

Stock code: 2440

Space Shuttle Hi-Tech CO., Ltd.
Parent Company Only Financial Statements and Independent Auditors' Report
For the Years Ended December 31, 2023 and 2022

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Independent Auditors' Report

To Space Shuttle Hi-Tech CO., Ltd.,

Audit opinions

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, 2023 and 2022 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, 2023 and 2022, and its financial performance and its cash flows for the years then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers.

Basis for Opinion

We conducted our audits in accordance with the Regulations Governing 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 Unconsolidated Financial Statements section of our report. We are independent of the Company in accordance with The Norm of Professional Ethics for Certified Public Accountant of the Republic of China, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements for the year ended December 31, 2023. These matters were addressed in the context of our audit of the unconsolidated 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, 2023 are stated as follows:

Revenue recognition

The Company derives revenue primarily from the re-processing and re-manufacturing of various copper materials, the production and sales of information transmission wires, and the manufacturing and sales of related products. For information on revenue recognition, see Notes 4 and 6 (13) and SCHEDULES OF IMPORTANT ACCOUNTING ITEMS to the accompanying financial statements. In 2023, the Company reported a revenue of NT\$310,722 thousand, up 203.35% 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 Group's revenue recognition and evaluated the design of key control. We determined whether the key control has been implemented effectively.
2. We analyzed the Group'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.

Valuation of investments using the equity method

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 unconsolidated financial statements in accordance with the “Regulations Governing the Preparation of Financial Reports by Securities Issuers,” and for necessary internal control as management determines is necessary to enable the preparation of unconsolidated 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.

Auditor's Responsibilities for the Audit of the unconsolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the unconsolidated 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. Misstatements are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the unconsolidated 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 risk of material misstatement of the unconsolidated financial statements due to fraud or error, design and adopt appropriate countermeasures for the risks assessed, and obtain sufficient and appropriate audit evidence in order to be used as the basis for the 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 the management level.

4. Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
5. Evaluate the overall presentation, structure and content of the unconsolidated financial statements, including relevant notes, and whether the unconsolidated 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 the governance units with statements that we have complied with relevant matters that may reasonably be thought to bear on our independence, and we have also communicated with the governance units on all relationships and other matters (including relevant protective measures) that may be considered to affect the independence of auditors.

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, 2023 and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

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 13, 2024

Space Shuttle Hi-Tech CO., Ltd.
Parent Company Only Balance Sheets
For the Years Ended December 31, 2023 and 2022

Unit: Amounts expressed in thousands of New Taiwan Dollars

Code	Asset	Notes	December 31, 2023		December 31, 2022		Code	Liabilities and Equity	Notes	December 31, 2023		December 31, 2022	
			Amount	%	Amount	%				Amount	%	Amount	%
	Current assets							Current liability					
1100	Cash and cash equivalents	4, 6 (1)	\$ 52,562	3.63	\$ 96,822	6.17	2100	Short-term borrowings	6 (7)	\$ 200,000	13.82	\$ 125,000	7.96
1170	Net value of accounts receivable	4, 5, 6 (2)	2,177	0.15	41,069	2.62	2150	Notes payable		103	0.01	460	0.03
1180	Net accounts receivable - related parties	4, 5, 6 (2), 7	216,977	15.00	-	-	2170	Accounts payable		1,132	0.08	1,411	0.09
							2180	Accounts payable - related parties	7	1,144	0.08	36,799	2.34
1200	Other receivables	4, 9	373	0.03	414	0.03	2200	Other payables	9	9,699	0.67	9,526	0.61
1210	Other receivables - Related party	4, 7	106,137	7.34	223,733	14.25	2300	Other current liabilities		386	0.03	388	0.02
1220	Current tax assets	4, 5, 6 (18)	218	0.02	68	-	21xx	Total current liabilities		<u>212,464</u>	<u>14.69</u>	<u>173,584</u>	<u>11.05</u>
1476	Other financial assets - current	4, 8	26,000	1.79	35,710	2.27		Non-current liabilities					
1479	Other current assets - others	9	4,586	0.32	1,852	0.12	2570	Deferred tax liabilities	4, 5, 6 (18)	320	0.02	800	0.06
11xx	Total current assets		<u>409,030</u>	<u>28.28</u>	<u>399,668</u>	<u>25.46</u>	2600	Other non-current liabilities	4, 5, 6 (8)	800	0.06	388	0.02
							25xx	Total non-current liabilities		<u>1,020</u>	<u>0.08</u>	<u>1,188</u>	<u>0.08</u>
							2xxx	Total Liabilities		<u>213,484</u>	<u>14.77</u>	<u>174,772</u>	<u>11.13</u>
	Non-current assets							Equity					
1517	Financial assets at fair value through other comprehensive income - non-current	4, 5, 6 (4), 12 (2)	36,954	2.55	50,620	3.22	3100	Share Capital					
							3110	Common share capital	6 (9)	1,391,173	96.18	1,391,173	88.60
1550	Investment accounted for using the equity method	4, 6 (5)	894,871	61.87	1,007,555	64.17	3200	Additional paid-in capital	6 (10)	5,109	0.35	5,109	0.33
1600	Property, Plant and Equipment	4, 6(6), 8	100,754	6.97	104,709	6.67	3300	Retained earnings		-	-	2,560	0.16
1840	Deferred tax assets	4, 5, 6 (18)	4,663	0.32	7,331	0.47	3310	Legal reserve					
1900	Other non-current assets		141	0.01	184	0.01		Special reserve		2,986	0.21	15,630	1.00
15xx	Total non-current assets		<u>1,037,383</u>	<u>71.72</u>	<u>1,170,399</u>	<u>74.54</u>	3320	Accumulated deficit	6 (11)	(137,517)	(9.51)	(15,204)	(0.97)
1xxx	Total assets		<u>\$ 1,446,413</u>	<u>100.00</u>	<u>\$ 1,570,067</u>	<u>100.00</u>		Total retained earnings		<u>(134,531)</u>	<u>(9.30)</u>	<u>2,986</u>	<u>0.19</u>
							3400	Other equities	6 (12)	<u>(28,922)</u>	<u>(2.00)</u>	<u>(3,973)</u>	<u>(0.25)</u>
							3xxx	Total equity		<u>1,232,829</u>	<u>85.23</u>	<u>1,395,295</u>	<u>88.87</u>
								Total liabilities and equities		<u>\$ 1,446,413</u>	<u>100.00</u>	<u>\$ 1,570,067</u>	<u>100.00</u>

(See Notes to Parent Company Only Financial Statements)

Chairman: WANG, HSUAN-HUI

Manager: WANG, CHIEN-CHENG

Accounting Supervisor: CHEN, YI-HUNG

Space Shuttle Hi-Tech CO., Ltd.
Parent Company Only Statements of Comprehensive Income

For the Years Ended December 31, 2023 and 2022

Unit: Thousands of NT\$, except for NT\$ for loss per share.

Code	Item	Notes	2023		2022	
			Amount	%	Amount	%
4000	Operating income	4, 6 (13), 7	\$ 310,722	100.00	\$ 102,429	100.00
5000	Operating costs	6 (3), 4, 6 (15), 7	(300,086)	(96.58)	(96,767)	(94.47)
5900	Gross profit		10,636	3.42	5,662	5.53
5920	(Un-)realized profit from sales		(481)	(0.15)	2,275	2.22
5950	Gross operating profit, net		10,155	3.27	7,937	7.75
	Operating expenses	6(15)				
6100	Selling expenses		(1,973)	(0.63)	(1,800)	(1.76)
6200	Administrative expenses		(38,100)	(12.27)	(38,048)	(37.14)
6450	Gains on reversal of expected credit losses	4, 6 (2)	-	-	1	-
6000	Total operating expenses		(40,073)	(12.90)	(39,847)	(38.90)
6900	Operating loss		(29,918)	(9.63)	(31,910)	(31.15)
	Non-operating income and expenses	4, 6 (5), 6 (14), 7, 9				
7100	Interest income		7,399	2.38	6,808	6.65
7010	Other revenue		496	0.16	891	0.87
7630	Net foreign exchange gain (loss)		(7,875)	(2.53)	21,654	21.14
7050	Finance costs		(3,407)	(1.10)	(4,146)	(4.05)
7070	Share of the loss of subsidiaries, associates and joint ventures recognized using the equity method		(101,401)	(32.63)	(11,523)	(11.25)
7000	Total non-operating incomes and expenses		(104,788)	(33.72)	13,684	13.36
7900	Net loss before tax		(134,706)	(43.35)	(18,226)	(17.79)
7950	Tax expenses	4, 6 (18)	(2,770)	(0.89)	(5,138)	(5.02)
8200	Net loss profit for the period		(137,476)	(44.24)	(23,364)	(22.81)
	Other comprehensive income (loss)					
8310	Items not reclassified subsequently to profit or loss					
8311	Remeasurement of defined benefit programs	6 (8)	(41)	(0.01)	755	0.74
8316	Unrealized gains or losses on valuation of investments in equity instruments at FVTOCI	6 (12)	(13,666)	(4.40)	(11,459)	(11.19)
8336	Unrealized gains or losses on valuation of investments in equity instruments of subsidiaries, associates and joint ventures at FVTOCI	6 (12)	943	0.30	(9,654)	(9.43)
8360	Items that may be reclassified subsequently to profit or loss					
8361	Exchange differences on translation of foreign operations	6 (12)	(12,226)	(3.93)	32,770	32.00
8300	Other comprehensive income (loss), net		(24,990)	(8.04)	12,412	12.12
8500	Total comprehensive income (loss) for the year		\$ (162,466)	(52.28)	\$ (10,952)	(10.69)
	Loss per share					
9750	Basic loss per share	6 (19)	\$ (0.99)		\$ (0.17)	

(See Notes to Parent Company Only Financial Statements)

Chairman: WANG, HSUAN-HUI

Manager: WANG, CHIEN-CHENG

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, 2023 and 2022

Unit: Amounts expressed in thousands of New Taiwan Dollars

	Retained earnings					Other items of equity		Total equity
	Common share capital	Additional paid-in capital	Legal reserve	Special reserve	Accumulated deficit	Exchange differences on translation of foreign operations	Unrealized gains or losses on financial assets at FVTOCI	
Balance at January 1, 2022	\$ 1,391,173	\$ 5,109	\$ -	\$ -	\$ 25,595	\$ (62,457)	\$ 46,827	\$ 1,406,247
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
Set-aside of legal reserve to cover losses	-	-	(2,560)	-	2,560	-	-	-
Set-aside of Special surplus reserve to cover losses	-	-	-	(12,644)	12,644	-	-	-
Net loss for 2023	-	-	-	-	(137,476)	-	-	(137,476)
Other comprehensive income or loss for 2023	-	-	-	-	(41)	(12,226)	(12,723)	(24,990)
Balance at December 31, 2023	\$ 1,391,173	\$ 5,109	\$ -	\$ 2,986	\$ (137,517)	\$ (41,913)	\$ 12,991	\$ 1,232,829

(See Notes to Parent Company Only Financial Statements)

Chairman: WANG, HSUAN-HUI

Manager: WANG, CHIEN-CHENG

Accounting Supervisor: CHEN, YI-HUNG

Space Shuttle Hi-Tech CO., Ltd.
Parent Company Only Statements of Cash Flows

For the Years Ended December 31, 2023 and 2022

Unit: Amounts expressed in thousands of New Taiwan Dollars

	2023	2022
Cash flows from operating activities		
Net loss before tax for the year	\$ (134,706)	\$ (18,226)
Adjustments		
Income and expense items that do not affect cash flows		
Depreciation expense	4,040	4,016
Amortization expense	32	33
Gains on reversal of expected credit losses	-	(1)
Interest expense	3,407	4,146
Interest income	(7,399)	(6,808)
Share of the loss of subsidiaries, associates and joint ventures recognized using the equity method	101,401	11,523
(Un-)realized profit from sales	481	(2,275)
Changes in operating assets and liabilities		
Accounts receivable	(178,085)	281,983
Other receivables	(8)	3,004
Other current assets	(2,734)	(94)
Notes payable	(357)	435
Accounts payable	(35,934)	28,371
Other payables	407	(7,921)
Other current liabilities	(2)	(196)
Cash inflow (outflow) generated from operations	(249,457)	297,990
Interest received	8,619	5,208
Interest paid	(3,381)	(4,597)
Income tax paid	(732)	(155)
Net cash inflow (outflow) from operating activities	(244,951)	298,446
Cash flows from investing activities		
Acquisition of Property, Plant and Equipment	(85)	-
Other receivables	-	33,229
Other receivables - related parties	116,425	(62,005)
Other financial assets	9,710	59,936
Other non-current assets	11	-
Net cash inflow from investing activities	126,061	31,160
Cash flows from financing activities		
Making or repayment of short-term borrowings	75,000	(231,792)
Other payables	(260)	(36,305)
Other non-current liabilities	(110)	(4,063)
Net cash inflow (outflow) from financing activities	74,630	(272,160)
Increase (decrease) in cash and cash equivalents for the year	(44,260)	57,446
Cash and cash equivalents at the beginning of the year	96,822	39,376
Cash and cash equivalents at the end of the year	\$ 52,562	\$ 96,822

(See Notes to Parent Company Only Financial Statements)

Chairman: WANG, HSUAN-HUI

Manager: WANG, CHIEN-CHENG

Accounting Supervisor: CHEN, YI-HUNG

Space Shuttle Hi-Tech CO., Ltd.
NOTES TO FINANCIAL STATEMENTS
2023 and 2022

(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 manufacturing and sales of information transmission cables. 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 13, 2024.

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 2024 by the FSC

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

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.

Note 3: On initial application of the amendments, some disclosure requirements will be exempted.

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	TBD
IFRS 17	January 1, 2023
Amendments to IFRS 17	January 1, 2023
Amendments to IFRS 17	January 1, 2023
Amendments to IAS 21	January 1, 2025 (Note 2)

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 amendments are applicable to the annual reporting period beginning after January 1, 2025. On initial application of the amendments, the impact will be recognized in retained earnings on the date of initial application. When a presentation currency other than the functional currency is used by the Company, the impact will be adjusted to the exchange differences of a foreign operation under equity on the date of initial application.

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) Financial assets 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 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 tax

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 an 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 tangible 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, 2023	December 31, 2022
Cash on hand and petty cash	\$ 150	\$ 147
Check deposits and demand deposits	37,707	62,403
Time deposits	14,705	34,272
Total	<u>\$ 52,562</u>	<u>\$ 96,822</u>

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, 2023	December 31, 2022
<u>4.93%</u>	<u>4.10%-4.62%</u>

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

(II) Accounts receivable and accounts receivable - related parties

	December 31, 2023	December 31, 2022
Gross carrying amount at amortized cost	\$ 2,213	\$ 41,105
Less: Loss allowance	(36)	(36)
Total	<u>\$ 2,177</u>	<u>\$ 41,069</u>
Gross carrying amount at amortized cost - related parties	\$ 216,977	\$ -
Less: Loss allowance	-	-
Total	<u>\$ 216,977</u>	<u>\$ -</u>

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

<u>December 31, 2023</u>	Total carrying amount	Loss allowance	Amortized cost	Expected credit loss rate
Not past due	\$ 219,154	\$ (1)	\$ 219,153	0.02%
Past due				
270 days or more past due	36	(35)	1	100%
Total	<u>\$ 219,190</u>	<u>\$ (36)</u>	<u>\$ 219,154</u>	

<u>December 31, 2022</u>	Total carrying amount	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	<u>\$ 41,105</u>	<u>\$ (36)</u>	<u>\$ 41,069</u>	

2. Changes in loss allowance

	2023	2022
Opening balance	\$ (36)	\$ (37)
Gains on reversal of expected credit losses	-	1
Closing balance	<u>\$ (36)</u>	<u>\$ (36)</u>

(III) Inventories

1. The operating costs related to inventories for 2023 and 2022 are presented as follows:

	2023	2022
Inventories transferred to operating costs	<u>\$ 300,086</u>	<u>\$ 96,767</u>

(IV) Financial Assets at FVTOCI

Item	December 31, 2023	December 31, 2022
Investments in foreign unlisted shares	\$ 34,600	\$ 34,600
Financial assets at FVTOCI	2,354	16,020
Total	<u>\$ 36,954</u>	<u>\$ 50,620</u>

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. Upon restructuring of the investee LIGHTEL TECHNOLOGIES, INC. and establishment of LIGHTEL KY, INC., the Group exchanged its shares in LIGHTEL TECHNOLOGIES, INC. for shares in LIGHTEL TECHNOLOGIES, INC. by through a share exchange agreement on September 28, 2023. According to the share exchange agreement, the Group acquired 1,250,000 ordinary shares in LIGHTEL KY, INC. (5.88%).

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

(V) Investment accounted for using the equity method

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

Subsidiary	Business scope	Place of incorporation and operation	December 31, 2023		December 31, 2022	
			Amount	Percentage of ownership	Amount	Percentage of ownership
SPACE SHUTTLE (HK) HI-FI WIRE & CABLE INDUSTRY CO., LIMITED	General investment and sales	Hong Kong	\$ 441,292	100%	\$ 477,067	100%
SPACE SHUTTLE HI-TECH CO.,LTD	General investment	Samoa	453,579	100%	530,488	100%
Total			<u>\$ 894,871</u>		<u>\$ 1,007,555</u>	

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 2023 and 2022 is presented as follows:

Subsidiary	2023	2022
SPACE SHUTTLE (HK) HI-FI WIRE & CABLE INDUSTRY CO., LIMITED	\$ (32,040)	\$ 11,939
SPACE SHUTTLE HI-TECH CO.,LTD	(69,361)	(23,462)
Total	<u>\$ (101,401)</u>	<u>\$ (11,523)</u>

3. The Company has otherwise prepared the consolidated financial statements of the parent and subsidiaries for 2023 and 2022.

(VI) Property, plant and equipment

	Land	Buildings and structures	Transportation equipment	Miscellaneous equipment	Total
<u>Cost</u>					
Balance at January 1, 2023	\$ 50,540	\$ 55,806	\$ 3,670	\$ 3,020	\$ 113,036
Addition	-	-	-	85	85
Disposal	-	-	-	-	-
Balance at December 31, 2023	50,540	55,806	3,670	3,105	113,121
<u>Accumulated depreciation and impairment</u>					
Balance at January 1, 2023	-	4,762	1,713	1,852	8,327
Depreciation expense	-	2,349	734	957	4,040
Disposal	-	-	-	-	-
Balance at December 31, 2023	-	7,111	2,447	2,809	12,367
Net amount at December 31, 2023	\$ 50,540	\$ 48,695	\$ 1,223	\$ 296	\$ 100,754

	Land	Buildings and structures	Transportation equipment	Miscellaneous equipment	Total
<u>Cost</u>					
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
<u>Accumulated depreciation and impairment</u>					
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

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

(VII) Short-term borrowings

Nature of loan	December 31, 2023	Interest rate range
Bank loan		
Secured loan	200,000	1.85%-1.90%
Total	\$ 200,000	
Nature of loan	December 31, 2022	Interest rate range
Bank loan		
Secured loan	125,000	1.73%-1.88%
Total	\$ 125,000	

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 2023 and 2022 was NT\$818 thousand and NT\$813 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 2023 and 2022 were NT\$5 thousand and NT\$117 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, 2023	December 31, 2022
Present value of allocated defined benefit obligations	\$ (5,488)	\$ (5,337)
Fair value of plan assets	5,169	4,949
Net liability recognized in the balance sheet	\$ (319)	\$ (388)

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

	2023	2022
Balance at the beginning of the year	\$ (5,337)	\$ (11,066)
Current service cost	-	(97)
Interest cost	(80)	(52)
Actuarial loss	(71)	349
Benefit paid from plan assets	-	4,015
Benefit directly paid by the Company	-	1,514
Closing balance	\$ (5,488)	\$ (5,337)

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

	2023	2022
Balance at the beginning of the year	\$ 4,949	\$ 5,861
Interest income	75	32
Expected return on plan assets	30	406
Contributions from the employer	115	2,665
Benefit paid from plan assets	-	(4,015)
Closing balance	<u>\$ 5,169</u>	<u>\$ 4,949</u>

- (4) The Company's actuarial gains (losses) recognized in the Statements of Comprehensive Income for 2023 and 2022 was NT\$(41) thousand and NT\$755 thousand, respectively
- (5) As of December 31, 2023 and December 31, 2022, the Company's cumulative actuarial losses recognized in other comprehensive income were NT\$9,647 thousand and NT\$9,606 thousand, respectively.
- (6) The Company is exposed to the following risks due to the pension system under the Labor Standards Act:
- 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.
 - 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.
 - 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, 2023	December 31, 2022
Discount rate	1.2500%	1.5000%
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, 2023	December 31, 2022
Discount rate		
0.25% increase	\$ (114)	\$ (120)
0.25% decrease	\$ 118	\$ 124
Expected salary increase rate		
0.25% increase	\$ 116	\$ 122
0.25% decrease	\$ (113)	\$ (119)

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\$3 thousand to the defined benefit plan within one year after December 31, 2023. The average duration of defined benefit obligations is 8.4 years.

(IX) Share Capital

As of December 31, 2023 and 2022, 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) Additional paid-in capital

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, 2023	December 31, 2022
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 surplus 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. The special surplus reserve may be used to make up for losses. As of December 31, 2023, the balance of the special surplus reserve amounted to NT\$2,986 thousand.

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 21, 2023 and June 24, 2022, the Company approved the appropriation of 2022 profit & loss and the appropriation of 2021 earnings respectively as follows:

Item	2022	2021
	Appropriation of profit & loss	Appropriation of earnings
(Reversal) Set-aside of legal reserve	\$ (2,560)	\$ 2,560
(Reversal) set-aside of special surplus reserve	(12,644)	15,630
Total	<u>\$ (15,204)</u>	<u>\$ 18,190</u>

(XII) Other equities

1. Exchange differences on translation of foreign operations

	2023	2022
Opening balance	\$ (29,687)	\$ (62,457)
Exchange differences on translation of foreign operations	(12,226)	32,770
Closing balance	<u>\$ (41,913)</u>	<u>\$ (29,687)</u>

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

	2023	2022
Opening balance	\$ 25,714	\$ 46,827
Unrealized gains or losses on valuation of investments in equity instruments at FVTOCI	(13,666)	(11,459)
Share of the other comprehensive income of subsidiaries recognized using the equity method	943	(9,654)
Closing balance	\$ 12,991	\$ 25,714

(XIII) Operating income

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 Note 14.

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

1. Other revenue

	2023	2022
Revenue arising from the use of royalties	228	548
Other revenue	268	343
Total	\$ 496	\$ 891

2. Finance costs

	2023	2022
Interest expense	\$ 3,407	\$ 4,146

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

Nature Function	2023			2022		
	Part of operating costs	Part of operating expenses	Total	Part of operating costs	Part of operating expenses	Total
Employee benefits						
Salaries	\$ -	\$ 17,965	\$ 17,965	\$ -	\$ 18,314	\$ 18,314
Labor health insurance premiums	-	1,783	1,783	-	1,984	1,984
Pension costs	-	823	823	-	930	930
Directors' remuneration	-	1,035	1,035	-	1,045	1,045
Other employee benefits	-	1,111	1,111	-	855	855
Depreciation expense	\$ -	\$ 4,040	\$ 4,040	\$ -	\$ 4,016	\$ 4,016
Amortization expense	\$ -	\$ 32	\$ 32	\$ -	\$ 33	\$ 33

- As of December 31, 2023 and 2022, the Company had 26 and 25 employees, respectively; 6 directors were not employees of the Company.
- The Company's average employee benefit expenses for 2023 and 2022 amounted to NT\$1,084 thousand and NT\$1,162 thousand, respectively.

3. The Company's average employee salary for 2023 and 2022 amounted to NT\$898 thousand and NT\$964 thousand, respectively, representing a change of (6.8%).

(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. Due to accumulated losses in 2023 and 2022, there were no estimated employees' cash remuneration and directors' remuneration.
3. The distribution amounts resolved for 2023 and 2022 were not different from the amounts recognized in the financial statements for 2023 and 2022.
4. 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 tax

1. Income tax recognized in profit or loss

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

	2023	2022
Current tax:		
for the year	\$ 582	\$ 87
	582	87
Deferred tax:		
arising from and reversal of temporary differences	2,188	5,051
Tax expenses	\$ 2,770	\$ 5,138

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

	2023	2022
Net loss before tax	\$ (134,706)	\$ (18,226)
Net loss before tax calculated at the statutory tax rate	(26,941)	(3,645)
Tax effects of adjustments		
Items to be increased in determining taxable profit	26,941	3,645
Withholdings at source	582	87
arising from and reversal of temporary differences	2,188	5,051
Tax expenses recognized in profit or loss	\$ 2,770	\$ 5,138

2. Current tax assets

	December 31, 2023	December 31, 2022
Current tax assets		
Tax refund receivable	\$ 218	\$ 68

3. Deferred tax assets and liabilities

(1) Deferred tax assets

	December 31, 2023	December 31, 2022
Gains realized from disposal of financial assets	641	-
Exchange losses	1,552	401
Tax losses	2,374	6,930
Others	96	-
	\$ 4,663	\$ 7,331

(2) Deferred tax liabilities

	December 31, 2023	December 31, 2022
Exchange gains	\$ 147	\$ 649
Pension costs	173	151
	\$ 320	\$ 800

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, 2023	December 31, 2022
arising from the recognition of the share of the investee's losses	\$ 13,214	\$ 6,806
arising from tax losses	43,843	44,983
Unrecognized deferred tax assets	\$ 57,057	\$ 51,789
Carryforward of unused tax losses	\$ 231,086	\$ 259,565
Expiry year	2033	2032

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

As of December 31, 2023 and 2022, the aggregate amount of taxable temporary differences associated with investments in subsidiaries and not recognized as deferred tax liabilities was NT\$252,777 thousand and NT\$322,137 thousand, respectively.

5. The Company's profit-seeking enterprise income tax has been approved by the taxing authority until 2021.

(XIX) Loss per share

	2023	2022
Basic loss per share		
Net loss for the period (in thousands of NT\$)	\$ (137,476)	\$ (23,364)
Weighted average number of outstanding shares (in thousands of shares)	139,117	139,117
Basic loss per share (in NT\$)	\$ (0.99)	\$ (0.17)

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

	2023	2022
LUCKY FLY	\$ 280,445	\$ -

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

2.Purchases

	2023	2022
SPACE SHUTTLE (HK)	\$ 27,614	\$ 93,187

Payments for goods are usually due net 90- 270 days The trade terms are not significantly different from general purchases.

(III) Claims and Debts with Related Parties

(I) Accounts receivable - related parties

	December 31, 2023	December 31, 2022
LUCKY FLY	\$ 216,977	\$ -

(II) Accounts payable - related parties

	December 31, 2023	December 31, 2022
SPACE SHUTTLE (HK)	\$ 1,144	\$ 36,799

(IV) Financing - Other Receivables

December 31, 2023					
	Maximum amount	Closing balance	Interest rate range	Interest income	Interest receivable
LUCKY FLY	\$ 324,283 (RMB74,000)	\$ 104,045 (RMB24,000)	3%	\$ 5,066	\$ 2,092
December 31, 2022					
	Maximum amount	Closing balance	Interest rate range	Total interest	Interest receivable
SPACE SHUTTLE	\$ 66,492 (RMB15,000)	\$ - (RMB -)	3%	\$ 496	\$ -
LUCKY FLY	\$ 253,900 (RMB7,000)	\$ 220,470 (RMB50,000)	3%	\$ 3,846	\$ 3,263
SPACE SHUTTLE (HK)	\$ 65,383 (RMB14,500)	\$ - (RMB -)	3%	\$ 1,162	\$ -

(V) Actual Amount Drawn from Endorsements/Guarantees

	December 31, 2023	December 31, 2022
LUCKY FLY	\$ 507,737	\$ 241,944

The amount of the said endorsements/guarantees secured by deposits and other property was NT\$0 thousand and NT\$18,426 thousand as of December 31, 2023 and 2022, respectively.

(VI) Information on Management's Remuneration

	2023	2022
Salaries and other short-term employee benefits	\$ 14,450	\$ 9,924

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, 2023	December 31, 2022
Other financial assets - time deposits	\$ 16,000	\$ 18,284
Other financial assets - reserve account deposits	10,000	17,426
Property, plant and equipment	94,923	97,231
Total	\$ 120,923	\$ 132,941

IX. SIGNIFICANT CONTINGENT LIABILITIES AND UNRECOGNIZED COMMITMENTS

- (I) As of December 31, 2023 and 2022, 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, 2023 and 2022, 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 rate 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 2023 and 2022 was NT\$228 thousand and NT\$548 thousand, respectively. As of December 31, 2023 and 2022, the Company's receivables from the said transactions were NT\$19 thousand respectively, and payables were NT\$488 thousand and NT\$748, 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 2023 remained the same as that in 2022, which was to keep the debt-to-capital ratio below 40%. The Company's debt-to-capital ratios as of December 31, 2023 and 2022 are presented as follows:

Item	December 31, 2023	December 31, 2022
Total borrowings	\$ 200,000	\$ 125,000
Less: Cash and cash equivalents	(52,562)	(96,822)
Net debt	147,438	28,178
Total equity	1,232,829	1,395,295
Total capital	\$ 1,380,267	\$ 1,423,473
Debt-to-capital ratio	10.68%	1.98%

(II) Information About Financial Products

1. Financial Instruments

The carrying amounts of financial products held by the Company as of December 31, 2023 and 2022 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 12 (3) 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 2023 and 2022, 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, 2023	Less than 1 year	1 to 2 years	2 to 5 years	5 years or more
Short-term borrowings	\$ 200,000	\$ -	\$ -	-
Notes payable	103	-	-	-
Accounts payable	1,132	-	-	-
Accounts payable - related parties	1,144	-	-	-
Other payables	9,699	-	-	-

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	-	-	-

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, 2023 and 2022 are presented as follows:

December 31, 2023	Level 3
Financial assets:	
Financial assets at FVTOCI - equity securities	
-	\$ 36,954
December 31, 2022	Level 3
Financial assets:	
Financial assets at FVTOCI - equity securities	
-	\$ 50,620

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, 2023 is presented as follows:

Item measured at fair value based on a repeatability basis	Fair value as of December 31, 2023 (in thousands of TWD)	Valuation technique	Significant unobservable input	Interval (weighted average)	Relationship between input and fair value
Financial assets at FVTOCI - LIGHTEL KY, INC.	\$36,954	Comparable companies method	EBIT multiplier	14.84~18.35 (14.84)	The higher EBIT multiplier, income multiplier, and equity ratio, the higher the fair value.
			Income multiplier	1.61~5.04 (1.61)	
			Equity multiplier	2.29~4.22 (2.29)	

Changes in financial assets at FVTOCI for 2023 and 2022 are presented as follows:

	2023	2022
Opening balance	\$ 50,620	\$ 62,079
Loss recognized in other comprehensive income	(13,666)	(11,459)
Closing balance	\$ 36,954	\$ 50,620

(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, 2023			December 31, 2022				
	Foreign currency	Exchange rate	NTD	Foreign currency	Exchange rate	NTD		
<u>Foreign currency</u>								
<u>monetary assets</u>								
<u>USD</u>	\$	8,259	30.705	\$	4,063	30.71	\$	124,775
<u>HKD</u>		139	3.929		159	3.938		626
<u>RMB</u>		30,934	4.3352		52,445	4.4094		231,251
<u>Foreign currency</u>								
<u>non-monetary assets</u>								
<u>USD</u>		1,204	30.705		1,648	30.71		50,620
<u>Foreign currency</u>								
<u>monetary liabilities</u>								
<u>USD</u>		57	30.705		1,227	30.71		37,681
<u>Exchange gains and</u>								
<u>losses on monetary</u>								
<u>assets and liabilities</u>								
			2023			2022		
<u>USD</u>			\$	(4,694)		\$	17,595	
<u>HKD</u>				(3)			128	
<u>RMB</u>				(3,177)			3,929	
<u>JPY</u>				(1)			2	
<u>Total</u>			\$	(7,875)		\$	21,654	
			2023			2022		
<u>Financial assets - monetary items</u>								
			Range of changes	Profit or loss affected	Range of changes	Profit or loss affected		
<u>USD</u>			1%	\$	2,536	1%	\$	1,248
<u>RMB</u>			1%		1,341	1%		2,313
<u>Financial liabilities - monetary items</u>								
<u>USD</u>			1%		18	1%		377

XIII. ADDITIONAL DISCLOSURES

(I) INFORMATION ON SIGNIFICANT TRANSACTIONS

No.	Item	Table
1	LOANS TO OTHERS	Table 1
2	ENDORSEMENTS/GUARANTEES 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	Table 4
8	RECEIVABLES FROM RELATED PARTIES AMOUNTING TO NT\$100 MILLION OR MORE THAN 20% OF THE PAID-IN CAPITAL	Table 5
9	THE BUSINESS RELATIONSHIP BETWEEN THE PARENT AND THE SUBSIDIARIES AND SIGNIFICANT TRANSACTIONS BETWEEN THEM	Table 6
10	INFORMATION ON INVESTEEES (EXCLUDING INVESTEEES IN MAINLAND CHINA)	Table 7
11	INFORMATION ON INVESTMENT IN MAINLAND CHINA	Table 8
12	INFORMATION ON MAJOR SHAREHOLDERS	Table 9

(II) INFORMATION ON INVESTEEES

No.	Item	Table
1	LOANS TO OTHERS	Table 1
2	ENDORSEMENTS/GUARANTEES PROVIDED	None
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	THE BUSINESS RELATIONSHIP BETWEEN THE PARENT AND THE SUBSIDIARIES AND SIGNIFICANT TRANSACTIONS BETWEEN THEM	Table 6
11	INFORMATION ON INVESTEEES (EXCLUDING INVESTEEES IN MAINLAND CHINA)	No
12	INFORMATION ON MAJOR SHAREHOLDERS	No

(III) INFORMATION ON INVESTMENTS IN mainland China: see Table 8.

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	\$ 532,596	\$ 739,697

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, 2023, 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, 2023, 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\$15,397 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, 2023, the said investments totaling HK\$35,397 thousand had been fully remitted.
- (4) In 2002, the Company indirectly invested USD 2,170 thousand in Dongguan 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 Dongguan 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. As the Company did not participate in a US\$2,460 thousand cash capital increase in March 2016 and a US\$628 thousand cash capital increase in June 2021, its shareholding was reduced from 30% to 17.53%. As of December 31, 2023, the total balance of the said investment funds was approximately US\$2,170 thousand.

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 2023 (which had been written off in preparing the consolidated statements), see INFORMATION ON SIGNIFICANT TRANSACTIONS.

(IV) Information on Major Shareholders

See Table 9 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 2023 and 2022, 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, 2023

Table 1

Unit: Amounts expressed in thousands of New Taiwan Dollars

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	\$ 122,960	\$ -	\$ -	-	Need for short-term financing	\$ -	working capital	\$ -	No	\$ -	\$ 123,283	\$ 493,132
0	Space Shuttle Hi-Tech CO., Ltd.	DONGGUAN LUCKY FLY CONDUCTOR CO.LTD	Other receivables	Y	314,200	122,820	104,045	3%	Need for short-term financing	-	working capital	-	No	-	123,283	493,132
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	153,700	-	-	-	Need for short-term financing	-	working capital	-	No	-	123,283	493,132

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, 2023

Table 2

Unit: Amounts expressed in thousands of New Taiwan Dollars

No.	Guarantor	Principal		Limits to a company	Maximum balance for the year	Closing balance for the year	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.	DONG GUAN	A subsidiary in which the Company indirectly holds more than 50% ordinary shares	\$ 1,232,829	\$ 67,760	\$ 61,410	\$ -	\$ -	77.21%	\$ 1,232,829	Y	N	Y	
		HOU JIE XI TOU SPACE SHUTTLE HI-FI WIRE & CABLE CO., LTD DONGGUAN LUCKY FLY CONDUCTOR CO.LTD	A subsidiary in which the Company indirectly holds more than 50% ordinary shares	1,232,829	907,900	890,445	507,737	-	77.21%	1,232,829	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, 2023

Table 3 Unit: Amounts expressed in thousands of New Taiwan Dollars

Holding company name	Marketable securities types and name	Relationship with the issuers	Financial Statement Account	Closing				Remarks
				Number of shares	Carrying amount	Percentage of ownership	Fair value	
Space Shuttle Hi-Tech CO., Ltd.	Stock LIGHTEL KY, INC.	-	Investments in equity instruments at FVTOCI - current	1,250	\$ 36,954	5.88%	\$ 36,954	Notes 2, 6
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 Dongguan Zhong Ju Hi-Tech Co., Ltd.	-	Investments in equity instruments at FVTOCI - current	-	63,633	17.53%	63,633	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 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. As SPACE SHUTTLE HI-TECH CO.,LTD.(Seychelles) is liable only for the amount of investment, the fair value of Dongguan Feitai Electronic Co., Ltd. is estimated to be 0.

Note 5: In 2021, 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%.

Note 6: Upon restructuring of the investee LIGHTEL TECHNOLOGIES, INC. and establishment of LIGHTEL KY, INC., the Group exchanged its shares in LIGHTEL TECHNOLOGIES, INC. for shares in LIGHTEL TECHNOLOGIES, INC. by through a share exchange agreement on September 28, 2023. According to the share exchange agreement, the Group acquired 1,250,000 ordinary shares in LIGHTEL KY, INC. (5.88%).

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, 2023

Table 4

Unit: Amounts expressed in thousands of
New Taiwan Dollars

Company	Counterparty	Relationship	Transactions				Unusual terms and why		Notes and accounts receivable (payable)		Remarks
			Purchase s/Sales	Amount	% to Total	Payment terms	Unit price	Payment terms	Balance	% to Total	
Space Shuttle Hi-Tech CO., Ltd.	DONGGUAN LUCKY FLY CONDUCTOR CO.LTD	Sub-subsidiary	Sales	\$ (280,445)	90.26%	Net 180 days from the invoice date	-	-	\$ 216,977	99.01%	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.
Receivables from related parties amounting to NT\$100 million or 20% of the paid-in capital or more:
December 31, 2023

Table 5

Unit: Amounts expressed in thousands of
New Taiwan Dollars

Company	Counterparty	Relationship	Balance of receivables from related parties	Turnover	Overdue receivables from related parties		Amount recovered after the due date	Provision for bad debts
					Amount	Action taken		
Space Shuttle Hi-Tech CO., Ltd.	DONGGUAN LUCKY FLY CONDUCTOR CO.LTD	Sub-subsidiary	\$ 216,977	2.59	\$ -	-	\$ 54,070	\$ -

Note: The said amounts receivable from 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, 2023

Table 6 Unit: Amounts expressed in thousands of New Taiwan Dollars

No.	Trader	Counterparty	Relationship with the trader	Intercompany transactions			
				Account	Amount	Trade 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	\$ 27,614	on general terms	0.93%
		SPACE SHUTTLE (HK) HI-FI WIRE & CABLE INDUSTRY CO., LIMITED	1	Accounts payable	1,144	on general terms	0.05%
		DONGGUAN LUCKY FLY CONDUCTOR CO.LTD	1	Sales	280,445	on general terms	9.48%
		DONGGUAN LUCKY FLY CONDUCTOR CO.LTD	1	Accounts receivable	216,977	on general terms	10.00%
		DONGGUAN LUCKY FLY CONDUCTOR CO.LTD	1	Other receivables	104,045	on general terms	4.80%
		DONGGUAN LUCKY FLY CONDUCTOR CO.LTD	1	Accrued revenue	2,092	on general terms	0.10%
		DONGGUAN LUCKY FLY CONDUCTOR CO.LTD	1	Interest income	5,066	on general terms	0.17%
		DONGGUAN LUCKY FLY CONDUCTOR CO.LTD	1				
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	27,059	on general terms	0.91%
		DONG GUAN HOU JIE XI TOU SPACE SHUTTLE HI-FI WIRE & CABLE CO., LTD	3	Accounts payable	2,385	on general terms	0.11%
		DONG GUAN HOU JIE XI TOU SPACE SHUTTLE HI-FI WIRE & CABLE CO., LTD	3	Other payables	434	on general terms	0.02%
		DONG GUAN HOU JIE XI TOU SPACE SHUTTLE HI-FI WIRE & CABLE CO., LTD	3	Rental income	6,371	on general terms	0.22%
		DONG GUAN HOU JIE XI TOU SPACE SHUTTLE HI-FI WIRE & CABLE CO., LTD	3	Accounts receivable	12,765	on general terms	0.59%
3	DONGGUAN LUCKY FLY CONDUCTOR CO.LTD	DONG GUAN HOU JIE XI TOU SPACE SHUTTLE HI-FI WIRE & CABLE CO., LTD	3	Sales	107,327	on general terms	3.63%
		DONG GUAN HOU JIE XI TOU SPACE SHUTTLE HI-FI WIRE & CABLE CO., LTD	3				

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.

(carried over)

(brought forward)

Space Shuttle Hi-Tech CO., Ltd.
INTERCOMPANY RELATIONSHIPS AND SIGNIFICANT INTERCOMPANY TRANSACTIONS
For the Year Ended December 31, 2023

Table 6

Unit: Amounts expressed in thousands of New Taiwan Dollars

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 INVESTEEES (excluding investees in mainland China)
December 31, 2023

Table 7

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%	\$ 453,579	\$ (69,361)	\$ (69,361)	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%	441,292	(32,040)	(32,040)	Subsidiary
	Total			\$ 791,230	\$ 791,230			\$ 894,871	\$ (101,401)	\$ (101,401)	

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

Space Shuttle Hi-Tech CO., Ltd.
Information on Investment in Mainland China
For the Year Ended December 31, 2023

Table 8

Unit: Amounts expressed in thousands of New Taiwan Dollars

Name of 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	\$ (69,997)	100.00%	\$ (69,333)	\$ 453,280	\$ -	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	(26,529)	100.00%	(26,529)	257,573	-	
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		\$ 532,596			\$ 739,697								

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, 2023

Table 9

Number of shares: Thousands of shares

Name of major shareholder	Shares	
	Number of shares held	Percentage of ownership
Wang, Kun-Tian	32,649,685	23.46%
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.

Space Shuttle Hi-Tech CO., Ltd.

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Space Shuttle Hi-Tech CO., Ltd.
STATEMENT OF CASH AND CASH EQUIVALENTS
December 31, 2023
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

Item	Summary	Amount	Remarks
Petty cash		\$ 104	
	CNY 10,573.00	46	
	(CNY:TWD=1:4.3352)		
Cash in banks			
Check deposits		36	
Demand deposits		4,441	
Foreign currency deposits			
Foreign currency demand deposits	CNY 6,440,656.4	27,922	
	(CNY:TWD=1:4.3352)		
	USD 154,964.81	4,758	
	(USD:TWD=1:30.705)		
	HKD 132,073.83	519	
	(HKD:TWD=1:3.929)		
	JPY 17,653	4	
	(JPY:TWD=1:0.2172)		
Foreign currency check deposits	HKD 6,970.00	27	
	(HKD:TWD=1:3.929)		
Foreign currency time deposits	Interest rate range 4.93%	14,705	
	USD 478,912.23		
	(USD:TWD=1:30.705)		
Total		<u>\$ 52,562</u>	

Space Shuttle Hi-Tech CO., Ltd.
STATEMENT OF ACCOUNTS RECEIVABLE
December 31, 2023
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

Customer	Summary	Amount	Remarks
Lanner Electronics	Payment for goods	\$ 689	
TE(MOROCCO	Payment for goods	862	
Others (Note)	Payment for goods	662	
Total		2,213	
Less: Loss allowance		(36)	
Net		<u>\$ 2,177</u>	

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

Space Shuttle Hi-Tech CO., Ltd.
STATEMENT OF ACCOUNTS RECEIVABLE - RELATED PARTIES
December 31, 2023
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

Customer	Summary	Amount	Remarks
LUCKY FLY	Payment for goods	\$ 216,977	
Less: Loss allowance		-	
Net		<u>\$ 216,977</u>	

Space Shuttle Hi-Tech CO., Ltd.
STATEMENT OF OTHER RECEIVABLES - RELATED PARTIES
December 31, 2023
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

Customer	Summary	Amount	Remarks
LUCKY FLY	Funds lent and interest	\$ 106,137	
Less: Loss allowance		-	
Net		<u>\$ 106,137</u>	

Space Shuttle Hi-Tech CO., Ltd.
STATEMENT OF CHANGES IN INVESTMENTS USING THE EQUITY METHOD
December 31, 2023
(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	\$ 530,488	\$ (69,361)	\$ (7,548)	\$ -	8,000	100%	\$ 453,579	No
SPACE SHUTTLE (HK) HI-FI WIRE & CABLE INDUSTRY CO., LIMITED	130,221	477,067	(32,040)	(4,678)	943	130,221	100%	441,292	No
		<u>\$ 1,007,555</u>	<u>\$ (101,401)</u>	<u>\$ (12,226)</u>	<u>\$ 943</u>			<u>\$ 894,871</u>	

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, 2023
(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	Taiwan Business Bank	\$ 50,000	10/11/2023 - 5/31/2024	1.90%	\$ 120,000	20% demand deposit	
Secured loan	CTBC Bank	80,000	10/30/2023 - 3/6/2024	1.88%	150,000	20% time deposit	
Secured loan	Chang Hwa Bank	70,000	12/27/2023 - 1/26/2024	1.85%	70,000	20% demand deposit on the portion in excess of NT\$100 million	
		<u>\$ 200,000</u>					

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, 2023
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

Item	Amount	Remarks
3C wires	\$ 30,277	
Copper	280,445	
Total	<u>\$ 310,722</u>	

Space Shuttle Hi-Tech CO., Ltd.
STATEMENT OF OPERATING COSTS
For the Year Ended December 31, 2023
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

Item	Amount	
	Subtotal	Total
Cost of goods sold		
Current purchases	300,086	
Total cost of goods sold		\$ 300,086

Space Shuttle Hi-Tech CO., Ltd.
STATEMENT OF SELLING EXPENSES
For the Year Ended December 31, 2023
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

Item	Summary	Amount	Remarks
Salary and wages		\$ 1,102	Items with an amount of less than 5% are presented under others.
Insurance premiums		104	
Depreciation expense		116	
Export and customs clearance expenses		173	
Others		478	
Total		\$ 1,973	

Space Shuttle Hi-Tech CO., Ltd.
STATEMENT OF G&A EXPENSES
For the Year Ended December 31, 2023
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

Item	Summary	Amount	Remarks
Salaries		\$ 17,729	Items with an amount of less than 5% are presented under others.
Insurance premiums		1,933	
Depreciation expense		3,924	
Labor		4,773	
OTHERS		9,741	
Total		\$ 38,100	

Space Shuttle Hi-Tech CO., Ltd.
Summary of Employee Benefits, Depreciation and Amortization by Function
For the Year Ended December 31, 2023
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

Function Nature	2023			2022		
	Part of operating costs	Part of operating expenses	Total	Part of operating costs	Part of operating expenses	Total
Employee benefits						
Salaries	\$ -	\$ 17,965	\$ 17,965	\$ -	\$ 18,314	\$ 18,314
Labor health insurance premiums	-	1,783	1,783	-	1,984	1,984
Pension costs	-	823	823	-	930	930
Directors' remuneration	-	1,035	1,035	-	1,045	1,045
Other employee benefits	-	1,111	1,111	-	855	855
Depreciation expense	\$ -	\$ 4,040	\$ 4,040	\$ -	\$ 4,016	\$ 4,016
Amortization expense	\$ -	\$ 32	\$ 32	\$ -	\$ 33	\$ 33

- Notes: 1. As of December 31, 2023 and 2022, the Company had 26 and 25 employees, respectively; 6 directors were not employees of the Company.
2. The Company's average employee benefit expenses for 2023 and 2022 amounted to NT\$1,084 thousand and NT\$1,162 thousand, respectively.
3. The Company's average employee salary for 2023 and 2022 amounted to NT\$898 thousand and NT\$964 thousand, respectively, representing a change of (6.8%).