit attributable to ordinary shareholders of the parent	$ 207,192	66,164	$ 3.13
Diluted earnings per share			
Profit attributable to ordinary shareholders of the parent	$ 207,192	66,164	
Assumed conversion of all dilutive potential ordinary shares			
Employees' compensation	-	64	
Profit attributable to ordinary shareholders of the parent plus assumed conversion of all dilutive potential ordinary shares	$ 207,192	66,228	$ 3.13

(22) Supplemental cash flow information

A. Investing activities with partial cash payments

	Year ended December 31	
	2023	2022
Purchase of property, plant and equipment	$ 32,728	$ 21,230
Add: Opening balance of payable on equipment (including related parties)	3,862	2,858
Less: Ending balance of payable on equipment (including related parties)	(5,084)	(3,862)
Cash paid during the year	$ 31,506	$ 20,226

(23) Changes in liabilities from financing activities

	2023			
	January 1	Changes in cash flow from financing activities	Changes in other non-cash items	December 31
Short-term borrowings	$ 90,813	($ 90,813)	$ -	$ -
Lease liabilities	64,257	(36,198)	87,711	115,770
	$ 155,070	($ 127,011)	$ 87,711	$ 115,770

	2022			
	January 1	Changes in cash flow from financing activities	Changes in other non-cash items	December 31
Short-term borrowings	$ 49,383	$ 41,430	$ -	$ 90,813
Other payables -related parties	326,570	(326,570)	-	-
Lease liabilities	71,697	(30,927)	23,487	64,257
	$ 447,650	($ 316,067)	$ 23,487	$ 155,070

7. Related Party Transactions

(1) Parent and ultimate controlling party

The Company is controlled by FIC Global, Inc (incorporated and established in the Republic of China), which comprehensively holds 64.04% of the Company’s shares (including indirect holdings) and is the Company’s ultimate parent company.

(2) Names of related parties and relationship

Names of related parties	Relationship with the Group
FIC Global, Inc.	Parent company
First International Computer, Inc. (FIC, Inc)	Sibling company
Amertek Computer (Shenzhen) Co., Ltd. (Amertek)	〃
Prime Base Inc. (PBI)	〃
Prime Technology (Guangzhou) Inc. (Prime (Guangzhou))	〃
Prime Base Inc. Taiwan Branch (PBI (Taiwan))	〃
Danriver Inc.(Danriver)	〃
LEO Systems, Inc. (LEO Systems)	Other related party
Xander International Corp.(Xander)	〃
Chien, Ming-Tz	Key management personnel of the Group

(3) Significant related party transactions

(a) Operating revenue:

	Year ended December 31	
	2023	2022
Sales of goods:		
-Sibling company	$ 1,950	$ 250
Sales of services:		
-Sibling company	$ 805	$ 774

Since the Group’s specifications of products are diverse, the specifications of products sold to related parties may not be the same as those sold to third parties, and therefore, the selling price is not comparable. The terms and conditions of transactions with related parties are similar to those with third parties.

(b) Purchase of goods and services:

	Year ended December 31	
	2023	2022
Shown as operating costs		
Processing fees:		
Sibling company	$ 76,192	$ 106,910
Purchases:		
Sibling company	$ 7,831	$ 1,787

The service obtained by the Group from related parties may not be the same with the service from third parties, and therefore the service price is not comparable. The terms and conditions of transactions with related parties are similar to those with third parties.

(c) Receivables from related parties:

	December 31, 2023	December 31, 2022
Accounts receivable:		
-Sibling company		
Prime (Guangzhou)	$ 4,780	$ 6,296
Others	218	1,791
	$ 4,998	$ 8,087

(d) Guarantee deposits paid

	December 31, 2023	December 31, 2022
FIC, Inc	$ 3,229	$ 3,229

(e) Payables to related parties

	December 31, 2023	December 31, 2022
Accounts payable		
-Sibling company	$ -	$ 267
Other payables		
-Sibling company		
Amertek	$ 11,006	$ 34,498
PBI (Taiwan)	3,702	-
Others	323	645
-Other related party	190	301
	$ 15,221	$ 35,444
Long-term payables (shown as other non-current liabilities)		
-Sibling company		
FIC, Inc	$ 6,949	$ 6,252

(a) Other payables mainly are payables on processing fees and service fees.

(b) As of December 31, 2023 and 2022, details of loans to related parties are provided in Note 7(3)h.

(c) The long-term payable to FIC, Inc. is due to the transfer of employees between associates. The Company committed to bear certain pension of defined benefit plans for these employees, and thus has an obligation to the related parties.

(f) Property transactions:

Acquisition of property, plant and equipment:

	Year ended December 31	
	2023	2022
-Sibling company	$ 121	$ 21
-Other related party		
Xander	2,488	2,509
Others	637	440
	$ 3,246	$ 2,970

(g) Lease transactions－lessee

(a) The Group leases buildings from First International Computer, Inc. Rental contracts are typically made for periods of five years. Rents are paid at the beginning of each month.

(b) Lease liability

i. Outstanding balance:

	December 31, 2023	December 31, 2022
Lease liability - current		
FIC, Inc.	$ 10,734	$ 11,327

	December 31, 2023	December 31, 2022
Lease liability - non-current		
FIC, Inc.	$ 23,635	$ 34,369

ii. Interest expense

	Year ended December 31	
	2023	2022
FIC, Inc	$ 988	$ 1,245

(h) Loans (shown as other payables-related parties)

	December 31, 2023		December 31, 2022	
Other payables				
FIC Global, Inc.	$	-	$	-

	Year ended December 31					
	2023			2022		
	Interest expense		Interest rate	Interest expense		Interest rate
FIC Global, Inc.	$	-	-	$	1,807	1.50%

(i) Service fees

	Year ended December 31, 2023			
	2023		2022	
—Sibling company				
FIC, Inc	$	697	$	6,252
Danriver		969		2,059
—Other related parties		16		15
	$	1,682	$	8,326

(j) Endorsements and guarantees provided to related parties

The balances of endorsements and guarantees provided by related parties for the Group's loans and purchase facilities were as follows:

	December 31, 2023		December 31, 2022	
Chien, Ming-Tz	$	300,000	$	240,000

(4) Key management compensation

	Year ended December 31, 2023		Year ended December 31, 2022	
Short-term employee benefits	$	35,498	$	28,551
Post-employment benefits		919		609
	$	36,417	$	29,160

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 Amortized cost -current	$ 32,102	$ 27,041	Pledged time deposit for customs, guarantee deposits for government research projects and short-term borrowings

9. Significant Contingent Liabilities and Unrecognized Contract Commitments

(1) Contingencies

None.

(2) Commitments

None.

10. Significant Disaster Loss

None.

11. Significant Events after the Balance Sheet Date

(a) Details of the appropriation of 2023 earnings as proposed by the Board of Directors on March 13, 2024 are provided in Note 6(13).

(b) The Board of Directors meeting on March 13, 2024 adopted a resolution to increase the Company's capital by issuing 11,000 thousand ordinary shares with a par value of $10 (in dollars) per share, which is yet to be approved by the competent authority.

12. Others

(1) Capital management

The Group manages its capital to ensure that it is able to continue as a going concern by optimizing its balances of debt and equity in order to maximize returns for shareholders.

The Group's capital structure comprises net liabilities (i.e., borrowings less cash and cash equivalents) and equity attributable to the owners of the Group (i.e., share capital, capital surplus, retained earnings and other equity items).

(2) Financial instruments

A. Financial instruments by category

	December 31, 2023	December 31, 2022
Financial assets		
Financial assets at Amortized cost		
Cash and cash equivalents	$ 732,264	$ 280,500
Financial assets at Amortized cost	32,102	27,041
Accounts receivable	340,957	525,564
Accounts receivable-related parties	4,998	8,087
Other receivables	15,383	28,943
Guarantee deposits paid	14,354	11,777
	$ 1,140,058	$ 881,912

	December 31, 2023	December 31, 2022
Financial liabilities		
Financial liabilities at Amortized cost		
Short-term borrowings	$ -	$ 90,813
Accounts payable	377,140	557,115
Accounts payable-related parties	-	267
Other accounts payable	156,604	135,597
Other payables-related parties	15,221	35,444
Long-term notes and accounts payable	6,949	6,252
	$ 555,914	$ 825,488
Lease liabilities(current and non-current)	$ 115,770	$ 64,257

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) Group treasury identifies, evaluates and hedges financial risks in close co-operation with the Group's operating units.

C. Significant financial risks and degrees of financial risks

(a) Market risk

Foreign exchange risk

i. The Group operates internationally and is exposed to exchange rate risk arising from the transactions of the Group used in various functional currency, primarily with respect to the USD and SGD. Foreign exchange rate risk arises from future commercial transactions and recognized assets and liabilities.

ii. The Group is required to hedge their entire foreign exchange risk exposure with the Group treasury. Exchange rate risk is measured through a forecast of highly probable USD and SGD expenditures.

iii. The Group's businesses involve some non-functional currency operations (the Group's functional currency: 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 (In thousands of NTD)
(Foreign currency: functional currency)			
Financial assets			
Monetary items			
USD:NTD	$ 19,906	30.705	$ 611,214
SGD:NTD	8,768	23.290	204,207
Financial liabilities			
Monetary items			
USD:NTD	$ 10,229	30.705	$ 314,081

	December 31, 2022		
	Foreign currency amount (In thousands)	Exchange rate	Book value (NTD)
(Foreign currency: functional currency)			
Financial assets			
Monetary items			
USD:NTD	$ 25,178	30.710	$ 773,216
Financial liabilities			
Monetary items			
USD:NTD	$ 19,104	30.710	$ 586,684

iv. The total exchange gain (loss), 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, amounted to ($12,111) and $5,307, respectively.

v. Analysis of foreign currency market risk arising from significant foreign exchange variation:

	Degree of variation	Effect on profit or loss	Effect on other comprehensive income
(Foreign currency: functional currency)			
Financial assets			
Monetary items			
USD:NTD	1%	$ 6,112	$ -
SGD:NTD	1%	2,042	-
Financial liabilities			
Monetary items			
USD:NTD	1%	$ 3,141	-

	Year ended December 31, 2022		
	Sensitivity analysis		
	Degree of variation	Effect on profit or loss	Effect on other comprehensive income
(Foreign currency: functional currency)			
Financial assets			
Monetary items			
USD:NTD	1%	$ 7,732	$ -
Financial liabilities			
Monetary items			
USD:NTD	1%	$ 5,867	$ -

Price risk

The Group does not hold investments and therefore the Group is not exposed significantly to price risk and commodity price risk arising from investments in equity securities.

Cash flow and fair value Interest rate risk

i. The Group's main interest rate risk arises from short-term borrowings with variable rates, which expose the Group to cash flow interest rate risk. During 2023 and 2022, the Group's borrowings at variable rate were denominated in New Taiwan dollars and US Dollars.

ii. 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, 2022 would have increased/decreased by $727, 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 contract cash flows of accounts receivable based on the agreed terms.

ii. The Group manages their credit risk taking into consideration the entire group's concern. According to the Group's credit policy, each local entity in the Group 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, 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 utilisation of credit limits is regularly monitored.

iii. The Group adopts the assumptions under IFRS 9, the default occurs when the contract payments are past due over 90 days.

iv. The Group adopts following assumptions under IFRS 9 to assess whether there has been a significant increase in credit risk on that instrument since initial recognition: If the contract payments were past due over 30 days based on the terms, there has been a significant increase in credit risk on that instrument since initial recognition.

v. The Group classifies customer's accounts receivable in accordance with credit risk on trade. The Group applies the modified approach and using a provision matrix based on the loss rate methodology to estimate the expected credit loss.

vi. The Group wrote-off the financial assets, which cannot be reasonably expected to be recovered, after initiating recourse procedures. However, the Group will continue executing the recourse procedures to secure their rights. On December 31, 2023 and 2022, the Group had no written-off financial assets that are still under recourse procedures.

vii. The expected loss ratio for related parties of Group A with excellent credit was 0.2%. As of December 31, 2023 and 2022, the total carrying amount of accounts receivable and loss allowance were $4,998, $8,087, $0 and $0, respectively.

viii. The Group used the forecastability of National Development Council Business Indicators and Basel Committee on Banking Supervision (BCBS) to adjust historical and timely information to assess the default possibility of accounts receivable of Group B and general customers. On December 31, 2023 and 2022, the provision matrix is as follows:

(i) Group B

At December 31, 2023	Expected loss rate	Total book value	Loss allowance
Not past due	0.20%	$ 91,898	$ 184
Up to 30 days past due	0.20%	51,588	103
31~60 days past due	0.20%	-	-
61~90 days past due	0.20%	-	-
91~180 days past due	100%	-	-
Over 180 days past due	100%	-	-
		$ 143,486	$ 287

At December 31, 2022	Expected loss rate	Total book value	Loss allowance
Not past due	2.43%	$ 306,598	7,859
Up to 30 days past due	7.29%	148,434	9,724
31~60 days past due	22.38%	-	-
61~90 days past due	36.03%	-	-
91~180 days past due	100%	-	-
Over 180 days past due	100%	-	-
		$ 455,032	$ 17,583

(ii) General customers

At December 31, 2023	Expected loss rate	Total book value	Loss allowance
Not past due	0.20%~7.26%	$ 161,682	$ 3,120
Up to 30 days past due	0.20%~23.29%	36,290	2,791
31~60 days past due	0.20%~55.59%	5,697	-
61~90 days past due	0.20%~55.59%	-	-
91~180 days past due	100%	2	2
Over 180 days past due	100%	-	-
		$ 203,671	$ 5,913

At December 31, 2022	Expected loss rate	Total book value	Loss allowance
Not past due	0.20%	$ 76,607	$ -
Up to 30 days past due	0.20%	11,203	-
31~60 days past due	0.20%~37.20%	-	-
61~90 days past due	0.20%~37.20%	371	138
91~180 days past due	100%	889	851
Over 180 days past due	100%	520	486
		$ 89,590	$ 1,475

ix. Movements in relation to the Group applying the modified approach to provide loss allowance for accounts receivable (including related parties) are as follows:

	Accounts receivable (including related parties)	
	2023	2022
At January 1	$ 19,058	$ 3,798
(Reversal of) provision for impairment loss	(12,858)	15,260
At December 31	$ 6,200	$ 19,058

For the years ended December 31, 2023 and 2022, the impairment losses (gain on recovery of impairment) arising from customers' contracts are ($12,858) and $15,260, respectively.

x. The Group's financial assets measured at amortized cost are restricted bank deposits. The credit risk rating has no significant abnormal situation and significant expected credit losses.

(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.

ii. The table below analyses the Group's non-derivative financial liabilities into relevant maturity groupings based on the remaining period at the balance sheet date to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows.

December 31, 2023	Less than 1 months	Between 1 and 5 years	Over 5 years
Non-derivative financial liabilities			
Accounts payable (including related parties)	$ 377,140	$ -	$ -
Other payable (including related parties)	171,825	-	-
Lease liabilities	38,504	82,080	-
Long-term notes and accounts payable	-	-	6,949

December 31, 2022	Less than 1 months	Between 1 and 5 years	Over 5 years
Non-derivative financial liabilities			
Short-term borrowings	$ 91,318	$ -	$ -
Accounts payable (including related parties)	557,382	-	-
Other payable (including related parties)	171,041	-	-
Lease liabilities	22,787	44,148	-
Long-term notes and accounts payable	-	-	6,252

(3) Fair value information

A. Financial instruments not measured at fair value

The carrying amounts of cash and cash equivalents, financial assets measured at amortized cost, accounts receivable (including related parties), other receivables (including related parties), guarantee deposits paid, short-term borrowings, notes payable, accounts payable (including related parties), other payables (including related parties), lease liabilities and long term notes and accounts payable are approximate to their fair values.

B. The Group had no financial and non-financial instruments measured at fair value as of December 31, 2023 and 2022.

13. Supplementary Disclosures

(1) Significant transactions information

A. Loans to others: None.

B. Provision of endorsements and guarantees to others: None.

C. Holding of marketable securities at the end of the period (not including subsidiaries, associates and joint ventures): None.

D. Acquisition or sale of the same security with the accumulated cost exceeding $300 million or 20% of the Group’s paid-in capital: None.

E. Acquisition of real estate reaching $300 million or 20% of paid-in capital or more: None.

F. Disposal of real estate reaching $300 million or 20% of paid-in capital or more: None.

G. Purchases or sales of goods from or to related parties reaching $100 million or 20% of paid-in capital or more: Please refer to table 1.

H. Receivables from related parties reaching $100 million or 20% of paid-in capital or more: None.

I. Trading in derivative instruments undertaken during the reporting periods: None.

J. Significant inter- Group transactions during the reporting periods: Please refer to table 2.

(2) Information on investees

Names, locations and other information of investee companies (not including investees in Mainland China)：Please refer to table 3.

(3) Information on investments in Mainland China

A. Basic information: None.

B. Significant transactions, either directly or indirectly through a third area, with investee companies in the Mainland Area: None.

(4) Major shareholders information

Major shareholders information: Refer to table 4.

14. Segment Information

(1) General information

The Group operates business only in a single industry. The chief operating decision-maker who allocates resources and assesses performance of the Group as a whole, has identified that the Group has only one reportable operating segment.

(2) Information about segment profit or loss, assets and liabilities

The Group has only one reportable operating segment. The Group's net profit or loss before tax reported to the chief operating decision-maker is measured in a manner consistent with revenues and expenses in the statement of comprehensive income, and the Group assesses the performance of the operating segments based on the net profit or loss before tax. The Group did not provide the total assets and total liabilities amounts to chief operating decision-maker to make operating decisions.

The segment information provided to the chief operating decision-maker for the reportable segments is as follows:

	Year ended December 31	
	2023	2022
Revenue from external customers	$ 3,721,340	$ 3,315,035
Segment profit or loss	$ 319,467	$ 215,125

(3) Reconciliation for segment income (loss)

The Group has only one operating segments. As the profit or loss of the reportable segment are consistent with that in the consolidated financial statements, reconciliation is not needed.

(4) Information on products and services

Details of revenue are as follows:

	Year ended December 31	
	2023	2022
Sales revenue	$ 3,658,135	$ 3,242,717
Service revenue	63,205	72,318
	$ 3,721,340	$ 3,315,035

(5) Geographical information

Geographical information for the years ended December 31, 2023 and 2022 is as follows:

	2023		2022	
	Revenue	Non-current assets	Revenue	Non-current assets
US	$ 1,473,912	$ -	$ 1,787,322	$ 390
Netherlands	503,128	-	483,418	-
Brazil	484,995	-	252,748	-
Australia	457,812	-	285,587	-
Taiwan	122,162	190,759	68,770	116,731
Others	679,331	-	437,190	-
	$ 3,721,340	$ 190,759	$ 3,315,035	$ 117,121

(6) Major customer information

Major customer information of the Group for the years ended December 31, 2023 and 2022 is as follows:

	Year ended December 31, 2023		Year ended December 31, 2022	
	Revenue	Percentage of operating revenue	Revenue	Percentage of operating revenue
A	$ 2,369,389	64%	$ 2,483,369	75%

Ubiqconn Technology,Inc. 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

Table 1

Expressed in thousands of NTD

(Except as otherwise indicated)

			Transaction				Compared to third party transactions		Notes/accounts receivable (payable)		
Purchaser/seller	Counterparty	Relationship with the counterparty	Purchases (sales)	Amount	Percentage of total purchases (sales)	Credit term	Unit price	Credit term	Balance	Percentage of total notes/accounts receivable (payable)	Footnote
Ubiqconn	Ruggon	Subsidiary	Sales	$ 174,507	5%	The payment period was 30 days.	NOTE	Similar transactions with non- related parties	$ 28,889	8%	

NOTE：There were no similar sales prices available for comparison due to the difference in the products sold to related parties

Ubiqconn Technology,Inc. and Subsidiaries
Significant inter-company transactions during the reporting periods
Year ended December 31, 2023

Table 2

Expressed in thousands of NTD
(Except as otherwise indicated)

Number (Note 1)	Company name	Counterparty	Relationship (Note 2)	Transaction: General ledger account	Transaction: Amount	Transaction: Transaction term	Transaction: Percentage of consolidated total operating revenues or total assets (Note 3)
0	Ubiqconn	Ruggon	1	Sales	$ 174,507	The payment period was 30 days.	5%
		Ruggon	1	Accounts receivable	28,889	The payment period was 30 days.	1%

Note 1: The numbers filled in for the transaction company in respect of inter-company transactions are as follows:
(1)Parent company is '0'
(2)The subsidiaries are numbered in order starting from '1'

Note 2: Relationship between transaction company and counterparty is classified into the following three categories; fill in the number of category each case belongs to (If transactions between parent company and subsidiaries or between subsidiaries refer to the same transaction, it is not required to disclose twice. For example, if the parent company has already disclosed its transaction with a subsidiary, then the subsidiary is not required to disclose the transaction;for transactions between two subsidiaries, if one of the subsidiaries has disclosed the transaction, then the other is not required to disclose the transaction.):
(1)Parent company to subsidiary.
(2)Subsidiary to parent company.
(3)Subsidiary to subsidiary.

Note 3: Regarding percentage of transaction amount to consolidated total operating revenues or total assets, it is computed based on period-end balance of transaction to consolidated total assets for balance sheet accounts and based on accumulated transaction amount for the period to consolidated total operating revenues for income statement accounts.

Note 4: If the amount of individual transactions does not reach 1% of the consolidated total revenue and 1% of the consolidated total assets, they will not be disclosed; in addition, as the transactions are shown in asset-income form, the relative transactions are not disclosed.

Ubiqconn Technology,Inc. and Subsidiaries

Information on investees

Year ended December 31, 2023

Table 3

Expressed in thousands of NTD

(Except as otherwise indicated)

				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) recognized by the Company for the year ended December 31, 2023	Footnote
Ubiqconn	Ruggon Corporation	Taiwan	Trade of industrial computers, automotive products, electronic components and peripheral equipment.	110,768	110,768	12,000	100.00	84,888	40,812	40,812	
	Ubiqconn Technology(USA) Inc.	USA	Trade of industrial computers, automotive products, electronic components and peripheral equipment.	31,871	16,708	10,500	100.00	16,531	(1,613)	(1,613)	

Ubiqconn Technology,Inc. and Subsidiaries
Major shareholders information
Year ended December 31, 2023

Table 4

Name of major shareholders	Shares	
	Total shares owned	Owership
FIC Global, Inc.	37,827,389	50.44%
FICTA Technology, Inc.	14,751,000	19.67%
Li, Peng-Syuan	6,564,393	8.75%
Delta Electronics Capital Co	4,969,311	6.63%
Asia Vital Components Co., Ltd.	4,140,259	5.52%

Note 1: The major shareholders information was derived from the data that the Company issued common shares (including treasury shares) and preference shares in dematerialised form which were registered and held by the shareholders above 5% on the lastoperating date of each quarter and was calculated by Taiwan Depository & Clearing Corporation. The share capital which was recorded in the financial statements is different from the actual number of shares issued in dematerialised form because of the different calculation basis.

Note 2: If the aforementioned data contains shares which were held in trust by the shareholders, the data was disclosed as a separate account of client which was set by the trustee. As for the shareholder who reports share equity as an insider whose shareholding ratio is greater than 10% in accordance with Securities and Exchange Act, the shareholding ratio include the self-owned shares and shares held in trust, at the same time, the shareholder who has the power to decide how to allocate the trust assets. For the information on reported share equity of insider, please refer to Market Observation Post System.

UBIQCONN TECHNOLOGY, INC.

PARENT COMPANY ONLY FINANCIAL STATEMENTS AND INDEPENDENT AUDITORS' REPORT

DECEMBER 31, 2023 AND 2022

For the convenience of readers and for information purpose only, the auditors' report and the accompanying financial statements have been translated into English from the original Chinese version prepared and used in the Republic of China. In the event of any discrepancy between the English version and the original Chinese version or any differences in the interpretation of the two versions, the Chinese-language auditors' report and financial statements shall prevail.

UBIQCONN TECHNOLOGY, INC.

DECEMBER 31, 2023 AND 2022 PARENT COMPANY ONLY FINANCIAL STATEMENTS AND INDEPENDENT AUDITORS' REPORT

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INDEPENDENT AUDITORS' REPORT TRANSLATED FROM CHINESE

To the Board of Directors and Shareholders of Ubiqconn Technology, Inc.AL

Opinion

We have audited the accompanying parent company only balance sheets of Ubiqconn Technology, Inc. (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 significant accounting policies.

In our opinion, 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 in accordance with the Regulations Governing Auditing and Attestation of Financial Statements by 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. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the 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 revenue from customers

Description

Refer to Note 4(26) for accounting policies on revenue recognition, and Note 6(15) for details of operating revenue.

The Company is primarily engaged in the manufacture and sales of industrial computers and in-vehicle products, etc. The industrial computer business is easily affected by the project life cycle of products and needs to focus on accepting orders of new projects. As a result, we identified the existence of revenue from customers as one of the key audit matters.

How our audit addressed the matter

Our audit procedures performed in the Company and its subsidiaries (recognised as investments accounted for using equity method) for the above matter are as follows:

1. Assessed and tested whether the internal control procedures of sales transactions are in accordance with the Company’s internal control policies.

2. Obtained and verified relevant vouchers of sales from customers of selected samples.

Evaluation of inventories

Description

Refer to Note 4(10) for accounting policies on inventory valuation, Note 5(2) for uncertainty of accounting estimates and assumptions in relation to inventory valuation, and Note 6(4) for details of inventory valuation.

The Company is primarily engaged in the manufacture and sales of computers and in-vehicle products, etc. Given the long product life cycle of industrial computer products, some products or spare parts have long inventory period due to long-term supply and maintenance needs of customers. The order adjustments of customers or lower-than-expected market conditions may lead to fluctuations in product prices or low inventory correction, which may result in a higher risk of decrease in market value or obsolescence. As the Company is primarily engaged in the sales of industrial computers, its amounts of inventories are material and the types of inventories vary. Management evaluates inventories stated at the lower of cost and net realizable value. Since the evaluation of inventories is subject to management's judgment and the accounting estimations will have significant influence on the inventory values, the evaluation of inventories has been identified as one of the key audit matters.

How our audit addressed the matter

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

1. Assessed the policy of allowance for inventory valuation loss, based on our understanding of the operations and industry of the Company.

2. Inspected the management's individually identified out-of-date inventory list and checked the related supporting documents.

3. Tested the basis of market value used in calculating the net realizable value of each inventory and validated the accuracy of calculation of selected samples.

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 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 parent company only financial statements.

As part of an audit in accordance with the Standards on Auditing of the Republic of China, we exercise professional judgment and professional skepticism throughout the audit. We also:

1. Identify and assess the risks of material misstatement of the 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 company 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.

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.

Lin, Po-Chuan
Chang, Shu-Chiung
For and on Behalf of PricewaterhouseCoopers, Taiwan
March 15, 2024

UBIQCONN TECHNOLOGY, INC.
PARENT COMPANY ONLY BALANCE SHEETS
DECEMBER 31, 2023 AND 2022
(Expressed in thousands of New Taiwan dollars, except as otherwise indicated)

	Assets	Notes	December 31, 2023 AMOUNT		%	December 31, 2022 AMOUNT		%
	Current assets							
1100	Cash and cash equivalents	6(1)	$	598,157	28	$	219,029	10
1136	Current financial assets at amortised cost	6(2) and 8		32,102	1		27,041	1
1140	Current contract assets	6(15)		5,487	-		6,879	-
1170	Accounts receivable, net	6(3)		320,502	15		515,687	24
1180	Accounts receivable due from related parties, net	7		40,017	2		32,967	2
1200	Other receivables			15,177	1		28,936	2
1210	Other receivables due from related parties	7		174	-		100	-
130X	Current inventories	6(4)		793,059	37		1,074,382	51
1410	Prepayments			13,026	-		18,458	1
11XX	**Current assets**			1,817,701	84		1,923,479	91
	Non-current assets							
1550	Investments accounted for using equity method	6(5) and 7		101,419	5		44,580	2
1600	Property, plant and equipment	6(6) and 7		53,118	3		35,120	2
1755	Right-of-use assets	6(7) and 7		109,098	5		58,099	3
1780	Intangible assets			18,124	1		19,765	1
1840	Deferred tax assets	6(21)		30,646	1		31,214	1
1920	Guarantee deposits paid	7		14,088	1		11,511	-
1990	Other non-current assets, others			7,696	-		89	-
15XX	**Non-current assets**			334,189	16		200,378	9
1XXX	**Current tax assets**		$	2,151,890	100	$	2,123,857	100

(Continued)

UBIQCONN TECHNOLOGY, INC.
PARENT COMPANY ONLY BALANCE SHEETS
DECEMBER 31, 2023 AND 2022
(Expressed in thousands of New Taiwan dollars, except as otherwise indicated)

	Liabilities and Equity	Notes	December 31, 2023 AMOUNT	%	December 31, 2022 AMOUNT	%
	Current liabilities					
2100	Current borrowings	6(8)	$ -	-	$ 90,813	4
2130	Current contract liabilities	6(15)	48,053	2	51,087	3
2170	Accounts payable		377,140	18	557,115	26
2180	Accounts payable to related parties	7	-	-	267	-
2200	Other payables	6(9)	145,875	7	128,828	6
2220	Other payables to related parties	7	16,082	1	35,631	2
2230	Current tax liabilities		51,306	2	37,811	2
2250	Current provisions		6,668	-	3,589	-
2280	Current lease liabilities	6(7) and 7	35,297	2	20,634	1
2300	Other current liabilities		6,228	-	1,509	-
21XX	**Current liabilities**		686,649	32	927,284	44
	Non-current liabilities					
2550	Non-current provisions		2,381	-	2,113	-
2570	Deferred tax liabilities	6(21)	-	-	1,504	-
2580	Non-current lease liabilities	6(7) and 7	77,898	4	40,193	2
2600	Other non-current liabilities	7	7,064	-	6,301	-
25XX	**Non-current liabilities**		87,343	4	50,111	2
2XXX	**Liabilities**		773,992	36	977,395	46
	Equity					
	Share capital	6(12)				
3110	Share capital - common stock		750,000	35	750,000	35
	Capital surplus	6(13)				
3200	Capital surplus		318,681	15	307,778	15
	Retained earnings	6(14)				
3310	Legal reserve		8,719	-	-	-
3350	Unappropriated retained earnings		298,819	14	87,192	4
	Other equity interest					
3400	Other equity interest		1,679	-	1,492	-
3XXX	**Equity**		1,377,898	64	1,146,462	54
	Significant events after the balance sheet date	11				
3X2X	**Total liabilities and equity**		$ 2,151,890	100	$ 2,123,857	100

The accompanying notes are an integral part of these parent company only financial statements.

UBIQCONN TECHNOLOGY, INC.
PARENT COMPANY ONLY STATEMENTS OF COMPREHENSIVE INCOME
YEARS ENDED DECEMBER 31, 2023 AND 2022
(Expressed in thousands of New Taiwan dollars, except as otherwise indicated)

			Year ended December 31			
			2023		2022	
	Items	Notes	AMOUNT	%	AMOUNT	%
4000	Operating income	6(15) and 7	$ 3,618,390	100	$ 3,267,810	100
5000	Operating costs	6(4)(20) and 7	(2,920,300)	(80)	(2,703,410)	(83)
5900	Net operating margin		698,090	20	564,400	17
5910	Unrealized profit from sales		(46)	-	(2,063)	-
5920	Realized profit from sales		2,063	-	904	-
5950	Gross profit from operations		700,107	20	563,241	17
	Operating expenses	6(20) and 7				
6100	Selling expenses		(143,879)	(4)	(107,931)	(3)
6200	Administrative expenses		(93,771)	(3)	(60,440)	(2)
6300	Research and development expenses		(197,157)	(5)	(176,306)	(5)
6450	Expected credit impairment gain(loss)		13,125	-	(14,674)	(1)
6000	Total operating expenses		(421,682)	(12)	(359,351)	(11)
6900	Operating profit		278,425	8	203,890	6
	Non-operating income and expenses					
7100	Interest income	6(16)	11,373	-	1,411	-
7010	Other income	6(17)	9,147	-	20,816	1
7020	Other gains and losses	6(18)	(13,550)	-	8,068	-
7050	Finance costs	6(19) and 7	(5,152)	-	(6,786)	-
7070	Share of profit (loss) of subsidiaries, associates and joint ventures accounted for under equity method	6(5)	39,199	1	(12,004)	(1)
7000	Total non-operating income and expenses		41,017	1	11,505	-
7900	**Profit before income tax**		319,442	9	215,395	6
7950	Tax expense	6(21)	(61,574)	(2)	(8,203)	-
8200	**Profit for the year**		$ 257,868	7	$ 207,192	6
	Other comprehensive income					
	Components of other comprehensive loss that will not be reclassified to profit or loss					
8311	Losses on remeasurements of defined benefit plans		($ 22)	-	$ -	-
8310	Components of other comprehensive loss that will not be reclassified to profit or loss		(22)	-	-	-
	Components of other comprehensive income that will be reclassified to profit or loss					
8361	Financial statements translation differences of foreign operation		187	-	1,164	-
8360	Components of other comprehensive income that will be reclassified to profit or loss		187	-	1,164	-
8300	**Other comprehensive income**		$ 165	-	$ 1,164	-
8500	**Total comprehensive income**		$ 258,033	7	$ 208,356	6
	Basic earnings per share	6(22)				
9750	Basic earnings per share		$ 3.44		$ 3.13	
9850	Diluted earnings per share		$ 3.44		$ 3.13	

The accompanying notes are an integral part of these parent company only financial statements.

UBIQCONN TECHNOLOGY, INC.
PARENT COMPANY ONLY STATEMENTS OF CHANGES IN EQUITY
YEARS ENDED DECEMBER 31, 2023 AND 2022
(Expressed in thousands of New Taiwan dollars, except as otherwise indicated)

				Retained Earnings			
	Notes	Ordinary share	Capital surplus, additional paid-in capital	Legal reserve	Unappropriated retained earnings (accumulated deficit)	Exchange differences on translation of foreign financial statements	Total equity
Year ended December 31, 2022							
Balance at January 1, 2022		$ 600,000	$ 297,718	$ -	($ 260,403)	$ 328	$ 637,643
Profit for the year		-	-	-	207,192	-	207,192
Other comprehensive income		-	-	-	-	1,164	1,164
Total comprehensive income		-	-	-	207,192	1,164	208,356
Issue of shares	6(12)	150,000	150,000	-	-	-	300,000
Cash capital increase reserved for employee preemption	6(11)	-	463	-	-	-	463
Capital surplus used to offset accumulated deficits	6(14)	-	(140,403)	-	140,403	-	-
Balance at December 31, 2022		$ 750,000	$ 307,778	$ -	$ 87,192	$ 1,492	$ 1,146,462
Year ended December 31, 2023							
Balance at January 1, 2023		$ 750,000	$ 307,778	$ -	$ 87,192	$ 1,492	$ 1,146,462
Profit for the year		-	-	-	257,868	-	257,868
Other comprehensive income		-	-	-	(22)	187	165
Total comprehensive income		-	-	-	257,846	187	258,033
Appropriation of 2022 earnings:	6(14)						
Legal reserve		-	-	8,719	(8,719)	-	-
Cash dividends		-	-	-	(37,500)	-	(37,500)
Share-based payments	6(11)	-	10,903	-	-	-	10,903
Balance at December 31, 2023		$ 750,000	$ 318,681	$ 8,719	$ 298,819	$ 1,679	$ 1,377,898

The accompanying notes are an integral part of these parent company only financial statements.

UBIQCONN TECHNOLOGY, INC.
PARENT COMPANY ONLY STATEMENTS OF CASH FLOWS
YEARS ENDED DECEMBER 31, 2023 AND 2022
(Expressed in thousands of New Taiwan dollars, except as otherwise indicated)

	Notes	Year ended December 31 2023	2022
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before tax		$ 319,442	$ 215,395
Adjustments			
Adjustments to reconcile profit (loss)			
Depreciation expense	6(20)	51,434	42,902
Amortization expense	6(20)	5,243	4,111
Expected credit impairment (gain) loss	12(2)	(13,125)	14,674
Interest expense	6(19)	5,152	6,786
Interest income	6(16)	(11,373)	(1,411)
Gains on write-off of past due payable	6(17)	(4,423)	(4,099)
Share of profit of subsidiaries, associates and joint ventures accounted for using equity method	6(5)	(39,199)	12,004
Gain on disposal of property, plan and equipment	6(18)	-	(4)
Unrealized profit from sales		(2,017)	1,159
Share-based payments	6(11)	10,903	463
Changes in operating assets and liabilities			
Changes in operating assets			
Contract assets		1,392	(6,879)
Accounts receivable		208,310	(30,887)
Accounts receivable-related parties		(7,050)	85,025
Other receivable		13,962	(6,072)
Other receivable-related parties		(74)	20
Inventories		281,323	(43,310)
Prepayments		5,796	4,117
Changes in operating liabilities			
Contract liabilities		(3,034)	(79,324)
Notes payable		-	(1,695)
Accounts payable		(179,975)	(87,963)
Accounts payable-related parties		(267)	(2,349)
Other payables		20,960	25,462
Other payables-related parties		(19,697)	(1,839)
Provisions		3,347	(2,535)
Other current liabilities		4,719	(615)
Other non-current liabilities		741	6,301
Cash inflow generated from operations		652,490	149,437
Interest received		11,170	1,368
Interest paid		(5,409)	(6,551)
Income taxes paid		(49,015)	(102)
Net cash flows from operating activities		609,236	144,152

(Continued)

UBIQCONN TECHNOLOGY, INC.
PARENT COMPANY ONLY STATEMENTS OF CASH FLOWS
YEARS ENDED DECEMBER 31, 2023 AND 2022
(Expressed in thousands of New Taiwan dollars, except as otherwise indicated)

	Notes	Year ended December 31 2023	2022
CASH FLOWS FROM INVESTING ACTIVITIES			
Acquisition of financial assets at amortised cost		($ 5,061)	($ 4,631)
Acquisition of investments accounted for using equity method	7	(15,188)	(108,768)
Acquisition of property, plant and equipment	6(23)	(31,490)	(20,055)
Disposal of property, plant and equipment		24	4
Acquisition of intangible assets		(4,464)	(3,605)
Increase in refundable deposits		(2,577)	(4,518)
Increase in other non-current assets		(7,696)	-
Net cash flows used in investing activities		(66,452)	(141,573)
CASH FLOWS FROM FINANCING ACTIVITIES			
Repayments of lease principal	6(24)	(35,343)	(30,184)
Increase in short-term borrowings	6(24)	53,000	315,705
Decrease in short-term borrowings	6(24)	(143,813)	(274,275)
Decrease in other payables to related parties	6(24)	-	(326,570)
Increase in long-term borrowings		100,000	5,000
Repayments of long-term borrowings		(100,000)	(5,000)
Cash dividends paid	6(14)	(37,500)	-
Proceeds from issuing shares	6(12)	-	300,000
Net cash flows used in financing activities		(163,656)	(15,324)
Net increase (decrease) in cash and cash equivalents		379,128	(12,745)
Cash and cash equivalents at beginning of year		219,029	231,774
Cash and cash equivalents at end of year		$ 598,157	$ 219,029

The accompanying notes are an integral part of these parent company only financial statements.

UBIQCONN TECHNOLOGY, INC.

NOTES TO THE PARENT COMPANY ONLY 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 Organization

Ubiqconn Technology, Inc. ("the Company") was incorporated as a company limited by shares under the provisions of the Company Act of the Republic of China (R.O.C.) on June 10, 2011 upon approval by the Ministry of Economic Affairs. The Company is primarily engaged in the manufacture and trading of industrial computers, in-vehicle products, electronic components and peripheral equipment. The Company's stocks were publicly issued in Taiwan in October 2022. FIC Global, Inc. is the Company's parent company, which comprehensively holds a 64.04% equity interest in the Company.

2. The Date of Authorization for Issuance of the Financial Statements and Procedures for Authorization

These parent company only financial statements were authorized for issuance by the Board of Directors on March 13, 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 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 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 and interpretations have no significant impact to the Company's financial condition and financial performance based on the Company's assessment.

4. Summary of Material 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. The parent company only financial statements have been prepared under the historical cost convention.

B. The preparation of financial statements in conformity with 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”) 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 translation

The functional currency of the Company is determined by the primary economic environment in which the Company operates. The parent company only financial statements are presented in New Taiwan dollars, which is the Company’s functional and 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 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

(a) The operating results and financial position of all the subsidiaries that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

i. Assets and liabilities for each balance sheet presented are translated at the closing exchange rate at the date of that balance sheet;

ii. Income and expenses for each statement of comprehensive income are translated at average exchange rates of that period; and

iii. All resulting exchange differences are recognized in other comprehensive income.

(b) When the foreign operation partially disposed of or sold is a subsidiary, cumulative exchange differences that were recorded in other comprehensive income are proportionately transferred to the non-controlling interest in this foreign operation. In addition, even when the Company retains partial interest in the former foreign subsidiary after losing control of the former foreign subsidiary, such transactions should be accounted for as disposal of all interest in the foreign operation.

(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 equivalents

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

(6) Financial assets at amortized cost

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.

(7) 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.

(8) Impairment of financial assets

For financial assets at amortized cost including accounts receivable and contract assets that have a significant financing component, at each reporting date, the Company 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 and contract assets that do not contain a significant financing component, the Company recognizes the impairment provision for lifetime ECLs.

(9) Derecognition of financial assets

The Company derecognizes a financial asset when the contractual rights to receive the cash flows from the financial asset expire.

(10) Inventories

Inventories are stated at the lower of cost and net realizable value. Cost is determined using the weighted-average method. The cost of finished goods and work in progress comprises raw materials, direct labor, 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 costs of completion and the estimated costs necessary to make the sale.

(11) Investments accounted for using equity method / Subsidiaries

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. Unrealized gains on transactions between the Company and its subsidiaries are eliminated to the extent of the Company's interest in the subsidiaries. Accounting policies of subsidiaries have been adjusted where necessary to ensure consistency with the policies adopted by the Company.

C. The Company's share of its subsidiaries' 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 Company's share of losses in a subsidiary equals or exceeds its interest in the subsidiary, the Company continues to recognize losses proportionate to its ownership.

D. Pursuant to the Regulations Governing the Preparation of Financial Reports 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 financial statements prepared with basis for consolidation. Owners' equity in the parent company only financial statements shall equal to equity attributable to owners of the parent in the financial statements prepared with basis for consolidation.

(12) 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 recognized 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 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 part of an item of property, plant, and equipment with a cost that is significant in relation to the total cost of the item must be depreciated separately.

D. The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted if appropriate, at each financial year-end. 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:

Machinery and equipment	4~6 years
Office equipment	2~4 years

Leasehold improvements	2~4 years
Other equipments	3~6 years

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

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 Company. 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 Company 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;
(b) Any lease payments made at or before the commencement date;
(c) Any initial direct costs incurred by the lessee; and
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 recognized as an adjustment to the right-of-use asset.

(14) Intangible assets

Computer software is stated at cost and amortized on a straight-line basis over its estimated useful life of 3 to 8 years.

(15) 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 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. When the circumstances or reasons for recognizing impairment loss for an asset in prior years no longer exist or diminish, the impairment loss is reversed. The increased carrying amount due to reversal should not be more than what the depreciated or amortized historical cost would have been if the impairment had not been recognized.

(16) Borrowings

Borrowings comprise short-term bank borrowings. 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.

(17) Notes and accounts 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.

(18) Derecognition of financial liabilities

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

(19) Offsetting financial instruments

Financial assets and liabilities are offset and reported in the net amount 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.

(20) Provisions

Provisions (including 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.

(21) 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

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

C. 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.

(22) Employee share-based payment

D. 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.

E. Cash-settled share-based payments granted by the Company's parent company, FIC Global, Inc. to the Company's employees are vested immediately on the grant date and are fully recognized as expense at fair value on the grant date and the capital surplus are adjusted.

(23) 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 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 balance sheet. However, the deferred tax is not accounted for if it arises from initial recognition of goodwill or of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss and does not give rise to equal taxable and deductible temporary differences. Deferred tax is provided on temporary differences arising on investments in subsidiaries, 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 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 tax asset is realized or the deferred tax liability is settled.

D. Deferred 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 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 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.

(24) <u>Share capital</u>

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.

(25) <u>Dividends</u>

Dividends are recorded in the Company’s financial statements in the period in which they are resolved by the Company’s shareholders. Cash dividends are recorded as liabilities.

(26) <u>Revenue recognition</u>

A. Sales revenue

The Company primarily manufactures and sells industrial computers, in-vehicle products, electronic components and peripheral equipment. 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 customer's acceptance of the products. Delivery occurs when the products have been shipped to the specific location, the risks of obsolescence and loss have been transferred to the customer, and either the customer has accepted the products in accordance with the sales contract, or the Company has objective evidence that all criteria for acceptance have been satisfied.

B. Service revenue

(a) Service revenue arises from product development and maintenance 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 to the end of the reporting period as a proportion of the total services to be provided. This is determined based on the completed satisfaction of the performance. The customer pays at the time specified in the payment schedule. If the services rendered exceed the payment, a contract asset is recognized. If the payments exceed the services rendered, a contract liability is recognized.

(b) The Company's estimate about revenue, 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.

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 significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year; and the related information is addressed below:

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

None.

(2) Critical accounting estimates and assumptions

Evaluation of inventories

As inventories are stated at the lower of cost and net realizable value, the Company must determine the net realizable value of inventories on balance sheet date using judgements and estimates. Due to the rapid technology innovation, the Company evaluates 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. Such an evaluation of inventories is principally based on the demand for the products within the specified period in the future. Therefore, there might be material changes to the evaluation.

As of December 31, 2023, the carrying amount of inventories was $793,059.

6. Details of Significant Accounts

(1) Cash and cash equivalents

	December 31, 2023	December 31, 2022
Petty cash	$ 150	$ 150
Checking accounts and demand deposits	293,834	218,879
Time deposits	304,173	-
	$ 598,157	$ 219,029

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 Company had classified cash and cash equivalents which pledged to others as collaterals to current financial assets at amortized cost, and the details are provided in Note 8.

(2) Financial assets at amortized cost

Items	December 31, 2023	December 31, 2022
Current items:		
Restriced bank deposits	$ 32,102	$ 27,041

A. Amounts recognized in profit or loss in relation to financial assets at amortized cost are listed below:

	2023	2022
Interest income	$ 246	$ 53

B. As at December 31, 2023 and 2022, without taking into account any collateral held or other credit enhancements, the maximum exposure to credit risk in respect of the amount that best represents the financial assets at amortized cost held by the Company was $32,102 and $27,041, respectively.

C. Details of the Company's financial assets at amortized cost pledged to others as collateral are provided in Note 8.

D. Information relating to credit risk of financial assets at amortized cost is provided in Note 12(2).

(3) Notes and accounts receivable

	December 31, 2023	December 31, 2022
Accounts receivable	$ 325,769	$ 534,079
Less: Allowance for uncollectible accounts	(5,267)	(18,392)
	$ 320,502	$ 515,687

A. The ageing analysis of accounts receivable (including related parties) that were past due but not impaired is as follows:

	December 31, 2023	December 31, 2022
Not past due	$ 273,412	$ 387,198
Up to 30 days past due	87,594	168,027
31 to 90 days past due	-	8,579
91 to 180 days past due	-	846
Over 180 days past due	4,780	2,396
	$ 365,786	$ 567,046

The above ageing analysis was based on past due date.

B. As of December 31, 2023 and 2022, accounts receivable (including related parties) were all from contracts with customers. And as of January 1, 2022, the balance of receivables and allowance for uncollectible accounts from contracts with customers amounted to $621,184 and $3,718, respectively.

C. As at December 31, 2023 and 2022, without taking into account any collateral held or other credit enhancements, the maximum exposure to credit risk in respect of the amount that best represents the Company's accounts receivable (including related parties) was $360,519 and $548,654, respectively.

D. The Company did not hold collateral as security for accounts receivable.

E. Information relating to credit risk of accounts receivable is provided in Note 12(2).

(4) Inventories

	December 31, 2023		
	Cost	Allowance for valuation loss	Book value
Raw materials	$ 598,527	($ 100,092)	$ 498,435
Work in progress	218,328	(14,802)	203,526
Finished goods	90,118	(4,990)	85,128
Inventory in transit	5,970	-	5,970
	$ 912,943	$ (119,884)	$ 793,059

	December 31, 2022					
			Allowance for			
		Cost		valuation loss		Book value
Raw materials	$	1,010,702	($	100,376)	$	910,326
Work in progress		136,117	(	17,411)		118,706
Finished goods		39,574	(	5,040)		34,534
Inventory in transit		10,816		-		10,816
	$	1,197,209	$	(122,827)	$	1,074,382

The Company's operating costs recognized for the year:

	Year ended December 31			
		2023		2022
Cost of goods sold	$	2,867,072	$	2,620,489
Inventories obsolescence and devaluation loss (reversal gain)	(	2,943)		21,856
Cost of service and warranty		56,171		61,065
	$	2,920,300	$	2,703,410

For the year ended December 31, 2023, the Company recognized gain from sale of Inventories previously devalued.

(5) Investments accounted for using equity method

A. Details are as follows:

	December 31, 2023			December 31, 2022		
	Shareholding ratio		Carrying amount	Shareholding ratio		Carrying amount
Subsidiaries:						
Ubiqconn Technology (USA) Inc.	100%	$	16,531	100%	$	753
Ruggon Corporation	100%		84,888	100%		43,827
		$	101,419		$	44,580

B. Details of the Company's investment income (loss) recognized for the years ended December 31, 2023 and 2022 are as follows:

	Year ended December 31 2023	2022
Subsidiaries:		
Ubiqconn Technology (USA) Inc.	($ 1,613)	($ 12,004)
Ruggon Corporation	40,812	-
	$ 39,199	($ 12,004)

C. Refer to Note 4(3) in the consolidated financial statements for the year ended December 31, 2023 for the information regarding the Company's subsidiaries.

(6) Property, plant and equipment

2023	Machinery and equipment	Office equipment	Leasehold improvements	Other equipments	Total
January 1, 2023					
Cost	$ 70,804	$ 15,185	$ 3,253	$ 14,498	$ 103,740
Accumulated depreciation and impairment	(53,638)	(7,991)	(1,757)	(5,234)	(68,620)
	$ 17,166	$ 7,194	$ 1,496	$ 9,264	$ 35,120
January 1, 2023	$ 17,166	$ 7,194	$ 1,496	$ 9,264	$ 35,120
Additions	17,902	3,960	10,214	668	32,744
Disposals	-	(24)	-	-	(24)
Depreciation	(6,725)	(3,242)	(2,446)	(2,309)	(14,722)
December 31,2023	$ 28,343	$ 7,888	$ 9,264	$ 7,623	$ 53,118
December 31,2023					
Cost	$ 83,185	$ 14,790	$ 13,467	$ 12,604	$ 124,046
Accumulated depreciation and impairment	(54,842)	(6,902)	(4,203)	(4,981)	(70,928)
	$ 28,343	$ 7,888	$ 9,264	$ 7,623	$ 53,118

	2022				
	Machinery and equipment	Office equipment	Leasehold improvements	Other equipments	Total
January 1, 2022					
Cost	$ 61,777	$ 11,004	$ 1,472	$ 8,463	$ 82,716
Accumulated depreciation and impairment	(47,183)	(5,484)	(463)	(3,265)	(56,395)
	$ 14,594	$ 5,520	$ 1,009	$ 5,198	$ 26,321
January 1, 2022	$ 14,594	$ 5,520	$ 1,009	$ 5,198	26,321
Additions	9,031	4,181	1,781	6,035	21,028
Depreciation	(6,459)	(2,507)	(1,294)	(1,969)	(12,229)
December 31,2022	$ 17,166	$ 7,194	$ 1,496	$ 9,264	$ 35,120
At December 31					
Cost	$ 70,804	$ 15,185	$ 3,253	$ 14,498	$ 103,740
Accumulated depreciation and impairment	(53,638)	(7,991)	(1,757)	(5,234)	(68,620)
	$ 17,166	$ 7,194	$ 1,496	$ 9,264	$ 35,120

A. The Company had no interest expense which was capitalized as part of property, plant and equipment.

B. The Company's property, plant and equipment were all for its own use.

C. The Company had no property, plant and equipment pledged to others as collateral.

(7) Leasing arrangements－lessee

Right-of-use assets

A. The Company leases various assets including buildings and business vehicles. Rental contracts are typically made for periods of 2 to 5 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.

B. Short-term leases with a lease term of 12 months or less comprise parking spaces.

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

	December 31, 2023	December 31, 2022
	Carrying amount	Carrying amount
Buildings and structures	$ 108,727	$ 57,962
Other equipment	371	137
	$ 109,098	$ 58,099

	Year ended December 31	
	2023	2022
	Depreciation charge	Depreciation charge
Buildings and structures	$ 36,564	$ 30,523
Other equipment	148	150
	$ 36,712	$ 30,673

D. For the years ended December 31, 2023 and 2022, the additions to right-of-use assets were $79,221 and $23,487, respectively.

E. Except for depreciation, other information on profit and loss accounts relating to lease contracts is as follows:

	Year ended December 31	
	2023	2022
Items affecting profit or loss		
Interest expense on lease liabilities	$ 2,958	$ 1,550
Expense on short-term lease contracts	537	103

F. For the years ended December 31, 2023 and 2022, the Company's total cash outflow for leases were $38,838 and $31,837, respectively.

Lease liabilities

Carrying amount of lease liabilities	December 31, 2023	December 31, 2022
Current	$ 35,297	$ 20,634
Non-current	$ 77,898	$ 40,193

(8) Short-term borrowings

Type of borrowings	December 31, 2023	December 31, 2022
Secured bank borrowing	$ -	$ 30,800
Unsecured bank borrowing	-	60,013
	$ -	$ 90,813
Interest rate range	-	2.28%~5.85%

Information regarding the collateral that was pledged for short-term borrowings is provided in Note 8.

(9) Other payables

	December 31, 2023		December 31, 2022	
Salary and bonus payable	$	89,291	$	75,135
Employees' compensation and directors' remuneration payable		8,190		2,446
Material processing fees payable		16,556		8,408
Insurance expense payable		6,330		6,118
Freight expense payble		1,451		3,408
Payable on machinery and equipment		5,028		3,674
Others		19,029		29,639
	$	145,875	$	128,828

(10) Pensions

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. The pension costs under defined contribution pension plans of the Company for the years ended December 31, 2023 and 2022, were $14,051 and $10,838, respectively.

(11) Share-based payment

A. For the years ended December 31, 2023 and 2022, the Company’s share-based payment arrangements were as follows:

Type of arrangement	Grant date	Quantity granted	Vesting conditions
Ubiqconn Technology, Inc Cash capital increase reserved for employeepreemption	2022.07.18	750	Vested immediately
Parent Company-FIC Global, Inc Cash capital increase reserved for employee preemption	2023.07.13	382	Vested immediately

The share-based payment arrangements above are settled by equity.

B. The fair value of stock options granted is measured using the Black-Scholes option-pricing model. Relevant information is as follows:

Type of arrangement	Grant date	Stock price	Exercise price	Expected price volatility	Expected option life	Risk-free interest rate	Fair value per unit
Ubiqconn Technology, Inc Cash capital increase reserved for employeepreemption	2022.7.18	$20.57	$20	27.94% (Note1)	0.01year	1.10%	$0.619
Parent Company-FIC Global, Inc Cash capital increase reserved for employee preemption	2023.07.13	$65.40	$50	52.74% (Note2)	0.05year	1.09%	$15.453

Note1: Expected price volatility rate was estimated by using the annualized implied volatility for 30 transaction days before the grant date of the comparable counterparties.

Note2: Expected price volatility rate was estimated by using the daily historical stock price volatility of FIC Global, Inc for the three months preceding the grant date.

C. Cash-settled share-based payments granted by the Company's parent company, FIC Global, Inc. to the Company's employees are vested immediately on the grant date and are fully recognized as expense at fair value on the grant date and the capital surplus are adjusted.

D. Expenses incurred on share-based payment transactions are shown below:

	Year ended December 31	
	2023	2022
Equity-settled	$ 5,903	$ 463
Cash-settled	5,000	-
	$ 10,903	$ 463

(12) Share capital

A. As of December 31, 2023, the Company's authorised capital was $1,500,000, consisting of 150,000 thousand shares of ordinary stock (including 3,500 thousand shares reserved for employee stock options), and the paid-in capital was $750,000 with a par value of $10 (in dollars) per share. All proceeds from shares issued have been collected.

Movements in the number of the Company's ordinary shares outstanding are as follows (share in thousands):

	2023	2022
At January 1	$ 75,000	$ 60,000
Cash capital increase	-	15,000
At December 31	$ 75,000	$ 75,000

B. On June 24, 2022, the Board of Directors of the Company resolved to raise additional cash through issuing 15,000 thousand ordinary shares with a par value of $10 (in dollars) per share, at an issuance price of $20 (in dollars) per share. The total issuance consideration was $300,000. The effective date of the capital increase was set on August 3, 2022 and the registration had been completed on September 1, 2022.

(13) Capital surplus

Pursuant to the R.O.C. Company Act, 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 capitalised 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.

(14) Retained earnings

A. Under the Company's Articles of Incorporation, the current year's earnings, if any, shall first be used to pay all taxes and offset prior years' operating losses and then 10% of the remaining amount shall be set aside as legal reserve until the legal reserve equals the paid-in capital. After setting aside or reversing a special reserve as required by the Company's operating needs and relevant laws, the appropriation of the remaining earnings, along with the beginning unappropriated earnings are the accumulated distributable earnings for shareholders, and after retaining certain earnings, shall be proposed by the Board of Directors and resolved by the shareholders.

B. The Company's dividend distribution policy aligns with the current and the future development plan by taking into account of factors such as investment environment, capital needs, domestic and overseas competition, along with the consideration of shareholders' interest. Earnings shall be distributed as stock dividends and cash dividends, and cash dividends shall account for at least 1% of the total dividends distributed.

C. 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 distribution of the reserve is limited to the portion in excess of 25% of the Company's paid-in capital.

D. 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.

E. For the year ended December 31, 2022, the shareholders of the Company resolved to offset deficits by capital surplus amounting to $140,403.

F. The appropriation of 2022 earnings as resolved by the shareholders on June 8, 2023 is as follows:

	2022	
	Amount	Dividends per share (in dollars)
Legal reserve appropriated	$ 8,719	
Cash dividends	37,500	0.50

G. The appropriation of 2023 earnings as resolved by the Board of Directors on March 13, 2024 is as follows:

	2023	
	Amount	Dividends per share (in dollars)
Legal reserve appropriated	$ 25,785	
Cash dividends	86,000	1.147

The appropriation of 2023 earnings has not yet been resolved by the shareholders.

(15) Operating revenue

	Year ended December 31	
	2023	2022
Revenue from contracts with customers	$ 3,618,390	$ 3,267,810

A. Disaggregation of revenue from contracts with customers

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:

2023	Sales Revenue	Service Revenue	Total
Revenue from external customer contracts	$ 3,554,155	$ 64,235	$ 3,618,390
Timing of revenue recognition			
At a point in time	3,554,155	-	3,554,155
Over time	-	64,235	64,235
	$ 3,554,155	$ 64,235	$ 3,618,390

2022	Sales Revenue	Service Revenue	Total
Revenue from external customer contracts	$ 3,195,861	$ 71,949	$ 3,267,810
Timing of revenue recognition			
At a point in time	3,195,861	-	3,195,861
Over time	-	71,949	71,949
	$ 3,195,861	$ 71,949	$ 3,267,810

B. Contract assets and liabilities

(a) The Company has recognized the following revenue-related contract assets and liabilities:

	December 31, 2023	December 31, 2022	January 1, 2022
Contract assets:			
Contract assets -service contract	$ 5,487	$ 6,879	$ -
Contract liabilities:			
Contract liabilities -sales contracts	$ 30,755	$ 44,962	$ 114,130
Contract liabilities -service contracts	17,298	6,125	16,281
	$ 48,053	$ 51,087	$ 130,411

(b) Revenue recognized that was included in the contract liability balance at the beginning of the year

	Year ended December 31	
	2023	2022
Revenue recognised that was included in the contract liability balance at the beginning of the year		
Sales contracts	$ 37,665	$ 103,546
Service contract	6,093	11,502
	$ 43,758	$ 115,048

(16) Interest income

	Year ended December 31	
	2023	2022
Interest income from bank deposits	$ 11,000	$ 1,303
Interest income from financial assets measured at amortised cost	246	53
Other interest income	127	55
	$ 11,373	$ 1,411

(17) Other income

	Year ended December 31	
	2023	2022
Freight revenue	$ 1,765	$ 4,503
Gains on write-off of past due payable	4,423	4,099
Other income	2,959	12,214
	$ 9,147	$ 20,816

(18) Other gains and losses

	Year ended December 31	
	2023	2022
Net foreign exchange (losses) gains	($ 12,555)	$ 8,864
Gains on disposals of property, plant and equipment	-	4
Other losses	(995)	(800)
	($ 13,550)	$ 8,068

(19) Finance costs

	Year ended December 31	
	2023	2022
Interest expense on bank borrowings	$ 2,194	$ 3,429
Interest expense on borrowings from related parties	-	1,807
Interest expense on lease liabilities	2,958	1,550
	$ 5,152	$ 6,786

(20) Employee benefit expense

	Year ended December 31, 2023		
	Operating cost	expenses	Total
Employee benefit expense			
Wages and salaries	$ 92,165	$ 263,379	$ 355,544
Labor and health insurance fees	8,518	19,213	27,731
Pension costs	3,445	10,606	14,051
Directors' remuneration	-	5,092	5,092
Other personnel expenses	3,528	9,118	12,646
Depreciation charge	26,633	24,801	51,434
amortization charge	194	5,049	5,243

	Year ended December 31, 2022		
	Operating cost	expenses	Total
Employee benefit expense			
Wages and salaries	$ 77,851	$ 195,699	$ 273,550
Labor and health insurance fees	7,490	15,080	22,570
Pension costs	3,015	7,823	10,838
Directors' remuneration	-	1,505	1,505
Other personnel expenses	3,299	6,503	9,802
Depreciation charge	22,844	20,058	42,902
amortization charge	155	3,956	4,111

A. Under the Company's Articles of Incorporation, the current year's earnings, if any, shall be appropriated as employees' compensation and directors' remuneration. The ratio shall not be lower than 1% for employees' compensation and shall not be higher than 1.5% for directors' remuneration. If a company has accumulated deficit, earnings should be reserved to cover losses.

B. The Company's employees' compensation and directors' remuneration are accrued and estimated as follows:

	Year ended December 31	
	2023	2022
Employees' compensation	$ 3,276	$ 978
Directors' remuneration	4,914	1,468
	$ 8,190	$ 2,446

The employees' compensation and directors' remuneration were estimated and accrued based on 1% and 1.5% of distributable profit of current year for the years ended December 31, 2023 and 2022, respectively.

C. On March 13, 2024, employees' compensation and directors' remuneration for 2023 amounting to $3,276 and $4,914, respectively, as resolved at the meeting of Board of Directors were in agreement with those amounts recognized in the 2023 financial statements, and the employees' compensation will be distributed in cash.

D. On March 28, 2023, employees' compensation and directors' remuneration for 2022 amounting to $978 and $1,468, respectively, as resolved at the meeting of Board of Directors were in agreement with those amounts recognized in the 2022 financial statements, and the employees' compensation will be distributed in cash.

E. Information about employees' compensation and directors' 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.

F. For the years ended December 31, 2023 and 2022, the Company had 361 and 300 employees, excluding 6 and 6 non-employee, respectively.

(a) For the years ended December 31, 2023 and 2022, the average employee benefit expense amounted to $1,155 and $1,077, respectively.

(b) For the years ended December 31, 2023 and 2022, the average employees' salaries amounted to $1,002 and $930, respectively.

(c) Average employees salaries increased by 8%.

(d) The Company has set up an audit committee, and therefore there are no supervisors in the Company and the disclosure of information about supervisors' remuneration is not required.

G. The Company's compensation policy

(a) The overall employee compensation levels are determined by external competitiveness and internal fairness to effectively attract and retain talents.

(b) Link employees' compensation with their performance by using the performance management system to provide motivation for employees' development and drive positive growth in the Company.

(c) Link employees' compensation with their achievement of the Company's long-term and short-term targets, the time spent by the individual, their positions and overall performance to motivate employees.

(d) Set up the Compensation Committee to effectively review the Company's directors' and management's overall remuneration.

(e) The directors' emoluments are determined in accordance with the Company's Articles of Incorporation approved by the shareholders at their meeting, considering the overall results of the evaluation of the performance of the Board of Directors, the Company's operating performance, future operations and the risk appetite as proposed by the shareholders at their meeting, and is then allocated to individual directors based on the degree of each directors' participation in the operation of the Company and the value of their contributions.

(f) The managers' salary is determined based on the general pay levels in the same industry, education and experience background, professional skill and the results of performance assessment.

(21) Income tax

A. Income tax expenses

	Year ended December 31	
	2023	2022
Current tax:		
Current tax on profits for the year	$ 57,059	$ 37,913
Tax on undistributed surplus earnings	2,049	-
Prior year income tax underestimation	3,402	-
Total current tax	62,510	37,913
Deferred tax:		
Origination and reversal of temporary differences	(936)	(29,710)
Total deferred tax	(936)	(29,710)
Income tax expense	$ 61,574	$ 8,203

B. Reconciliation between income tax expense and accounting profit

	Year ended December 31	
	2023	2022
Tax calculated based on profit before tax and statutory tax rate	$ 63,889	$ 43,079
Expenses disallowed by tax regulation	74	2,434
Tax exempt income by tax regulation	(7,840)	-
Change in assessment of realization of deferred tax assets	-	(37,310)
Prior year income tax underestimation	3,402	-
Tax on undistributed surplus earnings	2,049	-
Income tax expense	$ 61,574	$ 8,203

C. Amounts of deferred tax assets or liabilities as a result of temporary differences are as follows:

	2023		
	January 1	Recognised in profit or loss	December 31
—Deferred tax assets:			
Temporary differences:			
Loss on inventory	$ 24,565	($ 589)	$ 23,976
Unrealized exchange loss	-	1,045	1,045
Others	6,649	(1,024)	5,625
	$ 31,214	$ (568)	$ 30,646
—Deferred tax liabilities:			
Unrealized exchange gain	(1,504)	1,504	-
	$ 29,710	$ 936	$ 30,646

	2023		
	January 1	Recognised in profit or loss	December 31
—Deferred tax assets:			
Temporary differences:			
Loss on inventory	$ -	$ 24,565	$ 24,565
Others	-	6,649	6,649
	$ -	$ 31,214	$ 31,214
—Deferred tax liabilities:			
Unrealized exchange gain	-	(1,504)	(1,504)
	$ -	$ 29,710	$ 29,710

D. The Company's income tax returns through 2020 have been assessed and approved by the Tax Authority.

(22) 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)
Basic earnings per share			
Profit attributable to ordinary shareholders of the parent	$ 257,868	$ 75,000	$ 3.44
Diluted earnings per share			
Profit attributable to ordinary shareholders of the parent	$ 257,868	$ 75,000	
Assumed conversion of all dilutive potential ordinary shares			
Employees' compensation	-	57	
Profit attributable to ordinary shareholders of the parent plus assumed conversion of all dilutive potential ordinary shares	$ 257,868	$ 75,057	$ 3.44

	Year ended December 31, 2022		
	Amount after tax	Weighted average number of ordinary shares outstanding (share in thousands)	Earnings per share (in dollars)
Basic earnings per share			
Profit attributable to ordinary shareholders of the parent	$ 207,912	66,164	$ 3.13
Diluted earnings per share			
Profit attributable to ordinary shareholders of the parent	$ 207,912	$ 66,164	
Assumed conversion of all dilutive potential ordinary shares			
Employees' compensation	-	64	
Profit attributable to ordinary shareholders of the parent plus assumed conversion of all dilutive potential ordinary shares	$ 207,912	66,228	$ 3.13

(23) Supplemental cash flow information

A. Investing activities with partial cash payments

	Year ended December 31 2023	Year ended December 31 2022
Purchase of property, plant and equipment	$ 32,744	$ 21,028
Add: Opening balance of payable on equipment (including related parties)	3,830	2,857
Less: Ending balance of payable on equipment (including related parties)	(5,084)	(3,830)
Cash paid during the year	$ 31,490	$ 20,055

(24) Changes in liabilities from financing activities

2023	January 1	Changes in cash flow from financing activities	Changes in other non-cash items	December 31
Short-term borrowings	$ 90,813	($ 90,813)	$ -	$ -
Lease liabilities	60,827	(35,343)	87,711	113,195
	$ 151,640	($ 126,156)	$ 87,711	$ 113,195

2022	January 1	Changes in cash flow from financing activities	Changes in other non-cash items	December 31
Short-term borrowings	$ 49,383	$ 41,430	$ -	$ 90,813
Other payables-related parties	326,570	(326,570)	-	-
Lease liabilities	67,524	(30,184)	23,487	60,827
	$ 443,477	($ 315,324)	$ 23,487	$ 151,640

7. Related Party Transactions

(1) Parent and ultimate controlling party

The Company is controlled by FIC Global, Inc (incorporated and established in the Republic of China), which comprehensively holds 64.04% of the Company's shares (including indirect holdings) and is the Company's ultimate parent company.

(2) Names of related parties and relationship

Names of related parties	Relationship with the Company
FIC Global, Inc.	Parent company
Ubiqconn Technology (USA) Inc.(UNA)	Subsidiaries
Ruggon Corporation (Ruggon)	〃
First International Computer, Inc. (FIC, Inc)	Sibling company
Amertek Computer (Shenzhen) Co., Ltd. (Amertek)	〃
Prime Base Inc. (PBI)	〃
Prime Technology (Guangzhou) Inc. (Prime (Guangzhou))	〃
Prime Base Inc. Taiwan Branch (PBI (Taiwan))	〃
Danriver Inc.(Danriver)	〃
LEO Systems, Inc. (LEO Systems)	Other related party
Xander International Corp.	〃
Chien, Ming-Tz	Key management personnel of the Company

(3) Significant related party transactions

(1) Operating revenue:

	Year ended December 31	
	2023	2022
Sales of goods:		
-Subsidiary	$ 208,243	$ 164,750
-Sibling company	1,950	250
	$ 210,193	$ 165,000
Sales of services:		
-Subsidiary	$ 1,111	$ 44
-Sibling company	805	774
	$ 1,916	$ 818

Since the Company’s specifications of products are diverse, the specifications of products sold to related parties may not be the same as those sold to third parties, and therefore, the selling price is not comparable. The terms and conditions of transactions with related parties are similar to those with third parties.

(2) Purchase of goods and services:

	Year ended December 31	
	2023	2022
Shown as operating costs		
Processing fees:		
Sibling company	$ 76,192	$ 106,910
Purchases:		
Sibling company	$ 7,831	$ 1,787

The service obtained by the Company from related parties may not be the same with the service from third parties, and therefore the service price is not comparable. The terms and conditions of transactions with related parties are similar to those with third parties.

(3) Receivables from related parties:

	December 31, 2023	December 31, 2022
Accounts receivable:		
-Subsidiary		
Ruggon	$ 28,889	$ 9,483
UNA	6,130	15,397
-Sibling company		
Prime (Guangzhou)	4,780	6,296
Others	218	1,791
	$ 40,017	$ 32,967

	December 31, 2023	December 31, 2022
Other receivables		
-Subsidiary		
Ruggon	$ 128	$ 11
UNA	46	89
	$ 174	$ 100

(4) Property transactions:

(a) Acquisition of property, plant and equipment:

	Year ended December 31	
	2023	2022
-Subsidiary	$ 17	$ 157
-Sibling company	121	21
-Other related party		
Xander	2,488	2,397
Others	637	440
	$ 3,263	$ 3,015

(b) Acquisition of financial assets:

i. In March 2023, the Company participated in the cash capital increase of subsidiary, Ubiqconn Technology (USA) Inc. (UNA), (shown as investment accounted for using the equity method) by $15,188 and acquired 5,000 thousand shares.

ii. In May 2022, the Company participated in the cash capital increase of subsidiary, Ruggon Corporation, (shown as investment accounted for using the equity method) by $108,768 and acquired 10,877 thousand shares.

(5) Guarantee deposits paid

	December 31, 2023	December 31, 2022
FIC, Inc	$ 2,962	$ 2,962

(6) Payables to related parties

	December 31, 2023	December 31, 2022
	Accounts	No. of shares
Accounts payable		
-Sibling company	$ -	$ 267
Other payables		
-Subsidiary	$ 893	$ 209
-Sibling company		
Amertek	11,006	34,498
PBI (Taiwan)	3,702	-
Others	291	623
-Other related party	190	301
	$ 16,082	$ 35,631
Long-term payables (shown as other non-current liabilities)		
-Sibling company		
FIC, Inc	$ 6,949	$ 6,252

(a) Other payables mainly are payables on processing fees and service fees

(b) As of December 31, 2023 and 2022, details of loans to related parties are provided in Note 7(3)(8).

(c) The long-term payable to FIC, Inc. is due to the transfer of employees between associates. The Company committed to bear certain pension of defined benefit plans for these employees, and thus has an obligation to the related parties.

(7) Lease transactions－lessee

(a) The Company leases buildings from First International Computer, Inc. Rental contracts are typically made for periods of five years. Rents are paid at the beginning of each month.

(b) Lease liability

i. Outstanding balance:

	December 31, 2023	December 31, 2022
Lease liability - current		
FIC, Inc.	$ 9,934	$ 10,472

	December 31, 2023	December 31, 2022
Lease liability - non-current		
FIC, Inc.	$ 21,860	$ 31,794

ii. Interest expense

	Year ended December 31	
	2023	2022
FIC, Inc	$ 913	$ 1,152

(8) Loans (shown as other payables-related parties)

	December 31, 2023	December 31, 2022
Other payables		
FIC Global, Inc	$ -	$ -

	Year ended December 31			
	2023		2022	
	Interest expense	Interest rate	Interest expense	Interest rate
FIC Global, Inc	$ -	-	$ 1,807	1.50%

(9) Service fees

	Year ended December 31	
	2023	2022
-Subsidiary		
UNA	$ 2,520	$ -
-Sibling company	697	6,252
FIC, Inc	969	2,059
Danriver	16	15
-Other related parties	$ 4,202	$ 8,326

(10) Endorsements and guarantees provided to related parties

The balances of endorsements and guarantees provided by related parties for the Company's loans and purchase facilities were as follows:

	December 31, 2023	December 31, 2022
Chien, Ming-Tz	$ 300,000	$ 240,000

(4) Key management compensation

	Year ended December 31	
	2023	2022
Short-term employee benefits	$ 29,260	$ 22,594
Post-employment benefits	607	310
	$ 29,867	$ 22,904

8. Pledged Assets

The Company's assets pledged as collateral are as follows:

	Book value		
Pledged asset	December 31, 2023	December 31, 2022	Purpose
Financial assets at amortized cost -current	$ 32,102	$ 27,041	Pledged time deposit for customs, guarantee deposits for government research projects and short-term borrowings

9. Significant Contingent Liabilities and Unrecognized Contract Commitments

(1) Contingencies

None.

(2) Commitments

None.

10. Significant Disaster Loss

None.

11. Significant Events after the Balance Sheet Date

(1) Details of the appropriation of 2023 earnings as proposed by the Board of Directors on March 13, 2024 are provided in Note 6(14).

(2) The Board of Directors meeting on March 13, 2024 adopted a resolution to increase the Company's capital by issuing 11,000 thousand ordinary shares with a par value of $10 (in dollars) per share, which is yet to be approved by the competent authority.

12. Others

(1) Capital management

The Company manages its capital to ensure that it is able to continue as a going concern by optimizing its balances of debt and equity in order to maximize returns for shareholders.

The Company's capital structure comprises net liabilities (i.e., borrowings less cash and cash equivalents) and equity attributable to the owners of the Company (i.e., share capital, capital surplus, retained earnings and other equity items).

(2) Financial instruments

A. Financial instruments by category

	December 31, 2023	December 31, 2022
Financial assets		
Financial assets at amortized cost		
Cash and cash equivalents	$ 598,157	$ 219,029
Financial assets at amortized cost	32,102	27,041
Accounts receivable	320,502	515,687
Accounts receivable-related parties	40,017	32,967
Other receivables	15,177	28,936
Other receivables-related parties	174	100
Guarantee deposits paid	14,088	11,511
	$ 1,020,217	$ 835,271

	December 31, 2023	December 31, 2022
Financial liabilities		
Financial liabilities at amortized cost		
Short-term borrowings	$ -	$ 90,813
Accounts payable	377,140	557,115
Accounts payable-related parties	-	267
Other accounts payable	145,875	128,828
Other payables-related parties	16,082	35,631
Long-term notes and accounts payable	6,949	6,252
	$ 546,046	$ 818,906
Lease liabilities (current and non-current)	$ 113,195	$ 60,827

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) Company treasury identifies, evaluates and hedges financial risks in close co-operation with the Company's operating units.

C. Significant financial risks and degrees of financial risks

(a) Market risk

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 SGD. Foreign exchange rate risk arises from future commercial transactions and recognized assets and liabilities.

ii. The Company is required to hedge their entire foreign exchange risk exposure with the Company treasury. Exchange rate risk is measured through a forecast of highly probable USD and SGD expenditures.

iii. The Company’s businesses involve some non-functional currency operations (the Company’s functional currency: 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 (In thousands of NTD)
(Foreign currency: functional currency)			
Financial assets			
Monetary items			
USD:NTD	$ 17,012	30.705	$ 522,353
SGD:NTD	8,768	23.290	204,207
Non-monetary items			
USD:NTD	$ 540	30.705	$ 16,581
Financial liabilities			
Monetary items			
USD:NTD	$ 9,281	30.705	$ 284,973

	December 31, 2022		
	Foreign currency amount (In thousands)	Exchange rate	Book value (NTD)
(Foreign currency: functional currency)			
Financial assets			
Monetary items			
USD:NTD	$ 23,706	30.710	$ 728,011
Non-monetary items			
USD:NTD	$ 92	30.710	$ 2,825
Financial liabilities			
Monetary items			
USD:NTD	$ 18,764	30.710	$ 576,242

iv. The total exchange gain (loss), including realized and unrealized, arising from significant foreign exchange variation on the monetary items held by the Company for the years ended December 31, 2023 and 2022, amounted to ($12,555) and $8,864, respectively.

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)			
Financial assets			
Monetary items			
USD:NTD	1%	$ 5,224	$ −
SGD:NTD	1%	2,042	−
Financial liabilities			
Monetary items			
USD:NTD	1%	$ 2,850	$ −

	Year ended December 31, 2022		
	Sensitivity analysis		
	Degree of variation	Effect on profit or loss	Effect on other comprehensive income
(Foreign currency: functional currency)			
Financial assets			
Monetary items			
USD:NTD	1%	$ 7,280	$ -
Financial liabilities			
Monetary items			
USD:NTD	1%	$ 5,762	$ -

Price risk

The Company does not hold investments and therefore the Company is not exposed significantly to price risk and commodity price risk arising from investments in equity securities.

Cash flow and fair value Interest rate risk

i. The Company's main interest rate risk arises from short-term borrowings with variable rates, which expose the Company to cash flow interest rate risk. During 2022, the Company's borrowings at variable rate were denominated in New Taiwan dollars and US Dollars.

ii. 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, 2022 would have increased/decreased by $727, 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 contract cash flows of accounts receivable based on the agreed terms.

ii. The Company manages their credit risk taking into consideration the entire Company's concern. According to the Company's credit policy, each local entity 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, 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 utilisation of credit limits is regularly monitored.

iii. The Company adopts the assumptions under IFRS 9, the default occurs when the contract payments are past due over 90 days.

iv. The Company adopts following assumptions under IFRS 9 to assess whether there has been a significant increase in credit risk on that instrument since initial recognition: If the contract payments were past due over 30 days based on the terms, there has been a significant increase in credit risk on that instrument since initial recognition.

v. The Company classifies customer's accounts receivable in accordance with credit risk on trade. The Company applies the modified approach and using a provision matrix based on the loss rate methodology to estimate the expected credit loss.

vi. The Company wrote-off the financial assets, which cannot be reasonably expected to be recovered, after initiating recourse procedures. However, the Company will continue executing the recourse procedures to secure their rights. On December 31, 2023 and 2022, the Company had no written-off financial assets that are still under recourse procedures.

vii. The expected loss ratio for related parties of Group A with excellent credit was 0.2%. As of December 31, 2023 and 2022, the total carrying amount of accounts receivable and loss allowance were $40,017, $32,967, $0 and $0, respectively.

viii. The Company used the forecastability of National Development Council Business Indicators and Basel Committee on Banking Supervision (BCBS) to adjust historical and timely information to assess the default possibility of accounts receivable of Group B and general customers. On December 31, 2023 and 2022, the provision matrix is as follows:

(i) Group B

At December 31, 2023	Expected loss rate	Total book value	Loss allowance
Not past due	0.20%	$ 91,898	$ 184
Up to 30 days past due	0.20%	51,588	103
31~60 days past due	0.20%	-	-
61~90 days past due	0.20%	-	-
91~180 days past due	100.00%	-	-
Over 180 days past due	100.00%	-	-
		$ 143,486	$ 287

At December 31, 2022	Expected loss rate	Total book value	Loss allowance
Not past due	2.43%	$ 306,598	$ 7,859
Up to 30 days past due	7.29%	148,434	9,724
31~60 days past due	22.38%	-	-
61~90 days past due	36.03%	-	-
91~180 days past due	100%	-	-
Over 180 days past due	100%	-	-
		$ 455,032	$ 17,583

(ii) General customers

At December 31, 2023	Expected loss rate	Total book value	Loss allowance
Not past due	0.20%	$ 146,531	$ 2,213
Up to 30 days past due	0.20%	35,752	2,767
31~60 days past due	0.20%	-	-
61~90 days past due	27.10%	-	-
91~180 days past due	100.00%	-	-
Over 180 days past due	100.00%	-	-
		$ 182,283	$ 4,980

At December 31, 2022	Expected loss rate	Total book value	Loss allowance
Not past due	0.20%	$ 67,054	$ -
Up to 30 days past due	0.20%	11,147	-
31~60 days past due	0.20%	-	-
61~90 days past due	33.53%	-	-
91~180 days past due	100%	846	809
Over 180 days past due	100%	-	-
		$ 79,047	$ 809

ix. Movements in relation to the Company applying the modified approach to provide loss allowance for accounts receivable including related parties are as follows:

	Accounts receivable (including related parties)	
	2023	2022
At January 1	$ 18,392	$ 3,718
(Reversal of) provision for impairment loss	(13,125)	14,674
At December 31	$ 5,267	$ 18,392

For the years ended December 31, 2023 and 2022, the impairment losses (gain on recovery of impairment) arising from customers' contracts are ($13,125) and $14,674, respectively.

x. The Company's financial assets measured at amortized cost are restricted bank deposits. The credit risk rating has no significant abnormal situation and significant expected credit losses.

(c) Liquidity risk

i. Cash flow forecasting is performed in the operating entities of the Company and aggregated by Company treasury. Company treasury monitors rolling forecasts of the Company's liquidity requirements to ensure it has sufficient cash to meet operational needs.

ii. The table below analyses the Company's non-derivative financial liabilities into relevant maturity groupings based on the remaining period at the balance sheet date to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows.

December 31, 2023	Less than 1 months	Between 1 and 5 years	Over 5 years
Non-derivative financial liabilities			
Accounts payable (including related parties)	$ 377,140	$ -	$ -
Other payable (including related parties)	161,957	-	-
Lease liabilities	37,652	80,264	-
Long-term notes and accounts payable	-	-	6,949

December 31, 2022	Less than 1 months	Between 1 and 5 years	Over 5 years
Non-derivative financial liabilities			
Short-term borrowings	$ 91,318	$ -	$ -
Accounts payable (including related parties)	557,382	-	-
Other payables (including related parties)	164,459	-	-
Lease liabilities	21,858	41,479	-
Long-term notes and accounts payable	-	-	6,252

(3) Fair value information

A. Financial instruments not measured at fair value

The carrying amounts of cash and cash equivalents, financial assets measured at amortized cost, accounts receivable (including related parties), other receivables (including related parties), guarantee deposits paid, short-term borrowings, notes payable, accounts payable (including related parties), other payables (including related parties), lease liabilities and long term notes and accounts payable are approximate to their fair values.

B. The Company had no financial and non-financial instruments measured at fair value as of December 31, 2023 and 2022.

13. Supplementary Disclosures

(1) Significant transactions information

A. Loans to others: None.

B. Provision of endorsements and guarantees to others: None.

C. Holding of marketable securities at the end of the period (not including subsidiaries, associates and joint ventures): None.

D. Acquisition or sale of the same security with the accumulated cost exceeding $300 million or 20% of the Company’s paid-in capital: None.

E. Acquisition of real estate reaching $300 million or 20% of paid-in capital or more: None.

F. Disposal of real estate reaching $300 million or 20% of paid-in capital or more: None.

G. Purchases or sales of goods from or to related parties reaching $100 million or 20% of paid-in capital or more: Please refer to table 1.

H. Receivables from related parties reaching $100 million or 20% of paid-in capital or more: None.

I. Significant inter-company transactions during the reporting periods: Please refer to table 2.

(2) Information on investees

Names, locations and other information of investee companies (not including investees in Mainland China)：Please refer to table 3.

(3) Information on investments in Mainland China

A. Basic information: None.

B. Significant transactions, either directly or indirectly through a third area, with investee companies in the Mainland Area: None.

(4) Major shareholders information

Major shareholders information: Refer to table 4.

14. Segment Information

Not applicable.

Ubiqconn Technology,Inc

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

Table 1

Expressed in thousands of NTD

(Except as otherwise indicated)

			Transaction				Compared to third party transactions		Notes/accounts receivable (payable)		
Purchaser/seller	Counterparty	Relationship with the counterparty	Purchases (sales)	Amount	Percentage of total purchases (sales)	Credit term	Unit price	Credit term	Balance	Percentage of total notes/accounts receivable (payable)	Footnote
Ubiqconn	Ruggon	Subsidiary	Sales	$ 174,507	5%	The payment period was 30 days.	NOTE	Similar transactions with non- related parties	$ 28,889	8%	

NOTE：There were no similar sales prices available for comparison due to the difference in the products sold to related parties

Ubiqconn Technology,Inc
Significant inter-company transactions during the reporting periods
Year ended December 31, 2023

Table 2

Expressed in thousands of NTD
(Except as otherwise indicated)

Number (Note 1)	Company name	Counterparty	Relationship (Note 2)	Transaction			
				General ledger account	Amount	Transaction term	Percentage of consolidated total operating revenues or total assets (Note 3)
0	Ubiqconn	Ruggon	1	Sales	$ 174,507	The payment period was 30 days.	5%
		Ruggon	1	Accounts receivable	28,889	The payment period was 30 days.	1%

Note 1: The numbers filled in for the transaction company in respect of inter-company transactions are as follows:
(1)Parent company is '0'
(2)The subsidiaries are numbered in order starting from '1'

Note 2: Relationship between transaction company and counterparty is classified into the following three categories; fill in the number of category each case belongs to (If transactions between parent company and subsidiaries or between subsidiaries refer to the same transaction, it is not required to disclose twice. For example, if the parent company has already disclosed its transaction with a subsidiary, then the subsidiary is not required to disclose the transaction;for transactions between two subsidiaries, if one of the subsidiaries has disclosed the transaction, then the other is not required to disclose the transaction.):
(1)Parent company to subsidiary.
(2)Subsidiary to parent company.
(3)Subsidiary to subsidiary.

Note 3: Regarding percentage of transaction amount to consolidated total operating revenues or total assets, it is computed based on period-end balance of transaction to consolidated total assets for balance sheet accounts and based on accumulated transaction amount for the period to consolidated total operating revenues for income statement accounts.

Note 4: If the amount of individual transactions does not reach 1% of the consolidated total revenue and 1% of the consolidated total assets, they will not be disclosed; in addition, as the transactions are shown in asset-income form, the relative transactions are not disclosed.

Ubiqconn Technology,Inc

Information on investees

Year ended December 31, 2023

Table 3

Expressed in thousands of NTD

(Except as otherwise indicated)

				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) recognized by the Company for the year ended December 31, 2023	Footnote
Ubiqconn	Ruggon Corporation	Taiwan	Trade of industrial computers, automotive products, electronic components and peripheral equipment.	110,768	110,768	12,000	100.00	84,888	40,812	40,812	
	Ubiqconn Technology(USA) Inc.	USA	Trade of industrial computers, automotive products, electronic components and peripheral equipment.	31,871	16,708	10,500	100.00	16,531	(1,613)	(1,613)	

Ubiqconn Technology,Inc
Major shareholders information
Year ended December 31, 2023

Table 4

Name of major shareholders	Shares	
	Total shares owned	Owership
FIC Global, Inc.	37,827,389	50.44%
FICTA Technology, Inc.	14,751,000	19.67%
Li, Peng-Syuan	6,564,393	8.75%
Delta Electronics Capital Co	4,969,311	6.63%
Asia Vital Components Co., Ltd.	4,140,259	5.52%

Note 1: The major shareholders information was derived from the data that the Company issued common shares (including treasury shares) and preference shares in dematerialised form which were registered and held by the shareholders above 5% on the lastoperating date of each quarter and was calculated by Taiwan Depository & Clearing Corporation. The share capital which was recorded in the financial statements is different from the actual number of shares issued in dematerialised form because of the different calculation basis.

Note 2: If the aforementioned data contains shares which were held in trust by the shareholders, the data was disclosed as a separate account of client which was set by the trustee. As for the shareholder who reports share equity as an insider whose shareholding ratio is greater than 10% in accordance with Securities and Exchange Act, the shareholding ratio include the self-owned shares and shares held in trust, at the same time, the shareholder who has the power to decide how to allocate the trust assets. For the information on reported share equity of insider, please refer to Market Observation Post System.

UBIQCONN TECHNOLOGY, INC.
STATEMENT OF CASH AND CASH EQUIVALENTS
FOR THE YEAR ENDED DECEMBER 31, 2023
(Expressed in thousands of New Taiwan dollars, except as otherwise indicated)

Statement 1

Item	Description	Amount
Petty cash		$ 150
Bank deposits		
TWD demand deposits and checking deposits		82,913
Foreign currency demand deposits	SGD 5,153 thousand, Interest rates 23.290	120,010
	USD 2,967 thousand, Interest rates 30.705	90,789
	Other foreign currencies	122
TWD time deposit		166,000
Foreign currency time deposit	USD 4,500 thousand, Interest rates 30.705	138,173
		$ 598,157

UBIQCONN TECHNOLOGY, INC.
STATEMENT OF ACCOUNTS RECEIVABLE
DECEMBER 31, 2023
(Expressed in thousands of New Taiwan dollars, except as otherwise indicated)

Statement 2

Client name	Amount	Note
Accounts receivable		
Client A	$ 143,486	
Client D	80,710	
Client B	49,421	
Client E	18,552	
Client C	17,940	
Others	15,660	Balance of each client has not exceeded 5% of total account balance.
	325,769	
Less: Allowance for uncollectible accounts	(5,267)	
	$ 320,502	
Accounts receivable– related parties		
Ruggon Corporation	$ 28,889	
Ubiqconn Technology (USA) Inc.	6,130	
Prime Technology (Guangzhou) Inc.	4,780	
Others	218	Balance of each client has not exceeded 5% of total account balance.
	$ 40,017	

UBIQCONN TECHNOLOGY, INC.
STATEMENT OF INVENTORIES
DECEMBER 31, 2023
(Expressed in thousands of New Taiwan dollars, except as otherwise indicated)

Statement 3

Item	Amount: Cost	Amount: Net realisable value	Note
Raw materials	$ 598,527	$ 501,759	The allowance for inventory valuation losses is evaluated at the lower of cost and net realizable value.
Work in progress	218,328	227,807	
Finished goods	90,118	107,852	
Inventory in transit	5,970	5,970	
	$ 912,943	$ 843,388	
Less: Loss on decline in market value	(119,884)		
	$ 793,059		

UBIQCONN TECHNOLOGY, INC.
STATEMENT OF CHANGES IN INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD
FOR THE YEAR ENDED DECEMBER 31, 2023
(Expressed in thousands of New Taiwan dollars, except as otherwise indicated)

Statement 4

	Balance at January 1, 2023		Addition (Note1)		Decrease				Balance at December 31, 2023			Market Value or Net AssetsValue		
Name	Number of shares (in thousands)	Amount	Number of shares (in thousands)	Amount	Number of shares (in thousands)	Amount	Investment income (loss)	Other changes (Note2)	Number of shares (in thousands)	%	Amount	Unit price	Total price	Collateral or pledged
Ruggon Corporation	12,000	43,827	-	-	-	-	40,812	249	12,000	100	84,888	-	84,888	None
Ubiqconn Technology (USA) Inc.	5,500	753	5,000	15,188	-	-	(1,613)	2,203	10,500	100	16,531	-	16,577	"
		$ 44,580		$ 15,188		$ -	$ 39,199	$ 2,452			$ 101,419		$ 101,465	

(Note1)：The addition refers to the number of new shares subscribed for the cash capital increase of the investees for the year.
(Note2)：Other changes are accounted for using the equity method and adjusted investee’s accumulated translation adjustments, changes in unrealized gains, and the effect of share-based payment.

UBIQCONN TECHNOLOGY, INC.
STATEMENT OF CHANGES IN ACCUMULATED DEPRECIATION OF RIGHT-OF-USE ASSETS
FOR THE YEAR ENDED DECEMBER 31, 2023
(Expressed in thousands of New Taiwan dollars, except as otherwise indicated)

Statement 5

Item	January 1 2023	Addition	Decrease	December 31 2023
Cost:				
Buildings and structures :	$ 146,984	$ 87,329	$ (47,374)	$ 186,939
Other equipment	448	382	(448)	382
	147,432	87,711	(47,822)	187,321
Accumulated depreciation :				
Buildings and structures	(89,022)	(36,564)	47,374	(78,212)
Other equipment	(311)	(148)	448	(11)
	(89,333)	(36,712)	47,822	(78,223)
	$ 58,099	$ 50,999	$ -	$ 109,098

UBIQCONN TECHNOLOGY, INC.
STATEMENT OF ACCOUNTS PAYABLE-NON-RELATED PARTIES
DECEMBER 31, 2023
(Expressed in thousands of New Taiwan dollars, except as otherwise indicated)

Statement 6

Name	Amount		Note
Non-related party			
Supplier G	$	62,953	
Supplier E		34,039	
Supplier A		26,623	
Supplier C		20,783	
Supplier F		19,853	
Others		212,889	Balance of each client has not exceeded 5% of total account balance.
	$	377,140	

UBIQCONN TECHNOLOGY, INC.
STATEMENT OF OPERATING REVENUE
FOR THE YEAR ENDED DECEMBER 31, 2023
(Expressed in thousands of New Taiwan dollars, except as otherwise indicated)

Statement 7

Item	Volume (unit)	Amount	Note
Sales revenue			
Industrial computers	157,185	$ 2,551,310	
Embedded boards	180,259	497,875	
Others	23,505,624	504,970	
		3,554,155	
Service revenue		64,235	
		$ 3,618,390	

UBIQCONN TECHNOLOGY, INC.
STATEMENT OF OPERATING COSTS
FOR THE YEAR ENDED DECEMBER 31, 2023
(Expressed in thousands of New Taiwan dollars, except as otherwise indicated)

Statement 8

Item	Amount
Raw materials used	
Beginning raw materials(including beginning raw materials in transit)	$ 1,021,518
Add: Raw materials purchased	2,340,314
Less: Ending raw materials (including ending raw materials in transit)	(604,497)
Used raw materials transferred to expenses and others	(11,103)
Raw material used for the period	2,746,232
Direct labor	34,928
Manufacturing expense	239,361
Manufacturing cost	3,020,521
Add: Beginning work in progress	136,117
Purchased work in progress	14,404
Less: Ending work in progress	(218,328)
Work in progress transferred to expenses	(26,634)
Finished goods	2,926,080
Add: Beginning finished goods	39,574
Purchased finished goods	5,533
Less: Ending finished goods	(90,118)
Finished goods transferred to expenses	(13,997)
Cost of goods sold of finished goods	2,867,072
Cost of service and warranty	56,171
Gain on reversal of decline in market value	(2,943)
Cost of goods sold	$ 2,920,300

Ubiqconn Technology Inc.

Chairman: Chien Leo Ming-Tz