Stock Code: 2440

SPACE SHUTTLE HI-TECH CO., LTD.

Parent Company Only Financial Statements and Independent Auditors' Report

2022 and 2021

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Independent Auditors' Report

To SPACE SHUTTLE HI-TECH CO., LTD.,

Opinion

We have audited the accompanying financial statements of SPACE SHUTTLE HI-TECH CO., LTD. (the "Company"), which comprise the balance sheets as of December 31, 2022 and 2021 and the parent company only financial statements of comprehensive income, changes in equity and cash flows for the years then ended, and the notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as of December 31, 2022 and 2021, and its financial performance and its cash flows for the years then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers.

Basis for Opinion

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

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements for the year ended December 31, 2022. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matters identified in the audit of the Company's financial statements as of and for the year ended December 31, 2022 are stated as follows:

<u>Revenue Recognition</u>

The Company derives revenue primarily from the sales of various copper materials, wires, cables and related products. For information on revenue recognition, see Notes 4 and 6 (13) and schedules of important accounting times to the accompanying financial statements. In 2022, the Company reported a operating income of NT$102,429,000, down 73.91% compared to the previous year. As revenue recognition is a matter of concern to users of the financial statements, it is identified as a key audit matter.

Our audit procedures performed in respect of the key audit matter include the following, among others:

1. We understood the internal control related to the Company's revenue recognition and evaluated the design of key control. We determined whether the key control has been implemented effectively.
2. We analyzed the Company's revenue from sales to top 10 customers, conducted substantive tests, sample tested transactions to verify the transaction vouchers and collection of receivables, and confirmed authenticity.
3. We examined the Company's delivery terms with customers, and tested the sales samples for a period of time before and after the year-end date to assess the adequacy of the revenue recognition period.

<u>Valuation of investments using the equity method</u>

The Company holds 100% shares in subsidiaries (SPACE SHUTTLE (HK) HI-FI WIRE & CABLE INDUSTRY CO., LIMITED and SPACE SHUTTLE HI-TECH CO., LTD) invested using the equity method. For the accounting policy on valuation of investments using the equity method, see Note 4 to the accompanying financial statements; for information on investments using the equity method, see Note 6 (5) and schedules of important accounting times to the accompanying financial statements. Given the significant amounts of investments in subsidiaries, we identified valuation of investments using the equity method as a key audit matter.

Our audit procedures performed in respect of the key audit matter include the following, among others:

1. We understood the internal control related to the Company's investments using the equity method and evaluated the design of key control. We determined whether the key control has been implemented effectively.
2. We discussed with management and understood its valuation of important matters related to subsidiaries, so as to understand the reasonableness of subsidiaries' revenue recognition, impairment of accounts receivable, and impairment of property, plant and equipment.
3. We obtained and calculated the share in the profit or loss of subsidiaries recognized using the equity method and the fairness of other comprehensive income calculations.

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

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

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

Those charged with governance, including the audit committee, are responsible for overseeing the Company's financial reporting process.

Auditors' Responsibilities for the Audit of the Financial Statements

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

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

1. Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
2. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

4. Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.
5. Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
6. Obtain sufficient and appropriate audit evidence regarding the financial information of entities or business activities within the Company to express an opinion on the financial statements. We are responsible for the direction, supervision and performance of the audit. We remain solely responsible for our audit opinion.

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the Company for the year ended December 31, 2022 and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Honesty CPA Firm

Auditor: LIN, SHU-LING

Auditor: CHENG, HAN

SFB Approval No.:
Tai Cai Zheng (1) No. 0800051636

FSC Approval No.:
Jin Guan Zheng Shen Zi No. 1080310188

March 29, 2023

SPACE SHUTTLE HI-TECH CO., LTD.
Parent Company Only Balance Sheets
For the Years Ended December 31, 2022 and 2021

Unit: Amounts expressed in thousands of New Taiwan Dollars

Code	Asset	Note	December 31, 2022 Amount	%	December 31, 2021 Amount	%
	Current assets					
1100	Cash and cash equivalents	4, 6 (1)	$ 96,822	6.17	$ 39,376	2.15
1170	Accounts receivable, net	4, 5, 6 (2)	41,069	2.62	10,126	0.55
1180	Net accounts receivable - related parties	4, 5, 6 (2) , 7	-	-	312,925	17.04
1200	Other receivables	4, 9	414	0.03	36,326	1.98
1210	Other receivables - related parties	4, 7	223,733	14.25	160,449	8.74
1220	Income tax assets for the year	4, 5, 6 (18)	68	-	-	-
1476	Other financial assets - current	4, 8	35,710	2.27	95,646	5.21
1479	Other current assets - others	9	1,852	0.12	1,758	0.10
11xx	Total current assets		399,668	25.46	656,606	35.77
	Non-current assets					
1517	Financial assets at fair value through other comprehensive income - non-current	4, 5, 6 (4) , 12 (2)	50,620	3.22	62,079	3.38
1550	Investments using the equity method	4, 6 (5)	1,007,555	64.17	995,962	54.26
1600	Property, plant and equipment	4, 6 (6), 8	104,709	6.67	108,725	5.92
1840	Deferred income tax assets	4, 5, 6 (18)	7,331	0.47	12,053	0.66
1900	Other non-current assets		184	0.01	217	0.01
15xx	Total non-current assets		1,170,399	74.54	1,179,036	64.23
1xxx	Total assets		$ 1,570,067	100.00	$ 1,835,642	100.00

Code	Liabilities and Equity	Note	December 31, 2022 Amount	%	December 31, 2021 Amount	%
	Current liability					
2100	Short-term borrowings	6 (7)	$ 125,000	7.96	$ 356,792	19.45
2150	Notes payable		460	0.03	25	-
2170	Accounts payable		1,411	0.09	2,089	0.11
2180	Accounts payable - related parties	7	36,799	2.34	7,750	0.42
2200	Other payables	9	9,526	0.61	54,203	2.95
2300	Other current liabilities		388	0.02	584	0.03
21xx	Total current liabilities		173,584	11.05	421,443	22.96
	Non-current liabilities					
2570	Deferred income tax liabilities	4, 5, 6 (18)	800	0.06	471	0.03
2600	Other non-current liabilities	4, 5, 6 (8)	388	0.02	7,481	0.40
25xx	Total non-current liabilities		1,188	0.08	7,952	0.43
2xxx	Total liabilities		174,772	11.13	429,395	23.39
	Equity					
3110	Ordinary share capital	6 (9)	1,391,173	88.60	1,391,173	75.79
3200	Capital surplus	6 (10)	5,109	0.33	5,109	0.28
3300	Retained earnings					
3310	Legal reserve		2,560	0.16	-	-
3320	Special reserve		15,630	1.00	-	-
3350	(Accumulated deficit) Unappropriated earnings	6 (11)	(15,204)	(0.97)	25,595	1.39
3400	Other equity	6 (12)	(3,973)	(0.25)	(15,630)	(0.85)
3xxx	Total equity		1,395,295	88.87	1,406,247	76.61
	Total liabilities and equity		$ 1,570,067	100.00	$ 1,835,642	100.00

(See Notes to Parent Company Only Financial Statements)

Chairman: WANG, HSUAN-HUI   Manager: WANG, HSUAN-HUI   Accounting Supervisor: CHEN YI-HUNG

SPACE SHUTTLE HI-TECH CO., LTD.
Parent Company Only Statements of Comprehensive Income

For the Years Ended December 31, 2022 and 2021

Unit: Amounts expressed in thousands of New Taiwan Dollars, except for NT$ for earnings (losses) per share.

Code	Item	Note	2022 Amount	2022 %	2021 Amount	2021 %
4000	Operating income	4, 6 (13), 7	$ 102,429	100.00	$ 392,625	100.00
5000	OPERATING COSTS	6 (3), 4, 6 (15), 7	(96,767)	(94.47)	(377,547)	(96.16)
5900	Gross profit		5,662	5.53	15,078	3.84
5910	Unrealized profit from sales		-	-	(4,904)	(1.25)
5920	Realized profit from sales		2,275	2.22	4,123	1.05
5950	Net profit		7,937	7.75	14,297	3.64
	Operating expenses	6 (15)				
6100	Selling expenses		(1,800)	(1.76)	(1,986)	(0.51)
6200	G&A expenses		(38,048)	(37.14)	(43,074)	(10.97)
6450	Gains on reversal of expected credit impairment losses	4, 6 (2)	1	-	263	0.07
6000	Total operating expenses		(39,847)	(38.90)	(44,797)	(11.41)
6900	Operating loss		(31,910)	(31.15)	(30,500)	(7.77)
	Non-operating income and expenses	4, 6 (14), 7				
7100	Interest income		6,808	6.65	3,139	0.80
7010	Other income		891	0.87	2,622	0.67
7630	Net foreign exchange gain (loss)		21,654	21.14	(6,895)	(1.76)
7050	Finance costs		(4,146)	(4.05)	(5,062)	(1.29)
7070	Share of the profit or loss of subsidiaries, associates and joint ventures recognized using the equity method	6 (5)	(11,523)	(11.25)	145,601	37.09
7000	Total non-operating income and expenses		13,684	13.36	139,405	35.51
7900	Net (loss) profit before tax		(18,226)	(17.79)	108,905	27.74
7950	Income tax expense	4, 6 (18)	(5,138)	(5.02)	(4,213)	(1.07)
8200	Net (loss) profit for the year		(23,364)	(22.81)	104,692	26.67
	Other comprehensive income (loss)					
8310	Items that will not be reclassified subsequently to profit or loss:					
8311	Re-measurement of defined benefit plans		755	0.74	(286)	(0.07)
8316	Unrealized gain or loss on valuation of investments in equity instruments at fair value through other comprehensive income	6 (12)	(11,459)	(11.19)	15,628	3.98
8336	Unrealized gain or loss on valuation of investments in equity instruments of subsidiaries, associates and joint ventures at fair value through other comprehensive income	6 (12)	(9,654)	(9.43)	37,280	9.50
8360	Items that may be reclassified subsequently to profit or loss:					
8361	Exchange differences on translation of foreign operations	6 (12)	32,770	32.00	(8,854)	(2.26)
8300	Other comprehensive income (loss), net		12,412	12.12	43,768	11.15
8500	Total comprehensive income (loss) for the year		$ (10,952)	(10.69)	$ 148,460	37.82
	Earnings (loss) per share					
9750	Basic earnings (loss) per share	6 (19)	$ (0.17)		$ 0.75	
9850	Diluted earnings (loss) per share		$ (0.17)		$ 0.75	

(See Notes to Parent Company Only Financial Statements)

Chairman: WANG, HSUAN-HUI   Manager: WANG, HSUAN-HUI   Accounting Supervisor: CHEN YI-HUNG

SPACE SHUTTLE HI-TECH CO., LTD.
Parent Company Only Statement of Changes in Equity
For the Years Ended December 31, 2022 and 2021

Unit: Amounts expressed in thousands of New Taiwan Dollars

			Retained earnings			Other items of equity		
	Ordinary share capital	Capital surplus	Legal reserve	Special reserve	Unappropriated earnings (Accumulated deficit)	Exchange differences on translation of foreign operations	Unrealized gain (loss) on financial assets at fair value through other comprehensive income	Total equity
Balance at January 1, 2021	$ 1,391,173	$ 5,109	$ -	$ -	$ (78,811)	$ (53,603)	$ (6,081)	$ 1,257,787
Net profit for 2021	-	-	-	-	104,692	-	-	104,692
Other comprehensive income or loss for 2021	-	-	-	-	(286)	(8,854)	52,908	43,768
Balance at December 31, 2021	$ 1,391,173	$ 5,109	$ -	$ -	$ 25,595	$ (62,457)	$ 46,827	$ 1,406,247
Appropriation of earnings								
Appropriation of legal reserve	-	-	2,560	-	(2,560)	-	-	-
Appropriation of special reserve	-	-	-	15,630	(15,630)	-	-	-
Net loss for 2022	-	-	-	-	(23,364)	-	-	(23,364)
Other comprehensive income or loss for 2022	-	-	-	-	755	32,770	(21,113)	12,412
Balance at December 31, 2022	$ 1,391,173	$ 5,109	$ 2,560	$ 15,630	$ (15,204)	$ (29,687)	$ 25,714	$ 1,395,295

(See Notes to Parent Company Only Financial Statements)

Chairman: WANG, HSUAN-HUI　　Manager: WANG, HSUAN-HUI　　Accounting Supervisor: CHEN YI-HUNG

SPACE SHUTTLE HI-TECH CO., LTD.
Parent Company Only Statements of Cash Flows
For the Years Ended December 31, 2022 and 2021
Unit: Amounts expressed in thousands of New Taiwan Dollars

	2022	2021
Cash flows from operating activities		
Net income (loss) before tax for the year	$ (18,226)	$ 108,905
Adjustments for		
Income and expense items that do not affect cash flows		
Depreciation expense	4,016	3,746
Amortization expense	33	22
Gains on reversal of expected credit impairment losses	(1)	(263)
Interest expense	4,146	5,062
Interest income	(6,808)	(3,139)
Share of the profit or loss of subsidiaries, associates and joint ventures recognized using the equity method	11,523	(145,601)
Realized (unrealized) profit from sales	(2,275)	781
Changes in operating assets and liabilities		
Accounts receivable	281,983	15,277
Other receivables	3,004	1,898
Other current assets	(94)	(1,236)
Notes payable	435	(126)
Accounts payable	28,371	7,426
Other payables	(7,921)	5,846
Other current liabilities	(196)	(1,211)
Cash inflow (outflow) generated from operations	297,990	(2,613)
Interest received	5,208	3,144
Interest paid	(4,597)	(5,167)
Income tax paid	(155)	-
Net cash inflow (outflow) from operating activities	298,446	(4,636)
CASH FLOWS FROM INVESTING ACTIVITIES		
Acquisition of property, plant and equipment	-	(2,117)
Refundable deposits	-	213
Other receivables	33,229	(27,230)
Other receivables - related parties	(62,005)	(129,803)
Other financial assets	59,936	55,208
Other non-current assets	-	(1,396)
Net cash inflow (outflow) from investing activities	31,160	(105,125)
Cash flows from financing activities		
Repayments of long-term borrowings	(231,792)	25,912
Other payables	(36,305)	29,358
Other non-current liabilities	(4,063)	(2,426)
Net cash inflow (outflow) from financing activities	(272,160)	52,844
Increase (decrease) in cash and cash equivalents for the year	57,446	(56,917)
Cash and cash equivalents at the beginning of the year	39,376	96,293
Cash and cash equivalents at the end of the year	$ 96,822	$ 39,376

(See Notes to Parent Company Only Financial Statements)

Chairman: WANG, HSUAN-HUI Manager: WANG, HSUAN-HUI Accounting Supervisor: CHEN YI-HUNG

Space Shuttle Hi-Tech co., Ltd

NOTES TO FINANCIAL STATEMENTS

For the Years Ended December 31, 2022 and 2021

(Unless Otherwise Stated in the Notes, Amounts Are Expressed in Thousands of New Taiwan Dollars)

I. GENERAL INFORMATION

Space Shuttle Hi-Tech co., Ltd (hereinafter referred to as the "Company"), incorporated in October 1985 in accordance with the Company Act of the Republic of China, is principally engaged in the re-processing of copper and the manufacture and sales of wires, cables, and optical fiber patch cords. In November 2000, the Company listed its stock on the Taiwan Stock Exchange.

II. APPROVAL OF FINANCIAL STATEMENTS

The accompanying financial statements were approved and authorized for issue by the Board of Directors on March 29, 2023.

III. APPLICATION OF NEW AND AMENDED STANDARDS AND INTERPRETATIONS

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

The application of the IFRSs endorsed and issued into effect by the FSC will not result in significant changes in the accounting policies of the Company.

(II) IFRSs endorsed and issued into effect in 2023 by the FSC

New/Amended/Revised Standards and Interpretations		Effective Date Issued by the IASB
Amendments to IAS 1	"Disclosure of Accounting Policies"	January 1, 2023 (Note 1)
Amendments to IAS 8	"Definition of Accounting Estimates"	January 1, 2023 (Note 2)
Amendments to IAS 12	"Deferred Tax related to Assets and Liabilities arising from a Single Transaction"	January 1, 2023 (Note 3)

Note 1: The amendments are applicable to the annual reporting period beginning after January 1, 2023.

Note 2: The amendments are applicable to changes in accounting estimates and changes in accounting policies occurring in the annual period beginning after January 1, 2023.

Note 3: The amendments are applicable to transactions occurring after January 1, 2022, except for deferred tax recognized on January 1, 2022 for temporary differences in lease and decommissioning obligations.

As of the date of approval of the financial statements, the Company has assessed that the said amendments to standards and interpretations will not have a significant impact on its financial position and financial performance.

(III) IFRSs issued by the IASB but not yet endorsed and issued into effect by the FSC

New/Amended/Revised Standards and Interpretations		Effective Date Issued by the IASB (Note 1)
Amendments to IFRS 10 and IAS 28	“Sale or Contribution of Assets between an Investor and its Associate or Joint Venture”	TBD
Amendments to IAS 16	"Lease Liability in a Sale and Leaseback"	January 1, 2024 (Note 2)
IFRS 17	"Insurance Contracts"	January 01, 2023
IFRS 17	"Insurance Contracts"	January 01, 2023
IFRS 17	"Initial Application of IFRS 17 and IFRS 9 — Comparative Information"	January 01, 2023
Amendments to IAS 1	"Classification of Liabilities as Current or Non-current"	January 01, 2024
Amendments to IAS 1	"Non-current Liabilities with Covenants"	January 01, 2024

Note 1: Unless otherwise stated, the said new/amended/revised standards and interpretations are effective for annual periods beginning on or after their respective effective dates.

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

As of the date of approval of the financial statements, the Company has been continuously assessing the impact of the said amendments to standards and interpretations on its financial position and financial performance, and will disclose the relevant impact when the assessment is completed.

IV. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(I) Statement of Compliance

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

(II) Basis of Preparation

The financial statements have been prepared on the historical cost basis except for financial instruments at fair value and net defined benefit liabilities recognized at the present value of defined benefit obligations less the fair value of plan assets. The historical cost is usually determined at the fair value of the consideration paid to acquire an asset.

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

1. Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities on the measurement date;
2. Level 2 inputs are inputs other than quoted prices included within Level 1 that are observable for an asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices); and
3. Level 3 inputs are unobservable inputs for the asset or liability.

(III) Foreign Currencies

The functional currency of the Company and presentation currency of the financial statements is New Taiwan Dollars (NT$).

When preparing the Company's financial statements, transactions denominated in currencies other than the Company's functional currency are converted and recognized at the exchange rates prevailing at the dates of the transactions. At the end of each reporting period, monetary items denominated in foreign currencies are translated at the rate prevailing at that date; non-monetary items denominated in foreign currencies and carried at fair value are translated at the rate prevailing at the date when the fair values were determined; non-monetary items denominated in foreign currencies and carried at historical cost are not retranslated. Exchange differences arising on the re-translation of non-monetary items are included in profit or loss for the year, except that exchange differences arising on the re-translation of non-monetary items in respect of changes in fair value recognized in other comprehensive income are also recognized in other comprehensive income.

For the purpose of preparing financial statements, the assets and liabilities of the Company's foreign operations are translated into NT$ using exchange rates prevailing at the end of each reporting period. Income and expense items are translated at the average exchange rates for the year or, if exchange rates fluctuate sharply during the year, at the average exchange rates prevailing at the dates of the transactions. The resulting exchange differences are recognized in other comprehensive income and accumulated in equity (attributed to the owners of the Company).

(IV) Classification of Assets and Liabilities as Current or Non-current

Current assets include assets held primarily for the purpose of trading, assets expected to be realized or intended to be sold or consumed in the Company's normal operating cycle, assets expected to be realized within twelve months after the reporting period, and cash and cash equivalents, except that such assets are restricted from being exchanged or used to settle liabilities for at least twelve months after the reporting period. Other assets that are not current assets are non-current assets.

Current liabilities include liabilities held primarily for the purpose of trading, liabilities expected to be settled in the Company's normal cycle, liabilities due to be settled within twelve months after the reporting period, and liabilities for which the Company does not have the right at the end of the reporting period to defer settlement beyond 12 months. Other liabilities that are not current liabilities are non-current liabilities. However, terms of a liability that could, at the option of the counterparty, result in its settlement by the transfer of the Company's own equity instruments do not affect its classification as current or non-current.

(V) Cash and Cash Equivalents

Cash equivalents are investments that can readily be converted into fixed cash at any time and that are about to mature (due within three months from the date of investment) and whose value is rarely affected by changes in interest rates.

(VI) Financial Instruments

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

At initial recognition, the Company measures a financial asset or a financial liability at its fair value plus, in the case of a financial asset or a financial liability not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition or issue of the financial asset or the financial liability. Transaction costs directly attributable to the acquisition or issue of a financial asset or a financial liability at fair value through profit or loss are recognized immediately in profit or loss.

1. Classification and measurement of financial assets

All regular way transactions of financial assets are recognized and de-recognized using settlement date accounting. A regular way transaction is a purchase or sale of a financial asset under a contract whose terms require delivery of the asset within the time frame established generally by regulation or convention in the marketplace concerned.

Financial assets held by the Company are divided into investments in equity instruments at FVTOCI and financial assets at amortized cost.

(1) Investments in equity instruments at FVTOCI

At initial recognition, the Company may make an irrevocable election to designate investments in equity instruments that are not held for trading as at FVTOCI.

Subsequent changes in the fair value of investments in equity instruments at FVTOCI are recognized in other comprehensive income and accumulated in separate components of equity. The cumulative gains or losses on disposed of investments are directly transferred to retained earnings and not reclassified to profit or loss.

Dividends on investments in equity instruments at FVTOCI are recognized in profit or loss when the Company has a right to payment, unless the right to payment clearly represents a recovery of part of the cost of the investment.

(2) Measured at amortized cost

Cash and cash equivalents, notes and accounts receivable (including related parties), other receivables and other financial assets and refundable deposits are measured at amortized cost.

Investments in debt instruments are classified as financial assets at amortized cost if (a) their contractual terms give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding, and (b) they are held in order to collect contractual cash flows.

Subsequent to initial recognition, all financial assets measured at amortized cost are measured at amortized cost, which is equal to the carrying amount calculated with the effective interest method less any loss allowance.

2. Impairment of Financial Assets

Financial assets (including trade receivables) at amortized cost are assessed at the end of the reporting period for expected credit losses.

The loss allowance for trade receivables is measured at an amount equal to lifetime expected credit losses. For a financial asset at amortized cost, if its credit risk has not increased significantly since initial recognition, then a loss allowance is recognized at an amount equal to expected credit losses resulting from possible default events within 12 months after the reporting date; if its credit risk has increased significantly since initial recognition, then a loss allowance is recognized at an amount equal to expected credit losses resulting from all possible default events over the expected life of the financial instrument.

Impairment losses on all financial assets are allocated to reduce their carrying amounts through an allowance account.

3. De-recognition of financial assets

The Company de-recognizes a financial asset only when the contractual rights to the cash flows from the financial asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the financial asset to another entity, or when the control over the asset has been transferred.

On de-recognition of a financial asset in its entirety, the difference between its carrying amount and the sum of any cumulative gains or losses recognized in other comprehensive income plus the received consideration is recognized in profit or loss.

4. Measurement and de-recognition of financial liabilities

Financial liabilities are measured at amortized cost using the effective interest method. The Company discharged a financial liability when the obligation is discharged, canceled or expires. The difference between the carrying amount of a financial liability extinguished and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognized in profit or loss.

(VII) Investments in Subsidiaries

The Company accounts for investments in subsidiaries using the equity method. A subsidiary is an entity controlled by the Company.

Under the equity method, on initial recognition the investment in a subsidiary is recognized at cost, and the carrying amount is increased or decreased to recognize the Company's share of the profit or loss and other comprehensive income of the subsidiary after the date of acquisition. The Company's share of changes in the subsidiary's other comprehensive income is recognized for its proportionate interest in the subsidiary.

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

The Company assesses impairment by considering cash-generating units as a whole based on the financial statements and comparing the recoverable amount with the carrying amount. If the recoverable amount of the asset is increased, a gain will be recognized for the reversal of the impairment loss. However, the increased carrying amount attributable to a reversal of an impairment loss shall not exceed the carrying amount that would have been determined (net of amortization) had no impairment loss been recognized for the asset in prior years. An impairment loss recognized for goodwill shall not be reversed in a subsequent period.

After loss of control over a subsidiary, the Company measures the remaining portion of its investment in the former subsidiary at fair value on the day when control is lost, and the difference between the fair value of the remaining portion of the investment, plus and any disposal price, and the carrying amount of the investment on the day when control is lost is included in profit or loss. In addition, all amounts relating to the subsidiary recognized in other comprehensive income are accounted for on the same basis as the Company must follow in directly disposing of related assets or liabilities.

Unrealized gains or losses resulting from downstream transactions between the Company and its subsidiaries are removed from the financial statements. Any gains or losses arising from the upstream and sidestream transactions between the Company and its subsidiaries are recognized in the financial statements only to the extent that they are not related to the Company's interests in the subsidiaries.

(VIII) Property, Plant and Equipment

Property, plant and equipment are tangible items that are held for use in the production or supply of goods or services, for rental to others, or for administrative purposes and that are expected to be used during more than one period. The cost of an item of property, plant and equipment is recognized as an asset if, and only if: (a) it is probable that future economic benefits associated with the item will flow to the Company; and (b) the cost of the item can be measured reliably. After recognition as an asset, an item of property, plant and equipment is measured at its cost less any accumulated depreciation and any accumulated impairment losses. The said cost includes the cost of dismantling, removing and restoring items of property, plant and equipment and necessary interest expenses incurred from construction in progress.

The Group allocates the amount initially recognized in respect of an item of property, plant and equipment to its significant parts and depreciates separately each such part. The Company recognizes depreciation on a straight-line basis by evenly allocating the balance the cost of an asset over the estimated useful life of the asset less the residual value and reviewing the estimated useful life of the asset, the residual value and the depreciation method at least at the end of each year. In addition, for any fixed asset fully depreciated by law that is still in use, after its useful life is assessed, its residual value will be further depreciated, and the unusable value will be transferred to other losses.

Depreciation is recognized in profit or loss on a straight-line basis over the estimated useful life of an item of property, plant and equipment because it most closely reflects the expected pattern of consumption of the future economic benefits embodied in the asset. Unless it can be reasonably certain that the Company will obtain ownership at the end of the lease term, the leased asset is depreciated over the shorter of the lease term and its useful life. Land is not amortized or depreciated. The depreciable life is 6 to 50 years for buildings and structures, 5 years for transportation equipment, and 2 to 10 years for other equipment.

The gain or loss on arising from the de-recognition of an item of property, plant and equipment is determined as the difference between the net disposal proceeds, if any, and the carrying amount of the asset, and recognized in profit or loss. Any major inspection or overhaul costs recognized are regarded as replacement costs and reported as part of the carrying amount of property, plant and equipment, while other repair and maintenance expenses are recognized in profit or loss.

(IX) Impairment of Non-financial Assets

At the balance sheet date, the Company assesses the recoverable amount of an asset with any indication of impairment, and recognizes an impairment loss when the recoverable amount is lower than its carrying amount. The recoverable amount of an asset is the higher of its fair value less costs of disposal and its value in use. An impairment loss recognized in prior periods for an asset other than goodwill will be reversed up to the amount of such loss if the impairment loss recognized for such asset no longer exists.

(X) Employee Benefits

1. Short-term employee benefits

Liabilities related to short-term employee benefits are measured at undiscounted amounts expected to be paid in exchange for employee services.

2. Post-employment benefits

The Company's retirement policy is applicable to all formally hired employees. The employee retirement reserve fund is fully provided under the management of the supervisory committee of workers' retirement reserve fund and deposited in a special retirement reserve fund account. As the said retirement reserve fund is deposited in the name of the supervisory committee, completely separated from the Company, it is not included in the said financial statements.

Pensions under defined contribution plans are recognized in current expenses when employees serve the Company.

Pensions under defined benefit plans are measured at the cost of providing benefits actuarially calculated using the projected unit credit method. All actuarial gains and losses arising from defined benefit obligations are immediately recognized in other comprehensive income in the period in which they arise. Past service cost is immediately recognized for vested benefits, and non-vested benefits are amortized on a straight-line basis over the average period before the benefits become vested. When defined benefit plans are curtailed or settled, a gain or loss on curtailment or settlement is recognized.

(XI) Leases

The Company assesses whether a contract is (or contains) a lease at the date of the contract.

1. The Company as the lessor

A lease is classified as a finance lease if its terms and conditions transfer to the lessee substantially all the risks and rewards incidental to ownership of an asset. Otherwise, a lease is an operating lease.

Under a finance lease, the lease payments comprise fixed payments and variable lease payments that depend on an index or a rate. The net investment is measured as the sum of the present value of the lease payments receivable and any unguaranteed residual value plus the initial direct costs and presented as a finance lease receivable. Finance income is allocated to each accounting period during the lease term, based on a pattern reflecting a constant periodic rate of return on the net investment at maturity available in each period.

Under an operating lease, the lease payments less any lease incentives are recognized as income on a straight-line basis over the lease term. Initial direct costs incurred in obtaining an operating lease is added to the carrying amount of the underlying asset and recognized as an expense on a straight-line basis over the lease term.

2. The Company as the lessee

Lease payments are recognized as right-of-use assets and lease liabilities at the inception date, except that in the case of leases of low-value underlying assets and short-term leases to which recognition exemption applies, the lease payments are recognized as expenses on a straight-line basis over the lease term.

A right-of-use asset is initially measured at cost (comprising including the amount of the initial measurement of the lease liability, any lease payments made before the commencement date less any lease incentives received, any initial direct costs, and any estimated costs incurred in restoring the underlying asset), and subsequently measured at cost less any accumulated depreciation and any accumulated impairment losses, adjusted for any re-measurement of the lease liability.

The right-of-use asset is depreciated on a straight-line basis from the commencement date to the earlier of the end of its useful life or the end of its lease term.

At the commencement date, a lease liability is measured at the present value of the lease payments (comprising fixed payments (including in-substance fixed payments) less any lease incentives received, variable lease payments that depend on an index or a rate, amounts expected to be payable by the lessee under residual value guarantee, the exercise price of a purchase option that the lessee is reasonably certain to exercise, and payments of penalties for terminating the lease that have been reflected in the lease term). The lease payments will be discounted using the interest rate implicit in the lease, if that rate can be readily determined. If that rate cannot be readily determined, the lessee will use its incremental borrowing rate.

Subsequently, the lease liability is measured on an amortized cost basis using the effective interest method, and the interest expense is amortized over the lease term. If there is a change in the future lease payments resulting from a change in the lease term, the amount expected to be payable under a residual value guarantee, the assessment of an option to purchase the underlying asset, or the index or rate used to determine the lease payments, the Company will re-measure the lease liability and adjust the right-of-use asset accordingly. However, if the carrying amount of the right-of-use asset is reduced to zero, any remaining amount of the re-measurement will be recognized in profit or loss. Lease liabilities is presented separately in the balance sheet.

Variable lease payments that do not depend on an index or a rate are recognized as an expense when they occur.

(XII) Revenue

After identifying the performance obligations in the contract with a customer, the Company allocates the transaction price to each performance obligation, and recognizes revenue when each performance obligation is satisfied.

1. Revenue from the sale of goods

Revenue from the sale of goods is derived from the sale of various wires, cables and copper materials. Products sold by the Company are recognized as revenue and accounts receivable at the time of shipment.

(XIII) Income Taxes

Tax expense is the aggregate amount in respect of current tax and deferred tax.

1. Current tax

Income taxes are assessed on an annual basis, and tax expenses are calculated on pre-tax benefits using tax rates and tax laws enacted or substantively enacted by the end of the reporting period.

An income tax on unappropriated earnings calculated in accordance with tax laws is recognized as a tax expense for the year of resolution of the shareholders' meeting.

An adjustment to the income taxes payable in the previous year is included in current tax.

2. Deferred tax

A deferred tax is recognized based on the temporary differences between the carrying amount of an asset and liability recorded in the financial statements and the tax basis for calculating taxable income. A deferred tax liability is generally recognized for all taxable temporary differences, while a deferred tax asset is recognized for all deductible temporary differences to the extent that it is probable that tax profit will be available against which the temporary differences and tax losses can be utilized. A deferred tax asset or liability will not be recognized if temporary differences arise from the initial recognition of goodwill or the initial recognition of other assets or liabilities in a transaction is not a business combination and which, at the time of the transaction, affects neither accounting profit or taxable profit.

A deferred tax liability is recognized for taxable temporary differences associated with investments in subsidiaries, except to the extent that the Company is able to control the timing of the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. A deferred tax asset for all deductible temporary differences associated with such investments and interests is recognized only to the extent that taxable profit will be available against which the temporary difference can be utilized and the temporary difference will reverse in the foreseeable future.

The carrying amount of a deferred tax asset is reviewed at the end of each reporting period and will be reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow the benefit of part or all of that asset to be utilized. The carrying amount of those temporary differences not recognized as a deferred tax asset is also reviewed at the end of each reporting period and will be increased to the extent that it is probable that taxable profit will be available to allow the benefit of part or all of that asset to be utilized.

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

V. CRITICAL ACCOUNTING JUDGMENTS, ASSUMPTIONS, AND KEY SOURCES OF ESTIMATION UNCERTAINTY

When the accounting policies described in Note 4 are adopted, the Company's management is required to make judgments, estimates and assumptions at the end of the reporting period that will affect the disclosure of the reported amounts of revenue, expenses, assets, liabilities and contingent liabilities. The estimates and associated assumptions are based on historical experience and other factors that are considered relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the year in which the estimate is revised if the revision affects only that year, or in the year of the revision and future years if the revision affects both current and future years.

Information about other key sources of uncertainty about the estimates and assumptions made about the future has a significant risk of resulting in a material adjustment to the carrying amounts of assets and liabilities within the next financial year. More description will be presented below.

1. Estimated impairment of financial assets

   The estimated impairment of accounts receivable is based on the Company's assumptions about the default rate and expected loss rate. The Company considers historical experience, current market conditions and forward-looking information to make assumptions and select inputs for impairment assessments. See Note 6.2 for important assumptions and inputs adopted. If actual future cash flows are less than expected, significant impairment losses may arise.

2. Estimated Impairment of Financial Assets

   In assessing the impairment of assets, the Company needs to determine the independent cash flows of specific asset groups, the useful life of assets, and possible future income, expenses and losses based on subjective judgments and the pattern of using assets and industry characteristics. Any changes in assessment due to changes in economic conditions or the Company's strategy may cause material impairment in the future.

3. Realizability of deferred tax assets

   Deferred tax assets are recognized only when it is probable that sufficient taxable profit will be available against which deductible temporary differences can be utilized. In the assessment of the realizability of deferred tax assets, management's significant accounting judgments and estimates, including assumptions about expected future growth in revenue from the sale of goods and profit margin, tax holidays, unused tax credits, and tax planning are involved. Any changes in the global economic environment, industrial environment and laws and regulations may cause significant adjustments to deferred tax assets.

   Deferred tax liabilities are arising from taxable temporary differences associated with the profit of subsidiaries. The Company has decided to recognize deferred tax liabilities when such profit is distributed in the foreseeable future.

4. Calculation of accrued pension liabilities

When calculating the present value of defined benefit obligations, the Company is required to use judgments and estimation to determine relevant actuarial assumptions at the balance sheet date, including the discount rate and the expected rate of return on plan assets. Any changes in actuarial assumptions may significantly affect the amount of the Company's defined benefit obligations.

5. Fair value measurement and valuation process

When there are no quoted prices for assets and liabilities measured at fair value in active markets, the Company has decided to outsource valuation and determine appropriate fair value valuation techniques in accordance with applicable laws or judgments.

The fair value of shares of unlisted companies held by the Company is mainly estimated with reference to the analysis of the financial position and operating results of the investees, recent financing activities, valuation of similar companies, market conditions and other economic indicators. Any changes in judgments and estimates may affect the measurement of its fair value.

VI. SUMMARY OF IMPORTANT ACCOUNTING ITEMS

(I) Cash and Cash Equivalents

	December 31, 2022		December 31, 2021	
Cash on hand and petty cash	$	147	$	146
Check deposits and demand deposits		62,403		34,174
Time deposits		34,272		5,056
Total	$	96,822	$	39,376

1. The Company trades with a number of financial institutions proven to have solid credit ratings to spread credit risk. The possibility of default is expected to be very low. The amount of credit risk exposure at the balance sheet date is limited to the carrying amount of cash and cash equivalents.
2. The range of market rates for time deposits above at the end of the reporting period is presented as follows:

December 31, 2022	December 31, 2021
4.10%-4.62%	0.12%-0.12%

3. Cash and cash equivalents have not been pledged as collateral.

(II) Accounts Receivable

	December 31, 2022		December 31, 2021	
Gross carrying amount at amortized cost	$	41,105	$	10,163
Less: Loss allowance		(36)		(37)
Total	$	41,069	$	10,126
Accounts receivable - related parties	$	-	$	312,925
Less: Loss allowance		-		-
Total	$	-	$	312,925

The Company sells goods for payment on a monthly basis with an average credit period of 30 to 150 days. Accounts receivable are not interest-bearing. To mitigate credit risk, the Company's management assigns a special team for determining credit limits, credit approval and other monitoring procedures, to ensure that proper measures are taken to recover overdue receivables. In addition, the Company reviews the recoverable amount of receivables one by one at the end of the reporting period, to ensure that unrecoverable receivables have been appropriately derogated.

The Company recognizes a loss allowance for accounts receivable at an amount equal to lifetime expected credit losses, using the simplified approach in IFRS 9. Lifetime expected credit losses are calculated using a provision matrix, taking into account the customer's default history and current financial position. According to the Company's historical credit loss experience, the Company's customers in different industries have different credit losses, so the provision matrix will set different expected credit loss rates for customers in different industries and the number of days that a trade receivable is past due.

If there is evidence that a counterparty is suffering serious financial difficulty and the Company cannot reasonably expect to recover the recoverable amount, then the Company will directly recognize a loss allowance in full for accounts receivable at an amount equal to expected credit losses, but will continue to recover the recoverable amount.

1. Loss allowances for accounts and notes receivable (including related parties) measured at expected credit loss rates

December 31, 2022	Gross carrying amount	Less: Loss allowance	Amortized cost	Expected credit loss rate
Not past due	$ 41,070	$ (1)	$ 41,069	0.00%
Past due				
270 days or more past due	35	(35)	-	100%
Total	$ 41,105	$ (36)	$ 41,069	

December 31, 2021	Gross carrying amount	Less: Loss allowance	Amortized cost	Expected credit loss rate
Not past due	$ 323,053	$ (2)	$ 323,051	0.02%
Past due				
270 days or more past due	35	(35)	-	100%
Total	$ 323,088	$ (37)	$ 323,051	

2. Changes in loss allowance

	2022	2021
Opening balance	$ (37)	$ (300)
Gains on reversal of expected credit losses	1	263
Closing balance	$ (36)	$ (37)

(III) Inventories

1. The operating costs related to inventories for 2022 and 2021 are presented as follows:

	2022	2021
Inventories transferred to operating costs	$ 96,767	$ 377,547

2. The Company's inventories have not been pledged as collateral.

(IV) Financial Assets at FVTOCI

Item	December 31, 2022	December 31, 2021
Investments in foreign unlisted shares	$ 34,600	$ 34,600
Financial assets at FVTOCI	16,020	27,479
Total	$ 50,620	$ 62,079

1. The Company has invested in the shares of foreign non-listed companies for a medium and long-term strategy and expects to make profit through long-term investments. In the opinion of the Company's management, including short-term fair value fluctuations of such investments in

profit or loss it is inconsistent with the said long-term investment plan, so such investments are designated as at FVTOCI. See Note 12.2.4 for fair value and current valuation adjustments.

2. The Company's financial assets at FVTOCI have not been pledged as collateral.

(V) Equity Method Investments

1. The Company's equity method investments are presented as follows:

Subsidiary	Business scope	Place of incorporation and operation	December 31, 2022 Amount		December 31, 2022 Percentage of ownership	December 31, 2021 Amount		December 31, 2021 Percentage of ownership
SPACE SHUTTLE (HK) HI-FI WIRE & CABLE INDUSTRY CO., LIMITED	General investment and sales	Hong Kong	$	477,067	100%	$	450,572	100%
SPACE SHUTTLE HI-TECH CO., LTD	General investment	Samoa		530,488	100%		545,390	100%
Total			$	1,007,555		$	995,962	

2. The Company's share of the (profit) loss of subsidiaries recognized using the equity method is the profit or loss of such subsidiaries on investments recognized in the financial statements audited by the Company's CPAs for the same period. The Company's share of the profit or less of subsidiaries for 2022 and 2021 is presented as follows:

Subsidiary	2022		2021	
SPACE SHUTTLE (HK) HI-FI WIRE & CABLE INDUSTRY CO., LIMITED	$	11,939	$	96,285
SPACE SHUTTLE HI-TECH CO., LTD		(23,462)		49,316
Total	$	(11,523)	$	145,601

3. The Company has otherwise prepared the consolidated financial statements of the parent and subsidiaries for 2022 and 2021.

(VI) Property, Plant and Equipment

	Land		Buildings and structures		Transportation equipment		Miscellaneous equipment		Total
Cost									
Balance at January 1, 2022	$	50,540	$	55,806	$	3,670	$	3,098	$	113,114
Addition		-		-		-		-		-
Disposal		-		-		-		(78)		(78)
Balance at December 31, 2022		50,540		55,806		3,670		3,020		113,036
Accumulated depreciation and impairment										
Balance at January 1, 2022		-		2,412		979		998		4,389
Depreciation expense		-		2,350		734		932		4,016
Disposal		-		-		-		(78)		(78)
Balance at December 31, 2022		-		4,762		1,713		1,852		8,327
Net amount at December 31, 2022	$	50,540	$	51,044	$	1,957	$	1,168	$	104,709

	Land	Buildings and structures	Transportation equipment	Miscellaneous equipment	Total
Cost					
Balance at January 1, 2021	$ 50,540	$ 44,429	$ 3,670	$ 1,223	$ 99,862
Addition	-	855	-	1,262	2,117
Disposal	-	-	-	(220)	(220)
Reclassification	-	10,522	-	833	11,355
Balance at December 31, 2021	50,540	55,806	3,670	3,098	113,114
Accumulated depreciation and impairment					
Balance at January 1, 2021	-	293	245	325	863
Depreciation expense	-	2,119	734	893	3,746
Disposal	-	-	-	(220)	(220)
Balance at December 31, 2021	-	2,412	979	998	4,389
Net amount at December 31, 2021	$ 50,540	$ 53,394	$ 2,691	$ 2,100	$ 108,725

1. See Note 8 for the said property, plant and equipment pledged as collateral.

(VII) Short-term Borrowings

Nature of loan	December 31, 2022	Interest rate range
Bank loan		
Secured loan	$ 125,000	1.73%-1.88%

Nature of loan	December 31, 2021	Interest rate range
Bank loan		
Loan for material purchase	$ 121,792	1.22%-1.32%
Secured loan	235,000	1.02%-4.20%
Total	$ 356,792	

See Note 8 for guarantees for the said short-term borrowings.

(VIII) Post-employment Benefit Plans

1. Defined contribution plans

Pursuant to the Labor Pension Act, for employees that have participated in any defined contribution plan managed by the government, the Company should make monthly contributions equal to at least 6% of each employee's monthly salary to each of their pension accounts. As per the employee retirement measures in the Act, the Company has allocated 6% of each employee's salary to the individual pension account managed by the Bureau of Labor Insurance, Ministry of Labor. The total amount that should be contributed by the Company at the percentage specified in the definite contribution plan and has been recognized in the Statements of Comprehensive Income for 2022 and 2021 was NT$813 thousand and NT$714 thousand, respectively.

2. Defined benefit plans

The pension system adopted by the Company under the Labor Standards Act is a defined benefit plan managed by the government. Based on an employee's length of service and average monthly salary for the last six months prior to retirement, the Company should every month allocate 2% of the employee's total monthly salary to a special account of the Bank of Taiwan under the administration of and in the name of the Labor Pension Fund Supervisory Committee. Before the end of each year, if, upon assessment by the Company, the balance of the special account is not enough for the Company to pay retirement benefits to employees expected to retire in the next year, the Company will allocate the difference in one appropriation before the end of next March. This special account is managed by the Bureau Of Labor Funds, Ministry Of Labor as authorized by the Company, free from any intervention of the Company in the investment management strategy. Pension costs recognized by the Company for 2022 and 2021 were NT$117 thousand and NT$126 thousand, respectively.

(1) Amounts included in the balance sheets in respect of the Company's obligations arising from the defined benefit plan are presented as follows:

	December 31, 2022		December 31, 2021	
Present value of allocated defined benefit obligations	$	(5,337)	$	(11,066)
Fair value of plan assets		4,949		5,861
Net liability recognized in the balance sheet	$	(388)	$	(5,205)

(2) Movements in the present value of defined benefit obligations are presented as follows:

	2022		2021	
Opening balance	$	(11,066)	$	(10,588)
Current service cost		(97)		(96)
Interest cost		(52)		(53)
Actuarial loss		349		(329)
Benefit paid from plan assets		4,015		-
Benefit directly paid by the Company		1,514		-
Closing balance	$	(5,337)	$	(11,066)

(3) Movements in the fair value of plan assets are presented as follows:

	2022		2021	
Opening balance	$	5,861	$	3,240
Interest income		32		23
Expected return on plan assets		406		43
Contributions from the employer		2,665		2,555
Benefit paid from plan assets		(4,015)		-
Closing balance	$	4,949	$	5,861

(4) The Company's actuarial gains (losses) recognized in the Statements of Comprehensive Income for 2022 and 2021 was NT$755 thousand and NT$286 thousand, respectively.

(5) As of December 31, 2022 and December 31, 2021, the Company's cumulative actuarial losses recognized in other comprehensive income were NT$9,606 thousand and NT$10,361 thousand, respectively.

(6) The Company is exposed to the following risks due to the pension system under the Labor Standards Act:

a. Investment risk: The Bureau Of Labor Funds, Ministry Of Labor has invested labor pension funds in domestic (foreign) equity securities, debt securities, and bank deposits by itself or through a third party. However, the return on the Company's plan assets is calculated at no lower than the local bank's 2-year time deposit rate.

b. Interest rate risk: A decrease in the government bond interest rate will increase the present value of the defined benefit obligation; however, this will be partially offset by an increase in the return on plan assets from debt investments.

c. Salary risk: The present value of defined benefit obligations is calculated by reference to the future salary of plan participants. As such, an increase in the salary of the plan participant will therefore increase the present value of defined benefit obligations.

(7) The present value of the Company's defined benefits is calculated by qualified actuaries. The major assumptions about actuarial valuation on the measurement date are presented as follows:

	December 31, 2022	December 31, 2021
Discount rate	1.5000%	0.6250%
Expected salary increase rate	1.5000%	1.5000%

If each of the major actuarial assumptions is subject to reasonably possible changes, and all other assumptions remain unchanged, the present value of defined benefit obligations will increase (decrease) by the following amounts:

	December 31, 2022	December 31, 2021
Discount rate		
0.25% increase	$ (120)	$ (247)
0.25% decrease	$ 124	$ 256
Expected salary increase rate		
0.25% increase	$ 122	$ 248
0.25% decrease	$ (119)	$ (241)

As actuarial assumptions may be correlated, it is unlikely that only a single assumption would occur in isolation of one another. The sensitivity analysis above may not reflect the actual changes in the present value of defined benefit obligations. The Company expects to allocate NT$5 thousand to the defined benefit plan within one year after December 31, 2022. The average duration of defined benefit obligations is 9.2 years.

(IX) Share Capital

As of December 31, 2022 and 2021, the Company's authorized capital and total paid-in capital was NT$4,200,000 thousand and NT$1,391,173 thousand respectively. The paid-in capital was divided into 139,117 thousand shares, with a face value of NT$10 per share, all of which were ordinary shares.

(X) Capital Surplus

1. Capital surplus arising from the issuance of ordinary shares in excess of their par value, conversion of corporate bonds and treasury share transactions as well as donations may be used to offset a deficit or, when the Company incurs no deficit, to distribute cash dividends, or be allocated to share capital (limited to a certain percentage of the Company's paid-in share capital once a year). Capital surplus in respect of equity method investments, employee stock options and stock options shall not be used for any purpose.
2. The components of capital surplus are presented as follows:

	December 31, 2022	December 31, 2021
Capital surplus - long-term investments	$ 5,109	$ 5,109

(XI) Retained Earnings

1. Legal reserve

A legal reserve shall be appropriated until its balance equals the Company's total paid-in share capital. The legal reserve can be used to offset a deficit. When the Company incurs no deficit, the legal reserve may be allocated to share capital and distributed in cash for the portion in excess of 25% of the total paid-in capital.

2. Special reserve

In appropriation of earnings, the Company shall first set aside a special reserve for the debit balance of other equity items by law at the balance sheet date. When the debit balance of other equity items is reversed later, the reversed amount may be included in appropriable earnings.

3. Appropriation of earnings

According to Article 20 of the Company's Articles of Incorporation, the annual appropriation of earnings shall be carried out in the order and with restrictions as follows:

(1) Paying income tax.
(2) Covering losses for previous years.
(3) Setting aside legal reserve at 10% of the earnings.
(4) Setting aside special reserve by law.
(5) Any earnings left and unappropriated earnings at the beginning of the same period may be distributed in the form of cash dividends or stock dividends subject to proposal by the board of directors and resolution by the shareholders' meeting. However, the portion of unappropriated earnings distributed in the form of stock dividends shall not exceed 50% of the dividend tax payable.

On June 24, 2022, the Company held a shareholders' meeting to resolve the appropriation of 2021 earnings as follows:

Item	Appropriation of earnings	
Legal reserve	$	2,560
Special reserve		15,630
Total	$	18,190

(XII) Other Equity Items

1. Exchange differences on translation of foreign operations

	2022		2021	
Opening balance	$	(62,457)	$	(53,603)
Exchange differences on translation of foreign operations		32,770		(8,854)
Closing balance	$	(29,687)	$	(62,457)

Exchange differences on translation of the net assets of a foreign operation from its functional currency to the Company's presentation currency (i.e. NTD) are directly recognized as exchange differences on translation of that foreign operation under other comprehensive income. The cumulative amount of exchange differences on translation of that foreign operation are reclassified to profit or loss on disposal of that foreign operation.

2. Unrealized gains or losses on financial assets at FVTOCI

	2022	2021
Opening balance	$ 46,827	$ (6,081)
Unrealized gains or losses on valuation of investments in equity instruments at FVTOCI	(11,459)	15,628
Share of the other comprehensive income of subsidiaries recognized using the equity method	(9,654)	37,280
Closing balance	$ 25,714	$ 46,827

(XIII) Revenue

1. Contracts with customers

The Company mainly derives its revenue from the sale of wires and copper materials for 3C products. Goods are sold under fixed-price contracts.

2. Breakdown of revenue from contracts with customers

For the analysis of revenue from the sale of major products, see the SCHEDULES OF IMPORTANT ACCOUNTING ITEMS.

(XIV) Other Revenue, Other Gains and Losses and Finance Costs

1. Other revenue

	2022	2021
Revenue arising from the use of royalties	$ 548	$ 2,170
Other revenue	343	452
Total	$ 891	$ 2,622

2. Finance costs

	2022	2021
Interest expense	$ 4,146	$ 5,062

(XV) Summary of Employee Benefits, Depreciation and Amortization by Function

Nature / Function	2022 Part of operating costs	2022 Part of operating expenses	2022 Total	2021 Part of operating costs	2021 Part of operating expenses	2021 Total
Employee benefits						
Salaries	$ -	$ 18,314	$ 18,314	$ -	$ 22,990	$ 22,990
Labor health insurance premiums	-	1,984	1,984	-	1,811	1,811
Pension costs	-	930	930	-	840	840
Directors' remuneration	-	1,045	1,045	-	2,835	2,835
Other employee benefits	-	855	855	-	1,031	1,031
Depreciation expense	$ -	$ 4,016	$ 4,016	$ -	$ 3,746	$ 3,746
Amortization expense	$ -	$ 33	$ 33	$ -	$ 22	$ 22

1. As of December 31, 2022 and 2021, the Company had 25 and 26 employees, respectively; 6 directors were not employees of the Company.
2. The Company's average employee benefit expenses for 2022 and 2021 amounted to NT$1,162 thousand and NT$1,333 thousand, respectively.

3. The Company's average employee salary for 2022 and 2021 amounted to NT$964 thousand and NT$1,150 thousand, respectively, representing a change of 16.17%.

(XVI) Employees' and Directors' Remuneration

1. According to the current Articles of Incorporation, the Company shall allocate remuneration to employees at no less than 5% and no more than 10%, and to directors at no more than 5%, of its net income before tax for the year (before allocation of remuneration to employees and directors) and after covering accumulated losses with a balance. Distribution of employees’ remuneration in stock or cash shall be subject to review by more than two-thirds of all directors and approval by majority of the attending directors and reporting to the shareholders' meeting. In the event of any significant change in the distribution amount resolved by the board of directors, annual remuneration shall be adjusted accordingly.
2. Estimated employees' cash remuneration and director's remuneration for 2022 and 2021 are presented as follows:

	2022	2021
Employees' cash remuneration	$ -	$ 3,541
Director's remuneration	-	1,770
Total	$ -	$ 5,311

The distribution amounts resolved for 2022 and 2021 were not different from the amounts recognized in the consolidated financial statements for 2022 and 2021.

3. Visit TWSE MOPS for more information about proposals passed by the board of directors and resolutions of the shareholders' meeting on employees' remuneration and directors' remuneration.

(XVII) Managers and Employees

1. The Company provides competitive overall remuneration and diverse career development opportunities. In addition to basic salary (including base pay and food allowance), employees' remuneration also includes various allowances and bonuses according to the job nature and reward purposes, such as duty allowance, job bonus, performance bonus, incentive bonus, and appropriation of earnings.
2. The Company adjusts remuneration based on the market level for each position and individual performance to ensure market competitiveness. Under the premise of improving overall operation, team and individual performance, the Company sharing the Company's profit and earnings with employees by flexibly designing various short-term or long-term reward incentive plans for different positions, in order to attract, motivate and plan to cultivate high-quality talents.
3. Employees' remuneration is determined based on factors such as the employee's educational background, expertise and know-all, seniority and experience.

(XVIII) Income Taxes

1. Income tax recognized in profit or loss

(1) Tax (income) expenses recognized in profit or loss comprise the following:

	2022	2021
Current tax:		
for the year	$ 87	$ -
Deferred tax:		
arising from and reversal of temporary differences	5,051	4,213
Tax expenses	$ 5,138	$ 4,213

(2) Accounting profit for the year and current tax liabilities are adjusted as follows:

	2022	2021
Net (loss) profit before tax	$ (18,226)	$ 108,905
Tax calculated at the statutory tax rate	(3,645)	21,781
Tax effects of adjustments		
Taxable and deductible amounts in determining taxable profit	3,645	(21,781)
Withholdings at source	87	-
arising from and reversal of temporary differences	5,051	4,213
Tax expenses recognized in profit or loss	$ 5,138	$ 4,213

2. Current tax assets and liabilities

	December 31, 2022	December 31, 2021
Current tax assets		
Tax refund receivable	$ 68	$ -

3. Deferred tax assets and liabilities

(1) Deferred tax assets

	December 31, 2022	December 31, 2021
Pension costs	-	359
Exchange losses	401	1,044
Tax losses	6,930	10,195
Others	-	455
	$ 7,331	$ 12,053

(2) Deferred tax liabilities

	December 31, 2022	December 31, 2021
Exchange gains	$ 649	$ 471
Pension costs	151	-
	$ 800	$ 471

4. Deferred tax assets and liabilities not recognized in the balance sheet

(1) Information on unrecognized deferred tax assets associated with investments and tax losses

	December 31, 2022	December 31, 2021
arising from the recognition of the share of the investee's losses	$ 6,806	$ 9,194
arising from tax losses	44,983	41,815
Unrecognized deferred tax assets	$ 51,789	$ 51,009
Carryforward of unused tax losses	$ 259,565	$ 260,051
Expiry year	2032	2031

(2) Information on unrecognized deferred tax assets associated with investments

As of December 31, 2022 and 2021, the aggregate amount of taxable temporary differences associated with investments in subsidiaries and not recognized as deferred tax liabilities was NT$322,137 thousand and NT$345,599 thousand, respectively.

5. The Company's profit-seeking enterprise income tax has been approved by the taxing authority until 2020.

(XIX) Earnings (Loss) per Share

Unit: NT$ per share

	2022	2021
Basic earnings (loss) per share	$ (0.17)	$ 0.75
Diluted earnings (loss) per share	$ (0.17)	$ 0.75

Earnings and weighted average number of ordinary shares used to calculate earnings per share are presented as follows:

Net (loss) profit for the year

	2022	2021
attributable to owners of the Company	$ (23,364)	$ 104,692

Number of shares

Unit: Thousands of shares

	2022	2021
Weighted average number of ordinary shares used to calculate earnings per share	139,117	139,117
Potential effects of dilution:		
Employees' remuneration	-	184
Weighted average number of ordinary shares used to calculate earnings per share	139,117	139,301

VII. RELATED-PARTY TRANSACTIONS

In addition to those disclosed in other notes, significant transactions between the Company and related parties are disclosed as follows:

(I) Name and Association of Related Parties

Related party	Relationship with the Company
SPACE SHUTTLE (HK) HI-FI WIRE & CABLE INDUSTRY CO., LIMITED (hereinafter referred to as SPACE SHUTTLE (HK))	Subsidiary
SPACE SHUTTLE HI-TECH CO., LTD (hereinafter referred to as SPACE SHUTTLE)	Subsidiary
DONG GUAN HOU JIE XI TOU SPACE SHUTTLE HI-FI WIRE & CABLE CO., LTD (hereinafter referred to as SPACE SHUTTLE (DONG GUAN))	Sub-subsidiary
DONGGUAN LUCKY FLY CONDUCTOR CO.LTD (hereinafter referred to as LUCKY FLY)	Sub-subsidiary

(II) Significant Transactions with Related Parties

1. Sales

	2022	2021
LUCKY FLY	$ -	$ 361,604

Payments for goods are usually due net 270 days. The trade terms are not significantly different from general sales.

2. Purchases

	2022	2021
SPACE SHUTTLE (HK)	$ 93,187	$ 26,140

Payments for goods are usually due net 90 days. The trade terms are not significantly different from general purchases.

(III) Claims and Debts with Related Parties

1. Accounts receivable - related parties

	December 31, 2022	December 31, 2021
LUCKY FLY	$ -	$ 312,925

2. Accounts payable - related parties

	December 31, 2022	December 31, 2021
SPACE SHUTTLE (HK)	$ 36,799	$ 7,750

(IV) Financing

	December 31, 2022				
	Maximum amount	Closing balance	Interest rate range	Interest income	Interest receivable
SPACE SHUTTLE	$ 66,492	$ -	3%	$ 496	$ -
	(RMB15,000)	(RMB -)			
LUCKY FLY	$ 253,900	$ 220,470	3%	$ 3,846	$ 3,263
	(RMB7,000)	(RMB50,000)			
SPACE SHUTTLE (HK)	$ 65,383	$ -	3%	$ 1,162	$ -
	(RMB14,500)	(RMB -)			

	December 31, 2021				
	Maximum amount	Closing balance	Interest rate range	Total interest	Interest receivable
SPACE SHUTTLE	$ 65,367	$ 65,123	3%	$ 1,416	$ 1,421
	(RMB15,000)	(RMB15,000)			
LUCKY FLY	$ 30,505	$ 30,391	3%	$ 349	$ 349
	(RMB7,000)	(RMB7,000)			
SPACE SHUTTLE (HK)	$ 73,334	$ 62,952	3%	$ 1,220	$ 213
	(RMB17,000)	(RMB14,500)			

(V) Actual Amount Drawn from Endorsements/Guarantees

	December 31, 2022	December 31, 2021
SPACE SHUTTLE (DONG GUAN)	$ -	$ 13,840
LUCKY FLY	241,944	221,440
Total	$ 241,944	$ 235,280

The amount of the said endorsements/guarantees secured by deposits and other property was NT$18,426 thousand and NT$27,680 thousand as of December 31, 2022 and 2021, respectively.

(VI) Information on Management's Remuneration

	2022	2021
Salaries and other short-term employee benefits	$ 9,924	$ 14,450

VIII. ASSETS PLEDGED AS COLLATERAL OR FOR SECURITY

The Company's assets pledged as collateral or for security are presented as follows:

Item	December 31, 2022	December 31, 2021
Other financial assets - time deposits	$ 18,284	$ 66,144
Other financial assets - reserve account deposits	17,426	29,502
Property, plant and equipment	97,231	99,540
Total	$ 132,941	$ 195,186

IX. SIGNIFICANT CONTINGENT LIABILITIES AND UNRECOGNIZED COMMITMENTS

(I) As of December 31, 2022 and 2021, the Company had applied to financial institutions for L/Cs, and there was no opened but unused balance.

(II) For endorsements to associates and guarantees to subsidiaries for their loans with time deposits provided by the Company as of December 31, 2022 and 2021, see Note 7.5.

(III) In November 2015, the Company entered into an agreement with Dongguan Feitai Electronic Co., Ltd. (hereinafter referred to as "Feitai") and Great China, whereby to authorize Feitai and Great China to use the Company's trademarks for pro rata charges and costs. Upon receipt of a PO from any former customer of Feitai, the Company will immediately transfer the order to Great China and Feitai. The Company recognizes sales revenue and costs at net amount under other revenue. Such revenue for 2022 and 2021 was NT$548 thousand and NT$2,170 thousand, respectively. As of December 31, 2022 and 2021, the Company's receivables from the said transactions were NT$19 thousand and NT$33,248 thousand respectively, and payables were NT$748 thousand and NT$37,053, respectively. Receivables and payables are reported under other receivables and other payables respectively.

X. SIGNIFICANT DISASTER LOSSES: None.

XI. SIGNIFICANT SUBSEQUENT EVENTS: None.

XII. OTHER RELEVANT INFORMATION

(I) Capital Risk Management

The Company's strategy in 2022 remained the same as that in 2021, which was to keep the debt-to-capital ratio below 40%. The Company's debt-to-capital ratios as of December 31, 2022 and 2021 are presented as follows:

Item	December 31, 2022	December 31, 2021
Total borrowings	$ 125,000	$ 356,792
Less: Cash and cash equivalents	(96,822)	(39,376)
Net debt	28,178	317,416
Total equity	1,395,295	1,406,247
Total capital	$ 1,423,473	$ 1,723,663
Debt-to-capital ratio	1.98%	18.42%

(II) Information About Financial Products

1. Financial Instruments

The carrying amounts of financial products held by the Company as of December 31, 2022 and 2021 in the balance sheet were equivalent to the estimated fair value of these financial products.

2. Financial risk management policy

(1) The Company's daily operations are subject to various financial risks, including market risk (including exchange rate risk, interest rate risk and price risk), credit risk and liquidity risk. The Company's overall risk management policy places an emphasis on unpredictable events in

financial markets and seeks to minimize potential adverse effects on the Company's financial position and financial performance.

(2) Risk management is carried out by the Finance Department of the Company in accordance with policies approved by the board of directors. The Finance Department is responsible for identifying, assessing and avoiding financial risks through close cooperation with the Company's operations. The board of directors has written principles for overall risk management, and provides written policies for specific areas and matters, such as exchange rate risk, interest rate risk, credit risk, use of derivative and non-derivative financial instruments, and investment of surplus liquidity.

3. Financial risks

(1) Market risk

Exchange rate risk:

Due to cross-border operations, the Company is subject to exchange rate risk arising from various currencies, mainly USD and RMB. Exchange rate risk relates to future commercial transactions, recognized assets and liabilities, and net investments in foreign operations.

The Company's management has established a policy requiring all operations within the Company to manage exchange rate risk relative to its functional currency. The Company should hedge its overall exchange rate risk through its Finance Department. To manage any exchange rate risk associated with future commercial transactions and recognized assets and liabilities, the Company adopts appropriate foreign exchange instruments through its Finance Department. Exchange rate risk arises when future commercial transactions, or recognized assets or liabilities are denominated in a foreign currency that is not the entity's functional currency.

As the Company has investments in some foreign operations, their net assets are subject to foreign currency translation risk. Exchange rate risk associated with the net assets of these foreign operations is mainly managed through borrowings denominated in relevant foreign currencies. See (III) for the sensitivity analysis.

Price risk

Given that the Company's investments are dominated by financial assets at FVTOCI classified in the balance sheet, the Company is exposed to price risk associated with equity instruments. The Company is not subject to commodity price risk. To manage price risk associated with investments in equity instruments, the Company diversifies its investment portfolio, based on limits set by the Company.

Interest rate risk

The Company's interest rate risk arises from borrowings. Borrowings issued at floating rates expose the Company to cash flow interest rate risk, part of which is offset by cash and cash equivalents held at floating rates. Borrowings issued at fixed rates expose the Company to fair value interest rate risk.

The Company simulates multiple plans and analyzes interest rate risk, including consideration of refinancing, renewal of existing positions, other available financing and hedging, to calculate the impact of changes in specific interest rates on profit or loss. For each simulation scenario, the same rate movement is used for all currencies. These simulation plans are applied to the positions of significant interest-bearing liabilities only.

(2) Credit risk

A. Credit risk is the risk of a financial loss incurred by the Company from failure to fulfill any obligations contained in the contract on the part of any customer or counterparty. According to the internally defined credit policy, the Company must conduct management and credit risk analysis for each of its new customers before determining the terms and conditions for payment and delivery. Internal risk control aims to evaluate the credit quality of customers by considering their financial positions, past experience and other factors. The board of directors determines individual risk limits based on internal or external ratings, and regularly monitors the use of credit limits. Credit risk is derived mainly from cash and cash equivalents and deposits with banks and financial institutions, and also from wholesale and retail customers, as well as accounts receivable and committed transactions. For banks and financial institutions, only institutions with an independent rating of A or above will be accepted as counterparties.

B. In 2022 and 2021, no credit limits were exceeded, and management did not expect any significant losses due to the counterparty's non-performance.

C. For the analysis of aging of the Company's financial assets, see Note 6.2 Accounts Receivable.

D. For the analysis of the Company's impaired financial assets, see Note 6 for different types of financial assets.

(3) Liquidity risk

A. Cash flow forecasting is performed by each operation within the Company and summarized by the Company's Finance Department. The Company's Finance Department monitors the forecasting of the Company's liquidity needs to ensure that it has sufficient funds to meet operating needs.

B. The following table shows the Company's non-derivative financial liabilities, and derivative financial liabilities delivered on a net or gross basis, which are grouped according to their maturity dates. Non-derivative financial liabilities are analyzed based on the remaining period from the balance sheet date to the maturity date. Derivative financial liabilities are analyzed based on the remaining period from the balance sheet date to the expected maturity date. Contractual cash flow amounts disclosed in the table below are undiscounted amounts.

Non-derivative financial liabilities December 31, 2022	Less than 1 year	1 to 2 years	2 to 5 years	5 years or more
Short-term borrowings	$ 125,000	$ -	$ -	$ -
Notes payable	460	-	-	-
Accounts payable	1,411	-	-	-
Accounts payable - related parties	36,799	-	-	-
Other payables	9,526	-	-	-

Non-derivative financial liabilities December 31, 2021	Less than 1 year	1 to 2 years	2 to 5 years	5 years or more
Short-term borrowings	$ 356,792	$ -	$ -	$ -
Notes payable	25	-	-	-
Accounts payable	2,089	-	-	-
Accounts payable - related parties	7,750	-	-	-
Other payables	54,203	-	-	-

4. Fair value hierarchy

The table below presents the valuation techniques used to analyze financial instruments measured at fair value. Different levels are defined as follows:

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (as prices) or indirectly (derived from prices).

Level 3: Unobservable inputs for the asset or liability.

The Company's financial assets and liabilities measured at fair value as of December 31, 2022 and 2021 are presented as follows:

December 31, 2022	Level 3
Financial assets:	
Financial assets at FVTOCI - equity securities	$ 50,620

December 31, 2021	Level 3
Financial assets:	
Financial assets at FVTOCI - equity securities	$ 62,079

If there are significant parameters not obtained from observable market data, then such financial instrument falls under Level 3.

Specific valuation techniques used to measure financial instruments include:

(1) Quoted prices or dealer prices for similar instruments.

(2) The fair value of an interest rate exchange transaction is the present value of estimated future cash flows discounted according to an observable yield curve.

(3) Other valuation techniques to determine the fair value of the remaining financial instruments.

Quantitative information on fair value measurement of significant unobservable inputs:

Valuation techniques and inputs for Level 3 fair value measurement

Equity instruments at FVTOCI have multiple significant unobservable inputs. As the significant unobservable inputs of investments are independent of each other, there is no mutual correlation. The quantitative information on significant unobservable inputs as of December 31, 2022 is presented as follows:

Item measured at fair value based on a repeatability basis	Fair value as of December 31, 2022 (in thousands)	Valuation technique	Significant unobservable input	Interval (weighted average)	Relationship between input and fair value
Financial assets at FVTOCI - LIGHTEL	$50,620	Comparable companies method	EBIT multiplier	6.31~29.56 (6.31)	The higher EBIT multiplier, income multiplier, and equity ratio, the higher the fair value.
			Income multiplier	0.78~2.09 (0.78)	
			Equity multiplier	1.23~2.79 (1.23)	
		Option model	Illiquidity discount	30%	The higher the minority discount and illiquidity discount, the lower the fair value.
			Annualized volatility	41.32%	The higher the annualized volatility, the higher the fair value.
			Risk discount rate	11.12%	The higher the risk discount rate, the lower the fair value.

Changes in financial assets at FVTOCI for 2022 and 2021 are presented as follows:

	2022	2021
Opening balance	$ 62,079	$ 46,451
Loss (profit) recognized in other comprehensive income	(11,459)	15,628
Closing balance	$ 50,620	$ 62,079

(III) Foreign Currency Assets and Liabilities with Significant Effects

The following information is summarized and expressed in foreign currencies other than the Company's functional currency. Disclosed exchange rates are the exchange rates from these foreign currencies to the functional currency. Foreign currency assets and liabilities with significant effects are presented as follows:

	December 31, 2022			December 31, 2021		
	Foreign currency	Exchange rate	NTD	Foreign currency	Exchange rate	NTD
Foreign currency monetary assets						
USD	$ 4,063	30.71	$ 124,775	$ 14,780	27.68	$ 409,110
HKD	159	3.938	626	296	3.549	1,051
RMB	52,445	4.4094	231,251	37,262	4.3415	161,773
Foreign currency non-monetary assets						
USD	1,648	30.71	50,610	2,243	27.68	62,086
Foreign currency monetary liabilities						
USD	1,227	30.71	37,681	6,084	27.68	168,405

Exchange gains and losses on monetary assets and liabilities	111年度	110年度
USD	$ 17,595	$ (8,897)
HKD	128	(21)
RMB	3,929	2,028
JPY	2	(5)
Total	$ 21,654	$ (6,895)

	2022		2021	
Financial assets - monetary items	Range of changes	Profit or loss affected	Range of changes	Profit or loss affected
USD	1%	$ 1,248	1%	$ 4,091
Financial liabilities - monetary items				
USD	1%	377	1%	1,684

XIII. ADDITIONAL DISCLOSURES

(I) INFORMATION ON SIGNIFICANT TRANSACTIONS

No.	Item	Table
1	LOANS TO OTHERS	Table 1
2	ENDORSEMENTS/GUARRANTEES PROVIDED	Table 2
3	MARKETABLE SECURITIES HELD (excluding investments in subsidiaries, associates and joint ventures)	Table 3
4	Cumulative purchase or sale of the same security amounting to NT$300 million or more than 20% of the paid-in capital	No
5	Property acquired amounting to NT$300 million or more than 20% of the paid-in capital	No
6	Property disposed of amounting to NT$300 million or more than 20% of the paid-in capital	No
7	TOTAL PURCHASES FROM OR SALES TO RELATED PARTIES OF AT LEAST NT$100 MILLION OR 20% OF THE PAID-IN CAPITAL	No
8	Receivables from related parties amounting to NT$100 million or more than 20% of the paid-in capital	No
9	INTERCOMPANY RELATIONSHIPS AND SIGNIFICANT INTERCOMPANY TRANSACTIONS	Table 5
10	INFORMATION ON INVESTEES (excluding investees in mainland China)	Table 6
11	INFORMATION ON INVESTMENTS IN MAINLAND CHINA	Table 7
12	Information on major shareholders	Table 8

(II) INFORMATION ON INVESTEES

No.	Item	Table
1	LOANS TO OTHERS	Table 1
2	ENDORSEMENTS/GUARRANTEES PROVIDED	No
3	MARKETABLE SECURITIES HELD (excluding investments in subsidiaries, associates and joint ventures)	Table 3
4	Cumulative purchase or sale of the same security amounting to NT$300 million or more than 20% of the paid-in capital	No
5	Property acquired amounting to NT$300 million or more than 20% of the paid-in capital	No
6	Property disposed of amounting to NT$300 million or more than 20% of the paid-in capital	No
7	TOTAL PURCHASES FROM OR SALES TO RELATED PARTIES OF AT LEAST NT$100 MILLION OR 20% OF THE PAID-IN CAPITAL	Table 4
8	Receivables from related parties amounting to NT$100 million or more than 20% of the paid-in capital	No
9	INTERCOMPANY RELATIONSHIPS AND SIGNIFICANT INTERCOMPANY TRANSACTIONS	Table 5
11	INFORMATION ON INVESTEES (excluding investees in mainland China)	No
12	Information on major shareholders	No

(III) INFORMATION ON INVESTMENTS IN MAINLAND CHINA: see Table 7.

1. Limits on investments in mainland China

Cumulative investment amount remitted from Taiwan to mainland China as of the end of the year (Note 1)	Investment amount approved by the Investment Commission, MOEA (Note 2)	Limits on investments in mainland China set by the Investment Commission, MOEA (Note 3)
$ 443,977	$ 533,065	$ 837,177

Note 1: Investment amounts remitted to mainland China over the years are summarized as follows:

(1) The Company indirectly invested US$5,000 thousand to establish DONGGUAN LUCKY FLY CONDUCTOR CO.LTD as share capital through its subsidiary SPACE SHUTTLE HI-TECH CO., LTD., as approved by the Investment Commission, MOEA through Jing Shen Er Zi No. 10100447460 on November 19, 2012. In October 2014, the board of directors resolved to increase investment in DONGGUAN LUCKY FLY CONDUCTOR CO.LTD by US$3,000 thousand through an overseas subsidiary, as approved by the Investment Commission, MOEA through Jing Shen Er Zi No. 10300250240 on October 8, 2014. As of December 31, 2022, the said investments totaling US$8,000 thousand had been fully remitted.

(2) The Company indirectly invested HK$7,000 thousand, and HK$3,372 thousand purchased through XDM with its own funding, to establish Dongguan Feitai Electronic Co., Ltd. as share capital through its subsidiary SPACE SHUTTLE (HK) HI-FI WIRE & CABLE INDUSTRY CO., LIMITED, as approved by the Investment Commission, MOEA through Jing Shen Er Zi No. 10000384740 on September 6, 2011. On September 28, 2015, the Company changed the investment structure by reinvesting in SPACE SHUTTLE HI-TECH CO., LTD. (Seychelles) with the total price of its 100% shares in Dongguan Feitai Electronic Co., Ltd., as approved by the Investment Commission, MOEA through Jing Shen Er Zi No. 10400286960 on November 4, 2015.

As decided by the board of directors, the Company sold 81% shares and some fixed assets in its subsidiary SPACE SHUTTLE HI-TECH CO., LTD.(Seychelles) to GREAT CHINA HI-TECH CO., LTD. on November 30, 2015 as the base date., as approved by the Investment Commission, MOEA through Jing Shen Er Zi No. 10500010820 on January 25, 2016 to cancel US$552 thousand investment. As of December 31, 2022, the total balance of the said investment funds was approximately HK$6,094 thousand.

(3) The Company indirectly invested HK$20,000 thousand and, and HK$15,385 thousand purchased through XDM with its own funding, to establish DONG GUAN HOU JIE XI TOU SPACE SHUTTLE HI-FI WIRE & CABLE CO., LTD as share capital through its subsidiary SPACE SHUTTLE (HK) HI-FI WIRE & CABLE INDUSTRY CO., LIMITED, as approved by the Investment Commission, MOEA through Jing Shen Er Zi No. 10000384730 on September 6, 2011. As of December 31, 2022, the said investments totaling HK$35,385 thousand had been fully remitted.

(4) In 2002, the Company indirectly invested in Zhong Ju Hi-Tech Co., Ltd. through SPACE SHUTTLE (HK) HI-FI WIRE & CABLE INDUSTRY CO., LIMITED, a subsidiary of the Company's subsidiary SPACE SHUTTLE (SINGAPORE) HI-FIWIRE&CABLE INDUSTRY PTE LTD., as approved by the Investment Commission, MOEA through Jing Shen Er Zi No. 091034423 on November 1, 2002. In December 2013, the Company sold 20% shares in Zhong Ju Hi-Tech Co., Ltd. by reducing its shareholding from 50% to 30% for CN¥6,518 thousand, which was recovered on May 4, 2015. In March 2016, as the Company did not participate in a US$2,460 thousand cash capital increase, its shareholding in Zhong Ju was reduced from 30% to 19.15%. In June 2021, as the Company did not

participate in a US$628 thousand cash capital increase, its shareholding was further reduced from 19.15% to 17.53%.

Note 2: The Investment amount approved by the Investment Commission, MOEA included US$11,489 thousand and HK$45,769 thousand.

Note 3: The amount of limits set by the MOEA through Jing Shen Zi No. 09704604680 on August 29, 2008 was 60% of the net worth.

2. Significant transactions

For direct or indirect significant transactions between the Company and its subsidiaries and investees in mainland China for 2022 (which had been written off in preparing the consolidated statements), see INFORMATION ON SIGNIFICANT TRANSACTIONS.

(IV) INFORMATION ON MAJOR SHAREHOLDERS

See Table 8 for shareholders holding 5% or more shares, their shareholdings and shareholding ratios.

XIV. INFORMATION ON OPERATING SEGMENTS

The Company has prepared the audited consolidated financial statements for 2022 and 2021, and disclosed the information on segments in accordance with SFAS No. 41 Disclosure of the Information on Operating Segments.

Space Shuttle Hi-Tech co., Ltd
LOANS TO OTHERS
For the Year Ended December 31, 2022

Table 1 (In Thousands of NT$)

No.	Lender	Borrower	Item	Related party or not	Maximum amount for the year	Closing balance	Actual amount drawn	Interest rate range	Nature of loan	Amount of business dealings	Cause for the need for short-term financing	Provision for bad debts	Collateral		Limits to a borrower	Total limits
													Name	Value		
0	Space Shuttle Hi-Tech co., Ltd	SPACE SHUTTLE (HK) HI-FI WIRE & CABLE INDUSTRY CO., LIMITED	Other receivables	Y	$ 128,860	$ 122,840	$ -	0	Need for short-term financing	$ -	working capital	$ -	No	$ -	$ 139,530	$ 558,118
0	Space Shuttle Hi-Tech co., Ltd	SPACE SHUTTLE HI-TECH CO., LTD	Other receivables	Y	123,795	-	-	0	Need for short-term financing	-	working capital	-	No	-	139,530	558,118
0	Space Shuttle Hi-Tech co., Ltd	DONGGUAN LUCKY FLY CONDUCTOR CO.LTD	Other receivables	Y	322,150	307,100	220,470	3%	Need for short-term financing	-	working capital	-	No	-	139,530	558,118
1	SPACE SHUTTLE (HK) HI-FI WIRE & CABLE INDUSTRY CO., LIMITED	DONG GUAN HOU JIE XI TOU SPACE SHUTTLE HI-FI WIRE & CABLE CO., LTD	Other receivables	Y	161,075	153,550	-	0	Need for short-term financing	-	working capital	-	No	-	139,530	558,118
2	SPACE SHUTTLE HI-TECH CO., LTD	DONGGUAN LUCKY FLY CONDUCTOR CO.LTD	Other receivables	Y	70,740	-	-	0	Need for short-term financing	-	working capital	-	No	-	139,530	558,118

Note 1: Numbers given in column No. are defined as follows:
1. Fill in 0 for the Issuer
2. Investees are numbered sequentially starting from 1 by the Company.

Note 2: Items such as accounts receivable from associates, accounts receivable from related parties, shareholder transactions, advance payments and temporary payments, must be filled in this column if they are loans by nature.

Note 3: The maximum balance for the year and the closing balance are limits, not actual amounts drawn.

Note 4: The nature of loan is defined as follows:
1. Fill in 1 if there are business dealings.
2. Fill in 2 if there is a need for short-term financing.

Note 5: If the nature of loan is in the case of 1, the amount of transactions should be provided. The amount of business dealings is the total amount of business dealings between the lender and the borrower in the most recent year.

Note 6: If the nature of loan is in the case of 2, the cause for the need for a loan and the use of the loan, such as repayment of an existing loan, purchase of equipment and working capital, should be specified.

Note 7: The calculation and amount of limits on loans should be stated.
1. For companies or firms the Company needs to trade with, the amount of a loan shall be limited to 10% of the net worth contained in the Company's financial statements, and the total amount of loans to others shall be limited to 40% of the net worth contained in the Company's financial statements.
2. For companies or firms that need short-term financing, the amount of a loan shall be limited to 10% of the net worth contained in the parent company's financial statements, and the total amount of loans to others shall be limited to 40% of the net worth contained in the parent company's financial statements.

Space Shuttle Hi-Tech co., Ltd
ENDORSEMENTS/GUARANTEES PROVIDED
For the Year Ended December 31, 2022

Table 2 (In Thousands of NT$)

No.	Guarantor	Principal		Limits to a company	Maximum balance for the year	Closing balance	Actual amount drawn	Amount of endorsement/ guarantee secured by property	Cumulative amount of endorsements/ guarantees as a percentage of the net worth contained the latest financial statements	Maximum limits	Parent company's endorsement /guarantee for a subsidiary	A subsidiary's endorsement /guarantee for the parent company	Endorsement /guarantee for a company in mainland China	Remarks
		Name	Relationship											
0	Space Shuttle Hi-Tech co., Ltd	SPACE SHUTTLE (HK) HI-FI WIRE & CABLE INDUSTRY CO., LIMITED	A subsidiary in which the Company directly holds more than 50% ordinary shares	$ 1,395,295	$ 48,323	$ -	$ -	$ -	66.37%	$ 1,395,295	Y	N	N	
		DONG GUAN HOU JIE XI TOU SPACE SHUTTLE HI-FI WIRE & CABLE CO., LTD	A subsidiary in which the Company directly holds more than 50% ordinary shares	1,395,295	67,638	66,141	-	-	66.37%	1,395,295	Y	N	Y	
		DONGGUAN LUCKY FLY CONDUCTOR CO.LTD	A subsidiary in which the Company directly holds more than 50% ordinary shares	1,395,295	943,200	859,880	241,944	18,426	66.37%	1,395,295	Y	N	Y	

Note 1: Numbers given in column No. are defined as follows:
1. Fill in 0 for the Issuer
2. Investees are numbered sequentially starting from 1 by the Company.

Note 2: The relationship between the Guarantor and the Principal may be one of the following 7 types:
1. A company with business dealings.
2. A company in which the Company directly or indirectly holds more than 50% voting shares.
3. A company which directly or indirectly holds more than 50% voting shares in the Company.
4. A company in which the Company directly or indirectly holds 90% or more voting shares.
5. A company and the Company should provide a guarantee to each other as per any contract between peers or co-builders as necessary for contracting projects.
6. A company guaranteed by all shareholders according to their shareholding ratios based on joint investment relations.
7. Peers should be jointly liable for performance bond under a house pre-sale contract in accordance with the Consumer Protection Act.

Note 3: The total amount of endorsements/guarantees shall be limited to 100% of the net worth contained in the Company's financial statements, and the amount of limits on endorsements/guarantees to a company shall be limited to 100% of the net worth contained in the Company's financial statements.

Space Shuttle Hi-Tech co., Ltd

MARKETABLE SECURITIES HELD (excluding investments in subsidiaries, associates and joint ventures)

December 31, 2022

Table 3 (In Thousands of NT$)

Holder	Type and name of securities	Relationship with the issuer	Account	Closing				Remarks
				Number of shares	Carrying amount	Percentage of ownership	Fair value	
Space Shuttle Hi-Tech co., Ltd	Stock LIGHTEL-TECHNOLOGIES, INC.	-	Investments in equity instruments at FVTOCI - current	1,250	$ 50,620	-	$ 50,620	Note 2
SPACE SHUTTLE (HK) HI-FI WIRE & CABLE INDUSTRY CO., LIMITED	Stock SPACE SHUTTLE HI-TECH CO., LTD. (Seychelles)	-	Investments in equity instruments at FVTOCI - current	1,971	-	19.00%	-	Notes 3, 4
	Stock Zhong Ju Hi-Tech Co., Ltd.	-	Investments in equity instruments at FVTOCI - current	-	62,833	17.53%	62,833	Notes 2, 5

Note 1: Marketable securities stated here are defined as shares, bonds, and beneficiary certificates in the scope of IAS 39 "Financial Instruments: Recognition and Measurement" and marketable securities derived from the same.

Note 2: The fair value is the market value calculated according to the valuation model.

Note 3: On September 28, 2015, SPACE SHUTTLE (HK) HI-FI WIRE & CABLE INDUSTRY CO., LIMITED changed its investment structure by reinvesting in SPACE SHUTTLE HI-TECH CO., LTD. (Seychelles) with the total price of its 100% shares in Dongguan Feitai Electronic Co., Ltd., as approved by the Investment Commission, MOEA through Jing Shen Er Zi No. 10400286960 on November 4, 2015. On November 30, 2015, SPACE SHUTTLE (HK) HI-FI WIRE & CABLE INDUSTRY CO., LIMITED sold its 81.00% stake in SPACE SHUTTLE HI-TECH CO., LTD.(Seychelles) to GREATCHINACOM HI-YECH CO., LTD., as approved by the Investment Commission, MOEA through Jing Shen Er Zi No. 10500010820 on January 25, 2016.

Note 4: SPACE SHUTTLE HI-TECH CO., LTD. (Seychelles) is a holding company of 100% investment in Dongguan Feitai Electronic Co., Ltd., which has not improved from sustained loss and has reported accumulated losses in excess of paid-in capital. In this sense, the fair value of Dongguan Feitai Electronic Co., Ltd. is estimated to be 0.

Note 5: Zhong Ju increased capital by US$628 thousand to US$7,428 thousand. However, as the Group did not participate, its shareholding was reduced from 19.15% to 17.53%.

Space Shuttle Hi-Tech co., Ltd

TOTAL PURCHASES FROM OR SALES TO RELATED PARTIES OF AT LEAST NT$100 MILLION OR 20% OF THE PAID-IN CAPITAL

For the Year Ended December 31, 2022

Table 4 (In Thousands of NT$)

Company	Counterparty	Relationship	Transactions				Unusual terms and why		Notes and accounts receivable (payable)		Remarks
			Purchases/ Sales	Amount	% to Total	Payment terms	Unit price	Payment terms	Balance	% to Total	
DONGGUAN LUCKY FLY CONDUCTOR CO.LTD	DONG GUAN HOU JIE XI TOU SPACE SHUTTLE HI-FI WIRE & CABLE CO., LTD	Same ultimate parent company	Sales	$ (192,248)	6.98%	Net 90 days from the invoice date	-	-	$ 40,514	5.92%	Note 1

Note 1: The purchases and sales above between the Company and related parties have been written off in the consolidated financial statements.

Space Shuttle Hi-Tech co., Ltd
INTERCOMPANY RELATIONSHIPS AND SIGNIFICANT INTERCOMPANY TRANSACTIONS
For the Year Ended December 31, 2022

Table 5 (In Thousands of NT$)

No.	Company	Counterparty	Nature of relationship	Intercompany transactions			
				Account	Amount	Terms	As a percentage of consolidated net revenue or total assets
0	Space Shuttle Hi-Tech co., Ltd	SPACE SHUTTLE (HK) HI-FI WIRE & CABLE INDUSTRY CO., LIMITED	1	Purchases	$ 93,187	on general terms	2.97%
		SPACE SHUTTLE (HK) HI-FI WIRE & CABLE INDUSTRY CO., LIMITED	1	Accounts payable	36,799	on general terms	1.73%
		SPACE SHUTTLE (HK) HI-FI WIRE & CABLE INDUSTRY CO., LIMITED	1	Interest income	1,162	on general terms	0.04%
		SPACE SHUTTLE HI-TECH CO., LTD	1	Interest income	496	on general terms	0.02%
		DONGGUAN LUCKY FLY CONDUCTOR CO.LTD	1	Other receivables	220,470	on general terms	10.39%
		DONGGUAN LUCKY FLY CONDUCTOR CO.LTD	1	Accrued revenue	3,263	on general terms	0.15%
		DONGGUAN LUCKY FLY CONDUCTOR CO.LTD	1	Interest income	3,846	on general terms	0.12%
1	SPACE SHUTTLE (HK) HI-FI WIRE & CABLE INDUSTRY CO., LIMITED	DONG GUAN HOU JIE XI TOU SPACE SHUTTLE HI-FI WIRE & CABLE CO., LTD	3	Purchases	91,225	on general terms	2.91%
		DONG GUAN HOU JIE XI TOU SPACE SHUTTLE HI-FI WIRE & CABLE CO., LTD	3	Accounts payable	35,668	on general terms	1.68%
		DONG GUAN HOU JIE XI TOU SPACE SHUTTLE HI-FI WIRE & CABLE CO., LTD	3	Other payables	441	on general terms	0.02%
		DONG GUAN HOU JIE XI TOU SPACE SHUTTLE HI-FI WIRE & CABLE CO., LTD	3	Interest income	2,289	on general terms	0.07%
		DONG GUAN HOU JIE XI TOU SPACE SHUTTLE HI-FI WIRE & CABLE CO., LTD	3	Rental income	6,386	on general terms	0.20%
2	SPACE SHUTTLE HI-TECH CO., LTD	DONGGUAN LUCKY FLY CONDUCTOR CO.LTD	3	Interest income	518	on general terms	0.02%
3	DONGGUAN LUCKY FLY CONDUCTOR CO.LTD	DONG GUAN HOU JIE XI TOU SPACE SHUTTLE HI-FI WIRE & CABLE CO., LTD	3	Accounts receivable	40,514	on general terms	1.91%

(carried over)

(brought forward)

Space Shuttle Hi-Tech co., Ltd

INTERCOMPANY RELATIONSHIPS AND SIGNIFICANT INTERCOMPANY TRANSACTIONS

For the Year Ended December 31, 2022

Table 5 (In Thousands of NT$)

No.	Company	Counterparty	Nature of relationship	Intercompany transactions			
				Account	Amount	Terms	As a percentage of consolidated net revenue or total assets
	DONGGUAN LUCKY FLY CONDUCTOR CO.LTD	DONG GUAN HOU JIE XI TOU SPACE SHUTTLE HI-FI WIRE & CABLE CO., LTD	3	Sales	$ 192,248	on general terms	6.13%

Note 1: Intercompany transactions should be indicated in column No. respectively. Numbers given are defined as follows:

1. 0 represents the parent company.
2. Subsidiaries are numbered sequentially starting from 1 by the Company.

Note 2: The nature of relationship may be one of the following 3 types:

1. From the parent company to a subsidiary.
2. From a subsidiary to the parent company.
3. From a subsidiary to another subsidiary.

Note 3: When calculating transactions as a percentage of consolidated net revenue or total assets, for asset or liability items, calculate the closing balance as a percentage of consolidated total assets; for profit or loss items, calculate cumulative amount for the year as a percentage of consolidated net revenue.

Note 4: The transaction amount has been written off in the consolidated financial statements.

Space Shuttle Hi-Tech co., Ltd
NAMES, LOCATIONS, AND RELATED INFORMATION OF INVESTEES (excluding investees in mainland China)
December 31, 2022

Table 6

Unit: In Thousands of NT$; Number of shares: shares

Investor	Investee	Location	Business scope	Original investment amount		Held at the end of the year			Share of the profit or loss of the investee	Recognized share of the profit or loss of the investee	Remarks
				End of the year	End of last year	Number of shares	Percentage of ownership (%)	Carrying amount			
Space Shuttle Hi-Tech co., Ltd	SPACE SHUTTLE HI-TECH CO., LTD	Samoa	General investment	$ 244,987	$ 244,987	8,000	100.00%	$ 530,488	$ (23,462)	$ (23,462)	Subsidiary
	SPACE SHUTTLE (HK) HI-FI WIRE & CABLE INDUSTRY CO., LIMITED	Hong Kong	General investment and sales	546,243	546,243	130,221	100.00%	477,067	11,939	11,939	Subsidiary
	Total			$ 791,230	$ 791,230			$ 1,007,555	$ (11,523)	$ (11,523)	

Note 1: If a public offering company has a foreign holding company and should mainly use consolidated statements as required by local laws, then information about foreign investees to be disclosed may be disclosed to information related to the holding company only.

Note 2: Other than 1, the following requirements should be followed:

(1) Columns such as "Investee", "Location", "Business scope", "original investment amount" and "Held at the end of the year" should be filled in order from investment by the (public offering) company to investment by each directly or indirectly controlled investee, and the relationship between each investee and the (public offering) company should be indicated in column Remarks (a subsidiary or sub-subsidiary).

(2) In column B of "Share of the profit or loss of the investee", the profit or loss of each investee should be filled in.

(3) In column B of "Recognized share of the profit or loss of the investee", only the profit or loss of each subsidiary directly invested and of each investee valued using the equity method as recognized by the (public offering) company is required. As to the profit or loss of each subsidiary directly invested as recognized, it should be confirmed that the profit or loss of each subsidiary has included its share of the profit or loss of any investee invested by such subsidiary.

Note 3: Any difference between the recognized gains and the profit or loss of the investee is the result of any unrealized profit or loss on internal transactions.

Note 4: The said investees have been included the consolidated financial statements.

Space Shuttle Hi-Tech co., Ltd
INFORMATION ON INVESTMENTS IN MAINLAND CHINA
For the Year Ended December 31, 2022

Table 7 (In Thousands of NT$)

Investee in mainland China	Business scope	Paid-in capital	Form of investment	Cumulative investment amount remitted from Taiwan as of the beginning of the year	Investment amount remitted or recovered for the year		Cumulative investment amount remitted from Taiwan as of the end of the year	Share of the profit or loss of the investee	The Company's direct or indirect shareholding ratio	Recognized share of the profit or loss of the investee	Carrying amount of investment at the end of the year	Share of the profit of the investee repatriated as of the end of the year	Remarks
					Remitted	Recovered							
DONGGUAN LUCKY FLY CONDUCTOR CO.LTD	Production and sales of copper wires.	$ 244,987	2	$ 244,987	$ -	$ -	$ 244,987	$ (24,279)	100.00%	$ (23,135)	$ 530,162	$ -	Note 4
DONG GUAN HOU JIE XI TOU SPACE SHUTTLE HI-FI WIRE & CABLE CO., LTD	Production and sales of information transmission wires.	135,502	2	135,502	-	-	135,502	21,228	100.00%	21,228	288,419	-	

Cumulative investment amount remitted from Taiwan to mainland China as of the end of the year	Investment amount approved by the Investment Commission, MOEA	Limits on investments in mainland China set by the Investment Commission, MOEA
$ 443,977	$ 533,065	$ 837,177

Note 1: The forms of investments include the following three forms. Please indicate which form was adopted:
(1) Direct investment in Chinese
(2) Investment in mainland China through a third-region company (please specify the investment company in the third region).
(3) Otherwise.

Note 2: In column Recognized share of the profit or loss of the investee:
(1) If there is no share of the profit or loss of the investee under preparation, please indicate.
(2) The basis of recognizing share of the profit or loss of the investee includes the following three types. Please indicate which one is applicable.
A. Financial statements audited and verified by an international accounting firm in cooperation with an accounting firm in the Republic of China
B. Financial statements audited and verified by CPAs of the parent company in Taiwan
C. Others.

Note 3: Figures in this table should be reported in NTD.

Note 4: Any difference between the profit or loss of the investee and the recognized share of the profit or loss of the investee is the result of any unrealized gross profit on internal transactions.

Space Shuttle Hi-Tech co., Ltd
INFORMATION ON MAJOR SHAREHOLDERS
December 31, 2022

Table 8

Number of shares: Thousands of shares

Name of major shareholder	Shares	
	Number of shares held	Percentage of ownership
Wang, Kun-Tian	33,207,685	23.87%
Wang, Hsuan-Hui	11,579,000	8.32%
Luo, Chiu-Hsiang	11,100,801	7.97%

Note: The information on major shareholders here covers those shareholders holding at least 5% of the Company's ordinary shares and preferred shares (including treasury shares) delivered without physical registration in aggregate on the last business day at the end of each quarter, as calculated by TDCC. The Company's actual number of shares delivered without physical registration presented in the Company's financial statements may deviate due to a different basis for preparation and calculation. As for any insider share application for holding at least 10% of the Company's shares filed by any shareholder in accordance with the Securities and Exchange Act, then its shareholding includes the shares held by the shareholder and the shares managed by a trust, in which the shareholder had the right to exercise decision-making power over the trust property. For insider share application documents, visit the MOPS.

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Space Shuttle Hi-Tech co., Ltd
STATEMENT OF CASH AND CASH EQUIVALENTS
December 31, 2022
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

Item	Summary	Amount	Remarks
Petty cash		$ 100	
	CNY10,573.00 (CNY:TWD=1:4.4094)	47	
Cash in banks			
Check deposits		26	
Demand deposits		21,481	
Foreign currency deposits			
Foreign currency demand deposits	CNY1,694,911.09 (CNY:TWD=1:4.4094)	7,473	
	USD1,066,659.91 (USD:TWD=1:30.71)	32,757	
	HKD152,024.09 (HKD:TWD=1:3.938)	599	
	JPY173,453 (JPY:TWD=1:0.2324)	40	
Foreign currency check deposits	HKD6,970.00 (HKD:TWD=1:3.938)	27	
Foreign currency time deposits	Interest rate range 4.1%-4.62% USD1,15,978.74 (USD:TWD=1:30.71)	34,272	
Total		$ 96,822	

Space Shuttle Hi-Tech co., Ltd
STATEMENT OF ACCOUNTS RECEIVABLE
December 31, 2022
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

Customer	Summary	Amount	Remarks
AIC	Payment for goods	$ 2,744	
SEIC	Payment for goods	35,720	
Others (Note)	Payment for goods	2,641	
Total		41,105	
Less: Loss allowance		(36)	
Net		$ 41,069	

(Note) The amount of individual customers may be less than 5%.

Space Shuttle Hi-Tech co., Ltd
STATEMENT OF CHANGES IN INVESTMENTS USING THE EQUITY METHOD
December 31, 2022
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

Name	Opening balance		Share of the profit or loss of subsidiaries and associates recognized using the equity method	Exchange differences on translation of foreign operations	Unrealized gains or losses on valuation of investments in equity instruments at FVTOCI	Closing balance			Provision of guarantee or pledge
	Thousands of shares	Amount	Amount	Amount	Amount	Thousands of shares	Percentage of ownership	Amount	
SPACE SHUTTLE HI-TECH CO., LTD.	8,000	$ 545,390	$ (23,462)	$ 8,560	$ -	8,000	100%	$ 530,488	No
SPACE SHUTTLE (HK) HI-FI WIRE & CABLE INDUSTRY CO., LIMITED	130,221	450,572	11,939	24,210	(9,654)	130,221	100%	477,067	No
		$ 995,962	$ (11,523)	$ 32,770	$ (9,654)			$ 1,007,555	

Notes: 1. The items are separately presented by nature, stock name and type.
2. For any investment with assets other than cash, calculations should be indicated in column Remarks.

Space Shuttle Hi-Tech co., Ltd
STATEMENT OF SHORT-TERM BORROWINGS
December 31, 2022
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

Type of loan	Description	Closing balance	Contract term	Interest rate range	Financing amount	Mortgage or guarantee	Remarks
Secured loan	CTBC Bank	$ 30,000	12/20/2022 - 3/20/2023	1.75%	$ 150,000	20% time deposit	
Secured loan	Taichung Bank	60,000	8/8/2022 - 3/16/2023	1.73%	120,000	20% deposit	
Secured loan	Chang Hwa Bank	35,000	3/16/2022 - 3/16/2023	1.88%	70,000	20% on the portion in excess of NT$100 million	
		$ 125,000				Demand deposit	

Notes: 1. Loans of different natures (such as credit loan, mortgage loan, and private loan) should be reported separately.
2. Borrowings from financial institutions, shareholders, employees, related parties and other individuals or institutions should be indicated.

Space Shuttle Hi-Tech co., Ltd
STATEMENT OF REVENUE
For the Year Ended December 31, 2022
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

Item	Amount	Remarks
3C wires	$ 102,429	

Space Shuttle Hi-Tech co., Ltd
STATEMENT OF OPERATING COSTS
For the Year Ended December 31, 2022
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

Item	Amount	
	Subtotal	Total
Cost of goods sold		
Current purchases	96,767	
Total cost of goods sold		$ 96,767

Space Shuttle Hi-Tech co., Ltd
STATEMENT OF SELLING EXPENSES
For the Year Ended December 31, 2022
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

Item	Summary	Amount	Remarks
Salary and wages		$ 1,078	
Insurance premiums		106	
Depreciation expense		116	
Export expense		134	
Others		366	Items with an amount of less than 5% are presented under others.
Total		$ 1,800	

Space Shuttle Hi-Tech co., Ltd
STATEMENT OF G&A EXPENSES
For the Year Ended December 31, 2022
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

Item	Summary	Amount	Remarks
Salaries		$18,096	
Insurance premiums		2,139	
Depreciation expense		3,900	
Labor		4,667	
OTHERS		9,246	Items with an amount of less than 5% are presented under others.
Total		$38,048	

Space Shuttle Hi-Tech co., Ltd
Summary of Employee Benefits, Depreciation and Amortization by Function
For the Year Ended December 31, 2022
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

Function / Nature	2022			2021		
	Part of operating costs	Part of operating expenses	Total	Part of operating costs	Part of operating expenses	Total
Employee benefits						
Salaries	$ -	$ 18,314	$ 18,314	$ -	$ 22,990	$ 22,990
Labor health insurance premiums	-	1,984	1,984	-	1,811	1,811
Pension costs	-	930	930	-	840	840
Directors' remuneration	-	1,045	1,045	-	2,835	2,835
Other employee benefits	-	855	855	-	1,031	1,031
Depreciation expense	$ -	$ 4,016	$ 4,016	$ -	$ 3,746	$ 3,746
Amortization expense	$ -	$ 33	$ 33	$ -	$ 22	$ 22

Notes: 1. As of December 31, 2022 and 2021, the Company had 25 and 26 employees, respectively; 6 directors were not employees of the Company.
2. The Company's average employee benefit expenses for 2022 and 2021 amounted to NT$1,164 thousand and NT$1,333 thousand, respectively.
3. The Company's average employee salary for 2022 and 2021 amounted to NT$964 thousand and NT$1,150 thousand, respectively, representing a change of 16.17%.