Hold-Key Electric Wire & Cable Co., Ltd.

Financial Statements for the
Years Ended December 31, 2023 and 2022 and
Independent Auditors' Report

INDEPENDENT AUDITORS' REPORT

The Board of Directors and Shareholders
Hold-Key Electric Wire & Cable Co., Ltd.

Opinion

We have audited the accompanying financial statements of Hold-Key Electric Wire & Cable Co., Ltd. (the "Company"), which comprise the balance sheets as of December 31, 2023 and 2022, and the statements of comprehensive income, changes in equity and cash flows for the years then ended, and the notes to the financial statements, including material accounting policy information (collectively referred to as the "financial statements").

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

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements for the year ended December 31, 2023. 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.

Revenue Recognition

The Company's revenue, which comes from sales of wires and cables to domestic contractors, is recognized upon the customers' acceptance of the products based on the agreed upon conditions. Since the amount of such revenue is significant to the financial statements, we considered the occurrence of such revenue as a key audit matter for the year ended December 31, 2023.

To address this matter, we evaluated the Company's revenue recognition policy and the design and implementation of internal controls for such revenue and conducted the relevant internal control test and substantive test. We selected samples of such recorded sales revenue and verified them against the contract, customers' acceptance documents, sales orders, invoices, etc., and confirmed the occurrence of this type of revenue transactions.

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

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

In preparing 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' Responsibilities for the Audit of the Financial Statements

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

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

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 auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.

5. Evaluate the overall presentation, structure and content of the 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 entities or business activities within the Company to express an opinion on the financial statements. We are responsible for the direction, supervision, and performance of the audit. We remain solely responsible for our audit opinion.

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

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

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

The engagement partners on the audits resulting in this independent auditors' report are Wen-Yuan Chuang and Chih-Yuan Chen.

Deloitte & Touche
Taipei, Taiwan
Republic of China

March 13, 2024

Notice to Readers

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

For the convenience of readers, the independent auditors' report and the accompanying financial statements have been translated into English from the original Chinese version prepared and used in the Republic of China. If there is any conflict between the English version and the original Chinese version or any difference in the interpretation of the two versions, the Chinese-language independent auditors' report and financial statements shall prevail.

HOLD-KEY ELECTRIC WIRE & CABLE CO., LTD.

BALANCE SHEETS
DECEMBER 31, 2023 AND 2022
(In Thousands of New Taiwan Dollars)

	2023		2022	
ASSETS	**Amount**	**%**	**Amount**	**%**
CURRENT ASSETS				
Cash and cash equivalents (Notes 4 and 6)	$ 58,052	1	$ 136,512	3
Financial assets at fair value through profit or loss - current (Notes 4 and 7)	201,069	3	176,715	4
Financial assets at fair value through other comprehensive income - current (Notes 4 and 8)	106,151	2	96,614	2
Financial assets at amortized cost - current (Notes 4, 9 and 28)	9,407	-	9,407	-
Contract assets - current (Notes 4 and 21)	220,665	3	269,035	6
Notes receivable (Notes 4, 10, 21 and 27)	27,942	1	26,416	-
Trade receivables (Notes 4, 10, 21 and 27)	914,109	15	460,641	9
Other receivables (Note 10)	7,128	-	6,263	-
Inventories (Notes 4, 5 and 11)	1,183,031	19	1,046,101	22
Other current assets (Note 16)	65,061	1	60,817	1
Total current assets	2,792,615	45	2,288,521	47
NON-CURRENT ASSETS				
Financial assets at fair value through other comprehensive income - non-current (Notes 4 and 8)	1,279,112	21	805,741	17
Investments accounted for using the equity method (Notes 4 and 12)	63,977	1	53,990	1
Contract assets - non-current (Notes 4 and 21)	311,927	5	46,660	1
Property, plant and equipment (Notes 4, 13 and 28)	1,227,795	20	1,284,102	27
Right-of-use assets (Notes 4 and 14)	5,350	-	7,215	-
Investment properties (Notes 4, 15 and 28)	259,456	4	272,898	6
Deferred tax assets (Notes 4, 5 and 23)	27,529	1	23,592	-
Other non-current assets (Note 16)	185,300	3	42,700	1
Total non-current assets	3,360,446	55	2,536,898	53
TOTAL	$ 6,153,061	100	$ 4,825,419	100
LIABILITIES AND EQUITY				
CURRENT LIABILITIES				
Short-term borrowings (Notes 4 and 17)	$ 542,229	9	$ 149,319	3
Contract liabilities - current (Notes 4 and 21)	58,772	1	31,178	1
Notes payable	4,605	-	445	-
Trade payables to unrelated parties	208,187	3	162,808	3
Trade payables to related parties (Note 27)	52,028	1	23,944	-
Other payables (Note 18)	117,545	2	84,265	2
Current tax liabilities (Notes 4 and 23)	69,437	1	27,666	1
Lease liabilities - current (Notes 4 and 14)	3,230	-	4,070	-
Other current liabilities (Note 18)	2,498	-	2,486	-
Total current liabilities	1,058,531	17	486,181	10
NON-CURRENT LIABILITIES				
Deferred tax liabilities (Notes 4 and 23)	9,265	-	4,394	-
Lease liabilities - non-current (Notes 4 and 14)	2,169	-	3,201	-
Other non-current liabilities (Notes 18, 19 and 27)	33,396	1	31,173	1
Total non-current liabilities	44,830	1	38,768	1
Total liabilities	1,103,361	18	524,949	11
EQUITY (Notes 4, 8 and 20)				
Ordinary shares	1,926,917	32	1,926,917	40
Capital surplus	196,372	3	234,910	5
Retained earnings				
Legal reserve	383,743	6	358,541	7
Unappropriated earnings	1,910,642	31	1,630,983	34
Total retained earnings	2,294,385	37	1,989,524	41
Other equity				
Exchange differences on translation of the financial statements of foreign operations	6,874	-	6,875	-
Unrealized valuation gain on financial assets at fair value through other comprehensive income	625,152	10	142,244	3
Total other equity	632,026	10	149,119	3
Total equity	5,049,700	82	4,300,470	89
TOTAL	$ 6,153,061	100	$ 4,825,419	100

The accompanying notes are an integral part of the financial statements.

HOLD-KEY ELECTRIC WIRE & CABLE CO., LTD.

STATEMENTS OF COMPREHENSIVE INCOME
FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022
(In Thousands of New Taiwan Dollars, Except Earnings Per Share)

	2023		2022	
	Amount	**%**	**Amount**	**%**
OPERATING REVENUE (Notes 4, 21 and 27)	$ 4,478,900	100	$ 2,861,035	100
OPERATING COSTS (Notes 11, 19, 22 and 27)	3,899,062	87	2,536,646	89
GROSS PROFIT	579,838	13	324,389	11
OPERATING EXPENSES (Notes 19, 22 and 27)				
Selling and marketing expenses	53,611	1	49,007	2
General and administrative expenses	62,355	2	45,303	1
Research and development expenses	8,655	-	3,564	-
Total operating expenses	124,621	3	97,874	3
PROFIT FROM OPERATIONS	455,217	10	226,515	8
NON-OPERATING INCOME AND EXPENSES				
Interest income (Note 22)	1,415	-	501	-
Other income (Note 22)	50,812	1	55,918	2
Other gains and losses (Note 22)	(20,281)	-	24,294	-
Finance costs (Note 22)	(4,788)	-	(1,560)	-
Share of profit or loss of subsidiaries and associates accounted for using equity method (Note 12)	(2,262)	-	(1,309)	-
Total non-operating income and expenses	24,896	1	77,844	2
PROFIT BEFORE INCOME TAX	480,113	11	304,359	10
INCOME TAX EXPENSE (Notes 4, 5 and 23)	93,318	2	56,282	2
NET PROFIT FOR THE YEAR	386,795	9	248,077	8

(Continued)

HOLD-KEY ELECTRIC WIRE & CABLE CO., LTD.

STATEMENTS OF COMPREHENSIVE INCOME
FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022
(In Thousands of New Taiwan Dollars, Except Earnings Per Share)

	2023		2022	
	Amount	**%**	**Amount**	**%**
OTHER COMPREHENSIVE INCOME (LOSS)				
Items that will not be reclassified subsequently to profit or loss:				
Remeasurement of defined benefit plans	$ (4,857)	-	$ 2,210	-
Unrealized gain (loss) on investments in equity instruments at fair value through other comprehensive income	482,908	11	(94,955)	(3)
Items that may be reclassified subsequently to profit or loss:				
Exchange differences on translating foreign operations	(1)	-	616	-
Other comprehensive income (loss) for the year, net of income tax	478,050	11	(92,129)	(3)
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	$ 864,845	20	$ 155,948	5
EARNINGS PER SHARE (Note 24)				
Basic	$ 2.01		$ 1.29	
Diluted	$ 2.00		$ 1.28	

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

HOLD-KEY ELECTRIC WIRE & CABLE CO., LTD.

STATEMENTS OF CHANGES IN EQUITY
FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022
(In Thousands of New Taiwan Dollars)

			Retained Earnings			Other Equity Items			
	Share Capital	Capital Surplus	Legal Reserve	Unappropriated Earnings	Total	Exchange Differences on Translating Foreign Operations	Unrealized Gain (Loss) on Financial Assets at Fair Value Through Other Comprehensive Income	Total	Total Equity
BALANCE AT JANUARY 1, 2022	$ 1,926,917	$ 283,083	$ 332,672	$ 1,453,006	$ 1,785,678	$ 6,259	$ 238,931	$ 245,190	$ 4,240,868
Appropriation of the 2021 earnings									
Legal reserve	-	-	25,869	(25,869)	-	-	-	-	-
Cash dividends distributed by the Company	-	-	-	(48,173)	(48,173)	-	-	-	(48,173)
Issuance of cash dividends from capital surplus	-	(48,173)	-	-	-	-	-	-	(48,173)
Net profit for the year ended December 31, 2022	-	-	-	248,077	248,077	-	-	-	248,077
Other comprehensive income (loss) for the year ended December 31, 2022, net of income tax	-	-	-	2,210	2,210	616	(94,955)	(94,339)	(92,129)
Total comprehensive income (loss) for the year ended December 31, 2022	-	-	-	250,287	250,287	616	(94,955)	(94,339)	155,948
Disposals of investments in equity instruments designated as at fair value through other comprehensive income	-	-	-	1,732	1,732	-	(1,732)	(1,732)	-
BALANCE AT DECEMBER 31, 2022	1,926,917	234,910	358,541	1,630,983	1,989,524	6,875	142,244	149,119	4,300,470
Appropriation of the 2022 earnings									
Legal reserve	-	-	25,202	(25,202)	-	-	-	-	-
Cash dividends distributed by the Company	-	-	-	(77,077)	(77,077)	-	-	-	(77,077)
Issuance of cash dividends from capital surplus	-	(38,539)	-	-	-	-	-	-	(38,539)
Exercising the disgorgement	-	1	-	-	-	-	-	-	1
Net profit for the year ended December 31, 2023	-	-	-	386,795	386,795	-	-	-	386,795
Other comprehensive (loss) income for the year ended December 31, 2023, net of income tax	-	-	-	(4,857)	(4,857)	(1)	482,908	482,907	478,050
Total comprehensive income (loss) for the year ended December 31, 2023	-	-	-	381,938	381,938	(1)	482,908	482,907	864,845
BALANCE AT DECEMBER 31, 2023	$ 1,926,917	$ 196,372	$ 383,743	$ 1,910,642	$ 2,294,385	$ 6,874	$ 625,152	$ 632,026	$ 5,049,700

The accompanying notes are an integral part of the financial statements.

HOLD-KEY ELECTRIC WIRE & CABLE CO., LTD.

STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022
(In Thousands of New Taiwan Dollars)

	2023	2022
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before income tax	$ 480,113	$ 304,359
Adjustments for:		
Depreciation expense	59,494	62,046
Expected credit loss recognized on trade receivables	3,682	2,474
Net gain on fair value changes of financial assets designated as at fair value through profit or loss	(24,354)	(19,602)
Finance costs	4,788	1,560
Interest income	(1,415)	(501)
Dividend income	(46,245)	(44,920)
Share of profit or loss of subsidiaries and associates accounted for using equity method	2,262	1,309
Loss (gain) on disposal of property, plant and equipment	39,643	(883)
Loss on disposal of investment property	1,794	-
Write-downs and scrappage of inventories	18,369	335
Net gain on foreign currency exchange	(395)	(801)
Other non-cash items	(2)	-
Changes in operating assets and liabilities		
Contract assets	(216,559)	(47,578)
Notes receivable	(1,538)	9,440
Trade receivables	(457,183)	(159,564)
Other receivables	(984)	(832)
Inventories	(155,299)	(141,552)
Other current assets	(4,244)	(50,648)
Contract liabilities	27,594	2,467
Notes payable	4,160	16
Trade payables	73,682	42,758
Other payables	23,387	2,482
Other current liabilities	12	77
Other non-current liabilities	(3,848)	(2,098)
Cash used in operations	(173,086)	(39,656)
Interest paid	(4,359)	(1,494)
Income tax paid	(49,399)	(57,642)
Net cash used in operating activities	(226,844)	(98,792)

(Continued)

HOLD-KEY ELECTRIC WIRE & CABLE CO., LTD.

STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022
(In Thousands of New Taiwan Dollars)

	2023	2022
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from sale of financial assets at fair value through other comprehensive income	$ -	$ 2,123
Proceeds from capital reduction by return of shares - financial assets at FVTOCI	-	5,504
Purchase of financial assets at amortized cost	(46)	(15)
Proceeds from sale of financial assets at amortized cost	46	16
Acquisition of investments accounted for using the equity method	(12,250)	-
Payments for property, plant and equipment	(17,485)	(8,456)
Proceeds from sale of property, plant and equipment	-	5,500
Increase in refundable deposits	(14,363)	(19,802)
Decrease in refundable deposits	11,894	18,080
Increase in prepayments for equipment	(140,131)	(29,223)
Interest received	1,417	501
Other dividends received	46,245	44,920
Net cash (used in) generated from investing activities	(124,673)	19,148
CASH FLOWS FROM FINANCING ACTIVITIES		
Increase in short-term borrowings	392,910	149,319
Proceeds from guarantee deposits received	-	150
Refunds of guarantee deposits received	-	(150)
Repayment of the principal portion of lease liabilities	(4,238)	(4,486)
Cash dividends	(115,616)	(96,346)
Exercising the disgorgement	1	-
Net cash generated from financing activities	273,057	48,487
NET DECREASE IN CASH AND CASH EQUIVALENTS	(78,460)	(31,157)
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR	136,512	167,669
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	$ 58,052	$ 136,512

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

HOLD-KEY ELECTRIC WIRE & CABLE CO., LTD.

NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

1. GENERAL INFORMATION

Hold-Key Electric Wire & Cable Co., Ltd. (the "Company") was established in Taipei, Taiwan in March 1989 and its factories are located in Taoyuan, Taiwan. The Company mainly manufactures and sells XLPE power cables, electric cables, aluminum cables, rubber cables, communication cables, fiber optic cables, LAN cables, cable accessories, etc. and is also engaged in the import and export of the aforementioned products and lease of properties.

The Company's shares are listed and have been traded on the Taiwan Stock Exchange since September 2000.

The financial statements of the Company are presented in the Company's functional currency, the New Taiwan dollar.

2. APPROVAL OF FINANCIAL STATEMENTS

The financial statements were approved by the Company's board of directors and authorized for issue on March 13, 2024.

3. APPLICATION OF NEW, AMENDED AND REVISED STANDARDS AND INTERPRETATIONS

a. Initial application of the amendments to the International Financial Reporting Standards (IFRS), International Accounting Standards (IAS), IFRIC Interpretations (IFRIC), and SIC Interpretations (SIC) (collectively, the "IFRS Accounting Standards") endorsed and issued into effect by the Financial Supervisory Commission (FSC)

   The initial application of the IFRS Accounting Standards endorsed and issued into effect by the FSC did not have a material impact on the Company's accounting policies.

b. The IFRS Accounting Standards endorsed by the FSC for application starting from 2024

New IFRS Accounting Standards	Effective Date Announced by IASB (Note 1)
Amendments to IFRS 16 "Lease Liability in a Sale and Leaseback"	January 1, 2024 (Note 2)
Amendments to IAS 1 "Classification of Liabilities as Current or Non-current"	January 1, 2024
Amendments to IAS 1 "Non-current Liabilities with Covenants"	January 1, 2024
Amendments to IAS 7 and IFRS 7 "Supplier Finance Arrangements"	January 1, 2024 (Note 3)

Note 1: Unless stated otherwise, the above IFRS Accounting Standards will be effective for annual reporting periods beginning on or after their respective effective dates.

Note 2: A seller-lessee shall apply the Amendments to IFRS 16 retrospectively to sale and leaseback transactions entered into after the date of initial application of IFRS 16.

Note 3: The amendments provide some transition relief regarding disclosure requirements.

As of the date the financial statements were authorized for issue, the Company is continuously assessing the possible impact of the application of the above standards and interpretations on the Company's financial position and financial performance and will disclose the relevant impact when the assessment is completed.

c. The IFRS Accounting Standards in issue but not yet endorsed and issued into effect by the FSC

New IFRS Accounting Standards	Effective Date Announced by IASB (Note 1)
Amendments to IFRS 10 and IAS 28 "Sale or Contribution of Assets between an Investor and its Associate or Joint Venture"	To be determined by IASB
Amendments to IAS 21 "Lack of Exchangeability"	January 1, 2025 (Note 2)

Note 1: Unless stated otherwise, the above IFRS Accounting Standards are effective for annual reporting periods beginning on or after their respective effective dates.

Note 2: An entity shall apply those amendments for annual reporting periods beginning on or after January 1, 2025. Upon initial application of the amendments, the entity recognizes any effect as an adjustment to the opening balance of retained earnings. When the entity uses a presentation currency other than its functional currency, it shall, at the date of initial application, recognize any effect as an adjustment to the cumulative amount of translation differences in equity.

As of the date the financial statements were authorized for issue, the Company is continuously assessing the possible impact of the application of above standards and interpretations on the Company's financial position and financial performance and will disclose the relevant impact when the assessment is completed.

4. SUMMARY OF MATERIAL ACCOUNTING POLICY INFORMATIONS

a. Statement of compliance

The parent company only financial statements have been prepared in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers.

b. Basis of preparation

The financial statements have been prepared on the historical cost basis except for financial instruments which are measured at fair value, and net defined benefit liabilities which are measured at the present value of the defined benefit obligation less the fair value of plan assets.

The fair value measurements, which are grouped into Levels 1 to 3 based on the degree to which the fair value measurement inputs are observable and based on the significance of the inputs to the fair value measurement in its entirety, are described as follows:

1) Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities;

2) Level 2 inputs are inputs other than quoted prices included within Level 1 that are observable for an asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices); and

3) Level 3 inputs are unobservable inputs for an asset or liability.

When preparing these parent company only financial statements, the Company used the equity method to account for its investments in subsidiaries and associates. In order for the amounts of the net profit for the year, other comprehensive income for the year and total equity in the parent company only financial statements to be the same with the amounts attributable to the owners of the Company in its consolidated financial statements, adjustments arising from the differences in accounting treatments between the parent company only basis and the consolidated basis were made to investments accounted for using the equity method, the share of profit or loss of subsidiaries and associates, the share of other comprehensive income of subsidiaries and associates and the related equity items, as appropriate, in these parent company only financial statements.

c. Classification of current and non-current assets and liabilities

Current assets include:

1) Assets held primarily for the purpose of trading;

2) Assets expected to be realized within 12 months after the reporting period; and

3) Cash and cash equivalents unless the asset is restricted from being exchanged or used to settle a liability for at least 12 months after the reporting period.

Current liabilities include:

1) Liabilities held primarily for the purpose of trading;

2) Liabilities due to be settled within 12 months after the reporting period; even if an agreement to refinance, or to reschedule payments, on a long-term basis is completed after the reporting period and before the financial statements are authorized for issue; and

3) Liabilities for which the Company does not have an unconditional right to defer settlement for at least 12 months after the reporting period. Terms of a liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification.

Assets and liabilities that are not classified as current are classified as non-current.

The Company is engaged in the construction business, which has an operating cycle of over 1 year. The normal operating cycle applies when considering the classification of the Company's construction-related assets and liabilities.

d. Foreign currencies

In preparing the financial statements, transactions in currencies other than the Company's functional currency (i.e., foreign currencies) are recognized at the rates of exchange prevailing at the dates of the transactions.

At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Exchange differences on monetary items arising from settlement or translation are recognized in profit or loss in the period in which they arise.

Non-monetary items measured at fair value that are denominated in foreign currencies are retranslated at the rates prevailing at the date when the fair value was determined. Exchange differences arising from the retranslation of non-monetary items are included in profit or loss for the period except for exchange differences arising from the retranslation of non-monetary items in respect of which gains and losses are recognized directly in other comprehensive income, in which case, the exchange differences are also recognized directly in other comprehensive income.

Non-monetary items that are measured at historical cost in a foreign currency are not translated using the exchange rate at the date of the transaction.

For the purpose of presenting the financial statements, the functional currencies of the entities (including subsidiaries and associates in other countries that use currencies which are the different from the currency of the Company) are translated into the presentation currency, the New Taiwan dollar as follows: Assets and liabilities are translated at the exchange rates prevailing at the end of the reporting period; and income and expense items are translated at the average exchange rates for the period. The resulting currency translation differences are recognized in other comprehensive income.

On the disposal of a foreign operation (i.e., a disposal of the Company's entire interest in a foreign operation, or a disposal involving loss of control over a subsidiary that includes a foreign operation, or a partial disposal of an interest in a joint arrangement or an associate that includes a foreign operation of which the retained interest becomes a financial asset), all of the exchange differences accumulated in equity in respect of that operation attributable to the owners of the Group are reclassified to profit or loss.

In relation to a partial disposal of a subsidiary that does not result in the Company losing control over the subsidiary, the proportionate share of accumulated exchange differences is re-attributed to the non-controlling interests of the subsidiary and is not recognized in profit or loss. For all other partial disposals, the proportionate share of the accumulated exchange differences recognized in other comprehensive income is reclassified to profit or loss.

e. Inventories

Inventories consist of raw materials, supplies, finished goods and work-in-process and are stated at the lower of cost or net realizable value. Inventory write-downs are made by item, except where it may be appropriate to Company similar or related items. Net realizable value is the estimated selling price of inventories less all estimated costs of completion and costs necessary to make the sale. Inventories are recorded at weighted-average cost on the balance sheet date.

f. Investments in subsidiaries

The Company uses the equity method to account for its investments in subsidiaries.

A subsidiaries is an entity that is controlled by the Company.

Under the equity method, an investment in a subsidiary is initially recognized at cost and adjusted thereafter to recognize the Company's share of the profit or loss and other comprehensive income of the subsidiary. The Company also recognizes the changes in the Company's share of equity of subsidiaries attributable to the Company.

Changes in the Company's ownership interest in a subsidiary that do not result in the Company losing control of the subsidiary are accounted for as equity transactions. The Company recognizes directly in equity any difference between the carrying amount of the investment and the fair value of the consideration paid or received.

When the Company's share of loss of a subsidiary exceeds its interest in that subsidiary (which includes any carrying amount of the investment accounted for using the equity method and long-term interests that, in substance, form part of the Company's net investment in the subsidiary), the Company continues recognizing its share of further loss, if any.

Any excess of the cost of acquisition over the Company's share of the net fair value of the identifiable assets and liabilities of a subsidiary that constitutes a business at the date of acquisition is recognized as goodwill, which is included within the carrying amount of the investment and is not amortized. Any excess of the Company's share of the net fair value of the identifiable assets and liabilities of a subsidiary that constitutes a business over the cost of acquisition is recognized immediately in profit or loss.

The Company assesses its investment for any impairment by comparing the carrying amount with the estimated recoverable amount as assessed based on the investee's financial statements as a whole. Impairment loss is recognized when the carrying amount exceeds the recoverable amount. If the recoverable amount of the investment subsequently increases, the Company recognizes a reversal of the impairment loss; the adjusted post-reversal carrying amount should not exceed the carrying amount that would have been recognized (net of amortization or depreciation) had no impairment loss been recognized in prior years. An impairment loss recognized on goodwill cannot be reversed in a subsequent period.

When the Company loses control of a subsidiary, it recognizes the investment retained in the former subsidiary at its fair value at the date when control is lost. The difference between the fair value of the retained investment plus any consideration received and the carrying amount of the previous investment at the date when control is lost is recognized as a gain or loss in profit or loss. Besides this, the Company accounts for all amounts previously recognized in other comprehensive income in relation to that subsidiary on the same basis as would be required had the Company directly disposed of the related assets or liabilities.

Profit or loss resulting from downstream transactions is eliminated in full only in the parent company only financial statements. Profit and loss resulting from upstream transactions and transactions between subsidiaries is recognized only in the parent company only financial statements and only to the extent of interests in the subsidiaries that are not related to the Company.

g. Investments in associates

An associate is an entity over which the Company has significant influence and which is neither a subsidiary nor an interest in a joint venture. The Company uses the equity method to account for its investments in associates.

Under the equity method, investments in an associate are initially recognized at cost and adjusted thereafter to recognize the Company's share of the profit or loss and other comprehensive income of the associate. The Company also recognizes the changes in the Company's share of the equity of associates and joint ventures attributable to the Company.

Any excess of the cost of acquisition over the Company's share of the net fair value of the identifiable assets and liabilities of an associate at the date of acquisition is recognized as goodwill, which is included within the carrying amount of the investment and is not amortized. Any excess of the Company's share of the net fair value of the identifiable assets and liabilities over the cost of acquisition, after reassessment, is recognized immediately in profit or loss.

When the Company subscribes for additional new shares of an associate at a percentage different from its existing ownership percentage, the resulting carrying amount of the investment differs from the amount of the Company's proportionate interest in the associate. The Company records such a difference as an adjustment to investments with the corresponding amount charged or credited to capital surplus - changes in capital surplus from investments in associates and joint ventures accounted for using the equity method. If the Company's ownership interest is reduced due to its additional subscription of the new shares of the associate, the proportionate amount of the gains or losses previously recognized in other comprehensive income in relation to that associate is reclassified to profit or loss on the same basis as would be required had the investee directly disposed of the related assets or liabilities. When the adjustment should be debited to capital surplus, but the capital surplus recognized from investments accounted for using the equity method is insufficient, the shortage is debited to retained earnings.

When the Company's share of losses of an associate equals or exceeds its interest in that associate (which includes any carrying amount of the investment accounted for using the equity method and long-term interests that, in substance, form part of the Company's net investment in the associate), the Company discontinues recognizing its share of further loss, if any. Additional losses and liabilities are recognized only to the extent that the Company has incurred legal obligations, or constructive obligations, or made payments on behalf of that associate.

The entire carrying amount of an investment (including goodwill) is tested for impairment as a single asset by comparing its recoverable amount with its carrying amount. Any impairment loss recognized is not allocated to any asset, including goodwill, that forms part of the carrying amount of the investment. Any reversal of that impairment loss is recognized to the extent that the recoverable amount of the investment subsequently increases.

The Company discontinues the use of the equity method from the date on which its investment ceases to be an associate. Any retained investment is measured at fair value at that date, and the fair value is regarded as the investment's fair value on initial recognition as a financial asset. The difference between the previous carrying amount of the associate attributable to the retained interest and its fair value is included in the determination of the gain or loss on disposal of the associate. The Company accounts for all amounts previously recognized in other comprehensive income in relation to that associate on the same basis as would be required had that associate directly disposed of the related assets or liabilities. If an investment in an associate becomes an investment in a joint venture or an investment in a joint venture becomes an investment in an associate, the Company continues to apply the equity method and does not remeasure the retained interest.

When the Company transacts with its associate, profits and losses resulting from the transactions with the associate are recognized in the Company's financial statements only to the extent of interests in the associate that are not related to the Company.

h. Property, plant and equipment

Property, plant and equipment are stated at cost less accumulated depreciation and accumulated impairment loss.

Except for freehold land which is not depreciated, the depreciation of property, plant and equipment is recognized using the straight-line method. Each significant part is depreciated separately. The estimated useful lives, residual values and depreciation methods are reviewed at the end of each reporting period, with the effects of any changes in the estimates accounted for on a prospective basis.

On derecognition of an item of property, plant and equipment, the difference between the sales proceeds and the carrying amount of the asset is recognized in profit or loss.

i. Investment properties

Investment properties are properties held to earn rentals or for capital appreciation. Investment properties also include land held for a currently undetermined future use.

Freehold investment properties are initially measured at cost, including transaction costs. Subsequent to initial recognition, investment properties are measured at cost less accumulated depreciation and accumulated impairment loss. Depreciation is recognized using the straight-line method.

On derecognition of an investment property, the difference between the net disposal proceeds and the carrying amount of the asset is included in profit or loss.

j. Impairment of property, plant and equipment, right-of-use assets, investment properties and assets related to contract costs

At the end of each reporting period, the Company reviews the carrying amounts of its property, plant and equipment, right-of-use assets and investment properties to determine whether there is any indication that those assets have suffered any impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss. When it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs. Corporate assets are allocated to the individual cash-generating units on a reasonable and consistent basis of allocation.

The recoverable amount is the higher of fair value less costs to sell and value in use. If the recoverable amount of an asset or cash-generating unit is estimated to be less than its carrying amount, the carrying amount of the asset or cash-generating unit is reduced to its recoverable amount, with the resulting impairment loss recognized in profit or loss.

Before the Company recognizes an impairment loss from assets related to contract costs, any impairment loss on inventories and property, plant and equipment related to the contract shall be recognized in accordance with applicable standards. Then, impairment loss from the assets related to the contract costs is recognized to the extent that the carrying amount of the assets exceeds the remaining amount of consideration that the Company expects to receive in exchange for related goods or services less the costs which relate directly to providing those goods or services and which have not been recognized as expenses. The assets related to the contract costs are then included in the carrying amount of the cash-generating unit to which they belong for the purpose of evaluating impairment of that cash-generating unit.

When an impairment loss is subsequently reversed, the corresponding carrying amount of the asset, cash-generating unit or assets related to contract costs is increased to the revised estimate of its recoverable amount, but only to the extent of the carrying amount that would have been determined had no impairment loss been recognized for the asset, cash-generating unit or assets related to contract costs in prior years. A reversal of an impairment loss is recognized in profit or loss.

k. Financial instruments

Financial assets and financial liabilities are recognized when the Company becomes a party to the contractual provisions of the instruments.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognized immediately in profit or loss.

Financial assets

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

1) Measurement categories

   Financial assets are classified into the following categories: Financial assets at FVTPL, financial assets at amortized cost and investments in equity instruments at FVTOCI.

   a) Financial assets at FVTPL

      Financial assets are classified as at FVTPL when such financial assets are mandatorily classified or designated as at FVTPL. Financial assets mandatorily classified as at FVTPL include investments in equity instruments which are not designated as at FVTOCI and debt instruments that do not meet the amortized cost criteria or the FVTOCI criteria.

      Financial assets at FVTPL are subsequently measured at fair value, with any gains or losses arising on remeasurement recognized in profit or loss. The net gain or loss recognized in profit or loss does not incorporate any dividends or interest earned on such a financial asset. Fair value is determined in the manner described in Note 26.

   b) Financial assets at amortized cost

      Financial assets that meet the following conditions are subsequently measured at amortized cost:

      i. The financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows; and

      ii. The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

      Subsequent to initial recognition, financial assets at amortized cost, including cash and cash equivalents, trade receivables at amortized cost, notes receivable, other receivables and refundable deposits, are measured at amortized cost, which equals the gross carrying amount determined using the effective interest method less any impairment loss. Exchange differences are recognized in profit or loss.

      Interest income is calculated by applying the effective interest rate to the gross carrying amount of a financial asset, except for:

      i. Purchased or originated credit-impaired financial assets, for which interest income is calculated by applying the credit adjusted effective interest rate to the amortized cost of the financial asset; and

      ii. Financial assets that are not credit impaired on purchase or origination but have subsequently become credit impaired, for which interest income is calculated by applying the effective interest rate to the amortized cost of the financial asset.

      Cash equivalents include time deposits, commercial papers and repurchase agreements collateralized by bonds with original maturities within 3 months from the date of acquisition, which are highly liquid, readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value. These cash equivalents are held for the purpose of meeting short-term cash commitments.

c) Investments in equity instruments at FVTOCI

On initial recognition, the Company may make an irrevocable election to designate investments in equity instruments as at FVTOCI. Designation as at FVTOCI is not permitted if the equity investment is held for trading or if it is contingent consideration recognized by an acquirer in a business combination.

Investments in equity instruments at FVTOCI are subsequently measured at fair value with gains and losses arising from changes in fair value recognized in other comprehensive income and accumulated in other equity. The cumulative gain or loss will not be reclassified to profit or loss on disposal of the equity investments, instead, they will be transferred to retained earnings.

Dividends on these investments in equity instruments are recognized in profit or loss when the Company's right to receive the dividends is established, unless the dividends clearly represent a recovery of part of the cost of the investment.

2) Impairment of financial assets and contract assets

The Company recognizes a loss allowance for expected credit losses on financial assets at amortized cost (including trade receivables), as well as contract assets.

The Company always recognizes lifetime Expected Credit Losses (ECLs) for trade receivables. For all other financial instruments, the Company recognizes lifetime ECLs when there has been a significant increase in credit risk since initial recognition. If, on the other hand, the credit risk on the financial instrument has not increased significantly since initial recognition, the Company measures the loss allowance for that financial instrument at an amount equal to 12-month ECLs.

Expected credit losses reflect the weighted average of credit losses with the respective risks of a default occurring as the weights. Lifetime ECLs represent the expected credit losses that will result from all possible default events over the expected life of a financial instrument. In contrast, 12-month ECLs represent the portion of lifetime ECLs that is expected to result from default events on a financial instrument that are possible within 12 months after the reporting date.

The Company recognizes an impairment gain or loss in profit or loss for all financial instruments with a corresponding adjustment to their carrying amount through a loss allowance account.

3) Derecognition of financial assets

The Company derecognizes a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party.

On derecognition of a financial asset in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss that had been recognized in other comprehensive income is recognized in profit or loss.

Equity instruments

Debt and equity instruments issued by the Company are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definition of a financial liability and an equity instrument.

Equity instruments issued by the Company are recognized at the proceeds received, net of direct issue costs.

The repurchase of the Company’s own equity instruments is recognized in and deducted directly from equity. No gain or loss is recognized in profit or loss on the purchase, sale, issuance or cancellation of the Company’s own equity instruments.

Financial liabilities

1) Subsequent measurement

All the financial liabilities are measured at amortized cost using the effective interest method.

2) Derecognition of financial liabilities

The difference between the carrying amount of the financial liability derecognized and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognized in profit or loss.

l. Revenue recognition

The Company identifies contracts with customers, allocates the transaction price to the performance obligations and recognizes revenue when performance obligations are satisfied.

1) Revenue from the sale of goods

Revenue from the sale of goods comes from sales of electric wires and cables. Sales of goods are recognized as revenue when the goods are delivered to the customer’s specific location and examined by the customer because it is the time when the customer has full discretion over the manner of distribution and price to sell the goods, has the primary responsibility for sales to future customers and bears the risks of obsolescence. Revenue and contract assets are recognized concurrently. Any amounts previously recognized as contract assets are subsequently reclassified to trade receivables when invoices are issued. The transaction price received is recognized as a contract liability until the goods have been delivered to the customer or examined by the customer.

2) Revenue from the rendering of services

Revenue from the rendering of services comes from cable and wire installation services. Revenue from the installation of electric wires and cables and contract assets are recognized concurrently when the installation has been completed and examined by the customer. Contract assets are subsequently reclassified to trade receivables when invoices are issued.

m. Leases

At the inception of a contract, the Company assesses whether the contract is, or contains, a lease.

1) The Company as lessor

Leases are classified as finance leases whenever the terms of a lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

Lease payments (less any lease incentives payable) from operating leases are recognized as income on a straight-line basis over the terms of the relevant leases. Initial direct costs incurred in obtaining operating leases are added to the carrying amounts of the underlying assets and recognized as expenses on a straight-line basis over the lease terms.

When a lease includes both land and building elements, the Company assesses the classification of each element separately as a finance or an operating lease based on the assessment as to whether substantially all the risks and rewards incidental to ownership of each element have been transferred to the lessee. The lease payments are allocated between the land and the building elements in proportion to the relative fair values of the leasehold interests in the land element and building element of the lease at the inception of a contract. If the allocation of the lease payments can be made reliably, each element is accounted for separately in accordance with its lease classification. When the lease payments cannot be allocated reliably between the land and building elements, the entire lease is generally classified as a finance lease unless it is clear that both elements are operating leases; in which case, the entire lease is classified as an operating lease.

2) The Company as lessee

The Company recognizes right-of-use assets and lease liabilities for all leases at the commencement date of a lease, except for short-term leases and low-value asset leases accounted for applying a recognition exemption where lease payments are recognized as expenses on a straight-line basis over the lease terms.

Right-of-use assets are initially measured at cost, which comprises the initial measurement of lease liabilities adjusted for lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs needed to restore the underlying assets, and less any lease incentives received. Right-of-use assets are subsequently measured at cost less accumulated depreciation and impairment losses and adjusted for any remeasurement of the lease liabilities. Right-of-use assets are presented on a separate line in the balance sheets.

Right-of-use assets are depreciated using the straight-line method from the commencement dates to the earlier of the end of the useful lives of the right-of-use assets or the end of the lease terms.

Lease liabilities are initially measured at the present value of the lease payments, which comprise fixed payments. The lease payments are discounted using the interest rate implicit in a lease, if that rate can be readily determined. If that rate cannot be readily determined, the Company uses the lessee’s incremental borrowing rate.

Subsequently, lease liabilities are measured at amortized cost using the effective interest method, with interest expense recognized over the lease terms. When there is a change in a lease term, the Company remeasures the lease liabilities with a corresponding adjustment to the right-of-use-assets. However, if the carrying amount of the right-of-use assets is reduced to zero, any remaining amount of the remeasurement is recognized in profit or loss. Lease liabilities are presented on a separate line in the balance sheets.

n. Borrowing costs

Borrowing costs directly attributable to an acquisition, construction or production of qualifying assets are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalization.

Other than those stated above, all other borrowing costs are recognized in profit or loss in the period in which they are incurred.

o. Employee benefits

1) Short-term employee benefits

Liabilities recognized in respect of short-term employee benefits are measured at the undiscounted amount of the benefits expected to be paid in exchange for the related service.

2) Retirement benefits

Payments to defined contribution retirement benefit plans are recognized as an expense when employees have rendered services entitling them to the contributions.

Defined benefit costs (including service cost, net interest and remeasurement) under the defined benefit retirement benefit plans are determined using the projected unit credit method. Service cost (including current service cost, and net interest on the net defined benefit liabilities (assets) are recognized as employee benefits expense in the period in which they occur. Remeasurement, comprising actuarial gains and losses, effects of changes to asset ceiling and returns on plan assets (excluding interest), is recognized in other comprehensive income in the period in which it occurs. Remeasurement recognized in other comprehensive income is reflected immediately in retained earnings and will not be reclassified to profit or loss.

Net defined benefit liabilities (assets) represent the actual deficit (surplus) in the Company’s defined benefit plans. Any surplus resulting from this calculation is limited to the present value of any refunds from the plans or reductions in future contributions to the plans.

3) Other long-term employee benefits

Other long-term employee benefits are accounted for in the same way as the accounting required for defined benefit plans except that remeasurement is recognized in profit or loss.

p. Taxation

Income tax expense represents the sum of the tax currently payable and deferred tax.

1) Current tax

Income tax payable (recoverable) is based on taxable profit (loss) for the year determined according to the applicable tax laws of each tax jurisdiction.

According to the Income Tax Law in the ROC, an additional tax on unappropriated earnings is provided for in the year the shareholders approve to retain earnings.

Adjustments of prior years’ tax liabilities are added to or deducted from the current year’s tax provision.

2) Deferred tax

Deferred tax is recognized on temporary differences between the carrying amounts of assets and liabilities and the corresponding tax bases used in the computation of taxable profit.

Deferred tax liabilities are generally recognized for all taxable temporary differences. Deferred tax assets are generally recognized for all deductible temporary differences, unused loss carryforwards and unused tax credits for purchases of machinery, equipment and technology, to the extent that it is probable that taxable profit will be available against which those deductible temporary differences can be utilized.

Deferred tax liabilities are recognized for taxable temporary differences associated with investments in subsidiaries and associates, and interests in joint arrangements, except where the Company is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax assets arising from deductible temporary differences associated with such investments and interests are only recognized to the extent that it is probable that there will be sufficient taxable profit against which to utilize the benefits of the temporary differences and they are expected to reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the assets to be recovered. A previously unrecognized deferred tax asset is also reviewed at the end of each reporting period and recognized to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liabilities are settled or the assets are realized, based on tax rates and tax laws that have been enacted or substantively enacted by the end of the reporting period. The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Company expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

3) Current and deferred taxes

Current and deferred taxes are recognized in profit or loss, except when they relate to items that are recognized in other comprehensive income or directly in equity, in which case, the current and deferred taxes are also recognized in other comprehensive income or directly in equity, respectively.

5. MATERIAL ACCOUNTING JUDGMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of the Company’s accounting policies, management is required to make judgments, estimations, and assumptions on about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised if the revisions affect only that period or in the period of the revisions and future periods if the revisions affect both current and future periods.

Key Sources of Estimation Uncertainty

a. Write-down of inventories

The net realizable value of inventories is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale. The estimation of net realizable value is based on current market conditions and historical experience for the sale of product of a similar nature. Changes in market conditions may have a material impact on the estimation of the net realizable value.

b. Income taxes

As of December 31, 2023 and 2022, the carrying amount of deferred tax assets in relation to deductible temporary differences was $27,529 thousand and $23,592 thousand, respectively. As of December 31, 2023 and 2022, no deferred tax asset was recognized on tax losses of $65,627 thousand and $65,475 thousand, respectively, due to the unpredictability of future profit streams. A key source of estimation uncertainty is the determination of the realizability of deferred tax assets, which mainly depends on whether sufficient future profit or taxable temporary differences will be available. In cases where the actual future profit generated is less than expected, a material reversal of deferred tax assets may arise, which would be recognized in profit or loss for the period in which such a reversal takes place.

6. CASH AND CASH EQUIVALENTS

	December 31	
	2023	2022
Cash on hand	$ 58	$ 35
Checking accounts and demand deposits	57,994	133,051
Cash equivalents		
Time deposits with original maturities of 3 months or less	-	3,426
	$ 58,052	$ 136,512

The marketing rate intervals of cash in banks at the end of the reporting period were as follows:

	December 31	
	2023	2022
Bank balance	0%-1.45%	0%-2.75%

7. FINANCIAL INSTRUMENTS AT FAIR VALUE THROUGH PROFIT OR LOSS

	December 31	
	2023	2022
Financial assets at FVTPL - current		
Financial assets mandatorily classified as at FVTPL		
Non-derivative financial assets		
Gold investment account	$ 201,069	$ 176,715

8. FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

Investments in Equity Instruments at FVTOCI

	December 31	
	2023	**2022**
Current		
Domestic investments		
Listed shares		
Ordinary shares - Taiwan Cooperative Financial Holding Co., Ltd.	$ 92,271	$ 85,572
Ordinary shares - DrayTek Corp.	7,805	6,376
Ordinary shares - Mega Financial Holding Company Ltd.	6,075	4,666
	$ 106,151	$ 96,614
Non-current		
Domestic investments		
Listed shares		
Ordinary shares - Young Fast Optoelectronics Co., Ltd.	$ 879,879	$ 554,263
Ordinary shares - Fuzetec Technology Co., Ltd.	57,359	55,800
Unlisted shares		
Ordinary shares - Sol Young Enterprises Co., Ltd.	217,383	124,593
Ordinary shares - Bond-Galv Industrial Co., Ltd.	97,401	39,375
Ordinary shares - Mosart Semiconductor Corp.	12,936	14,738
Ordinary shares - Luminous Optical Technology Co., Ltd.	12,769	13,244
Preference shares - MagiCap Venture Capital Co., Ltd.	1,385	3,728
	$ 1,279,112	$ 805,741

These investments in equity instruments are held for medium to long-term strategic purposes, and the Company expects to profit from the shares through long-term investment. Accordingly, the management elected to designate these investments in equity instruments as at FVTOCI as they believe that recognizing short-term fluctuations in these investments' fair value in profit or loss would not be consistent with the Company's strategy of holding these investments for long-term purposes.

In 2022, the Company sold its shares in order to manage credit concentration risk. The sold shares had a fair value of $2,123 thousand, and the related unrealized valuation gain of $1,732 thousand, was transferred from other equity to retained earnings.

9. FINANCIAL ASSETS AT AMORTIZED COST

	December 31	
	2023	**2022**
Current		
Domestic investments		
Restricted assets - demand deposit	$ 9,407	$ 9,407

Refer to Note 28 for information relating to investments in financial assets at amortized cost pledged as security.

10. NOTES RECEIVABLE, TRADE RECEIVABLES AND OTHER RECEIVABLES

	December 31	
	2023	2022
Notes receivable		
At amortized cost		
Gross carrying amount	$ 28,332	$ 26,794
Less: Allowance for impairment loss	(390)	(378)
	$ 27,942	$ 26,416
Trade receivables		
At amortized cost		
Gross carrying amount	$ 923,379	$ 466,241
Less: Allowance for impairment loss	(9,270)	(5,600)
	$ 914,109	$ 460,641
Other receivables		
Tax refund receivable	$ -	$ 2,173
Earned revenue receivable and others	7,128	4,090
	$ 7,128	$ 6,263

Trade receivables at amortized cost

In order to minimize credit risk, the management of the Company has delegated a team responsible for determining credit limits, credit approvals and other monitoring procedures to ensure that follow-up action is taken to recover overdue debts. In addition, the Company reviews the recoverable amount of each individual trade debt at the end of the reporting period to ensure that adequate allowance is made for possible irrecoverable amounts. In this regard, the management believes the Company's credit risk was significantly reduced.

Other than government agencies, the Company transacted with customers from diverse industries that are unrelated to each other; thus, no concentration of credit risk was observed.

The Company measures the loss allowance for trade receivables at an amount equal to lifetime ECLs. The expected credit losses on trade receivables are estimated using a provision matrix by reference to the past default experience of the debtor and an analysis of the debtor's current financial position, adjusted for general economic conditions of the industry in which the debtors operate and an assessment of both the current as well as the forecasted direction of economic conditions at the reporting date. As the Company's historical credit loss experience does not show significantly different loss patterns for different customer segments, the provision for loss allowance based on past due status is not further distinguished according to the Company's different customer base.

The following table details the loss allowance of trade receivables based on the Company's provision matrix:

December 31, 2023

	Not Past Due
Expected credit loss rate	1%
Gross carrying amount	$ 951,711
Loss allowance (Lifetime ECLs)	(9,660)
Amortized cost	$ 942,051

December 31, 2022

	Not Past Due
Expected credit loss rate	1%
Gross carrying amount	$ 493,035
Loss allowance (Lifetime ECLs)	(5,978)
Amortized cost	$ 487,057

The movements of the loss allowance of trade receivables were as follows:

	For the Year Ended December 31	
	2023	2022
Balance at January 1	$ 5,978	$ 3,504
Add: Provision for impairment loss	3,682	2,474
Balance at December 31	$ 9,660	$ 5,978

11. INVENTORIES

	December 31	
	2023	2022
Finished goods (including merchandise)	$ 198,932	$ 223,046
Work in progress	401,131	402,682
Raw materials	582,968	420,373
	$ 1,183,031	$ 1,046,101

The cost of inventories recognized as cost of goods sold for the years ended December 31, 2023 and 2022 was $3,770,308 thousand and $2,492,620 thousand, respectively.

The cost of goods sold included write-downs of inventories of $16,236 thousand and scrappage of inventories of $2,133 thousand for the year ended December 31, 2023. The cost of goods sold included write-downs of inventories of $335 thousand for the year ended December 31, 2022.

12. INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD

	December 31	
	2023	2022
Investments in subsidiaries	$ 51,739	$ 53,990
Investments in associates	12,238	-
	$ 63,977	$ 53,990

Investments in subsidiaries

	December 31	
	2023	2022
Unlisted shares		
Holdkey (Belize) Investments Limited	$ 6,226	$ 6,223
Muchonfarm Inc.	45,513	47,767
	$ 51,739	$ 53,990

Name of Subsidiaries	Proportion of Ownership and Voting Rights December 31	
	2023	2022
Holdkey (Belize) Investments Limited	100%	100%
Muchonfarm Inc.	100%	100%

Investments in associates

	December 31	
	2023	2022
Associates that are not individually material		
Tun Hua Engineering Ltd.	$ 12,238	$ -

Total aggregate information of associates that are not individually material

	For the Year Ended December 31	
	2023	2022
The Company's share of:		
Net loss for the year	$ (12)	$ -
Other comprehensive income (loss)	-	-
Total comprehensive loss	$ (12)	$ -

In November 2023, the Company acquired 24.50% of the voting rights in Tun Hua Engineering Ltd. for $12,250 thousand in cash.

The share of profits and losses and other comprehensive profits and losses of investments using the equity method is calculated based on financial reports that have been audited by accountants, except for Tun Hua Engineering Ltd., which is calculated based on financial reports that have not been audited; however, the management of the Company believes that the financial reports that have not been audited of the above-mentioned invested companies is not expected to have a significant impact.

13. PROPERTY, PLANT AND EQUIPMENT

Assets Used by the Company

	Freehold Land	Buildings	Machinery and Equipment	Other Equipment	Total
Cost					
Balance at January 1, 2023	$ 522,713	$ 1,177,706	$ 161,826	$ 71,813	$ 1,934,058
Additions	-	2,429	1,714	18,715	22,858
Disposals	-	(76,269)	(65,920)	(5,328)	(147,517)
Balance at December 31, 2023	$ 522,713	$ 1,103,866	$ 97,620	$ 85,200	$ 1,809,399
Accumulated depreciation and impairment					
Balance at January 1, 2023	$ -	$ (496,513)	$ (125,611)	$ (27,832)	$ (649,956)
Disposals	-	40,540	65,920	5,287	111,747
Depreciation expense	-	(28,026)	(6,060)	(9,309)	(43,395)
Balance at December 31, 2023	$ -	$ (483,999)	$ (65,751)	$ (31,854)	$ (581,604)
Balance at December 31, 2023, net	$ 522,713	$ 619,867	$ 31,869	$ 53,346	$ 1,227,795
Cost					
Balance at January 1, 2022	$ 519,434	$ 1,192,447	$ 196,963	$ 74,762	$ 1,983,606
Additions	-	-	5,050	3,720	8,770
Disposals	-	(17,591)	(40,187)	(6,669)	(64,447)
Transferred from investment properties	3,279	2,850	-	-	6,129
Balance at December 31, 2022	$ 522,713	$ 1,177,706	$ 161,826	$ 71,813	$ 1,934,058
Accumulated depreciation and impairment					
Balance at January 1, 2022	$ -	$ (482,394)	$ (155,224)	$ (25,516)	$ (663,134)
Disposals	-	17,591	35,570	6,669	59,830
Depreciation expense	-	(30,645)	(5,957)	(8,985)	(45,587)
Transferred from investment properties	-	(1,065)	-	-	(1,065)
Balance at December 31, 2022	$ -	$ (496,513)	$ (125,611)	$ (27,832)	$ (649,956)
Balance at December 31, 2022, net	$ 522,713	$ 681,193	$ 36,215	$ 43,981	$ 1,284,102

The above items of property, plant and equipment used by the Company are depreciated on a straight-line basis over their estimated useful lives as follows:

Buildings	6-50 years
Machinery and equipment	4-20 years
Other equipment	3-16 years

The major parts of the buildings held by the Company include plants and fire extinguishing equipment, which are depreciated over their estimated useful lives of 50 years and 10 years, respectively.

Refer to Note 28 for the carrying amount of property, plant and equipment pledged for general banking facilities granted to the Company.

14. LEASE ARRANGEMENTS

a. Right-of-use assets

	December 31	
	2023	2022
Carrying amounts		
Buildings	$ 1,864	$ 4,634
Transportation equipment	3,486	2,581
	$ 5,350	$ 7,215

	For the Year Ended December 31	
	2023	2022
Additions to right-of-use assets	$ 2,545	$ 3,019
Depreciation charge for right-of-use assets		
Buildings	$ 2,593	$ 2,684
Transportation equipment	1,640	1,806
	$ 4,233	$ 4,490

b. Lease liabilities

	December 31	
	2023	2022
Carrying amounts		
Current	$ 3,230	$ 4,070
Non-current	$ 2,169	$ 3,201

Range of discount rates for lease liabilities was as follows:

	December 31	
	2023	2022
Buildings	1.195%-1.60%	1.195%-1.60%
Transportation equipment	1.165%-1.975%	1.165%-1.725%

c. Other lease information

	For the Year Ended December 31	
	2023	2022
Expenses relating to short-term leases	$ 3,978	$ 3,118
Expenses relating to low-value asset leases	$ 228	$ 101
Total cash outflow for leases	$ (4,326)	$ (4,585)

The Company’s leases of certain buildings, transportation equipment, etc., qualify as short-term leases and leases of certain miscellaneous equipment qualify as low-value asset leases. The Company has elected to apply the recognition exemption and thus, did not recognize right-of-use assets and lease liabilities for these leases.

Lease arrangements under operating leases for the leasing out of investment properties are set out in Note 15.

15. INVESTMENT PROPERTIES

	Freehold Land	Buildings	Total
Cost			
Balance at January 1, 2023	$ 106,659	$ 329,158	$ 435,817
Disposals	-	(3,235)	(3,235)
Balance at December 31, 2023	$ 106,659	$ 325,923	$ 432,582
Accumulated depreciation and impairment			
Balance at January 1, 2023	$ -	$ (162,919)	$ (162,919)
Disposals	-	1,659	1,659
Depreciation expense	-	(11,866)	(11,866)
Balance at December 31, 2023	$ -	$ (173,126)	$ (173,126)
Balance at December 31, 2023, net	$ 106,659	$ 152,797	$ 259,456
Cost			
Balance at January 1, 2022	$ 109,938	$ 332,096	$ 442,034
Disposals	-	(88)	(88)
Transferred to property, plant and equipment	(3,279)	(2,850)	(6,129)
Balance at December 31, 2022	$ 106,659	$ 329,158	$ 435,817
Accumulated depreciation and impairment			
Balance at January 1, 2022	$ -	$ (152,103)	$ (152,103)
Disposals	-	88	88
Depreciation expense	-	(11,969)	(11,969)
Transferred to property, plant and equipment	-	1,065	1,065
Balance at December 31, 2022	$ -	$ (162,919)	$ (162,919)
Balance at December 31, 2022, net	$ 106,659	$ 166,239	$ 272,898

Investment properties are depreciated on a straight-line basis over their estimated useful lives of 7 to 55 years.

The fair value of investment properties was $561,941 thousand and $437,316 thousand as of December 31, 2023 and 2022, respectively. The fair value was not evaluated by an independent appraiser; the Company evaluated it with reference to the market evidence of similar real estate transaction prices.

The investment properties were leased out for 1 to 5 years. The lessees do not have bargain purchase options to acquire the investment properties at the expiry of the lease periods.

As of December 31, 2023 and 2022, guarantee deposits received by the Company for operating lease contracts were both amounted to $3,978 thousand.

The maturity analysis of lease payments receivable under operating leases of investment properties was as follows:

	December 31	
	2023	2022
Year 1	$ 22,030	$ 20,869
Year 2	19,155	18,484
Year 3	17,195	16,509
Year 4	-	14,909
	$ 58,380	$ 70,771

The Company has freehold interest in all of its investment property. Refer to Note 28 for the carrying amount of investment properties pledged to secure general banking facilities granted to the Company.

16. OTHER ASSETS

	December 31	
	2023	2022
Current		
Prepayments	$ 51,681	$ 42,735
Temporary payments and payments on behalf of others	3,741	2,095
Others	9,639	15,987
	$ 65,061	$ 60,817
Non-current		
Refundable deposits	$ 15,320	$ 12,851
Prepayments for equipment	169,980	29,849
	$ 185,300	$ 42,700

17. SHORT-TERM BORROWINGS

	December 31	
	2023	2022
Secured borrowings (Note 28)		
Bank borrowings	$ 334,541	$ 23,844
Unsecured borrowings		
Bank line of credit borrowings	207,688	125,475
	$ 542,229	$ 149,319

The interest rate range of short-term borrowings interest rate were 1.66%-1.86% and 1.596%-1.85% per annum at December 31, 2023 and 2022, respectively.

18. OTHER LIABILITIES

	December 31	
	2023	2022
Current		
Other payables		
Payable for purchase of equipment	$ 6,964	$ 1,591
Payable for salaries or bonuses	60,833	43,963
Payable for commissions	3,840	3,222
Payable for retirement and others	45,908	35,489
	$ 117,545	$ 84,265
Other liabilities		
Temporary receipts	$ 1,717	$ 1,716
Others	781	770
	$ 2,498	$ 2,486
Non-current		
Other liabilities		
Net defined benefit liabilities (Note 19)	$ 29,418	$ 27,195
Guarantee deposits received (Note 15)	3,978	3,978
	$ 33,396	$ 31,173

19. RETIREMENT BENEFIT PLANS

a. Defined contribution plans

The Company adopted a pension plan under the Labor Pension Act (LPA), which is a state-managed defined contribution plan. Under the LPA, the Company make monthly contributions to employees' individual pension accounts at 6% of monthly salaries and wages.

b. Defined benefit plans

The defined benefit plan adopted by the Company in accordance with the Labor Standards Act is operated by the government. Pension benefits are calculated on the basis of the length of service and average monthly salaries of the six months before retirement. Since February 2022, the Company contributes original amounts equal to 2% to 6% of total monthly salaries and wages to a pension fund administered by the pension fund monitoring committee. Pension contributions are deposited in the Bank of Taiwan in the committee's name. Before the end of each year, the Company assesses the balance in the pension fund. If the amount of the balance in the pension fund is inadequate to pay retirement benefits for employees who conform to retirement requirements in the next year, the Company is required to fund the difference that should be made before the end of March of the next year. The pension fund is managed by the Bureau of Labor Funds, Ministry of Labor (the "Bureau"); the Company has no right to influence the investment policy and strategy.

The amounts included in the balance sheets in respect of the Company's defined benefit plans were as follows:

	December 31	
	2023	2022
Present value of the defined benefit obligation	$ 82,199	$ 77,967
Fair value of the plan assets	(52,781)	(50,772)
Deficit	29,418	27,195
Net defined benefit liabilities	$ 29,418	$ 27,195

Movements in net defined benefit liabilities (assets) were as follows:

	Present Value of the Defined Benefit Obligation	Fair Value of the Plan Assets	Net Defined Benefit Liabilities (Assets)
Balance at January 1, 2023	$ 77,967	$ (50,772)	$ 27,195
Service cost			
Current service cost	455	-	455
Net interest expense (income)	1,170	(785)	385
Recognized in profit or loss	1,625	(785)	840
Remeasurement			
Return on plan assets (excluding amounts included in net interest)	-	(275)	(275)
Actuarial (gain) loss - changes in financial assumptions	4,070	-	4,070
Actuarial loss (gain) - experience adjustments	2,276	-	2,276
Recognized in other comprehensive income	6,346	(275)	6,071
Contributions from the employer	-	(4,688)	(4,688)
Benefits paid	(3,739)	3,739	-
Balance at December 31, 2023	$ 82,199	$ (52,781)	$ 29,418
Balance at January 1, 2022	$ 75,774	$ (43,719)	$ 32,055
Service cost			
Current service cost	430	-	430
Net interest expense (income)	474	(277)	197
Recognized in profit or loss	904	(277)	627
Remeasurement			
Return on plan assets (excluding amounts included in net interest)	-	(4,051)	(4,051)
Actuarial (gain) loss - changes in financial assumptions	(2,700)	-	(2,700)
Actuarial (gain) loss - experience adjustments	3,989	-	3,989
Recognized in other comprehensive income	1,289	(4,051)	(2,762)
Contributions from the employer	-	(2,725)	(2,725)
Balance at December 31, 2022	$ 77,967	$ (50,772)	$ 27,195

An analysis by function of the amounts recognized in profit or loss in respect of the defined benefit plans is as follows:

	For the Year Ended December 31	
	2023	**2022**
Operating costs	$ 616	$ 460
Selling and marketing expenses	92	75
General and administrative expenses	102	73
Research and development expenses	30	19
	$ 840	$ 627

Through the defined benefit plans under the Labor Standards Act, the Company is exposed to the following risks:

1) Investment risk: The plan assets are invested in domestic and foreign equity and debt securities, bank deposits, etc. The investment is conducted at the discretion of the Bureau or under the mandated management. However, in accordance with relevant regulations, the return generated by plan assets should not be below the interest rate for a 2-year time deposit with local banks.

2) Interest risk: A decrease in the government or corporate bond interest rate will increase the present value of the defined benefit obligation; however, this will be partially offset by an increase in the return on the plans' debt investments.

3) Salary risk: The present value of the defined benefit obligation is calculated by reference to the future salaries of plan participants. As such, an increase in the salaries of the plan participants will increase the present value of the defined benefit obligation.

The actuarial valuations of the present value of the defined benefit obligation were carried out by qualified actuaries. The significant assumptions used for the purposes of the actuarial valuations were as follows:

	December 31	
	2023	**2022**
Discount rate(s)	1.125%	1.50%
Expected rate(s) of salary increase	2.750%	2.50%

If possible reasonable change in each of the significant actuarial assumptions occur and all other assumptions remain constant, the present value of the defined benefit obligation will increase (decrease) as follows:

	December 31	
	2023	**2022**
Discount rate(s)		
0.25% increase	$ (1,682)	$ (1,665)
0.25% decrease	$ 1,734	$ 1,718
Expected rate(s) of salary increase/decrease		
0.25% increase	$ 1,676	$ 1,671
0.25% decrease	$ (1,634)	$ (1,627)

The sensitivity analysis presented above may not be representative of the actual change in the present value of the defined benefit obligation as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated.

	December 31	
	2023	2022
The expected contributions to the plan for the next year	$ 7,812	$ 3,183
The average duration of the defined benefit obligation	8.3 years	8.7 years

20. EQUITY

a. Share capital

Ordinary shares

	December 31	
	2023	2022
Number of authorized shares (in thousands)	320,000	320,000
Amount of authorized shares	$ 3,200,000	$ 3,200,000
Number of issued and fully paid shares (in thousands)	192,692	192,692
Amount of issued and fully paid shares	$ 1,926,917	$ 1,926,917

Fully paid ordinary shares, which have a par value of $10, carry one vote per share and a right to receive dividends.

b. Capital surplus

	December 31	
	2023	2022
May be used to offset a deficit, distributed as cash dividends, or transferred to share capital (1)		
Arising from issuance of ordinary shares	$ 196,212	$ 234,751
May be used to offset a deficit only (2)		
Arising from changes in percentage of ownership interest in subsidiaries	159	159
Exercising the disgorgement	1	-
	$ 196,372	$ 234,910

1) Such capital surplus may be used to offset a deficit; in addition, when the Company has no deficit, such capital surplus may be distributed as cash dividends or transferred to share capital (limited to a certain percentage of the Company’s capital surplus and once a year).

2) Such capital surplus arises from the effect of changes in ownership interest in a subsidiary resulted from equity transactions other than actual disposal or acquisition, or from changes in capital surplus of subsidiaries accounted for using equity method, or from exercising the disgorgement.

c. Retained earnings and dividends policy

The Company considers the needs of the environment and the characteristics of the industry and long-term financial planning, dividend policy, measure of investment funds, financial structure, and surplus situation before it decides on the amount and type of surplus distribution.

Under the dividends policy as set forth in the Articles, when the Company made a profit in a fiscal year, the profit shall be first utilized for paying taxes and offsetting losses of previous years. The Company shall, after its losses have been covered and all taxes and dues have been paid and at the time of allocating surplus profit, first set aside 10% of such profit as a legal reserve. However, when the legal reserve amounts to the authorized capital, this shall not apply. In addition to the aforesaid legal reserve, the Company appropriates another sum as a special reserve. Finally, any remaining profit together with any undistributed retained earnings shall be used by the Company's board of directors as the basis for proposing a distribution plan, which should be resolved in the shareholders' meeting for the distribution of dividends and bonuses to shareholders. Distribution of cash dividends shall not be less than 10% of total dividends.

The amendment explicitly stipulates that the board of directors is authorized to adopt a special resolution to distribute dividends, bonuses, capital surplus or all or part of legal reserve in cash and a report of such distribution should be submitted in the shareholders' meeting. The requirement to submit a resolution to the shareholders' meeting shall not apply.

For the policies on distribution of compensation of employees and remuneration of directors, refer to compensation of employees and remuneration of directors in Note 22-h.

Legal reserve shall be appropriated until it has reached the Company's paid-in capital. This reserve may be used to offset a deficit. If the Company has no deficit, and the legal reserve has exceeded 25% of the Company's paid-in capital, the excess may be transferred to capital or distributed in cash.

The appropriation of earnings for 2022 and 2021 were as follows:

	Appropriation of Earnings	
	For Year 2022	**For Year 2021**
Legal reserve	$ 25,202	$ 25,869
Cash dividends	$ 77,077	$ 48,173
Cash dividend per share (NT$)	$ 0.40	$ 0.25

The above appropriations for cash dividends were resolved by the Company's board of directors on May 12, 2023 and 2022, respectively; the other proposed appropriations of 2022 and 2021 were resolved by the shareholders in their meeting on June 26, 2023 and June 27, 2022, respectively.

On May 12, 2023 and 2022, the Board of Directors resolved to appropriate the capital surplus of $38,539 thousand and $48,173 thousand for cash, respectively.

The appropriations of earnings for 2023, which were proposed by the board of directors on March 13, 2024, were as follows:

	Appropriation of Earnings
	For Year 2023
Legal reserve	$ 38,193
Cash dividends	$ 96,346
Cash dividend per share (NT$)	$ 0.50

The above appropriation for cash dividends has been resolved by the Company's board of directors; the other proposed appropriations will be resolved by the shareholders in their meeting on June 24, 2024.

On March 13, 2024, the Board of Directors resolved to appropriate the capital surplus of $96,346 thousand for cash.

21. REVENUE

	For the Year Ended December 31	
	2023	2022
Wires and cables revenue	$ 4,457,240	$ 2,838,476
Rental revenue	21,660	22,559
	$ 4,478,900	$ 2,861,035

Contract Balances

	December 31, 2023	December 31, 2022	January 1, 2022
Notes and trade receivables (Note 10)	$ 942,051	$ 487,057	$ 338,868
Contract assets - current			
Sale of goods	$ 217,395	$ 266,954	$ 260,991
Installation services	3,270	2,081	6,787
	220,665	269,035	267,778
Contract assets - non-current			
Sale of goods	311,927	46,660	-
	$ 532,592	$ 315,695	$ 267,778
Contract liabilities - current			
Sale of goods	$ 48,432	$ 24,273	$ 25,309
Installation services	10,340	6,905	3,402
	$ 58,772	$ 31,178	$ 28,711

The changes in the balance of contract assets primarily resulted from the timing difference between the Company's satisfaction of performance obligations and the respective customer's payment; other significant changes are as follows:

	For the Year Ended December 31	
	2023	2022
Contract assets		
Balance at beginning of the year transferred to trade receivables	$ (177,630)	$ (88,051)

The amount of contract liabilities at January 1, 2023 recognized as income in the current year is as follows:

	For the Year Ended December 31	
	2023	**2022**
Contract liability balance at January 1, 2023		
Sale of goods	$ 23,598	$ 16,732
Installation services	-	3,402
	$ 23,598	$ 20,134

22. NET PROFIT

a. Interest income

	For the Year Ended December 31	
	2023	**2022**
Bank deposits	$ 1,384	$ 481
Interest on deposits	31	20
	$ 1,415	$ 501

b. Other income

	For the Year Ended December 31	
	2023	**2022**
Dividends	$ 46,245	$ 44,920
Others	4,567	10,998
	$ 50,812	$ 55,918

c. Other gains and losses

	For the Year Ended December 31	
	2023	**2022**
Gain on financial assets mandatorily classified as at FVTPL	$ 24,354	$ 19,602
Net foreign exchange (losses) gains	(699)	3,893
(Loss) gain on disposal of property, plant and equipment	(39,643)	883
Loss on disposal of investment property	(1,794)	-
Others	(2,499)	(84)
	$ (20,281)	$ 24,294

d. Finance costs

	For the Year Ended December 31	
	2023	2022
Interest on bank loan	$ 4,641	$ 1,430
Interest on lease liabilities	88	99
Interest on deposits	59	31
	$ 4,788	$ 1,560

e. Depreciation and amortization

	For the Year Ended December 31	
	2023	2022
An analysis of depreciation by function		
Operating costs	$ 56,298	$ 58,634
Operating expenses	3,196	3,412
	$ 59,494	$ 62,046

f. Operating expenses directly related to investment properties

	For the Year Ended December 31	
	2023	2022
Direct operating expenses of investment properties generating rental income	$ 13,551	$ 13,640

g. Employee benefits expense

	For the Year Ended December 31	
	2023	2022
Post-employment benefits		
Defined contribution plans	$ 5,944	$ 5,725
Defined benefit plans (Note 19)	840	627
	6,784	6,352
Other employee benefits	217,136	188,767
Total employee benefits expense	$ 223,920	$ 195,119
An analysis of employee benefits expense by function		
Operating costs	$ 158,073	$ 143,889
Operating expenses	65,847	51,230
	$ 223,920	$ 195,119

h. Compensation of employees and remuneration of directors

According to the Company's Articles, where the Company made a profit in a fiscal year, it distributes compensation of employees at the rate of no less than 1% and no higher than 5% and remuneration of directors at the rate of no higher than 2.5% of net profit before income tax. The compensation of employees is calculated based on the remaining balance of the current year's profit (i.e., profit before income tax prior to the distribution of compensation of employees and remuneration of directors) minus accumulated deficits.

The compensation of employees and remuneration of directors for the years ended December 31, 2023 and 2022, which were approved by the Company's board of directors on March 13, 2024 and May 12, 2023, respectively, are as follows:

Accrual rate

	For the Year Ended December 31	
	2023	**2022**
Compensation of employees	4.01%	3.00%
Remuneration of directors	2.07%	2.02%

Amount

	For the Year Ended December 31	
	2023	**2022**
	Cash	**Cash**
Compensation of employees	$ 20,500	$ 9,600
Remuneration of directors	10,580	6,480

If there is a change in the amounts after the annual financial statements are authorized for issue, the differences are recorded as a change in the accounting estimate.

There was no difference between the appropriations of compensation of employees and remuneration of directors resolved by the Company's board of directors and the amounts recognized in 2022 and 2021 in the financial statements for the years ended December 31, 2022 and 2021.

Information on the compensation of employees and remuneration of directors resolved by the Company's board of directors is available at the Market Observation Post System website of the Taiwan Stock Exchange.

i. Gains or losses on foreign currency exchange

	For the Year Ended December 31	
	2023	**2022**
Foreign exchange gains	$ 1,668	$ 6,599
Foreign exchange losses	(2,367)	(2,706)
	$ (699)	$ 3,893

23. INCOME TAXES

a. Income tax recognized in profit or loss

Major components of income tax expense are as follows:

	For the Year Ended December 31	
	2023	2022
Current tax		
In respect of the current year	$ 84,779	$ 43,152
Income tax on unappropriated earnings	6,365	8,794
Adjustments for prior year	26	43
Deferred tax		
In respect of the current year	2,148	4,293
Income tax expense recognized in profit or loss	$ 93,318	$ 56,282

A reconciliation of accounting profit and income tax expense is as follows:

	For the Year Ended December 31	
	2023	2022
Profit before tax	$ 480,113	$ 304,359
Income tax expense calculated at the statutory rate	$ 96,022	$ 60,872
Non-deductible expenses in determining taxable income	2	10
Loss on property transaction	-	(30)
Tax-exempt income	(9,249)	(8,984)
Income tax on unappropriated earnings	6,365	8,794
Unrecognized deductible temporary differences	152	(4,423)
Adjustments for prior years' tax	26	43
Income tax expense recognized in profit or loss	$ 93,318	$ 56,282

b. Income tax recognized in other comprehensive income

	For the Year Ended December 31	
	2023	2022
Deferred tax		
In respect of the current year:		
Remeasurement of defined benefit plans	$ (1,214)	$ 552
Total income tax (benefit) expense recognized in other comprehensive income	$ (1,214)	$ 552

c. Current tax liabilities

	December 31	
	2023	2022
Current tax liabilities		
Income tax payable	$ 69,437	$ 27,666

d. Deferred tax assets and liabilities

The movements of deferred tax assets and deferred tax liabilities were as follows:

For the year ended December 31, 2023

Deferred Tax Assets	Opening Balance	Recognized in Profit or Loss	Recognized in Other Comprehensive Income	Closing Balance
Temporary differences				
Unrealized investment losses	$ 4,218	$ 227	$ -	$ 4,445
Inventory write-downs	12,144	3,247	-	15,391
Defined benefit plans	6,970	(769)	1,214	7,415
Others	260	18	-	278
	$ 23,592	$ 2,723	$ 1,214	$ 27,529

Deferred Tax Liabilities	Opening Balance	Recognized in Profit or Loss	Recognized in Other Comprehensive Income	Closing Balance
Temporary differences				
Unrealized valuation gains	$ 4,394	$ 4,871	$ -	$ 9,265

For the year ended December 31, 2022

Deferred Tax Assets	Opening Balance	Recognized in Profit or Loss	Recognized in Other Comprehensive Income	Closing Balance
Temporary differences				
Unrealized investment losses	$ 4,091	$ 127	$ -	$ 4,218
Inventory write-downs	12,077	67	-	12,144
Defined benefit plans	7,942	(420)	(552)	6,970
Others	407	(147)	-	260
	$ 24,517	$ (373)	$ (552)	$ 23,592

Deferred Tax Liabilities	Opening Balance	Recognized in Profit or Loss	Recognized in Other Comprehensive Income	Closing Balance
Temporary differences				
Unrealized valuation gains	$ 474	$ 3,920	$ -	$ 4,394

e. Deductible temporary differences and unused loss carryforwards for which no deferred tax assets have been recognized in the balance sheets

	December 31	
	2023	2022
Deductible temporary differences		
Unrealized investment losses	$ 324,935	$ 323,806
Impairment of assets	3,200	3,571
	$ 328,135	$ 327,377

f. Income tax assessments

The income tax returns of the Company through 2021 have been assessed and cleared by the tax authorities.

24. EARNINGS PER SHARE

The earnings and weighted average number of ordinary shares outstanding used in the computation of earnings per share were as follows:

Net Profit for the Year

	For the Year Ended December 31	
	2023	2022
Profit for the year attributable to owners of the Company	$ 386,795	$ 248,077

Weighted Average Number of Ordinary Shares Outstanding

(In Thousands of Shares)

	For the Year Ended December 31	
	2023	2022
Weighted average number of ordinary shares used in the computation of basic earnings per share	192,692	192,692
Effect of potentially dilutive ordinary shares:		
Employees' compensation issued	811	927
Weighted average number of ordinary shares used in the computation of diluted earnings per share	193,503	193,619

The Company may settle the compensation of employees in cash or shares; therefore, the Company assumes that the entire amount of the compensation will be settled in shares, and the resulting potential shares will be included in the weighted average number of shares outstanding used in the computation of diluted earnings per share, as the effect is dilutive. Such dilutive effect of the potential shares is included in the computation of diluted earnings per share until the number of shares to be distributed to employees is resolved in the following year.

25. CAPITAL MANAGEMENT

In consideration of the industry dynamics, the Company manages its capital in a manner to ensure that it has sufficient and necessary financial resources to find its working capital needs, capital assets purchases, research and development activities, and dividend payments associated with its existing operations over the next 12 months.

26. FINANCIAL INSTRUMENTS

a. Fair value of financial instruments not measured at fair value

Management believes the carrying amounts of financial assets and financial liabilities recognized in the financial statements approximate their fair values or their fair values cannot be reliably measured.

b. Fair value of financial instruments measured at fair value on a recurring basis

1) Fair value hierarchy

December 31, 2023

	Level 1	Level 2	Level 3	Total
Financial assets at FVTPL				
Gold investment account	$ 201,069	$ -	$ -	$ 201,069
Financial assets at FVTOCI				
Listed securities in the ROC				
Equity securities	1,043,389	-	-	1,043,389
Unlisted securities in the ROC				
Equity securities	-	-	340,489	340,489
Preference shares	-	-	1,385	1,385
	$ 1,244,458	$ -	$ 341,874	$ 1,586,332

December 31, 2022

	Level 1	Level 2	Level 3	Total
Financial assets at FVTPL				
Gold investment account	$ 176,715	$ -	$ -	$ 176,715
Financial assets at FVTOCI				
Listed securities in the ROC				
Equity securities	706,677	-	-	706,677
Unlisted securities in the ROC				
Equity securities	-	-	191,950	191,950
Preference shares	-	-	3,728	3,728
	$ 883,392	$ -	$ 195,678	$ 1,079,070

There were no transfers between Levels 1 and 2 in the current and prior periods.

2) Reconciliation of Level 3 fair value measurements of financial instruments

For the year ended December 31, 2023

	Financial Assets at FVTOCI
	Equity Instruments
Financial assets	
Balance at January 1, 2023	$ 195,678
Recognized in other comprehensive income (included in unrealized valuation gain (loss) on financial assets at FVTOCI)	146,196
Balance at December 31, 2023	$ 341,874

For the year ended December 31, 2022

	Financial Assets at FVTOCI
	Equity Instruments
Financial assets	
Balance at January 1, 2022	$ 230,387
Disposals/settlements	(2,123)
Recognized in other comprehensive income (included in unrealized valuation gain (loss) on financial assets at FVTOCI)	(32,586)
Balance at December 31, 2022	$ 195,678

3) Valuation techniques and inputs applied for Level 3 fair value measurement

Domestic unlisted shares were valued using the market approach. The estimates and assumptions used by the Company under the market approach are consistent with those used by market participants in the pricing of financial instruments.

c. Categories of financial instruments

	December 31	
	2023	**2022**
Financial assets		
FVTPL		
Mandatorily classified as at FVTPL	$ 201,069	$ 176,715
Financial assets at amortized cost (Note 1)	1,031,958	652,090
Financial assets at FVTOCI	1,385,263	902,355
Financial liabilities		
Amortized cost (Note 2)	928,572	424,759

Note 1: The balances include financial assets at amortized cost, which comprise cash and cash equivalents, debt investments, notes receivable, trade receivables, other receivables and refundable deposits.

Note 2: The balances include financial liabilities at amortized cost, which comprise short-term borrowings, notes payable, trade payables, other payables and guarantee deposits.

d. Financial risk management objectives and policies

The Company sought to minimize the effects of these risks by using derivative financial instruments to hedge risk exposures. The use of financial derivatives was governed by the Company's policies approved by the board of directors.

1) Market risk

The Company's activities exposed it primarily to the financial risks of changes in foreign currency exchange rates (see (a) below) and interest rates (see (b) below).

a) Foreign currency risk

With regard to the carrying amounts of the Company's foreign currency denominated monetary assets and monetary liabilities (including those eliminated on consolidation), refer to Note 32.

Sensitivity analysis

The Company is mainly exposed to the USD and JPY.

The following table details the Company's sensitivity to a 2% increase and decrease in New Taiwan dollars (the functional currency) against the relevant foreign currencies. The sensitivity rate of 2% is used when reporting foreign currency risk internally to key management personnel and represents management's assessment of the reasonably possible change in foreign exchange rates. The sensitivity analysis included only outstanding foreign currency denominated monetary items at the end of the reporting period under the assumption of a 2% change in foreign currency rates. A positive number below indicates an increase/decrease in pre-tax profit/loss when New Taiwan dollars weakened by 2% against the relevant currency. For a 2% strengthening of New Taiwan dollars against the relevant currency, there would be an equal and opposite impact on pre-tax profit/loss and the balances below would be negative.

	USD Impact		**JPY Impact**	
	For the Year Ended December 31		**For the Year Ended December 31**	
	2023	**2022**	**2023**	**2022**
Profit or loss	$ 180	$ 336	$ 473	$ 407

The amounts were mainly attributable to the outstanding receivables and payables, which were not hedged at the end of the reporting period.

The Company's sensitivity to foreign currency risk in 2023 and 2022 has not changed significantly from the prior year.

b) Interest rate risk

The carrying amounts of the Company's financial assets and financial liabilities with exposure to interest rates at the end of the reporting period were as follows:

	December 31	
	2023	**2022**
Fair value interest rate risk		
Financial assets	$ -	$ 3,426
Financial liabilities	100,000	-
Cash flow interest rate risk		
Financial assets	66,704	141,705
Financial liabilities	442,229	149,319

Sensitivity analysis

The sensitivity analyses below were determined based on the Company's exposure to interest rates for non-derivative instruments at the end of the reporting period. A sensitivity rate of 0.25% increase or decrease was used when reporting interest rate risk internally to key management personnel and represents management's assessment of the reasonably possible change in interest rates.

If interest rates had been 0.25% higher/lower and all other variables were held constant, the Company's pre-tax profit/loss for the years ended December 31, 2023 and 2022 would have increased/decreased by $(939) thousand and $(19) thousand, respectively, which was mainly a result of variable-rate bank deposits and short-term borrowings.

The Company's sensitivity to interest rate risk in 2023 and 2022 has not changed significantly from the prior year.

c) Other price risk

The Company was exposed to equity price risk through its investments in equity securities. The Company manages this exposure by maintaining a portfolio of investments with different risks.

Sensitivity analysis

The sensitivity analyses below were determined based on the exposure to the price risks of the aforementioned investments at the end of the reporting period.

If equity prices had been 1% higher/lower, pre-tax profit for the years ended December 31, 2023 and 2022 would have increased/decreased by $2,011 thousand and $1,767 thousand, respectively, as a result of the changes in fair value of financial assets at FVTPL, and the pre-tax other comprehensive income for the years ended December 31, 2023 and 2022 would have increased/decreased by $10,434 thousand and $7,067 thousand, respectively, as a result of the changes in fair value of financial assets at FVTOCI.

The Company's sensitivity to investments in equity securities in 2022 has not changed significantly from the prior year.

2) Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in a financial loss to the Company. As at the end of the reporting period, the Company's maximum exposure to credit risk which will cause a financial loss to the Company due to failure of counterparties to discharge an obligation and financial guarantees provided by the Company could arise from:

a) The carrying amount of the respective recognized financial assets as stated in the balance sheets; and

b) The amount of contingent liabilities in relation to financial guarantee issued by the Company.

The Company adopted a policy of only dealing with government agencies and creditworthy counterparties and obtaining sufficient collateral, where appropriate, as a means of mitigating the risk of financial loss from defaults. The Company only transacts with entities that are rated the equivalent of investment grade and above.

Refer to Note 10 for impairment assessment of individual customer receivables.

3) Liquidity risk

The Company manages liquidity risk by monitoring and maintaining a level of cash and cash equivalents deemed adequate to finance the Company's operations and mitigate the effects of fluctuations in cash flows. In addition, management monitors the utilization of bank borrowings and ensures compliance with loan covenants.

The Company relies on bank borrowings as a significant source of liquidity. As of December 31, 2023 and 2022, the Company had available unutilized short-term bank loan facilities of $614,156 thousand and $742,991 thousand, respectively.

27. TRANSACTIONS WITH RELATED PARTIES

Besides information disclosed elsewhere in the other notes, details of transactions between the Company and other related parties are disclosed as follows.

a. Related party name and category

Related Party Name	Related Party Category
Muchonfarm Inc. (Muchonfarm)	Subsidiary
Young Fast Optoelectronics Co., Ltd. (Young Fast)	Other related party (the Company is the corporate director)
Taiwan SRU Corp. Ltd. (SRU)	Other related party (related party in substance)
Bond-Galv Industrial Co., Ltd. (Bond-Galv)	Other related party (corporate director of the Company)

b. Operating revenue

Line Item	Related Party Category/Name	For the Year Ended December 31 2023	2022
Sales	Other related parties	$ 356	$ 1,952
Rental revenue	Subsidiary	$ 60	$ 60
	Other related parties		
	Young Fast	15,327	15,309
	SRU	3,206	3,203
		$ 18,593	$ 18,572

Sales between related parties were conducted in a manner consistent with the division of labor between production and sales. The amount of sales was agreed upon by both parties.

Terms of sales from related parties were similar to those from third parties.

The Company rented houses to related parties. The amount of rent was agreed by both parties.

Terms of rent collection from related parties were similar to those from third parties.

As of December 31, 2023 and 2022, guarantee deposits received from the renting of houses to related parties were as follows:

Line Item	Related Party Category/Name	December 31 2023	2022
Guarantee deposits received	Other related parties		
	Young Fast	$ 3,000	$ 3,000
	SRU	450	450
		$ 3,450	$ 3,450

c. Purchases of goods

Related Party Category	For the Year Ended December 31 2023	2022
Other related parties	$ 246,809	$ 130,895

Purchases between related parties were conducted in a manner consistent with the division of labor between production and sales. The amount of purchases was agreed upon by both parties.

Terms of purchases from related parties were similar to those from third parties.

d. Receivables from related parties

Line Item	Related Party Category	December 31 2023	2022
Notes receivable	Other related parties	$ -	$ 7
Trade receivables	Other related parties	$ 120	$ -

The outstanding trade receivables from related parties are unsecured. For the years ended December 31, 2023 and 2022, no impairment losses were recognized for trade receivables from related parties.

e. Payables to related parties

Line Item	Related Party Category/Name	December 31	
		2023	2022
Trade payables to related parties	Other related parties Young Fast	$ 52,028	$ 23,944

The outstanding payables to related parties were unsecured.

f. Service costs (recognized as operating cost)

Related Party Category/Name	For the Year Ended December 31	
	2023	2022
Other related parties		
Young Fast	$ 19,713	$ 9,918

The service cost of the related party is incurred for the installation work contracted to the related party, so the price between the related party is mutually agreed upon.

The payment terms between the Company and its related parties are not materially different from those of non-related parties.

g. Remuneration of key management personnel

	For the Year Ended December 31	
	2023	2022
Short-term employee benefits	$ 26,968	$ 22,677

The remuneration of directors and key executives, as determined by the remuneration committee, was based on the performance of individuals and market trends.

28. ASSETS PLEDGED AS COLLATERAL OR FOR SECURITY

The following main assets have been mortgaged as collateral or for security:

	December 31	
	2023	2022
Financial assets at amortized cost - current		
Restricted assets - demand deposit	$ 9,407	$ 9,407
Property, plant and equipment		
Freehold land	225,793	194,247
Buildings, net	455,131	492,270
Investment properties		
Freehold land	36,516	28,182
Buildings, net	136,306	140,397
	$ 863,153	$ 864,503

29. SIGNIFICANT CONTINGENT LIABILITIES AND UNRECOGNIZED COMMITMENTS

In addition to those disclosed in other notes, significant commitments and contingencies of the Company as of December 31, 2023 and 2022 were as follows:

a. As of December 31, 2023 and 2022, unused letters of credit for purchases of raw materials and machinery and equipment amounted to the following:

	December 31	
	2023	**2022**
USD	$ 3,192	$ 2,766
JPY	$ 36,138	$ 23,332

b. Unrecognized commitments for purchase of property, plant and equipment amounted to the following:

	December 31	
	2023	**2022**
NTD	$ 35,551	$ 163,295

c. Unrecognized contractual commitments of contracts entered into between the Company and the subcontractors are as follows:

	December 31	
	2023	**2022**
NTD	$ 289,426	$ 277,651

d. In accordance with the customs import tariff of the post-release duty payment for imported goods, the bank issued a letter of guarantee on behalf of the Company to the customs. The endorsement/guarantee amount was as follows:

	December 31	
	2023	**2022**
NTD	$ 15,000	$ 15,000

30. SIGNIFICANT LOSSES FROM DISASTERS: NONE

31. SIGNIFICANT EVENTS AFTER THE REPORTING PERIOD: NONE

32. SIGNIFICANT ASSETS AND LIABILITIES DENOMINATED IN FOREIGN CURRENCIES

The Company's significant financial assets and liabilities denominated in foreign currencies aggregated by the foreign currencies other than functional currencies of the Company and the related exchange rates between the foreign currencies and the respective functional currencies were as follows:

December 31, 2023

	Foreign Currency (In Thousands)	Exchange Rate	Carrying Amount (In Thousands)
Financial assets			
Monetary items			
USD	$ 484	30.66	$ 14,830
JPY	133,848	0.22	28,804
			$ 43,634
Financial liabilities			
Monetary items			
USD	190	30.76	$ 5,854
JPY	23,625	0.22	5,179
			$ 11,033

December 31, 2022

	Foreign Currency (In Thousands)	Exchange Rate	Carrying Amount (In Thousands)
Financial assets			
Monetary items			
USD	$ 878	30.66	$ 26,933
JPY	88,271	0.23	20,338
			$ 47,271
Financial liabilities			
Monetary items			
USD	329	30.76	$ 10,118

The Company is mainly exposed to the USD and JPY. The following information was aggregated by the functional currencies of the Company, and the exchange rate between the respective functional currency and the presentation currency was disclosed. The significant realized and unrealized foreign exchange gains (losses) were as follows:

	For the Year Ended December 31			
	2023		2022	
Functional Currency	**Exchange Rate**	**Net Foreign Exchange Gain (Loss)**	**Exchange Rate**	**Net Foreign Exchange Gain (Loss)**
NTD	1 (NTD:NTD)	$ (699)	1 (NTD:NTD)	$ 3,893

33. SEPARATELY DISCLOSED ITEMS

a. Information about significant transactions:

1) Financing provided to others: None.

2) Endorsements/guarantees provided: None.

3) Marketable securities held (excluding investments in subsidiaries, associates and joint controlled entities) (Table 1)

4) Marketable securities acquired and disposed of at costs or prices at least NT$300 million or 20% of the paid-in capital: None.

5) Acquisitions of individual real estate at costs of at least NT$300 million or 20% of the paid-in capital: None.

6) Disposals of individual real estate at prices of at least NT$300 million or 20% of the paid-in capital: None.

7) Total purchases from or sales to related parties amounting to at least NT$100 million or 20% of the paid-in capital: (Table 2)

8) Receivables from related parties amounting to at least NT$100 million or 20% of the paid-in capital: None.

9) Trading in derivative instruments: None.

b. Information on investees. (Table 3)

c. Information on investments in mainland China

1) Information on any investee company in mainland China, showing the name, principal business activities, paid-in capital, method of investment, inward and outward remittance of funds, ownership percentage, net income of investees, investment income or loss, carrying amount of the investment at the end of the period, repatriations of investment income, and limit on the amount of investment in the mainland China area: None.

2) Any of the following significant transactions with investee companies in mainland China, either directly or indirectly through a third party, and their prices, payment terms, and unrealized gains or losses: None.

   a) The amount and percentage of purchases and the balance and percentage of the related payables at the end of the period.

   b) The amount and percentage of sales and the balance and percentage of the related receivables at the end of the period.

   c) The amount of property transactions and the amount of the resultant gains or losses.

   d) The balance of negotiable instrument endorsements or guarantees or pledges of collateral at the end of the period and the purposes.

   e) The highest period balance, the end of period balance, the interest rate range, and total current period interest with respect to financing of funds.

   f) Other transactions that have a material effect on the profit or loss for the period or on the financial position, such as the rendering or receipt of services.

d. Information of major shareholders: List all shareholders with ownership of 5% or greater showing the name of the shareholder, the number of shares owned, and percentage of ownership of each shareholder (Table 4)

TABLE 1

HOLD-KEY ELECTRIC WIRE & CABLE CO., LTD.

MARKETABLE SECURITIES HELD
DECEMBER 31, 2023
(In Thousands of New Taiwan Dollars/Shares, Unless Stated Otherwise)

Holding Company Name	Type and Name of Marketable Securities (Note 1)	Relationship with the Holding Company (Note 2)	Financial Statement Account	December 31, 2023				Note (Note 4)
				Number of Shares	Carrying Amount (Note 3)	% of Ownership	Fair Value	
	Stock							
Hold-Key Electric Wire & Cable Co., Ltd.	Taiwan Cooperative Financial Holding Co., Ltd.	-	Financial assets at fair value through other comprehensive income - current	3,456	$ 92,271	0.02	$ 92,271	
	DrayTek Corp.	-	Financial assets at fair value through other comprehensive income - current	253	7,805	0.27	7,805	
	Mega Financial Holding Company Ltd.	-	Financial assets at fair value through other comprehensive income - current	155	6,075	0.00	6,075	
	Young Fast Optoelectronics Co., Ltd.	The Company is the corporate director	Financial assets at fair value through other comprehensive income - non-current	20,415	879,879	13.49	879,879	
	MagiCap Venture Capital Co., Ltd.	-	Financial assets at fair value through other comprehensive income - non-current	54	1,385	1.77	1,385	
	Sol Young Enterprises Co., Ltd.	Corporate director	Financial assets at fair value through other comprehensive income - non-current	3,652	217,383	5.60	217,383	
	Bond-Galv Industrial Co., Ltd.	Corporate director	Financial assets at fair value through other comprehensive income - non-current	1,797	97,401	11.46	97,401	
	Fuzetec Technology Co., Ltd.	-	Financial assets at fair value through other comprehensive income - non-current	1,247	57,359	3.33	57,359	
	Mosart Semiconductor Corp.	-	Financial assets at fair value through other comprehensive income - non-current	743	12,936	3.32	12,936	
	Luminous Optical Technology Co., Ltd.	-	Financial assets at fair value through other comprehensive income - non-current	275	12,769	5.50	12,769	
					$ 1,385,263			

Note 1: The securities in this table refer to stocks, bonds, beneficiary certificates and securities derived from the above items within the scope of IFRS 9 "Financial Instruments".

Note 2: If the issuer of securities is not a related party, this column is exempt.

Note 3: If measured by fair value, the table shows the balance of the carrying amount after adjustment for fair value evaluation and deduction of allowance losses in the column of carrying amount; if not measured by fair value, the table shows the balance of the carrying amount at amortized cost (after deduction of losses) in column of the carrying amount.

Note 4: If any of the listed securities are subject to restrictions on use due to being pledged as collateral for loans or other agreements, the pledged shares, the pledged amount, and the nature of the usage restrictions should be noted in the Note column.

Note 5: Refer to Table 3 for equities for investment in subsidiaries and associates.

HOLD-KEY ELECTRIC WIRE & CABLE CO., LTD.

TOTAL PURCHASES FROM OR SALES TO RELATED PARTIES AMOUNTING TO AT LEAST NT$100 MILLION OR 20% OF THE PAID-IN CAPITAL
FOR THE YEAR ENDED DECEMBER 31, 2023
(In Thousands of New Taiwan Dollars Unless Stated Otherwise)

Buyer	Related Party	Relationship	Transaction Details				Abnormal Transaction		Notes/Accounts Receivable (Payable)		Note
			Purchase/Sale	Amount	% of Total	Payment Terms	Unit Price	Payment Terms	Ending Balance	% of Total	
Hold-Key Electric Wire & Cable Co., Ltd.	Young Fast Optoelectronics Co., Ltd.	The Company is the corporate director	Purchase	$ 246,809	6.99	Payment in 60 days after acceptance	Note	Equivalent	$ (52,028)	(19.65)	

Note: Based on agreements by both parties.

TABLE 3

HOLD-KEY ELECTRIC WIRE & CABLE CO., LTD.

INFORMATION ON INVESTEES
FOR THE YEAR ENDED DECEMBER 31, 2023
(In Thousands of New Taiwan Dollars, U.S. Dollars and Hong Kong Dollars, Unless Stated Otherwise)

Investor Company	Investee Company (Note 1, 2)	Location	Main Businesses and Products	Investment Amount		As of December 31, 2023			Net Income (Loss) of the Investee (Note 2)	Share of Profit (Loss) (Notes 2 and 3)	Note
				December 31, 2023	December 31, 2022	Number of Shares	% of Ownership	Carrying Amount			
Hold-Key Electric Wire & Cable Co., Ltd.	Holdkey (Belize) Investments Limited	Belize City	Investment	$ 346,448 (US$ 10,237) (HK$ 1,000)	$ 346,448 (US$ 10,237) (HK$ 1,000)	9,971	100.00	$ 6,226	$ 4	$ 4	Subsidiary
	Muchonfarm Inc.	3F., No. 36-10, Sec. 1, Fuxing S. Rd., Zhongshan Dist., Taipei City 104, Taiwan (R.O.C.)	Agriculture	87,250	87,250	13,000	100.00	45,513	(2,254)	(2,254)	Subsidiary
	Tun Hua Engineering Ltd.	7F, No. 1, Section 1, Zhongyang W. Road, Zhongli District, Taoyuan City, Taiwan (R.O.C)	Electrical installation/ Installation industry and cable installation engineering industry	12,250	-	-	24.50	12,238	(50)	(12)	Associate

Note 1: If a public company has a foreign holding company and is required by local laws and regulations to use the parent company only financial statements as the primary source of disclosure, the disclosure of information about the foreign investee company may be limited to the relevant information of the holding company.

Note 2: If the situation does not belong to Note 1, the columns show the following regulations:

a. The columns of “Investee”, “Location”, “Main business activities”, Initial investment amount” and “Shares held as of December 31, 2023” are orderly displayed in the Company’s (public company’s) information on investees and every directly or indirectly controlled investee’s investment information, and the relationship between the Company (public company) and its investee each (ex. direct subsidiary or indirect subsidiary) are noted in the “footnote” column.

b. The “Net profit (loss) of the investee for the year ended December 31, 2023” column shows the amount of net profit (loss) of the investee for this year.

c. The “Investment income (loss) recognized by the Company for the year ended December 31, 2023” column shows the Company (public company) recognized the investment income (loss) of its direct subsidiary and income (loss) of its investee accounted for using the equity method for this period. When filling in the recognized investment income (loss) of its direct subsidiary, the Company (public company) confirms that the direct subsidiary’s net profit (loss) for this period has included its investment income (loss), which shall be recognized by regulations.

Note 3: Information on investees in mainland China: None.

TABLE 4

HOLD-KEY ELECTRIC WIRE & CABLE CO., LTD.

INFORMATION OF MAJOR SHAREHOLDERS
DECEMBER 31, 2023

Name of Major Shareholder	Shares	
	Number of Shares	Percentage of Ownership (%)
Sol Young Enterprises Co., Ltd.	62,045,531	32.19
Young Fast Optoelectronics Co., Ltd.	10,586,200	5.49

Note: The information of major shareholders presented in this table is provided by the Taiwan Depository & Clearing Corporation based on the number of ordinary shares and preference shares held by shareholders with ownership of 5% or greater, that have been issued without physical registration (including treasury shares) by the Company as of the last business day for the current quarter. The share capital in the financial statements may differ from the actual number of shares that have been issued without physical registration because of different preparation basis.

HOLD-KEY ELECTRIC WIRE & CABLE CO., LTD.

THE CONTENTS OF STATEMENTS FOR MAJOR ACCOUNTING ITEMS

STATEMENT 1

HOLD-KEY ELECTRIC WIRE & CABLE CO., LTD.

STATEMENT OF CASH AND CASH EQUIVALENTS
DECEMBER 31, 2023
(In Thousands of New Taiwan Dollars)

Item	Description	Amount
Cash on hand		$ 58
Checking accounts		697
Demand deposits	Including foreign currency deposits of US$10 thousand and JPY58,507 thousand @30.66 and @0.22	57,297
		$ 58,052

HOLD-KEY ELECTRIC WIRE & CABLE CO., LTD.

STATEMENT OF FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS - CURRENT
DECEMBER 31, 2023
(In Thousands of New Taiwan Dollars/Kg, Unless Specified Otherwise)

Name	Description	Kg	Carrying Amount	Amount	Rate	Cost	Accumulated Impairment	Fair Value		Note
								Unit Price	Total Amount	
Gold investment account		99	$ -	$ -		$ 154,745	$ -	2,031	$ 201,069	None

HOLD-KEY ELECTRIC WIRE & CABLE CO., LTD.

STATEMENT OF INVESTMENTS IN EQUITY INSTRUMENTS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME - CURRENT
DECEMBER 31, 2023
(In Thousands of New Taiwan Dollars/Shares, Unless Specified Otherwise)

Name	Description	Shares	Carrying Amount	Amount	Rate	Cost	Accumulated Impairment	Fair Value Unit Price	Fair Value Total Amount	Note
Taiwan Cooperative Financial Holding Co., Ltd.		3,456	$ -	$ -		$ 46,795	$ -	$ 26.70	$ 92,271	None
DrayTek Corp.		253	-	-		7,886	-	30.85	7,805	〃
Mega Financial Holding Company Ltd.		155	-	-		3,572	-	39.20	6,075	〃
						$ 58,253			$ 106,151	

HOLD-KEY ELECTRIC WIRE & CABLE CO., LTD.

STATEMENT OF NOTES RECEIVABLE
DECEMBER 31, 2023
(In Thousands of New Taiwan Dollars)

Client Name	Description	Amount
Non-related party		
Client A	Payments	$ 5,146
Client B	〃	4,250
Client C	〃	3,571
Client D	〃	2,553
Client E	〃	1,598
Client F	〃	1,585
Client G	〃	1,419
Others (Note)	〃	8,210
		28,332
Less: Allowance for impairment loss		390
		$ 27,942

Note: The amount of individual client included in others does not exceed 5% of the account balance.

HOLD-KEY ELECTRIC WIRE & CABLE CO., LTD.

STATEMENT OF TRADE RECEIVABLES
DECEMBER 31, 2023
(In Thousands of New Taiwan Dollars)

Client Name	Description	Amount
Non-related party		
Client A	Payments	$ 754,541
Others (Note)	〃	168,718
		923,259
Related party		
Client B		120
	〃	923,379
Less: Allowance for impairment loss		9,270
		$ 914,109

Note: The amount of individual client included in others does not exceed 5% of the account balance.

HOLD-KEY ELECTRIC WIRE & CABLE CO., LTD.

STATEMENT OF INVENTORIES
DECEMBER 31, 2023
(In Thousands of New Taiwan Dollars)

Item	Amount	
	Cost	Net Realizable Value
Raw materials	$ 602,064	$ 573,728
Materials	14,137	9,240
Work in progress	422,489	401,131
Finished goods (including merchandise)	221,299	198,932
	1,259,989	$ 1,183,031
Less: Allowance for write-downs of inventories	76,958	
	$ 1,183,031	

Note: Inventories are evaluated at the lower of cost or net realizable value.

HOLD-KEY ELECTRIC WIRE & CABLE CO., LTD.

STATEMENT OF CHANGES IN FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME - NON-CURRENT
FOR THE YEAR ENDED DECEMBER 31, 2023
(In Thousands of New Taiwan Dollars/Shares)

Name	Balance, January 1, 2023		Additions (Note 1)		Decrease (Note 2)		Balance, December 31, 2023			Collateral
	Shares	Amount	Shares	Amount	Shares	Amount	Shares	Percentage of Ownership (%)	Amount	
Young Fast Optoelectronics Co., Ltd.	20,415	$ 554,263	-	$ 325,616	-	$ -	20,415	13.49	$ 879,879	None
MagiCap Venture Capital Co., Ltd.	54	3,728	-	-	-	2,343	54	1.77	1,385	〃
Sol Young Enterprises Co., Ltd.	3,652	124,593	-	92,790	-	-	3,652	5.60	217,383	〃
Bond-Galv Industrial Co., Ltd.	1,797	39,375	-	58,026	-	-	1,797	11.46	97,401	〃
Fuzetec Technology Co., Ltd.	1,247	55,800	-	1,559	-	-	1,247	3.33	57,359	〃
Mosart Semiconductor Corp.	743	14,738	-	-	-	1,802	743	3.32	12,936	〃
Luminous Optical Technology Co., Ltd.	275	13,244	-	-	-	475	275	5.50	12,769	〃
		$ 805,741		$ 477,991		$ 4,620			$ 1,279,112	

Note 1: Increase in amount resulted from adjustment.

Note 2: Decrease in amount resulted from adjustment.

HOLD-KEY ELECTRIC WIRE & CABLE CO., LTD.

STATEMENT OF CHANGES IN INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD
FOR THE YEAR ENDED DECEMBER 31, 2023
(In Thousands of New Taiwan Dollars/Shares, Unless Specified Otherwise)

Investees	Balance, January 1, 2023		Additions in Investment		Decrease in Investment		Investment Gain or Loss	Balance, December 31, 2023			Market Value or Net Assets Value (Note 3)		Collateral
	Shares	Amount	Acquired Shares	Amount (Note 1)	Shares	Amount (Note 2)		Shares	Percentage of Ownership (%)	Amount	Unit Price	Total Amount	
Holdkey (Belize) Investments Limited	9,971	$ 6,223	-	$ -	-	$ 1	$ 4	9,971	100.00	$ 6,226	$ 0.62	$ 6,226	None
Muchonfarm Inc.	13,000	47,767	-	-	-	-	(2,254)	13,000	100.00	45,513	3.50	45,513	〃
Tun Hua Engineering Ltd.	-	-	-	12,250		-	(12)	-	24.50	12,238	-	12,238	〃
		$ 53,990		$ 12,250		$ 1	$ (2,262)			$ 63,977		$ 63,977	

Note 1: The increase in the investment amount.

Note 2: The exchange gain amount on translating foreign operation.

Note 3: Net asset value is mainly calculated based on the financial statements of the invested company and the shareholding ratio of the Company.

HOLD-KEY ELECTRIC WIRE & CABLE CO., LTD.

STATEMENT OF CHANGES IN RIGHT-OF-USE ASSETS
FOR THE YEAR ENDED DECEMBER 31, 2023
(In Thousands of New Taiwan Dollars)

Item	Balance, January 1, 2023	Additions	Decrease	Balance, December 31, 2023
Buildings	$ 8,113	$ -	$ 336	$ 7,777
Transportation equipment	6,631	2,545	2,324	6,852
	$ 14,744	$ 2,545	$ 2,660	$ 14,629

HOLD-KEY ELECTRIC WIRE & CABLE CO., LTD.

STATEMENT OF CHANGES IN ACCUMULATED DEPRECIATION OF RIGHT-OF-USE ASSETS
FOR THE YEAR ENDED DECEMBER 31, 2023
(In Thousands of New Taiwan Dollars)

Item	Balance, January 1, 2023	Additions	Decrease	Balance, December 31, 2023
Buildings	$ 3,479	$ 2,593	$ 159	$ 5,913
Transportation equipment	4,050	1,640	2,324	3,366
	$ 7,529	$ 4,233	$ 2,483	$ 9,279

HOLD-KEY ELECTRIC WIRE & CABLE CO., LTD.

STATEMENT OF SHORT-TERM BORROWINGS
DECEMBER 31, 2023
(In Thousands of New Taiwan Dollars)

Borrowing Type	Description	Balance, December 31, 2023	Contract Term	Interest Rate Range	Financing Amount	Pledge or Guarantee
Bank secured borrowings	Working capital and purchase loan	$ 334,541	2023.10.17-2024.06.25	1.83%-1.86%	$ 800,000	Land, buildings and restricted assets - demand deposits
Bank line of credit borrowings	Working capital and purchase loan	207,688	2023.10.13-2024.06.08	1.66%-1.848%	220,000	None
		$ 542,229				

HOLD-KEY ELECTRIC WIRE & CABLE CO., LTD.

STATEMENT OF TRADE PAYABLES
DECEMBER 31, 2023
(In Thousands of New Taiwan Dollars)

Client Name	Description	Amount
Non-related party		
Client A	Payments	$ 64,336
Client B	〃	21,656
Client C	〃	19,352
Client D	〃	14,154
Client E	〃	12,841
Others (Note)	〃	75,848
		208,187
Related party		
Young Fast Optoelectronics Co., Ltd.	〃	52,028
		$ 260,215

Note: The amount of individual client included in other does not exceed 5% of the account balance.

HOLD-KEY ELECTRIC WIRE & CABLE CO., LTD.

STATEMENT OF LEASE LIABILITIES
DECEMBER 31, 2023
(In Thousands of New Taiwan Dollars)

Item	Description	Contract Period	Discount Rates (%)	Amount
Buildings	Dormitory	2021.08.01-2025.07.31	1.195-1.60	$ 1,889
Transportation equipment	Car	2019.04.01-2027.04.09	1.165-1.975	3,510
				5,399
Less: Portion due within one year				3,230
				$ 2,169

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HOLD-KEY ELECTRIC WIRE & CABLE CO., LTD.

STATEMENT OF OPERATING REVENUE
FOR THE YEAR ENDED DECEMBER 31, 2023
(In Thousands of New Taiwan Dollars)

Item	Quantities	Unit Price	Amount
Wires and cables	15,130 KM	$ 23.33	$ 352,918
Aluminum wire	1,236 MT	134.91	166,753
XLPE power cables	3,110 KM	853.31	2,653,789
Communication wires and cables	15,017 KM	13.93	209,215
Optical fiber cables	1,501 KM	96.28	144,509
Rental revenue			21,660
Service revenue			148,310
Others - ancillary equipment			781,746
			$ 4,478,900

HOLD-KEY ELECTRIC WIRE & CABLE CO., LTD.

STATEMENT OF OPERATING COSTS
FOR THE YEAR ENDED DECEMBER 31, 2023
(In Thousands of New Taiwan Dollars)

Item	Amount
Direct raw materials	
Add: Raw materials, beginning of year	$ 428,547
Purchases in the period	2,302,425
Transferred from expenses and revenue	1,022
Less: Raw materials, end of year	(602,064)
Others	(3,451)
	2,126,479
Materials used	
Materials, beginning of year	10,663
Add: Purchases in the period	24,489
Less: Materials, end of year	(14,137)
Others	(639)
	20,376
Direct labor	83,744
Manufacturing expenses	292,843
Manufacturing costs	2,523,442
Add: Work in process, beginning of year	422,674
Semi-finished goods purchased in the period	5,917
Others	5,038
Less: Work in process, end of year	(422,489)
Others	(3,839)
Cost of finished goods	2,530,743
Add: Finished goods, beginning of year	244,939
Finished goods purchased	1,198,910
Others	630
Less: Finished goods, end of year	(221,299)
Others	(2,645)
Cost of goods sold	3,751,278
Write-downs of inventories	16,236
Scrappage of inventories	2,133
Other cost of sales	661
Rental cost	13,551
Add: Offsetting of construction in progress and advance construction receipts, beginning of year	2,756
Less: Offsetting of construction in progress and advance construction receipts, end of year	(2,756)
Services cost	115,203
	$ 3,899,062

HOLD-KEY ELECTRIC WIRE & CABLE CO., LTD.

STATEMENT OF SELLING AND MARKETING EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2023
(In Thousands of New Taiwan Dollars)

Item	Description	Amount
Payroll expenses		$ 12,364
Shipping expenses		15,724
Commission expenses		9,440
Other expenses		6,084
Other (Note)		9,999
		$ 53,611

Note: The amount of individual client included in other does not exceed 5% of the account balance.

HOLD-KEY ELECTRIC WIRE & CABLE CO., LTD.

STATEMENT OF GENERAL AND ADMINISTRATIVE EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2023
(In Thousands of New Taiwan Dollars)

Item	Description	Amount
Payroll expenses		$ 46,684
Loss on expected credit impairment		3,682
Professional service fees		3,899
Others (Note)		8,090
		$ 62,355

Note: The amount of individual client included in other does not exceed 5% of the account balance.

HOLD-KEY ELECTRIC WIRE & CABLE CO., LTD.

STATEMENT OF RESEARCH AND DEVELOPMENT EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2023
(In Thousands of New Taiwan Dollars)

Item	Description	Amount
Payroll expenses		$ 2,385
Consumable expenses		2,792
Other expenses		2,469
Other (Note)		1,009
		$ 8,655

Note: The amount of individual client included in other does not exceed 5% of the account balance.

HOLD-KEY ELECTRIC WIRE & CABLE CO., LTD.

STATEMENT OF LABOR, DEPRECIATION, DEPLETION AND AMORTIZATION BY FUNCTION
FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022
(In Thousands of New Taiwan Dollars)

	2023			2022		
	Classified as Operating Costs	Classified as Operating Expenses	Total	Classified as Operating Costs	Classified as Operating Expenses	Total
Employee benefits						
Salaries	$ 132,720	$ 45,214	$ 177,934	$ 120,710	$ 35,140	$ 155,850
Labor and health insurance	12,395	3,206	15,601	11,592	3,149	14,741
Post-employment benefits	5,320	1,464	6,784	4,952	1,400	6,352
Remuneration of directors	-	14,755	14,755	-	10,407	10,407
Others	7,638	1,208	8,846	6,635	1,134	7,769
	$ 158,073	$ 65,847	$ 223,920	$ 143,889	$ 51,230	$ 195,119
Depreciation	$ 56,298	$ 3,196	$ 59,494	$ 58,634	$ 3,412	$ 62,046

Note 1: As of December 31, 2023 and 2022, the Company had 219 and 216 employees, including 5 and 5 non-employee directors, respectively.

Note 2: The Company’s shares have been listed on the stock exchange, and the following information has been disclosed:

1) Average labor costs for the years ended December 31, 2023 and 2022 were $977 thousand and $875 thousand, respectively.

2) Average salary and bonus for the years ended December 31, 2023 and 2022 were $831 thousand and $739 thousand, respectively.

3) The average salary and bonus decreased by 12.45% year over year.

4) The Company has no supervisor.

5) The Company’s salary and remuneration policy, including directors, managers and employees, are as follows:

   a) Salary is paid by remittance every month.

   b) Depending on the operating conditions of the year, the year-end bonus will be paid before the Chinese New Year.

   c) Depending on the operating conditions of the year, the performance bonus will be paid in the third quarter based on the employees’ job title and annual performance appraisal results.

   d) Depending on the operating conditions of the year, 1%-5% of the current year's profit shall be allocated as compensation of employees and no more than 2.5% of the current year's profit as remuneration of directors. Remuneration will be paid in the third quarter of the year.