Stock code: 2440

Space Shuttle Hi-Tech CO., Ltd.
and Its Subsidiaries
Consolidated Financial Statements and Independent Auditors' Report

For the Years Ended December 31, 2023 and 2022

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STATEMENT

It is hereby stated that companies to be included by the Company in its consolidated financial statements for the year 2023 (from January 1, 2023 to December 31, 2023) as per the Criteria Governing Preparation of Affiliation Reports, Consolidated Business Reports and Consolidated Financial Statements of Affiliated Enterprises are identical to those to be included in the consolidated financial statements of the parent company and its subsidiaries as per the IFRS 10 and that all information to be disclosed in the Company's consolidated financial statements has been disclosed in the said consolidated financial statements of the parent company and its subsidiaries, requiring no additional consolidated financial statements to be otherwise prepared.

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Space Shuttle Hi-Tech CO., Ltd.

Manager: WANG, HSUAN-HUI

March 13, 2024

Independent Auditors' Report

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

Audit opinions

We have audited the accompanying consolidated financial statements of Space Shuttle Hi-Tech CO., Ltd. and its subsidiaries (collectively, the "Group"), which comprise the consolidated balance sheets as of December 31, 2023 and 2022 and the consolidated statements of comprehensive income, changes in equity and cash flows for the years then ended, and the notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as of December 31, 2023 and 2022, and its consolidated financial performance and its consolidated cash flows for the years then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and International Financial Reporting Standards (IFRS), International Accounting Standards (IAS), IFRIC Interpretations (IFRIC), and SIC Interpretations (SIC) endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China.

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 Consolidated Financial Statements section of our report. We are independent of the Group 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 consolidated financial statements for the year ended December 31, 2023. These matters were addressed in the context of our audit of the consolidated 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 Group's consolidated financial statements as of and for the year ended December 31, 2023 are stated as follows:

Revenue recognition

The Group 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 14 to the accompanying consolidated financial statements. In 2023, the Group reported a operating income of NT$2,957,327 thousand, down 5.69% compared to the previous year. As revenue recognition is a matter of concern to users of the consolidated 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 Group'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.

Impairment of Receivables

We analyzed the Group's receivables from credit risk and customers' current financial positions to estimate the unrecoverable amount. For the accounting policy on receivables, see Note 4 to the accompanying consolidated financial statements; for the accounting judgments, estimates and assumptions for impairment of receivables, see Note 5 to the accompanying consolidated financial statements; for the description of impairment, see Note 6 (2) to the accompanying consolidated financial statements.

Given different loss patterns in different customers, management classifies them into credit groups by customers' default history, current financial positions and reasonable forecast of their future financial positions, and estimates the expected credit loss rate for each credit group. As the assumption of an expected credit loss rate involves subjective judgment and the estimation of the expected credit loss rate for receivables requires important estimates from management, impairment of receivables for the year ended December 31, 2023 is identified as one of the key audit matters.

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

1. We evaluated whether the basis for classification of customer credit groups by the Group' management and the appropriateness of the relevant estimation process.
2. We obtained information related to management's estimation of expected credit loss rates, including historical experience, current market conditions, and management's reasonable forecast of future financial positions, and evaluated the reasonableness of the said information and forecast.
3. We re-calculated and evaluated the reasonableness of management's allowance for losses on receivables based on the balance of receivables, the classification of credit groups and expected credit loss rates provided by management.
4. We obtained the Group's receipt of receivables and other available information, and examined whether there were significant amounts and overdue receivables, so as to learn whether management has provided sufficient allowance for expected credit losses on receivables.

Other Matters - Financial Statements

We have also audited the financial statements of the Company as of and for the years ended December 31, 2023 and 2022 on which we have issued an unmodified opinion.

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

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and IFRS, IAS, IFRIC and SIC endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Group'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 Group 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 Group's financial reporting process.

Auditors' Responsibilities for the Audit of the Consolidated Financial Statements

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

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

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

involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

2. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group'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 Group'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 consolidated 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 Group to cease to continue as a going concern.
5. Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated 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 Group to express an opinion on the consolidated 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 consolidated financial statements of the Group 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.:	SFB Approval No.:
Auditor: LIN, SHU-LING	Auditor: CHENG, HAN
Tai Cai Zheng (1) No. 0800051636	Jin Guan Zheng Shen Zi No. 1080310188

March 13, 2024

Space Shuttle Hi-Tech CO., Ltd. and Its Subsidiaries
Consolidated 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 Amount	December 31, 2023 %	December 31, 2022 Amount	December 31, 2022 %
	Current assets					
1100	Cash and cash equivalents	4, 6 (1)	$ 442,756	20.41	$ 423,517	19.96
1170	Accounts receivable, net	4, 5, 6 (2)	901,769	41.56	811,576	38.25
1200	Other receivables	4, 9 (2)	16,904	0.78	34,086	1.61
1220	Current tax assets	4, 5, 6 (17)	218	0.01	68	-
130x	Inventories	4, 5, 6 (3)	186,007	8.57	249,733	11.77
1476	Other financial assets - curren	4, 8	134,572	6.20	73,850	3.48
1479	Other current assets - others		25,827	1.19	16,023	0.76
11xx	Total current assets		1,708,053	78.72	1,608,853	75.83
	Non-current assets					
1517	Financial assets at fair value through other comprehensive income - non-current	4, 5, 6 (4), 12 (2)	100,587	4.64	113,453	5.35
1600	Property, plant and equipment	4, 5, 6 (5), 7, 8	227,694	10.49	240,320	11.32
1755	Right-of-use assets	4, 5, 6 (6)	124,590	5.74	146,524	6.91
1840	Deferred tax assets	4, 5, 6 (17)	4,663	0.21	7,331	0.35
1900	Other non-current assets	4, 6 (2)	4,236	0.20	5,147	0.24
15xx	Total non-current assets		461,770	21.28	512,775	24.17
1xxx	Total assets		$ 2,169,823	100.00	$ 2,121,628	100.00

Code	Liabilities and Equity	Notes	December 31, 2023 Amount	December 31, 2023 %	December 31, 2022 Amount	December 31, 2022 %
	Current liability					
2100	Short-term borrowings	6 (7), 8	$ 707,738	32.62	$ 366,945	17.29
2150	Notes payable		103	-	460	0.02
2170	Accounts payable		19,653	0.91	89,021	4.20
2200	Other payables	9 (2)	73,090	3.37	84,961	4.00
2220	Other payables - related parties	7	10,338	0.48	22,622	1.07
2230	Income tax liabilities for the year	4, 6 (17)	2,614	0.12	15,541	0.73
2280	Lease liabilities - current	4, 5, 6 (6), 7, 12 (4)	14,628	0.67	13,955	0.66
2399	Other current liabilities - others		906	0.04	5,817	0.27
21xx	Total current liabilities		829,070	38.21	599,322	28.24
	Non-current liabilities					
2570	Deferred income tax liabilities	4, 5, 6 (17)	320	0.01	800	0.04
2580	Lease liabilities - non-current	4, 5, 6 (6), 7, 12 (4)	106,102	4.89	124,620	5.88
2600	Other non-current liabilities	4, 6 (8)	1,502	0.07	1,591	0.07
25xx	Total non-current liabilities		107,924	4.97	127,011	5.99
2xxx	Total Liabilities		936,994	43.18	726,333	34.23
	Equity					
3110	Common share capital	6 (9)	1,391,173	64.11	1,391,173	65.58
3200	Additional paid-in capital	6 (10)	5,109	0.24	5,109	0.24
	Retained earnings	6 (11)				
3310	Legal reserve		-	-	2,560	0.12
3320	Special reserve		2,986	0.14	15,630	0.74
3350	Accumulated deficit		(137,517)	(6.34)	(15,204)	(0.72)
3300	Total retained earnings		(134,531)	(6.20)	2,986	0.14
3400	Other equities	6 (12)	(28,922)	(1.33)	(3,973)	(0.19)
3xxx	Total equity		1,232,829	56.82	1,395,295	65.77
	Total liabilities and equities		$ 2,169,823	100.00	$ 2,121,628	100.00

(See Notes to Consolidated Financial Statements)

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

Space Shuttle Hi-Tech CO., Ltd. and Its Subsidiaries
Consolidated 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 Amount	2023 %	2022 Amount	2022 %
4000	Operating income	4, 6 (13), 14	$ 2,957,327	100.00	$ 3,135,693	100.00
5000	Operating costs	4, 6 (3), 6 (15), 7	(2,888,134)	(97.66)	(2,948,379)	(94.03)
5900	Gross profit		69,193	2.34	187,314	5.97
	Operating expenses	4, 6 (15)				
6100	Selling expenses		(22,390)	(0.76)	(29,465)	(0.94)
6200	Administrative expenses		(111,151)	(3.76)	(118,395)	(3.78)
6300	R&D expenses		(6,687)	(0.23)	(8,447)	(0.27)
6450	Gains or losses on expected credit losses	6 (2)	(7,825)	(0.26)	2,137	0.07
6000	Total operating expenses		(148,053)	(5.01)	(154,170)	(4.92)
6900	Net operating profit (loss)		(78,860)	(2.67)	33,144	1.05
	Non-operating income and expenses					
7100	Interest income		6,537	0.22	4,075	0.13
7010	Other revenue	6 (14), 9	1,509	0.05	5,051	0.16
7020	Other gains and losses	6 (14)	(10,331)	(0.35)	(12,096)	(0.39)
7050	Finance costs	6 (14), 7	(27,770)	(0.93)	(21,594)	(0.68)
7055	Expected credit losses	9 (2)	(15,025)	(0.51)	-	-
7000	Total non-operating incomes and expenses		(45,080)	(1.52)	(24,564)	(0.78)
7900	Net (loss) profit before tax		(123,940)	(4.19)	8,580	0.27
7950	Tax expenses	4, 6 (17)	(13,536)	(0.46)	(31,944)	(1.02)
8200	Net loss profit for the period		(137,476)	(4.65)	(23,364)	(0.75)
	Other comprehensive income (loss)	4, 6 (4), 6 (12)				
8310	Items not reclassified subsequently to profit or loss					
8311	Remeasurement of defined benefit programs	6 (8)	(41)	(-)	755	0.02
8316	Unrealized gains or losses on valuation of investments in equity instruments at FVTOCI		(12,723)	(0.44)	(21,113)	(0.67)
8360	Items that may be reclassified subsequently to profit or loss					
8361	Exchange differences on translation of foreign operations		(12,226)	(0.41)	32,770	1.05
8300	Other comprehensive income (loss), net		(24,990)	(0.85)	12,412	0.40
8500	Total comprehensive income (loss) for the year		$ (162,466)	(5.50)	$ (10,952)	(0.35)
8600	Net loss profit attributable to:					
8610	Comprehensive net (loss) profit of owners the parent company		$ (137,476)	(4.65)	$ (23,364)	(0.75)
8700	Total comprehensive income attributable to:					
8710	Comprehensive profit and loss of attributable to owners of the parent company		$ (162,466)	(5.50)	$ (10,952)	(0.35)
	Loss per share					
9750	Basic loss per share	6 (18)	$ (0.99)		$ (0.17)	

(See Notes to Consolidated Financial Statements)

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

Space Shuttle Hi-Tech CO., Ltd. and Its Subsidiaries
Consolidated Statement of Changes in Equity

For the Years Ended December 31, 2023 and 2022

Unit: Amounts expressed in thousands of New Taiwan Dollars

	Equity attributable to shareholders of the parent								
			Retained earnings			Other items of 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	Total equity attributable to shareholders of the parent	Total equity
Balance at January 1, 2022	$ 1,391,173	$ 5,109	$ -	$ -	$ 25,595	$ (62,457)	$ 46,827	$ 1,406,247	$ 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)	(23,364)
Other comprehensive income or loss for 2022	-	-	-	-	755	32,770	(21,113)	12,412	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	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)	(137,476)
Other comprehensive income or loss for 2023	-	-	-	-	(41)	(12,226)	(12,723)	(24,990)	(24,990)
Balance at December 31, 2023	$ 1,391,173	$ 5,109	$ -	$ 2,986	$ (137,517)	$ (41,913)	$ 12,991	$ 1,232,829	$ 1,232,829

(See Notes to Consolidated Financial Statements)

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

Space Shuttle Hi-Tech CO., Ltd. and Its Subsidiaries
Consolidated Statements of the 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 income (loss) before tax for the year	$ (123,940)	$ 8,580
Income and expense items		
Depreciation expense	37,211	37,536
Amortization expense	32	32
Gains or losses on reversal of expected credit losses	22,850	(2,137)
Interest expense	27,770	21,594
Interest income	(6,537)	(4,075)
Net gain on disposal of property, plant and equipment	(313)	-
Changes in operating assets/liabilities		
Accounts receivable	(113,928)	403,600
Other receivables	2,054	(29,525)
Inventories	60,726	104,351
Other current assets	(10,184)	16,158
Other financial assets	13,360	7,785
Notes payable	(357)	435
Accounts payable	(64,705)	(51,462)
Other payables	(22,166)	(4,983)
Other current liabilities	(4,911)	4,102
Cash inflow (outflow) generated from operations	(183,038)	511,991
Interest received	6,408	3,591
Interest paid	(20,578)	(20,898)
Income tax paid	(24,425)	(22,232)
Net cash inflow (outflow) from operating activities	(221,633)	472,452
Cash flows from investing activities		
Acquisition of Property, Plant and Equipment	(7,036)	(19,896)
Disposal of property, plant and equipment and investment properties	313	-
Refundable deposits	11	-
Other receivables	-	33,229
Other financial assets	(76,180)	85,718
Other non-current assets	(1,046)	(4,483)
Net cash inflow (outflow) from investing activities	(83,938)	94,568
Cash flows from financing activities		
Making or repayment of short-term borrowings	350,394	(432,185)
Other payables	(260)	(36,305)
Repayment of the principal portion of lease liabilities	(12,860)	(19,582)
Other non-current liabilities	(110)	(4,106)
Interest paid	(6,322)	(798)
Net cash inflow (outflow) from financing activities	330,842	(492,976)
Effect of changes in exchange rates on cash and cash equivalents	(6,032)	13,232
Increase in cash and cash equivalents for the year	19,239	87,276
Cash and cash equivalents at the beginning of the year	423,517	336,241
Cash and cash equivalents at the end of the year	$ 442,756	$ 423,517

(See Notes to Consolidated Financial Statements)

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

Space Shuttle Hi-Tech CO., Ltd. and Its Subsidiaries

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For the Years Ended December 31, 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 consolidated 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 and its subsidiaries (the “Group”).

(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 consolidated financial statements, the Group has assessed that the said amendments to standards and interpretations will not have a significant impact on its financial position and financial performance.

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

New/Amended/Revised Standards and Interpretations		Effective Date Issued by the IASB (Note 1)
Amendments to IFRS 10 and IAS 28	"Sale or Contribution of Assets between an Investor and its Associate or Joint Venture"	TBD
IFRS 17	Insurance Contracts	January 1, 2023
Amendments to IFRS 17	Insurance Contracts	January 1, 2023
Amendments to IFRS 17	"Initial Application of IFRS 17 and IFRS 9 — Comparative Information"	January 1, 2023
Amendments to IAS 21	"Lack of Exchangeability"	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 Group, 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 consolidated financial statements, the Group has been continuously assessing the impact of other 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 consolidated financial statements have been prepared in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and IFRSs endorsed and issued into effect by the FSC.

(II) Basis of Preparation

The consolidated 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) Basis of consolidation

1. Principles for the preparation of consolidated financial statements
   (1) The consolidated financial statements comprise the financial statements of the Company and its subsidiaries. Control is the power of the Company to govern the financial and operating policies of an entity so as to obtain benefits from its activities.
   (2) The Consolidated Statement of Comprehensive Income has properly included the operating profit or loss of subsidiaries acquired or disposed of for the year from the effective date of acquisition or to the effective date of disposal. The Company also attributes total comprehensive income to the owners of the Company and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.
   (3) The financial statements of subsidiaries have been properly adjusted so that their accounting policies are consistent with the Company's accounting policies. Significant transactions, balances, gains and losses between entities within the Group have all been eliminated at the time of consolidation.
   (4) Changes in the Company's ownership interest in a subsidiary that do not result in the Company losing control of the subsidiary are equity transactions. The carrying amounts have been adjusted to reflect changes in the relative interests of the Company and non-controlling interest in the subsidiary. Any difference between any adjustment of the non-controlling interest and the fair value of the consideration paid or received is recognized directly in equity and attributable to the owners of the Company.
   (5) When the Company loses control over a subsidiary, a gain or loss on disposal is the difference between: (1) the total fair value of the consideration received and of the remaining investment in the former subsidiary at the date of loss of control, and (2) the total carrying amount of assets (including goodwill) and liabilities and non-controlling interest of the former subsidiary at the date of loss of control. 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. The remaining investment in the former subsidiary is recognized as the cost of initially recognized investment in an associate at fair value at the date of loss of control.
2. Subsidiaries included in the consolidated financial statements

Investor	Subsidiary	Nature of Business	Percentage of ownership December 31, 2023	Percentage of ownership December 31, 2022
The Company	SPACE SHUTTLE HI-TECH CO., LTD.(SAMOA)	General investment	100%	100%
The Company	SPACE SHUTTLE (HK) HI-FI WIRE & CABLE INDUSTRY CO., LIMITED ("SPACE SHUTTLE (HK)")	General investment and sales	100%	100%
SPACE SHUTTLE HI-TECH CO., LTD.(SAMOA)	DONGGUAN LUCKY FLY CONDUCTOR CO.LTD	Production and sales of copper wires	100%	100%
SPACE SHUTTLE (HK) HI-FI WIRE & CABLE INDUSTRY CO., LIMITED	DONG GUAN HOU JIE XI TOU SPACE SHUTTLE HI-FI WIRE & CABLE CO., LTD	Production and sales of information transmission wires	100%	100%

3. Subsidiaries not included in the consolidated financial statements: none.

(IV) Foreign Currencies

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

When preparing each entity's financial statements, transactions denominated in currencies other than the entity'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 consolidated financial statements, the assets and liabilities of the Group'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).

(V) 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.

(VI) 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.

(VII) Financial Instruments

Financial assets and financial liabilities are recognized in the balance sheet when the Group 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 Group 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 Group may make an irrevocable election to designate investments in equity instruments that are not held for trading as at FVTOCI.

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

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

(2) Measured at amortized cost

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

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

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

2. Impairment of financial assets

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

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

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

3. De-recognition of financial assets

The Group 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 Group 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.

(VIII) Inventories

Inventories are recognized at cost at the date of acquisition. A perpetual inventory system is adopted. Inventories are calculated using the weighted average method. Inventories are measured at the lower of cost and net realizable value. The Company compares cost and net realizable value item by item except for inventories of the same category. Any defective, damaged or obsolete inventories with reduced value are measured at net realizable value.

(IX) 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 Group; 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 Group 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 Group 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, 2 to 10 years for machinery and 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.

(X) Impairment of Non-financial Assets

At the balance sheet date, the Group 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.

(XI) 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 Group'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 Group, it is not included in the said financial statements. The retirement policy of foreign subsidiaries is made in accordance with applicable local laws and regulations.

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.

(XII) Leases

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

1. The Group 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 Group 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 Group 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 consolidated balance sheet.

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

(XIII) Revenue

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

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 Group are recognized as revenue and accounts receivable at the time of shipment.

(XIV) 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 a tax expense for the year of resolution of the shareholders' meeting.

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

2. Deferred tax

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

A deferred tax liability is recognized for taxable temporary differences associated with investments in subsidiaries, except to the extent that the Group 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 Group'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 Group's assumptions about the default rate and expected loss rate. The Group 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. Assessment of inventory losses

As inventories are prized at the lower of cost and net realizable value, the Group must use judgments and estimates to determine the net realizable value of inventories at the balance sheet date. Given rapid changes in technology, the Group assesses the amount of inventories due to normal wear, obsolescence or no market value at the balance sheet date, and writes down the cost of inventories to their net realizable value. Inventories are assessed mainly based on the estimated demand for products for a specific period in the future, so there may be significant changes.

3. Estimated Impairment of tangible assets

In assessing the impairment of assets, the Group 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.

4. Lease term

When determining the lease term of a leased asset, the Group considers all relevant facts and conditions that create an economic incentive for it to exercise (or not exercise) an option, including any expected changes in facts and circumstances from the commencement date until the exercise date of the option. Key factors considered include the terms and conditions of the contract for the period covered by the option, significant leasehold improvements undertaken during the contract term, and the importance of the underlying asset to the lessee's operations. The lease term is reassessed upon the occurrence of a significant event or a significant change in circumstances that is within the control of the Group.

5. 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 Group has decided to recognize deferred tax liabilities when such profit is distributed in the foreseeable future.

6.Calculation of accrued pension liabilities

When calculating the present value of defined benefit obligations, the Group 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 Group's defined benefit obligations.

7.Fair value measurement and valuation process

When there are no quoted prices for assets and liabilities measured at fair value in active markets, the Group 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 Group 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	$	26,883	$	22,902
Check deposits and demand deposits		277,470		295,793
Time deposits		138,403		104,822
Total	$	442,756	$	423,517

1. The Group 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 is presented as follows:

December 31, 2023	December 31, 2022
1.55%-4.93%	1.80%-4.62%

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

(II) Accounts receivable and overdue receivables

1. Accounts receivable

	December 31, 2023		December 31, 2022	
Gross carrying amount at amortized cost	$	916,314	$	818,571
Loss allowance		(14,545)		(6,995)
Total	$	901,769	$	811,576

The Group 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 Group'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 Group 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 Group 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 Group's historical credit loss experience, the Group'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 Group cannot reasonably expect to recover the recoverable amount, then the Group 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.

2. Loss allowances for accounts receivable measured at expected credit loss rates

December 31, 2023	Total carrying amount	Loss allowance	Amortized cost	Expected credit loss rate
Not past due	$ 781,300	$ (1,958)	$ 779,342	0.00%-1.17%
Past due				
30 days or less past due	113,339	(2,079)	111,260	0.14%-7.76%
31 days to 60 days past due	8,192	(605)	7,587	2.78%-16.41%
61 days to 90 days past due	2,822	(667)	2,155	4.00%-23.64%
91 days to 180 days past due	7,364	(5,939)	1,425	6.00%-100%
180 days or more past due	3,297	(3,297)	-	100%
Total	$ 916,314	$ (14,545)	$ 901,769	

December 31, 2022	Total carrying amount	Loss allowance	Amortized cost	Expected credit loss rate
Not past due	$ 717,697	$ (1,594)	$ 716,103	0.00%-1.40%
Past due				
30 days or less past due	85,936	(1,540)	84,396	0.01%-4.47%
31 days to 60 days past due	6,773	(535)	6,238	0.25%-13.60%
61 days to 90 days past due	482	(48)	434	0.75%-16.67%
91 days to 180 days past due	5,286	(881)	4,405	6.00%-100%
180 days or more past due	2,397	(2,397)	-	100%
Total	$ 818,571	$ (6,995)	$ 811,576	

3. Changes in loss allowance

	2023	2022
Opening balance	$ 6,995	$ 13,272
Gains or losses on reversal of expected credit losses	7,825	(2,137)
Bad debts written off for the year	-	(4,385)
Effects of exchange rates	(275)	245
Closing balance	$ 14,545	$ 6,995

4. Overdue receivables

	December 31, 2023	December 31, 2022
Overdue receivables	$ 2,217	$ 2,255
Loss allowance	(2,217)	(2,255)
Total	$ -	$ -

5. Overdue receivables - changes in loss allowance

	2023	2022
Opening balance	$ 2,255	$ 2,220
Effects of exchange rates	(38)	35
Closing balance	$ 2,217	$ 2,255

(III) Inventories

	December 31, 2023	December 31, 2022
Finished goods	$ 102,314	$ 111,708
Work in progress	71,502	92,459
Raw materials	12,191	45,566
Total	$ 186,007	$ 249,733

1. The allowance for obsolete and slow-moving inventories as of December 31, 2023 and 2022 were NT$15,945 thousand and NT$10,769 thousand, respectively.
2. The operating costs related to inventories for 2023 and 2022 are presented as follows:

	2023	2022
Inventories transferred to operating costs	$ 2,884,424	$ 2,949,961
Written-down of inventories	5,466	1,675
Retirement of inventories	2,411	1,136
Inventory gains	(4,167)	(4,393)
Total	$ 2,888,134	$ 2,948,379

3. The Group's inventories have not been pledged as collateral.

(IV) Financial assets at FVTOCI - equity investments

Item	December 31, 2023	December 31, 2022
Investments in foreign unlisted shares	$ 100,587	$ 113,453

1. The Group 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 Group'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 Group's financial assets at FVTOCI have not been pledged as collateral.

(V) Property, plant and equipment

	Land	Buildings and structures	Machinery and equipment	Miscellaneous equipment	Total
Cost					
Balance at January 1, 2023	$ 50,540	$ 55,806	$ 152,298	$ 172,218	$ 430,862
Addition	-	-	6,083	2,807	8,890
Disposal	-	-	-	(1,602)	(1,602)
Effects of exchange rates	-	-	(2,520)	(1,034)	(3,554)
Balance at December 31, 2023	50,540	55,806	155,861	172,389	434,596
Accumulated depreciation and impairment					
Balance at January 1, 2023	-	4,762	79,372	106,408	190,542
Depreciation expense	-	2,350	10,981	6,867	20,198
Disposal	-	-	-	(1,602)	(1,602)
Effects of exchange rates	-	-	(1,391)	(845)	(2,236)
Balance at December 31, 2023	-	7,112	88,962	110,828	206,902
Net amount at December 31, 2023	$ 50,540	$ 48,694	$ 66,899	$ 61,561	$ 227,694

	Land	Buildings and structures	Machinery and equipment	Miscellaneous equipment	Total
Cost					
Balance at January 1, 2022	$ 50,540	$ 55,806	$ 119,486	$ 159,269	$ 385,101
Addition	-	-	19,581	315	19,896
Disposal	-	-	-	(78)	(78)
Reclassification	-	-	10,582	-	10,582
Effects of exchange rates	-	-	2,649	12,712	15,361
Balance at December 31, 2022	50,540	55,806	152,298	172,218	430,862
Accumulated depreciation and impairment					
Balance at January 1, 2022	-	2,412	68,048	90,753	161,213
depreciation expense	-	2,350	9,364	9,036	20,750
Disposal	-	-	-	(78)	(78)
Effects of exchange rates	-	-	1,960	6,697	8,657
Balance at December 31, 2022	-	4,762	79,372	106,408	190,542
Net amount at December 31, 2022	$ 50,540	$ 51,044	$ 72,926	$ 65,810	$ 240,320

1. See Note 8 for the said property, plant and equipment pledged as collateral.
2. See Note 7 (4) for the related parties of property, plant and equipment.

(VI) Lease agreements

1. Right-of-use assets

	Land use rights	Buildings and structures	Machinery and equipment	Miscellaneous equipment	Total
Cost					
Balance at January 1, 2023	$ 16,859	$ 126,065	$ 12,482	$ 2,854	$ 158,260
Increase	-	-	-	571	571
Decrease	-	(182)	(3,417)	-	(3,599)
Effects of exchange rates	(38)	(2,031)	(141)	(59)	(2,269)
Balance at December 31, 2023	16,821	123,852	8,924	3,366	152,963
Accumulated depreciation					
Balance at January 1, 2023	$ 8,714	$ 1,547	$ -	$ 1,475	$ 11,736
Depreciation expense	345	13,590	2,505	573	17,013
Effects of exchange rates	(24)	(265)	(50)	(37)	(376)
Balance at December 31, 2023	9,035	14,872	2,455	2,011	28,373
Net amount at December 31, 2023	$ 7,786	$ 108,980	$ 6,469	$ 1,355	$ 124,590

	Land use rights	Buildings and structures	Machinery and equipment	Miscellaneous equipment	Total
Cost					
Balance at January 1, 2022	$ 15,194	$ 76,107	$ 31,962	$ 2,810	$ 126,073
Increase	-	126,541	12,554	-	139,095
Decrease	-	(78,058)	(32,649)	-	(110,707)
Effects of exchange rates	1,665	1,475	615	44	3,799
Balance at December 31, 2022	16,859	126,065	12,482	2,854	158,260
Accumulated depreciation and impairment					
Balance at January 1, 2022	7,546	64,095	28,631	890	101,162
depreciation expense	330	13,764	2,118	574	16,786
Decrease	-	(78,058)	(31,363)	-	(109,421)
Effects of exchange rates	838	1,746	614	11	3,209
Balance at December 31, 2022	8,714	1,547	-	1,475	11,736
Net amount at December 31, 2022	$ 8,145	$ 124,518	$ 12,482	$ 1,379	$ 146,524

In 2023, property, plant and equipment were increased or disposed of in that the price originally expected in the renewed lease agreement differed from the price actually signed, the lease liabilities were increased or decreased upon re-measurement, but the increase or decrease did not cause the leased asset to be changed or the lease term to be extended; the cost of right-of-use assets was therefore adjusted. In 2022, property, plant and equipment were increased or disposed of mainly due to the renewal of expiring lease agreements.

2.Lease liabilities

Item	Lease term	Discount rate	December 31, 2023
Buildings and structures	From 1/2022 to 12/2032	4.75%	$ 112,592
Machinery and equipment	From 1/2023 to 12/2027	4.75%	6,696
Miscellaneous equipment	From 6/2020 to 5/2025	4.75%	1,442
Total			120,730
Less: lease liabilities - current			(14,628)
Lease liabilities - non-current			$ 106,102

Item	Lease term	Discount rate	December 31, 2022
Buildings and structures	From 1/2020 to 12/2032	4.75%	$ 124,626
Machinery and equipment	From 1/2023 to 12/2027	4.75%	12,482
Miscellaneous equipment	From 6/2020 to 5/2025	4.75%	1,467
Total			138,575
Less: lease liabilities - current			(13,955)
Lease liabilities - non-current			$ 124,620

3.Total minimum payments in the future and discounted value as of December 31, 2023 and 2022

December 31, 2023	Less than 1 year	1 to 5 years	5 years or more
Total payments	$ 19,828	$ 70,103	$ 59,315
Discounted value	$ 14,628	$ 52,178	$ 53,924

December 31, 2022	Less than 1 year	1 to 5 years	5 years or more
Total payments	$ 20,238	$ 75,885	$ 75,414
Discounted value	$ 13,955	$ 57,611	$ 67,009

4.Interest expense on lease liabilities

2023	2022
$ 6,322	$ 798

5.Other lease information

	2023	2022
Expenses relating to short-term leases	$ 80	$ 128
Total cash outflows relating to leases	$ 19,262	$ 20,508

The Group elects to apply recognition exemptions for leases of photocopiers that qualify for short-term leases, and does not recognize right-of-use assets and lease liabilities for these leases.

6.See Note 7 (5) for the related parties of right-of-use assets.

(VII) Short-term borrowings

Nature of loan	December 31, 2023		Interest rate range
Bank loan			
Secured loan	$	637,738	1.88%-3.75%
Mortgage loan		70,000	1.85%
Total	$	707,738	

Nature of loan	December 31, 2022		Interest rate range
Bank loan			
Secured loan		331,945	1.73%-6.55%
Mortgage loan		35,000	1.88%
Total	$	366,945	

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 Group 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.

Subsidiaries in mainland China, in accordance with local government laws and regulations, should allocate pensions to the pension management administration at a certain percentage of the total salary of employees, pay them to the competent government authority, and deposit them in separate accounts for each employee.

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 consolidated 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
Contributions		(319)		(388)
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 expense		(80)		(52)
Actuarial gain (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
Employer contributions		115		2,665
Benefit paid from plan assets		-		(4,015)
Fair value of plan assets at the end of the year	$	5,169	$	4,949

(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 Group is exposed to the following risks due to the pension system under the Labor Standards Act:

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

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

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

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

	December 31, 2023	December 31, 2022
Discount rate	1.250%	1.500%
Expected salary increase rate	1.500%	1.500%

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:

Discount rate	December 31, 2023	December 31, 2022
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 Appropriation of profit & loss		2021 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	$	(15,204)	$	18,190

(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	$	(41,913)	$	(29,687)

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	(12,723)	(21,113)
Closing balance	$ 12,991	$ 25,714

(XIII) Operating income

1. Contracts with customers

<u>Revenue from the sale of goods</u>

The Group 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 each major product, see Note 14.

(XIV) Other revenue, financing costs and expected credit losses

1. Other revenue

	2023	2022
Revenue arising from the use of royalties	$ 228	$ 548
Other revenue	1,281	4,503
Total	$ 1,509	$ 5,051

2. Other gains and losses

	2023	2022
Net foreign exchange loss	$ (10,262)	$ (12,096)
Gain on disposal of property, plant and equipment	313	-
Other gains and losses, net	(382)	-
Total	$ (10,331)	$ (12,096)

3. Finance costs

	2023	2022
Interest on bank loans	$ 21,448	$ 20,796
Interest on lease liabilities	6,322	798
Total	$ 27,770	$ 21,594

4. Expected credit losses

	2023	2022
Losses on other receivables	$ 15,025	$ -

The above are expected credit losses on other receivables after measuring the loss allowance for expected credit losses for the duration.

(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	$ 57,544	$ 49,434	$ 106,978	$ 68,828	$ 53,058	$ 121,886
Labor health insurance premiums	13,349	12,110	25,459	13,508	13,945	27,453
Pension costs	-	823	823	-	930	930
Directors' remuneration	-	2,868	2,868	-	2,862	2,862
Other employee benefits	37,293	16,123	53,416	50,558	18,227	68,785
Depreciation expense	$ 28,992	$ 8,219	$ 37,211	$ 27,950	$ 9,586	$ 37,536
Amortization expense	$ -	$ 32	$ 32	$ -	$ 32	$ 32

As of December 31, 2023 and 2022, the Group had 423 and 464 employees, respectively.

(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 consolidated 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) Income tax

1. Income tax recognized in profit or loss

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

	2023		2022	
Current tax:				
for the year	$	10,338	$	26,736
Adjustment of current tax for the previous year		1,010		157
		11,348		26,893
Deferred tax:				
arising from and reversal of temporary differences		2,188		5,051
		2,188		5,051
Tax expenses	$	13,536	$	31,944

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

	2023		2022	
Net (loss) profit before tax	$	(123,940)	$	8,580
Tax calculated at the statutory tax rate	$	(28,655)	$	3,559
Tax effects of adjustments:				
Items to be increased in determining taxable profit		38,411		22,572
Withholdings at source		582		605
arising from and reversal of temporary differences		2,188		5,051
		12,526		31,787
Adjustment of current tax for the previous year		1,010		157
Tax expenses recognized in profit or loss		13,536		31,944

The applicable tax rate is 20% for the Company and 5% for unappropriated earnings. The applicable tax rate is 25% for subsidiaries in China. Tax payments incurred in other jurisdictions are calculated at the applicable tax rate in each jurisdiction.

2. Current tax assets and liabilities

	December 31, 2023		December 31, 2022	
Current tax assets				
Tax refund receivable	$	218	$	68
Current tax liabilities				
Current tax payable	$	2,614	$	15,541

3. Deferred tax assets and liabilities

(1) Deferred tax assets

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

(2) Deferred tax liabilities

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

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

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

	December 31, 2023	December 31, 2022
Share of the investee's losses	$ 13,214	$ 6,806
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. Income tax assessment

(1) The Company's tax returns have been assessed by the taxing authority until 2021.

(2) Overseas subsidiaries have not been involved in material pending tax cases.

(XVIII) Loss per share

	2023	2022
Basic loss per share		
Net loss attributable to owners of the parent company (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

(I) Name and Association of Related Parties

Related party	Relationship with the Company
Hoperise Conductor (Dongguan) Company Limited (hereinafter referred to as Hoperise Dongguan)	Material related party
Hoperise Industial (HK) Limited (hereinafter referred to as HOPERISE HK)	Material related party
Hoperise Conductor (Kunshan) Company Limited (hereinafter referred to as Hoperise Kunshan)	Material related party
Hong Shuay Industrial Co., Ltd. (hereinafter referred to as Hong Shuay)	Material related party
Dongguan Chaolong Machinery Co., Ltd. (hereinafter referred to as Chaolong)	Material related party

(II) Significant Transactions with Related Parties

1. Operating costs - purchases

	2023	2022
Hong Shuay	$ 39	$ -

2. Operating costs - processing charges

	2023	2022
Hoperise Dongguan	$ 47,214	$ 43,971

3. Operating costs - repair charges

	2023	2022
Chaolong	$ 14	$ -

(III) Claims and Debts with Related Parties

1. Other payables - related parties

	December 31, 2023	December 31, 2022
Hoperise Dongguan	10,324	22,622
Chaolong	14	-
Total	$ 10,338	$ 22,622

Accounts payable to Hoperise Dongguan for outsourced processing with trade terms not significantly different from those for general outsourced processing.

2. Borrowings from related parties (other accounts payables - related parties)

2023	Maximum balance	Closing balance	Interest rate range	Interest expense	Interest payable
Hoperise Kunshan	$ 134,837	$ -	3%	$ 2,320	$ -

2022	Maximum balance	Closing balance	Interest rate range	Interest expense	Interest payable
Hoperise Kunshan	$ 88,693	$ -	3%	$ 2,125	$ -

The Group's short-term borrowings from related parties at a rate equivalent to the market interest rate and all unsecured loans.

(IV) Transfer of property, plant and equipment with related parties

1. Purchase of property, plant and equipment

	2023	2022
Chaolong	$ 988	$ -

(V) The Group's contracts for the lease of factory buildings and machinery equipment from HOPERISE HK and Hoperise Dongguan qualify for finance leases, so right-of-use assets and lease liabilities were recognized. Payments of lease liabilities and depreciation of right-of-use assets are presented as follows:

	2023	2022
Principal portion of lease liabilities	$ 10,765	$ 17,632
Interest expense	6,051	457
Total payments	$ 16,816	$ 18,089
Depreciation expense	$ 14,532	$ 14,387

In addition, when the lease contracts expired on December 31, 2022, the Group renewed the contract with HOPERISE HK for the lease of factory buildings for additional 10 years, for which right-of-use assets and lease liabilities were recognized at RMB 27,187 thousand (equal to NT$119,878 thousand); the contract with Hoperise Dongguan for the lease of machinery and equipment for additional 5 years, for which right-of-use assets and lease liabilities were recognized at RMB 2,831 thousand (equal to NT$12,482 thousand).

(VI) Information on Management's Remuneration

	2023	2022
Salaries and other short-term employee benefits	$ 14,375	$ 14,108

VIII. ASSETS PLEDGED AS COLLATERAL OR FOR SECURITY

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

Item	December 31, 2023	December 31, 2022
Other financial assets - time deposits	117,548	35,963
Other financial assets - reserve account deposits	10,000	17,426
Property, plant and equipment	94,923	97,231
Total	$ 222,471	$ 150,620

The collateral provided for a loan from a financial institution is expressed by the net carrying amount of the pledged assets.

IX. SIGNIFICANT CONTINGENT LIABILITIES AND UNRECOGNIZED COMMITMENTS

(I) Contingencies

As of December 31, 2023 and 2022, the Group had applied to financial institutions for L/Cs, and there was no opened but unused balance.

(II) Commitments

1. After the transfer of shares, the Group 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 Group's trademarks for pro rate charges and costs. Upon receipt of a PO from any former customer of Feitai, the Group will immediately transfer the order to Great China and Feitai. The Group 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 Group's receivables from the said transactions were NT$19 thousand and NT$19 thousand respectively, and payables were NT$488 thousand and NT$748 thousand, 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 Group's strategy in 2023 remained the same as that in 2022, which was to keep the debt-to-capital ratio below 40%. The Group'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	$ 707,738	$ 366,945
Less: Cash and cash equivalents	(442,756)	(423,517)
Net debt	264,982	(56,572)
Total equity	1,232,829	1,395,295
Total capital	$ 1,497,811	$ 1,338,723
Debt-to-capital ratio	17.69%	(4.23%)

(II) Information About Financial Products

1. Financial Instruments

The carrying amounts of financial products held by the Group 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 Group'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 Group's overall risk management policy places an emphasis on unpredictable events in financial markets and seeks to minimize potential adverse effects on the Group's financial position and financial performance. The Group avoids specific risks through a number of derivative financial instruments.

(2) Risk management is carried out by the Finance Department of the Group 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 Group'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 Group 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 Group's management has established a policy requiring all operations within the Group to manage exchange rate risk relative to its functional currency. The Group 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 Group 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 Group 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.

<u>Price risk</u>

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

<u>Interest rate risk</u>

The Group's interest rate risk arises from borrowings. Borrowings issued at floating rates expose the Group 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 Group to fair value interest rate risk.

The Group 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 Group 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 Group 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 customers, as well as accounts receivable and committed transactions. For banks and financial institutions, only institutions with an independent rating of good 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 Group's financial assets, see Note 6 (2) Accounts Receivable.

D. For the analysis of the Group'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 Group's liquidity needs to ensure that it has sufficient funds to meet operating needs.

B. The following table shows the Group'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 5 years	5 years or more
Short-term borrowings	$ 707,738	$ -	$ -
Notes payable	103	-	-
Accounts payable	19,653	-	-
Other payables	73,090	-	-
Other payables - related parties	10,338	-	-
Current tax liabilities	2,614	-	-
Lease liabilities	14,628	52,178	53,924

Non-derivative financial liabilities December 31, 2022	Less than 1 year	1 to 5 years	5 years or more
Short-term borrowings	$ 366,945	$ -	$ -
Notes payable	460	-	-
Accounts payable	89,021	-	-
Other payables	84,961	-	-
Other payables - related parties	22,622	-	-
Current tax liabilities	15,541	-	-
Lease liabilities	13,955	124,620	-

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 Group'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	$	100,587

December 31, 2022	Level 3	
Financial assets:		
Financial assets at FVTOCI - equity securities	$	113,453

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 NT$)	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)	

Item measured at fair value based on a repeatability basis	Fair value as of December 31, 2023 (in thousands of NT$)	Valuation technique	Significant unobservable input	Interval (weighted average)	Relationship between input and fair value
Financial assets at FVTOCI - ZJ Optical	$63,633	Comparable companies method	EBITDA multiplier Income multiplier Equity multiplier	175.25~89.54 (25.61) 0.57~1.82 (0.76) 0.72~1.92 (1.36)	The higher EBITDA multiplier, income multiplier, and equity ratio, the higher the fair value.

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

	2023	2022
Opening balance	$ 113,453	$ 127,406
Loss recognized in other comprehensive income	(12,723)	(21,113)
Foreign currency translation differences	(143)	7,160
Closing balance	$ 100,587	$ 113,453

(III) Foreign Currency Assets and Liabilities with Significant Effects

The following information is summarized and expressed in foreign currencies other than the Group'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
Foreign currency assets - monetary items						
USD	$ 1,708	30.705	$ 52,460	$ 4,540	30.71	$ 139,425
HKD	1,161	3.929	4,561	2,439	3.938	9,603
RMB	328,356	4.3352	1,423,496	261,582	4.4094	1,153,426
Foreign currency assets - non-monetary items						
USD	1,204	30.705	36,954	1,648	30.71	50,620
RMB	14,678	4.3352	63,633	14,250	4.4094	62,833
Foreign currency liabilities - monetary items						
USD	26	30.705	797	5,059	30.71	155,366
HKD	1,021	3.929	4,012	1,653	3.938	6,509
RMB	166,156	4.3352	720,320	94,826	4.4094	418,128

Exchange gains and losses on monetary assets and liabilities	2023	2022

	2023		2022	
USD	$	(6,488)	$	(10,424)
HKD		(3)		128
RMB		(3,770)		(1,802)
JPY		(1)		2
Total	$	(10,262)	$	(12,096)

	2023		2022	
Financial assets - monetary items	Range of changes	Profit or loss affected	Range of changes	Profit or loss affected
USD	1%	$ 525	1%	$ 1,395
RMB	1%	14,235	1%	11,534
Financial liabilities - monetary items				
USD	1%	8	1%	1,554
RMB	1%	7,203	1%	4,181

(IV) Financing from Non-cash Transactions

1. For right-of-use assets acquired through leases, see Note 6 (6) for details.
2. The Company's liabilities (with non-cash changes) in financing activities are presented as follows:

	January 1, 2023	Cash flows	Non-cash changes	December 31, 2023
Lease liabilities (current and non-current)	$ 138,575	(12,860)	(4,985)	120,730

	January 1, 2022	Cash flows	Non-cash changes	December 31, 2022
Lease liabilities (current and non-current)	$ 20,513	(19,582)	137,644	138,575

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 INVESTEES (EXCLUDING INVESTEES IN MAINLAND CHINA)	Table 7
11	INFORMATION ON INVESTMENT IN MAINLAND CHINA	Table 8
12	INFORMATION ON MAJOR SHAREHOLDERS	Table 9

(II) INFORMATION ON INVESTEES

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
10	INFORMATION ON INVESTEES (EXCLUDING INVESTEES IN MAINLAND CHINA)	No
11	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 Group 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 2011, SPACE SHUTTLE (SINGAPORE) HI-FIWIRE&CABLE INDUSTRY PTE LTD. was liquidated and its subsidiary SPACE SHUTTLE (HK) HI-FI WIRE & CABLE INDUSTRY CO., LIMITED directly invested in Zhong Ju Hi-Tech Co., Ltd. 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 consolidated net worth.

2. Significant transactions

For direct or indirect significant transactions between the Group 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 Group is mainly engaged in the manufacture of copper materials and 3C cables. The operating decision-maker is the board of directors, which deems the Group on the whole as a single performance management entity, reviews the financial data from the Group's financial statements as a basis for appraising performance, making decisions and allocating resources, and identifies the Group as a reportable segment. The board of directors of the Group mainly appraises the performance of operating segments based on monthly financial statements.

(I) Revenue from Products Sold and Services Rendered

The Group's revenue from products sold and services rendered is analyzed as follows:

	2023		2022	
Copper	$	2,694,980	$	2,563,794
3C wires		261,252		569,900
3C assembly products		1,095		1,999
Total	$	2,957,327	$	3,135,693

(II) Information About Geographical Areas

The Group mainly operates in Asia.

The Group's revenue from the continuing operations of external customers and non-current assets are presented according to their locations as follows:

	Revenues from external customers:				Non-current assets			
	2023		2022		December 31, 2023		December 31, 2022	
Asia	$	2,957,327	$	3,135,693	$	356,520	$	391,991

(III) Information About Major Customers:

The Group earns no more than 10% of its total revenue from a single customer.

Space Shuttle Hi-Tech CO., Ltd. and Its Subsidiaries
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. and Its Subsidiaries
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 HOU JIE XI TOU SPACE SHUTTLE HI-FI WIRE & CABLE CO., LTD	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	
		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. and Its Subsidiaries
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. and Its Subsidiaries

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
			Purchases /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. and Its Subsidiaries
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. and Its Subsidiaries
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%
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%
3	DONGGUAN LUCKY FLY CONDUCTOR CO.LTD	DONG GUAN HOU JIE XI TOU SPACE SHUTTLE HI-FI WIRE & CABLE CO., LTD	3	Accounts receivable	12,765	on general terms	0.59%
		DONG GUAN HOU JIE XI TOU SPACE SHUTTLE HI-FI WIRE & CABLE CO., LTD	3	Sales	107,327	on general terms	3.63%

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. and Its Subsidiaries

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. and Its Subsidiaries
NAMES, LOCATIONS, AND RELATED INFORMATION OF INVESTEES (excluding investees in mainland China)
December 31, 2023

Table 7

Unit: 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. and Its Subsidiaries
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. and Its Subsidiaries
INFORMATION ON MAJOR SHAREHOLDERS
December 31, 2023

Table 9 Number of shares: 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.