2024 Annual Shareholders' Meeting Minutes of

Goodway Machine Corp.

Time and date: 9:00 a.m. on June 19, 2024 (Wednesday)

Venue: No. 38, Keyuan Road, Xitun District, Taichung City (Meeting Room on the 2nd Floor)

Form of Shareholders' Meeting: Physical form

Participants: Together with the shares represented by the entrusted agent, the total number of shares amounted to 95,136,877 shares (including 95,042,860 shares of electronic voting), which accounted for 86.17% of the total number of 110,400,372 outstanding ordinary shares issued by the Company.

Participating directors: Chairman De-Hua Yang, Director Shu-Han Yang, Director Xiu-Fen Xie, Director De-Sheng Yang, Independent Director Zheng-Da Cai, Independent Director Ming-Xing Ye, and Independent Director Xian-Jun Qiu

Participants without voting right: Certified Public Accountant Sheng-Yi, Huang of Crowe (TW) CPAs

Chairperson: Chairman De-Hua Yang Clerk: Rui-Wen Jiang

Call to order: When the sum of the number of shares present and the shares represented by the shareholders' agents has reached the statutory amount, and the Chairperson calls the meeting to order according to law.

Chairperson Remarks: Omitted.

Contents of Reports:

1. 2023 Business Report (please refer to Attachment), for your understanding.

2. 2023 Audit Committee's Review Report (please refer to Attachment), for your understanding.

3. The distribution of remuneration to employees and directors in 2023.

   Description:

   (1) In accordance with the Company Act and the Articles of Incorporation of the Company: In case the Company has profit for the current year, it shall set aside 3%-8% of the profit as employee remuneration, and set aside no more than 2% as directors' remuneration.

   (2) In 2023, the Company distributed NT$ 28 million as employee remuneration, and

NT$ 2.5 million as directors' remuneration, both in cash.

4. Report on status of cash dividend distribution from earnings in 2023.

Description:

(1) As adopted by resolution of the Company's Board of Directors, a cash dividend of NT$ 441,601,488 (NT$ 4 per share for shareholders) was distributed in cash from earnings.

(2) The cash dividend was distributed in accordance with the proportion of shares held by shareholders as recorded in the shareholders' register on the base date of dividend distribution. The cash dividend shall be calculated according to the distribution ratio until the total amount of the cash dividend is integral NT$, the decimals shall be omitted, and the total amount of odd dividends less than NT$ 1 shall be adjusted from the decimal point from big to small and the account number from front to back, until meeting the total distribution amount of cash dividend.

(3) In the event of a subsequent change in the share capital of the Company, affecting the number of outstanding shares outstanding and resulting in a change in the dividend rate to shareholders, the Chairman shall be authorized to deal with the matter at his sole discretion.

Matters for Approval and Discussion

Item 1 (Proposed by the Board of Directors)

Subject: The proposal of the Company's business report and financial statement for 2023. The motion is posted for acknowledgment.

Description:

(1) The parent company only financial statements and consolidated financial statements for 2023 prepared by the Company's Board of Directors have been duly audited and verified by Certified Public Accountants Sheng-Yi, Huang and Qing-Quan, Zhuo of Crowe (TW) CPAs. Together with the Business Report, they have been submitted to be audited by the Audit Committee, which has duly issued an audit report.

(2) For Business Report, audit report by CPAs and the above financial statements for the 2023, please refer to Attachment 1 on Page 5-10 and Attachment 3 on Page 12-40 of the present Handbook.

(3) The motion is posted for acknowledgment.

Decision resolved: The voting results of this motion are: Affirmative votes: 95,127,359 votes (of which 95,033,342 votes were exercised electronically), accounting for 99.98% of the voting rights of the shareholders present, and Dissenting votes: 7,636 votes (of which 7,636 votes were exercised electronically), accounting for 0.00% of the voting rights of the shareholders present, Invalid votes: 0 vote, accounting for 0% of the voting rights of the shareholders present, Abstention and non-voting votes: 1,882 votes, accounting for 0.00% of the voting rights of the shareholders present, therefore, this motion is passed by vote.

Item 2 (Proposed by the Board of Directors)

Subject: The proposal of the earnings distribution for 2023. The motion is posted for acknowledgment.

Description:

(1) The earnings distribution table for 2023 of the Company has been prepared, please refer to Attachment 4 on Page 41 of the present Handbook.

(2) The motion is posted for acknowledgment.

Decision resolved: The voting results of this motion are: Affirmative votes: 95,127,359 votes (of which 95,033,342 votes were exercised electronically), accounting for 99.98% of the voting rights of the shareholders present, and Dissenting votes: 7,914 votes (of which7,914 votes were exercised electronically), accounting for 0.00% of the voting rights of the shareholders present, Invalid votes: 0 vote, accounting for 0% of the voting rights of the shareholders present, Abstention and non-voting votes: 1,604 votes, accounting for 0.00% of the voting rights of the shareholders present, therefore, this motion is passed by vote.

Item 3 (Proposed by the Board of Directors)

Subject: The proposal for making revision to the "Measures for Management of Loaning Funds to Others" is hereby submitted for discussion.

Description:

(1) In cooperation with operation needs of the Company, some provisions of the "Measures for Management of Loaning Funds to Others" were revised. For comparison table of provisions before and after the revision of the "Measures for Management of Loaning Funds to Others", please refer to Attachment 5 on Page 42 of the present Handbook.

(2) The motion is posted for discussion.

Decision resolved: The voting results of this motion are: Affirmative votes: 95,127,620 votes (of which 95,033,603 votes were exercised electronically), accounting for 99.99% of the voting rights of the shareholders present, and Dissenting votes: 7,653 votes (of which7,653 votes were exercised electronically), accounting for 0.00% of the voting rights of the shareholders present, Invalid votes: 0 vote, accounting for 0% of the voting rights of the shareholders present, Abstention and non-voting votes: 1,604 votes, accounting for 0.00% of the voting rights of the shareholders present, therefore, this motion is passed by vote.

No shareholder raised a question at this Shareholders' Meeting.

Questions and Motions: After consultation by the Chairperson with all present shareholders no provisional motion were presented.

Adjournment: At 9:15 am on the same day, the Chairperson declared the meeting adjourned.

(Attachment 1)

Goodway Machine Corp.

Business Report

I. Report on Results of the Company's Business Performance in 2023

(I) In terms of operating revenue:

The net operating revenue of the Company in 2023 was NT$ 1,800,649 thousand, with a decrease of 27% compared to the net operating revenue of NT$ 2,457,855 thousand in 2022; the net consolidated operating revenue in 2023 was NT$ 5,318,588 thousand, with a decrease of 17% compared to the net consolidated operating revenue of NT$ 6,385,159 thousand in 2022.

(II) In terms of profit and loss:

The net profit after tax for the year 2023 was NT$ 713,302 thousand, with an increase of 0.72% compared to NT$ 708,188 thousand for the year 2022.

(III) The comparison of payment surplus between 2023 and 2022 is as follows:

(parent company only)

Items	2023		2022		Increase (decrease)	Increase (decrease) %
	Amount	Amount	Amount	Amount	Amount	
Operating revenue	1,800,649	100.00%	2,457,855	100.00%	(657,206)	(26.74%)
Operating costs	1,405,905	78.08%	1,763,531	71.75%	(357,626)	(20.28%)
Gross profit	394,744	21.92%	694,324	28.25%	(299,580)	(43.15%)
Realized (unrealized) benefits between affiliated companies	19,592	1.09%	(14,457)	(0.59%)	34,049	(235.52%)
Net operating profit	200,592	11.14%	420,067	17.09%	(219,475)	(52.25%)
Before tax profit	803,431	44.62%	846,646	34.45%	(43,215)	(5.10%)
After tax profit	713,302	39.61%	708,188	28.81%	5,114	0.72%

(consolidated)

Items	2023		2022		Increase (decrease)	Increase (decrease) %
	Amount	Amount	Amount	Amount	Amount	
Operating revenue	5,318,588	100.00%	6,385,075	100.00%	(1,066,487)	(16.70%)
Operating costs	4,079,497	76.70%	4,702,752	73.65%	(623,255)	(13.25%)
Gross profit	1,239,091	23.30%	1,682,323	26.35%	(443,232)	(26.35%)
Net operating profit	439,295	8.26%	813,759	12.74%	(374,464)	(46.02%)
Before tax profit	984,008	18.50%	1,133,141	17.75%	(149,133)	(13.16%)
After tax profit	816,327	15.35%	874,634	13.70%	(58,307)	(6.67%)
Attributable to the parent company	713,302	13.41%	708,188	11.09%	5,114	0.72%

(IV) Implementation status of budget in 2023:

The actual net profit for the year 2023 was NT$ 713,302 thousand, with a realization rate of 179.31% of the expected profit of NT$ 397,813 thousand.

(V) Breakthroughs in business management:

1. Breakthroughs in product development:

(1) GTZ series: With an advanced design of dual spindle and upper and lower turrets, all turrets can flexibly support any spindle, with the production efficiency more than double that of traditional models. The power turret can accommodate up to 24 cutting tools, and in combination with Y-axis control function, it can complete the one-stop machining of complex parts.

(2) GTH series: Originating from the demand for high-efficiency mass production of electric turbine vehicle parts, this series adopt a unique parallel dual-spindle dual-turret structure, integrate automated peripheral equipment such as robotic arms and feeding platforms, and provide a one-stop complete machining plan for self-feeding, front/back machining, discharge, accuracy testing, etc. They are suitable for the demand for automated mass production of various disc work-pieces and short-axis work-pieces.

(3) GMT series: With the capacity for up to 9-axis control and 5-axis simultaneous machining, they can not only efficiently complete various complex shaped work-pieces, but also easily overcome the need for heavy cutting. Selecting G.LINC intelligent operating system and various automation equipment, it can further improve production efficiency and reduce the manufacturing cost.

(4) SK series: They can make machining of the new generation of walking-center lathes with a maximum outer diameter of 42 mm, and making use of the machining mode switch between servo rotary guide sleeves and no guide sleeves, they can demonstrate the flexibility of small-sized parts; the opposite cutting arrangement + Y2 framework allows for a maximum of 34 available cutting tools, and in combination with B-axis control power tool set and 2 additional power tool sets, they can achieve machining of complex parts with high function and high production capacity.

2. The Company actively increases its investment in improvement of product performance and R&D of advanced new products; and develops toward the orientation of compounding, miniaturization, large-scale, automation, and intelligence:

(1) The development of five-axis synchronous tool library type dual-spindle dual-turret multi-axis Mill-Turn can be applied to the machining of national defense and aerospace parts as well as all complex parts.

(2) The GS-6000/GS-8000/HA-1600 series offer optional spindle apertures of Ø 130, Ø 205, Ø 260, and Ø 320 mm, which are suitable for machining of both large drum parts and large pipe parts, and have received a great feedback in sales.

(3) Large vertical lathes include the GV-1/GVH/GVB/GVF series, which are structurally similar to moving-beam gantry milling machines (W-axis/RAM/ATC tool libraries) and are suitable for work-pieces demanding for large diameters and low heights. Over the years, the Company has made significant breakthroughs in the development of large vertical lathes in technology, hoping to be in a leading position in the vertical lathe market as in the horizontal lathe market in the future.

(4) The Company makes automated overall design and development, and integrates automation equipment in overall control, which can easily complete settings and machining without complex operations, significantly reducing the lead time and improving the productivity.

(5) The Company develops the new generation of G.LINC 350 III cutting-edge intelligent human-machine interface system, and makes technological breakthroughs and innovation, ushering in a new era of intelligent manufacturing. The Company cooperates with the introduction of process management, develops a production management system independently, and comprehensively optimizes the digital manufacturing management.

3. Breakthroughs in corporate management improvement:

(1) The Company effectively calculates the product cost to enhance product competitiveness.

(2) The Company collaborates with affiliated enterprises for joint procurement to reduce procurement cost.

II. Summary of the business plan 2024

(I) To expand new products, refine core technologies, and optimize operational efficiency.

(II) To make technological integration, and continue to save energy, reduce carbon emissions, and innovate intelligent products in combination with external research and development energy; to make product improvement, optimization, and enhancement of product quality and performance.

(III) To strengthen supplier management, provide flexibility and resilience of the supply chain, and improve the quality, cost and delivery time of products.

(IV) To make intelligent manufacturing digital transformation, and improve operation and maintenance efficiency of the Company.

III. Impact from external competitive environment, regulatory environment, and overall business environment

The Company's development prospects are subject to impact of the following factors:

(I) Development of international situation

Subject to continuous impact of global inflation and rising of interest rate in the USA, the global economy is in a poor state, in addition, there are also continuous Russo-Ukrainian War, and geopolitical conflicts and competition, and the expected economic recovery in Mainland China is also not as expected, the global consumer market is in a wait-and-see state, with obviously insufficient economic dynamics. The new round of US-China technology war continues, and US companies will also tighten their policy for participation by China's supply chain, hinting that there might be more control measures. There is still a great uncertainty with the competitive landscape between the USA and China. In addition, there is economic weakness as well as deflationary pressure in China. Although China has successively announced macroeconomic policies to boost its economic growth, the effectiveness of the results remains to be observed.

As the third largest export market of Taiwan, Turkey continued to grow in 2023, with a year-on-year increase of 13.9%. However, special attention should be paid to the region and purpose of the end customers, and due diligence should be done to avoid violation of domestic and international regulations.

Looking forward to 2024, although there are still many uncertain factors and conflicting challenges all over the globe, due to the gradual easing of inflation in the USA and the recent suspension of rising of interest rate of US dollars, it is estimated that the international community will shift towards reduction of interest rate in the second half of the year, which is expected to be beneficial to the recovery of the global economy.

(II) Fluctuation in international exchange rate

Machine tools are capital assets, and in the face of global economic downturn, exchange rate has become a key factor affecting the order-receiving ability. Analyzing the trend of the NTD exchange rate since 2023, it was still significantly stronger than its Asian competitors. As of the end of December this year, the NTD exchange rate has only depreciated by 1.03%, while the KRW has depreciated by 4.22%, the RMB has depreciated by 3.51%, and the JPY has depreciated by 10.33%. NTD was of the smallest depreciation, making the machine tools in Taiwan confronted with price competition pressure in terms of export orders, especially not good for its competition with the machine tools in Japan.

IV. Future Development Strategy

(I) Marketing strategy

1. To strengthen the marketing network layout in ASEAN and the Indian market, and actively evaluate the feasibility of setting up delivery warehouses in the local areas, hoping to effectively shorten the delivery time and ensure the demand for real-time sales and services.
2. To initiate the strategy for order-receiving ability in Taiwan and delivery from

production bases across the Taiwan Strait to meet the different market demands and trade agreement differences in various regions, thus expanding the market share.

3. To spare no efforts to expand the business source for the next generation of niche products such as GMT high-level Mill-Turn machines, continuously strengthen their price competitiveness, marketing promotion, and tour global exhibitions in 2024.
4. In the face of market changes and the wave of AI generation in the automotive industry, to provide the best production solutions for high-value industries such as new energy, precision medicine, and aerospace technology, etc. with our experience in automation, intelligence, and optimization of Turn-Key technology.

(II) Product development direction

1. To strengthen the functional improvement and mass production capacity of high-level multi-axis products, and enrich the high-level product line, so as to improve the overall operating profits.
2. The demand of large machinery for changes in the spindle aperture through which the work-piece diameter passes and work-piece length continues to develop, expecting to provide more series of products for customers to choose from and strive for larger orders.
3. To improve peripheral equipment of automation, integrate the control systems of the machines and the peripheral equipment of automation, provide the most appropriate machining solutions according to the customers' work-piece requirements and production demands, and work together with the customers to develop towards unmanned or less manual machining system.
4. To form alliances with domestic and international academic communities, research communities, and other industries, actively develop intelligent machining application functions such as monitoring of machine condition, monitoring of machining quality, and automatic precision compensation, and elevate the product value at both software and hardware ends.

(III) Production strategy

1. To make combination with the continuous promotion of TPS lean management, introduce management and control of digital manufacturing production process, establish a fully digital production record, and supplemented by AI quality analysis tools to improve product quality, strengthen production efficiency, and reduce waste.
2. To continuously conduct evaluation and mentoring of supply chain, and establish a strong supply chain system, to improve the delivery time and optimal cost-effectiveness of the parts and components.
3. The main production models are planned to be contracted and produced in

batches on an annual basis according to the annual extension plan, with semi-finished components in stock, to improve the supply response speed and assembly efficiency.

4. To strengthen the self production rate of our own high-level Japanese processing machines to effectively grasp the best component quality and product competitiveness.
5. CTSP Factory has fully introduced the main production areas of high-end five axis and multi-axis compound machines.
6. To expand the production capacity of small and medium-sized horizontal CNC lathes at Jiayi Dapumei Factory.
7. To continuously improve the energy consumption of the production process and introduce energy management system, advancing towards low-carbon process.

Chairman: De-Hua Yang	Managerial officer: Shu-Han Yang	Accounting supervisor: Rui-Wen Jiang

(Attachment 2)

Goodway Machine Corp.

Audit Committee's Review Report

The Business Report, Financial Statements, Proposal for Earnings Distribution and other final settlement papers for Year 2023 of the Company had been duly worked out by the Company's Board of Directors. Among the papers, the Financial Statements had been duly audited and verified by CPAs Sheng-Yi Huang and Qing-Quan Zhuo of Crowe (TW) CPAs who had duly issued the Audit Report. The above business report, financial statements, and proposal for earnings distribution have been reviewed by this Audit Committee and were deemed to be in compliance. Therefore, a report has been prepared in accordance with Article 14-4 of the Securities Exchange Act and Article 219 of the Company Act for review.

To
2024 Annual Shareholders' Meeting of Goodway Machine Corp.

Auditing Committee Convener: Zheng-Da Cai

March 6, 2024

(Attachment 3)

Independent Auditors' Report

The Board of Directors and Shareholders
Goodway Machine Corporation:

Audit Opinion

We have audited the financial statements of Goodway Machine Corporation (the "Company") and its Subsidiaries (the "Group"), which comprise the balance sheets as of December 31, 2023 and 2022, and the consolidated statements of comprehensive income, changes in equity and cash flows for the years ended December 31, 2023 and 2022, and notes to the consolidated financial statements, including a summary of significant accounting policies.

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

Basis for Opinion

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

Key Audit Matters

Key audit matters are those matters that, in our professional 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, and we do not provide a separate opinion on these matters.

Key audit matters identified in the Group's 2023 consolidated financial statements are stated as follows:

Evaluation of receivables

Net receivables of Goodway Group on December 31, 2023 were NT$ 1,160,471 thousand (with deduction of the allowance for loss at NT$ 65,645 thousand). Since the provision of amounts of receivables that cannot be recovered involves judgment by the management, therefore, we focus on individual accounts where the balance of receivables is significant and the collection is delayed, to evaluate the reasonableness of their provision for losses. Our audit procedures for this included:

I. Carefully assess the assumptions used by the management to calculate the allowance for loss, and confirm that the calculations are sufficient to support the provision for allowance for loss, including testing the correctness of the aging report used as the basis for the calculation of the allowance for loss. In order to evaluate reasonableness of the balance of allowance for loss, we analyzed and compared with aging classification and provision proportion of receivables in 2023 to prior years, and reviewed the writing-off condition of bad debts in 2023 compared with the prior years, so as to verify the reasonableness of provision for expected credit impairment loss, and then confirmed the possibility of recovery of outstanding funds through collection after the inspection period.

II. Test the effectiveness of the operation of internal controls related to receivables, including approval of credit limits for customer transactions and detailed review of receivables' ledgers.

Evaluation of allowance for valuation loss of inventories

Accounting inventories of Goodway Group are evaluated in accordance with the inaction evaluation policy formulated by the Group. Since this policy is applicable to extensive scope of products, and various products are of different elimination rates of old ones, and there shall be inaction ratio of different categories if evaluating the products by category, therefore, evaluation test of the allowance for valuation loss of inventories is one of the important evaluation items by us in auditing consolidated financial statements of Goodway Group.

Our main audit procedures for the above key matters included examining the inventory age statement and analyzing the inventory age changes of each period; evaluating whether the evaluation of inventories has been carried out in accordance with the established accounting policies of Goodway Group, so as to audit the reasonableness of the provision for sluggish losses.

Revenue from sales of goods:

The main revenue of Goodway Group comes from sales of CNC lathes and processing machinery, the sales revenue of which in 2023 was recognized as NT$ 2,761,689 thousand and NT$ 2,556,899 thousand, respectively. Since the recognition time point and amount have a significant impact on the financial statements, therefore, the revenue recognition test is an important evaluation item by us in auditing the financial statements.

By testing the effectiveness of the design and implementation of the internal control system for revenue, we reviewed the significant new contracts and understood the contract terms and sample sales transactions during the period before and after the end of the test year, so as to evaluate correctness of the revenue recognition period. In addition, we made trend analysis of the top ten sales customers and revenues from products by category, so as to evaluate whether there was significant abnormality or not.

Other Matters

Certain investments in subsidiaries accounted for using the equity method in the consolidated financial statements for the years ended December 31, 2023 and 2022, were based on the financial statements of audited by other independent auditors. Therefore, in our opinions as it relates to the Company’s investments in certain corporations, is based solely on the report of other auditors., and total assets of such subsidiaries for the years ended December 31, 2023 and 2022 were NT$ 5,808,400 thousand and NT$ 6,653,663 thousand, respectively, both of which accounted for 44% of total consolidated assets; their total liabilities were NT$ 2,571,595 thousand and NT$ 3,408,009 thousand, respectively, accounting for 42% and 41% of total consolidated liabilities, respectively; net amount of operating revenue for the years ended December 31, 2023 and 2022 was NT$ 1,978,122 thousand and NT$ 2,834,074 thousand, respectively, accounting for 37% and 44% of net amount of consolidated operating revenue, respectively. The information related to the reinvested business disclosed in Note 13 was evaluated and disclosed on the basis of the financial statements audited by other CPAs appointed by the investee company, but have not been audited by us.

In addition, as stated in Note 6 (8) to the consolidated financial statements, the financial statements of associates recognized by the equity method by Goodway Group for the years ended December 31, 2023 and 2022 have not been audited by us, but by other CPAs. Therefore, in our opinions on the above consolidated financial statements, the amounts set out in the financial statements of such associates were based on the audit reports by other CPAs Investment amount of such associates recognized by equity method for the years ended December 31, 2023 and 2022 were NT$ 16,556 thousand and NT$ 15,906 thousand, respectively, and the consolidated profit and loss amount recognized by equity method for the years ended December 31, 2023 and 2022 were NT$ 650 thousand and NT$ 1,092 thousand, respectively.

The Company has prepared the parent company only financial statements for 2023 and 2022, and we have issued an audit report containing our unqualified opinion plus the audit report issued by other CPAs as in the section of “Other matters” for reference.

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

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and the International Financial Reporting Standards, International Accounting Standards, IFRIC Interpretations, and SIC Interpretations 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 members of 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 the Republic of China will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with the Standards on Auditing of the Republic of China, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

I. Identify and assess the risks of material misstatement in 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. Fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Therefore, the risk of not detecting a material misstatement resulting from fraud is higher than the one resulting from error.

II. 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.

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

IV. 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.

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

VI. Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the Group for the year ended December 31, 2023, and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Crowe Taiwan

CPA: Sheng-Yi, Huan

CPA: Qing-Quan, Zhuo

Approval document No.:
Jin-Guan-Zheng-Shen-Zi No. 10200032833
March 6, 2024

Notice to Readers

The accompanying consolidated financial statements are intended only to present the consolidated financial position, financial performance and cash flows in accordance with accounting principles and practices generally accepted in the Republic of China and not those of any other jurisdictions. The standards, procedures and practices to audit such consolidated financial statements are those generally applied in the Republic of China.
For the convenience of readers, the independent auditors' report and the accompanying consolidated financial statements have been translated into English from the original Chinese version prepared and used in the Republic of China If there is any conflict between the English version and the original Chinese version or any difference in the interpretation of the two versions, the Chinese- language independent auditors' report and consolidated financial statements shall prevail.

Goodway Machine Corporation and its Subsidiaries

Consolidated Balance Sheets

December 31, 2023 and 2022

(In Thousands of New Taiwan Dollars)

	2023			2022		
Assets		Amount	%		Amount	%
Current assets						
Cash and cash equivalents (Notes 4 and 6 (1))	$	1,819,678	14	$	2,722,346	18
Financial assets at FVTPL - current (Notes 4 and 6 (2))		1,764,209	13		1,308,976	9
Financial assets at FVOCI - current (Notes 4 and 6 (3))		115,046	1		219,591	1
Notes receivable, net (Notes 4 and 6 (5)		202,754	1		493,645	3
Notes receivable due from related parties, net (Note 7)		184	-		4,568	-
Accounts receivable, net (Notes 4 and 6 (5))		957,717	8		1,554,043	10
Account receivables due from related parties, net (Note 7)		67	-		16,468	-
Other receivables		27,216	-		29,233	-
Other receivables - related parties (Note 7)		-	-		100	-
Current tax assets		684	-		248	-
Inventories (Notes 4 and 6 (6))		3,567,458	27		3,740,282	25
Prepayments		99,208	1		124,359	1
Other financial assets - current (Notes 6 (7) and 8)		605,442	4		823,755	6
Other current assets- others		6,553	-		6,863	-
Total current assets		9,166,216	69		11,044,477	73
Non-current assets						
Financial assets at FVTPL - non-current (Notes 4 and 6 (2))		-	-		-	-
Financial assets at FVOCI - non-current (Notes 4 and 6 (3))		1,991	-		10,458	-
Financial assets measured at amortized cost - non-current (Notes 4, 6 (4) and 8)		10,137	-		-	-
Investments accounted for using equity method (Notes 4 and 6 (8))		16,556	-		15,906	-
Property, plant and equipment (Notes 4, 6 (9) and 8)		3,221,317	25		3,290,127	22
Right-of-use assets (Notes 4, 6 (10) and 8)		153,925	1		200,280	1
Investment property, net (Notes 4 and 6 (11))		285,274	2		286,335	2
Intangible assets (Notes 4 and 6 (12))		25,004	-		22,903	-
Goodwill (Note 4)		135,498	1		135,498	1
Deferred tax assets (Notes 4 and 6 (32))		200,205	2		175,796	1
Prepayments for equipment		7,927	-		300	-
Guarantee deposits paid		9,317	-		10,785	-
Overdue receivables (Note 6 (13))		-	-		-	-
Other non-current assets - others		14,019	-		18,659	-
Total non-current assets		4,081,170	31		4,167,047	27
Total assets	$	13,247,386	100	$	15,211,524	100

(Continued)

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

Goodway Machine Corporation and its Subsidiaries

Consolidated Balance Sheets

December 31, 2023 and 2022

(In Thousands of New Taiwan Dollars)

(Continued from previous page)

		2023			2022	
Liabilities and Equity		Amount	%		Amount	%
Current liabilities						
Short-term borrowings (Note 6 (14))	$	2,813,490	21	$	3,822,657	25
Short-term notes and bills payable (Note 6 (15))		279,859	2		1,058,142	7
Current contract liabilities (Note 6 (16))		294,362	2		394,214	3
Notes payable		529,511	4		822,448	6
Notes payable - related parties (Note 7)		389	-		18	-
Accounts payable		320,535	3		363,848	2
Accounts payable - related parties (Note 7)		101	-		-	-
Other payables (Note 6 (17))		294,280	2		320,774	2
Other payables - related parties (Note 7)		16	-		11	-
Current tax liabilities		209,587	2		173,027	1
Current provisions (Notes 4 and 6 (18))		25,955	-		29,448	-
Current lease liabilities (Notes 4 and 6 (10))		14,835	-		39,253	-
Long-term liabilities due within one year or one business cycle (Note 6 (19))		664,950	5		160,580	1
Other current liabilities - others		1,985	-		2,887	-
Total current liabilities		5,449,855	41		7,187,307	47
Non-current liabilities						
Long-term borrowings (Note 6 (19))		273,513	2		813,338	6
Deferred income tax liabilities (Notes 4 and 6 (32))		287,152	2		282,857	2
Non-current lease liabilities (Notes 4 and 6 (10))		525	-		15,362	-
Long-term deferred revenue		19,127	-		21,653	-
Net defined benefit liability - non-current (Notes 4 and 6 (20))		23,262	-		32,066	-
Guarantee deposits received		29,347	1		29,856	-
Total non-current liabilities		632,926	5		1,195,132	8
Total Liabilities		6,082,781	46		8,382,439	55

(Continued)

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

Goodway Machine Corporation and its Subsidiaries

Consolidated Balance Sheets

December 31, 2023 and 2022

(In Thousands of New Taiwan Dollars)

(Continued from previous page)

Liabilities and Equity	2023 Amount	%	2022 Amount	%
Equity				
Equity attributable to owners of the parent				
Share capital				
Common stock (Notes 4 and 6 (21))	$ 1,104,004	8	$ 1,104,004	7
Capital surplus (Notes 4 and 6 (22))				
Share premium	258,462	2	258,462	2
Gains from disposal of assets	1,260	-	1,260	-
Changes in net equity value of associates and joint ventures recognized by equity method	467	-	320	-
Share-based payments	202	-	202	-
Others	63,285	-	63,285	-
Total capital surplus	323,676	2	323,529	2
Retained earnings (Note 6 (23))				
Legal reserve	843,366	6	765,046	5
Special reserve	188,846	2	188,846	1
Unappropriated earnings	3,176,876	24	2,892,760	19
Total retained earnings	4,209,088	32	3,846,652	25
Other equity (Note 6 (24))				
Exchange difference on translation of financial statements of foreign operations	(72,033)	-	(51,709)	-
Unrealized gains (losses) on valuation of financial assets measured at fair value through other comprehensive income	(31,699)	-	(9,062)	-
Total other equity	(103,732)	-	(60,771)	-
Total equity attributable to owners of the parent	5,533,036	42	5,213,414	34
Non-controlling interests (Note 6 (25))	1,631,569	12	1,615,671	11
Total equity	7,164,605	54	6,829,085	45
Total liability and equity	$ 13,247,386	100	$ 15,211,524	100

(Concluded)

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

Goodway Machine Corporation and its Subsidiaries

Consolidated Statements of Comprehensive Income
For the Years Ended December 31, 2023 and 2022
(In Thousands of New Taiwan Dollars)

	2023		2022	
	Amount	%	Amount	%
Operating revenue (Notes 4 and 6 (26))	$ 5,318,588	100	$ 6,385,075	100
Operating costs (Note 6 (6))	(4,079,497)	(77)	(4,702,752)	(74)
Gross profit	1,239,091	23	1,682,323	26
Operating expenses				
Selling and marketing expenses	(477,622)	(9)	(521,277)	(8)
General and administrative expenses	(263,401)	(5)	(236,572)	(4)
Research and development expenses	(131,083)	(2)	(141,306)	(2)
Expected credit impairment gains	72,310	1	30,591	1
Total operating expenses	(799,796)	(15)	(868,564)	(13)
Operating profit	439,295	8	813,759	13
Non-operating income and expenses				
Interest income	58,817	1	32,809	1
Other income (Note 6 (29))	161,735	3	133,277	2
Other gains and losses (Note 6 (30))	411,291	8	211,334	3
Finance costs (Note 6 (31))	(87,780)	(2)	(59,131)	(1)
Share of profit or loss of associates and joint ventures accounted for using equity method (Note 6 (8))	650	-	1,092	-
Total non-operating income and expenses	544,713	10	319,381	5
Net profit before tax	984,008	18	1,133,140	18
Income tax expense (Note 6 (32))	(167,681)	(3)	(258,506)	(4)
Profit for the year	816,327	15	874,634	14
Other comprehensive income (Note 6 (33))				
Items that will not be reclassified subsequently to profit or loss:				
Remeasurement of defined benefit plan	3,634	-	(1,286)	-
Unrealized gains (losses) from investment in equity instrument measured at fair value through other comprehensive income	(44,332)	(1)	(306,312)	(5)
Re-measurement of defined benefit plans of associates and joint ventures	(351)	-	3,296	-

(Continued)

Goodway Machine Corporation and its Subsidiaries

Consolidated Statements of Comprehensive Income
For the Years Ended December 31, 2023 and 2022
(In Thousands of New Taiwan Dollars)

	2023			2022		
		Amount	%		Amount	%
Unrealized gains (losses) from investment in equity instrument measured at fair value through other comprehensive income of associates and joint ventures	$	(1,487)	-	$	(13,848)	-
Income taxes related to the items not reclassified (Note 6 (32))		(657)	-		(402)	-
		(43,193)	(1)		(318,552)	(5)
Items that may be reclassified subsequently to profit or loss:						
Exchange difference on translation of financial statements of foreign operations		(30,679)	-		57,976	1
Income tax related to items that may be reclassified (Note 6 (32))		3,648	-		(4,631)	-
		(27,031)	-		53,345	1
Other comprehensive (loss) income for the year		(70,224)	(1)		(265,207)	(4)
Total comprehensive income	$	746,103	14	$	609,427	10
Net profit attributable to:						
Owners of the parent company (net profit)	$	713,302		$	708,188	
Non-controlling interests (net profit)		103,025			166,446	
Profit for the year	$	816,327		$	874,634	
Total comprehensive income attributable to:						
Owners of the parent company (comprehensive income)	$	650,676		$	439,852	
Non-controlling interests (comprehensive income)		95,427			169,575	
Total comprehensive income	$	746,103		$	609,427	
Earnings per share						
Basic earnings per share (Note 6 (34))	$	6.46		$	6.42	
Diluted earnings per share (Note 6 (34))	$	6.44		$	6.39	

(Concluded)

Goodway Machine Corporation and its Subsidiaries

Consolidated Statement of Changes in Equity

For the Years Ended December 31, 2023 and 2022

(In Thousands of New Taiwan Dollars)

	Equity attributable to owners of the parent									
			Retained earnings			Other equity items				
	Common stock	Capital surplus	Legal reserve	Special reserve	Unappropriated earnings	Exchange difference on translation of financial statements of foreign operations	Unrealized gains (losses) on valuation of financial assets measured at fair value through other comprehensive income	Total equity attributable to owners of the parent	Non-controlling interests	Total equity
Balance at January 1, 2022	$ 1,104,004	$ 323,209	$ 713,365	$ 188,846	$ 2,437,243	$ (96,266)	$ 378,842	$ 5,049,243	$ 1,523,961	$ 6,573,204
Appropriation and distribution of retained earnings										
Legal capital reserve	-	-	51,681	-	(51,681)	-	-	-	-	-
Cash dividends of common stock	-	-	-	-	(276,001)	-	-	(276,001)	(58,439)	(334,440)
Cash dividends to shareholders from capital surplus	-	-	-	-	-	-	-	-	(14,610)	(14,610)
Changes in non-controlling interests	-	-	-	-	-	-	-	-	(4,816)	(4,816)
2022 Net profit	-	-	-	-	708,188	-	-	708,188	166,446	874,634
Other comprehensive income after tax for 2022	-	-	-	-	277	44,557	(313,170)	(268,336)	3,129	(265,207)
Total comprehensive income of 2022	-	-	-	-	708,465	44,557	(313,170)	439,852	169,575	609,427
Difference between consideration and carrying amount of subsidiaries acquired or disposed	-	320	-	-	-	-	-	320	-	320
Disposal of investments in equity instruments at fair value through other comprehensive income	-	-	-	-	74,734	-	(74,734)	-	-	-
Balance at December 31, 2022	1,104,004	323,529	765,046	188,846	2,892,760	(51,709)	(9,062)	5,213,414	1,615,671	6,829,085
Appropriation and distribution of retained earnings										
Legal capital reserve	-	-	78,320	-	(78,320)	-	-	-	-	-
Cash dividends of common stock	-	-	-	-	(331,201)	-	-	(331,201)	(77,845)	(409,046)
Changes in non-controlling interests	-	-	-	-	-	-	-	-	(1,684)	(1,684)
2023 Net profit	-	-	-	-	713,302	-	-	713,302	103,025	816,327
Other comprehensive income after tax for 2023	-	-	-	-	2,768	(20,324)	(45,070)	(62,626)	(7,598)	(70,224)
Total comprehensive income of 2023	-	-	-	-	716,070	(20,324)	(45,070)	650,676	95,427	746,103
Difference between consideration and carrying amount of subsidiaries acquired or disposed	-	147	-	-	-	-	-	147	-	147
Disposal of investments in equity instruments at fair value through other comprehensive income	-	-	-	-	(22,433)	-	22,433	-	-	-
Balance at December 31, 2023	$ 1,104,004	$ 323,676	$ 843,366	$ 188,846	$ 3,176,876	$ (72,033)	$ (31,699)	$ 5,533,036	$ 1,631,569	$ 7,164,605

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

Goodway Machine Corporation and its Subsidiaries

Consolidated Statements of Cash Flows

For the Years Ended December 31, 2023 and 2022

(In Thousands of New Taiwan Dollars)

	2023	2022
Cash flows from operating activities		
Net profit before tax	$ 984,008	$ 1,133,140
Adjustments		
Income/expenses items not influencing cash flow		
Depreciation	209,695	210,308
Amortisation	6,818	6,825
Expected credit impairment gains	(72,310)	(30,591)
Net (gains) losses on financial assets or liabilities at fair value through profit or loss	(423,975)	39,524
Interest expense	87,780	59,131
Interest income	(58,817)	(32,809)
Dividend revenue	(76,930)	(65,790)
Share of profit of associates and joint ventures accounted for using equity method	(650)	(1,092)
Gains on disposal and discard of property, plant and equipment	(65)	(217)
Depreciation of investment property	1,061	1,061
Losses (gains) on disposals of investments	16,967	(3,417)
Other items	(2,153)	(2,450)
Total adjustments to reconcile	(312,579)	180,483
Changes in operating assets and liabilities		
Net changes in operating assets		
Decrease (Increase) in notes receivable	288,837	(39,197)
Decrease (Increase) in notes receivable - related parties	4,384	(2,409)
Decrease (Increase) in accounts receivable	660,941	(211,921)
Decrease (Increase) in accounts payable - related parties	16,401	(3,909)
Decrease (Increase) in other receivables	(3,714)	693
Decrease (Increase) in other receivables - related parties	100	(100)
Decrease (Increase) in inventories	171,933	(452,045)
Decrease (Increase) in prepayments	25,151	(12,549)
Decrease in other current assets	310	1,617
Decrease (increase) in overdue receivables	8,784	(6,783)
Decrease in other non-current assets	5,319	21,285
Total net changes in operating assets	1,178,446	(705,318)

(Continued)

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

Goodway Machine Corporation and its Subsidiaries

Consolidated Statements of Cash Flows

For the Years Ended December 31, 2023 and 2022

(In Thousands of New Taiwan Dollars)

	2023	2022
Net changes in operating liabilities		
Increase (Decrease) in contract liabilities	$ (99,852)	$ 43,079
Decrease in notes payable	(292,937)	(91,751)
Increase in notes payable - related parties	371	18
Decrease in accounts payable	(43,313)	(81,476)
Increase (Decrease) in accounts payable - related parties	101	(212)
Increase (Decrease) in other payables	(37,043)	25,824
Increase in other receivables - related parties	5	-
Increase (Decrease) in provisions	(3,493)	1,399
Increase (Decrease) in other current liabilities	(902)	1,616
Decrease in net defined benefit liability	(5,170)	(2,086)
Total net changes in operating liabilities	(482,233)	(103,589)
Cash generated from operations	1,367,642	504,716
Interest received	66,368	24,642
Income tax paid	(148,803)	(134,391)
Net cash generated by operating activities	1,285,207	394,967
Cash flows from investing activities		
Acquisitions of financial assets at fair value through other comprehensive income	(248)	(93,677)
Disposal of financial assets at fair value through other comprehensive income	64,590	128,937
Acquisitions of financial assets at fair value through profit or loss	(144,718)	(660,316)
Disposal of financial assets at fair value through profit or loss	93,568	42,095
Acquisition of financial assets measured at amortized cost	(10,137)	-
Acquisitions of investments accounted for using equity method	(1,537)	(4,496)
Acquisition of property, plant and equipment	(93,727)	(34,187)
Disposal of property, plant and equipment	1,825	3,792
Decrease in guarantee deposits paid	1,468	8,164
Acquisitions of intangible assets	(8,996)	(2,026)
Decrease (Increase) in other financial assets	218,313	(258,886)
Increase in prepayments for equipment	(11,794)	(25,150)
Dividends received	83,300	82,794
Net cash inflow (outflow) from investing activities	191,907	(812,956)

(Continued)

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

Goodway Machine Corporation and its Subsidiaries

Consolidated Statements of Cash Flows

For the Years Ended December 31, 2023 and 2022

(In Thousands of New Taiwan Dollars)

	2023	2022
Cash flows from financing activities		
Increase (decrease) in short-term borrowings	$ (1,009,167)	$ 1,551,020
Increase (Decrease) in short-term notes and bills payable	(778,283)	78,922
(Repay) Make long-term borrowings	(35,455)	310,128
Decrease in guarantee deposits received	(509)	(1,377)
Repayment of lease principal	(39,482)	(37,493)
Cash dividends paid	(331,201)	(276,001)
Payment of cash dividends to non-controlling interests	(77,845)	(73,049)
Interest paid	(87,117)	(57,323)
Net cash flows (used in) from financing activities	(2,359,059)	1,494,827
Effect of changes in foreign exchange rates on cash and cash equivalents	(20,723)	38,250
Net (decrease) increase in cash and cash equivalents	(902,668)	1,115,088
Cash and cash equivalents at the beginning of year	2,722,346	1,607,258
Cash and cash equivalents at the end of year	$ 1,819,678	$ 2,722,346

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

Independent Auditors' Report

The Board of Directors and Shareholders
Goodway Machine Corporation

Audit Opinion

We have audited the financial statements of Goodway Machine Corporation. (the "Company"), which comprise the balance sheets as of December 31, 2023 and 2022, and the statements of comprehensive income, changes in equity and cash flows for the years ended December 31, 2023 and 2022, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, based on our audits and the reports of other auditors (refer to the Other Matter paragraph), the accompanying financial statements present fairly, in all material respects, the financial position of the Company as of December 31, 2023 and 2022, and its financial performance and its cash flows for the years then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers of the Republic of China..

Basis for Opinion

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

Key Audit Matters

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

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

<u>Evaluation of receivables</u>

Net receivables of Goodway Machine Corporation on December 31, 2023 was NT$ 481,288 thousand (with deduction of the allowance for loss at NT$ 8,599 thousand). Since the provision of amounts of receivables that cannot be recovered involves judgment by the management, therefore, we focus on individual accounts where the balance of receivables is significant and the collection is delayed, to evaluate the reasonableness of their provision for losses. Our audit procedures for this include:

I. Carefully assess the assumptions used by the management to calculate the allowance for loss, and confirm that the calculations are sufficient to support the provision for allowance for loss, including testing the correctness of the aging report used as the basis for the calculation of the allowance for loss. In order to evaluate reasonableness of the balance of allowance for loss, we analyzed and compared with aging classification and provision proportion of receivables in 2023 to prior years, and reviewed the writing-off condition of bad debts in 2023 compared with the prior years, so as to verify the reasonableness of provision for expected credit impairment loss, and then confirmed the possibility of recovery of outstanding funds through collection after the inspection period.

II. Test the effectiveness of the operation of internal controls related to receivables, including approval of credit limits for customer transactions and detailed review of receivables' ledgers.

<u>Evaluation of allowance for valuation loss of inventories</u>

Accounting inventories of Goodway Machine Corporation are evaluated in accordance with the inaction evaluation policy formulated by the Group. Since this policy is applicable to extensive scope of products, and various products are of different elimination rates of old ones, and there shall be inaction ratio of different categories if evaluating the products by category, therefore, evaluation test of the allowance for valuation loss of inventories is one of the important evaluation items by us in auditing the financial statements of Goodway Machine Corporation

Our main audit procedures for the above key matters included examining the inventory age statement and analyzing the inventory age changes of each period; evaluating whether the evaluation of inventories has been carried out in accordance with the established accounting policies of Goodway Machine Corporation, so as to audit the reasonableness of the provision for sluggish losses.

<u>Revenue from sales of goods:</u>

The main revenue of Goodway Machine Corporation comes from sales of CNC lathes, and the sales revenue of which in 2023 was recognized as NT$ 1,584,077 thousand, accounting for about 88% of overall operating income. Since the recognition time point and amount have a significant impact on the financial statements, therefore, the revenue recognition test is an important evaluation item by us in auditing the financial statements.

By testing the effectiveness of the design and implementation of the internal control system for revenue, we reviewed the significant new contracts and understood the contract terms and sample sales transactions during the period before and after the end of the test year, so as to evaluate correctness of the revenue recognition period. In addition, we made trend analysis of the top ten sales customers and revenues from products by category, so as to evaluate whether there was significant abnormality or not.

Other Matters

Certain investments in subsidiaries accounted for using the equity method in the Company's financial statements for the years ended December 31, 2023 and 2022, were based on the financial statements of audited by other independent auditors. Therefore, in our opinions as it relates to the Company's investments in certain corporations, is based solely on the report of other auditors. As of December 31, 2023 and 2022, the investments were NT$ 1,852,810 thousand and NT$ 1,854,665 thousand, respectively, accounting for 21% and 19% of total assets, respectively; in 2023 and 2022, the comprehensive income share recognized by equity method (including share of profits and losses and other comprehensive income of the subsidiaries, associates and joint ventures recognized by equity method) was NT$ 73,801 thousand and NT$ 167,891 thousand, respectively, accounting for 11% and 38% of total comprehensive income of the current period, respectively; and the information on the above re-investment business as disclosed in Note 13 was evaluated and disclosed based on financial statements by other CPAs, while we did not audit such financial statements.

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

Management is responsible for the preparation and fair presentation of the financial statements in accordance with 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 financial statements that are free from material misstatement, whether due to fraud or error.

In preparing 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 members of the Audit Committee) are responsible for overseeing the Company's financial reporting process.

Auditors' Responsibilities for the Audit of the Financial Statements

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

As part of an audit in accordance with the Standards on Auditing of the Republic of China, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

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

II. Obtain an understanding of internal control relevant to the audit 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.

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

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

V. Evaluate the overall presentation, structure and content of the financial statements (including the related notes), and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

VI. Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within Goodway Machine Corporation to express an opinion on the financial statements. We are responsible for the direction, supervision and performance of the audit of Goodway Machine Corporation We remain solely responsible for our audit opinion.

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of Goodway Machine Corporation for the year ended December 31, 2023, and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Crowe Taiwan

CPA: Sheng-Yi, Huan

CPA: Qing-Quan, Zhuo

Approval document No.:
Jin-Guan-Zheng-Shen-Zi No. 10200032833
March 6, 2024

<u>*Notice to Readers*</u>

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

For the convenience of readers, the independent 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. If there is any conflict between the English version and the original Chinese version or any difference in the interpretation of the two versions, the Chinese- language independent auditors' report and financial statements shall prevail.

Goodway Machine Corporation

Balance Sheets
December 31, 2023 and 2022
(In Thousands of New Taiwan Dollars)

Assets	2023 Amount	2023 %	2022 Amount	2022 %
Current assets				
Cash and cash equivalents (Notes 4 and 6(1))	$ 675,276	8	$ 1,401,961	15
Financial assets at FVTPL - current (Notes 4 and 6(2))	1,227,280	14	931,973	10
Financial assets at FVOCI - current (Notes 4 and 6(3))	115,046	1	219,591	2
Notes receivable, net (Notes 4 and 6(4))	11,426	-	17,080	-
Notes receivable due from related parties, net (Note 7)	300	-	4,714	-
Accounts receivable, net (Notes 4 and 6(4))	469,862	5	1,010,158	11
Account receivables due from related parties, net (Notes 7)	41,172	1	84,494	1
Other receivables	8,260	-	14,503	-
Other receivables - related parties (Notes 7)	1,042	-	1,277	-
Inventories (Notes 4 and 6(5))	1,366,797	16	1,295,620	13
Prepayments	9,112	-	13,787	-
Other financial assets – current (Note 6(6))	244,408	3	234,022	2
Other current assets- others	4,662	-	5,042	-
Total current assets	4,174,643	48	5,234,222	54
Non-current assets				
Investments accounted for using equity method (Notes 4 and 6(7))	2,810,314	33	2,758,879	29
Property, plant and equipment (Notes 4, 6(8) and 8)	1,322,365	15	1,318,607	14
Right-of-use assets (Notes 4 and 6 (9))	187	-	11,852	-
Investment property, net (Notes 4 and 6 (10)	285,274	3	286,335	3
Intangible assets (Notes 4 and 6(11))	7,809	-	10,390	-
Deferred tax assets (Notes 4 and 6(29))	38,754	1	45,138	-
Prepayments for equipment	2,105	-	855	-
Guarantee deposits paid	2,069	-	2,168	-
Total non-current assets	4,468,877	52	4,434,224	46
Total assets	$ 8,643,520	100	$ 9,668,446	100

(Continued)

(The accompanying notes are an integral part of the financial statements)

Goodway Machine Corporation

Balance Sheets
December 31, 2023 and 2022
(In Thousands of New Taiwan Dollars)

	2023		2022	
Liabilities and Equity	Amount	%	Amount	%
Current liabilities				
Short-term borrowings (Note 6 (12))	$ 1,160,000	13	$ 1,700,000	17
Short-term notes and bills payable Note 6 (13)	199,872	2	768,501	8
Current contract liabilities (Note 6 (14))	14,755	-	57,072	1
Notes payable	232,958	3	392,331	4
Notes payable - related parties (Note 7)	2,977	-	3,278	-
Accounts payable	68,531	1	89,806	1
Accounts payable - related parties (Note 7)	2,064	-	1,031	-
Other payables (Note 6 (15))	147,817	2	153,152	2
Other payables - related parties (Note 7)	409	-	111	-
Current tax liabilities	147,235	2	101,568	1
Current provisions (Notes 4 and 6 (16))	10,658	-	15,385	-
Current lease liabilities (Notes 4 and 6 (9))	190	-	11,934	-
Long-term liabilities due within one year or one business cycle (Note 6 (17))	664,950	8	160,580	2
Other current liabilities - others	32	-	45	-
Total current liabilities	2,652,448	31	3,454,794	36
Non-current liabilities				
Long-term borrowings (Note 6 (17))	273,513	3	813,338	8
Deferred income tax liabilities (Notes 4 and 6 (29))	165,861	2	160,695	2
Non-current lease liabilities (Notes 4 and 6 (9))	-	-	190	-
Net defined benefit liability - non-current (Notes 4 and 6 (18))	16,289	-	23,075	-
Guarantee deposits received	2,373	-	2,940	-
Total non-current liabilities	458,036	5	1,000,238	10
Total Liabilities	3,110,484	36	4,455,032	46

(Continued)

(The accompanying notes are an integral part of the financial statements)

Goodway Machine Corporation

Balance Sheets
December 31, 2023 and 2022
(In Thousands of New Taiwan Dollars)

(Continued from previous page)

Liabilities and Equity	2023 Amount	2023 %	2022 Amount	2022 %
Equity				
Share capital				
Common stock (Notes 4 and 6 (19))	$ 1,104,004	13	$ 1,104,004	12
Capital surplus (Notes 4 and 6 (20))				
Share premium	258,462	3	258,462	3
Gains from disposal of assets	1,260	-	1,260	-
Changes in net equity value of associates and joint ventures recognized by equity method	467	-	320	-
Share-based payments	202	-	202	-
Others	63,285	-	63,285	-
Total capital surplus	323,676	3	323,529	3
Retained earnings (Note 6 (21))				
Legal reserve	843,366	10	765,046	8
Special reserve	188,846	2	188,846	2
Unappropriated earnings	3,176,876	37	2,892,760	30
Total retained earnings	4,209,088	49	3,846,652	40
Other equity (Note 6 (22))				
Exchange difference on translation of financial statements of foreign operations	(72,033)	(1)	(51,709)	(1)
Unrealized gains (losses) on valuation of financial assets measured at fair value through other comprehensive income	(31,699)	-	(9,062)	-
Total other equity	(103,732)	(1)	(60,771)	(1)
Total equity	5,533,036	64	5,213,414	54
Total liability and equity	$ 8,643,520	100	$ 9,668,446	100

(Concluded)

(The accompanying notes are an integral part of the financial statements)

Goodway Machine Corporation

Statements of Comprehensive Income

December 31, 2023 and 2022
(In Thousands of New Taiwan Dollars)

	2023		2022	
	Amount	%	Amount	%
Operating revenue (Notes 4 and 6 (23))	$ 1,800,649	100	$ 2,457,855	100
Operating costs (Note 6 (5))	(1,405,905)	(78)	(1,763,531)	(72)
Gross profit	394,744	22	694,324	28
Unrealized gain from sale	(72,231)	(4)	(91,823)	(3)
Realized gain from sale	91,823	5	77,366	3
Gross profit, net	414,336	23	679,867	28
Operating expenses				
Selling and marketing expenses	(129,496)	(7)	(149,031)	(6)
General and administrative expenses	(96,595)	(5)	(74,526)	(3)
Research and development expenses	(54,509)	(3)	(56,943)	(2)
Expected credit impairment gains	66,856	3	20,700	-
Total operating expenses	(213,744)	(12)	(259,800)	(11)
Operating profit	200,592	11	420,067	17
Non-operating income and expenses				
Interest income	26,674	1	15,107	-
Other income (Note 6 (26))	101,355	6	89,593	4
Other gains and losses (Note 6 (27))	282,220	16	93,147	4
Finance costs (Note 6 (28))	(45,502)	(3)	(29,304)	(1)
Share of profit or loss of subsidiaries, associates and joint ventures accounted for using equity method	238,092	13	258,036	10
Total non-operating income and expenses	602,839	33	426,579	17
Net profit before tax	803,431	44	846,646	34
Income tax expense (Notes 4 and 6 (29))	(90,129)	(5)	(138,458)	(5)
Profit for the year	713,302	39	708,188	29

(Continued)

Goodway Machine Corporation

Statements of Comprehensive Income

December 31, 2023 and 2022

(In Thousands of New Taiwan Dollars)

	2023			2022		
		Amount	%		Amount	%
Other comprehensive income (Note 6 (30))						
Items that will not be reclassified subsequently to profit or loss:						
Remeasurement of defined benefit plan (Note 6 (18))	$	3,634	-	$	(1,286)	-
Unrealized gains (losses) from investment in equity instrument measured at fair value through other comprehensive income		(44,332)	(2)		(306,312)	(13)
Re-measurement of defined benefit plans of subsidiaries, associates and joint ventures		(174)	-		1,632	-
Unrealized gains (losses) from investment in equity instrument measured at fair value through other comprehensive income of subsidiaries, associates and joint ventures		(738)	-		(6,858)	-
Income taxes related to the items not reclassified (Note 6 (29))		(692)	-		(69)	-
		(42,302)	(2)		(312,893)	(13)
Items that may be reclassified subsequently to profit or loss:						
Exchange difference on translation of financial statements of foreign operations		(22,295)	(1)		46,991	2
Income tax related to items that may be reclassified (Note 6 (29))		1,971	-		(2,434)	-
		(20,324)	(1)		44,557	2
Other comprehensive (loss) income for the year		(62,626)	(3)		(268,336)	(11)
Total comprehensive income	$	650,676	36	$	439,852	18
Earnings per share						
Basic earnings per share (Note 6 (31))	$	6.46		$	6.42	
Diluted earnings per share (Note 6 (31))	$	6.44		$	6.39	

(Concluded)

Goodway Machine Corporation

Statements of Changes in Equity

For the Years Ended December 31, 2023 and 2022

(In Thousands of New Taiwan Dollars)

			Retained Earnings			Other Equity		
	Common Stock	Capital Surplus	Legal Reserve	Special Reserve	Unappropriated Earnings	Exchange Difference on Translation of Financial Statements of Foreign Operations	Unrealized Gains (Losses) on Valuation of Financial Assets Measured at Fair Value Through Other Comprehensive Income	Total Equity
Balance at January 1, 2022	$ 1,104,004	$ 323,209	$ 713,365	$ 188,846	$ 2,437,243	$ (96,266)	$ 378,842	$ 5,049,243
Appropriation and distribution of retained earnings								
Legal capital reserve	-	-	51,681	-	(51,681)	-	-	-
Cash dividends of common stock	-	-	-	-	(276,001)	-	-	(276,001)
2022 Net profit	-	-	-	-	708,188	-	-	708,188
Other comprehensive income after tax for 2022	-	-	-	-	277	44,557	(313,170)	(268,336)
Total comprehensive income of 2022	-	-	-	-	708,465	44,557	(313,170)	439,852
Difference between consideration and carrying amount of subsidiaries acquired or disposed	-	320	-	-	-	-	-	320
Disposal of investments in equity instruments at fair value through other comprehensive income	-	-	-	-	74,734	-	(74,734)	-
Balance at December 31, 2022	1,104,004	323,529	765,046	188,846	2,892,760	(51,709)	(9,062)	5,213,414
Appropriation and distribution of retained earnings								
Legal capital reserve	-	-	78,320	-	(78,320)	-	-	-
Cash dividends of common stock	-	-	-	-	(331,201)	-	-	(331,201)
2023 Net profit	-	-	-	-	713,302	-	-	713,302
Other comprehensive income after tax for 2023	-	-	-	-	2,768	(20,324)	(45,070)	(62,626)
Total comprehensive income of 2023	-	-	-	-	716,070	(20,324)	(45,070)	650,676
Difference between consideration and carrying amount of subsidiaries acquired or disposed	-	147	-	-	-	-	-	147
Disposal of investments in equity instruments at fair value through other comprehensive income	-	-	-	-	(22,433)	-	22,433	-
Balance at December 31, 2023	$ 1,104,004	$ 323,676	$ 843,366	$ 188,846	$ 3,176,876	$ (72,033)	$ (31,699)	$ 5,533,036

(The accompanying notes are an integral part of the financial statements)

Goodway Machine Corporation

Statements of Cash Flows
For the Years Ended December 31, 2023 and 2022
(In Thousands of New Taiwan Dollars)

	2023	2022
Cash flows from operating activities		
Net profit before tax	$ 803,431	$ 846,646
Adjustments		
Income/expenses items not influencing cash flow		
Depreciation	63,199	61,219
Amortisation	3,311	3,379
Expected credit impairment gains	(66,856)	(20,700)
Net (gains) losses on financial assets or liabilities at fair value through profit or loss	(300,281)	28,375
Interest expense	45,502	29,304
Interest income	(26,674)	(15,107)
Dividend revenue	(53,622)	(47,677)
Share of profit of subsidiaries, associates and joint ventures accounted for using equity method	(238,092)	(258,036)
Loss (gain) on disposal and discard of property, plant and equipment	(680)	3
Depreciation of investment property	1,061	1,061
Losses (gains) on disposals of investments	19,807	(1,322)
Unrealized gain from sale	72,231	91,823
Realized gain from sale	(91,823)	(77,366)
Total adjustments to reconcile	(572,917)	(205,044)
Changes in operating assets and liabilities		
Net changes in operating assets		
Decrease in notes receivable	5,975	38,154
Decrease in notes receivable - related parties	4,414	11,100
Decrease (Increase) in accounts receivable	605,808	(292,887)
Decrease (Increase) in accounts payable - related parties	43,322	(9,339)
Decrease (Increase) in other receivables	3,694	(2,364)
Decrease (Increase) in other receivables - related parties	235	(90)
Increase in inventories	(72,068)	(184,339)
Decrease (Increase) in prepayments	4,250	(5,641)
Decrease in other current assets	380	60
Total net changes in operating assets	596,010	(445,346)

(Continued)

(The accompanying notes are an integral part of the financial statements)

Goodway Machine Corporation

Statements of Cash Flows
For the Years Ended December 31, 2023 and 2022
(In Thousands of New Taiwan Dollars)

	2023	2022
Net changes in operating liabilities		
Increase (Decrease) in contract liabilities	$ (42,317)	$ 9,439
Increase (Decrease) in notes payable	(159,373)	7,145
Increase (Decrease) in notes payable - related parties	(301)	1,306
Increase (Decrease) in accounts payable	(21,275)	11,148
Increase (Decrease) in accounts payable - related parties	1,033	(420)
Increase (Decrease) in other payables	(17,424)	41,915
Increase in other receivables - related parties	298	86
Increase (Decrease) in provisions	(4,727)	2,283
Increase (Decrease) in other current liabilities	(13)	14
Decrease in net defined benefit liability	(3,152)	(1,586)
Total net changes in operating liabilities	(247,251)	71,330
Cash generated from operations	579,273	267,586
Interest received	31,043	10,854
Income tax paid	(33,639)	(80,847)
Net cash generated by operating activities	576,677	197,593
Cash flows from investing activities		
Acquisitions of financial assets at fair value through other comprehensive income	(248)	(82,409)
Disposal of financial assets at fair value through other comprehensive income	57,609	125,146
Acquisitions of financial assets at fair value through profit or loss	(95,704)	(424,140)
Disposal of financial assets at fair value through profit or loss	77,946	19,559
Acquisitions of investments accounted for using equity method	(1,537)	(4,496)
Acquisition of property, plant and equipment	(39,145)	(9,010)
Disposal of property, plant and equipment	680	-
Decrease in guarantee deposits paid	99	454
Acquisitions of intangible assets	(730)	(450)
Increase in other financial assets	(10,386)	(25,887)
Increase in prepayments for equipment	(5,417)	(29,670)
Dividends received	246,724	244,424
Net cash inflow (outflow) from investing activities	229,891	(186,479)

(Continued)

(The accompanying notes are an integral part of the financial statements)

Goodway Machine Corporation

Statements of Cash Flows
For the Years Ended December 31, 2023 and 2022
(In Thousands of New Taiwan Dollars)

	2023	2022
Cash flows from financing activities		
Increase (decrease) in short-term borrowings	$ (540,000)	$ 850,000
Increase (Decrease) in short-term notes and bills payable	(568,629)	49,187
Make long-term borrowings	-	372,800
Repay long-term borrowings	(35,455)	-
Decrease in guarantee deposits received	(567)	(54)
Repayment of lease principal	(11,934)	(11,760)
Cash dividends paid	(331,201)	(276,001)
Interest paid	(45,467)	(28,285)
Net cash flows (used in) from financing activities	(1,533,253)	955,887
Net (decrease) increase in cash and cash equivalents	(726,685)	967,001
Cash and cash equivalents at the beginning of year	1,401,961	434,960
Cash and cash equivalents at the end of year	$ 675,276	$ 1,401,961

(Concluded)

(The accompanying notes are an integral part of the financial statements)

(Attachment 4)

Goodway Machine Corp.

Earnings distribution table for 2023

Unit: NTD

Items	Amount	
	Subtotal	Total
Unappropriated retained earnings at beginning of the term		2,483,238,806
Less: Disposal of financial assets at fair value through other comprehensive income	(22,432,415)	
Add: Pension actuarial gains (losses) included in retained earnings	2,767,696	
Profit for the year	713,302,374	
Subtotal		3,176,876,461
Less: Legal reserve (at 10%) duly amortized		(69,363,766)
Earnings allocable in the present term		3,107,512,695
Items of distribution in the present term (Note 2)		
Less: Shareholders' dividend-cash dividend (NT$ 4/share)	(441,601,488)	
Subtotal of distribution in the present term		(441,601,488)
Unappropriated retained earnings at the end of the term (Note 3)		2,665,911,207

Chairman: De-Hua Yang

Managerial officer: Shu-Han Yang

Accounting Supervisor: Rui-Wen Jiang

Note 1: In accordance with Article 26-1 of the Articles of Incorporation of the Company: the dividends to shareholders shall be issued in cash or shares, however, at least 10% of the dividends to be distributed for the current year shall be distributed in cash.

Note 2: Distribution amount of earnings this time shall come from earnings of 2023 in priority.

(Attachment 5)

Goodway Machine Corp.

Comparison table of provisions before and after the revision of the "Measures for Management of Loaning Funds to Others"

Article No.	Original clause	After amendment	Revision description
Article 3	New provisions to this article	3.4 Disguised financing objects: 3.4.1 As for the accounts receivable of the Company (including related parties and non-related parties), if the authority and responsibility unit confirms that the normal credit period has been overdue for 3 months, but still not recovered and the amount significantly exceeds the equivalent of NT$ 10 million (included), unless it can prove that the Company does not have the intention of loaning funds to others (e.g., taking legal action, proposing concrete and feasible control measures, etc.), and it is resolved by the most recent Audit Committee and the Board of Directors to belong to the nature of loaning funds to others. 3.4.2 As for accounts other than receivables of the Company, such as "Other receivables", "Prepayments", "Deposit" and other accounts, if the amount significantly exceeds the equivalent of NT$ 10 million (included) or more or is of a special nature, and due to any one of the following conditions i.e. the payment amount is not contractual, the payment amount is not consistent with the performance obligations under the contract, or the reason for the payment has disappeared, etc., it has not been recovered for more than 3 months and is resolved by the most recent Audit Committee and the Board of Directors to belong to the nature of loaning funds to others.	Revision was made in cooperation with operation needs of the Company.