Stock Code:1603

CHINA WIRE & CABLE CO.,LTD

Financial Statements

With Independent Auditors' Report

For the Years Ended December 31, 2023 and 2022

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

Independent Auditor’s Report

To the Board of Directors CHINA WIRE & CABLE CO.,LTD

Opinion

We have audited the financial statements of. CHINA WIRE & CABLE CO.,LTD (“the Company”), which comprise the balance sheets as of December 31, 2023 and 2022, the statements of comprehensive income, changes in equity and cash flows for the years then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as of December 31, 2023 and 2022, and its financial performance and its cash flows for the years then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers.

Basis for Opinion

We conducted our audit in accordance with the Regulations Governing Auditing and Attestation of Financial Statements by Certified Public Accountants and the auditing standards generally accepted in 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 Certified Public Accountants Code of Professional Ethics in Republic of China (“the Code”), and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis of our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.

1. Revenue recognition

CHINA WIRE & CABLE CO.,LTD. is primarily engaged in the production, sales, processing, and installation services of electric wires and cables, aluminum doors, windows, and various aluminum products, as well as the import and export of various products, and the construction, rental, and sale of buildings. As a listed company that involves public interests, the Company's operational performance is highly valued by investors, and thus, revenue recognition is one of the main risks for the auditors in performing the Company's financial report audit.

The main audit procedures of the auditor for the above key audit matters include understanding and testing the main internal controls over the recognition of revenue, and evaluating their effectiveness; performing trend analysis of the top ten sales customers' revenue, comparing relevant variances or differences to assess any significant abnormalities; selecting samples of sales transactions before and after the end of the fiscal year to examine whether management has obtained external evidence to demonstrate that the risks and rewards have been transferred to the buyer, and evaluating the correctness of the revenue recognition period.

Please refer to note 4 and 6 for accounting policy on “Revenue recognition”, respectively.

Responsibilities of Management and Those Charged with Governanca for the Financial Statement

Management is responsible for the preparation and fair presentation of the financial statements in accordance with Regulations Governing the Preparation of Financial Reports by Securities Issuers and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Those charged with governance (including the Audit Committee) are responsible for overseeing the Company’s financial reporting process.

Auditors’Responibilities for the Audit of the Financial Statement

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 auditing standards generally accepted in 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 auditing standards generally accepted in the Republic of China, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

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

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

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

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

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

6. Obtain sufficient and appropriate audit evidence regarding the financial information of the investment in other entities accounted for using the equity method to express an opinion on this financial statements. We are responsible for the direction, supervision and performance of the audit. We remain solely responsible for our audit opinion.

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

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

The engagement partners on the audit resulting in this independent auditors’ report are Kun-Yi Wu and Xian-En Wu.

MOORE STEPHENS DaHua (Taiwan) CPAs

Taipei, Taiwan (Republic of China)

March 14, 2024

Notes to Readers

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

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

CHINA WIRE & CABLE CO.,LTD

Balance Sheets

For the years ended December 31, 2023 and 2022

(expressed in thousands of New Taiwan Dollar , except earnings per share)

		December 31, 2023		December 31, 2022	
	Assets	**Amount**	**%**	**Amount**	**%**
	Current assets:				
1100	Cash and cash equivalents (note 6(a))	$ 111,591	1	93,965	1
1110	Financial assets at fair value through profit or loss - current (note 6(b))	9,059	-	15,027	-
1120	Financial assets at fair value through other comprehensive income - current (note 6(b))	762,402	8	641,789	7
1136	Financial assets at amortized cost (notes 6(b) and 8)	517,811	5	455,138	5
1140	Contract assets - current (note 6(r))	69,988	1	54,584	-
1150	Notes receivable, net (notes 6(c)、(r) and 7)	37,242	-	77,626	1
1170	Accounts receivable, net (notes 6(c) and (r))	1,351,484	13	1,109,174	12
1200	Other receivables - related parties	6,961	-	6,115	-
1310	Inventories (note 6(d))	1,711,242	17	1,361,033	15
1410	Prepayments	148,940	1	70,073	1
1470	Other current assets - other	71,351	1	68,839	1
		4,798,071	47	3,953,363	43
	Non-current assets:				
1518	Financial assets at fair value through other comprehensive income - non - current (note 6(b))	294,255	3	294,255	3
1550	Investments accounted for using equity method (note 6(e))	1,216,955	12	1,062,772	12
1600	Property, plant and equipment (notes 6(f) and 8)	3,295,038	32	3,286,848	36
1755	Right-of-use assets (notes 6(g) and 7)	23,073	-	26,636	-
1760	Investment properties, net (notes 6(h) and 8)	548,689	6	557,230	6
1780	Intangible assets	753	-	714	-
1840	Deferred tax assets (note 6(o))	17,999	-	15,540	-
1920	Refundable deposits	4,474	-	1,353	-
1995	Net defined benefit assets - non - current (note 6(n))	12,371	-	11,602	-
		5,413,607	53	5,256,950	57
	Total assets	**$ 10,211,678**	**100**	**9,210,313**	**100**

		December 31, 2023		December 31, 2022	
	Liabilities and Equity	**Amount**	**%**	**Amount**	**%**
	Current liabilities:				
2100	Short-term borrowings (notes 6(i) and 8)	$ 1,886,142	18	1,325,953	14
2110	Short-term notes and bills payables (notes 6(j) and 8)	79,984	1	-	-
2130	Current contract liabilities (note 6(r))	344,462	3	441,759	5
2150	Notes payable	201,657	2	141,621	2
2160	Notes payable - related parties (note 7)	5,823	-	23,568	-
2170	Accounts payable	265,391	3	452,855	6
2180	Accounts payable - related parties (note 7)	9,216	-	9,399	-
2200	Other payable	116,867	1	120,374	1
2220	Other payables - related parties (note 7)	-	-	103	-
2230	Current income tax liabilities	86,201	1	41,283	-
2250	Provisions - current (note 6(k))	2,649	-	2,407	-
2280	Current lease liabilities (notes 6(l) and 7)	2,909	-	3,480	-
2300	Other current liabilities	2,509	-	3,275	-
		3,003,810	29	2,566,077	28
	Non-current liabilities:				
2570	Deferred tax liabilities (note 6(o))	726,937	7	726,937	8
2580	Non-current lease liabilities (notes 6(l) and 7)	20,328	-	23,236	-
2645	Guarantee deposits	6,762	-	6,982	-
		754,027	7	757,155	8
	Total liabilities	3,757,837	36	3,323,232	36
	Equity attributable to owners of parent (note 6(p))：				
3100	Capital stock	1,916,880	19	1,916,880	21
3200	Capital surplus	565,789	5	549,999	6
3300	Retained earnings				
3310	Legal reserve	281,992	3	249,166	3
3320	Special reserve	3,227,364	32	3,506,372	38
3350	Accumulated deficit	2,643,429	26	2,019,852	22
		6,152,785	61	5,775,390	63
3400	Other equity	62,559	1	(111,016)	(1)
3500	Treasury stock	(2,244,172)	(22)	(2,244,172)	(25)
	Total equity	6,453,841	64	5,887,081	64
	Total liabilities and equity	**$ 10,211,678**	**100**	**9,210,313**	**100**

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

CHINA WIRE & CABLE CO.,LTD
Statements of Comprehensive Income
For the years ended December 31, 2023 and 2022
(expressed in thousands of New Taiwan Dollar , except earnings per share)

		2023		2022	
		Amount	%	Amount	%
4000	**Operating revenues (notes 6(r) and 7)**				
4100	Sale, net	$ 3,672,088	92	3,156,709	91
4640	Device revenue	330,767	8	301,075	9
4800	Other revenue	9,133	-	8,841	-
		4,011,988	100	3,466,625	100
5000	**Operating costs (notes 6(d)、(n) and 7)**	(3,406,788)	(85)	(3,018,531)	(87)
5900	**Gross profit from operations**	605,200	15	448,094	13
6000	**Operating expenses (notes 6(n) and 7)：**				
6100	Selling expenses	(77,690)	(2)	(80,884)	(2)
6200	Administrative expenses	(62,745)	(1)	(68,284)	(2)
6450	Expected credit impairment benefits (note 6(c))	368	-	3,418	-
	Total operating expenses	(140,067)	(3)	(145,750)	(4)
6500	Net gains and loss from other income expense (notes 6(t) and 7)	27,801	1	21,947	1
6900	**Net operating income**	492,934	13	324,291	10
	Non-operating income and expenses (notes 6(u) and 7)：				
7100	Total interest income	5,445	-	2,983	-
7010	Other income	106,636	3	74,729	2
7020	Other gains and losses, net	2,749	-	(27,848)	(1)
7050	Finance costs	(33,635)	(1)	(18,108)	(1)
7060	Share of profit or loss of associates	13,839	-	34,187	1
	Total non-operating income and expense	95,034	2	65,943	1
	Net income before tax	587,968	15	390,234	11
7950	**Less: Income tax expenses (note 6(o))**	113,803	3	61,984	2
8000	**Net income**	474,165	12	328,250	9
8300	**Other comprehensive income (notes 6(e)、(n) and (o))：**				
8310	**Components of other comprehensive income(loss) that will not be reclassified to profit or loss**				
8311	Gains (losses) remeasurements of defined benefit plans	(1,157)	-	18,276	1
8316	Unrealized gains from financial assets measured at fair value through other comprehensive income	97,771	2	(63,297)	(2)
8330	Share of gain of subsidiaries and associates accounted for using the equity method	75,804	2	(123,949)	(4)
8349	Income tax related to comprehensive that will not be reclassified to profit loss	231	-	(3,655)	-
	Total components of other comprehensive income (loss) that will not be reclassified to profit or loss	172,649	4	(172,625)	(5)
8300	**Other comprehensive income, net**	172,649	4	(172,625)	(5)
	Total comprehensive income:	**$ 646,814**	**16**	**155,625**	**4**
	Basic earnings(loss) per share (NT dollars) (note 6(q))				
9750	**Basic earnings(loss) per share**	**$ 2.99**		**2.07**	
9850	**Diluted earnings(loss) per share**	**$ 2.98**		**2.07**	

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

CHINA WIRE & CABLE CO.,LTD
Statements of Changes in Equity
For the years ended December 31, 2023 and 2022
(expressed in thousands of New Taiwan Dollar)

	Capital stock	Capital surplus	Retained earnings: Legal reserve	Retained earnings: Special reserve	Retained earnings: Unappropriated retained earnings	Other equity: Unrealized gains(losses)from financial assets measured at fair value through other comprehensive income	Treasury stock	Total equity
Balance on January 1, 2022	$ 1,916,880	534,208	220,961	3,592,447	1,716,671	74,514	(2,244,172)	5,811,509
Resolution on distribution of profits at the shareholders' meeting:								
Legal reserve	-	-	28,205	-	(28,205)	-	-	-
Special reserve	-	-	-	(111,340)	111,340	-	-	-
Cash dividend	-	-	-	-	(95,844)	-	-	(95,844)
Adjusting capital surplus for dividends distributed to subsidiaries	-	15,791	-	-	-	-	-	15,791
Net income	-	-	-	-	328,250	-	-	328,250
Other comprehensive income(loss)	-	-	-	-	14,621	(187,246)	-	(172,625)
Total comprehensive income(loss)	-	-	-	-	342,871	(187,246)	-	155,625
Change in other equity:								
Reverse special retained earnings appropriation in accordance with FSC order No 1010047490	-	-	-	25,265	(25,265)	-	-	-
Disposal of instruments in equity instruments designated at fair value through other comprehensive income	-	-	-	-	(1,716)	1,716	-	-
Balance on December 31, 2022	$ 1,916,880	549,999	249,166	3,506,372	2,019,852	(111,016)	(2,244,172)	5,887,081
Balance on January 1, 2023	$ 1,916,880	549,999	249,166	3,506,372	2,019,852	(111,016)	(2,244,172)	5,887,081
Resolution on distribution of profits at the shareholders' meeting:								
Legal reserve	-	-	32,826	-	(32,826)	-	-	-
Special reserve	-	-	-	111,016	(111,016)	-	-	-
Cash dividend	-	-	-	-	(95,844)	-	-	(95,844)
Adjusting capital surplus for dividends distributed to subsidiaries	-	15,790	-	-	-	-	-	15,790
Net income	-	-	-	-	474,165	-	-	474,165
Other comprehensive income(loss)	-	-	-	-	(926)	173,575	-	172,649
Total comprehensive income	-	-	-	-	473,239	173,575	-	646,814
Change in other equity:								
Reverse special retained earnings appropriation in accordance with FSC order No 1010047490	-	-	-	(390,024)	390,024	-	-	-
Balance on December 31, 2023	$ 1,916,880	565,789	281,992	3,227,364	2,643,429	62,559	(2,244,172)	6,453,841

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

CHINA WIRE & CABLE CO.,LTD
Statements of Cash Flows
For the years ended December 31, 2023 and 2022
(expressed in thousands of New Taiwan Dollar)

	2023	2022
Cash flows from operating activities：		
Income(loss) before tax	$ 587,968	390,234
Non-cash gains or losses that do not affect cash flow		
Depreciation expense	38,594	39,971
Amortization expense	487	136
Expected credit impairment benefits	(368)	(3,418)
Loss(gain) on financial assets at fair value through profit or loss	(1,386)	1,373
Interest expense	33,635	18,108
Interest income	(5,445)	(2,983)
Dividend income	(45,621)	(55,597)
Share of profit or loss of associates	(13,839)	(34,187)
Gain from disposal of property, plant and equipment	(53)	-
Loss from disposal of Investment properties	-	1,652
Recognition(reversal) of provision	242	(182)
Total adjustments to reconcile profit	6,246	(35,127)
Change in operating assets and liabilities:		
Changes in operating assets:		
Decrease(increase) in contract assets	(16,897)	11,483
Decrease in notes receivable(include related parties)	40,794	3,491
Increase in accounts receivable	(240,859)	(92,110)
Increase in other receivables	(514)	(346)
Increase in Inventories	(351,543)	(377,905)
Increase in prepayments	(78,867)	(20,815)
Increase in other current assets	(2,512)	(38,658)
Total change in operating assets	(650,398)	(514,860)
Change in operating liabilities:		
Increase(decrease) in contract liabilities	(97,297)	75,755
Increase in notes payable(include related parties)	42,291	73,630
Increase(decrease) in accounts payable(include related parties)	(187,647)	209,983
Increase(decrease) in other payables(include related parties)	(3,913)	1,868
Increase(decrease) in other current liabilities	(766)	473
Decrease in net defined benefit liability	(1,926)	(7,586)
Total change in operating liabilities	(249,258)	354,123
Total changes in operating assets and liabilities	(899,656)	(160,737)
Total adjustments	(893,410)	(195,864)
Cash flows generated from operations	(305,442)	194,370
Interest received	5,113	2,366
Interest paid	(33,348)	(18,055)
Income tax paid	(71,113)	(78,511)
Net cash inflow (outflow) from operating activities	(404,790)	100,170
Cash flow from investing activities:		
Acquisition of financial assets at fair value through other comprehensive income	(23,113)	(1,238)
Proceeds from disposal of financial assets at fair value through other comprehensive income	271	571
Acquisition of financial assets at amortized cost	(62,673)	(75,825)
Acquisition of financial assets at fair value through profit or loss	(3,027)	(9,611)
Proceeds from disposal of financial assets at fair value through profit or loss	10,381	4,726
Acquisition of investments acocunted for using equity method	(48,750)	-
Acquisition of property, plant and equipment	(33,350)	(20,088)
Proceeds from disposal of property, plant and equipment	57	-
Increase in refundable deposits	(3,121)	(481)
Acquisition of intangible assets	(526)	-
Proceeds from disposal of investment properties	-	6,903
Dividends received	45,621	55,597
Net cash flows used in investing activities	(118,230)	(39,446)
Cash flow from financing activities:		
Increase in short-term borrowing	560,189	108,881
Increase (decrease) in short-term notes and bills payables	80,000	(49,870)
Increase (decrease) in refundable deposits	(220)	1,746
Payments of lease liabilities	(3,479)	(3,041)
Cash dividend paid	(95,844)	(95,844)
Net cash flows from (used in) financing activities	540,646	(38,128)
Net increase in cash and cash equivalents	17,626	22,596
Cash and cash equivalents at beginning of period	93,965	71,369
Cash and cash equivalents at end of period	$ **111,591**	**93,965**

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

(English Translation of Financial Statements Originally Issued in Chinese)

CHINA WIRE & CABLE CO.,LTD

Notes to financial statements

For the years ended December 31, 2023 and 2022

(Expressed in thousands of New Taiwan dollars)

1. History and organization:

CHINA WIRE & CABLE CO.,LTD (hereafter referred to as "the Company") was established in January of 1961 with approval from the Ministry of Economic Affairs. Its registered address is located at 4F and 5F-2, No. 58, Sec. 3, Zhongshan North Rd., Jhongshan Dist., Taipei City, Taiwan. The Company mainly engage in the production, sales, processing, and installation services of wires and cables, aluminum doors and windows, and various aluminum products, as well as import and export trading of various products, and the construction of houses for rent or sale. The Company's stock has been traded on the Taiwan Stock Exchange since June, 1968.

2. Approval date and procedures of the financial statements:

The financial statements were authorized for issuance by the Board of Directors on March 14, 2024.

3. New standards, amendments and interpretations adopted:

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

The following new amendments, effective January 1, 2023, do not have a significant impact on the Company’s financial statements:

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

The Company has initially adopted the new amendment, which do not have a significant impact on its financial statements:

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

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

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

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

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

The following new and amended standards, which may be relevant to the Company, have been issued by the International Accounting Standards Board (IASB), but have yet to be endorsed by the FSC:

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

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

4. Summary of significant accounting policies:

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

(1) Statement of compliance

These financial statements have been prepared in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers (hereinafter referred to as "the Regulations").

(2) Basis of preparation

A. Basis of measurement

These financial statements is prepared on a historical cost basis, except for the following significant items in the balance sheet:

(1) Financial assets measured at fair value, and

(2) Net defined benefit liability, which is measured by subtracting the fair value of retirement fund assets from the present value of defined benefit obligations, subject to the limit effect described in Note 4(17).

B. Basis of preparation

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

(3) Foreign currencies

A. Transactions in foreign currencies

The exchange gain or loss refers to the difference between the amortized cost in functional currency at the beginning of the period adjusted for the effective interest and payments made, and the amount calculated by converting the amortized cost in foreign currency at the reporting date using the exchange rate.

Non-monetary foreign currency items measured at fair value are re-measured into the functional currency using the exchange rate on the fair value measurement date. Non-monetary foreign currency items measured at historical cost are translated into the functional currency using the exchange rate on the transaction date.

Unless the monetary instruments are classified as available-for-sale equity instruments, designated as foreign operation net investment hedge financial liabilities, or qualify for cash flow hedge, the foreign exchange differences arising from translation are recognized in profit or loss, while those from other sources are recognized in other comprehensive income.

B. Foreign operations

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

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

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

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

An entity shall classify an asset as current when:

A. It is expected to be realized, or intended to be sold or consumed, in the normal operating cycle;
B. It is held primarily for the purpose of trading;
C. It is expected to be realized within twelve months after the reporting period; or
D. The asset is cash or a cash equivalent (as defined in IAS 7) unless the asset is restricted from

being exchanged or used to settle a liability for at least twelve months after the reporting period.

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

A. It is excepted to be settled in the normal operating cycle;
B. It is held primarily for the purpose of trading;
C. It is due to be settled within twelve months after the reporting period; or
D. the Company does not have an unconditional right to defer settlement of the liability for at least twelve months after the reporting period. Terms of a liability that could, at the option of the counterparty, result in its settlement by issuing equity instruments do not affect its classification.

The Company engages in the production of aluminum doors and windows, curtain walls, as well as construction and installation projects for house sales, and their business cycles usually exceed 1 year (up to 3 years). Therefore, assets and liabilities related to these businesses are classified as current or non-current based on the normal operating cycle.

(5) Cash and cash equivalents

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

(6) Financial instruments

A. Financial assets

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

On initial recognition, a financial asset is classified as measured at: amortized cost. Financial assets are not reclassified subsequent to their initial recognition unless the Company changes its business model for managing financial assets, in which case all affected financial assets are reclassified on the first day of the first reporting period following the change in the business model.

(a) Financial assets measured at amortized cost

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

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

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

(b) Fair value through other comprehensive income(FVOCI)

If the debt instrument investment simultaneously meets the following conditions and is not designated as measured at fair value through profit or loss, it is measured at fair value through other comprehensive income:

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

When initially recognized, a Group may make an irrevocable choice to report subsequent fair value changes of equity instruments held for reasons other than trading in other comprehensive income. This choice is made on an individual instrument basis.

At initial recognition, the equity instruments are measured at fair value plus directly attributable transaction costs. Subsequently, they are measured at fair value, with foreign exchange gains or losses on debt instrument investments, interest income calculated using the effective interest method, impairment losses, and gains on equity instrument investments (unless they represent a partial recovery of the investment cost) recognized in profit or loss. Changes in the carrying amount of these instruments, other than those recognized in profit or loss, are recognized in other comprehensive income and accumulated in the "through other comprehensive income" reserve for equity instruments measured at fair value. Upon derecognition, any gains or losses accumulated in this reserve for debt instrument investments are reclassified to profit or loss, whereas those for equity instrument investments are reclassified to retained earnings without reclassification to profit or loss.

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

(c) Fair value through profit or loss (FVTPL)

Financial assets that are not measured at amortized cost or at fair value through other comprehensive income are measured at fair value through profit or loss. When a company first recognizes these financial assets in its financial statements, it may irrevocably choose to designate financial assets that meet the conditions for amortized cost or fair value measurement through other comprehensive income as financial assets measured at fair value through profit or loss in order to eliminate or significantly reduce improper accounting matching.

When these financial assets are initially recognized, they are measured at fair value, and transaction costs incurred at the time of acquisition are recognized as expenses. Subsequent changes in fair value, including related dividend and interest income, are recognized as gains or losses.

(d) Impairment of financial assets

The Company recognizes loss allowances for expected credit losses (ECL) on financial assets measured at amortized cost (including cash and cash equivalents, financial assets at amortized cost, notes and accounts receivables, other receivable, refundable deposits and other financial assets).

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

- Determination that the credit risk of debt instruments is low as of the reporting date; and
- No significant increase in the credit risk (i.e. the risk of default over the expected life of the financial instrument) of other debt instruments and bank deposits since their initial recognition.

Loss allowance for trade receivables and contract assets are always measured at an amount equal to lifetime ECLs.

Expected credit loss over the life of a financial instrument refers to the estimated credit loss that may arise from all possible credit events during the expected life of the instrument.

Expected credit loss for twelve months refers to the estimated credit loss that may arise from default events of financial instruments within twelve months after the reporting date (or a shorter period if the expected remaining life of the financial instrument is less than twelve months).

The longest period for measuring expected credit losses is the longest contract period during which the Company is exposed to credit risk. When determining whether credit risk has significantly increased since initial recognition, the Company considers reasonable and supportable information (that can be obtained without undue cost or effort), including qualitative and quantitative information, as well as analyses based on the Company's historical experience, credit evaluations, and forward-looking information.

Expected credit loss is the probability-weighted estimate of credit losses over the expected remaining life of financial instruments. Credit losses are measured as the present value of all cash shortfalls, which is the difference between the present value of expected cash flows and the contractual cash flows that the Company is entitled to receive. Expected credit losses are discounted using the effective interest rate of financial assets.

The provision for impairment losses of financial assets measured at amortized cost is deducted from the carrying amount of the asset. The provision for impairment losses of debt instrument investments measured at fair value through other comprehensive income is recognized in other comprehensive income (rather than reducing the carrying amount of the asset), and the amount of provision for impairment losses recognized or reversed is recognized in profit or loss.

When the Company cannot reasonably expect to recover a financial asset in whole or in part, the asset's total carrying amount is directly reduced. This usually refers to the Company's judgment that the debtor's assets or income sources cannot generate sufficient cash flows to repay the amount written off, however, the written-off financial assets can still be enforced to comply with the Company's recovery of overdue amounts.

(e) Derecognition of financial assets

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

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

B. Financial liabilities and equity instruments

(a) Treasury Stock

When purchasing back equity instruments recognized by the Company, the consideration paid (including directly attributable costs) is recognized as a reduction of equity. The repurchased shares are classified as treasury stock. The proceeds from subsequent sales or reissuances of treasury stock are recognized as an increase in equity, and any remaining gain or loss from the transaction is recognized as capital surplus or retained earnings (if capital surplus is insufficient to offset it).

(b) Financial Liabilities

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

(c) Derecognition of Financial Liabilities

Financial liabilities are derecognized by the Company when the contractual obligations have been fulfilled, cancelled, or have expired. When the terms of financial liabilities have been modified and the cash flows of the modified liability are significantly different, the original financial liability is derecognized and a new financial liability is recognized at fair value based on the modified terms.

When derecognizing financial liabilities, any difference between the carrying amount and the total consideration paid or payable (including any non-cash assets transferred or liabilities assumed) is recognized in profit or loss.

(d) Offsetting of Financial Assets and Liabilities

Financial assets and financial liabilities are only offset and presented as a net amount on the balance sheet when the Company currently has legally enforceable rights to set off and intends to settle on a net basis or simultaneously realize the asset and settle the liability.

(7) Inventories

Inventories are measured at the lower of cost and net realizable value. The cost of inventories is based on the weighted-average method and includes expenditure incurred in acquiring the inventories, production or conversion costs, and other costs incurred in bringing them to their existing location and condition. In the case of manufactured inventories and work in progress, cost includes an appropriate share of production overheads based on normal operating capacity. Net realizable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and selling expenses.

(8) Investment in associates

An associated company refers to a company in which the Company has significant influence over its financial and operating policies, but is not a controlling or joint controlling party.

The Company adopts the equity method to account for its investment in associated companies. Under the equity method, the investment is initially recognized at cost, including transaction costs. The carrying amount of the investment in an associated company includes goodwill recognized at the time of the initial investment, less any accumulated impairment losses.

In the financial statements, the results and other comprehensive income of each associated company are recognized based on the Company's proportionate interest in the associated company from the date of significant influence until the date of loss of significant influence, adjusted for consistency with the accounting policies of the Company. When an associated company experiences non-profit or non-comprehensive income changes that do not affect the Company's shareholding percentage, any equity changes attributable to the Company's shareholding are recognized in capital reserves based on the shareholding percentage.

Unrealized gains and losses arising from transactions between the Company and associated companies are eliminated within the scope of the Company's investment in the associated company. The method of eliminating unrealized losses is the same as that for unrealized gains, but only when there is no evidence of impairment.

When a Group's proportionate share of losses recognized for an associated enterprise equals or exceeds its equity in the associated enterprise, the recognition of such losses is discontinued. Only additional losses and related liabilities within the scope of statutory obligations, presumed obligations, or payments already made on behalf of the invested company are recognized.

The Company ceases to apply the equity method from the date when its investment is no longer an associated enterprise or joint venture and measures its remaining interest at fair value. The difference between the fair value and the book value of the investment on the date of discontinuation of the equity method is recognized in the current period's profit or loss. For all amounts related to the investment that were previously recognized in other comprehensive income, the accounting treatment is the same as that followed by associated enterprises or joint ventures when they dispose of related assets or liabilities. In other words, if the benefit or loss previously recognized in other comprehensive income must be reclassified to profit or loss when related assets or liabilities are disposed of, it must also be reclassified from equity to profit or loss when the Company ceases to apply the equity method. If a Group's ownership interest in an associated enterprise or joint venture decreases but it continues to apply the equity method, any previously recognized benefit or loss in other comprehensive income related to that decrease is adjusted by reclassification in proportion to the decrease.

When an associated enterprise issues new shares, if the Company does not subscribe according to its shareholding proportion, causing a change in its shareholding proportion and resulting in an increase or decrease in the investment's equity value, the adjustment is made to capital surplus and the equity method investment. If this adjustment reduces the capital surplus but the balance of the capital surplus generated by the equity method investment is insufficient, the difference is debited to retained earnings. However, if the Company's failure to subscribe according to its shareholding proportion results in a decrease in its ownership interest in the associated enterprise, any amount previously recognized in other comprehensive income related to that associated enterprise and reduced proportionately is reclassified in the same manner as the associated enterprise would follow if it directly disposed of related assets or liabilities.

(9) Investment in subsidiary

The subsidiaries in which the Company holds controlling interest are accounted for under equity method in the financial statements. Under equity method, the net income, other comprehensive income and equity in the financial statement are the same as those attributable to the owners of parent in the consolidated financial statements.

The changes in ownership of the subsidiaries are recognized as equity transaction.

(10) Leases

A. Lease judgment

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

(a) the contract involves the use of an identified asset that is either explicitly specified in the contract or implicitly specified at the time it is made available for use, and the asset is physically distinct or represents substantially all of the capacity of a larger asset. If the supplier has a substantive right to substitute the asset, the asset is not an identified asset.

(b) The lessee has the righ(t to obtain substantially all of the economic benefits from the use of the identified asset over the lease term.

(c) The lessee has the right to direct the use of the identified asset throughout the lease term in either of the following circumstances:

- The lessee has the right to operate the asset throughout the lease term, and the supplier has no substantive right to change those operating instructions.
- The lessee designed the asset in a way that predetermines how it will be used throughout the lease term.

When a lease is established or when a contract is reassessed to determine whether it contains a lease, the Company allocates the consideration in the contract to each lease component on a relative standalone price basis. However, when leasing land and buildings, the Company elects not to separate non-lease components and accounts for the lease and non-lease components as a single lease component.

B. As a lease

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

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

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

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

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

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

- there is a change in future lease payments arising from the change in an index or rate; or
- there is a change in the Company’ s estimate of the amount expected to be payable under a residual value guarantee; or
- there is a change in the lease term resulting from a change of its assessment on whether it will exercise an option to purchase the underlying asset, or
- there is a change of its assessment on whether it will exercise a extension or termination option; or
- there is any lease modifications

When the lease liability is remeasured, other than lease modifications, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or in profit and loss if the carrying amount of the right-of-use asset has been reduced to zero.

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

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

The Company has elected not to recognize right-of-use assets and lease liabilities for short-term leases of machinery that have a lease term of 12 months or less and leases of low-value assets. The Company recognizes the lease payments associated with these leases as expenses on a straight-line basis over the lease term.

C. As a lessor

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

If an arrangement contains lease and non-lease components, the Company applies IFRS15 to allocate the consideration in the contract.

The assets held under finance leases are expressed as receivables from finance leases in the amount of net investment in leases. The original direct costs incurred in negotiating and arranging operating leases are included in the net investment in leases. The net investment in leases is recognized as interest income over the lease term in a form that reflects a fixed rate of return for each period.

The Company recognizes lease payments received under operating leases as income on a straight- line basis over the lease term as part of ‘other income’.

(11) Property, plant and equipment

A. Recognition and measurement

Property, plant and equipment are recognized and measured using the cost model, which involves measuring the asset at cost less accumulated depreciation and accumulated impairment losses. Cost includes expenses directly attributable to acquiring the asset. The cost of self-constructed assets includes the cost of materials and direct labor, any other directly attributable costs necessary to bring the asset to its intended use, the dismantling and removal of the item and the restoration of the site, and borrowing costs that meet the criteria for capitalization of assets. In addition, cost also includes the portion of real estate, plant, and equipment purchased using foreign currency, which is transferred from equity due to effective cash flow hedging, and software purchased for the purpose of integrating the related equipment functions is also capitalized as part of that equipment. When real estate, plant, and equipment consist of different components and different depreciation rates or methods are more appropriate relative to the total cost of the project, they are treated as separate items (main components) of real estate, plant, and equipment.

The gain or loss on disposal of property, plant and equipment is determined by the difference between the carrying amount of the asset and the proceeds from its disposal, and is recognized as a net amount in "other income and expenses" in the statement of comprehensive income.

B. Subsequent cost

If subsequent expenditures on the property, plant, and equipment items are expected to generate future economic benefits that are likely to flow into the Company, and their amounts can be reliably measured, such expenditures shall be recognized as part of the carrying amount of the item. The carrying amount of the reset portion shall be excluded. The day-to-day maintenance costs of property, plant, and equipment shall be recognized in profit or loss when incurred.

C. Depreciation

Depreciation is calculated using the straight-line method based on the estimated useful life of the asset, after deducting the residual value from the asset cost. The major components of the asset are evaluated separately, and if the useful life of a component is different from the other parts of the asset, depreciation for that component should be separately recognized. The provision for depreciation is recognized as an expense.

Land is not depreciated.

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

Buildings	2～60years
Transportation equipment	2～15 years
Test equipment	2～10 years
Other equipment	2～40 years

Depreciation methods, useful lives and residual values are reviewed at each reporting date and adjusted if appropriate. The change is handled in accordance with the accounting estimate change policy.

(12) Investment property

Investment property refers to real estate held for the purpose of earning rental income, for capital appreciation, or both, rather than for use in the production of goods or services, for administrative purposes, or for sale in the normal course of business. Investment property is initially recognized at cost and subsequently measured using the cost model. Depreciation is calculated based on the depreciable amount and is recognized as an expense after recognition, with the depreciation method, useful life, and residual value being the same as those for real estate, plant, and equipment. The cost of investment property includes directly attributable costs to acquire the investment property, and for investment property that is constructed by the entity, it includes any directly attributable costs to bring the investment property to the condition necessary for it to be capable of operating in the manner intended. Borrowing costs related to the construction of investment property may also be capitalized.

When the use of investment property changes and it is reclassified as property, plant and equipment, it is reclassified at the carrying amount at the date of change in use.

(13) Intangible assets

Intangible assets with finite useful lives acquired separately are initially measured at cost, and subsequently measured at cost less accumulated amortization and accumulated impairment losses. The useful lives of intangible assets are amortized on a straight-line basis over their estimated useful lives. At the end of each fiscal year, the estimated useful lives, residual values and amortization methods are reviewed, and the effects of any changes are deferred and accounted for as accounting estimate changes. When an intangible asset is disposed of, the difference between the net disposal proceeds and the carrying amount of the asset is recognized in the current period's income statement.

(14) Impairment of non-financial assets

At each reporting date, the Company reviews the carrying amounts of its non-financial assets (other than deferred tax assets) to determine whether there is any indication of impairment. The Company shall estimate the recoverable amount of individual assets which have an indication of impairment. If it is not possible to estimate the recoverable amount of an individual asset, the Company shall estimate the recoverable amount of the cash-generating unit to which the asset belongs in order to assess impairment.

The recoverable amount of an asset or CGU is the greater of its value in use and its fair value less costs to sell. If the recoverable amount of an individual asset or cash-generating unit is less than its carrying amount, the carrying amount of the individual asset or the cash-generating unit shall be reduced to its recoverable amount, and an impairment loss shall be recognized. Impairment losses are recognized in profit or loss.

The Company re-evaluates on each reporting date whether there is any indication that the impairment loss recognized in prior years for non-financial assets other than goodwill may no longer exist or may have decreased. If there is any change in the estimates used to determine the recoverable amount, the impairment loss is reversed, increasing the carrying amount of the individual asset or cash-generating unit to its recoverable amount, but not exceeding the carrying amount that would have been determined, net of depreciation or amortization, if no impairment loss had been recognized in prior years.

Non-indefinite life intangible assets and intangible assets not yet available for use are subject to impairment testing on a regular basis, and impairment losses are recognized for the portion of the carrying amount that exceeds the recoverable amount.

(15) Provision of liabilities

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

<u>Warranty</u>

In accordance with the Company's published environmental policy and applicable legal requirements, a provision for warranty in respect of contaminated land is recognized when the land is contaminated.

(16) Revenue from contracts with customers

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

A. Sale of goods

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

B. Labor income

The revenue from services is derived from device installation services. The Company recognizes revenue for device installation services provided to customers over time. As the cost of the device installation is directly related to the degree of completion of the performance obligation, the Company measures the progress of completion by the ratio of actual cost incurred to total expected cost.

The Company gradually recognizes contract assets during the device installation process and converts them into accounts receivable when invoices are issued. If the amount of the device installation payment received exceeds the recognized revenue, the difference is recognized as a contract liability. The device installation retention payment withheld by the customer in accordance with the contract terms is intended to ensure that the Company fulfills all contract obligations and is recognized as a contract asset before the Company completes the performance obligation.

If the outcome of the performance obligation cannot be reliably measured, the device revenue is recognized only within the scope of the expected recoverable costs already incurred to meet the performance obligation.

C. Financing components

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

(17) Employee benefits

A. Defined contribution plans

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

B. Defined benefit plans

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

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

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

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

C. Long-term employee benefits

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

(18) Income taxes

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

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

Current taxes comprise the expected tax payables or receivables on the taxable profits (losses) for the year and any adjustment to the tax payable or receivable in respect of previous years. The amount of current tax payables or receivables are the best estimate of the tax amount expected to be paid or received that reflects uncertainty related to income taxes, if any. It is measured using tax rates enacted or substantively enacted at the reporting date.

Deferred taxes arise due to temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and their respective tax bases. Deferred taxes are recognized except for the following:

(a) temporary differences on the initial recognition of assets and liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profits (losses) at the time of the transaction;

(b) temporary differences related to investments in subsidiaries, associates and joint arrangements to the extent that the Company is able to control the timing of the reversal of the temporary differences and it is probable that they will not reverse in the foreseeable future; and

(c) taxable temporary differences arising on the initial recognition of goodwill.

Deferred tax assets are recognized for the carry forward of unused tax losses, unused tax credits, and deductible temporary differences to the extent that it is probable that future taxable profits will be available against which they can be utilized. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefits will be realized; such reductions are reversed when the probability of future taxable profits improves.

Deferred taxes are measured at tax rates that are expected to be applied to temporary differences when they reserve, using tax rates enacted or substantively enacted at the reporting date.

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

(a) the Company has a legally enforceable right to set off current tax assets against current tax liabilities ; and

(b) the deferred tax assets and the deferred tax liabilities relate to income taxes levied by the same taxation authority on either:

(c) the same taxable entity; or

(d) different taxable entities which intend to settle current tax assets and liabilities on a net basis, or to realize the assets and liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

For unused tax losses and unused tax credits carried forward and temporary differences, which are very likely to be available for offset against future taxable income, they are recognized as deferred tax assets. They are reassessed on each reporting date and any related tax benefits that are not likely to be realized are reduced accordingly.

(19) Earnings per share

The Company discloses the Company' s basic and diluted earnings per share attributable to ordinary shareholders of the Company. Basic earnings per share is calculated as the profit attributable to ordinary shareholders of the Company divided by the weighted average number of ordinary shares outstanding. Diluted earnings per share is calculated as the profit attributable to ordinary shareholders of the Company divided by the weighted average number of ordinary shares outstanding after adjustment for the effects of all potentially dilutive ordinary shares.

(20) Operating segments

The Company has disclosed operating segments in the consolidated financial statements. Please refer to the consolidated financial statements.

5. Significant accounting assumptions and judgments, and major sources of estimation uncertainty:

The preparation of the financial statements in conformity with the Regulations and IRSs endorsed by the FC requires management to make judgments, estimates, and assumptions that affect the application of the accounting policies and the reported amount of assets, liabilities, income, and expenses. Actual results may differ from these estimates.

The management continues to monitor the accounting estimates and assumptions. The management recognizes any changes in accounting estimates during the period and the impact of those changes in accounting estimates in the next period.

Accounting policies involving significant judgment and having a significant impact on the amounts recognized in the financial statements are disclosed in Note 6(c), including information regarding uncertainties related to assumptions and estimates that carry a significant risk of causing a material adjustment in the next fiscal year. This includes information related to the assessment of impairment of accounts receivable.

6. Explanation of significant accounts:

(a) Cash and cash equivalents

		2023.12.31	2022.12.31
Petty cash	$	1,195	1,175
Cash in banks		110,396	92,790
	$	**111,591**	**93,965**

Please refer to note 6(v) for the interest rate risk and sensitivity analysis of the financial assets and liabilities of the Company.

(b) Financial assets

(1) The details of financial assets of the Company were as follows:

		2023.12.31	2022.12.31
Financil assets at fair value through profit or loss	**$**	**9,059**	**15,027**
Financial assets at fair value through other comprehensive income	**$**	**1,056,657**	**936,044**
Financial assets measured at amortized cost- Time deposits with original maturity exceeding 3 months.	**$**	**517,811**	**455,138**
Current	**$**	**1,289,272**	**1,111,954**
Non-Current	**$**	**294,255**	**294,255**

(2) In December 31 of the years 2023 and 2022, the financial assets measured at amortized cost held by the merged company have been detailed as long-term loans and financing facilities guarantee, please refer to Note 8 for details.

(3) The Company has already disclosed credit, currency, and interest rate risks related to financial instruments in Note 6 (v).

(c) Note and trade receivables

		2023.12.31	2022.12.31
Note receivables	$	37,663	78,457
Trade receivables		1,377,437	1,137,208
Non-accrual Loans		936	936
Less: Loss allowance		(27,310)	(29,801)
	$	**1,388,726**	**1,186,800**

(1) The Company applies the simplified approach to provide for its expected credit losses, i.e. the use of lifetime expected loss provision for all receivables. To measure the expected credit losses, trade receivables have been grouped based on shared credit risk characteristics and the days past due, as well as incorporated forward looking information, including macroeconomic and relevant industry information. The loss allowance provisions were determined as follows:

	2023.12.31			
		Gross carrying amount	**Weighted-average loss rate**	**Loss allowance provisoon**
Less than 30 days past due	$	472,300	1%	4,769
31 to 365 days		782,897	1%	8,296
1 to 2 years		135,900	2.3%	3,183
2 to 3 years		14,857	7%	980
Over 3 years		10,082	100%	10,082
	$	**1,416,036**		**27,310**

	2022.12.31			
		Gross carrying amount	Weighted-average loss rate	Loss allowance provisoon
Less than 30 days past due	$	531,756	1%	5,372
31 to 365 days		500,460	1%	5,348
1 to 2 years		134,120	3%	4,185
2 to 3 years		38,041	7%	2,672
Over 3 years		12,224	100%	12,224
	$	**1,216,601**		**29,801**

(2) The movement in the allowance for notes and trade receivables were as follows：

		2023	2022
Balance at January 1	$	29,801	34,524
Gains on reversal of impairment loss		(368)	(3,418)
Reclassification to contract assets		(1,494)	(22)
Amounts written off		(629)	(1,283)
Balance at December 31	**$**	**27,310**	**29,801**

(3) Borrowings：

As of December 31, 2023 and 2022, the Company didn't provide any receivables as collateral for its borrowings.

(d) Inventory

		2023.12.31	2022.12.31
Raw materials	$	668,935	458,884
Work in progress		704,250	636,338
Finished goods		337,004	264,758
Parking space for sale-DaZhi construction case		1,053	1,053
	$	**1,711,242**	**1,361,033**

During 2023 and 2022, inventory write-down to net realizable value resulted in the recognition of inventory impairment losses (reversal of impairment losses) of $15,481 thousands and $15,844 thousands, respectively, which were recorded as cost of sales.

As of December 31, 2023 and 2022, the inventory of the Company has not been pledged or collateralized

(e) Investments accounted for using equity method

	2023.12.31	2022.12.31
Subsidiary	$ 846,011	686,235
Associates	370,944	376,537
	$ 1,216,955	**1,062,772**

(1) Subsidiary

i. Refer to the consolidated financial statements for detailed information on subsidiaries.

ii. The Company's investments accounted for using equity method, the details of its investment income(loss) are as follows:

	2023	2022
Amount attributable to the Company		
Current profits	$ 19,432	37,742
Other comprehensive income	75,804	(123,949)
Total comprehensive income	**$ 95,236**	**(86,207)**

(2) Associates

Subsidiary	Nature of business	Establishment and Operating Locations	Amount		Shareholding ratio	
			2023.12.31	2022.12.31	2023.12.31	2022.12.31
Libaidai Construction & Development Co., Ltd.	Housing and Building Development and Rental	R.O.C.	**$ 370,944**	**376,537**	24.52%	24.52%

i. The components of investments accounted for using the equity method at the reporting date were as follows:

	2023.12.31	2022.12.31
The year-end aggregate carrying amount of the equity method investees of the Company	**$ 1,512,820**	**1,535,631**
Share attributable to the Company	**$ 370,944**	**376,537**

	2023	2022
Net loss	$ (5,593)	(3,555)
Other comprehensive income(loss)	-	-
Comprehensive income	**$ (5,593)**	**(3,555)**

ii. Guarantee

As of December 31, 2023 and 2022, the Company did not provide any investments accounted for using the equity method as collateral for its loans.

(f) Property, plan and equipment

The cost, depreciation, and impairment of the property, plant and equipment of the Company for the years ended December 31, 2023 and 2022, were as follows:

	Land	Land improvement	Buildings and construction	Machinery Equipment	Transportation equipment	Other equipment	Total
Cost or deemed cost:							
Balance on January 1, 2023	$ 3,070,194	1,164	529,718	1,131,249	41,095	211,852	4,985,272
Additions	-	-	21,639	6,510	3,083	2,118	33,350
Disposals	-	-	(194)	(20,616)	(1,315)	(3,708)	(25,833)
Reclassifications	-	-	-	-	-	1,334	1,334
Balance on December 31, 2023	**$ 3,070,194**	**1,164**	**551,163**	**1,117,143**	**42,863**	**211,596**	**4,994,123**
Balance on January 1, 2022	$ 3,070,194	-	526,028	1,123,629	40,399	211,857	4,972,107
Additions	-	1,164	4,300	11,215	696	2,713	20,088
Disposals	-	-	(610)	(3,595)	-	(2,382)	(6,587)
Reclassifications	-	-	-	-	-	(336)	(336)
Balance on December 31, 2022	**$ 3,070,194**	**1,164**	**529,718**	**1,131,249**	**41,095**	**211,852**	**4,985,272**
Depreciation and impairments loss:							
Balance on January 1, 2023	$ -	89	425,671	1,046,676	33,268	192,720	1,698,424
Depreciation	-	101	8,203	12,468	2,280	3,438	26,490
Disposals	-	-	(194)	(20,612)	(1,315)	(3,708)	(25,829)
Balance on December 31, 2023	**$ -**	**190**	**433,680**	**1,038,532**	**34,233**	**192,450**	**1,699,085**
Balance on January 1, 2022	$ -	-	418,236	1,036,901	30,861	190,731	1,676,729
Depreciation	-	89	8,045	13,370	2,407	4,352	28,263
Disposals	-	-	(610)	(3,595)	-	(2,363)	(6,568)
Balance on December 31, 2022	**$ -**	**89**	**425,671**	**1,046,676**	**33,268**	**192,720**	**1,698,424**
Carrying amounts:							
Balance on December 31, 2023	**$ 3,070,194**	**974**	**117,483**	**78,611**	**8,630**	**19,146**	**3,295,038**
Balance on December 31, 2022	**$ 3,070,194**	**1,075**	**104,047**	**84,573**	**7,827**	**19,132**	**3,286,848**

As of December 31, 2023 and 2022, the details of long-term borrowings and financing facilities secured have been disclosed in Note 8.

(g) Right-of-use assets

The cost and depreciation of the leased buildings were as follows:

	Buildings	Total
Cost:		
Balance on January 1, 2023	29,508	29,508
Balance on December 31, 2023	**29,508**	**29,508**
Balance on January 1, 2022	6,365	6,365
Additions	26,372	26,372
Disposal /Write-off	(3,229)	(3,229)
Balance on December 31, 2022	**29,508**	**29,508**
Accumulated deprecition：		
Balance on January 1, 2023	2,872	2,872
Depreciation	3,563	3,563
Balance on December 31, 2023	**6,435**	**6,435**
Balance on January 1, 2022	2,996	2,996
Depreciation	3,105	3,105
Disposal /Write-off	(3,229)	(3,229)
Balance on December 31, 2022	**2,872**	**2,872**
Carrrying amounts		
Balance on December 31, 2023	**23,073**	**23,073**
Balance on December 31, 2022	**26,636**	**26,636**

(h) Investment property

The details of changes in investment properties of the merged company are as follows:

		Land	Net buildings and construction	Total
Cost				
Balance on January 1, 2023	$	500,965	417,814	918,779
Balance on December 31, 2023	**$**	**500,965**	**417,814**	**918,779**
Balance on January 1, 2022	$	506,562	422,379	928,941
Disposal		(5,597)	(4,565)	(10,162)
Balance on December 31, 2022	**$**	**500,965**	**417,814**	**918,779**
Accumulated depreciation				
Balance on January 1, 2023	$	111,951	249,598	361,549
Depreciation		-	8,541	8,541
Balance on December 31, 2023	**$**	**111,951**	**258,139**	**370,090**
Balance on January 1, 2022	$	111,951	242,621	354,572
Depreciation		-	8,584	8,584
Disposal		-	(1,607)	(1,607)
Balance on December 31, 2022	**$**	**111,951**	**249,598**	**361,549**
Carrying amounts				
Balance on December 31, 2023	**$**	**389,014**	**159,675**	**548,689**
Balance on December 31, 2022	**$**	**389,014**	**168,216**	**557,230**

The fair value of our investment properties as of December 31, 2023 and 2022 was $1,488,793 thousands and $1,427,147 thousands, respectively. The fair value was determined based on market evidence from similar property transactions. However, one of the properties, an agricultural land held under an individual's name, was difficult to value due to infrequent comparable market transactions and lack of reliable substitute fair value estimates. Therefore, the Company entered into agreements with each of the owners and established other rights, declaring that the Company are the owner of the land. The land ownership certificates are held by the Company.

Please refer to Note 8 for details of the long-term borrowings and financing facilities secured by our investment properties as of December 31, 2023 and 2022.

(i) Short-term borrowings

The short-term borrowings were summarized as follows:

		2023.12.31	2022.12.31
Guaranteed bank loans	$	1,448,844	1,006,000
Unsecured bank loans		405,000	292,000
Unsecured Letter of Credit Loan		32,298	27,953
Total	$	**1,886,142**	**1,325,953**
Unused short-term credit lines	$	**2,308,858**	**2,849,047**
Range of interest rates		**1.00%~1.854%**	**1.186%~1.85%**

Please refer to Note 8 for details on the Company's collateralization of assets for bank borrowings.

(j) short-term notes payable

The detailed information on the Company's short-term notes payable is as follows:

	2023.12.31		
	Acceptance Institution	**Interest rate range**	**Amount**
Commercial papers payable	Mega Bills	1.65%	$ 80,000
Loss: Discount on short-tern notes and bills payable			(16)
Total			**$ 79,984**

(k) Provision for liabilities

Warranty preparation	2023	2022
Opening Balance	$ 2,407	2,589
Provision for liabilities recognized (reversed) in the current period	242	(182)
Ending balance	**$ 2,649**	**2,407**

In 2023 and 2022, the Company's warranty liability reserve was the present value of the best estimate of future economic benefit outflows by the management of the Company in accordance with the sales contract. This estimate is based on historical warranty experience, and is adjusted in consideration of new raw materials, process changes, or other factors that affect product quality.

(l) Lease liabilities

The Company’s lease liabilities were as follows:

	2023.12.31	2022.12.31
Current	$ 2,909	3,480
Non-current	20,328	23,236
	$ 23,237	**26,716**

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

The amounts recognized in profit or loss were as follow:

	2023	2022
Interest on lease liabilities	**$ 210**	**169**
Short-term or low value lease expenses	**$ 8,026**	**935**

The amounts recognized in the statement of cash flows for the Company were as follows：

	2023	2022
Total cash outflow for leases	**$ 3,479**	**3,041**

(m) Operating lease

Non-cancellable operating lease rentals payable was as follows:

		2023.12.31	2022.12.31
Less than one year	$	31,243	40,184
One to five years		107,895	131,440
	$	**139,138**	**171,624**

The company leases the investment real estate owned by the merged company under an operating lease, with a lease period of 1 to 15 years.

(n) Employee benefits

(1) Defined benefits plans

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

		2023.12.31	2022.12.31
Present Value of the defined Benefit Obligations	$	136,125	147,445
Fair value of plan assets		(148,496)	(159,047)
Net defined benefit liability	**$**	**(12,371)**	**(11,602)**

The Company makes defined benefit plan contributions to the pension fund account with Bank of Taiwan and Insurance account with Bank of Nan Shan that provides pensions for employees upon retirement. Plans (covered by the Labor Standards Law) entitle a retired employees to received retirement benefits based on years of service and average monthly salary for the six months prior to retirement.

i. Composition of plan assets

The Company allocates pension funds in accordance with the Regulations for Revenues, Expenditures, Safeguard and Utilization of the Labor Retirement Fund, and such funds are managed by the Bureau of Labor Funds, Ministry of Labor. With regard to the utilization of the funds, minimum earnings shall be no less than the earnings attainable from two-year time deposits with interest rates offered by local banks.

The Company's Bank of Taiwan labor pension reserve account balance and Insurance account with Bank of Nan Shan amounted to $148,496 thousands as of December 31,2023. For information on the utilization of the labor pension fund assets, including the asset allocation and yield of the fund, please refer to the website of the Bureau of Labor Funds, Ministry of Labor.

ii. Movements in present value of the defined benefit obligations

For the year ended December 31, 2023 and 2022, the movement in present value of the defined benefit obligations for the Company were as follows:

		2023	2022
Defined benefit obligations as of January 1	$	147,445	173,262
Current service costs and interest cost		2,819	1,906
Net remeasurements of defined benefit liabilities:			
- Actuarial losses arising from changes in population assumptions		-	-
- Actuarial losses arising from changes in financial assumptions		1,246	(10,998)
- Experience adjustment		1,070	5,183
Benefits paid by the plan		(16,455)	(21,908)
Defined benefit obligations as of December 31	**$**	**136,125**	**147,445**

iii. Movements of defined benefit plan assets

For the years ended December 31, 2023 and 2022, the movements in fair value of the plan assets were as follows:

		2023	2022
Fair value of plan assets as of January 1	$	159,047	159,002
Interest income		2,245	825
Net remeasurements of the defined benefit liabilities:			
- Return on plan assets (excluding the interest expense)		1,159	12,460
Actuarial gains arising from changes in financial assumptions		2,500	8,668
Benefits paid		(16,455)	(21,908)
Fair value of plan assets as of December 31	**$**	**148,496**	**159,047**

iv. Expenses recognized in profit or loss

For the years ended December 31, 2023 and 2022, the expenses recognized in profit or losses for the Company were as follows:

		2023	2022
Current service costs	$	792	1,040
Net interest expense of net defined benefit liabilities		(218)	41
	$	**574**	**1,081**
Manufacturing cost	$	370	887
Operating costs		127	141
Operating expenses		77	53
	$	**574**	**1,081**

v. Remeasurement of net defined benefit (liabilities) assets recognized in other comprehensive income

The Company's re-measurement of the net defined benefit (liabilities) assets recognized in other comprehensive income for the years ended December 31, 2023 and 2022, were as follows:

		2023	2022
Recognized during the period	**$**	**(1,157)**	**18,276**

vi. Actuarial assumptions

At the reporting date, the principal actuarial assumptions were as follows

	2023.12.31	2022.12.31
Discount rate	1.25%	1.375%
Future salary increasing rate	2.00%	2.00%

The Company expects to make contributions of $1,299 thousands to the defined benefit plans in the next year starting from December 31, 2023. The weighted-average lifetime of the defined benefits plans is 7.4 years.

vii. Sensitivity analysis

As of December 31, 2023 and 2022, if the actuarial assumptions had changed, the impact on the present value of the defined benefit obligation shall be as follows

		The impact of defined benefit obligations	
		Increase 0.25%	Decrease 0.25%
December 31, 2023			
Discount rate	$	(2,476)	2,547
Future salary increasing rate increased		2,483	(2,426)
December 31, 2022			
Discount rate		(2,935)	3,024
Future salary increasing rate increased		2,951	(2,879)

Reasonable possible changes at the reporting date to one of the relevant actuarial assumptions, holding other assumptions constant, would have affected the defined benefit obligation by the amounts shown above. The method used in the sensitivity analysis is consistent with the calculation of pension liabilities in the balance sheets.

The method and assumptions used on current sensitivity analysis is the same as those of the prior year.

(2) Defined contribution plans

The Company allocates 6% of each employee' s monthly wages to the labor pension personal account at the Bureau of Labor Insurance in accordance with the provisions of the Labor Pension Act. Under these defined contribution plans, the Company allocates a fixed amount to the Bureau of Labor Insurance without additional legal or constructive obligation.

The pension costs incurred from the contributions to the Bureau of the Labor Insurance amounted to $14,172 thousands and $13,690 thousands for the years ended December 31, 2023 and 2022, respectively.

(o) Income taxes

(1) Income tax

The components of income tax in the years 2023 and 2022 were as follows:

		2023	2022
Current tax expense			
Current period	$	117,620	68,841
Adjustment of previous year's income tax		(1,589)	(5,745)
Deferred tax expense			
Origination and reversal of temporary differences		(2,228)	(1,112)
Income tax expense (gains)	**$**	**113,803**	**61,984**

The amount of income tax expenses (benefit) recognized in other comprehensive income for the year endeds December 31, 2023 and 2022 were as follows

		2023	2022
Components that with not be reclassified to profit or loss			
Re-measurements of defined benefit plans	**$**	**231**	**(3,655)**

(2) Reconciliation of income tax and profit before tax for 2023 and 2022 is as follows:

		2023	2022
Profit excluding income tax	**$**	**587,968**	**390,234**
Income tax using the Company's domestic tax rate		117,594	78,047
Deferred income tax impact on subsidiary earnings		(965)	(1,270)
Non-deductible expenses		61	332
Tax exempt income		(11,146)	(16,456)
Undistributed Earnings		9,979	7,400
Change in unrecognized temporary difference		(1,720)	(6,069)
Total	**$**	**113,803**	**61,984**

(3) Deferred tax assets and liabilities

i. Unrecognized deferred tax assets

Deferred tax assets have not been recognized in respect of the following items:

		2023.12.31	2022.12.31
Differences of bad debts	$	5,949	8,429
Unrealized impairment on financial assets		115,689	115,689
Net loss on investment accounted for using equity method		217,777	222,602
Unrealized impairment on property, plant and equipment		10,000	10,000
Unrealized impairment on invesment property/rental asset		162,588	162,588
Deductible temporary differences	**$**	**512,003**	**519,308**

ii. Recognized deferred tax assets and liabilities

Changes in the amount of deferred tax assets and liabilities for 2023 and 2022 were as follows:

		Balance on January 1, 2023	Recognized in profit or loss	Recognized in other comprehensive income	Balance on December 31, 2023
Temporary difference					
Allowance for bad debts exceeded	$	1,686	(496)	-	1,190
Provision for inventory decline and sluggish loss		13,361	3,096	-	16,457
Unrealized exchange gains or losses		114	(36)	-	78
unrealized pension		(102)	(385)	231	(256)
Unrealized Warranty Costs		481	49	-	530
Land value increment tax provision		(726,937)	-	-	(726,937)
Deffered tax expense			2,228	231	
Net deferred income tax	$	(711,397)			(708,938)
The information expressed in the balance sheet is as follows:					
Deffered tax assets	$	15,540			17,999
Deffered tax liability	$	(726,937)			(726,937)

		Balance on January 1, 2022	Recognized in profit or loss	Recognized in other comprehensive income	Balance on December 31, 2022
Temporary difference					
Allowance for bad debts exceeded	$	2,324	(638)	-	1,686
Provision for inventory decline and sluggish loss		10,192	3,169	-	13,361
Unrealized exchange gains or losses		(21)	135	-	114
Unrealized pension		5,070	(1,517)	(3,655)	(102)
Unrealized Warranty Costs		518	(37)	-	481
Land value increment tax provision		(726,937)	-	-	(726,937)
Deffered tax expense			1,112	(3,655)	
Net deferred income tax	$	(708,854)			(711,397)
The information expressed in the balance sheet is as follows:					
Deffered tax assets	$	18,104			15,540
Deffered tax liability	$	(726,958)			(726,937)

iii. Profit-seeking enterprise income tax administrative remedies

The settlement and filing of the Profit-seeking enterprise income tax for the Company has been verified by the tax authorities up to the fiscal year ending in 2021. However, the Company has disputed the content of the tax assessment and penalty for the fiscal year ending in 2013, in the amount of $8,913 thousands and a penalty of 0.5 times the amount of tax owed. After review and appeal, the penalty has been reduced to 0.25 times the tax owed, but the other claims have been rejected. As of the reporting date, the Company has filed an administrative lawsuit and the original ruling has been overturned by the Supreme Administrative Court and remanded to the Taipei High Administrative Court for further review.

(p) Capital and other equity

(1) Common share

As of December 31, 2023 and 2022 the Company's authorized share capital consisted of 520,000 thousands shares of common share, with $10 dollars par value per share, of which 191,688 thousands shares were issued.

(2) Capital surplus

The balances of capital surplus as of December 31, 2023 and 2022, were as follows:

		2023.12.31	2022.12.31
Additional paid-in capital arising from ordinary share	$	410,081	410,081
Donated assests received		2,127	2,127
The change in net equity value of associated companies recognized through the equity method.		4,700	4,700
Treasury share transactions		148,881	133,091
Total	**$**	**565,789**	**549,999**

According to the R.O.C. Company Act, capital surplus can only be used to offset a deficit, and only the realized capital surplus can be used to increase the common stock or be distributed as cash dividends. The aforementioned realized capital surplus includes capital surplus resulting from premium on issuance of capital stock and earnings from donated assets received. According to the Regulations Governing the Offering and Issuance of Securities by Securities Issuers, capital increases by transferring capital surplus in excess of par value should not exceed 10% of the total common stock outstanding.

(3) Retained earnings

The Company's Articles of Incorporation stipulate that Company's net earnings should first be used to offset the prior years' deficits, if any, before paying any income taxes. Of the remaining balance, 10% is to be appropriated as legal reserve, and then any remaining profit together with any undistributed retained earnings shall be distributed according to the distribution plan proposed by the Board of Directors and submitted to the stockholders' meeting for approval.

In accordance with the Financial Supervisory Commission's Order No. 1010012865 issued on April 6, 2012, the Company shall allocate the same amount of the decrease in shareholders' equity (excluding treasury stock) for the current year from the undistributed earnings to the special reserve for earnings. When the amount of the decrease in shareholders' equity is reversed, the Company may distribute the earnings from the reversed portion.

The special reserve for earnings related to land may be reversed upon disposal or reclassification. The special reserve for earnings related to foreign operation entities (including subsidiaries) for the translation differences in financial statements is reversed according to the proportion of disposal by the Company. When the Company loses significant influence, the entire amount is reversed. When distributing earnings, the

Company should also allocate the difference between the other net decrease in shareholders' equity and the special reserve for earnings initially adopted under IFRSs as of the end of the reporting period. If there is a reversal of the net decrease in shareholders' equity balance in the future, the Company may distribute the earnings from the reversed portion.

The Company shall set aside a special reserve for earnings for the difference between the market price and the book value of the shares held by the subsidiary in the Company, based on the percentage of ownership. When the market price rises, the reserve may be partially reversed accordingly.

(4) Profit Distribution

i. The Company has passed the profit distribution plan for the fiscal year 2022 and 2021 respectively on June 27, 2023 and June 24, 2022 through the shareholders' meeting. The amount of dividends distributed to shareholders for both years is NT$0.5 per share in cash.

ii. Relevant information on the Company's historical profit distribution plans can be found on the Public Information Observation Platform.

(5) Other equity (net of tax)

	Unrealized gains (losses) from financial assets measured at fair value through other comprehensive income	Total
Balance on January 1, 2023	$ (111,016)	(111,016)
Unrealized gains from financial assets measured at fair value through other comprehensive income		
The Company	97,771	97,771
Subsidiary	75,804	75,804
Balance on December 31, 2023	**$ 62,559**	**62,559**

		Unrealized gains (losses) from financial assets measured at fair value through other comprehensive income	Total
Balance on January 1, 2022	$	74,514	74,514
Unrealized gains from financial assets measured at fair value through other comprehensive income			
The Company		(63,297)	(63,297)
Subsidiary		(123,949)	(123,949)
Disposal of instruments in equity instruments designated at fair value through other comprehensive income			
Subsidiary		1,716	1,716
Balance on December 31, 2022	**$**	**(111,016)**	**(111,016)**

(6) Treasury stock

The subsidiary companies of the Company, Hong Yu Xing Ye Co., Ltd.., Taiwan Cang Zhi Enterprise Co., Ltd.., and Kai Ze Enterprise Co., Ltd.., hold a total of $32,842 thousands shares of the Company's stock with a book value of NT$68 per share as of December 31, 2022, and have not been sold as of that date. As of December 31, 2023, the market price per share was NT$38.35, and as of December 31, 2022, it was NT$26.00. The shares held by the Company are considered as treasury stock and are not eligible for pledge, dividend distribution, or voting rights. The shares held by our subsidiary companies are also considered as treasury stock, and they are not eligible to participate in the Company's cash capital increase or exercise voting rights, but they have the same rights as other shareholders.

The treasury stock held by the Company cannot be pledged and does not have the right to receive dividends or vote. The subsidiary holding the Company's stock is treated as treasury stock, except that it cannot participate in the Company's cash capital increase and has no voting rights, all other shareholder rights are the same as those of ordinary shareholders.

(q) Earning per share

		2023	2022
Basic earning per share			
Profit attributable to common shareholders of the Company	$	**474,165**	**328,250**
Weighted-average number of common shares outstanding		**158,846**	**158,846**
Basic earnings per share (express in New Taiwan Dollar)	$	**2.99**	**2.07**
Diluted earning per share			
Profit attributable to common shareholders of the Company	$	**474,165**	**328,250**
Weighted-average number of common shares outstanding (diluted)		158,846	158,846
Effect of Dilutive Potential common Shares			
Employee compensation		29	27
Weighted-average number of common shares outstanding (diluted)		**158,875**	**158,873**
Diluted earnings per share (express in New Taiwan Dollar)	$	**2.98**	**2.07**

(r) Revenue from contracts with customers

(1) Disaggregation of revenue

	2023			
	Electronic chemicals	**Doors & Window department**	**Others**	**Total**
Client Contract Income:				
Sales revenue	$ 2,629,456	1,042,632	-	3,672,088
Equipment revenue	48,654	282,113	-	330,767
Other income	-	-	9,133	9,133
	$ 2,678,110	**1,324,745**	**9,133**	**4,011,988**

	2022			
	Electronic chemicals	**Doors & Window department**	**Others**	**Total**
Client Contract Income:				
Sales revenue	$ 2,219,670	937,039	-	3,156,709
Equipment revenue	34,739	266,336	-	301,075
Other income	-	-	8,841	8,841
	$ 2,254,409	**1,203,375**	**8,841**	**3,466,625**

(2) Contract balances

		2023.12.31	2022.12.31
Notes receivable	$	37,242	77,626
Receivables		1,351,484	1,109,174
	$	**1,388,726**	**1,186,800**

		2023.12.31	2022.12.31
Contract assets			
Retention money receivable	$	65,714	35,849
Receivables from construction contracts		7,560	20,527
Less: Allowance for losses		(3,286)	(1,792)
	$	**69,988**	**54,584**
Contract liabilities			
Advance payment	$	99,652	202,717
Construction contract payable		244,810	239,042
	$	**344,462**	**441,759**

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

(s) Employee compensation

According to the Company's articles of incorporation, if the Company has profits for the year, 0.1% shall be allocated for employee compensation. However, if the Company has accumulated losses, the amount necessary to make up for such losses shall be reserved in advance.

The profits for the year referred to in the preceding paragraph means that if the Company has a surplus in the year-end total settlement, taxes shall be paid first, followed by making up for past losses, and then 10% shall be set aside as the legal reserve, but this shall not apply if the legal reserve has reached the Company's paid-in capital. In addition, a special reserve shall be set up according to the Company's operational needs and legal requirements. If there is still a surplus in addition to the undistributed surplus at the beginning of the year, the Board of Directors shall propose a profit distribution plan and submit it to the shareholders' meeting for resolution.

The estimated amounts for employee compensation for the years 2023 and 2022 are $589 thousands and $390 thousands, respectively. These amounts were calculated based on the Company's pre-tax net profit for each period minus the employee compensation percentage specified in the Company's articles of incorporation, and were reported as operating costs and expenses for the respective years. Related information can be found on the Public Information Observation System. The actual amounts of employee compensation distributed in 2022 and 2021 were not different from the estimated amounts in the Company's financial statements for 2022 and 2021.

The employee compensation for the year 2023 is pending approval by the Board of Directors.

(t) Net other income (expenses)

The detail of net other income (expenses) were as follows:

	2023	2022
Rental income from investment real estate	$ 36,342	30,531
Depreciation of investment real estate	(8,541)	(8,584)
	$ 27,801	**21,947**

(u) Non-operating income and expenses

(1) Interest income

The details of interest income were as follows：

	2023	2022
Interest income from bank deposits	$ 5,443	2,928
Other interest income	2	55
Total interest income	**$ 5,445**	**2,983**

(2) Other revenue

The details of other revenue were as follows:

	2023	2022
Dividend revenue	$ 45,620	55,597
Others	61,016	19,132
	$ 106,636	**74,729**

(3) Other gains and losses

The details of other gains and losses were as follows:

	2023	2022
Foreign exchange gains	$ 6,358	(11,311)
Financial liabilities at fair value through profit or loss	1,386	(1,373)
Gains on disposals of investment property	-	(1,652)
Gains on disposals of property, plant and equipment	53	-
Others	(5,048)	(13,512)
	$ 2,749	**(27,848)**

(4) Financial costs

The details of the financial costs for the Company in 2023 and 2022 are as follows:

	2023	2022
Interest expense from bank loans	$ 33,425	17,939
Interest expense from lease liabilities	210	169
	$ 33,635	**18,108**

(v) Financial instruments

(1) Credit risk

i. Credit risk exposure

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

ii. Concentration of credit risk

The Company's customer base is concentrated in the large wire and cable industry, among others. In order to reduce credit risk, the Company continuously evaluates the financial status of its customers and may request collateral or guarantees if necessary. The Company also regularly evaluates the possibility of collecting accounts receivable and provides allowances for doubtful accounts, and the bad debt losses are always within the expected range of management. The counterparties and performance counterparties of the Company are all financially sound financial institutions and corporate organizations, so no significant credit risk is expected.

(2) Liquidity risk

The following table shows the contractual maturities of financial liabilities, including estimated interest payments and excluding the impact of netting agreements.

	Carrying amount	Contractual cash flow	Within 1 year	1-2 years	2-5 years	Over 5 years
December 31, 2023						
Non-derivative financial liabilities						
Non-interest-bearing liabilities	$ 598,954	598,954	598,954	-	-	-
Payables on equipment	1,886,142	1,886,142	1,886,142	-	-	-
Fixed rate instruments	79,984	79,984	79,984	-	-	-
Lease liabilities	23,237	24,446	3,087	1,743	5,231	14,385
	$ 2,588,317	**2,589,526**	**2,568,167**	**1,743**	**5,231**	**14,385**
December 31, 2022						
Non-derivative financial liabilities						
Non-interest-bearing liabilities	$ 747,920	747,920	747,920	-	-	-
Payables on equipment	1,325,953	1,325,953	1,325,953	-	-	-
Lease liabilities	26,716	28,136	3,690	3,087	5,231	16,128
	$ 2,100,589	**2,102,009**	**2,077,563**	**3,087**	**5,231**	**16,128**

The Company does not expect the cash flows included in the maturity analysis to occur significantly earlier or at significantly different amounts.

(3) Currency risk

i. Exposure to foreign currency risk

The Company's significant exposure to foreign currency risk was as follows:

	2023.12.31			2022.12.31		
	Foreign currency	Exchange rate	NTD	Foreign currency	Exchange rate	NTD
Financial assets						
Monetary items						
USD	$ 27	30.705	834	52	30.71	1,590
Financial liabilities						
Monetary items						
USD	-	-	-	237	30.71	7,288
JPY	148,703	0.2172	32,298	89,369	0.2324	20,769

ii. Sensitivity analysis

The currency risk associated with the Company arises from cash and cash equivalents, financial assets measured at fair value through profit or loss, accounts receivable, and accounts payable denominated in foreign currencies, which generate foreign exchange gains or losses upon translation. Assuming that, on December 31, 2023 and 2022, the New Taiwan Dollar depreciates or appreciates by 1% against the US Dollar, Hong Kong Dollar, and Japanese Yen, while all other factors remain constant, the net profit for the years 2023 and 2022 will increase or decrease by $252 thousands and $212 thousands, respectively. The analysis for both periods is based on the same assumptions. Due to the variety of functional currencies in the Company, the information on foreign exchange gains or losses related to monetary items is disclosed by consolidation. The foreign exchange gains or losses (realized and unrealized) for the years 2023 and 2022 are a gain of $6,358 thousands and a loss of $11,311 thousands, respectively.

iii. Interest rate analysis

Please refer to the notes on liquidity risk management and interest rate exposure of the Company's financial assets and liabilities.

The following sensitivity analysis is based on the exposure to the interest rate risk of derivative and non-derivative financial instruments on the reporting date. Regarding assets with variable interest rates, the analysis is based on the assumption that the amount of assets outstanding at the reporting date was outstanding throughout the year. The rate of change is expressed as the interest rate increases or decreases by 1% when reporting to management internally, which also represents the Company management's assessment of the reasonably possible interest rate change.

If the interest rate had increased / decreased by 1% basis points, the Company's net income would have increased / decreased by $15,089 thousands and $10,608 thousands for the years ended December 31, 2023 and 2022 with all other variable factors remaining constant, respectively.

This is mainly due to the changes in the Company's variable-interest-rate-deposits.

(4) Fair value of financial instruments

i. Fair value hierarchy

For financial instruments not measured at fair value whose carrying amount is reasonably close to the fair value, and lease liabilities, disclosure of fair value information is not required.

	2023.12.31				
		Fair value			
	Carrying amount	Level 1	Level 2	Level 3	Total
Financil assets at fair value through profit or loss					
Beneficiary certificate	$ 9,058	9,058	-	-	9,058
Equity instruments without public quotations measured at fair value	1	-	-	1	1
Financial assets at fair value through other comprehensive income					
Stocks listed on domestic markets	$ 600,623	600,623	-	-	600,623
Equity instruments without public quotations measured at fair value	$ 456,034	-	-	456,034	456,034

	2022.12.31				
		Fair value			
	Carrying amount	Level 1	Level 2	Level 3	Total
Financil assets at fair value through profit or loss					
Beneficiary certificate	$ 15,026	15,026	-	-	15,026
Equity instruments without public quotations measured at fair value	$ 1	-	-	1	1
Financial assets at fair value through other comprehensive income					
Stocks listed on domestic markets	$ 484,984	484,984	-	-	484,984
Equity instruments without public quotations measured at fair value	$ 451,060	-	-	451,060	451,060

ii. Valuation techniques for financial instruments measured at fair value

Non-derivative instruments

If financial instruments have an active market with quoted prices, their fair value is determined based on the quoted prices in the active market. The market prices announced by the Taiwan Stock Exchange, over-the-counter equity exchange, or the centralized government bond exchange operated by the Taiwan Securities Association, which are identified as popular bonds, are the basis for the fair value of listed (over-the-counter) equity instruments and debt instruments with quoted prices in active markets.

If financial instruments can be obtained timely and regularly from an exchange, broker, underwriter, industry association, pricing service organization, or regulatory authority, and the price represents a fair market transaction that occurs regularly, then the financial instrument has a quoted price in an active market. If the aforementioned conditions are not met, then the market is considered inactive. Generally, a wide bid-ask spread, a significant increase in the bid-ask spread, or low trading volume are indicators of an inactive market.

iii. Transfers between Level 1 and Level 2

The Company didn't have any fair value transfer between levels for the years ended December 31, 2023 and 2022

iv. Reconciliation of Level 3 fair values

		Fair value through other comprehensive income Unquoted equity instruments
Balance on January 1, 2023	$	451,060
Total gains or losses:		
Recognized in other comprehensive income		4,974
Balance on December 31, 2023	**$**	**456,034**
Balance on January 1, 2022	$	455,107
Total gains or losses:		
Recognized in other comprehensive income		(4,047)
Balance on December 31, 2022	**$**	**451,060**

v. Quantified information on significant unobservable inputs (Level 3) used in fair value measurement

The following table shows significant unobservable inputs used in measuring the fair value of the Company's recurring Level 3 assets, which were added during the current period:

December 31, 2023

Item	Valuation technique	Sgnificant unobservable inputs	Inter-relationship between significant unobservable inputs and fair value measurement
Financial assets			
Measured at fair value through other comprehensive income - Unquoted equity instruments - AIC preferred shares.	This can be compared to the laws of listed and OTC companies and option pricing.	● Volatility: 50% ● Discount due to lack of market liquidity (10% as of 12/31/2023)	● The higher the volatility, the higher the fair value. ● The higher the discount, the lower the fair value.

For equity instruments that are measured at fair value but do not have an active market, except for the newly added level 3 recurring fair value measurement assets in this period, the asset approach is used. The overall value of the evaluated entity's assets and liabilities is assessed based on the valuation subject, taking into account the discount for lack of control and the liquidity risk.

vi. Fair value measurements in Level 3 – sensitivity analysis of reasonably possible alternative assumptions

The Company's measurements of financial instruments' fair value were reasonable, only if using different variables leading different results. For the fair value measurements in level 3, if changing valuation variables, would have the following effects on other comprehensive income on December 31, 2023 and 2022:

	Inputs	Upwards or Downwards	The fair value changes are reflected in other comprehensive income. Favorable	Unfavorable
December 31, 2023				
Financial assets measured at fair value through other comprehensive income – unlisted equity instruments - AIC preferred share	Martket liquidity	10%	$ 34,991	(34,991)
December 31, 2022				
Financial assets measured at fair value through other comprehensive income – unlisted equity instruments - AIC preferred share	Martket liquidity	10%	$ 23,540	(23,540)

(w) Financial risk management

(1) Overview

The Company has exposures to the following risks from its financial instruments:

i. credit risk

ii. liquidity risk

iii. market risk

The following likewise discusses the Company's objectives, policies and processes for measuring and managing the above mentioned risks. For more disclosures about the quantitative effects of these risks exposures, please refer to the respective notes in the accompanying financial statements.

(2) Structure of risk management

The Board of Directors has overall responsibility for the establishment and oversight of the risk management framework. The management of the Company reports regularly to the Board of Directors on its activities.

The Company's risk management policies are established to identify and analyze the risks faced by the Company, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Company's activities. The Company, through its training and management standards and procedures, aims to develop a disciplined and constructive control environment in which all employees understand their roles and obligations.

The Company's audit committee oversees how management monitors compliance with the Company' s risk management policies and procedures and reviews the adequacy of the risk management framework in relation to the risks faced by the Company. The Company's supervisor are assisted in its oversight role by Internal Audit. Internal Audit undertakes both regular and ad hoc reviews of risk management controls and procedures, the results of which are reported to the Board of Directors and the audit committee.

(3) Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to financial instruments fails to meet it contractual obligations that arises principally from the Company's accounts receivable and investments in securities

i. Accounts receivables and other receivable

To mitigate credit risks associated with accounts receivable, the Company continuously evaluates the financial condition of its customers to assess the collectability of its receivables. The Company regularly assesses the likelihood of collection of its accounts receivable and establishes allowances for doubtful accounts, which are within the expectations of management.

The Company maintains an allowance for doubtful accounts to reflect its estimate of losses on accounts receivable and other receivables that have occurred. The allowance consists primarily of specific loss components related to individual significant exposures, and a portfolio loss component established for losses that have occurred but have not been specifically identified for similar groups of assets. The portfolio loss allowance is determined based on historical payment statistics for similar financial assets.

ii. Investments

The exposure to credit risk for the bank deposits, fixed income investments, and other financial instruments is measured and monitored by the Company's finance department. The Company only deals with banks and financial institutions with good credit rating. The Company does not expect any counterparty above fails to meet its obligations, hence, there is no significant credit risk arising from these counterparties.

iii. Guarantees

The Company's policy is to provide financial guarantees only to wholly owned subsidiaries. As of December 31, 2023 and 2022, no other guarantees were outstanding.

(4) Liquidity risk

The Company manages sufficient cash and cash equivalents so as to cope with its operations and mitigate the effects of fluctuations in cash flows

(5) Market risk

Market risk refers to the risk that changes in market prices, such as exchange rates, interest rates, and equity prices, will affect the earnings or the value of financial instruments held by the Company. The objective of market risk management is to control the degree of exposure to market risk within an acceptable range and to optimize investment returns.

To manage market risk, the Company engages in derivative transactions, which result in financial liabilities. All transactions are executed in accordance with the guidelines set by the board of directors. Generally, the Company manages profit and loss fluctuations through the use of hedge accounting.

i. Currency risk

The Company is exposed to foreign exchange risk arising from sales and purchases transactions denominated in currencies other than the functional currency. The main currencies involved in such transactions are New Taiwan Dollar, US Dollar, and Japanese Yen.

ii. Interest rate risk

The policy of the Company is to ensure that the interest rate risk of borrowing is evaluated according to the international economic situation and market interest rates.

(x) Capital management

The Company's objectives for managing capital to safeguard the capacity to continue to operate, to continue to provide a return on shareholders, to maintain the interest of other related parties, and to maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the Company may adjust the dividend payment to the shareholders, reduce the capital for redistribution to shareholders, issue new shares or sell assets to settle any liabilities.

The Company and other entities in the same industry use the debt-to-equity ratio to manage capital. This ratio is the total net debt divided by the total capital. The net debt from the balance sheet is derived from the total liabilities less cash and cash equivalents. The total capital and equity include share capital, capital surplus, retained earnings, and other equity plus net debt.

There were no change in the Company's approach to capital management for the year ended December 31, 2023.

(y) Investing and financing activities not affecting current cash flow

Reconciliation of liabilities arising from financing activities were as follows:

	2023.1.1	Cash flows	Non-cash changes	2023.12.31
Short-tern borrowings	$ 1,325,953	560,189	-	1,886,142
Short-tern notes and bills payable	-	80,000	(16)	79,984
Guarantee deposits received	6,982	(220)	-	6,762
Lease liabilities	26,716	(3,479)	-	23,237
Total liabilities from financing activities	$ **1,359,651**	**636,490**	**(16)**	**1,996,125**

	2022.12.31	Cash flows	Non-cash changes	2022.12.31
Short-tern borrowings	$ 1,217,072	108,881	-	1,325,953
Short-tern notes and bills payable	49,982	(49,870)	(112)	-
Guarantee deposits received	5,236	1,746	-	6,982
Lease liabilities	3,385	(3,041)	26,372	26,716
Total liabilities from financing activities	**$ 1,275,675**	**57,716**	**26,260**	**1,359,651**

7. Related-party transactions

(a) Parent company and ultimate controlling company

The Company is the ultimate controlling party of the Company and its subsidiaries.

(b) Names and relationship with related parties

The followings are entities that have had transactions with related party during the periods covered in the financial statement.

Name of related party	Relationship with the Company
Great Universe Metal Building Materials Corp(Great Universe)	The chairman is the relative of the chairman of the Company
Chen Kuei-Jen	Relatives of main management

(c) Significant transactions with related parties

a. Sales

The amounts of significant sales by the Company to related parties were as follows:

Name of related party	2023	2022
Great Universe	**$ -**	**67**

The selling price of the goods sold to the related party mentioned above is based on the agreed price between both parties. The credit terms offered to the related party are equivalent to those offered to non-related parties.

b. Purchases

The purchases by the Company from related parties were as follows:

Name of related party	2023	2022
Great Universe	**$ 178**	**129**

The prices, payment terms and other terms and conditions of purchase transactions with related parties were not materially different from those of the third-party vendors.

c. Payables to Related Parties

The payables to related parties were as follows:

Account	Name of related party		2023.12.31	2022.12.31
Notes payable	Great Universe	$	5,823	23,568
Account payable	Great Universe		9,216	9,399
Other receivables	Great Universe		-	103
		$	**15,039**	**33,070**

d. Lease

The Company signed three-year lease contracts with Great Universe for office buildings in July 2021 and 2018, respectively, with a total contract value of $3,175 thousands and $3,024 thousands , based on reference to nearby office rental prices. They recognized right-of-use assets and lease liabilities of $3,137 thousands and $2,489 thousands , respectively, in July 2022 and upon first application of IFRS 16. Depreciation expenses of $1,045 thousands and $1,045 thousands and interest expenses of $9 and $17 thousands were recognized in 2023 and 2022, respectively, and the lease liability balance as of December 31, 2023 and 2022, respectively, was $528 and $1,578 thousands .

In April 2022, the Company signed a 15-year lease contract with Great Universe for leasing land, based on reference to nearby rental prices, with a total contract value of $26,154 thousands . They recognized right-of-use assets and lease liabilities of $24,620 thousands in April 2023. Depreciation expenses of $1,641 thousands and $1,231 thousands and interest expenses of $184 thousands and $146 thousnads were recognized in 2023 and 2022, respectively, and the lease liability balance as of December 31, 2023 and 2022, respectively, was $21,899 thousands and $23,459 thousands.

e. Other Related-party transactions

Account	Name of related party		2023	2022
Installation cost	Great Universe	$	(450)	(2,188)
Manufacturing cost - processing cost	Great Universe		(131,995)	(156,299)
Rent expense	Chen Kuei-Jen		(546)	(546)
Other income and expenses	Great Universe		694	567

(d) Key management personnel compensation

		2023	2022
Short-term employee compensation	**$**	**14,365**	**15,217**

8. Pledged assets

The carrying values of pledged assets were as follows:

Object	Object		2023.12.31	2022.12.31
Financial assets measured at amortized cost	Bank loan	$	517,811	455,138
Property, plant and equipment	Bank loan		2,879,534	2,882,000
Inverstment property	Bank loan		611,203	619,254
		$	**4,008,548**	**3,956,392**

9. Commitments and contingencies

The significant or unrecorded contract commitments and liabilities of the Company are as follows:

		2023.12.31	2022.12.31
Unused letter of credit issued	$	**152,824**	**180,913**
Short-term loan, performance bond, and warranty bond issued	$	**4,251,729**	**4,116,279**

10. Losses due to major disasters: None

11. Subsequent events: None

12. Other

(a) A summary of current-period employee benefits, depreciation, and amortization, by function, is as follows:

	2023			2022		
	Cost of Sale	**Operating Expense**	**Total**	**Cost of Sale**	**Operating Expense**	**Total**
Employee benefits						
Salary	304,143	81,143	385,286	291,824	88,966	380,790
Labor and health insurance	31,535	6,953	38,488	29,189	6,870	36,059
Pension	11,218	3,528	14,746	12,132	2,639	14,771
Director's remuneration	-	2,040	2,040	-	1,320	1,320
Others	11,277	1,209	12,486	10,289	1,268	11,557
Depreciation	19,186	19,408	38,594	20,447	19,524	39,971
Amortization	136	351	487	136	-	136

The additional information regarding the number of employees and employee benefits expenses for the Company in 2023 and 2022 is as follows:

	2023	2022
Number of employees	**628**	**621**
The number of directors who do not serve concurrently as employees	**3**	**3**
Average employee benefit cost	**$ 722**	**717**
Average employee salary cost	**$ 616**	**616**
Adjustment of average employee salary expenses	**$ -**	**3.01%**

The information regarding the Company's compensation policy (including directors, managers, and employees) is as follows:

a. Director compensation includes a fixed monthly amount for business-related expenses and the chairman's salary. The Company's articles of incorporation do not stipulate any allocation of director compensation in the event of annual profits.

b. Manager compensation is based on the Company's business strategy, profitability, performance, and contributions, as well as market salaries, job allowances, and various subsidies. In accordance with the Company's articles of incorporation, 0.1% of pre-tax profits should be allocated for employee compensation in the event of annual profits. However, the Company must reserve compensation funds in advance when there are accumulated losses.

c. Employee compensation mainly includes basic salary (including base pay, job allowances, and various subsidies), year-end bonuses, and performance incentives.

   i. Salary standards are set based on market salary trends, company operations, and organizational structure, and may be adjusted according to market salary trends, overall economic and industry conditions, and government regulations.

   ii. Employee compensation is determined based on their educational background, professional knowledge and skills, professional experience, and individual performance, without discrimination based on age, gender, race, religion, political views, marital status, or union affiliation.

   iii. The starting salary standard for employees with no work experience complies with government regulations.

   iv. In accordance with the Company's articles of incorporation, 0.1% of pre-tax profits should be allocated for employee compensation in the event of annual profits. However, the Company must reserve compensation funds in advance when there are accumulated losses.

(b) In 2022, the Covid-19 pandemic continued to spread around the world, leading to the implementation of quarantine and travel restrictions for some of the subsidiary companies, customers, and suppliers in certain regions. However, the Company assessed that there was no significant impact on its overall business and financial aspects. There were also no concerns regarding its ability to continue operations, asset impairment, or fundraising risks.

13. Other disclosures

(a) Information on significant transactions:

The following is the information on significant transactions required by the "Regulations Governing the Preparation of Financial Reports by Securities Issuers" for the Company:

(1) Loans to other parties: None

(2) Guarantees and endorsements for other parties: None

(3) Securities held as of December 31, 2023 (excluding investment in subsidiaries, associates and joint ventures): Table 1

(4) Individual securities acquired or disposed of with accumulated amount exceeding the lower of NT$300 million or 20% of the capital stock: None

(5) Acquisition of individual real estate with amount exceeding the lower of NT$300 million or 20% of the capital stock: None

(6) Disposal of individual real estate with amount exceeding the lower of NT$300 million or 20% of the capital stock: None

(7) Related-party transactions for purchases and sales with amounts exceeding the lower of NT$100 million or 20% of the capital stock:None

(8) Receivables from related parties with amounts exceeding the lower of NT$100 million or 20% of the capital stock: None

(9) Trading in derivative instruments: None

(b) Information on investees:

The following is the information on investees for the years ended December 31, 2023 (excluding information on investees in Mainland China): Table 2

(c) Information on investment in mainland China: None.

(d) Major shareholders：Table 3

14. Segment information

Please refer to the consolidated financial statements for the year ended December 31, 2023 for disclosure of segment information.

CHINA WIRE & CABLE CO.,LTD.

(In thousands of New Taiwan Dollar, unless stated otherwise)

Table 1: Securities held as of December 31,2023

Name of holder	Category and name of securitiy	Relationship with company	Account	Ending balance				Note
				Shares/Units (Thousands)	Carrying value	Percentage of Ownership(%)	Fair value	
China Wire & Cable Co.,Ltd.	Stocks							
	Lucky Cement Co., Ltd.	-	Financial assets at FVTOCI-current	200	$ 3,160	-	3,160	
	WALSIN LIHWA CORPORATION	-	Financial assets at FVTOCI-current	528	20,406	-	20,406	
	China Steel Corporation	-	Financial assets at FVTOCI-current	800	21,600	-	21,600	
	United Microelectronics Corp.	-	Financial assets at FVTOCI-current	400	21,040	-	21,040	
	Hon Hai Precision Industry Co., Ltd.	-	Financial assets at FVTOCI-current	100	10,450	-	10,450	
	TAIWAN SEMICONDUCTOR MANUFACTURING CO.,LTD.	-	Financial assets at FVTOCI-current	120	71,160	-	71,160	
	ASUSTEK COMPUTER INC.	-	Financial assets at FVTOCI-current	101	49,353	-	49,353	
	Goldsun Building Materials Co., Ltd.	-	Financial assets at FVTOCI-current	328	9,233	-	9,233	
	Hua Nan Financial Holdings Co., Ltd.	-	Financial assets at FVTOCI-current	166	3,712	-	3,712	
	Fubon Financial Holding Co., Ltd.	-	Financial assets at FVTOCI-current	230	14,880	-	14,880	
	CATHAY FINANCIAL HOLDING CO., LTD.	-	Financial assets at FVTOCI-current	151	6,910	-	6,910	
	CTBC FINANCIAL HOLDING CO., LTD.	-	Financial assets at FVTOCI-current	947	26,856	-	26,856	
	First Financial Holding Co. Ltd.	-	Financial assets at FVTOCI-current	4,386	120,180	-	120,180	
	INNOLUX CORPORATION	-	Financial assets at FVTOCI-current	516	7,381	-	7,381	
	Abnova（Taiwan）Corporation	-	Financial assets at FVTOCI-current	1,037	36,399	-	36,399	
	Pegatron Corporation	-	Financial assets at FVTOCI-current	107	9,379	-	9,379	
	CAPITAL SECURITIES CORP.	-	Financial assets at FVTOCI-current	410	6,702	-	6,702	
	Powertech Technology Inc.	-	Financial assets at FVTOCI-current	371	52,291	-	52,291	
	POSIFLEX TECHNOLOGY, INC.	-	Financial assets at FVTOCI-current	564	69,372	-	69,372	
	LONGWELL COMPANY	-	Financial assets at FVTOCI-current	618	40,108	-	40,108	
	InnoCare Optoelectronics Corp.	-	Financial assets at FVTOCI-current	1	51	-	51	

（continued)

CHINA WIRE & CABLE CO.,LTD.

(In thousands of New Taiwan Dollar, unless stated otherwise)

Table 1: Securities held as of December 31,2023

Name of holder	Category and name of securitiy	Relationship with company	Account	Ending balance				Note
				Shares/Units (Thousands)	Carrying value	Percentage of Ownership(%)	Fair value	
	He Zhu Development Co., Ltd.	-	Financial assets at FVTOCI-current	3,000	15,266	13.04	15,266	
	Sanlih Entertainment Television Inc.	-	Financial assets at FVTOCI-current	407	33,964	0.71	33,964	
	Taixu Construction Development Co., Ltd.	-	Financial assets at FVTOCI-current	10,725	80,205	19.50	80,205	
	HEALTDEVA COMPANY LTD.	-	Financial assets at FVTOCI-current	4,227	32,344	16.91	32,344	
	YAMAY INTERNATIONAL DEVELOPMENT CORP.	-	Financial assets at FVTPL- current	-	1	-	1	
	HELIUS POWER CORPORATION	-	Financial assets at FVTPL- current	125	-	4.17	-	
	TAIWAN KOLIN CO., LTD.	-	Financial assets at FVTPL- current	-	-	-	-	
	AIC Energy Corp.	-	Financial assets at FVTOCI-current	8,000	294,255	8.00	294,255	
	Beneficiary Certificate							
	UBS Selected Bond Yield Portfolio Fund NTD	-	Financial assets at FVTPL- current	300	2,469	-	2,469	
	Mega Taiwan Financial and Conventional Industries Featured Dividend Fund A	-	Financial assets at FVTPL- current	150	1,485	-	1,485	
	FSITC Global Pet Care Fund-NTD	-	Financial assets at FVTPL- current	93	1,009	-	1,009	
	FSITC Global Video Gaming & eSports Fund-TWD-N	-	Financial assets at FVTPL- current	85	1,053	-	1,053	
	Cathay US ESG Fund NTD	-	Financial assets at FVTPL- current	100	1,209	-	1,209	
	CTBC Global Tech Trends Multi-Asset Fund-NTD A	-	Financial assets at FVTPL- current	163	1,833	-	1,833	
CWCO INTERNATIONAL CO., LTD.	BAFANE YUNJI INTERNATIONAL C	-	Financial assets at FVTOCI-current	30	5,140	-	5,140	
	SG ISSUER 7.75% ECLEAR DUE	-	Financial assets at FVTPL- non-current	5	14,944	-	14,944	
	MS USD LIQUID QUALIF ACC FUND LVNAV (LUX LISTING)	-	Financial assets at FVTPL- current	-	317	-	317	
	C SAN 9618 HK247.3152 3690 HK192.9933 24 JUL 2024	-	Financial assets at FVTPL- current	3	9,032	-	9,032	
	BARCLAYS PLC VRN ECLEAR PERPETUAL DTD 27 MAR2019 USD	-	Financial assets at FVTPL- current	2	6,105	-	6,105	
	AIC Energy Corp.	-	Financial assets at FVTOCI-current	440	55,657	-	55,657	

(continued)

CHINA WIRE & CABLE CO.,LTD.

(In thousands of New Taiwan Dollar, unless stated otherwise)

Table 1: Securities held as of December 31,2023

Name of holder	Category and name of securitiy	Relationship with company	Account	Ending balance				Note
				Shares/Units (Thousands)	Carrying value	Percentage of Ownership(%)	Fair value	
Great Universe Development Corp.	China Wire & Cable Co.,Ltd.	Parent Company	Financial assets at FVTOCI-current	13,741	$ 526,981	7.17	526,981	4
	Hua Nan Financial Holdings Co., Ltd.	-	Financial assets at FVTOCI-current	579	12,940	-	12,940	
	CATHAY FINANCIAL HOLDING CO., LTD.	-	Financial assets at FVTOCI-current	1,945	88,976	-	88,976	
	CTBC FINANCIAL HOLDING CO., LTD.	-	Financial assets at FVTOCI-current	2,128	60,330	-	60,330	
	First Financial Holding Co. Ltd.	-	Financial assets at FVTOCI-current	1,576	43,175	-	43,175	
	Hon Hai Precision Industry Co., Ltd.	-	Financial assets at FVTOCI-current	208	21,736	-	21,736	
	Formosa Plastics Corporation	-	Financial assets at FVTOCI-current	30	2,376	-	2,376	
	Ruentex Industries Co., Ltd.	-	Financial assets at FVTOCI-current	236	15,157	-	15,157	
	TAIWAN SEMICONDUCTOR MANUFACTURING CO.,LTD.	-	Financial assets at FVTOCI-current	68	40,324	-	40,324	
Taiwan Sun Clutch Co., Ltd	China Wire & Cable Co.,Ltd.	Parent Company	Financial assets at FVTOCI-current	10,804	414,327	5.64	414,327	4
	CATHAY FINANCIAL HOLDING CO., LTD.	-	Financial assets at FVTOCI-current	1,867	85,430	-	85,430	
	CTBC FINANCIAL HOLDING CO., LTD.	-	Financial assets at FVTOCI-current	1,856	52,618	-	52,618	
	First Financial Holding Co. Ltd.	-	Financial assets at FVTOCI-current	2,221	60,864	-	60,864	
	Formosa Plastics Corporation	-	Financial assets at FVTOCI-current	40	3,168	-	3,168	
	Ruentex Industries Co., Ltd.	-	Financial assets at FVTOCI-current	70	4,511	-	4,511	
	QUANTA COMPUTER INC.	-	Financial assets at FVTOCI-current	100	22,450	-	22,450	
Kai-Tser Co., Ltd.	China Wire & Cable Co.,Ltd.	Parent Company	Financial assets at FVTOCI-current	8,297	318,176	4.33	318,176	4
	CATHAY FINANCIAL HOLDING CO., LTD.	-	Financial assets at FVTOCI-current	1,007	46,068	-	46,068	
	CTBC FINANCIAL HOLDING CO., LTD.	-	Financial assets at FVTOCI-current	2,879	81,626	-	81,626	
	First Financial Holding Co. Ltd.	-	Financial assets at FVTOCI-current	1,163	31,864	-	31,864	
	FOXCONN TECHNOLOGY CO., LTD.	-	Financial assets at FVTOCI-current	11	584	-	584	
	Formosa Plastics Corporation	-	Financial assets at FVTOCI-current	116	9,187	-	9,187	

Note 1:The term "securities" referred to in this table means stocks, bonds, certificates of beneficial interest, and other securities derived from the aforementioned items, which fall within the scope ofIFRS 9 "Financial Instruments".

Note 2:In fair value measurement, the account balance is presented based on the fair value valuation adjustment and deduction of the accumulated impairment.

Note 3:The above-mentioned securities are not provided as collateral, secured or otherwise restricted in use as agreed.

Note 4:The amounts of the transactions and the ending balance had been eliminatied in the consolidated financial statements

CHINA WIRE & CABLE CO.,LTD.

(In thousands of New Taiwan Dollar, unless stated otherwise)

Table 2: Names, locations, and related information of investees over the Company exercises significant influence(excluding information on investment in mainland China)

Name of investor	Name of investee	Location	Main business and products	Original investment amount		Balance of December 31, 2023			Net income (losses)of investee	Share of profits /losses of investee	Note
				December 31,2023	December 31,2022	shares (thousand)	Percentage of ownership%	Carrying value			
China Wire & Cable Co.,Ltd.	Great Universe Development Corp.	5F.-2, No. 58, Sec. 3, Zhongshan N. Rd., Zhongshan Dist., Taipei City, Taiwan	Import and export trade	$100,721	$100,721	10,072	93.26	267,761	12,823	5,551	Subsidiary (Note 1 and 2)
China Wire & Cable Co.,Ltd.	Taiwan Sun Clutch Co., Ltd	5F.-2, No. 58, Sec. 3, Zhongshan N. Rd., Zhongshan Dist., Taipei City, Taiwan	Import and export trade	104,695	104,695	10,469	96.94	222,641	10,236	4,687	Subsidiary (Note 1 and 2)
China Wire & Cable Co.,Ltd.	Kai-Tser Co., Ltd.	5F.-2, No. 58, Sec. 3, Zhongshan N. Rd., Zhongshan Dist., Taipei City, Taiwan	Housing and Building Development and Rental	108,946	108,946	10,895	99.95	183,382	8,750	4,599	Subsidiary (Note 1 and 2)
China Wire & Cable Co.,Ltd.	CWCO INTERNATIONAL CO., LTD.	CITCO BUILDING,P.O.BOX 662,ROAD TOWN TORTOLA,BRITISH VIRGIN ISLANDS	Investment	343,197	343,197	11	100.00	123,707	4,825	4,825	Subsidiary (Note 2)
China Wire & Cable Co.,Ltd.	Her Yu Real Estate Development Co., Ltd.	5F.-2, No. 58, Sec. 3, Zhongshan N. Rd., Zhongshan Dist., Taipei City, Taiwan	Housing and Building Development and Rental	48,750	-	4,875	65.00	48,520	(354)	(230)	Subsidiary (Note 2)
China Wire & Cable Co.,Ltd.	Libaidai Construction & Development Co., Ltd.	10F.-3, No. 87, Songjiang Rd., Zhongshan Dist., Taipei City, Taiwan	Housing and Building Development and Rental	408,470	408,470	408	24.52	370,944	(22,506)	(5,593)	Subsidiary

Note 1:The investment gains or losses recognized in this period are the amounts adjusted for the capital surplus upon the distribution of dividends to the subsidiary.

Note 2:The amounts of the transactions and the ending balance had been eliminatied in the consolidated financial statements

CHINA WIRE & CABLE CO.,LTD.

(In thousands of New Taiwan Dollar, unless stated otherwise)

Table 3: Information of major shareholders

Name of Major Shareholders	Number of shares	Percentage of ownership(%)
CHEN HO YUAN	22,973,053	11.98%
Great Universe Metal Building Materials Corp.	18,600,183	9.70%
Great Universe Development Corp.	13,741,347	7.16%
Taiwan Sun Clutch Co., Ltd	10,803,838	5.63%

Note 1: The major shareholder's information on this table is on the last business day at the end of the quarter from Taiwan Central Depository and Clearing Co., Ltd. The shareholding included shares that the company has completed the delivery of the common stock and preferred stock without physical registration (including treasury shares) of more than 5%. The shares has been actually delivered without physical registration. Differences, if any, may be due to the basis of preparation and calculation.

Note 2: If shareholders transfer the shareholding to a trust, the trustee will open the trust account to separatethe account. Shareholders' handling of insider shareholdings with more than 10% of their shares shall be in accordance with the Securities Exchange Act. However, their shareholdings include their own shares plus their delivery to the trust and the use of decision-making shares in the trust property. Information on insider equity declaration refers to the Public Information Observatory.

CHINA WIRE & CABLE CO.,LTD.

STATEMENT OF CASH AND CASH EQUIVALENTS

DECEMBER 31, 2023

(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

Items	Description	Amounts	Note
Cash on hand and Petty cash			
	Cash on hand	$ 70	
	Petty cash	1,125	
		1,195	
Cash in banks			
Demand deposits		44,264	
Checking deposits		65,298	
Foreign currency deposits	US 27,156.93@ 30.705	834	
		110,396	
Total		$ 111,591	

CHINA WIRE & CABLE CO.,LTD.

STATEMENT OF FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

DECEMBER 31, 2023

(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

Items	Shares/Units (Thousands)	Acquisition cost	Fair value		Collateral or pledge	Note
			Unit price	Amount		
Beneficiary Certificate:						
UBS Selected Bond Yield Portfolio Fund NTD	300	$ 3,030	8.23	$ 2,469	N	
Mega Taiwan Financial and Conventional Industries Featured Dividend Fund A	150	1,509	9.90	1,485	N	
FSITC Global Pet Care Fund-NTD	93	1,010	10.83	1,009	N	
FSITC Global Video Gaming & eSports Fund-NTD-N	85	1,010	12.45	1,053	N	
Cathay US ESG Fund NTD	100	1,006	12.09	1,209	N	
CTBC Global Tech Trends Multi-Asset Fund-NTD A	163	1,542	11.26	1,833	N	
		9,107				
Unlisted stocks:						
YAMAY INTERNATIONAL DEVELOPMENT CORP.	-	1	3.71	1	N	
HELIUS POWER CORPORATION	125	-		-	N	
TAIWAN KOLIN CO., LTD.	-	-	0.70	-	N	
		1				
Valuation		(49)				
Total		$ 9,059		$ 9,059		

CHINA WIRE & CABLE CO.,LTD.

STATEMENT OF FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

DECEMBER 31, 2023

(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

Items	Description	Shares/Units (Thousands)	Total face Value	Amount	Acquisition cost	Fair value Unit price	Fair value Amount	Note
Current:								
Listed company								
Lucky Cement Co., Ltd.		200	$ 10	$ 2,000	$ 3,750	15.80	$ 3,160	
WALSIN LIHWA CORPORATION		528	10	5,280	16,372	38.65	20,406	
China Steel Corporation		800	10	8,000	30,769	27.00	21,600	
United Microelectronics Corp.		400	10	4,000	21,451	52.60	21,040	
Hon Hai Precision Industry Co., Ltd.		100	10	1,000	12,217	104.50	10,450	
TAIWAN SEMICONDUCTOR MANUFACTURING CO.,LTD.		120	10	1,200	37,228	593.00	71,160	
ASUSTEK COMPUTER INC.		101	10	1,010	32,773	489.50	49,353	
Goldsun Building Materials Co., Ltd.		328	10	3,280	7,931	28.15	9,233	
Hua Nan Financial Holdings Co., Ltd.		166	10	1,660	1,667	22.35	3,712	
Fubon Financial Holding Co., Ltd.		230	10	2,300	13,731	64.80	14,880	
CATHAY FINANCIAL HOLDING CO., LTD.		151	10	1,510	7,074	45.75	6,910	
CTBC FINANCIAL HOLDING CO., LTD.		947	10	9,470	17,899	28.35	26,856	
First Financial Holding Co. Ltd.		4,258	10	42,580	64,069	27.40	120,180	
INNOLUX CORPORATION		516	10	5,160	8,404	14.30	7,381	
Abnova（Taiwan）Corporation		1,037	10	10,370	61,113	35.10	36,399	
Pegatron Corporation		107	10	1,070	6,817	87.30	9,379	
CAPITAL SECURITIES CORP.		410	10	4,100	4,922	16.35	6,702	
Powertech Technology Inc.		371	10	3,710	24,731	141.00	52,291	
POSIFLEX TECHNOLOGY, INC.		564	10	5,640	50,179	123.00	69,372	
LONGWELL COMPANY		618	10	6,180	48,836	64.90	40,108	
InnoCare Optoelectronics Corp.		1	10	10	14	85.30	51	
					471,947		600,623	
Domestic unlisted stocks:								
He Zhu Development Co., Ltd.		3,000	10	30,000	15,266	5.09	15,266	
Sanlih Entertainment Television Inc.		407	10	4,070	33,964	83.45	33,964	
Taixu Construction Development Co., Ltd.		10,725	10	107,250	80,205	7.48	80,205	
HEALTDEVA COMPANY LTD.		4,227	10	42,270	32,344	7.65	32,344	
					161,779		161,779	
Valuation					128,676			
Total					$ 762,402		$ 762,402	
Non current:								
Foreign unlisted stocks:								
AIC Energy Corp.		8,000	37	294,255	$ 294,255	36.78	$ 294,255	

CHINA WIRE & CABLE CO.,LTD.

STATEMENT OF NOTES AND ACCOUNTS RECEIVABLE, NET

DECEMBER 31, 2023

(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

Client name	Description	Amount	Note
Notes receivable			
Client A	Payment	$11,456	
Client B	Payment	9,304	
Client C	Payment	2,514	
Client D	Payment	1,929	
Others (Note)	Payment	12,460	The amount of each item in others does not exceed 5% of the account balance.
		37,663	
Less: Allowance for doubtful accounts		(421)	
		37,242	
Accounts receivable			
Client E	Payment	125,199	
Client F	Payment	109,859	
Client G	Payment	88,236	
Client H	Payment	85,905	
Others (Note)	Payment	968,238	The amount of each item in others does not exceed 5% of the account balance.
		1,377,437	
Less: Allowance for doubtful accounts		(25,953)	
		1,351,484	
Non-Accrual Loans			
Client I		360	
Client J		300	
Client K		148	
Client L		97	
Others (Note)		31	The amount of each item in others does not exceed 5% of the account balance.
		936	
Less: Allowance for doubtful accounts		(936)	
		-	
Total		$1,388,726	

CHINA WIRE & CABLE CO.,LTD.

STATEMENT OF INVENTORIES

DECEMBER 31, 2023

(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

Item	Description	Amount		Note
		Cost	Fair value	
Raw materials		$ 695,264	668,935	Net RealizableValue
Work in process		753,888	704,250	Net RealizableValue
Finished goods		343,326	337,004	Net RealizableValue
Others		1,053	1,053	Net RealizableValue
		1,793,531		
Less: Allowance for inventory valuation loss		(82,289)		
		$ 1,711,242	1,711,242	

CHINA WIRE & CABLE CO.,LTD.

STATEMENT OF CHANGES IN INVESTMENTS ACCOUNTED FOR USING EQUITY METHOD

2023/1/1-2023/12/31

(In Thousands of New Taiwan Dollars, Unless Specified Otherwise)

Item	Balance, January 1, 2022		Additions in Investment		Decrease in Investment		Increase (Decrease) in using the equity method	Realized gains or losses from financial assets measured at fair value through other comprehensive income.	Unrealized gains or losses from financial assets measured at fair value through other comprehensive income.	Capital surplus - dividends paid to subsidiary companies	Capital surplus - change in ownership percentage	Balance, December 31, 2022			Note
	Share (In thousands)	Amount	Share (In thousands)	Amount	Share (In thousands)	Amount						Share (In thousands)	%	Amount	
Great Universe Development Corp.	10,072	$229,289	-	-	-	-	5,551	-	26,514	6,407	-	10,072	93.26	267,761	
Taiwan Sun Clutch Co., Ltd	10,469	186,042	-	-	-	-	4,687	-	26,675	5,237	-	10,469	96.94	222,641	
Kai-Tser Co., Ltd.	10,895	150,354	-	-	-	-	4,599	-	24,283	4,146	-	10,895	99.95	183,382	
CWCO INTERNATIONAL CO., LTD.	11	120,550	-	-	-	-	4,825	-	(1,668)	-	-	11	100.00	123,707	
Her Yu Real Estate Development Co., Ltd.	-	-	4,875	48,750	-	-	(230)	-	-	-	-	4,875	65.00	48,520	
Libaidai Construction & Development Co., Ltd.	408	$376,537	-	-	-	-	(5,593)	-	-	-	-	408	24.52	370,944	
		$1,062,772		48,750		-	13,839	-	75,804	15,790	-			1,216,955	

CHINA WIRE & CABLE CO.,LTD.

STATEMENT OF SHORT-TERM LOANS

DECEMBER 31, 2023

(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

Type of loan	Description	Ending balance	Interest rate	Credit lines	Collateral or pledge	Note
Credit loan	First Commercial Bank Yuanshan branch	$392,000	1.65%	$400,000	N	
	Hua Nan Commercial bank Yuanshan branch	13,000	1.85%	280,000	N	
Mortgage loan	Hua Nan Commercial bank Yuanshan branch	369,000	1.78%	600,000	Financial assets measured at amortized cost and Property, plant and	
	First Commercial Bank Yuanshan branch	50,000	1.65%	50,000	Financial assets measured at amortized cost and Property, plant and	
	Bank of Taiwan Yuanshan branch	650,000	1.740%	650,000	Property, plant and equipment	
	Cathay United bank	379,844	1.78%~1.784%	1,000,000	Property, plant and equipment	
Purchase loan	Hua Nan Commercial bank Yuanshan branch	32,298	1.00%	550,000	N	
		$1,886,142		$3,530,000		

CHINA WIRE & CABLE CO.,LTD.

STATEMENT OF NOTES AND ACCOUNTS PAYABLES

DECEMBER 31, 2023

(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

Vendor name	Description	Amount	Note
Notes payable			
Vendor A		$107,889	
Vendor B		17,711	
Vendor C		10,840	
Others (Note)		65,217	The amount of each item in others does not exceed 5% of the account balance.
		201,657	
Accounts payable			
Vendor D		41,215	
Vendor E		40,830	
Vendor F		16,766	
Vendor G		15,935	
Others (Note)		150,645	The amount of each item in others does not exceed 5% of the account balance.
		265,391	
Total		$467,048	

CHINA WIRE & CABLE CO.,LTD.

STATEMENT OF OTHER PAYABLES

DECEMBER 31, 2023

(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

Item	Description	Amount	Note
Salary payable		$79,988	
Accrued payable		14,980	
VAT payable		13,785	
Other		8,114	The amount of each item in others does not exceed 5% of the account
Total		$116,867	

STATEMENT OF OTHER LIABILITIES

DECEMBER 31, 2023

(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

Item	Description	Amount	Note
Temporary receipts		$485	
Collection		2,024	
		$2,509	

CHINA WIRE & CABLE CO.,LTD.

STATEMENT OF COST

2023/1/1-2023/12/31

(In Thousands of New Taiwan Dollars, Unless Specified Otherwise)

Item	Amount		Note
	Subtotal	Total	
Raw materials, beginning of year	$481,949		
Add: raw material purchased	2,139,154		
Less: raw materials, end of year	(695,264)		
Add: others	1,525,548		
Less: others	(1,004,246)	$2,447,141	
Direct labor		155,837	
Manufacturing expenses		518,413	
Manufacturing cost		3,121,391	
Add: work in process, beginning of year	670,867		
Less: work in process, end of year	(753,888)		
Add: others	2,292,071		
Less: others	(1,528,986)	680,064	
Cost of finished goods		3,801,455	
Add: finished goods, beginning of year	270,744		
Less: finished goods, end of year	(343,326)		
Add: others	317,880		
Less: others	(959,950)	(714,652)	
Cost of goods sold		3,086,803	
Other cost		319,985	
Total		$3,406,788	

CHINA WIRE & CABLE CO.,LTD.

STATEMENT OF MANUFACTURING EXPENSES

2023/1/1-2023/12/31

(In Thousands of New Taiwan Dollars, Unless Specified Otherwise)

Item	Amount	Note
Payroll	$148,306	
Processing fee	86,141	
Utilities expense	41,974	
Insurance fee	32,187	
Depreciation	19,186	
Others (Note)	190,619	The amount of each item in others does not exceed 5% of the account balance.
	$518,413	

STATEMENT OF SELLING EXPENSES

2023/1/1-2023/12/31

(In Thousands of New Taiwan Dollars, Unless Specified Otherwise)

Item	Amount	Note
Payroll	$46,839	
Freight expenses	9,788	
Depreciation	9,303	
Insurance fee	4,906	
Others (Note)	6,854	The amount of each item in others does not exceed 5% of the account balance.
	$77,690	

CHINA WIRE & CABLE CO.,LTD.

STATEMENT OF GENERAL AND ADMINISTRATIVE EXPENSES

2023/1/1-2023/12/31

(In Thousands of New Taiwan Dollars, Unless Specified Otherwise)

Item	Amount	Note
Payroll	$36,343	
Taxes	5,090	
Others (Note)	21,312	The amount of each item in others does not exceed 5% of the account balance.
	$62,745	

Contract assets-current	Please refer to note 6(18).
Property, plant and equipment	Please refer to note 6(6).
Investment Properties	Please refer to note 6(8).
Contract liabilities-current	Please refer to note 6(18).
Revenue	Please refer to note 6(18).
Other operating income and expenses	Please refer to note 6(21).