

**GOLD CIRCUIT ELECTRONICS
LTD.**

**Parent Company Only Financial
Reports and Auditors' Report**
2023 and 2022

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Independent Auditors' Report

To GOLD CIRCUIT ELECTRONICS LTD.:

Audit opinions

We have audited the parent company only balance sheet of GOLD CIRCUIT ELECTRONICS LTD. as of December 31, 2023 and 2022, and the related parent company only statements of income, parent company only statements of changes in shareholders' equity, parent company only statements of cash flow, and notes to the parent company only financial statements (including the material accounting policies summary) from January 1 to December 31, 2023 and 2022.

In our opinion, the major issues of said financial reports prove to have been duly worked out in accordance with and Regulations Governing the Preparation of Financial Reports by Securities Issuers, presenting fairly the parent company only financial position of GOLD CIRCUIT ELECTRONICS LTD. as of December 31, 2023 and 2022 and the results of parent company only financial performance and cash flow for the periods starting from January 1 to December 31, 2023 and 2022.

The basis for opinions

We conducted our audit in accordance with the Regulations Governing Auditing and Attestation of Financial statements by Certified Public Accountants and auditing standards. Our responsibilities under those standards are further described in the responsibilities of auditors for the audit of the parent company only financial statements. The personnel of the accounting firm that the CPAs belong to who are subject to the independence requirement have acted independently from the business operations of GOLD CIRCUIT ELECTRONICS LTD. and its subsidiaries in accordance with the Code of Ethics and with other responsibilities of the Code of Ethics performed. We believed that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key audit matter

The "key audit matter" means that the independent auditors have used their professional

judgment as the basis to audit the most important matters on the 2023 parent company only financial statements of GOLD CIRCUIT ELECTRONICS LTD. These matters were addressed in the content of our audit of the parent company only financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on those matters.

The key audit matters of the 2023 parent company only financial statements of GOLD CIRCUIT ELECTRONICS LTD. are described as follows:

Recognition of revenue

When the subsidiary in Mainland China actually ships goods, the inventory control is transferred and the income from the triangle trade of GOLD CIRCUIT ELECTRONICS LTD. is recognized. Therefore, it is possible that improper recognition of income exists despite the absence of actual shipment. Therefore, we (the CPAs) believe that there might be risk over whether such type of income occurs. Given this, it is classified as a key audit matter. The policy for recognition of revenue is disclosed in Note IV herein.

The audit procedure that we performed on the above-mentioned key matters primarily covers the following:

1. Understand and test the design and effectiveness of execution of the major internal control for recognition of revenue of the Company.
2. Samples were selected from the income statement of the triangle trade to verify how original purchase orders from customers were approved and to verify the shipping receipts and payment collection documents from the subsidiary in Mainland China for confirmation over whether the transaction really occurred or not.

Responsibilities of Management and Those in Charge with Governance of the Entity Financial Statements

The responsibility of the management is to have the parent company only financial reports prepared in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Firms International Accounting Standards, Interpretations, and also maintain the necessary internal controls related to the parent company only financial reports to ensure that the parent company only financial reports are free of any material misstatement arising from fraud or errors.

While preparing the parent company only financial statements, the management's responsibility also includes assessing the continuing operation of GOLD CIRCUIT ELECTRONICS LTD., the disclosure of the relevant matters, and the adoption of the continuing operation accounting base, unless the management intends to liquidate GOLD CIRCUIT ELECTRONICS LTD. or cease business operation, or there is a lack of any option except for

liquidation or suspension.

The governance unit (including the Audit Committee) of GOLD CIRCUIT ELECTRONICS LTD. is responsible for supervising the financial reporting process.

Independent Auditor's Responsibilities for the Audit of the Entity Financial Statements

Our objectives are to obtain reasonable assurance about whether the parent company only financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report. Reasonable assurance is a high level of assurance, but is not a guarantee that any audit conducted in accordance with the accounting principles will always detect a material misstatement when it exists. Misstatements can arise from fraud or error. If fraud or errors are considered materials, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the parent company only financial statements.

As part of an audit in accordance with the accounting principles, we exercise professional judgment and maintain professional skepticism throughout the audit. We also perform the following works:

1. Identify and assess the risks of material misstatement of the parent company only financial statements, whether due to fraud or error, design, and perform audit procedures responsive to those risks, and obtain 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 the necessary understanding on the internal control related to the audit in order to design appropriate audit procedures under the circumstances, but the purpose is not to express an opinion on the effectiveness of the internal control of GOLD CIRCUIT ELECTRONICS LTD.
3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.
4. Use the audit evidence obtained as the basis to draw conclusions on the suitability of the continuing operation accounting base adopted by the management and whether or not there are events or circumstances causing significant doubts regarding the continuing operation ability of GOLD CIRCUIT ELECTRONICS LTD. have significant uncertainties. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the parent company only financial statements or, if such disclosure are inappropriate, to modify our opinion. Our conclusions are based

on the audit evidence obtained up to the date of the auditor's report. However, future events or circumstances may result in the inability of GOLD CIRCUIT ELECTRONICS LTD. to continue operating.

5. Evaluate the overall presentation, structure, and contents of the parent company only statements, including the disclosures, whether the parent company only statements represent the underlying transactions and events in a manner that achieves fair presentation.
6. Obtain sufficient and appropriate audit evidence on the financial information of GOLD CIRCUIT ELECTRONICS LTD. in order to express an opinion on the parent company only financial statements. The independent auditor is responsible for guiding, supervising, and implementing the audit of GOLD CIRCUIT ELECTRONICS LTD., and is also responsible for forming an opinion on the audit.

We communicate with those in charge of 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 in charge of 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).

The independent auditor has used the communications with the governing unit as the basis to determine the key audit matters to be performed on the 2023 parent company only financial statements of GOLD CIRCUIT ELECTRONICS LTD. We describe these matters in our auditor's 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 communications.

Deloitte & Touche

CPA Chen Chao-Ling

CPA Chang Chun-Yi

Financial Supervisory Commission's
written approval No.:

Jin-Guan-Zheng-Liu-Zi No.:
0930160267

Securities and Futures Commission's written
approval No:

Tai-Cai-Zheng-Liu-Zi No. 0920123784

March 12, 2024

GOLD CIRCUIT ELECTRONICS LTD.

Parent Company Only Balance Sheet

December 31, 2023 and 2022

Unit: NTD thousand

Code	Assets	December 31, 2023		December 31, 2022	
		Amount	%	Amount	%
	Current assets				
1100	Cash and cash equivalents (Notes IV and VI)	\$ 3,948,446	12	\$ 3,126,813	11
1110	Financial assets at fair value through profit or loss - current (Notes. IV & VII)	43,349	-	-	-
1180	Accounts receivable – related party (Notes IV, VIII and XXVIII)	80,357	-	75,018	-
1170	Accounts receivable - non-related party (Notes IV, V and VIII)	10,277,899	31	10,115,422	35
1210	Other receivables – related parties (Notes IV, VIII and XXVIII)	60,045	-	24,210	-
1200	Other receivables – non-related parties (Note IV and VIII)	82,005	1	67,830	-
130X	Inventories (Notes IV and IX)	4,337,635	13	3,692,841	13
1410	Prepayments	72,878	-	83,396	1
1470	Other current assets (Note XV)	<u>2</u>	<u>-</u>	<u>1,703</u>	<u>-</u>
11XX	Total current assets	<u>18,902,616</u>	<u>57</u>	<u>17,187,233</u>	<u>60</u>
	non-current assets				
1550	Investment under equity method (Notes IV and X)	10,173,103	31	8,124,156	28
1600	Property, plant and equipment (Notes IV, XI and XXIX)	3,184,108	9	2,776,751	10
1755	Right-of-use assets (Notes IV and XII)	98,027	-	27,684	-
1760	Investment property (Notes IV and XIII)	595,800	2	576,200	2
1780	Other intangible assets (Notes IV and XIV)	47,736	-	34,922	-
1840	Deferred income tax assets (Notes IV and XXIV)	196,229	1	92,058	-
1900	Other non-current assets (Note XV)	<u>7,268</u>	<u>-</u>	<u>1,218</u>	<u>-</u>
15XX	Total non-current assets	<u>14,302,271</u>	<u>43</u>	<u>11,632,989</u>	<u>40</u>
1XXX	Total assets	<u>\$ 33,204,887</u>	<u>100</u>	<u>\$ 28,820,222</u>	<u>100</u>
Code	Liabilities and shareholders' equity				
	Current liabilities				
2100	Short-term loans (Notes IV and XVI)	\$ -	-	\$ 579,108	2
2120	Financial liabilities at fair value through gains or losses – current (Notes IV and VII)	21,860	-	4,908	-
2152	Others notes payable	16	-	116	-
2170	Accounts payable – non-related parties (Note XVIII)	2,403,812	7	2,144,602	7
2180	Accounts payable – related parties (Notes XVIII and XXVIII)	5,640,727	17	5,724,721	20
2219	Other accounts payable (Note XIX)	2,153,627	7	1,747,285	6
2230	Income tax liability for the year (Note XXIV)	353,452	1	356,840	1
2250	Provision for liabilities-current (Notes IV and XX)	191,935	1	216,823	1
2280	Lease liabilities – current (Notes IV and XII)	10,438	-	9,124	-
2399	Other current liabilities (Note XIX)	<u>149,851</u>	<u>-</u>	<u>154,553</u>	<u>1</u>
21XX	Total current liabilities	<u>10,925,718</u>	<u>33</u>	<u>10,938,080</u>	<u>38</u>
	Non-current liabilities				
2530	Corporate bonds payable (Notes IV and XVII)	3,393,537	10	-	-
2540	Long-term loans (Notes IV and XVI)	1,465,000	5	3,340,000	12
2570	Deferred income tax liabilities (Notes IV and XXIV)	425,203	1	141,054	-
2580	Lease liabilities – non-current (Notes IV and XII)	74,125	-	3,110	-
2640	Net defined benefit liabilities- non-current (Notes IV and XXI)	89,220	-	73,101	-
2670	Other non-current liabilities (Note XIX)	<u>959</u>	<u>-</u>	<u>859</u>	<u>-</u>
25XX	Total non-current liabilities	<u>5,448,044</u>	<u>16</u>	<u>3,558,124</u>	<u>12</u>
2XXX	Total liabilities	<u>16,373,762</u>	<u>49</u>	<u>14,496,204</u>	<u>50</u>
	Equity (Note 22)				
	Share capital				
3110	Common stock	<u>4,918,391</u>	<u>15</u>	<u>4,918,391</u>	<u>17</u>
3200	Additional paid-in capital	<u>2,117,649</u>	<u>6</u>	<u>1,219,167</u>	<u>4</u>
	Retained earnings				
3310	Legal reserve	927,568	3	464,215	2
3320	Special reserve	475,522	2	475,522	2
3350	Undistributed earnings	<u>8,373,552</u>	<u>25</u>	<u>7,062,701</u>	<u>24</u>
3300	Total retained earnings	<u>9,776,642</u>	<u>30</u>	<u>8,002,438</u>	<u>28</u>
3400	Other equity items	<u>111,197</u>	<u>-</u>	<u>276,776</u>	<u>1</u>
3500	Treasury stocks	(<u>92,754</u>)	<u>-</u>	(<u>92,754</u>)	<u>-</u>
3XXX	Total equity	<u>16,831,125</u>	<u>51</u>	<u>14,324,018</u>	<u>50</u>
	Total liabilities and equity	<u>\$ 33,204,887</u>	<u>100</u>	<u>\$ 28,820,222</u>	<u>100</u>

Notes to the parent company only financial reports constitute a part of these financial reports.

Chairman: Chen-Tse Yang

Manager: Chen-Tse Yang

Accounting Supervisor: Chang-Chin Yang

GOLD CIRCUIT ELECTRONICS LTD.

Parent Company Only Statement of Comprehensive Income

January 1 to December 31, 2023 and 2022

		Unit: NTD thousand, except for EPS (NT\$)			
Code		2023		2022	
		Amount	%	Amount	%
	Operating revenue (Note IV and XXVIII)				
4100	Sales revenue	\$ 29,428,588	100	\$ 31,558,391	100
	Operating cost (Notes IX, XXI, XXIII and XXVIII)				
5110	Cost of goods sold	<u>26,551,287</u>	<u>90</u>	<u>28,424,315</u>	<u>90</u>
5900	Gross profit	<u>2,877,301</u>	<u>10</u>	<u>3,134,076</u>	<u>10</u>
	Operating expense (Notes VIII, XXI, XXIII and XXVIII)				
6100	Promotional expenditure	606,941	2	635,821	2
6200	Operating expenditure	455,636	2	446,758	1
6300	R&D expenditure	384,767	1	331,482	1
6450	Expected credit impairment loss (profit)	(<u>44,485</u>)	<u>-</u>	<u>39,549</u>	<u>-</u>
6000	Total operating expenses	<u>1,402,859</u>	<u>5</u>	<u>1,453,610</u>	<u>4</u>
6510	Other gains, expenses and losses - net (Note XXIII)	<u>36,852</u>	<u>-</u>	<u>17,934</u>	<u>-</u>
6900	Net operating profit	<u>1,511,294</u>	<u>5</u>	<u>1,698,400</u>	<u>6</u>
	Non-operating income and expenditure (Notes IV, XXIII and XXVIII)				
7100	Interest revenue	139,128	-	44,233	-
7010	Other revenue	37,726	-	40,110	-
7020	Other gain or loss	(86,095)	-	114,450	-
7050	Financial cost	(91,448)	-	(42,600)	-
7070	Amount of profit and/or loss of subsidiaries, affiliates, and joint ventures adopting the equity method	<u>2,815,285</u>	<u>10</u>	<u>3,370,166</u>	<u>11</u>
7000	Total non-operating revenue and expense	<u>2,814,596</u>	<u>10</u>	<u>3,526,359</u>	<u>11</u>

(To be continued)

(Continued)

Code		2023		2022	
		Amount	%	Amount	%
7900	Net profit before tax from continuing operation	\$ 4,325,890	15	\$ 5,224,759	17
7950	Income tax expenses (Notes IV and XXIV)	<u>797,298</u>	<u>3</u>	<u>656,884</u>	<u>2</u>
8000	Continuing operation net profit for the year	<u>3,528,592</u>	<u>12</u>	<u>4,567,875</u>	<u>15</u>
	Other comprehensive income				
8310	Not reclassified to profit and loss:				
8311	Defined benefit plan re-measurement amount (Note XXI)	(41,190)	-	82,063	-
8349	Incomes tax related to titles not subject to reclassification	8,238	-	(16,413)	-
8360	May be reclassified to profit and loss subsequently:				
8361	Exchange differences on translation of foreign financial statements	(<u>165,579</u>)	(<u>1</u>)	<u>18,825</u>	<u>-</u>
8300	Other comprehensive income for current period (after tax net value)	(<u>198,531</u>)	(<u>1</u>)	<u>84,475</u>	<u>-</u>
8500	Total comprehensive income of the year	<u>\$ 3,330,061</u>	<u>11</u>	<u>\$ 4,652,350</u>	<u>15</u>
	EPS (Note XXV)				
	From continuing operations				
9710	Basic	<u>\$ 7.25</u>		<u>\$ 8.86</u>	
9810	Diluted	<u>\$ 7.22</u>		<u>\$ 8.78</u>	

Notes to the parent company only financial reports constitute a part of these financial reports.

Chairman: Chen-Tse Yang

Manager: Chen-Tse Yang

Accounting Supervisor: Chang-Chin Yang

GOLD CIRCUIT ELECTRONICS LTD.
Parent Company Only Statement of Changes in Shareholders' Equity
January 1 to December 31, 2023 and 2022

Unit: NTD thousand

							Other equity items				
							Exchange differences on translation of foreign financial statements	Unrealized gain/loss on valuation of financial assets at fair value through other comprehensive income	Property revaluation surplus	Treasury stocks	Total equity
Retained earnings											
Code		Capital stock	Additional paid-in capital	Legal reserve	Special reserve	Undistributed earnings					
A1	Balance as of January 1, 2022	\$ 5,464,879	\$ 1,206,574	\$ 167,997	\$ 475,522	\$ 3,927,668	(\$ 27,260)	(\$ 10,570)	\$ 295,781	(\$ 98,477)	\$ 11,402,114
	Appropriation and distribution of 2021 earnings:										
B1	Legal reserve	-	-	296,218	-	(296,218)	-	-	-	-	-
B5	Cash dividends to the Company’s shareholders	-	-	-	-	(1,202,274)	-	-	-	-	(1,202,274)
	Change in other additional paid-in capital										
C17	Capital reserve – treasury stock transactions	-	12,593	-	-	-	-	-	-	-	12,593
D1	2022 net profit	-	-	-	-	4,567,875	-	-	-	-	4,567,875
D3	2022 other comprehensive income after tax	-	-	-	-	65,650	18,825	-	-	-	84,475
D5	Total amount of 2022 comprehensive income	-	-	-	-	4,633,525	18,825	-	-	-	4,652,350
E3	Capital reduction in cash	(546,488)	-	-	-	-	-	-	-	5,723	(540,765)
Z1	Balance as of December 31, 2022	4,918,391	1,219,167	464,215	475,522	7,062,701	(8,435)	(10,570)	295,781	(92,754)	14,324,018
	Appropriation and distribution of 2022 earnings:										
B1	Legal reserve	-	-	463,353	-	(463,353)	-	-	-	-	-
B5	Cash dividends to the Company’s shareholders	-	-	-	-	(1,721,436)	-	-	-	-	(1,721,436)
	Change in other additional paid-in capital										
C5	Capital reserve – stock options	-	880,452	-	-	-	-	-	-	-	880,452
C17	Capital reserve – treasury stock transactions	-	18,030	-	-	-	-	-	-	-	18,030
D1	2023 net profit	-	-	-	-	3,528,592	-	-	-	-	3,528,592
D3	2023 other comprehensive income after tax	-	-	-	-	(32,952)	(165,579)	-	-	-	(198,531)
D5	Total amount of 2023 comprehensive income	-	-	-	-	3,495,640	(165,579)	-	-	-	3,330,061
Z1	Balance as of December 31, 2023	\$ 4,918,391	\$ 2,117,649	\$ 927,568	\$ 475,522	\$ 8,373,552	(\$ 174,014)	(\$ 10,570)	\$ 295,781	(\$ 92,754)	\$ 16,831,125

Notes to the parent company only financial reports constitute a part of these financial reports.

Chairman: Chen-Tse Yang

Manager: Chen-Tse Yang

Accounting Supervisor: Chang-Chin Yang

GOLD CIRCUIT ELECTRONICS LTD.
Parent Company Only Statement of Cash Flow
January 1 to December 31, 2023 and 2022

Unit: NTD thousand

Code		2023	2022
	Cash flow from operating activities		
A10000	Net profit before tax for the year	\$ 4,325,890	\$ 5,224,759
A20010	Income charges (credits):		
A20300	Expected credit (reversal profit)		
	impairment loss	(44,485)	39,549
A20100	Depreciation expenditure	387,327	334,449
A20200	Amortization expenditure	23,470	12,705
A20900	Financial cost	91,448	42,600
A29900	Provision (reversal) for liabilities	(22,872)	46,839
A22400	Amount of profit and/or loss of subsidiaries, affiliates, and joint ventures adopting the equity method	(2,815,285)	(3,370,166)
A21200	Interest revenue	(139,128)	(44,233)
A23700	Inventory devaluation and obsolescence loss	150,600	83,116
A22500	Loss on disposal of property, plant and equipment	12,940	22,455
A20400	Net loss (gain) from financial assets at fair value through profit or loss	(43,349)	9,196
A20400	Net loss from financial liabilities at fair value through profit or loss	1,183	4,908
A24100	Net loss of exchange in foreign currencies	115,875	45,006
A24600	(Gain) loss from fair value adjustment of investment property	(19,600)	1,700
A29900	Net defined benefit liabilities	(25,071)	(45,517)
A30000	Net change in operating assets and liabilities		
A31150	Accounts receivable	(533,702)	(1,623,640)
A31180	Other receivables	(51,966)	645,508
A31200	Inventory	(795,394)	(581,965)
A31230	Prepayments	10,518	(1,040)
A31240	Other current assets	1,701	10,373
A32130	Notes payable	(100)	116
A32150	Accounts payable	468,971	1,528,152
A32180	Other payables	309,378	302,619
A32230	Other current liabilities	(4,702)	77,521
A33000	Cash yielded in business operation	1,403,647	2,765,010

(To be continued)

(Continued)

Code		2023	2022
A33200	Interest collected	139,108	51,022
A33500	Income tax paid	(571,074)	(344,240)
AAAA	Net cash generated by operating activities	<u>971,681</u>	<u>2,471,792</u>
	Cash flow from investing activities		
B01800	Acquisition of investments under equity method	(667,644)	-
B09900	Repatriation of earnings from invested company under equity method	950,822	-
B02400	Refunds from capital reduction of the invested company under equity method	294,215	154,450
B02700	Procurement of property, plant and equipment	(703,207)	(581,607)
B04500	Procurement of intangible assets	(36,284)	(30,379)
B02800	Proceeds from disposal of property, plant and equipment	9,111	5,442
B03800	Decrease (increase) in refundable deposit	(6,050)	197
BBBB	Net cash used in investing activities	(<u>159,037</u>)	(<u>451,897</u>)
	Cash flow from financing activities		
C00100	Increase in short-term loans	536,091	1,332,508
C00200	Decrease in short-term loans	(1,115,199)	(1,121,357)
C01600	Application for long-term loans	1,465,000	3,090,000
C01700	Repayment of long-term loans	(3,340,000)	(630,770)
C01900	Decrease in long-term notes payable	-	(1,250,000)
C01200	Issuance of corporate bonds	4,281,160	-
C04020	Repayment of lease liability principal	(12,856)	(14,938)
C03100	Refund of guarantee deposits received	100	-
C05600	Interest paid	(83,651)	(39,731)
C04700	Capital reduction in cash	-	(546,488)
C04500	Cash dividends paid	(<u>1,721,436</u>)	(<u>1,202,274</u>)
CCCC	Net cash generated by (used in) from financing activities	<u>9,209</u>	(<u>383,050</u>)
DDDD	Impact of change in exchange rate upon cash & cash equivalents	(<u>220</u>)	<u>4</u>
EEEE	Net increase in cash and cash equivalents	821,633	1,636,849
E00100	Cash and cash equivalents, beginning of year	<u>3,126,813</u>	<u>1,489,964</u>
E00200	Cash and cash equivalents, end of year	<u>\$ 3,948,446</u>	<u>\$ 3,126,813</u>

Notes to the parent company only financial reports constitute a part of these financial reports.

Chairman: Chen-Tse Yang Manager: Chen-Tse Yang Accounting Supervisor: Chang-Chin Yang

GOLD CIRCUIT ELECTRONICS LTD.

Notes to Parent Company Only Financial Statements

January 1 to December 31, 2023 and 2022

(Expressed in Thousand New Taiwan Dollars, unless specified otherwise)

I. History

GOLD CIRCUIT ELECTRONICS LTD. (GCE) was established in Jhongli Dist., Taoyuan City in September 1981, primarily engaged in manufacturing, processing and trading printed circuit boards.

The Company's stocks have been traded on TWSE since March 1998.

The parent company only financial reports were expressed in New Taiwan Dollars, the functional currency adopted by the Company.

II. Dates and procedures for approving financial statements

The parent company only financial statements were approved by the Board of Directors on March 12, 2024.

III. Applicability of newly promulgated and amended standard rules and interpretations

- (I) The first-time adoption of the IFRS, IAS, IFRIC, and SIC approved and effective upon promulgation by the Financial Supervisory Commission ("FSC") (hereinafter referred to as the "IFRSs" collectively).

The application of the amended IFRSs that are approved and released to take effect by the FSC would not cause significant changes to the accounting policies of the Company.

- (II) IFRSs approved by the FSC and applicable in 2024

New promulgation/Amendment/Amended Rules and Interpretation	The effective date promulgated by IASB (Note 1)
Amendments to IFRS 16 "Lease Liability in a Sale and Leaseback"	Monday, January 1, 2024 (Note 2)
Amendments to IAS 1 "Classification of Liabilities as Current or Non-current"	Monday, January 1, 2024
Amendments to IAS 1 "Non-current Liabilities with Covenants"	Monday, January 1, 2024
Amendments to IAS 7 and IFRS 7 "Supplier Financing Arrangements"	Monday, January 1, 2024 (Note 3)

Note 1: Unless otherwise expressly remarked, the aforementioned new/Amendment/Amended Rules or Interpretation come into effect in the fiscal year starting from the respective specified effective dates.

Note 2: The seller as a lessee shall be subject to IFRS 16 amendments retroactively in a sale and leaseback transaction agreed after the initial application of the IFRS 16.

Note 3: Partial exemption from disclosure requirements is applied upon first application of these amendments.

1. Amendments to IFRS 16 “Lease Liability in a Sale and Leaseback”

The amendments clarify that for a sale and leaseback transaction, if the transfer of an asset meets the requirements of IFRS 15 “Revenue from Contracts with Customers” and it is classified as a sale of assets, the liabilities of the seller as a lessee arising from the leaseback shall be dealt with in accordance with the lease liability requirements of IFRS 16. However, if variable lease payments that are not dependent on the index or rate are involved, the seller as a lessee shall measure the liability in a manner in which the gain or loss related to the retained right-of-use is not recognized. Subsequently, the difference between the current lease payments included in the calculation of the lease liability and the actual payments is recognized in profit or loss.

2. Amendments to IAS 1 “Classification of Liabilities as Current or Non-current” (amended in 2020) and amendments to “Non-current Liabilities with Covenants” (amended in 2022)

The 2020 amendment clarifies that in order to determine whether a liability shall be classified as non-current, it is necessary to evaluate whether the Company, at the end of the reporting period, has the right to defer settlement of the liability for at least 12 months after the reporting period. If the Company has such right at the end of the reporting period to defer settlement of the liability for at least 12 months after the reporting period, the liability should be classified as noncurrent, irrelevant with whether the Company is expected to exercise the right or not.

The 2020 amendment also specifies that clarifies that if the Company may retain the right to defer settlement of a liability only upon compliance with specific terms, it must comply with such specific terms at the end of the reporting period, even if the lender will not test its compliance until a later date.

The 2022 amendments further clarify that only the contractual terms to be followed before the end of the reporting period affect the classification of a liability. Although the contractual terms that must be complied with within 12 months after the reporting period do not affect the classification of liabilities, relevant information must be disclosed to enable users of financial reports to understand risk that the Company may not be able to comply with the contractual terms and will be required to repay the liabilities within 12 months after the reporting period.

The 2020 amendment requires that for the purpose of classification of liabilities, said settlement refers to the discharge from liability through the transfer to the trading counterparty of cash, other economic resources, or the Company's equity instruments. Notwithstanding, where, according to the terms and conditions of liabilities, the liabilities might be paid off at the discretion of the trading counterpart through the transfer of the Company's equity instruments and said discretion is stated into equity separately under IAS 32 "Financial Instruments: Presentation," the classification of liabilities would remain unaffected by said terms and conditions.

3. Amendments to IAS 7 and IFRS 7 "Supplier Financing Arrangements"

Supplier financing arrangements are characterized by a commitment by one or more financing providers to pay an company for the amount payable to its supplier, and the company agrees to make a payment on the same day of payment to its supplier (or any date after such payment) the accordance with the terms and conditions of the arrangements. According to the amendments, the Company shall provide disclosures that enable users of financial reports to assess the impact of supplier financing arrangements on the Company's liabilities, cash flows, and liquidity risk exposure.

Except for the impact referred to above, the Company assesses that other amendments to standards or explanations do not have significant impact on the financial status and performance.

- (III) IFRSs already published by the IASB but not yet recognized or issued into effect by the FSC.

New promulgation/Amendment/Amended Rules and Interpretation	The effective date promulgated by IASB (Note 1)
IFRS 10 and IAS 28 amendment “Assets sales or contribution between the investor and the affiliated company or joint venture.”	To be determined
IFRS 17 “Insurance Contracts”	Sunday, January 1, 2023
Amendments to IFRS 17	Sunday, January 1, 2023
Amendments to IFRS 17 “Initial Application of IFRS 17 and IFRS 9 – Comparative Information”	Sunday, January 1, 2023
Amendments to IAS 21 “Lack of Exchangeability”	Wednesday, January 1, 2025 (Note 2)

Note 1: Unless otherwise expressly remarked, the aforementioned new/Amendment/Amended Rules or Interpretation come into effect in the fiscal year starting from the respective specified effective dates.

Note 2: The amendments are applicable to the annual reporting period that begins after January 1, 2025. The Company will, when applying the amendments for the first time, recognize the effects as retained earnings of the initial applicable date. When the Company uses a non-functional currency as the presentation currency, it will affect the exchange difference of foreign operations under equity on the date of initial application.

1. Amendments to IFRS 10 and IAS 28”Sale or Contribution of Assets between an Investor and its Associate or Joint Venture”

The amendment provides that if the Company sells or contributes assets to affiliated companies (or joint ventures), or the Company loses the control over a subsidiary but retains significant influence on the subsidiaries (or joint control), and if the aforementioned assets or subsidiary in compliance with the definition of a business under IFRS 3 “Business Combinations” the Company is to recognize the profit and loss of the transactions fully.

In addition, if the Company sells or contributes assets to affiliated companies (or joint ventures), or the Consolidated Company loses the control over a subsidiary but retains significant influence on the subsidiaries (or joint control), and if the aforementioned assets or subsidiary not in compliance with the definition of IFRS 3 “Business,” the Company is to recognize the profit and loss of the transactions only within the equity scope of the affiliated companies

(or joint ventures) irrelevant to the investors; in other words, the profit and loss attributable to the Company should be offset.

2. Amendments to IAS 21 “Lack of Exchangeability”

The amendments clearly stipulate that if an enterprise is able to exchange a currency for another through an exchange transaction with enforceable rights and obligations established through a market or exchange mechanism within the time range of normal management delays, the currency is exchangeable. When the currency is not exchangeable on the measurement date, the Company shall estimate the spot exchange rate to reflect the exchange rate that would be used by market participants for orderly transactions on the measurement date in consideration of the prevailing economic conditions. Under such circumstances, the Company shall disclose information that will enable users of financial reports to assess how the lack of exchangeability of a currency has affected or is expected to affect its operating results, financial position and cash flows.

In addition to the impact referred to above, the Company still continued to assess the impact of the other standards and interpretation on the financial position and financial performance up to the date the parent company only financial reports approved and published; also, the relevant influences would be disclosed upon the completion of assessment.

VI. Summary of significant accounting policies

(I) Declaration in compliance

The present standalone Financial Report has been duly worked out in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers.

(II) Basis of preparation

Except for the financial instruments measured at fair value, investment properties, and the net defined benefit liabilities recognized at fair value after the project assets are deducted from the current value of defined benefit obligations, this Parent Company Only Financial Statement has been duly prepared on the grounds of historical costs.

The evaluation of fair value could be classified into Degree 1 to Degree 3 by the observable intensity and importance of related input value:

1. Degree 1 input value: refers to the quotation of the same asset or liability in an active market as of the evaluation (before adjustment)

2. Degree 2 input value: refers to the direct (the price) or indirect (inference of price) observable input value of asset or liability further to the quotation of Level 1.
3. Degree 3 input value: the unobservable input value of asset or liability.

The Company applied the equity method to its invested subsidiaries, affiliated companies or joint ventures when preparing the parent company only financial report. In order to make the current income, other combined gains or losses and equity in the parent company only financial report identical with the current income, other combined gains or losses and equity attributed to the owner of the Company in the Company's consolidated financial reports, the certain accounting treatment differences between standalone basis and consolidated basis were handled by adjusting the "share of gains or losses of subsidiaries, affiliates & joint ventures accounted for using equity method," and related equities.

(III) Standards in differentiating current and non-current assets and liabilities

Current assets include:

1. Assets held primarily for the purposes of transactions;
2. Assets anticipated to be realized within 12 months after the balance sheet date; and
3. Cash and cash equivalents (excluding those restricted for exchanging or liquidating liabilities over 12 months after the balance sheet date).

non-current liabilities include:

1. Liabilities held primarily for the purposes of transactions;
2. The liabilities to be liquidated upon due within 12 months after the balance sheet date (those with long-term refinancing or payment term rearrangement completed from the balance sheet date to the financial reports approved and published date are also classified as current liabilities), and
3. Liabilities that cannot be with the liquidation date deferred unconditionally for at least 12 months after the balance sheet date; Where the liabilities might be paid off at the discretion of the other party through the tools of the issuance equity, the classification would remain unaffected.

Those not as aforementioned current assets or current liabilities are classified into non-current assets or non-current liabilities.

(VI) Foreign currency

When the Company prepared for the financial reports, the transactions conducted in currencies other than the Company's functional currencies (foreign currencies) were converted into the records of functional currencies based on the exchange rates quoted on the date of transactions.

The items in foreign currencies were converted at the exchange rates closed on each and every balance sheet date. The difference in foreign exchanges incurred by the items of settlement currency items or conversion currency items was recognized as the profit and/or loss for the term of occurrence.

The foreign currencies, non-current items measured at fair values were converted at the exchange rates quoted on the date on which the fair values were determined. The difference in foreign exchange so incurred was entered as the profit and/or loss of the current term. In the event where the change in the fair value was recognized into other comprehensive profit and/or loss, the difference of the foreign exchange so incurred was entered as other comprehensive profit and/or loss.

The non-current items measured at historical costs were converted based on the exchange rate quoted on the date of transaction and were not converted anew.

Upon preparation of the parent company only financial reports, the assets and liabilities of the Company's foreign operations (including the subsidiaries in the countries of business operation or those using currencies different from the Company's) were converted to New Taiwan Dollars based on the exchange rate quoted on every balance sheet date. The gain, fee and loss items were converted based on the exchange rates averaged in the current term. The difference of conversion so incurred was entered as other comprehensive income.

If the Company disposes of all equities of its foreign operations or disposes of some of the equities of the subsidiaries of its foreign operations and loses control or the retained equities following such disposal are financial assets handled according to the accounting policy for financial instruments, all accumulated differences of conversion that are relevant to the said foreign operations shall be recategorized as gains or losses.

If partial disposal of the subsidiaries of foreign operations does not lead to loss of control, accumulated differences of conversion will be calculated as part of the equity transactions proportionally yet they are not recognized as gains or losses. Under other circumstances where overseas operating institutions are partially

disposed of, accumulated differences of conversion, on the other hand, are recategorized to gains or losses in proportion to the disposal.

(V) Inventory

Inventories include raw materials, supplies, finished goods and work in process. The inventory was measured at the lower of cost and net realizable value. In comparison between the cost and realizable value, the individual items shall be taken as the grounds except inventory of the same categories. The term “net realizable value” as set forth herein denotes the balance of the selling price estimated under normal conditions deducted with the cost which is estimated to be invested till completion of manufacture and completion of sales. The cost of inventory was calculated in weighted average method.

(VI) Invested subsidiaries

The Company processed the investment in subsidiaries using the equity method.

The subsidiaries refer to the entities controlled by the Company (including structured entities).

Under the equity method, investment was recognized at the initial costs, which would be duly increased or decreased along with the profit and/or loss of the subsidiaries, and other shares of comprehensive income of the Company after the amounts on books were obtained later on. Additionally, the change in other equity of subsidiaries attributed to the Company was recognized pro rata to the shareholding percentages.

When the change in the ownership equity on a subsidiary of the Company does not result in a loss of control, it should be treated as an equity transaction. The difference between the book value of the investment and fair value of paid or collected consideration was directly recognized as equity.

In the event that the Company’s shares of loss in subsidiaries equal to or exceed its equity in the subsidiaries (including the book amount of investment in the subsidiaries in equity method and other long-term equity of the Company in the investment composition of the subsidiaries), the Company continued recognition of the further losses.

The portion obtained whose cost is in excess of the share of recognizable net fair values of assets and liabilities in subsidiaries that the Company is entitled to on the day of acquisition will be listed as goodwill. Such goodwill is included as part of the book value of the specific investment and may not be amortized. When the share

of recognizable net fair values of assets and liabilities in subsidiaries that the Company is entitled to on the day of acquisition exceeds the acquisition cost, on the other hand, the portion will be listed as income for the specific term.

When evaluating the impairment loss, the Company considered the units that yielded cash thoroughly based on the financial report and compared the collectable amount and book value thereof. Where the collectable amount of the assets increases subsequently, the amount is then reversed against balances of accumulated impairment losses. However, loss reversal should not be more than the carrying amount (net of depreciation or amortization) had the impairment loss not been recognized. Such loss in impairment should not be recovered in the subsequent period.

The Company, on the date on which it forfeited the control over subsidiaries, measured its remaining investment in the subsidiaries at fair value. The difference between the fair value of the remaining investment and the book amount of the investment on the date on which it forfeited the control as the current income. Meanwhile, the amount relevant to the subsidiaries recognized in other comprehensive income were managed on the accounting grounds same as the grounds which it should comply with if the Company directly disposed of the relevant assets or liabilities.

The unrealized gains (losses) from downstream transactions between the Company and subsidiaries were written off in the parent company only financial report. For the profit or loss incurred in upstream and side-stream transactions between the Company and subsidiaries, the Company only recognized those within the scope irrelevant to the subsidiaries into the parent company only financial report.

(VII) Property, plant and equipment

The property, plant and equipment were recognized at costs. Subsequently thereafter, they were measured at the amount of the costs deducted with depreciation and the loss in the accumulated impairment.

The property, plant and equipment under construction were recognized at the amount of the costs after deducting the loss in the accumulated impairment. The costs included fees incurred for professional services and costs of loan which were consistent with the conditions of capitalization. The samples produced for testing whether the assets can operate normally before reaching the expected state of use are measured based on the lower of the cost or net realizable value. The sale price and

cost are recognized in profit or loss. For those assets, depreciation started being amortized when those assets were completed to the extent of being ready for use and duly classified into the appropriate categories of property, plant and equipment.

Except own land, for which no depreciation would be provided, the other property, plant and equipment were depreciated and for each and every major part individually, on a straight-line basis within the useful years. The Company, at least at the end of each fiscal year, has the estimated useful years, residual value, and depreciation method reviewed, and also delayed the effects of changes in applying accounting estimates.

When the property, plant, and equipment were written-off, the difference between the net proceeds from disposal and the book value of the asset is recognized in the profit and loss.

(VIII) Investment property

The investment property denotes such property held in an attempt to earn rent or capital increment or for the both purposes. The investment property also includes the land held for which the future purpose of use has not been resolved.

The investment property was measured at the initial costs (including transaction costs). Subsequently thereafter, it will be measured at the fair value. Changes of the fair value are recognized in the profit and loss when occurring.

When investment property is written off, the difference between the net proceeds from disposal and the book value of the asset is recognized in the profit and loss.

(IX) Intangible assets

1. Individually acquired

The intangible assets with limited useful life individually acquired were measured at costs. Subsequently, they were measured at cost deducted with the amount of accumulated amortization and the loss of the accumulated impairment. Intangible assets within the durability period are amortized on a straight-line basis. The Company reviews at least on the end date of each year the estimated durability period, residual value, and depreciation method and postpones impacts where changes in accounting estimates apply. Intangible assets with uncertain useful years are recognized with the cost less accumulated impairment loss.

2. Derecognition

When intangible assets are written off, the difference between the net proceeds from disposal and the book value of the asset is recognized in the profit and loss.

(X) Impairment of properties, plants, and equipment, right-of-use assets, investment properties, and intangible assets

The Company evaluates on the date shown on each balance sheet whether there are any signs showing that real estate, plants, and equipment, right-of-use assets, and intangible assets might have been impaired. Where any sign of impairment was found existent, the Company estimated the recoverable amount of such assets. In the event that the recoverable amount of individual assets could not be estimated, the Company estimated the recoverable amount of the units that yielded cash belonging to the assets. The common asset is amortized to each cash-generating unit in accordance with a consistent and reasonable sharing basis.

The intangible asset with indefinite useful years and not yet available for use should be tested for impairment at least annually or should be tested when there is an indication of impairment.

The recoverable amount denotes fair value deducted with the selling costs and the useful value, whichever is the higher. In the event that the individual asset or the recoverable amount of the units that yielded cash was found below the book value, such asset or the book value of the units that yielded cash was adjusted downward to the recoverable amount, with the impairment profit and loss recognized in profit and loss.

(XI) Financial instruments

The financial assets and financial liabilities were recognized onto the parent company only balance sheet when the Company became a party to the contract of the financial instruments.

Upon initial recognition of financial assets and financial liabilities, if the financial assets or financial liabilities were measured for fair values not through profit and/or loss, the Company measured based on the fair value plus the transaction costs, which could be directly attributed to the acquisition or issuance of the financial assets or financial liabilities. The transaction costs which could be directly attributed to the acquisition or issuance of such financial assets or financial liabilities, which were measured at the fair value, were imaginably recognized as the profit and/or loss.

1. Financial assets

The transaction customs of the financial assets were recognized or derecognized on the transaction day accounting basis.

(1) Type of measurement

The financial assets held by the Company include financial assets at fair value through profit or loss, financial assets measured at amortized cost, and investment in equity instruments at fair value through other comprehensive income.

A. The financial assets at fair value through profit or loss.

The financial assets at fair value through profit or loss refer to those measured at fair value through profit or loss compulsorily. The financial assets measured at fair value through profit or loss compulsorily include the investment in equity instruments not designated to be measured at fair value through other comprehensive income, and the investment in bond instruments not eligible to be categorized those at amortized cost or at fair value through other comprehensive income.

The financial assets at fair value through gains or losses were measured at fair value, and the gains or losses so incurred were recognized as other profit and loss. Please refer to Note XXVII for the determination of fair value.

B. Financial assets measured at amortized cost

Shall the financial assets invested by the Company meet the following two conditions on the same time, they are classified as financial assets carried at amortized cost:

- a. Being held within a business model whose objective is to hold financial assets in order to collect contractual cash flows; and
- b. 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.

Upon the initial recognition, the financial assets measured at amortized cost (including cash and cash equivalents, accounts receivable measured at amortized cost, other accounts receivable, and refundable deposit) were measured at the amortized cost after the total

book value decided using the effective interest method less any impairment loss. Any foreign currency exchange income was recognized as gains or losses.

Except in the following two circumstances, the interest revenue was calculated at the effective interest rate multiplying by the total book value of the financial assets:

- a. For the purchased or originated credit-impaired financial assets, the interest revenue was calculated at the effective interest rate multiplying by the amortized cost of the financial assets upon credit adjustment.
- b. For those other than purchased or originated credit-impaired financial assets, which, however, became the purchased or originated credit-impaired financial assets subsequently, the interest revenue was calculated at the effective interest rate multiplying by their amortized cost as of the next reporting period after the credit impairment.

The credit-impaired financial assets mean that issuers or debtors already suffered hard-up financial standing or default, or an event where a debtor was about to run into bankruptcy or proceed with financial reorganization, or the hard-up financial standing leading to loss of active market of the assets.

Cash equivalents include time deposits in high liquidity, which could be converted into cash of the specified amounts at any time within three (3) months from acquisition, with little risk in the change in values, intended to be used to satisfy the commitment in the short-term cash.

- C. Investment in equity instruments at fair value through other comprehensive income

However, the Company may choose at the time of original recognition to have the equity instrument investment not held for trading and not recognized by the acquirer in the business merger transaction or not with consideration measured at the fair value through other comprehensive income.

Investment in equity instruments at fair value through other comprehensive income are measured at fair value, and the subsequent movements of the fair value are measured in other comprehensive income, and accumulated in other equity. When disposing of investments, the accumulated gains/losses are transferred to the retained earnings directly without reclassified as gains or losses.

The dividends from the equity instruments at fair value through other comprehensive income are recognized in profit/loss when the right of receiving of the Company is confirmed, unless such dividends obviously represent the recovery of part of the investment.

(2) Impairment of financial assets and contract assets

At each date of balance sheet, the Company evaluates the impairment loss on financial assets (including accounts receivable) and contract assets based on the expected credit loss.

The allowance losses on accounts receivable were all recognized based on the lifetime expected credit loss. For other financial assets, the credit risk is evaluated if there is any significant increase after the initial recognition. If not, the allowance loss is recognized based on the expected credit losses of 12 months; if there any significant increases, the allowance loss is recognized based on the expected credit losses of life time.

Expected credit losses as the weighted average of credit losses with the weightings being the respective risks of a default occurring. 12-month expected credit losses are expected credit losses that result from those default events on the financial instruments that are possible within 12 months after the reporting date. Lifetime expected credit losses are the expected credit losses that result from all possible default events over the life of the financial instruments.

The book value of all impairment losses on financial assets were reduced via the allowance account.

(3) Derecognition of financial assets

The Company only derecognizes financial assets when the rights coming from the contract over cash flows of such assets are expired or financial assets are transferred and nearly all risks and rewards associated with the ownership of such assets have been transferred to another enterprise.

Where a financial asset measured at amortized cost was derecognized end masse, the difference between the book value and collected consideration was recognized into profit or loss. When fully derecognizing the investment in equity instrument at fair value through other comprehensive income, the accumulated profit/loss is directly transferred to retained earnings, not to be reclassified as profit or loss.

2. Equity instruments

The liabilities and equity instruments issued by the Company were categorized as financial liabilities or equity based on the substance of the contract agreement and the definition of financial liabilities and equity instruments.

The equity instruments issued by the Company were recognized based on the acquisition price less direct issuing cost.

The Company's own equity instruments reacquired were derecognized and deducted under the equity title. The book value is calculated according to the weighted average based on the types of shares and is calculated separately in accordance with the reasons for the recovery. Acquisition, sale, issuance or cancellation of the Company's own equity instruments would not be recognized as income.

3. Financial liabilities

(1) Subsequent measurement

All financial liabilities are measured at amortized cost based on the effective interest, unless in the following circumstances:

Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss refer to the financial liabilities held for trading.

The financial liabilities held for trading were measured at fair value, the interest so incurred recognized into the financial cost, and the other

profit or loss so incurred from re-measurement recognized into other profit or loss.

Please refer to Note XXVII for the determination of fair value.

(2) Derecognition of financial liabilities

When de-recognizing financial liabilities, the difference between the book value and the consideration paid (including any transferred non-cash assets or assumed liabilities) is recognized into profit or loss.

4. Convertible corporate bonds

For the compound financial instruments (convertible corporate bonds) issued by the Company, its components are classified as financial liabilities or equity based on the definitions of real and financial liabilities and equity instruments under the terms and conditions of the contracts.

When recognized initially, the fair value of the debt components is estimated based on the market interest rate of similar nonconvertible instruments at that time and measured at amortized cost calculated under the effective interest method prior to the conversion or maturity date. The debt components classified into embedded non-equity derivatives is measured at fair value.

The conversion option classified as equality is equal to the remaining amount of the entire fair value of the compound instruments less the fair value of the debt components determined individually. It is recognized as equity after deduction of the income tax effect and no remeasurement is conducted subsequently. When the conversion option is executed, related debt components and the amount related to the equity are transferred to share capital and capital reserve – issuance premium. If the conversion option of the convertible corporate bond is not executed on the maturity date, the amount recognized in the equity is transferred to capital reserve – issuance premium.

The transaction cost related to issuance of convertible corporate bonds is amortized to the components of the debt (recognized in the book value of liabilities) and equity (recognized in equity) of the instrument concerned based on the amortization proportion of the total amount.

5. Derivative financial instruments

The Company entered into forward foreign exchange contracts as their derivative financial instruments to manage their exposure to the foreign exchange rate risk.

Derivative financial instruments were initially recognized at fair value at the date the derivative financial instrument contracts were entered into and were subsequently remeasured to their fair value on the balance sheet date. The resulting profit or loss is stated into profit or loss immediately. Notwithstanding, when the derivative financial instruments which were designated and considered as effective hedging instruments should be recognized into profit or loss should be decided subject to the nature of hedging relationship. The derivatives with positive value were classified as financial assets. Those with negative value were classified as financial liabilities.

If the derivatives are embedded into the master contracts for assets falling in the scope under IFRS 9 “Financial Instruments”, the financial assets shall be classified based on the entire contracts. Embedded derivatives other than those embedded into the host contracts for assets falling in the scope under IFRS 9 (e.g. those embedded into the master contracts for financial liabilities) were treated as separate derivatives when they met the definition of a derivative, their risks and characteristics were not closely related to those of the host contracts, and the contracts were not measured at fair value through profit or loss.

(XII) Provision for liabilities

The provision for liabilities was determined with the obligation risk and uncertainty taken into account, which is the best estimate of the obligation payable on the balance sheet date.

(XIII) Recognition of revenue

Upon identification of the performance obligation in the contract with customers, the Company amortized the transaction price to the performance obligations in the contract and recognized income upon fulfilling performance obligation of the contract.

If the Company signs multiple contracts with the same customer (or the customer’s related party) almost at the same time, the Company would treat them as

one single contract, as the commitment about commodity or labor service under the contracts should be identified as single performance obligation.

For any contract providing the time interval between transfer of commodities or labor services and collection of consideration no more than one year, no adjustment would be made on the transaction price with respect to the financing component thereof.

Sales revenue

The sales revenue was generated from the sale of the electronic products, such as printed circuit boards. Upon departure of products or their arrival to the destination designated by customers, the customers have already owned the right to set the price and use the same and taken the responsibility for resale and borne the obsolescence risk; therefore, the Company recognized the income and accounts receivable at that moment.

As the ownership of processed products has not yet been transferred at the time of processing on order, no revenue would be recognized at that moment.

(XIV) Lease

The Company evaluates if a contract is, or includes a lease on the date when the contract is established.

1. The Company was the Lessor.

In the event that all risks and remuneration of the ownership of the assets based on the leasehold terms and conditions were transferred to the lessees in full, such assets were classified as financing leases. All other categories of leases were classified as operating leases.

Under the operating leases, the rent less the lease incentives was recognized into profit or loss based on the straight-line method in the duration of the leases. The initial direct cost arising from negotiating and arranging operating leases, was increased to the book value of the underlying assets, and recognized as expenditure on the straight-line basis over the lease period.

2. The Company was the Lessee.

The lease payments applicable to the recognized waived low-valued underlying asset lease and the short-term lease are recognized as expenditure on the straight-line basis over the lease period. For all other leases, the right-of-use assets and lease liabilities are recognized from the starting date of leases.

The right-of-use assets were originally measured at the costs (including the original measured amount of lease liability); subsequently, they were measured at the costs deducting the accumulated depreciation and the accumulated impairment loss, and the re-measurement of the lease liability was adjusted. The right-of-use assets were individually expressed in the parent company only balance sheets.

The right-of-use assets on the straight-line basis were depreciated from the starting date of lease until expiration of the useful years or the lease period, whichever earlier. If the ownership of underlying assets would be acquired upon expiration of the lease period, or the costs of right-of-use assets reflected the exercise of right of first refusal, the assets should be depreciated from the starting date of lease until expiration of the useful years.

The lease liabilities were measured based on the present value of the lease payment (including fixed payment and variable lease payment depending on any index or fees). If the implied interest rate of a lease should be easy to be confirmed, the rate should be applied to discount the lease payment. Otherwise, the incremental the lessee's loan rate of interest should apply instead.

Subsequently, the lease liabilities were measured at amortized cost using the effective interest method. The interest expenditure was also amortized within the lease period. If there was any change in the lease period or any index or fees determining the lease payments would result in changes of future lease payment, the Company re-measured the lease liabilities, and relatively adjusted the right-of-use assets; provided the book value of the right-of-use asset has decreased to zero, the remaining re-measured amount was recognized in the profit or loss. The lease liabilities are individually expressed in the parent company only balance sheets.

(XV) Costs of loan

The costs of loan for the assets that meet the essential requirement and directly attributable to the acquisition, construction, or production of assets is deem as part of the asset cost until all of the necessary activities completed for the assets to reach its intended use or sale state.

The income of a temporary investment with a specific loan that has not yet met the essential requirement of capital expenditure is deducted from the cost of loan that meets the essential requirements of capitalization.

In addition to the transaction stated in the preceding paragraph, costs of all other loans are recognized into profit and loss upon occurring.

(XVI) Government subsidies

The government subsidies would be recognized only if that it is strongly believed on reasonable grounds that the Company would comply with the conditions imposed on the government subsidies and such subsidies may be received affirmatively.

Government subsidies concerning gains are recognized systematically as other income during the period where related costs they are meant to offset are recognized by the Company as expenditure. The government subsidies for acquisition of non-current assets by the Company through procurement/construction or in any other manners should be debited into the book value of the non-current assets, and recognized into profit and/or profit within the useful years of the assets by reducing the depreciation or amortization expenses for the non-current assets.

If government subsidies are meant to compensate for incurred expenditure or losses or for providing the Company with immediate financial support and are not associated with costs in the future, they are recognized as profits and losses during the collectible period.

(XVII) Employee benefits

1. Short-term employee benefits

Short-term employee benefits related liabilities are the non-discounted amount prepaid in exchange for employee services.

2. Post-retirement benefits

For pension under the defined contribution retirement plan, the amounts of pension to be contributed during the period in which employees provided services were recognized as expenditure.

The defined benefit costs under the defined benefit retirement plan (including the service costs, net interest, and re-measurement amount) were based on the actuary of projected unit credit method. The service costs (including current service costs), and net interest on the net defined benefit liabilities (assets) were recognized as employee benefit expenditure in the period they occur. The re-measurement amount (including actuarial profit and loss and projected ROA net of applicable interest) was recognized as other

comprehensive income and stated as retained earnings at the time of realization, but would not be reclassified as income in subsequent periods.

The net defined benefit liabilities (assets) refer to the amount short (surplus) in the contribution under the defined benefit retirement plan. The net defined benefit assets should not exceed the refund of the contributed fund or decrease the present value of contribution of fund in the future.

3. Resignation benefits

The Company had resignation benefit liabilities recognized when the resignation benefit contract cannot be revoked or when recognizing the related reorganization cost (whichever is sooner).

(XVIII) Income tax

The income tax expenditure denotes the total of the income tax payable in the current term and the deferred income tax.

1. Income tax for the year

The income tax imposed on undistributed earnings calculated as required by the Income Tax Act of the Republic of China is recognized for the year according to the resolution reached in the shareholders' meeting.

Adjustment of the prior years' income tax is added to current income tax expenditure in the year the adjustment is made.

2. Deferred income tax

Deferred income tax is computed in accordance with the temporary differences between book value of the assets and liabilities and the tax base for calculating the taxable income.

Deferred tax liabilities are generally recognized in accordance with all taxable temporary differences. Deferred tax assets are recognized when there are likely to have taxable income available for deductible temporary difference.

All taxable temporary differences relevant to the investment in subsidiaries were recognized as deferred income tax liabilities, unless the Company could control the time point of recovery of the control over the temporary difference, or said temporary difference would be very likely not recoverable in the foreseeable future. The deductible temporary differences associated with such investment were recognized as deferred income tax assets, to the extent that sufficient taxable income was available to realization of

temporary differences and such differences were expected to be reversed in the foreseeable future.

The book value of the deferred income tax assets was reviewed anew on each and every balance sheet date. Aiming at such event where there would be very likely not adequate taxable income to recover the assets either in whole or in part, the Consolidated Company adjusted downward the book value. Those which were not initially recognized as deferred income tax assets were also reviewed anew on each and every balance sheet date. The Consolidated Company, in turn, would adjust upward the book value in the future while there would be likely to yield taxable income to recover assets either in whole or in part.

The deferred income tax assets and liabilities were measured at the tax rates of that term. The said tax rate would be on the grounds of the tax rates and taxation laws, which had been enacted or had been substantially enacted as of the balance sheet date. The deferred income tax liabilities and assets were measured to reflect the Company for the taxation consequences of taxation for the book amounts of the assets and liabilities anticipated to be recovered or reimbursed as of the balance sheet date. Where the investment property measured at fair value is a non-depreciation asset, or the economic model as held would not be likely to consume almost all of the economic benefit from the assets over time, the Company would assume that the book value of the assets was recovered through sale.

The exceptions to the rules for recognition and disclosure of deferred income tax assets and liabilities of the Pillar Two income tax have been applied to the Company; therefore, the Company neither recognizes the deferred income tax assets and liabilities of the Pillar Two income tax nor discloses relevant information.

3. Current and deferred income tax

The current and deferred income tax was recognized into profit and/or loss. The current and deferred income tax relevant to the items, which were recognized in other comprehensive income or directly counted into the items of equity, was recognized into other comprehensive income or directly counted into equity respectively.

Where the current income tax or deferred income tax was generated from acquisition of any subsidiary, the income tax effect should be included into the invested subsidiary's accounting treatment.

V. Critical accounting judgments, estimates and key sources of assumption uncertainty

Where the Company adopts accounting policies and the relevant information is found hardly available from other sources, the management must come to relevant judgments, estimates, and assumptions based on historical experiences and other relevant factors. The actual consequences might differ from the estimates.

Major sources of estimates and hypotheses of uncertainty

Estimated impairment of financial assets

The estimated impairment of accounts receivable was based on the Company's assumptions about the probability and loss rate of default. The Company took into consideration the historical experience, existing market conditions and forward-looking estimates to make the assumptions and select the inputs to the impairment calculation. For details of the key assumptions and inputs used, please refer to Note XXVII. If the actual cash flow in the future is less than what the Company expects, a material impairment loss may occur as a result.

VI. Cash and cash equivalents

	<u>December 31, 2023</u>	<u>December 31, 2022</u>
Cash on hand and working capital	\$ 880	\$ 785
Bank's notes and current deposit	3,936,748	3,111,482
Cash equivalents (investment due within three (3) months in the date of initial maturity).		
Bank time deposit	<u>10,818</u>	<u>14,546</u>
	<u>\$ 3,948,446</u>	<u>\$ 3,126,813</u>

VII. Financial instruments at fair value through profit or loss

	<u>December 31, 2023</u>	<u>December 31, 2022</u>
<u>Financial assets-current</u>		
Held for transactions		
Derivatives (not under hedge accounting)		
— Forward foreign exchange contracts (1)	\$ 33,281	\$ -
— FX swaps contracts (2)	<u>10,068</u>	<u>-</u>
Subtotal	<u>\$ 43,349</u>	<u>\$ -</u>

Financial liabilities – Current

Held for transactions

Derivatives (not under hedge accounting)

— Forward foreign exchange contracts (1)	\$ -	\$ 704
— FX swaps contracts (2)	-	4,204
- Conversion option (3. Note 18)	<u>21,860</u>	<u>-</u>
	<u>\$ 21,860</u>	<u>\$ 4,908</u>

- (I) The outstanding forward foreign exchange contracts not under hedge accounting on the balance sheet date are stated as follows:

	Currency type	Maturity date	Contract amount (NTD Thousand)
<u>December 31, 2023</u>			
Sold forward foreign exchange contracts	Sell USD/Buy NTD	01.02.2024–03.05.2024	USD40,000／NTD1,261,481
<u>December 31, 2022</u>			
Sold forward foreign exchange contracts	Sell USD/Buy NTD	January 03, 2023–March 09, 2023	USD40,000／NTD1,227,696

- (II) The outstanding FX swaps contracts not under hedge accounting on the balance sheet date are stated as follows:

	Currency type	Maturity date	Contract amount (NTD Thousand)
<u>December 31, 2023</u>			
— FX swaps contracts	Sell USD/Buy NTD	January 31, 2024	USD44,000／NTD1,361,088
<u>December 31, 2022</u>			
— FX swaps contracts	Sell USD/Buy NTD	January 31, 2023	USD44,000／NTD1,347,036

The Company entered into forward foreign exchanges and FX swaps primarily in order to hedge against the risk arising from foreign currency assets and liabilities due to fluctuations in foreign exchange rate.

- (III) Financial liabilities with embedded derivative conversion options are split off by issuing convertible bonds.

VIII. Notes receivable, accounts receivable and other receivables

	<u>December 31, 2023</u>	<u>December 31, 2022</u>
<u>Accounts receivable</u>		
Measured at amortized cost	\$10,395,434	\$10,272,103
Less: Allowance losses	(37,178)	(81,663)
Generated from operations	<u>\$10,358,256</u>	<u>\$10,190,440</u>
<u>Other receivables</u>		
Business tax refund receivable	\$ 53,829	\$ 43,861
Accounts receivable from sale of scraps	26,141	22,058
Others	62,080	26,121
	<u>\$ 142,050</u>	<u>\$ 92,040</u>

The Company's average credit period for sale of commodities was 180 days. The notes receivable and accounts receivable were collected without interest. Considering that the Company's trading counterparts were primarily domestic/foreign renowned companies/entities with fair goodwill, no material credit risk was expected to arise therefor. Upon determination of the recoverability of notes receivable and accounts receivable, the Company took into account all changes in the quality of credit of the accounts receivable during the period starting from the initial granting of the loan until the balance sheet date. The historical experiences showed that most of the notes and accounts receivable have been recovered successfully.

In order to mitigate the credit risk, on the balance sheet date, the Company would recheck on a case-by-case basis the recoverable amount of notes and accounts receivable to assure that, for the notes and accounts receivable which were not recoverable, appropriate impairment loss has been duly amortized. Accordingly, the Company's management held that the Company's credit risks had been significantly reduced.

The Company recognized the allowance losses on notes and accounts receivable based on the lifetime expected credit loss. The lifetime expected credit losses were calculated using the reserve matrix, by considering the customers' past default records and current financial position, industrial economic situations, as well as the recoverable amount. As the Company's credit loss history showed that there was no significant difference among the loss patterns of different customer bases, the reserve matrix didn't further divide the customer bases, but only established the expected credit losses based on the number of days for which the notes and accounts receivable became overdue.

Where any evidence showed that the trading counterparts had severe financial difficulties, and it was impossible for the Company to reasonably expect the recoverable amount, e.g. the counterparts were under liquidation, the Company would write off the related notes and accounts receivables. However, the pursuit of recovery would be continued, and the amount recovered from such pursuit would be recognized as gains or losses.

The allowance loss on notes and accounts receivable measured by the Company based on the reserve matrix is stated as following:

December 31, 2023

Accounts receivable

	Not overdue	Overdue for 1~60 days	Overdue for 61~90 days	Overdue for 91~120 days	Overdue for more than 120 days	Total
Expected Credit Loss (ECL) Rate	0.04%	21.98%	59.2%	76.91%	99.23%	
Total book value	\$ 10,302,662	\$ 65,197	\$ 22,055	\$ 1,369	\$ 4,151	\$ 10,395,434
Allowance losses (lifetime expected credit loss)	(4,619)	(14,330)	(13,057)	(1,053)	(4,119)	(37,178)
Amortized cost	<u>\$ 10,298,043</u>	<u>\$ 50,867</u>	<u>\$ 8,998</u>	<u>\$ 316</u>	<u>\$ 32</u>	<u>\$ 10,358,256</u>

December 31, 2022

Accounts receivable

	Not overdue	Overdue for 1~60 days	Overdue for 61~90 days	Overdue for 91~120 days	Overdue for more than 120 days	Total
Expected Credit Loss (ECL) Rate	0.06%	19.05%	59.96%	73.82%	94.38%	
Total book value	\$ 10,070,068	\$ 137,263	\$ 31,257	\$ 4,529	\$ 28,986	\$ 10,272,103
Allowance losses (lifetime expected credit loss)	(6,068)	(26,155)	(18,741)	(3,343)	(27,356)	(81,663)
Amortized cost	<u>\$ 10,064,000</u>	<u>\$ 111,108</u>	<u>\$ 12,516</u>	<u>\$ 1,186</u>	<u>\$ 1,630</u>	<u>\$ 10,190,440</u>

The information about changes in allowance losses on accounts receivables is stated as following:

	2023	2022
Balance – beginning of year	\$ 81,663	\$ 42,114
Add: Impairment loss provided in the current period	-	39,549
Less: Reversal of impairment loss in the current period	(44,485)	-
Balance – end of period	<u>\$ 37,178</u>	<u>\$ 81,663</u>

The net amount of the total book value of accounts receivable overdue for more than 60 days from the beginning of year dropped on December 31, 2023 by NT\$37,197 thousand in net and it resulted in a net decrease in allowance losses by NT\$31,211 thousand as well. The net amount of the total book value of accounts receivable overdue

for more than 60 days increased on December 31, 2022 by NT\$54,043 thousand in net and it resulted in a net increase in allowance losses by NT\$39,709 thousand.

IX. Inventory

	<u>December 31, 2023</u>	<u>December 31, 2022</u>
Finished goods	\$ 2,078,160	\$ 2,062,013
Work in process	1,709,096	1,186,836
Raw materials & supplies	508,216	267,610
Inventories in transit	<u>42,163</u>	<u>176,382</u>
	<u>\$ 4,337,635</u>	<u>\$ 3,692,841</u>

The nature of the sales cost is defined as follows:

	<u>2023</u>	<u>2022</u>
Cost of inventory sold	\$ 26,629,154	\$ 28,573,207
Loss on inventory devaluation (gain from price recovery)	150,600	83,116
Income from sale of scraps and waste materials	(<u>228,467</u>)	(<u>232,008</u>)
	<u>\$ 26,551,287</u>	<u>\$ 28,424,315</u>

X. Investment under equity method

<u>Invested subsidiaries</u>	<u>December 31, 2023</u>	<u>December 31, 2022</u>
Non-public/non-OTC companies		
King Hsiang Investment Co.	\$ 58,658	\$ 41,910
Goldex Holding Limited	9,462,754	8,082,246
Thailand Gold Circuit Electronics Ltd.	<u>651,691</u>	<u>-</u>
	<u>\$10,173,103</u>	<u>\$ 8,124,156</u>

	<u>Percentage of equity and voting right</u>	
	<u>December 31, 2023</u>	<u>December 31, 2022</u>
King Hsiang Investment Co.	99.97%	99.997%
Goldex Holding Limited	100.000%	100.000%
Thailand Gold Circuit Electronics Ltd.	100.000%	100.000%

The Company invested in Thailand Gold Circuit Electronics Ltd. on May 25, 2023.

As of December 31, 2023, the investment amounted to US\$20,750 thousand.

XI. Property, plant and equipment

Self-use

	Own land	Building	Machinery & equipment	Transportation equipment	Office equipment	Other equipment	Unfinished construction and equipment pending acceptance	Total
<u>Cost</u>								
Balance as of January 1, 2023	\$ 701,186	\$ 2,320,734	\$ 4,695,720	\$ 35,246	\$ 65,014	\$ 820,875	\$ 61,684	\$ 8,700,459
Addition	-	-	-	-	-	-	837,665	837,665
Disposition	-	(111)	(263,354)	(1,533)	(2,383)	(86,993)	-	(354,374)
Reclassification	-	19,065	515,756	3,810	8,927	191,704	(775,034)	(35,772)
Balance as of December 31, 2023	<u>\$ 701,186</u>	<u>\$ 2,339,688</u>	<u>\$ 4,948,122</u>	<u>\$ 37,523</u>	<u>\$ 71,558</u>	<u>\$ 925,586</u>	<u>\$ 124,315</u>	<u>\$ 9,147,978</u>
<u>Cumulative depreciation and impairment</u>								
Balance as of January 1, 2023	\$ -	\$ 1,869,979	\$ 3,392,135	\$ 20,914	\$ 45,846	\$ 594,834	\$ -	\$ 5,923,708
Disposition	-	(104)	(242,412)	(1,354)	(2,276)	(86,177)	-	(332,323)
Depreciation expenditure	-	30,471	234,875	3,741	5,449	97,949	-	372,485
Balance as of December 31, 2023	<u>\$ -</u>	<u>\$ 1,900,346</u>	<u>\$ 3,384,598</u>	<u>\$ 23,301</u>	<u>\$ 49,019</u>	<u>\$ 606,606</u>	<u>\$ -</u>	<u>\$ 5,963,870</u>
Net amount as of December 31, 2023	<u>\$ 701,186</u>	<u>\$ 439,342</u>	<u>\$ 1,563,524</u>	<u>\$ 14,222</u>	<u>\$ 22,539</u>	<u>\$ 318,980</u>	<u>\$ 124,315</u>	<u>\$ 3,184,108</u>
<u>Cost</u>								
Balance as of January 1, 2022	\$ 701,186	\$ 2,302,107	\$ 4,526,545	\$ 34,957	\$ 65,029	\$ 717,839	\$ 73,873	\$ 8,421,536
Addition	-	-	-	-	-	-	697,564	697,564
Disposition	-	-	(315,270)	-	(2,379)	(68,080)	-	(385,729)
Reclassification	-	18,627	484,445	289	2,364	171,116	(709,753)	(32,912)
Balance as of December 31, 2022	<u>\$ 701,186</u>	<u>\$ 2,320,734</u>	<u>\$ 4,695,720</u>	<u>\$ 35,246</u>	<u>\$ 65,014</u>	<u>\$ 820,875</u>	<u>\$ 61,684</u>	<u>\$ 8,700,459</u>
<u>Cumulative depreciation and impairment</u>								
Balance as of January 1, 2022	\$ -	\$ 1,840,370	\$ 3,475,829	\$ 16,766	\$ 43,380	\$ 584,677	\$ -	\$ 5,961,022
Disposition	-	-	(288,100)	-	(2,307)	(67,425)	-	(357,832)
Depreciation expenditure	-	29,609	205,162	4,148	5,038	76,826	-	320,783
Reclassification	-	-	(756)	-	(265)	756	-	(265)
Balance as of December 31, 2022	<u>\$ -</u>	<u>\$ 1,869,979</u>	<u>\$ 3,392,135</u>	<u>\$ 20,914</u>	<u>\$ 45,846</u>	<u>\$ 594,834</u>	<u>\$ -</u>	<u>\$ 5,923,708</u>
Net amount as of December 31, 2022	<u>\$ 701,186</u>	<u>\$ 450,755</u>	<u>\$ 1,303,585</u>	<u>\$ 14,332</u>	<u>\$ 19,168</u>	<u>\$ 226,041</u>	<u>\$ 61,684</u>	<u>\$ 2,776,751</u>

There was no sign of impairment in 2023. Therefore, the Company didn't recognize or reverse impairment loss.

Depreciation expenditure is appropriated in accordance with the straight line method and the useful years illustrated below:

Buildings	
Main building of plant	11~55 years
Electromechanical & power equipment	5~11 years
Engineering system	3~25 years
Others	5 years – 15 years
Machinery & equipment	2~14 years
Transportation equipment	3~9 years
Office equipment	3~11 years
Other equipment	1 year ~13 years

Please refer to Note XXIV for the property, plant and equipment for own use offered as collateral of loans.

XII. Lease Agreement

(I) Right-of-use assets

<u>Item</u>	<u>Machinery & equipment</u>	<u>Total</u>
<u>Cost</u>		
Balance as of January 1, 2023	\$ 143,875	\$ 143,875
Addition	<u>85,185</u>	<u>85,185</u>
Balance as of December 31, 2023	<u>\$ 229,060</u>	<u>\$ 229,060</u>
<u>Cumulative depreciation and impairment</u>		
Balance as of January 1, 2023	\$ 116,191	\$ 116,191
Depreciation expenditure	<u>14,842</u>	<u>14,842</u>
Balance as of December 31, 2023	<u>\$ 131,033</u>	<u>\$ 131,033</u>
Net amount as of December 31, 2023	<u>\$ 98,027</u>	<u>\$ 98,027</u>
<u>Cost</u>		
Balance as of January 1, 2022	\$ 142,117	\$ 142,117
Addition	<u>1,758</u>	<u>1,758</u>
Balance as of December 31, 2022	<u>\$ 143,875</u>	<u>\$ 143,875</u>
<u>Cumulative depreciation and impairment</u>		
Balance as of January 1, 2022	\$ 102,525	\$ 102,525
Depreciation expenditure	<u>13,666</u>	<u>13,666</u>
Balance as of December 31, 2022	<u>\$ 116,191</u>	<u>\$ 116,191</u>
Net amount as of December 31, 2022	<u>\$ 27,684</u>	<u>\$ 27,684</u>

(II) Lease liabilities

	<u>December 31, 2023</u>	<u>December 31, 2022</u>
Book value of lease liabilities		
Current	<u>\$ 10,438</u>	<u>\$ 9,124</u>
Noncurrent	<u>\$ 74,125</u>	<u>\$ 3,110</u>

The range of discount rates for the lease liabilities is stated as following:

	<u>December 31, 2023</u>	<u>December 31, 2022</u>
Buildings	1.68%	-
Machinery & equipment	1.38%	1.38%~2.68%

(III) Major lessee activities and terms and conditions

The Company rented certain energy-conservation equipment and water quality monitoring systems. The lease periods were 10 years and 3 years, respectively. Upon expiration of the lease period, the lease objects will be transferred to the Company unconditionally. Among the other things, the energy-conservation equipment lease contract provided that the lease payment should vary depending on the specific percentage of the energy-conservation amount on a monthly basis.

(IV) Other information about the lease

	<u>2023</u>	<u>2022</u>
Short-term lease expenditure	\$ <u>269</u>	\$ <u>246</u>
Low-value asset lease expenditure	\$ <u>6,178</u>	\$ <u>6,340</u>
Total amount of cash (outflow) from lease	(\$ <u>19,303</u>)	(\$ <u>21,524</u>)

XIII. Investment property

	<u>December 31, 2023</u>	<u>December 31, 2022</u>
Balance – beginning of year	\$ 576,200	\$ 577,900
Profit (loss) from changes in fair value	<u>19,600</u>	(<u>1,700</u>)
Balance – end of period	<u>\$ 595,800</u>	<u>\$ 576,200</u>

The investment property was measured at fair value on a recurring basis. The evaluation basis for the fair value thereof is stated as following:

	<u>December 31, 2023</u>	<u>December 31, 2022</u>
External appraisal service	<u>\$ 595,800</u>	<u>\$ 576,200</u>

The fair values of any investment property amounting to more than NT\$300 million on December 31, 2023 and 2022 were appraised by Appraiser Chiu Hsiang-Ling from CCSI Real Estate Joint Appraisers Firm, who held the real estate appraiser qualification in the ROC, on the same dates respectively.

Except undeveloped land, the fair value of investment property was evaluated under the income approach. The important hypotheses thereof are stated as following. When the projected future cash inflow increased or discount rate declined, the fair value would increase therefor.

	<u>December 31, 2023</u>	<u>December 31, 2022</u>
Projected future cash inflow	\$ 858,200	\$ 843,500
Projected future cash outflow	<u>262,400</u>	<u>267,300</u>
Projected future cash inflow	<u>\$ 595,800</u>	<u>\$ 576,200</u>
Discount rate	2.470%	2.345%

The rent prevailing in the area where the investment property was located was about NT\$0.520 thousand per ping, while that for any comparable object on the market was about NT\$0.569 thousand–NT\$0.588 thousand per ping.

The projected future cash inflow from investment property included rent revenue and deposit interest revenue less loss from idle assets. The rent income was evaluated based on the rent prevailing locally or that for any comparable object on the market, with any overestimated or underestimated comparable objects excluded, and also based on the growth rate of the future rent. The income analysis period was estimated to be five years. The deposit interest income was estimated based on one-year time deposit interest rate. The loss from idle assets was estimated based on 1.5-month rent income plus deposit interest income. The projected future cash outflow from investment property included the expenditures, such as land value tax, house tax, insurance premium, management expense, maintenance expense, replacement appropriation fee, depreciation expense, disposal expense and estimated land value increment tax. Such expenditures were estimated based on the current expenditure level and by taking into consideration the adjustment on the current land value announced in the future, and tax rate prescribed by house tax regulations.

The discount rate was decided based on the two-year time deposit interest rate published by Chunghwa Post Co., Ltd. plus 0.875%.

XIV. Other intangible assets

	<u>December 31, 2023</u>	<u>December 31, 2022</u>
Computer software	<u>\$ 47,736</u>	<u>\$ 34,922</u>

Amortization expense was appropriated on a straight-line basis within 1~5 useful years.

Summarization of amortization expenses by functions:

	<u>2023</u>	<u>2022</u>
Operating costs	\$ 18,241	\$ 11,757
Operating expenditure	1,072	571
R&D expense	<u>4,157</u>	<u>377</u>
	<u>\$ 23,470</u>	<u>\$ 12,705</u>

XV. Other assets

	<u>December 31, 2023</u>	<u>December 31, 2022</u>
<u>Current</u>		
Payment on behalf of others	\$ -	\$ 1,089
Borrowed from employees	<u>2</u>	<u>614</u>
	<u>\$ 2</u>	<u>\$ 1,703</u>
<u>Noncurrent</u>		
Refundable deposit	<u>\$ 7,268</u>	<u>\$ 1,218</u>

XVI. Borrowings

(I) Short-term loans

	<u>December 31, 2023</u>	<u>December 31, 2022</u>
<u>Secured loans</u> (Note XXIX)		
Bank loans	\$ -	\$ 89,108
<u>Unsecured loans</u>		
Line of credit loans	<u>-</u>	<u>490,000</u>
	<u>\$ -</u>	<u>\$ 579,108</u>

Revolving bank loan interest rate was 1.110%–3.848% on December 31, 2022.

(III) Long-term loans

	<u>December 31, 2023</u>	<u>December 31, 2022</u>
<u>Secured loans</u> (Note XXIX)		
Mega International Commercial Bank (1)	\$ -	\$ 430,000
KGI Bank (2)	<u>-</u>	<u>360,000</u>
Subtotal	<u>-</u>	<u>790,000</u>
<u>Unsecured loans</u>		
Mega International Commercial Bank (3)	25,000	-
CTBC Bank (4)	-	200,000
Jih Sun International Bank (5)	-	300,000
E.SUN Bank (6)	-	100,000
Syndicated banks including Taipei Fubon Bank (7)	\$ 1,440,000	\$ 700,000
Syndicated banks including E. Sun Bank (8)	<u>-</u>	<u>1,250,000</u>
Subtotal	<u>1,465,000</u>	<u>2,550,000</u>
Long-term loans	<u>\$ 1,465,000</u>	<u>\$ 3,340,000</u>

1. Land and buildings were offered as collateral for the secured loans. NT\$430,000 thousand of the total loans, NT\$900,000 thousand, has been drawn down against a disbursement letter on a revolving basis. The loans are effective from July 8, 2022 to July 8 2025. The loans were already repaid in

full earlier in December 2023. As of December 31, 2022, the effective annual interest rate was 1.8%.

2. Land and buildings were offered as collateral for the secured loans. NT\$360,000 thousand of the total loans, NT\$500,000 thousand, has been drawn down. The loans are effective from April 30, 2017 to April 30, 2024. The loaning period may be extended to January 26, 2025 before the due date. At the expiration of the 18th, 24th, and 30th months from the extension date, a credit line of NTD 100,000 thousand will be canceled, respectively; all other lines of credit will be canceled at the end of the 36th month. The loans may be drawn down on a revolving basis within three years starting from January 26, 2022, with the interest thereon payable on a monthly basis. The loans are repayable in a lump sum on the due date. They were already repaid in full earlier in December 2023. As of December 31, 2022, the effective annual interest rate was 1.849–1.862%. The quarterly consolidated financial ratios on the loans during the effective term were subject to the following restrictions: The total of cash and cash equivalents and EBITDA (net income, income tax expense, financial costs (interest expenses), depreciation expenses and amortization expenses in the Long-term loans, current portion should stay more than 120% (inclusive).
3. For credit loans, NT\$250,000 thousand of the total loans, NT\$1,000,000 thousand, has been drawn down. The loans are effective from November 24, 2023 to November 24, 2030. The interest thereon are payable on a monthly basis. The first installment was counted upon expiration of the 24th month after the date of the first drawdown, and each installment consists of three months. The loans are repayable at the average over nine installments. As of December 31, 2023, the effective annual interest rate was 1.78%.
4. For credit loans, NT\$200,000 thousand of the total loans, NT\$225,000 thousand, has been drawn down. The loans were effective from November 23, 2021 to November 23, 2023. The loaning period has been extended to July 15, 2024. From the date of borrowing, the interest should be accrued, subject to the balance of loan, at the interest rate agreed on the loan on a monthly basis. The principal should be repaid in a lump sum when due. It was paid off earlier in December 2023. As of December 31, 2022, the effective annual interest rate was 1.69%

5. The credit loans, totaling NT\$300,000 thousand, have been drawn down in full. The loans are effective from July 20, 2022 to June 14, 2024. From the date of borrowing, the interest should be accrued, subject to the balance of loan, at the interest rate agreed on the loan on a monthly basis. The principal should be repaid in a lump sum when due. It was paid off earlier in December 2023. As of December 31, 2022, the effective annual interest rate was 1.561%
6. NT\$100,000 thousand of the total credit loans, NT\$300,000 thousand, has been drawn down against a disbursement letter on a revolving basis. The loans are effective from October 14, 2022 to October 14, 2025. The loans were already repaid in full earlier in December 2023. As of December 31, 2022, the effective annual interest rate was 1.7%.
7. The syndicated loans, totaling NT\$1,440,000 thousand, have been drawn down in full. The loans are effective from December 20, 2022 to December 20, 2025. The loans were drawn down on a revolving basis within 3 years with the interest thereon payable on a monthly basis. As of December 31, 2023 and 2022, the effective annual interest rate was 2.1247% and 2.0040%, respectively. The annual consolidated financial ratios on the loans during the effective term were subject to the following restrictions: The current ratio should stay more than 100%. The financial liabilities (less cash and cash equivalents) defined under the loan agreement in the net value of tangible assets should stay less than 110%. The interest coverage ratio (Earnings before interest, taxes and amortization of depreciation) should stay more than 2.5 times. The net value of tangible assets should stay more than NT\$6,200,000 thousand.
8. The syndicated loans, totaling NT\$1,250,000 thousand, have been drawn down in full on a revolving basis within 3 years. The loans are effective from October 14, 2022 to February 5, 2024. The principal should be repaid in a lump sum on the due date. It was paid off earlier in December 2023. As of December 31, 2022, the effective annual interest rate was 1.817%. The restrictions imposed on the financial ratios thereof were the same as those applied to the loans from syndicated banks including Taipei Fubon Bank (7).

XVII. Corporate bonds payable

	<u>December 31, 2023</u>	<u>December 31, 2022</u>
Domestic unsecured convertible corporate bonds – Gold Circuit Electronics 2	<u>\$ 3,393,537</u>	<u>\$ -</u>

(I) Domestic unsecured convertible bonds

On December 5, 2023, the Company issued 40 thousand units of second domestic unsecured convertible corporate bonds in Taiwan with a coupon rate of 0% for a period of 5 years. The principal amount was NTD 4,000,000 thousand.

Other terms and conditions of issuance:

1. Conversion period: March 6, 2024 to December 5, 2028.
2. Conversion price: The price is NTD 223.1 per share at the time of issuance. In case the number of the Company's issued common stocks increases after issuance of the convertible corporate bonds (such as cash capital increase, capital increase from earnings, capital increase from capital reserve, issuance of new shares through a merger or acquisition of shares of another company, stock split, and capital increase for participation in issuance of GDRs), the conversion price shall be adjusted based on the formula specified in the issuance terms. (No conversion was executed as of December 31, 2023.)

(II) Call and put options of bonds:

1. Call option upon maturity: The principal will be repaid at face value upon maturity of the bonds.
2. Early execution of call option: During the period from the day next to the end date on which the convertible corporate bond has been issued for three months to the 40th day prior to the expiration of the issue date, if the closing price of the Company's common shares exceeds the current conversion price by more than 30% (inclusive) for thirty consecutive business days, the Company may redeem part or all of the bonds at face value. During the period from the day next to the end date on which the

convertible corporate bond has been issued for three months to the 40th day prior to the expiration of the issue date, if the balance of the Company's outstanding convertible corporate bonds is less than 10% of the initial total issue price, the Company may redeem the bonds at face value at any time.

- (III) The convertible corporate bonds include liabilities and equities, and the latter are stated in equity and presented as capital reserve – stock option. The initially recognized effective interest rate with respect to the liabilities is 3.63%.

The components of liabilities and equities of convertible corporate bonds are as follows:

	<u>December 31, 2023</u>
Issue price (less a trading cost of NTD 5,080 thousand)	\$ 4,281,160
Component of equity (less a trading cost of NTD 1,048 thousand)	(880,452)
Option derivatives	(15,769)
Component of liabilities on the issuance date (less a trading cost of NTD 4,032 thousand)	3,384,939
Interest calculated at the effective interest rate	8,598
Component of liabilities	<u>\$ 3,393,537</u>

Changes in option derivatives in 2023 are as follows:

	<u>2023</u>
Date of issue	\$ 15,769
Loss from changes in fair value	6,091
Balance – end of period	<u>\$ 21,860</u>

XVIII. Accounts payable

	<u>December 31, 2023</u>	<u>December 31, 2022</u>
<u>Accounts payable</u>		
Generated from operations	<u>\$ 8,044,539</u>	<u>\$ 7,869,323</u>

XIX. Other liabilities

	<u>December 31, 2023</u>	<u>December 31, 2022</u>
<u>Current</u>		
Other payables		
Salary and bonus payable	\$ 910,256	\$ 825,500
Repairs and maintenance payable	201,932	185,914
Processing fees payable	197,011	47,228
Equipment accounts payable	312,099	213,413
Consumables payable	25,732	21,695
Commission payable	127,682	150,561
Pension fund payable	8,483	10,363
Interest payable	2,409	3,210
Damages payable	157,736	159,041
Others	<u>210,287</u>	<u>130,360</u>
	<u>\$ 2,153,627</u>	<u>\$ 1,747,285</u>
Other liabilities	<u>\$ 149,851</u>	<u>\$ 154,553</u>
<u>Noncurrent</u>		
Other liabilities		
Guarantee deposit received	<u>\$ 959</u>	<u>\$ 859</u>

XX. Provision for liabilities

	<u>December 31, 2023</u>	<u>December 31, 2022</u>
<u>Current</u>		
Short-term liability reserve for sales return and allowance	<u>\$ 191,935</u>	<u>\$ 216,823</u>

The sales returns and allowances were provided based on the amount estimated according to historical experience, the management's judgment, and other critical factors. The provision should be debited into the operating revenue in the year in which the related goods were sold.

XXI. Post-retirement benefit plans

(I) Defined contribution plan

The Company applied the retirement system under the "Labor Pension Act," which was identified as the defined contribution plan managed by the government. Under the plan, the Company contributed 6% of each employee's salary to the personal account maintained at the Bureau of Labor Insurance on a monthly basis.

(II) Defined benefit plan

The pension system implemented by the Company based on the "Labor Standards Act" is a defined benefit plan managed by the government. The pension

benefits a participant receives were determined based on an employee's number of years of service and average compensation for the six-month period prior to retirement. The Company has an amount equivalent to 2% of the total monthly salary of employees appropriated and deposited in the specific account with Bank of Taiwan in the name of Labor Pension Reserve Committee. Before the end of the fiscal year, if the pension account balance is insufficient to pay for the employees expecting to retire in the following year, the spread amount should be deposited in a lump sum before the end of March in the following year. The special account has been commissioned to the Bureau of Labor Fund of the Ministry of Labor Affairs for management. The Company exercises no influence on the right of the Bureau in its investment management strategy.

The amount of defined benefit plan recognized in the parent company only balance sheet is shown below:

	<u>December 31, 2023</u>	<u>December 31, 2022</u>
Present value of the defined benefit obligations	\$ 371,901	\$ 340,553
Fair value of the planned assets	(<u>282,681</u>)	(<u>267,452</u>)
Shortfall in contribution	89,220	73,101
Limit of assets	<u>-</u>	<u>-</u>
Net defined benefit liabilities	<u>\$ 89,220</u>	<u>\$ 73,101</u>

The net defined benefit liabilities show the following changes:

	Present value of the defined benefit obligations	Fair value of the planned assets	Net defined benefit liabilities
Balance as of January 1, 2023	<u>\$ 340,553</u>	<u>(\$ 267,452)</u>	<u>\$ 73,101</u>
Service cost			
Service cost in current period	599	-	599
Interest expenses (revenue)	<u>5,108</u>	<u>(4,204)</u>	<u>904</u>
Recognized into profit and/or loss	<u>5,707</u>	<u>(4,204)</u>	<u>1,503</u>
Re-measurement amount			
ROE on planned assets (except the amount of net interest)	<u>-</u>	<u>(1,393)</u>	<u>(1,393)</u>
Actuarial losses			
— changes in financial assumptions	9,051	-	9,051
— adjustment through experience	<u>33,532</u>	<u>-</u>	<u>33,532</u>
Recognized into other comprehensive income	<u>42,583</u>	<u>(1,393)</u>	<u>41,190</u>
Contributed by employer	-	(26,574)	(26,574)
Benefits paid	<u>(16,942)</u>	<u>16,942</u>	<u>-</u>
Balance as of December 31, 2023	<u>\$ 371,901</u>	<u>(\$ 282,681)</u>	<u>\$ 89,220</u>
Balance as of January 1, 2022	<u>\$ 417,249</u>	<u>(\$ 216,569)</u>	<u>\$ 200,680</u>
Service cost			
Service cost in current period	1,006	-	1,006
Interest expenses (revenue)	<u>2,086</u>	<u>(1,148)</u>	<u>938</u>
Recognized into profit and/or loss	<u>3,092</u>	<u>(1,148)</u>	<u>1,944</u>
Re-measurement amount			
ROE on planned assets (except the amount of net interest)	-	(16,859)	(16,859)
Actuarial losses			
— changes in financial assumptions	(37,258)	-	(37,258)
— adjustment through experience	<u>(27,946)</u>	<u>-</u>	<u>(27,946)</u>
Recognized into other comprehensive income	<u>(65,204)</u>	<u>(16,859)</u>	<u>(82,063)</u>
Contributed by employer	-	(47,460)	(47,460)
Benefits paid	<u>(14,584)</u>	<u>14,584</u>	<u>-</u>
Balance as of December 31, 2022	<u>\$ 340,553</u>	<u>(\$ 267,452)</u>	<u>\$ 73,101</u>

The recognized loss of defined benefit plans by function is summarized below:

	<u>2023</u>	<u>2022</u>
Summarization by functions		
Operating costs	\$ 1,050	\$ 1,387
Promotional expenditure	84	107
Operating expenditure	130	165
R&D expense	<u>239</u>	<u>285</u>
	<u>\$ 1,503</u>	<u>\$ 1,944</u>

Through the retirement system under the “Labor Standards Law”, the Company was exposed to the following risks:

1. Investment risk: The Bureau of Labor Fund of the Ministry of Labor Affairs uses the labor pension fund for investment in domestic and foreign equity securities and debt securities, and as bank deposits through proprietary trade or commissioned third parties. However, the amount attributable to the Company's planned asset of the business combination shall not fall below the interest rate offered by the banks in the regions or countries of investment for 2-year time deposit as return.
2. Interest rate risk: The decrease of the interest rate of government bonds will cause the present value of the defined benefit obligations to go up; however, the return on the debt of the plan assets will go up too; therefore, they will mutually offset the impact on the net defined benefit liabilities.
3. Salary risk: The calculation of the present value of defined benefit obligation is based on the salaries of the members in the plan of the future. As such, an increase of the salaries of the members of the plan is bound to increase the present value of defined benefit obligation.

The present value of the defined benefit obligation is calculated by qualified actuaries, and the material assumptions on the measurement date are as follows:

	<u>December 31, 2023</u>	<u>December 31, 2022</u>
Discount rate	1.25%	1.50%
Anticipated increase in salaries	2.000%	2.000%

In case of reasonable and possible change in the major actuarial assumptions, and other assumptions remained unchanged, the amount of increase (decrease) in the present value of defined benefit obligation will be:

	<u>December 31, 2023</u>	<u>December 31, 2022</u>
Discount rate		
Increase by 0.25%	(\$ 9,051)	(\$ 8,467)
Decrease by 0.25%	<u>\$ 9,384</u>	<u>\$ 8,791</u>
Anticipated increase in salaries		
Increase by 0.25%	<u>\$ 9,142</u>	<u>\$ 8,578</u>
Decrease by 0.25%	(<u>\$ 8,863</u>)	(<u>\$ 8,303</u>)

Actuarial assumptions may be inter-related. The possibility of change in specific assumption is not high. Said sensitivity analysis may not be able to reflect the actual change in the present value of defined benefit obligation.

	<u>December 31, 2023</u>	<u>December 31, 2022</u>
Amount projected for appropriation in 1 year	<u>\$ 26,181</u>	<u>\$ 25,688</u>
Average maturity of defined benefit obligation	9.9年	10.1年

XXII. Equity

(I) Share capital

Common stock

	<u>December 31, 2023</u>	<u>December 31, 2022</u>
Authorized shares (thousand)	<u>750,000</u>	<u>750,000</u>
Authorized capital	<u>\$ 7,500,000</u>	<u>\$ 7,500,000</u>
The number of issued and outstanding shares with paid-in capital (thousand shares)	<u>491,839</u>	<u>491,839</u>
Issued and outstanding share capital	<u>\$ 4,918,391</u>	<u>\$ 4,918,391</u>

The stocks retained for employee stock warrants from the authorized capital stocks totaled 40,000 thousand shares. In order to adjust the capital structure and enhance the return on shareholders' equity, the Company's annual shareholders' meeting on June 8, 2022 resolved to reduce the capital, return the share price of NT\$546,488 thousand in cash, and revoke 54,649 thousand shares. The capital reduction ratio was 10%. After the capital reduction, the paid-in capital was NT\$4,918,391 thousand with 491,839 thousand shares paid-in. The above capital

decrease case was approved by the FSC and became effective on July 12, 2022 under Tai-Zheng-Shang-Zhi No. 1111803141. The Board of Directors resolved to set July 15, 2022 as the record date for the capital decrease. The change registration was completed on August 4, 2022. The base date of stock swap upon capital decrease was September 16, 2022.

(II) Capital reserve

	<u>December 31, 2023</u>	<u>December 31, 2022</u>
<u>It can be applied for making losses, cash distribution, or capitalization (1)</u>		
Premium in stock issuance	\$ 968,615	\$ 968,615
Transaction of treasury stocks	115,437	97,407
Corporate bond conversion premium	141,359	141,359
Coupon rate for release of corporate bond	11,715	11,715
Donated assets	71	71
<u>Not to be used for any purpose (2)</u>		
Stock options	<u>880,452</u>	<u>-</u>
	<u>\$ 2,117,649</u>	<u>\$ 1,219,167</u>

(1) Such capital reserve can be used to make up for losses, and, when the Company suffers no loss, can be applied for cash distribution or capitalization. However, it is limited to a certain percentage of the annual paid-in capital for the purpose of capitalization.

(2) Such capital reserve is generated upon issuance of convertible corporate bonds, and the adjustment for the subsequent lapse.

(III) Retained earnings and dividend policy

The Company's Articles of Incorporation were amended at the shareholders' meeting on June 8, 2022. According to the earnings distribution policy under the Articles of Incorporation, if there is a surplus after account settlement of the fiscal year, the Company shall pay applicable taxes and cover loss carried forward, followed by the allocation of 10% of the remainder as legal reserve, and appropriate special reserve or reverse special reserve. If there is still a balance, it will be pooled up with the undistributed earnings carried forward from previous years for distribution as shareholder dividend under a motion proposed by the Board subject to the final approval of a general shareholders' meeting. Please refer to Note XXIII

(VIII) “Remuneration to Employees and Directors” for the policy for distribution of remuneration to the employees and directors under the Articles of Incorporation.

The Company’s dividend policy takes the long-term business growth and investment projects into consideration, and also attends to a robust financial structure. The Board of Directors is required to propose a motion for allocation of earnings. The dividends will be distributed in the form of stock dividend or cash dividend adequate subject to the future funding needs and level of dilution of capital stocks. Among other things, the cash dividend shall be no less than 10% of the total distribution for the current year.

The legal reserve should be contributed until its balance reaches the Company’s total paid-in capital stock. The legal reserve can be appropriated to cover previous losses. Where the Company did not operate at a loss, the part of the legal reserve in excess of 25% of the paid-in capital could be taken as capital and may be allocated in cash as well.

The Company has special reserve appropriated and reversed in accordance with the Jin-Guan-Zheng-Fa-Zi No. 1010012865 Letter, Jin-Guan-Zheng-Fa-Zi No. 1010047490 Letter, Jin-Guan-Zheng-Fa-Zi No. 1030006415 and “Appropriation of Special Reserve Q&A after the Adoption of International Financial Reporting Standards (IFRSs).”

The Company’s 2022 and 2021 earnings distribution is as follows:

	2022	2021
Legal reserve	<u>\$ 463,353</u>	<u>\$ 296,218</u>
Cash dividends	<u>\$ 1,721,436</u>	<u>\$ 1,202,274</u>
Cash dividend per share (NTD)	<u>\$ 3.5</u>	<u>\$ 2.2</u>

The distribution of the above cash dividends was adopted by the general shareholders’ meetings held on June 14, 2023 and June 8, 2022, respectively.

The Company’s 2023 earnings distribution proposed by the Board of Directors on March 12, 2024 is as follows:

	2023
Legal reserve	<u>\$ 349,564</u>
Cash dividends	<u>\$ 1,721,436</u>
Cash dividend per share (NTD)	<u>\$ 3.5</u>

(IV) Other equity items

1. Exchange differences on translation of foreign financial statements

	<u>2023</u>	<u>2022</u>
Balance – beginning of year	(\$ 8,435)	(\$ 27,260)
Those yielded in the current period		
Translation differences of foreign operations	(<u>165,579</u>)	<u>18,825</u>
Other comprehensive income for current period	(<u>165,579</u>)	<u>18,825</u>
Balance – end of period	(<u><u>174,014</u></u>)	(<u><u>8,435</u></u>)

2. Unrealized gain/loss on valuation of financial assets at fair value through other comprehensive income

	<u>2023</u>	<u>2022</u>
Balance – beginning of year	(\$ 10,570)	(\$ 10,570)
Balance – end of period	(<u><u>10,570</u></u>)	(<u><u>10,570</u></u>)

3. Property revaluation surplus

	<u>2023</u>	<u>2022</u>
Balance – beginning of year	<u>\$ 295,781</u>	<u>\$ 295,781</u>
Balance – end of period	<u><u>\$ 295,781</u></u>	<u><u>\$ 295,781</u></u>

(V) Treasury stocks

	The stocks of parent company held by the subsidiaries (thousand shares)	Total (thousand shares)
<u>Causes of Redemption</u>		
Number of shares as of January 1, 2022	5,724	5,724
Decrease in current period	<u>573</u>	<u>573</u>
Number of shares as of December 31, 2022	<u><u>5,151</u></u>	<u><u>5,151</u></u>
Number of shares as of January 1, 2023	<u>5,151</u>	<u>5,151</u>
Number of shares as of December 31, 2023	<u><u>5,151</u></u>	<u><u>5,151</u></u>

Information on shares of the Company held by the subsidiaries as of the balance sheet date is provided as follows:

<u>Name of subsidiary</u>	<u>Shares (thousand)</u>	<u>Book value</u>	<u>Market price</u>
<u>December 31, 2023</u>			
King Hsiang Investment Co.	5,151	<u>\$ 1,123,000</u>	<u>\$1,123,000</u>
<u>December 31, 2022</u>			
King Hsiang Investment Co.	5,151	<u>\$ 447,139</u>	<u>\$ 447,139</u>

The Company's treasury stocks may not be pledged in accordance with the Security and Exchange Law, and no privilege of dividend and voting right may be vested in them. The stocks of the Company held by the subsidiaries were treated as Treasury Stock and entitled to the rights vested in shareholders except for the privilege of cash capitalization and voting right.

XXIII. Net profit from continuing operating units

(I) Other gains and (expenses and losses) - net

	<u>2023</u>	<u>2022</u>
Other gains	\$ 187,998	\$ 107,611
Other expenses and losses	(<u>151,146</u>)	(<u>89,677</u>)
	<u>\$ 36,852</u>	<u>\$ 17,934</u>

(II) Interest revenue

	<u>2023</u>	<u>2022</u>
Bank deposit	\$ 139,007	\$ 40,849
Other (Note XXVIII)	<u>121</u>	<u>4,384</u>
	<u>\$ 139,128</u>	<u>\$ 44,233</u>

(III) Other revenue

	<u>2023</u>	<u>2022</u>
Rent revenue	\$ 2,614	\$ 2,613
(IV) Other revenue – others	<u>35,112</u>	<u>37,497</u>
	<u>\$ 37,726</u>	<u>\$ 40,110</u>

(IV) Other gains and (losses)

	<u>2023</u>	<u>2022</u>
Profit (loss) from financial assets and financial liabilities		
Financial assets and financial liabilities mandatorily measured at fair value through profit or loss	(\$ 122,988)	(\$ 231,796)
Financial liabilities held for trading	(6,091)	-
Net gain (loss) from foreign currency exchange	36,585	370,643
Loss on disposal of property, plant and equipment	(12,940)	(22,455)
Gain (loss) from fair value adjustment of investment property	19,600	(1,700)
Others	(<u>261</u>)	(<u>242</u>)
	(<u>\$ 86,095</u>)	<u>\$ 114,450</u>

(V) Financial cost

	<u>2023</u>	<u>2022</u>
Bank loan interest	\$ 84,458	\$ 43,397
Interest on convertible corporate bonds	8,598	-
Interest of lease liabilities	314	167
Other interest expenses	9	8
Less: The amount of the cost of assets meeting requirements	(<u>1,931</u>)	(<u>972</u>)
	<u>\$ 91,448</u>	<u>\$ 42,600</u>

The information related to capitalization of interest is stated as following:

	<u>2023</u>	<u>2022</u>
Amount of capitalization of interest	<u>\$ 1,931</u>	<u>\$ 972</u>
Interest rate of capitalization of interest	1.92%	1.37%

(VI) Depreciation and amortization

	<u>2023</u>	<u>2022</u>
Summarization of the depreciation expenses by functions		
Operating costs	\$ 366,477	\$ 312,885
Operating expenses	<u>20,850</u>	<u>21,564</u>
	<u>\$ 387,327</u>	<u>\$ 334,449</u>
Summarization of the amortization expenses by functions		
Operating costs	\$ 18,241	\$ 11,757
Operating expenses	<u>5,229</u>	<u>948</u>
	<u>\$ 23,470</u>	<u>\$ 12,705</u>

(VII) Employee benefit expenses

	<u>2023</u>	<u>2022</u>
Post-employment benefits		
Defined contribution plan	\$ 70,497	\$ 70,056
Defined benefit plan (Note XXI)	<u>1,503</u>	<u>1,944</u>
	72,000	72,000
Resignation benefits	129	1,394
Other employee benefits	<u>2,775,262</u>	<u>2,619,777</u>
Total of employee benefits expenses	<u>\$ 2,847,391</u>	<u>\$ 2,693,171</u>
Summarization by functions		
Operating costs	\$ 2,068,930	\$ 1,964,494
Operating expenses	<u>778,461</u>	<u>728,677</u>
	<u>\$ 2,847,391</u>	<u>\$ 2,693,171</u>

(VIII) Remuneration to employees and directors

According to the Articles of Incorporation, no less than 5%–10% and no more than 1% of the net profit before tax before deduction of the remuneration to employees and directors for the current year should be distributed to employees and directors, respectively. The Board of Directors decided on the 2023 and 2022 remuneration to employees and directors on March 12, 2024 and March 9, 2023, respectively, as follows:

Estimated ratio

	<u>2023</u>	<u>2022</u>
Remuneration to employees	6.39%	5.96%
Remuneration to directors	0.92%	0.86%

Amount

	<u>2023</u>	<u>2022</u>
Remuneration to employees	<u>\$ 298,000</u>	<u>\$ 334,000</u>
Remuneration to directors	<u>\$ 43,000</u>	<u>\$ 48,000</u>

If there is still change to the value after the date when the annual parent company only financial statement is approved and released, it is handled as changes in accounting estimates and will be adjusted and booked in the following year.

For information on the remunerations to employees and that to directors decided by the Board of Directors, please visit the Market Observation Post System of Taiwan Stock Exchange.

(IX) Profit (loss) from foreign currency exchange

	<u>2023</u>	<u>2022</u>
Total profit of exchange in foreign currencies	\$ 1,071,800	\$ 1,477,534
Total loss of exchange in foreign currencies	(<u>1,035,215</u>)	(<u>1,106,891</u>)
Net profit	<u>\$ 36,585</u>	<u>\$ 370,643</u>

XXIV. Income tax for continuing operations

(I) Income tax recognized in profit or loss

Main components of the income tax expense are as follows:

	<u>2023</u>	<u>2022</u>
Income tax for the year		
Those yielded in the current period	\$ 540,508	\$ 365,205
Additional tax levied on undistributed earnings	101,471	71,418
Adjustment of previous year(s)	(74,293)	35,008
Others	<u>-</u>	<u>1,148</u>
	<u>567,686</u>	<u>472,779</u>
Deferred income tax		
Those yielded in the current period	<u>229,612</u>	<u>184,105</u>
The income tax expenses recognized into profit and/or loss	<u>\$ 797,298</u>	<u>\$ 656,884</u>

The accounting income and income tax expenses are adjusted below:

	<u>2023</u>	<u>2022</u>
Net profit before tax from continuing operation	<u>\$ 4,325,890</u>	<u>\$ 5,224,759</u>
Income tax expenses for net profit before tax calculated at the statutory tax rate	\$ 865,178	\$ 1,044,952
Expenses and losses which could not be reduced from tax	2,145	2,047
Income exempted from income tax	(3,928)	-
Additional tax levied on undistributed earnings	101,471	71,418
Land value increment tax of investment property	1,325	(89)
Deductible temporary differences not recognized	(94,600)	(497,600)
The income tax expenses of previous year(s) adjusted in the present year	(74,293)	35,008
Others	<u>-</u>	<u>1,148</u>
The income tax expenses recognized into profit and/or loss	<u>\$ 797,298</u>	<u>\$ 656,884</u>

(II) Income tax recognized into other comprehensive income

	<u>2023</u>	<u>2022</u>
<u>Deferred income tax</u>		
Those yielded in the current period		
- Translation of foreign operations	(\$ 41,396)	(\$ 2,109)
— Defined benefit plan re-measurement amount	(<u>8,238</u>)	<u>16,413</u>
Income tax recognized into other comprehensive income	(<u>\$ 49,634</u>)	<u>\$ 14,304</u>

(III) Deferred income tax assets and liabilities for current period

	<u>December 31, 2023</u>	<u>December 31, 2022</u>
Income tax liabilities for the current term		
Income tax payable	<u>\$ 353,452</u>	<u>\$ 356,840</u>

(IV) Deferred income tax assets and liabilities

The deferred income tax assets and liabilities show the following changes:

2023

	Balance - beginning of year	Recognized into profit and/or loss	Recognized into other comprehensiv e income	Balance - end of year
<u>Deferred income tax assets</u>				
Temporary difference				
Loss on inventory devaluation	\$ 29,835	\$ 30,120	\$ -	\$ 59,955
Exchange gains or losses	6,588	18,750	-	25,338
Provision for liabilities	13,354	9,823	-	23,177
Defined benefit retirement plan	-	(8,190)	8,238	48
Loss in impairment in financial assets	4,500	-	-	4,500
Provision of compensation loss	33,112	(247)	-	32,865
Financial liabilities at fair value through profit or loss	982	(982)	-	-
Others	<u>3,687</u>	<u>5,263</u>	<u>41,396</u>	<u>50,346</u>
	<u>\$ 92,058</u>	<u>\$ 54,537</u>	<u>\$ 49,634</u>	<u>\$ 196,229</u>
<u>Deferred income tax liabilities</u>				
Portions of profits or losses of subsidiaries, affiliates, and joint ventures recognized adopting the equity method	\$ 54,545	\$ 278,549	\$ -	\$ 333,094
Investment property	83,333	1,325	-	84,658
Defined benefit retirement plan	3,176	(3,176)	-	-
Financial assets at fair value through profit or loss	-	7,451	-	7,451
	<u>\$ 141,054</u>	<u>\$ 284,149</u>	<u>\$ -</u>	<u>\$ 425,203</u>

2022

	Balance - beginning of year	Recognized into profit and/or loss	Recognized into other comprehensiv e income	Balance - end of year
<u>Deferred income tax assets</u>				
Temporary difference				
Portions of profits or losses of subsidiaries, affiliates, and joint ventures recognized adopting the equity method	\$ 123,441	(\$ 123,441)	\$ -	\$ -
Loss on inventory devaluation	13,211	16,624	-	29,835
Exchange gains or losses	1,066	5,522	-	6,588
Provision for liabilities	32,974	(19,620)	-	13,354
Defined benefit retirement plan Temporary difference	27,999	-	(27,999)	-
Loss in impairment in financial assets	4,500	-	-	4,500
Tax difference on idle capacity	98	(98)	-	-
Provision of compensation loss	34,761	(1,649)	-	33,112
Financial liabilities at fair value through profit or loss	-	982	-	982
Others	2,281	(703)	2,109	3,687
	<u>\$ 240,331</u>	<u>(\$ 122,383)</u>	<u>(\$ 25,890)</u>	<u>\$ 92,058</u>
<u>Deferred income tax liabilities</u>				
Portions of profits or losses of subsidiaries, affiliates, and joint ventures recognized adopting the equity method	\$ -	\$ 54,545	\$ -	\$ 54,545
Investment property	83,422	(89)	-	83,333
Defined benefit retirement plan	-	14,762	(11,586)	3,176
Financial assets at fair value through profit or loss	1,839	(1,839)	-	-
Others	5,657	(5,657)	-	-
	<u>\$ 90,918</u>	<u>\$ 61,722</u>	<u>(\$ 11,586)</u>	<u>\$ 141,054</u>

- (V) The deductible temporary differences and unused loss credit of the deferred income tax assets that are not recognized in the parent company only balance sheet

	<u>December 31, 2023</u>	<u>December 31, 2022</u>
Deductible temporary differences not recognized - overseas subsidiaries	<u>\$ 2,660,000</u>	<u>\$ 2,800,000</u>

- (VI) Summarized amount of temporary differences related to investment but not recognized as deferred income tax liabilities

As of December 31, 2023 and 2022, the taxable temporary differences related to the investment in subsidiaries and not recognized as deferred income tax liabilities were NT\$4,361,000 thousand and NT\$4,028,000 thousand, respectively.

(VII) Approval of income tax

Except for 2020, the tax collection authorities had approved all the profit-seeking enterprise income tax returns of the Company as of 2021.

XXV. Earnings Per Share

	Unit: NTD per share	
	2023	2022
Basic EPS	<u>\$ 7.25</u>	<u>\$ 8.86</u>
Diluted earnings per share	<u>\$ 7.22</u>	<u>\$ 8.78</u>

The weighted average number of common shares used to calculate the earnings in the earnings per share (EPS) are enumerated below:

Net profit of the year

	2023	2022
The net profit of owner attributed to the Company	\$ 3,528,592	\$ 4,567,875
Impacts of potential common stock with diluting effects:		
Interest after tax of convertible corporate bonds	<u>6,878</u>	<u>-</u>
Net profit for calculating the basic and diluted earnings per share	<u>\$ 3,535,470</u>	<u>\$ 4,567,875</u>

Number of shares

	Unit: 1,000 shares	
	2023	2022
The weighted average number of common shares to be used to calculate basic earnings per share (EPS)	486,688	515,578
Impacts of potential common stock with diluting effects:		
Remuneration to employees	2,020	4,578
Convertible corporate bonds	<u>1,277</u>	<u>-</u>
The weighted average number of common shares for calculating the diluted earnings per share (EPS)	<u>489,985</u>	<u>520,156</u>

If the Company can choose to issue employee remunerations in the form of shares or cash, in the calculation of diluted earnings per share, it is assumed that issuance of shares will be adopted for employee remunerations and the weighted average circulating

shares are included in the calculation when the said common stock exercises the diluting effect in order to calculate the diluted earnings per share. When the diluted earnings per share are calculated prior to issuance of shares as employee remunerations as determined in the following year, the diluting effect from the said potential common stock shall continue to be taken into consideration, too.

XXVI. Capital risk management

The Company managed their capitals to assure that, insofar as various entities within the Group continued operations, the returns to shareholders could be maximized through optimal balances in liabilities and equity.

The Company's structure consisted of its net debts (namely the loans less cash and cash equivalents) and equity (namely the capital stock, additional paid-in capital, retained earnings and other equity less treasury stocks).

It was not necessary for the Company to comply with any other external capital requirements.

XXVII. Financial instruments

(I) Fair value - financial instruments that are not measured at fair value

The management of the Company believed that the financial assets and financial liabilities not measured at fair value that was close to the fair value thereof. As of December 31, 2023 and 2022, there was no significant difference between the book value and fair value.

(II) Information on fair value – financial instruments measured at fair value on a recurring basis

1. Fair value hierarchy

December 31, 2023

	<u>Degree I</u>	<u>Degree II</u>	<u>Total</u>
<u>Financial assets at fair value through profit or loss</u>			
Derivative financial instruments	\$ -	\$ 43,349	\$ 43,349
<u>Financial liabilities at fair value through profit or loss</u>			
Derivative financial instruments	\$ -	\$ 21,860	\$ 21,860

December 31, 2022

	<u>Degree I</u>	<u>Degree II</u>	<u>Total</u>
<u>Financial liabilities at fair value through profit or loss</u>			
Derivative financial instruments	\$ -	\$ 4,908	\$ 4,908

There was no transfer between fair value measurements Degree 1 and Degree 2 in 2023 and 2022.

2. Evaluation techniques and an input value of Degree 2 fair value measurement

<u>Categories of financial instruments</u>	<u>Evaluation techniques and input values</u>
Derivative financial instruments - Forward foreign exchange contracts & FX swaps contracts	Discounted cash flow approach: Future cash flows are estimated based on observable forward exchange rates and contractual forward exchange rates, discounted at a rate that reflects the credit risk of various trading counterparts.
Derivatives – Convertible corporate bond conversion option	The binary tree-based convertible bond valuation model is adopted to estimate the bond value and the call option value based on the stock price volatility at the end of the period, the risk-free interest rate, the risk discount rate, and the liquidity risk.

(III) Categories of financial instruments

	<u>December 31, 2023</u>	<u>December 31, 2022</u>
<u>Financial assets</u>		
At fair value through profit or loss		
At fair value through profit or loss compulsorily	\$ 43,349	\$ -
Measured at amortized cost (Note 1)	14,456,020	13,410,511
<u>Financial liabilities</u>		
At fair value through profit or loss		
Held for transactions	21,860	4,908
Measured at amortized cost (Note 2)	15,057,678	13,536,691

Note 1: The balances included the financial assets at amortized costs, such as cash and cash equivalents, accounts receivable, other receivables and refundable deposits.

Note 2: The balances included the financial liabilities measured at amortized costs, such as short-term loans, notes and accounts payable, other payables, long-term loans (including those due within a year), long-term notes payable, corporate bonds payable, and guarantee deposits received.

(IV) Objectives and policies of financial risk management

The Company manages foreign currency exchange rate risk, interest rate risk, equity instrument price risk, credit risk and liquidity risk to reduce the potential adverse effects of market uncertainty on the financial performance of the Company. The Company's significant financial plans are reviewed by the Audit Committee and/or the Board of Directors in accordance with relevant regulations and internal control systems. The Company strictly abides by relevant financial standards for overall financial risk management and division of authority when executing financial plans.

The Company hedged against the exposure through derivative financial instruments, in order to mitigate the effect posed by such risks. The application of derivative financial instruments was governed by the policies passed by the Company's Board of Director, as the written principles for application of foreign risk, interest risk, credit risk, derivative financial instruments and non-derivative financial instruments and residual current fund. The internal auditors kept rechecking the compliance with the policies and limit of exposure. The Company never engaged in transactions of financial instruments (including derivative financial instruments) for the purpose of any speculative operations.

1. Market risk

The major financial risks incurred by operating activities upon the Company included the risk of foreign exchange rate changes (see (1) below) and risk of interest rate changes (see (2) below). The Company is engaged in various transactions of derivative financial instruments to manage the foreign exchange and interest rate risks to be borne by them, including the hedge against the foreign exchange risk arising from export sales with forward foreign exchange and FX swaps contracts.

The Company's exposure to the market risk over related financial instruments and the management and measurement methods adopted by the Company with respect to the risk remained unchanged.

(1) Foreign exchange rate risk

Several subsidiaries of the Company engaged in foreign currency-denominated sales and purchases, which exposed the Company the risk of foreign exchange rate changes therefor. About 99.83% of the Company's sales were not denominated in the functional currency. About 96.86% of the costs of goods sold were not denominated in the functional currency. Insofar as it is permitted by policies, the Company utilized forward foreign exchange contracts to help manage the risk.

For the book value of the Company's non-functional currency-denominated monetary assets and liabilities, and the value of the Company's monetary liabilities, on the balance sheet date, please see Note XXXI.

Sensitivity analysis

The Company was primarily exposed to the fluctuation in foreign exchange rates in USD.

The following table details the Company's sensitivity analysis in the case of the increase or decrease of 2% in functional currency against the relevant foreign currency. This 2% represents the sensitivity ratio applied by the Consolidated Company when the foreign exchange rate risk is reported to the management within the Group, and also the management's evaluation on reasonable changes of the foreign exchange rate. The sensitivity analysis included only outstanding foreign currency-denominated monetary items and forward foreign exchange contracts designated to hedge against cash flows, and their translation at the end of the year was adjusted by changes in exchange rates by 2%. The positive figures in the following table indicate the amount decreased for the net profit before tax when NTD against the related currencies appreciates 2%; when NTD against the related currencies depreciates 2%, the effects to the net profit before tax will be negative at the same amount.

	Effect of USD	
	2023	2022
Loss	\$ 73,190	\$ 91,388

- (i) Primarily as a result the Company's receivables, payables and loans which were denominated in USD and still outstanding on the balance sheet date, without hedging against cash flows.

The Company's sensitivity to exchange rates declined in the current year, primarily as a result of the decrease in the cash and cash equivalents denominated in USD of the Company that led to the decrease in balance of net assets of the Company denominated in USD.

(2) Interest rate risk

The interest rate risk arose as a result of the loans bearing interest accruing at fixed interest rate and floating interest rate borrowed by the Company. The Company maintains an adequate combination of fixed and floating interest rates to manage the interest rate risk.

The book values of the Company's financial assets and financial liabilities with exposure to interest rates on the balance sheet date are stated as following:

	<u>December 31, 2023</u>	<u>December 31, 2022</u>
With fair value interest rate risk		
— Financial liabilities	\$ 84,563	\$ 12,234
With cash flow interest rate risk		
— Financial assets	3,948,446	3,126,813
— Financial liabilities	1,465,000	3,919,108

Sensitivity analysis

The following analyses of sensitivity were determined based on the interest rate risk exposure if derivative and non-derivative financial instruments on the balance sheet dates. For liabilities at floating rate, the analysis was prepared under the assumption that the amount of the liabilities outstanding on the balance sheet date was outstanding during the reporting period. 50 base points mean the interest rate change ratio applied by the Company when it reported interest rates to the

management, and also the management's evaluation on reasonable changes of the interest rate.

If the interest rate increases/decreases by 50 base points and all the other variables remain unchanged, the Company's pre-tax net profit would increase by NT\$11,994 thousand and decrease by NT\$4,023 thousand in 2023 and 2022, respectively, primarily as a result of the Company's exposure to the risk of changes in interest rates for demand deposits and loans.

2. Credit risk

The credit risk denotes the risk that the Company might incur a loss when the trading counterparts default the obligations under the contracts. As of the balance sheet date, the top credit risk the Company might incur in financial losses due to failure by the counterparts in failure in performance of the obligations and the Company's provision of financial guarantees primarily come from notes the book amount of notes and accounts receivable recognized in the parent company only balance sheet.

Operation-related credit risk

The outstanding accounts receivable of the Company are mainly from customers around the world, and most of them are not provided as collaterals or credit guarantees. Although the Company has procedures in place to monitor and reduce the credit risk of accounts receivable, there is no guarantee that such procedures can completely prevent the loss caused by the credit risk. Such credit risk will increase when economic conditions deteriorate. As of December 31, 2023 and 2022, the balance of accounts receivable of the top ten customers accounted for 81% and 77% of the balance of the Company's accounts receivable, respectively; the credit risk concentration of the remaining accounts receivable is relatively insignificant.

In order to mitigate the credit risk, on the balance sheet date, the Consolidated Company would recheck on a case-by-case basis the recoverable amount of notes and accounts receivable to assure that for the notes and accounts receivable which were not recoverable, appropriate impairment loss has been duly amortized. Accordingly, the Company's management held that the Consolidated Company's credit risks had been significantly mitigated.

3. Liquidity risk

The Company has based on management and maintaining sufficient cash and cash equivalent to support the Group's business operation and minimize the impact of changes in cash flow. The Company's management closely watches the usage of the financing credit lines in banks and assures faithful compliance of the terms and conditions set forth under the loan contracts.

To the Company, bank loans function as a key source of liquidity. Please refer to the information provided in (2) Financing Ratio below for the financial ratio yet to be drawn down by the Company.

(1) Liquidity and interest rate risk of non-derivative financial liabilities

Non-derivative financial liabilities remaining contract maturity analysis is prepared in accordance with the earliest payment date expected of the Company and the undiscounted cash flows (including principal and estimated interest) of financial liabilities. Therefore, the Company may be required to immediately repay the bank loan is illustrated in the following table without considering the probability that the bank may immediately exercise such right. The other non-derivative financial liabilities maturity analysis is prepared in accordance with the agreed repayment date.

The undiscounted interest for the cash flow of interest payable at floating interest rate derived from the bond yield curves at the balance sheet date.

December 31, 2023

	Repayment on demand or less than 1 months	1 month ~ 3 months	3 months ~ 1 year	1 year~5 years	Over 5 years
Liabilities without interest	\$ 2,876,606	\$ 3,308,510	\$ 2,859,162	\$ 196,919	\$ -
Lease liabilities	1,168	2,342	6,928	32,548	41,577
Floating interest rate instruments	-	-	-	-	-
Fixed interest rate instruments	-	-	-	1,445,556	19,444
	<u>\$ 2,877,774</u>	<u>\$ 3,310,852</u>	<u>\$ 2,902,090</u>	<u>\$ 1,675,023</u>	<u>\$ 61,021</u>

The other information about lease liabilities maturity analysis is stated as following:

	Less than 1 year	1 year~5 years	5 years~10 years	10 years~15 years	15 years~20 years	Over 20 years
Lease liabilities	<u>\$ 10,438</u>	<u>\$ 32,548</u>	<u>\$ 41,577</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

December 31, 2022

	Repayment on demand or less than 1 months	1 month ~ 3 months	3 months ~ 1 year	1 year~5 years	Over 5 years
Liabilities without interest	\$ 1,647,482	\$ 3,547,061	\$ 2,534,718	\$ 1,049,220	\$ -
Lease liabilities	1,125	2,254	5,745	3,110	-
Floating interest rate instruments	221,622	330,600	26,886	-	-
Fixed interest rate instruments	-	-	-	3,340,000	-
	<u>\$ 1,870,229</u>	<u>\$ 3,879,915</u>	<u>\$ 2,567,348</u>	<u>\$ 4,392,330</u>	<u>\$ -</u>

The other information about lease liabilities maturity analysis is stated as following:

	Less than 1 year	1 year~5 years	5 years~10 years	10 years~15 years	15 years~20 years	Over 20 years
Lease liabilities	<u>\$ 9,124</u>	<u>\$ 3,110</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

(2) Facility

	<u>December 31, 2023</u>	<u>December 31, 2022</u>
Unsecured bank overdraft (to be reviewed annually)		
— Already drawn down	\$ 1,465,000	\$ 3,040,000
— Not yet drawn down	-	3,991,288
	<u>\$ 1,465,000</u>	<u>\$ 7,031,288</u>
Secured bank overdraft		
— Already drawn down	\$ -	\$ 879,108
— Not yet drawn down	2,000,000	1,120,892
	<u>\$ 2,000,000</u>	<u>\$ 2,000,000</u>

XXVIII. Transactions-related party

The transactions between the Company and other related parties are as follows, except those already disclosed in the Notes:

(I) Names of related parties and their relationship

<u>Related parties' names</u>	<u>Relationship with the Company</u>
King Hsiang Investment Co.	Subsidiary
Goldex Holding Limited	Subsidiary
Gold Circuit International Ltd.	Subsidiaries indirectly held
Gold Circuit Enterprise Limited	Subsidiaries indirectly held
Suzhou Gold Circuit Electronics Ltd.	Subsidiaries indirectly held
Changshu Gold Circuit Electronics Ltd.	Subsidiaries indirectly held
Changshu Gold Circuit Technology Co., Ltd.	Subsidiaries indirectly held

(II) Operating revenue

<u>Related parties' names</u>	<u>2023</u>	<u>2022</u>
Suzhou Gold Circuit Electronics Ltd.	\$ 201,732	\$ 105,564
Changshu Gold Circuit Electronics Ltd.	41,561	5,517
Changshu Gold Circuit Technology Co., Ltd.	<u>29,710</u>	<u>20,920</u>
	<u>\$ 273,003</u>	<u>\$ 132,001</u>

(III) Purchase

<u>Related parties' names</u>	<u>2023</u>	<u>2022</u>
Suzhou Gold Circuit Electronics Ltd.	\$ 10,121,772	\$ 11,493,931
Changshu Gold Circuit Electronics Ltd.	4,941,611	6,283,149
Changshu Gold Circuit Technology Co., Ltd.	<u>1,789,945</u>	<u>1,687,159</u>
	<u>\$ 16,853,328</u>	<u>\$ 19,464,239</u>

(IV) Receivables from related parties (excluding loans to related parties)

<u>Related parties' names</u>	<u>December 31, 2023</u>	<u>December 31, 2022</u>
<u>Accounts receivable</u>		
Suzhou Gold Circuit Electronics Ltd.	\$ 65,286	\$ 73,778
Changshu Gold Circuit Electronics Ltd.	15,060	1,172
Changshu Gold Circuit Technology Co., Ltd.	<u>11</u>	<u>68</u>
	<u>\$ 80,357</u>	<u>\$ 75,018</u>
<u>Other receivables</u>		
Suzhou Gold Circuit Electronics Ltd.	\$ 59,097	\$ 24,081
Changshu Gold Circuit Technology Co., Ltd.	948	119
Changshu Gold Circuit Electronics Ltd.	<u>-</u>	<u>10</u>
	<u>\$ 60,045</u>	<u>\$ 24,210</u>

No guarantee is received for the outstanding accounts receivable from related parties. For receivables from related parties in 2023 and 2022, the Company has not provided allowance losses.

(V) Accounts payable to related parties

<u>Related parties' names</u>	<u>December 31, 2023</u>	<u>December 31, 2022</u>
<u>Accounts payable</u>		
Suzhou Gold Circuit Electronics Ltd.	\$ 3,905,447	\$ 4,402,324
Changshu Gold Circuit Electronics Ltd.	1,420,663	1,137,871
Changshu Gold Circuit Technology Co., Ltd.	<u>314,617</u>	<u>184,526</u>
	<u>\$ 5,640,727</u>	<u>\$ 5,724,721</u>
<u>Other payables</u>		
Goldex Holding Limited	<u>\$ 10,566</u>	<u>\$ -</u>

No guarantee is provided for the balance of outstanding accounts payable to related parties.

(VI) Loans to related parties (including interest receivable)

<u>Type of related party</u>	<u>2023</u>	<u>2022</u>
<u>Interest revenue</u>		
Changshu Gold Circuit Technology Co., Ltd.	\$ -	\$ 3,094
Suzhou Gold Circuit Electronics Ltd.	<u>-</u>	<u>69</u>
	<u>\$ -</u>	<u>\$ 3,163</u>

The loan to subsidiaries and interest have been fully recovered in 2022.

(VII) Endorsement and guarantee

<u>Type of related party</u>	<u>December 31, 2023</u>	<u>December 31, 2022</u>
Goldex Holding Limited	<u>USD 21,000</u>	<u>USD 23,000</u>
Suzhou Gold Circuit Electronics Ltd.	<u>USD -</u>	<u>USD 20,000</u>
Changshu Gold Circuit Electronics Ltd.	<u>USD -</u>	<u>USD 8,000</u>
Gold Circuit Enterprise Limited	<u>USD 20,000</u>	<u>USD 20,000</u>
Gold Circuit International Ltd.	<u>USD 8,000</u>	<u>USD 8,000</u>
Goldex Holding Limited	<u>EUR 3,000</u>	<u>EUR 5,000</u>

(VIII) Others

<u>Type of related party</u>	<u>2023</u>	<u>2022</u>
<u>Other revenue</u>		
Suzhou Gold Circuit Electronics Ltd.	\$ 123	\$ 2,619
King Hsiang Investment Co.	<u>24</u>	<u>24</u>
	<u>\$ 147</u>	<u>\$ 2,643</u>

(IX) Remuneration to the management

	<u>2023</u>	<u>2022</u>
Short-term employee benefits	\$ 87,941	\$ 90,911
Post-employment benefits	<u>1,510</u>	<u>1,512</u>
	<u>\$ 89,451</u>	<u>\$ 92,423</u>

The salaries and remunerations to directors and other key management were determined by the Salary Committee in accordance with the personal performances and trends in the markets:

XIX. Pledged assets

The following assets were provided as collateral for financing loans and for the tariffs of imported raw materials and supplies:

	<u>December 31, 2023</u>	<u>December 31, 2022</u>
Land	\$ 648,300	\$ 648,300
Building - net	<u>335,860</u>	<u>354,665</u>
	<u>\$ 984,160</u>	<u>\$ 1,002,965</u>

XXX. Material contingencies

The amount of unused letters of credit issued by the Company for procurement of raw materials and machinery & equipment are enumerated as following (expressed in NTD thousand):

<u>Currency type</u>	<u>December 31, 2023</u>	<u>December 31, 2022</u>
JPY	\$ 296	\$ 29
USD	33,900	9,740
EUR	894	177

XXXI. Information about financial assets and liabilities in foreign currencies with significant influence:

The following information was summarized according to the foreign currencies other than the functional currencies of the Company. The exchange rates disclosed was used to translate the foreign currencies into the functional currency. Financial assets and liabilities in foreign currencies with significant influence are summarized as following:

December 31, 2023

	Foreign currency	Exchange rate	Book value
Foreign currency assets			
<u>Monetary items</u>			
USD	\$ 386,371	30.705 (USD:NTD)	\$11,863,522
RMB	2,726	4.327 (CNY:NTD)	11,795
Euro	1,470	33.98 (EUR:NTD)	49,951
JPY	36,000	0.2173 (JPY:NTD)	7,823
THB	2	0.9017 (THB:NTD)	2
			<u>\$11,933,093</u>
Foreign currency liabilities			
<u>Monetary items</u>			
USD	267,188	30.705 (USD:NTD)	\$ 8,204,008
RMB	366	4.3270 (CNY:NTD)	1,584
Euro	2,424	33.98 (EUR:NTD)	82,368
JPY	33,900	0.2173 (JPY:NTD)	7,366
			<u>\$ 8,501,995</u>

December 31, 2022

	Foreign currency	Exchange rate	Book value
Foreign currency assets			
<u>Monetary items</u>			
USD	\$ 415,211	30.71 (USD:NTD)	\$12,751,130
RMB	3,513	4.408 (CNY:NTD)	15,485
Euro	887	32.72 (EUR:NTD)	29,023
JPY	64,400	0.2324 (JPY:NTD)	14,967
			<u>\$12,810,605</u>
Foreign currency liabilities			
<u>Monetary items</u>			
USD	266,420	30.71 (USD:NTD)	\$ 8,181,758
RMB	22	4.408 (CNY:NTD)	97
Euro	2,302	32.72 (EUR:NTD)	75,321
JPY	243,860	0.2324 (JPY:NTD)	56,673
			<u>\$ 8,313,849</u>

XXXII. Noted disclosures

- (I) Information related to material transactions and (II) information related to reinvested enterprises:
1. Lending of funds to others: Attachment 7
 2. Endorsement and guarantee to others: Attachment 1.

3. Marketable securities held – end of period: Attachments 2 and 8.
4. Cumulative amount of the same marketable security purchased or sold reaching NT\$300 million or more than 20% of the paid-in capital: Attachment 3.
5. Acquisition amount of real estate reaching NT\$300 million or more than 20% of the paid-in capital: Attachment 9.
6. Amount on disposal of real estate reaching NT\$300 million or more than 20% of the paid-in capital: None.
7. Purchase/sale amount of transactions with related parties reaching NT\$100 million or more than 20% of the paid-in capital: Attachment 4 and 10.
8. Accounts receivable from related party reaching NT\$100 million or more than 20% of the paid-in capital: Attachment 5 and 11.
9. Transactions of derivatives: Note VII.
10. Information on investees: Attachment 6.

(III) Information on investment in Mainland China

1. The name of the investee in Mainland China, main items involved in the scope of operation, paid-in capital size, investment method, capital importation/exportation, holding ratio, investment profits and losses, book value of investments at end of term, repatriated investment profits or losses, and investment ceiling value for Mainland China: Attachment 12.
2. Major transactions and their values, payment terms, unrealized profits or losses that have incurred directly or indirectly through a third region with the investees in Mainland China: Attachment 13.
3. Direct, or indirect, via a third area, endorsement, guarantee or provision of collateral made with the investees in the Mainland China: Attachment 1.
4. Direct, or indirect, via an enterprise in a third area, financing with the investees in the Mainland China: Attachment 7.
5. Other transactions that produce material effects on the income or financial status in the current period: None.

(IV) Information of major shareholders: Names and shareholding quantities and ratios of shareholders that hold at least 5% of the equity: Attachment 14.

GOLD CIRCUIT ELECTRONICS LTD.

Endorsement and guarantee made for others

January 1 to December 31, 2023

Attachment 1

Unit: NTD thousand, USD thousand, CNY thousand, EUR thousand

No.	Endorsement and guarantee company Name	Counterpart		Limits of endorsement and guarantee to a single enterprise (Note 1)	Maximum balance of endorsement / guarantee made during the current period	Balance of endorsement / guarantee at end of the period	Amount actually disbursed	Endorsement/ guarantee secured by property	Accumulated amount of endorsement and guarantee as a percentage in the net worth of the financial statements in the most recent period (%)	Maximum limits of endorsement and guarantee (Note 2)	Endorsement /guarantee provided by the Company to the subsidiary (Note 3)	Endorsements/ guarantees provided by subsidiaries to parent company (Note 3)	Endorsement/ guarantee in Mainland China (Note 3)
		Name	Affiliation										
0	GOLD CIRCUIT ELECTRONICS LTD.	Goldex Holding Limited	Subsidiary wholly invested by the Company directly	\$ 11,365,320	\$ 707,020 (USD 23,000)	\$ 644,805 (USD 21,000)	\$ - (USD -)	\$ -	4.26%	\$ 22,730,641	Y	N	N
				11,365,320	173,550 (EUR 5,000)	101,940 (EUR 3,000)	- (EUR -)	-	0.67%	22,730,641	Y	N	N
		Gold Circuit International Limited	Company wholly invested via a subsidiary indirectly	11,365,320	259,400 (USD 8,000)	245,640 (USD 8,000)	- (USD -)	-	1.62%	22,730,641	Y	N	N
		Gold Circuit Enterprise Limited	Company wholly invested via a subsidiary indirectly	11,365,320	648,500 (USD 20,000)	614,100 (USD 20,000)	- (USD -)	-	4.05%	22,730,641	Y	N	N
		Suzhou Gold Circuit Electronics Ltd.	Company wholly invested via a subsidiary indirectly	11,365,320	609,600 (USD 20,000)	- (USD -)	- (USD -)	-	-	22,730,641	Y	N	Y
		Changshu Gold Circuit Electronics Ltd.	Company wholly invested via a subsidiary indirectly	11,365,320	245,920 (USD 8,000)	- (USD -)	- (USD -)	-	-	22,730,641	Y	N	Y

Note 1: The aggregate amount of the endorsements/guarantees provided by the Company to a single enterprise shall not exceed 75% of the Company's net value in the current period. The maximum of the endorsements/guarantees made on December 31, 2023 was equivalent to 75% of the Company's most recent financial statements audited or certified by the CPA (for Q3 of 2023).

Note 2: The aggregate amount of the endorsements/guarantees made by the Company outward shall not exceed 150% of the Company's net value in the current period. The maximum of the endorsements/guarantees made on December 31, 2023 was equivalent to 150% of the Company's most recent financial statements audited or certified by the CPA (for Q3 of 2023).

Note 3: Enter Y only in the case of the parent company's endorsements/guarantees toward subsidiary(ies), a subsidiary's endorsements/guarantees toward its parent company, and the endorsements/guarantees toward the Mainland China area.

GOLD CIRCUIT ELECTRONICS LTD.
 Marketable securities held – end of year
 December 31, 2023

Attachment 2

Unit: NTD thousand

Holder	Type and name	Affiliation to the issuer	Account title	End of period				Remarks
				Number of shares	Book value	Equity (%)	Fair value	
GOLD CIRCUIT ELECTRONICS LTD.	Stock							
"	AMB Technology Co., Ltd	—	Financial assets at fair value through other comprehensive income - noncurrent	267,857	\$ -	1.984	\$ -	
"	ULTRA PRECISION TECHNOLOGY COMPANY	—	Financial assets at fair value through other comprehensive income - noncurrent	1,000,000	-	10.290	-	
					\$ -		\$ -	
"	King Hsiang Investment Co.	Subsidiary	Long-term equity investment under equity method	19,999,400	\$ 58,658	99.997	\$ 58,658	
"	Gold Circuit Electronics (Thailand) Co., Ltd.	Subsidiary	Long-term equity investment under equity method	20,750,000	651,691	100.000	651,691	
"	Goldex Holding Limited	Subsidiary	Long-term equity investment under equity method	181,910,000	9,462,754	100.000	9,462,754	
					\$ 10,173,103		\$ 10,173,103	

GOLD CIRCUIT ELECTRONICS LTD.

Cumulative amount of the same marketable securities purchased or sold reaching NT\$300 million or more than 20% of the paid-in capital
2023

Attachment 3

Unit: NTD thousand, unless otherwise specified

Buying/selling company	Type and name (Note 1)	Account title	Trading counterpart (Note 2)	Affiliation (Note 2)	Beginning of period		Buy (Note 3)		Sale (Note 3)				End of period	
					Number of shares	Amount	Number of shares	Amount	Number of shares	Selling price	Book cost	Disposal gain or loss	Number of shares	Amount
GOLD CIRCUIT ELECTRONICS LTD.	Gold Circuit Electronics(Thailand) Co., Ltd	Investments under equity method	-	-	20,750,000	\$ 667,644							20,750,000	\$ 667,644

Note 1: Securities mentioned in this table refer to stocks, bonds, beneficiary certificates and marketable securities derived from the above items.

Note 2: Investors whose securities are accounted using the equity method are required to complete these two fields, and the remainder can be left blank.

Note 3: The cumulative amount of purchases and sales shall be separately calculated according to the market price to determine whether it reaches NTD 300 million or 20% of the paid-in capital.

Note 4: Paid-in capital refers to that of the parent company. In the case of an issuer whose shares have no par value or a par value other than NT\$10 per share, the requirement of 20% of paid-in capital for transaction amount shall be calculated based on 10% of the equity attributable to the owners of the parent company on the balance sheet.

GOLD CIRCUIT ELECTRONICS LTD.

Purchase/sale amount of transactions with related parties reaching NT\$100 million or more than 20% of the paid-in capital

January 1 to December 31, 2023

Attachment 4

Unit: NTD thousand

Supplier (customer)	Trading counterpart	Affiliation	Status				Distinctive terms and conditions of trade and the reasons		Notes/accounts receivable (payable)		Remarks
			Purchase (sale)	Amount	Percentage in total purchase (sale) amount %	Duration	Unit price	Duration	Balance	Percentage in total accounts/notes receivable (payable) %	
GOLD CIRCUIT ELECTRONICS LTD.	Suzhou Gold Circuit Electronics Ltd.	Company wholly invested via a subsidiary indirectly	Purchase	\$ 10,121,772	43	O/A 3 months	-	—	(\$ 3,905,447)	(49)	
GOLD CIRCUIT ELECTRONICS LTD.	Changshu Gold Circuit Electronics Ltd.	Company wholly invested via a subsidiary indirectly	Purchase	4,941,611	21	O/A 4 months	-	—	(1,420,663)	(18)	
GOLD CIRCUIT ELECTRONICS LTD.	Changshu Gold Circuit Technology Co., Ltd.	Company wholly invested via a subsidiary indirectly	Purchase	1,789,945	8	O/A 3 months	-	—	(314,617)	(4)	
GOLD CIRCUIT ELECTRONICS LTD.	Suzhou Gold Circuit Electronics Ltd.	Company wholly invested via a subsidiary indirectly	Sales	(201,732)	(1)	O/A 3 months	-	—	65,286	1	

GOLD CIRCUIT ELECTRONICS LTD.

Receivables from related parties worth NT\$100 million or more than 20% of the paid-in capital

December 31, 2023

Attachment 5

Unit: NTD thousand

Companies stated into accounts receivable	Trading counterpart	Affiliation	Balance of accounts receivable - related party	Turnover (Note 1)	Overdue accounts receivable - related party		Amounts received in subsequent period - related party	Allowance loss
					Amount	Accounting treatment		
GOLD CIRCUIT ELECTRONICS LTD.	Suzhou Gold Circuit Electronics Ltd.	Company wholly invested via a subsidiary indirectly	Accounts receivable \$ 65,286	2.90	\$ -	—	\$ 21,264	\$ -
			Other receivables 59,097	-	-	—	31,593	-

Note 12: The days sales outstanding are not calculated for other receivables from related parties.

GOLD CIRCUIT ELECTRONICS LTD.

Information related to the reinvested companies... such as names and locations.

January 1 to December 31, 2023

Table 6

Unit: NTD thousand

Investor	Investee	Location	Principal business	Original investment cost		Holdings at end of year			Investment gain (loss) of the investee	Investment gain (loss) recognized for the current period (Note 1)	Remarks
				End of the current period	End of the previous period	Number of shares	Percentage (%)	Book value			
GOLD CIRCUIT ELECTRONICS LTD.	King Hsiang Investment Co.	No. 149-1, Zhong Zeng Rd., Tamsui Dist, New Taipei City	General investment business	\$ 199,994	\$ 199,994	19,999,400	99.997	\$ 58,658	\$ 692,609	(\$ 1,282)	(Note 2)
"	Goldex Holding Limited	Trust Net Chambers Lotemau Centre, P.O. Box 1225, Apia, Samoa	"	5,822,733	6,116,948	181,910,000	100.000	9,462,754	2,828,412	2,814,780	
"	Gold Circuit Electronics (Thailand) Co., Ltd.	No. 664/25 Pracharat Bamphen Rd., Sam Saen Nok, Huai Khwang, Bangkok, 10310, Thailand	Design, produce and sell multi-layer printed circuit boards	667,644	-	20,750,000	100.000	651,691	1,787	1,787	
Goldex Holding Limited	Gold Circuit International Limited	P.O. Box 362, Road Town, Tortola, Virgin islands, British	General investment business	3,239,310	3,239,310	98,000,000	100.000	6,551,040	1,970,722	1,964,013	
"	Gold Circuit Enterprise Limited	Turst Net Chambers Lotemau Centre, P.O. Box 1225, Apia, Samoa	"	2,383,429	2,670,554	83,010,000	100.000	3,104,559	866,209	859,286	
Gold Circuit International Limited	Suzhou Gold Circuit Electronics Ltd.	No. 238, Jinfeng Road, New District, Suzhou City, Jiangsu Province	Design, produce and sell multi-layer printed circuit boards	3,239,310	3,239,310	98,000,000	100.000	6,710,069	1,978,397	1,971,688	
Gold Circuit Enterprise Limited	Changshu Gold Circuit Electronics Ltd.	No. 9, Jiulong Rd., Changshu Southeast Economic Development Zone, Jiangsu Province	"	959,724	959,724	30,010,000	100.000	3,573,768	716,234	705,681	
"	Changshu Gold Circuit Technology Co., Ltd.	No. 816, Southeast Avenue, Changshu Hi-Tech Industrial Development Zone, Jiangsu Province	"	980,105	980,105	33,000,000	100.000	(566,002)	144,845	148,475	

Note 1: The investment gain (loss) recognized for the current period has taken into consideration the effects of unrealized (realized) gross losses on sales among reinvested companies.

Note 2: The investment loss of King Hsiang Investment Co. recognized in the current period, NT\$1,282 thousand, includes the investment gain recognized under equity method, NT\$692,588 thousand, the reversal of the financial asset valuation profit derived by Gold Circuit Investment for holding the Company’s stocks under the “Accounting Principles for Management of Treasury Stocks,” NT\$18,030 thousand, and the dividend revenue received from the Company, NT\$18,030 thousand.

GOLD CIRCUIT ELECTRONICS LTD.
Fund loaned by investees to others
January 1 to December 31, 2023

Attachment 7 Unit: NT\$ thousand, USD thousand, and CNY thousand

No.	Loaner	Debtor	Whether a related party or not	Transaction items	Maximum balance for the current period	Balance – end of period	Amount actually disbursed	Interest rate interval (Note 3)	Nature of lending of funds (Note 1)	Amount	Reasons for short-term financing	Allowance for doubtful accounts	Collateral		Limit of loan to each borrower (Note 2)	Limit of total lending (Note 2)
													Title	Value		
1	Goldex Holding Limited	Gold Circuit International Limited	Y	Other receivables	\$ 95,580 (USD 3,000)	\$ 85,974 (USD 2,800)	\$ 85,974 (USD 2,800)	4.000%~5.000%	(2)	\$ -	Working capital	\$ -	—	\$ -	\$ 26,975,323	\$ 26,975,323
2	Gold Circuit Enterprise Limited	Gold Circuit International Limited	Y	Other receivables	97,275 (USD 3,000)	92,115 (USD 3,000)	92,115 (USD 3,000)	4.000%~5.000%	(2)	-	Working capital	-	—	-	9,155,016	9,155,016
2	Changshu Gold Circuit Electronics Ltd.	Changshu Gold Circuit Technology Co., Ltd.	Y	Other receivables	889,000 (CNY 200,000)	865,400 (CNY 200,000)	865,400 (CNY 200,000)	1.500%~3.550%	(2)	84,595	Working capital	-	—	-	5,391,014	5,391,014
2	Changshu Gold Circuit Electronics Ltd.	Changshu Gold Circuit Technology Co., Ltd.	Y	Other receivables	243,188 (USD 7,500)	230,288 (USD 7,500)	211,343 (USD 6,883)	0.800%~4.200%	(2)	84,595	Working capital	-	—	-	5,391,014	5,391,014
2	Suzhou Gold Circuit Electronics Ltd.	Changshu Gold Circuit Technology Co., Ltd.	Y	Other receivables	818,070 (CNY 185,000)	800,495 (CNY 185,000)	800,495 (CNY 185,000)	2.700%~3.500%	(2)	150,505	Working capital	-	—	-	9,110,276	9,110,276
2	Suzhou Gold Circuit Electronics Ltd.	Changshu Gold Circuit Technology Co., Ltd.	Y	Other receivables	809,640 (USD 26,000)	- (USD -)	- (USD -)	1.500%~5.100%	(2)	150,505	Working capital	-	—	-	9,110,276	9,110,276

Note 1: The fund loaned to others is categorized two types as following by nature:
(1) Business association
(2) Short-term financing needed

Note 2: The limit of funds lent to a single borrower and aggregate amount of the fund loaned to others by a reinvested company (except Goldex Holding Limited and Gold Circuit Enterprise Limited) shall not exceed 150% of the reinvested company’s net value in its most recent financial statements audited or certified by the CPA (for Q3 of 2023). The limit of fund loaned to a single borrower and aggregate amount of the fund loaned to others by Goldex Holding Limited and Gold Circuit Enterprise Limited shall not exceed 300% of their net value in their most recent financial statements audited or certified by the CPA (for Q3 of 2023).
The limit of fund loaned to a single borrower and aggregate amount of the fund loaned to others by any reinvested company in Mainland China shall not exceed 150% of the reinvested company’s net value in its most recent financial statements audited or certified by the CPA (for Q3 of 2023).

Note 3: The interest rate interval for the funds lent in 2023

GOLD CIRCUIT ELECTRONICS LTD.
 Marketable securities held by investees - end of period
 December 31, 2023

Table 8

Unit: NTD thousand

Holder	Type and name	Affiliation to the issuer	Account title	End of period				Remarks
				Number of shares	Book value	Equity (%)	Fair value	
King Hsiang Investment Co.	<u>Stock</u>							
"	LEE CHI ENTERPRISE CO., LTD.	—	Financial assets at fair value through profit or loss - current	155,595	\$ 2,420	0.068	\$ 2,420	
"	GOLD CIRCUIT ELECTRONICS LTD.	The parent company in which King Hsiang Investment Co. held 99.997% shares	Financial assets at fair value through profit or loss - current	5,151,375	<u>1,123,000</u>	1.047	<u>1,123,000</u>	
					<u>\$ 1,125,420</u>		<u>\$ 1,125,420</u>	

GOLD CIRCUIT ELECTRONICS LTD.

Acquisition amount of real estate reaching NT\$300 million or more than 20% of the paid-in capital

2023

Attachment 9

Unit: NTD thousand, unless otherwise specified

Real estate acquiring company	Property name	Date of occurrence	Transaction currency/amount	Payment status	Trading counterpart	Affiliation	If the trading counterparty is a related party, the information of the previous transfer				Reference for price determination	Purpose of acquisition and use status	Other agreements
							Owner	Relationship with issuer	Date of transfer	Amount			
Gold Circuit Electronics (Thailand)Co., Ltd.	Land	11/14/2023	THB \$392,294	All repaid in full.	IPP IP 7 COMPANY LIMITED	Non-related party	N/A	N/A	N/A	N/A	Professional land appraisal report	Development of new business	

Note 1: If the acquired assets are subject to appraisal according to the regulations, the appraisal result shall be indicated in the “Reference for price determination” column.

Note 2: Paid-in capital refers to that of the parent company. In the case of an issuer whose shares have no par value or a par value other than NT\$10 per share, the requirement of 20% of paid-in capital for transaction amount shall be calculated based on 10% of the equity attributable to the owners of the parent company on the balance sheet.

Note 3: The date of occurrence refers to the date of contract signing, date of payment, date of consignment trade, date of transfer, date of resolution of the board of directors, or other dates based on which the counterparty and amount of the transaction, whichever date is earlier, can be determined.

GOLD CIRCUIT ELECTRONICS LTD.

Purchase/sale amount of transactions of reinvested companies with related parties reaching NT\$100 million or more than 20% of the paid-in capital

January 1 to December 31, 2023

Attachment 10

Unit: NTD thousand

Supplier (customer)	Trading counterpart	Affiliation	Status				Distinctive terms and conditions of trade and the reasons		Notes/accounts receivable (payable)		Remarks
			Purchase (sale)	Amount	Percentage in total purchase (sale) amount (%)	Duration	Unit price	Duration	Balance	Percentage in total accounts/notes receivable (payable) (%)	
Suzhou Gold Circuit Electronics Ltd.	GOLD CIRCUIT ELECTRONICS LTD.	Ultimate parent company	Sales	(\$ 10,121,772)	(93)	O/A 3 months	-	—	\$ 3,905,447	91	
Changshu Gold Circuit Electronics Ltd.	GOLD CIRCUIT ELECTRONICS LTD.	Ultimate parent company	Sales	(4,941,611)	(86)	O/A 4 months	-	—	1,420,663	76	
Changshu Gold Circuit Technology Co., Ltd.	GOLD CIRCUIT ELECTRONICS LTD.	Ultimate parent company	Sales	(1,789,945)	(85)	O/A 3 months	-	—	314,617	67	
Changshu Gold Circuit Electronics Ltd.	Suzhou Gold Circuit Electronics Ltd.	Associate	Sales	(630,566)	(11)	O/A 4 months	-	—	378,329	20	
Suzhou Gold Circuit Electronics Ltd.	GOLD CIRCUIT ELECTRONICS LTD.	Ultimate parent company	Purchase	201,732	4	O/A 4 months	-	—	(65,286)	(2)	
Changshu Gold Circuit Technology Co., Ltd.	Suzhou Gold Circuit Electronics Ltd.	Associate	Sales	(150,505)	(7)	O/A 4 months	-	—	58,878	13	

GOLD CIRCUIT ELECTRONICS LTD.

Receivable of the investee from related parties reaching NT\$100 million or more than 20% of the paid-in capital

December 31, 2023

Attachment 11

Unit: NTD thousand

Companies stated into accounts receivable	Trading counterpart	Affiliation	Balance of accounts receivable - related party	Turnover (Note 1)	Overdue accounts receivable - related party		Amounts received in subsequent period - related party	Allowance loss
					Amount	Accounting treatment		
Suzhou Gold Circuit Electronics Ltd.	GOLD CIRCUIT ELECTRONICS LTD.	Ultimate parent company	Accounts receivable \$ 3,905,447	2.44	\$ -	—	\$ 1,597,060	\$ -
Changshu Gold Circuit Electronics Ltd.	GOLD CIRCUIT ELECTRONICS LTD.	Ultimate parent company	Accounts receivable 1,420,663	3.86	-	—	899,309	-
Changshu Gold Circuit Technology Co., Ltd.	GOLD CIRCUIT ELECTRONICS LTD.	Ultimate parent company	Accounts receivable 314,617	7.17	-	—	314,617	-
Suzhou Gold Circuit Electronics Ltd.	Changshu Gold Circuit Technology Co., Ltd.	Affiliated enterprise	Accounts receivable 76	1.77	-	—	50	-
Changshu Gold Circuit Electronics Ltd.	Suzhou Gold Circuit Electronics Ltd.	Affiliated enterprise	Accounts receivable 378,329	1.77	-	—	139,547	-
Changshu Gold Circuit Electronics Ltd.	Changshu Gold Circuit Technology Co., Ltd.	Affiliated enterprise	Accounts receivable 2,979	1.98	-	—	2,161	-
Suzhou Gold Circuit Electronics Ltd.	Changshu Gold Circuit Technology Co., Ltd.	Affiliated enterprise	Other receivables 812,117	-	-	—	-	-
Changshu Gold Circuit Electronics Ltd.	Suzhou Gold Circuit Electronics Ltd.	Affiliated enterprise	Other receivables 1,070	-	-	—	444	-
Changshu Gold Circuit Electronics Ltd.	Changshu Gold Circuit Technology Co., Ltd.	Affiliated enterprise	Other receivables 1,105,547	-	-	—	217,793	-

Note 12: The days sales outstanding are not calculated for other receivables from related parties.

GOLD CIRCUIT ELECTRONICS LTD.
Information about investment in Mainland China
January 1 to December 31, 2023

Attachment 12

Unit: NTD thousand/USD thousand

Name of invested company in China	Principal business	Paid-in capital	Investment method (Note 1)	Cumulative investment amount outward remitted from Taiwan - beginning of the period	Investment remittance or regain in the current period		Cumulative investment amount outward remitted from Taiwan - end of the period	Net income of investee	Company's direct or indirect investment Equity (%)	Investment gains or losses recognized for the current period (Note 2)	Book value of investment at ending	Investment income repatriated to Taiwan as of the end of the period
					Outward remitted	Repatriated						
Suzhou Gold Circuit Electronics Ltd.	Design, produce and sell multi-layer printed circuit boards	\$ 3,239,310	2	\$ 3,239,310	\$ -	\$ -	\$ 3,239,310	\$ 1,978,397	100	2.(2) \$ 1,971,688	\$ 6,710,069	\$ 626,966
Changshu Gold Circuit Electronics Ltd.	Design, produce and sell multi-layer printed circuit boards	959,724	2	959,724	-	-	959,724	716,234	100	2.(2) 705,681	3,573,768	252,915
Changshu Gold Circuit Technology Co., Ltd.	Design, produce and sell multi-layer printed circuit boards	980,105	3	980,105	-	-	980,105	144,845	100	2.(2) 148,475	(566,002)	-

Accumulated investments outward remitted from Taiwan at Ending	Investment amount approved by Investment Commission, MOEA	Limit of investment amount required by Investment Commission, MOEA (Note 4)
\$ 5,179,139 USD 161,010	\$ 4,943,812 USD 161,010	\$ -

Note 1: The modes of investment are classified into the following four types:

- Investments in Mainland China companies through remittance from a third area.
- To invest in Mainland China companies through a company invested and established in a third area.
- To invest in Mainland China companies through reinvesting in an existing company in a third area.
- Other ways, ex: discretionary investment contract

Note 2: For the field of investment gain/loss recognized in the current period:

- Please mark out if there has been no investment gain or loss yet because the investment is still under planning.
- The basis of recognition of investment gain/loss is classified into following three types, which should be marked out.
 - Financial statements reviewed and approved by an international CPA firm which cooperates with a CPA firm of the ROC.
 - Financial statements audited by the CPAs of the parent company in Taiwan.
 - Others

Note 3: The related figures herein should be expressed in NTD.

Note 4: The Company has received the certificate of compliance with business lines of operational headquarters issued by Industrial Development Bureau, MOEA on August 25, 2022. Therefore, the Company may be exempted from the limit of investment amount required by Investment Commission, MOEA.

GOLD CIRCUIT ELECTRONICS LTD.

Any significant transactions with investees in Mainland China, either directly or indirectly through a third area

January 1 to December 31, 2023

Attachment 13

Unit: NTD thousand

Related parties' names	Affiliation of the Company with related party	Type of transaction	Amount	Trading conditions			Notes/accounts receivable (payable)		Unrealized loss (gain)
				Price	Payment terms	Comparison with the general transactions	Balance	Percentage (%)	
Suzhou Gold Circuit Electronics Ltd. "	Company wholly invested via a subsidiary indirectly "	Purchase	\$ 10,121,772	\$ 10,121,772	Regular	Similar	(\$ 3,905,447)	(91)	(\$ 6,709)
		Sales	201,732	201,732	Regular	Similar	65,286	1	
Changshu Gold Circuit Electronics Ltd. "	Company wholly invested via a subsidiary indirectly "	Purchase	4,941,611	4,941,611	Regular	Similar	(1,420,663)	(76)	(10,553)
		Sales	41,561	41,561	Regular	Similar	15,060	-	
Changshu Gold Circuit Technology Co., Ltd. "	Company wholly invested via a subsidiary indirectly "	Purchase	1,789,945	1,789,945	Regular	Similar	(314,617)	(67)	3,630
		Sales	29,710	29,710	Regular	Similar	11	-	

GOLD CIRCUIT ELECTRONICS LTD.

Information of Major Shareholders

December 31, 2023

Attachment 14

Name of major shareholder	Shares	
	Number of shares held (share)	Shareholding ratio
Chang-Chi Yang	96,622,217	19.64%
The labor pension reserve fund was fully authorized to Nomura Investment Account for the first time in 2022.	35,601,320	7.23%
Jui-Ching Li	27,651,870	5.62%

§Statement of important accounting titles§

Item	Number/Index
Asset, liability and equity items	
Statement of Cash and Cash Equivalent	I
Statement of Accounts Receivable	II
Statement of Other Payables	III
Statement of Inventories	IV
Statement of changes in investment under equity method	Note X
Statement of changes in property, plant and equipment	Note XI
Statement of changes in accumulated depreciation of property, plant and equipment	Note XI
Statement of changes in right-of-use assets	Note XII
Statement of changes in accumulated depreciation of right-of-use assets	Note XII
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GOLD CIRCUIT ELECTRONICS LTD.

Statement of Cash and Cash Equivalent

December 31, 2023

Statement 1

Unit: NTD thousand

Item	Summary	Amount
Cash		
Cash on hand and working capital		\$ 880
Bank deposit		
Check and NTD current deposit		2,322,327
Foreign currency current deposit	US\$52,275 thousand @30.705	1,605,094
	ERU 264 thousand, @33.98	8,958
	RMB 85 thousand @4.327	369
Cash equivalents		
Foreign currency time deposit	RMB 2,500 thousand, @ 4.327, 10/31/2023 – 1/1/2024, 2.50%	<u>10,818</u>
		<u>\$ 3,948,446</u>

GOLD CIRCUIT ELECTRONICS LTD.

Statement of Accounts Receivable

December 31, 2023

Statement 2

Unit: NTD thousand

Customer	Summary	Amount
Non-related party		
R-01	Payment for purchase of goods	\$ 1,865,298
R-02	"	1,547,384
R-03	"	995,927
R-04	"	940,330
R-05	"	933,443
R-06	"	630,059
Others (Note)	"	<u>3,402,636</u>
Subtotal		<u>10,315,077</u>
Related party		
Suzhou Gold Circuit Electronics Ltd.	"	65,286
Changshu Gold Circuit Electronics Ltd.	"	15,060
Changshu Gold Circuit Technology Co., Ltd.	"	<u>11</u>
Subtotal		<u>80,357</u>
Less: Allowance for doubtful accounts		(<u>37,178</u>)
		<u>\$ 10,358,256</u>

Note: None of the account balance is with an amount exceeding 5% of the total amount.

GOLD CIRCUIT ELECTRONICS LTD.

Statement of Other Payables

December 31, 2023

Statement 3

Unit: NTD thousand

Item	Summary	Amount
Related party		
Suzhou Gold Circuit Electronics Ltd.	Sale of equipment and consumables	\$ 59,097
Changshu Gold Circuit Technology Co., Ltd.	Sale of equipment and consumables	<u>948</u>
		<u>60,045</u>
Non-related party		
Business tax refund receivable		53,829
Accounts receivable from sale of scraps		26,141
Others (Note)		<u>2,035</u>
		<u>82,005</u>
		<u>\$ 142,050</u>

Note: None of the account balance is with an amount exceeding 5% of the total amount.

GOLD CIRCUIT ELECTRONICS LTD.

Statement of Inventories

December 31, 2023

Statement 4

Unit: NTD thousand

Item	Summary	Amount	
		Cost	Net realized value
Finished goods	Double-layer and multi-layer boards	\$ 2,199,841	\$ 2,078,160
Work in process	//	1,867,165	1,709,096
Raw materials & supplies	Copper foil substrate, film, chemical agent, drill pen, adhesive tape, overcoat, rivets	528,239	508,216
Inventories in transit	Double-layer and multi-layer boards	<u>42,163</u>	<u>42,163</u>
		4,637,408	<u>\$ 4,337,635</u>
Less: Allowance losses on inventory devaluation and obsolescence (Note)		(<u>299,773</u>)	
		<u>\$ 4,337,635</u>	

Note: The loss is provided due to devaluation and obsolescence of finished goods, work-in-process and raw materials.

GOLD CIRCUIT ELECTRONICS LTD.

Statement of Accounts Payable

December 31, 2023

Statement 5

Unit: NTD thousand

Customer	Summary	Amount
Non-related party		
P-01	Payment for purchase of goods	\$ 906,009
P-02	"	338,845
P-03	"	217,114
P-04	"	156,697
Others (Note)	"	<u>785,147</u>
		<u>2,403,812</u>
Related party		
Suzhou Gold Circuit Electronics Ltd.	Payment for purchase of goods	3,905,447
Changshu Gold Circuit Electronics Ltd.	"	1,420,663
Changshu Gold Circuit Technology Co., Ltd.	"	<u>314,617</u>
		<u>5,640,727</u>
		<u>\$ 8,044,539</u>

Note: None of the account balance is with an amount exceeding 5% of the total amount.

GOLD CIRCUIT ELECTRONICS LTD.

Statement of Lease Liabilities

December 31, 2023

Statement 6

Unit: NTD thousand

Item	Summary	Lease Period	Discount rate	Balance – end of period	Note
Machinery & equipment		3/2013–2/2025	1.38%	\$ 3,110	
Plant equipment		9/2023–8/2033	1.68%	<u>81,453</u>	
				<u>\$ 84,563</u>	

GOLD CIRCUIT ELECTRONICS LTD.
Statement of Corporate Bonds Payable
December 31, 2023

Statement 7 Unit: NTD thousand, unless otherwise specified

Bond Name	Trustee	Date of issue	Interest payment date	Interest rate (%)	Amount			Unamortized premium (discount)	Book value	Payment terms	Guarantee status
					Total issuance amount	Converted amount	Balance – end of period				
Domestic corporate bonds											
Second domestic unsecured convertible corporate bonds	Taipei Fubon Commercial Bank Co., Ltd.	12.15.2023	Note	—	<u>\$ 4,000,000</u>	<u>\$ -</u>	<u>\$ 4,000,000</u>	<u>(\$ 606,463)</u>	<u>\$ 3,393,537</u>	Repayable in a lump sum on maturity date. (The Company has the right to redeem the bonds at any time under given conditions during the period from the day next to the end date on which the convertible corporate bond has been issued for three months to the 40th day prior to the expiration of the issue date.)	None

Note: The principal will be repaid in a lump sum at face value on the maturity date.

GOLD CIRCUIT ELECTRONICS LTD.

Statement of Long-term Loan

December 31, 2023

Statement 8

Unit: NTD thousand

Creditor bank or guarantee institution	Summary	Amount (Note)			Term of Loan	Interest rate interval %	Mortgage or collateral
		Current portion	Matured upon expiration of one year	Total			
Mega International Commercial Bank	Credit loan	\$ -	\$ 25,000	\$ 25,000	119.11.24	1.78	無
Syndicated banks including Taipei Fubon Bank	Syndicated loan	-	<u>1,440,000</u>	<u>1,440,000</u>	114.12.20	2.1247	無
		<u>\$ -</u>	<u>\$ 1,465,000</u>	<u>\$ 1,465,000</u>			

Note: Please refer to Note XVI of the financial statement for the repayment method.

GOLD CIRCUIT ELECTRONICS LTD.

Statement of Operating Income

January 1 to December 31, 2023

Statement 9

Unit: NTD thousand

<u>Item</u>	<u>Summary</u>	<u>Amount</u>
Sales revenue		\$ 30,511,812
Less: Sales return		(612,002)
Sales allowance		(<u>471,222</u>)
		<u>\$ 29,428,588</u>

GOLD CIRCUIT ELECTRONICS LTD.

Statement of Operating Costs

January 1 to December 31, 2023

Statement 10

Unit: NTD thousand

Item	Amount
Direct raw materials	
Raw materials - beginning of year	\$ 273,315
Add: Ingoing materials in the current period	6,503,423
Less: Raw materials, end of period	(525,155)
Consumption of direct raw materials	6,251,583
Direct labor	1,337,609
Manufacturing expenses	<u>2,737,918</u>
Manufacturing costs	10,327,110
Add: Work in process, beginning of year	1,241,136
Less: Work in process, end of year	(1,867,165)
Costs of finished goods	9,701,081
Add: Finished goods, beginning of year	2,147,638
Procured externally in the current period	17,001,772
Less: Finished goods, end of year	(2,199,841)
Sale of scraps and waste materials	(228,467)
Loss on inventory devaluation	150,600
Transferred to sample charges	(19,965)
Transferred to other expenses	(1,531)
	<u>\$ 26,551,287</u>

GOLD CIRCUIT ELECTRONICS LTD.

Statement of Manufacturing Expenses

January 1 to December 31, 2023

Statement 11

Unit: NTD thousand

Item	Summary	Amount
Indirect materials		\$ 174,626
Salary expense		478,115
Rent expenses		1,389
Stationery and supplies		2,195
Travel expense		1,954
Freight expense		50
Postage expense		2,296
Repair expense		294,463
Utilities expense		585,109
Insurance premium		171,294
Tax		7,550
Depreciation		366,477
Amortizations		18,241
Food expense		15,187
Worker's benefits		27,178
Miscellaneous purchase		23,496
Consumable materials		64,448
Packaging materials		1,783
Processing expense		257,598
Other expenses		244,469
		<u>\$ 2,737,918</u>

GOLD CIRCUIT ELECTRONICS LTD.

Statement of Selling Expenses

January 1 to December 31, 2023

Statement 12

Unit: NTD thousand

Item	Summary	Amount
Salary expense		\$ 114,752
Rent expenses		2,415
Stationery and supplies		107
Travel expense		8,054
Freight expense		3,040
Postage expense		700
Repair expense		378
Utility bill		476
Insurance premium		7,456
Entertainment expense		10,862
Depreciation		1,339
Food expense		3,338
Worker's benefits		2,739
Commission expenses		386,944
Import/export expenses		20,441
Training expense		81
Other expenses		43,819
		<u>\$ 606,941</u>

GOLD CIRCUIT ELECTRONICS LTD.

Statement of Management Expenses

January 1 to December 31, 2023

Statement 13

Unit: NTD thousand

Item	Summary	Amount
Salary expense		\$ 268,563
Rent expenses		2,546
Stationery and supplies		688
Travel expense		8,759
Freight expense		525
Postage expense		486
Repair expense		11,982
Utility bill		4,799
Advertising expense		170
Insurance premium		14,426
Entertainment expense		10,356
Donation		7,140
Tax		1,049
Depreciation		17,948
Amortizations		1,072
Food expense		898
Worker's benefits		2,516
Training expense		3,463
Other expenses		98,250
		<u>\$ 455,636</u>

GOLD CIRCUIT ELECTRONICS LTD.

Statement of R&D Expenses

January 1 to December 31, 2023

Statement 14

Unit: NTD thousand

Item	Summary	Amount
Salary expense		\$ 335,971
Rent expenses		97
Stationery and supplies		85
Travel expense		1,263
Freight expense		22
Postage expense		77
Repair expense		2,554
Utility bill		1,277
Insurance premium		21,927
Depreciation		1,563
Amortizations		4,157
Food expense		2,207
Worker's benefits		4,898
Training expense		534
Other expenses		8,135
		<u>\$ 384,767</u>

GOLD CIRCUIT ELECTRONICS LTD.

Summary of employee benefits, depreciation, depletion and amortization of the year by function

January 1 to December 31, 2023 and 2022

Statement 15

Unit: NTD thousand

	2023			2022		
	Classified as operating costs	Classified as operating expense	Total	Classified as operating costs	Classified as operating expense	Total
Employee fringe benefit expenses						
Salary	\$ 1,765,414	\$ 650,576	\$ 2,415,990	\$ 1,668,755	\$ 603,913	\$ 2,272,668
Expenses for labor and health insurance	151,816	37,860	189,676	144,616	34,711	179,327
Pension expense	50,310	21,690	72,000	51,346	20,654	72,000
Remuneration to directors	-	47,020	47,020	-	51,600	51,600
Other employee benefit expenses	101,391	21,315	122,706	99,777	17,799	117,576
Depreciation expenditure	366,477	20,850	387,327	312,885	21,564	334,449
Amortization expenditure	18,241	5,229	23,470	11,757	948	12,705

Note:

- The number of employees for this year and the previous year was 2,515 and 2,374 persons, respectively. Six of these employees did not serve as a director concurrently in both years.
- A company whose stocks are already listed on TWSE or trade in TPEX shall also disclose the following information:
 - The average employee benefit expenditure for this year was NT\$1,119 thousand ("Total employee benefit expenditure - Total remuneration to directors for this year"/"Number of employees - Number of employees not serving as director concurrently for this year").
The average employee benefit expenditure for the previous year was NT\$1,117 thousand ("Total employee benefit expenditure - Total remuneration to directors for the previous year"/"Number of employees - Number of employees not serving as director concurrently for the previous year").
 - The average employee salary expenditure for this year was NT\$965 thousand (Total salary expenditure for this year/ "Number of employees - Number of employees not serving as director concurrently for this year").
The average employee salary expenditure for the previous year was NT\$848 thousand ("Total salary expenditure for the previous year"/ "Number of employees - Number of employees not serving as director concurrently for the previous year").
 - Variance in the average employee salary expenditure adjusted was 0.40% ("Average employee salary expenditure for this year - Average employee salary expenditure for the previous year" / Average employee salary expenditure for the previous year).
 - There are no supervisors in the Company, so disclosure of remuneration for supervisors is not prepared.
 - The compensation and remuneration policies of the Company (including directors, managers, and employees).
 - Director
 - Fixed: The board meeting is authorized to determine the remuneration to each director according to the standards of the industry; NT\$30 thousand is allocated each month for each director now.
 - Variable: No more than 1% of the annual profit is allocated as director's remuneration as required by the Articles

of Incorporation.

- B. The remuneration to managers is based on the requirements set forth in Article 29 of the Company Act.
- C. The employees are paid according to the applicable requirements of the Company for practitioners and with reference to the salary criteria on the market. 5–10% of the annual profit is allocated as employees’ remuneration as required by the Articles of Incorporation.
- D. The remuneration to directors and that to managers need to be periodically evaluated by the Company’s Remuneration Committee and the latter will define the compensation and remuneration.

Description:

1. The calculation basis applied to the information about the number of employees referred to herein shall be consistent with that applied to employee benefit expenditure and employee salary expenditure, and subject to the average number of employees.
2. According to IAS 19, employees, including directors and other management officers, might provide services, on a full-time basis, on a part-time basis, permanently, from time to time, or temporarily. Therefore, the “employees” referred to herein include directors, managers, general employees and workers by contract, but exclude supervisors, temporary workers, labor service suppliers, or business contractors.
3. The “remuneration to directors” means the remuneration, pension, compensation to directors, and income from professional practicing received by all directors, but salary, labor/national health insurance premium, pension and other welfare expenses received by any of them who serves as employee concurrently are excluded.
4. The “remuneration to supervisors” means the rewards, compensation, and income from performing duties at work.