STOCK CODE: 2483

Excel Cell Electronic Company Limited and Subsidiaries

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

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REPRESENTATION LETTER

The entities that are required to be included in the consolidated financial statements of Excel Cell Electronic Company Limited as of and for the year ended December 31, 2023, under the Criteria Governing the Preparation of Affiliation Reports, Consolidated Business Reports and Consolidated Financial Statements of Affiliated Enterprises are the same as those included in the consolidated financial statements prepared in conformity with the International Financial Reporting Standard 10, “Consolidated Financial Statements”. In addition, the information required to be disclosed in the consolidated financial statements is included in the consolidated financial statements. Consequently, Excel Cell Electronic Company Limited and Subsidiaries do not prepare a separate set of consolidated financial statements.

Very truly yours,

EXCEL CELL ELECTRONIC COMPANY LIMITED

By

Liao Pen-Lin
Chairman
March 6, 2024

INDEPENDENT AUDITORS' REPORT

The Board of Directors and Shareholders
Excel Cell Electronic Company Limited

Opinion

We have audited the accompanying consolidated financial statements of Excel Cell Electronic Company Limited and its subsidiaries (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, based on our audits and reports of other auditors (please refer to Other Matter section), the accompanying consolidated financial statement 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 the 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.

The key audit matter identified in the Group’s consolidated financial statements for the year ended December 31, 2023 is discussed as follows:

<u>Recognition of sales revenue</u>

The Group's main sales items are electronic components such as programmable switches, relays and lead frames. Certain products significantly impact the overall operating revenue and profitability and are therefore identified as a key audit matter.

Refer to Notes 4 to the consolidated financial statements for accounting policies of revenue recognition.

Our key audit procedures performed in respect of the above key audit matter included the following:

1. We understood and tested the design and implementation of internal control over revenue recognition and verified, on a sampling basis, the appropriateness of the approved original orders.
2. We verified the authenticity of the revenue recognition by sampling the sales details of the major sales items to the original orders, sales slips and receipts.

Other Matter

We did not audit the financial statements of Fuzetec Technology Co., Ltd. which a wholly-owned consolidated subsidiary and investees accounted for under the equity method. Total investments accounted for using equity method amounted to NT$241,926 thousand and NT$258,537 thousand, both constituting 6% of consolidated total assets as at December 31, 2023 and 2022, respectively. Comprehensive income accounted for using equity method of NT$15,949 thousand and NT$38,675 thousand, constituting 58% and 22% of consolidated total comprehensive income for the years ended December 31, 2023 and 2022, respectively. Those financial statements were audited by other auditors whose reports thereon have been furnished to us, and our opinion expressed herein, insofar as it relates to the amounts included in the financial statements relative to the consolidated subsidiary and investees, is based solely on the reports of the other auditors.

We have audited and expressed an unqualified opinion on the parent company only financial statements of Excel Cell Electronic Company Limited as at and for the years ended December 31, 2023 and 2022.

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 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, 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 the 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 Standards on Auditing of the Republic of China, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

1. Identify and assess the risks of material misstatement of the 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 management.
4. Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the 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 auditors' 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 the 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 group audit. We remain solely responsible for our audit opinion.

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

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

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

The engagement partners on the audits resulting in this independent auditors' report are Ding-jian, Su and Hsin-wai, Tai.

Independent Accounts

Su, Ting-Chien
Tai, Hsin-Wei

Deloitte & Touche
Taipei, Taiwan
Republic of China
March 6, 2024

EXCEL CELL ELECTRONIC COMPANY LIMITED AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022

(In Thousands of New Taiwan Dollars)

CODE	ASSETS	December 31, 2023 AMOUNT	%	December 31, 2022 AMOUNT	%
	CURRENT ASSETS				
1100	Cash and cash equivalents (Note 4 and 6)	$ 616,378	15	$ 831,243	18
1110	Financial assets at fair value through profit or loss – Current (Note 4 and 7)	50,877	1	46,077	1
1120	Financial assets at fair value through other comprehensive income – Current (Note 4 and 10)	127,406	3	-	-
1150	Notes receivable from unrelated parties (Note 4 and 8)	38,437	1	36,786	1
1170	Accounts receivable from unrelated parties (Note 4 and 8)	295,603	7	335,747	8
1180	Accounts receivable from related parties (Note 4, 8 and 24)	1,368	-	1,581	-
1200	Other receivables (Note 4 and 20)	15,177	-	5,575	-
1310	Inventories (Notes 4 and 9)	371,180	9	466,967	10
1470	Other current assets	12,570	-	18,778	-
11XX	Total current assets	1,528,996	36	1,742,754	38
	NONCURRENT ASSETS				
1517	Financial assets at fair value through other comprehensive income – Noncurrent (Note 4 and 10)	121,308	3	253,646	6
1550	Investments accounted for using equity method (Note 4 and 12)	241,926	6	258,537	6
1600	Property, plant and equipment (Notes 4, 13, 24, 25 and 26)	2,139,798	51	2,083,751	46
1755	Right-of-use assets (Notes 4 and 14)	24,035	-	25,551	1
1780	Intangible assets (Notes 4)	37,854	1	38,649	1
1840	Deferred income tax assets (Notes 4 and 20)	40,139	1	18,479	-
1915	Prepayment for equipment	71,460	2	99,162	2
1975	Net defined benefit asset – Noncurrent (Note 4 and 17)	9,699	-	2,724	-
1990	Other noncurrent assets	2,226	-	3,371	-
15XX	Total noncurrent assets	2,688,445	64	2,783,870	62
1XXX	TOTAL	$ 4,217,441	100	$ 4,526,624	100
CODE	LIABILITIES AND EQUITY				
	CURRENT LIABILITIES				
2100	Short-term loans (Note 15)	$ 570,000	14	$ 410,000	9
2110	Short-term bills payable (Note 15)	-	-	380,000	8
2170	Notes and accounts payables to unrelated parties	199,045	5	183,583	4
2180	Notes and accounts payables to related parties (Note 24)	17,765	1	19,150	-
2219	Other payables (Notes 16)	94,443	2	118,878	3
2220	Payables to equipment suppliers	2,414	-	6,086	-
2230	Current tax liabilities (Notes 4 and 20)	15,380	-	31,372	1
2280	Lease liabilities – Current (Note 4 and 14)	1,387	-	1,215	-
2313	Deferred income (Note 4 and 15)	3,130	-	2,643	-
2320	Long-term loans - current portion (Note 15 and 25)	138,580	3	136,859	3
2399	Other current liabilities	35,639	1	24,060	1
21XX	Total current liabilities	1,077,783	26	1,313,846	29
	NONCURRENT LIABILITIES				
2540	Long-term loans (Note 15 and 25)	549,510	13	530,345	12
2570	Deferred income tax liabilities (Notes 4 and 20)	33,915	1	41,422	1
2580	Lease liabilities – Noncurrent (Note 4 and 14)	1,383	-	2,136	-
2630	Long-term deferred income (Note 4 and 15)	16,668	-	17,005	-
2640	Net defined benefit liabilities – Noncurrent (Note 4 and 17)	973	-	1,279	-
2645	Guarantee deposits	102	-	104	-
25XX	Total noncurrent liabilities	602,551	14	592,291	13
2XXX	Total liabilities	1,680,334	40	1,906,137	42
	EQUITY ATTRIBUTABLE TO SHAREHOLDERS OF THE PARENT				
3110	Capital stock	1,090,938	26	1,090,938	24
3200	Capital surplus	227,137	5	270,775	6
	Retained earnings				
3310	Legal reserve	329,350	8	312,197	7
3320	Special reserve	16,972	-	16,972	-
3350	Unappropriated earnings	753,337	18	793,700	18
3400	Other equity	103,428	3	121,461	3
31XX	Equity attributable to shareholders of the parent	2,521,162	60	2,606,043	58
36XX	NON - CONTROLLING INTERESTS	15,945	-	14,444	-
3XXX	Total equity	2,537,107	60	2,620,487	58
	TOTAL	$ 4,217,441	100	$ 4,526,624	100

The accompanying notes are an integral part of the consolidated financial statements.
(With Deloitte & Touche auditors' report dated March 6, 2024)

EXCEL CELL ELECTRONIC COMPANY LIMITED AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022

(In Thousands of New Taiwan Dollars, Except Earnings Per Share)

Code		2023 Amount	2023 %	2022 Amount	2022 %
4000	OPERATING REVENUE, NET (Note 4 and 24)	$ 1,796,452	100	$ 2,225,595	100
5000	OPERATING COSTS (Notes 10, 19 and 24)	1,546,745	86	1,808,362	81
5900	GROSS PROFIT	249,707	14	417,233	19
	OPERATING EXPENSES (Notes 19)				
6100	Selling and marketing expenses	67,985	4	78,679	4
6200	General and administrative expenses	125,114	7	136,262	6
6300	Research and development expenses	88,129	5	88,510	4
6000	Total operating expenses	281,228	16	303,451	14
6900	PROFIT (LOSS) FROM OPERATIONS	(31,521)	(2)	113,782	5
	NON-OPERATING INCOME AND EXPENSES				
7050	Finance costs (Note 15 and 19)	(21,083)	(1)	(16,518)	(1)
7100	Interest income	17,138	1	2,913	-
7010	Other income (Note 19 and 24)	29,402	1	30,941	2
7370	Share of profit of associates accounted for using the equity method (Note 4 and 12)	16,408	1	38,396	2
7020	Other gains and losses (Note 19)	15,028	1	52,218	2
7000	Total non-operating income and expenses	56,893	3	107,950	5
7900	INCOME BEFORE INCOME TAX	25,372	1	221,732	10

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(Continued)

Code		2023 Amount	2023 %	2022 Amount	2022 %
7950	INCOME TAX EXPENSE (PROFIT) (Note 4 and 20)	($ 11,664)	(1)	$ 51,607	2
8200	NET PROFIT FOR THE YEAR	37,036	2	170,125	8
	OTHER COMPREHENSIVE INCOME (LOSS)				
8310	Items that will not be reclassified subsequently to profit or loss:				
8311	Remeasurement of defined benefit plans (Note 4 and 17)	5,489	1	1,269	-
8316	Unrealized gain/(loss) on investments in equity instruments at fair value through other comprehensive income	4,442	-	(20,581)	(1)
8320	Share of the other comprehensive income of associates accounted for using the equity method (Note 4 and 12)	(26)	-	(15)	-
8349	Income tax related to items that will not be reclassified subsequently (Note 20)	(1,098)	-	(254)	-
8360	Items that may be reclassified subsequently to profit or loss:				
8361	Exchange differences on translation of the financial statements of foreign operations (Note 4)	(18,303)	(1)	24,102	1
8300	Other comprehensive gain (loss) for the year, net of income tax	(9,496)	-	4,521	-
8500	TOTAL COMPREHENSIVE INCOME FOR THE YEAR	$ 27,540	2	$ 174,646	8
	NET PROFIT ATTRIBUTABLE TO:				
8610	Shareholders of the Company	$ 35,280	2	$ 167,822	8
8620	Non-controlling interests	1,756	-	2,303	-
8600		$ 37,036	2	$ 170,125	8

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Code		2023 Amount	2023 %	2022 Amount	2022 %
	TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO:				
8710	Shareholders of the Company	$ 24,213	2	$ 171,034	8
8720	Non-controlling interests	3,327	-	3,612	-
8700		$ 27,540	2	$ 174,646	8
	EARNINGS PER SHARE (Note 21)				
9750	Basic	$ 0.32		$ 1.54	
9850	Diluted	$ 0.32		$ 1.53	

The accompanying notes are an integral part of the consolidated financial statements.
(With Deloitte & Touche auditors' report dated March 6, 2024)

EXCEL CELL ELECTRONIC COMPANY LIMITED AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022

(In Thousands of New Taiwan Dollars, Except Earnings Per Share)

		Equity Attributable to Shareholders of the Parent									
				Retained Earnings (Note 18)			Other Equity				
Code		Share Capital (Note 18)	Capital Surplus (Note 18)	Legal Reserve	Special Reserve	Unappropriated Earnings	Exchange Differences on Translation of the Financial Statements of Foreign Operations	Unrealized Gain/(Loss) on Financial Assets at Fair Value Through Other Comprehensive Income	Total	Non-Controlling Interests	Total Equity
A1	BALANCE AT JANUARY 1, 2022	$ 1,090,938	$ 314,412	$ 296,058	$ 19,870	$ 703,769	($ 47,812)	$ 161,565	$ 2,538,800	$ 12,514	$ 2,551,314
	Appropriation of 2021 earnings										
B1	Legal reserve	-	-	16,139	-	(16,139)	-	-	-	-	-
B5	Cash dividends	-	-	-	-	(65,456)	-	-	(65,456)	-	(65,456)
B17	Reversal of special reserve	-	-	-	(2,898)	2,898	-	-	-	-	-
C15	Capital Surplus distribute to Cash dividends	-	(43,637)	-	-	-	-	-	(43,637)	-	(43,637)
D1	Net profit for the year ended December 31, 2022	-	-	-	-	167,822	-	-	167,822	2,303	170,125
D3	Other comprehensive income (loss) for the year ended December 31, 2022, net of income tax	-	-	-	-	971	24,102	(21,861)	3,212	1,309	4,521
D5	Total comprehensive income (loss) for the year ended December 31, 2022	-	-	-	-	168,793	24,102	(21,861)	171,034	3,612	174,646
O1	Cash dividends distributed by the subsidiaries	-	-	-	-	-	-	-	-	(1,682)	(1,682)
Q1	Disposal of investments in equity instruments measured at fair value through other comprehensive income	-	-	-	-	(165)	-	5,467	5,302	-	5,302
Z1	BALANCE AT DECEMBER 31, 2022	1,090,938	270,775	312,197	16,972	793,700	(23,710)	145,171	2,606,043	14,444	2,620,487
	Appropriation of 2022 earnings										
B1	Legal reserve	-	-	17,153	-	(17,153)	-	-	-	-	-
B5	Cash dividends	-	-	-	-	(65,456)	-	-	(65,456)	-	(65,456)
C15	Capital Surplus distribute to Cash dividends	-	(43,638)	-	-	-	-	-	(43,638)	-	(43,638)
D1	Net profit for the year ended December 31, 2023	-	-	-	-	35,280	-	-	35,280	1,756	37,036
D3	Other comprehensive income (loss) for the year ended December 31, 2023, net of income tax	-	-	-	-	4,345	(18,303)	2,891	(11,067)	1,571	(9,496)
D5	Total comprehensive income (loss) for the year ended December 31, 2023	-	-	-	-	39,625	(18,303)	2,891	24,213	3,327	27,540
O1	Cash dividends distributed by the subsidiaries	-	-	-	-	-	-	-	-	(1,826)	(1,826)
Q1	Disposal of investments in equity instruments measured at fair value through other comprehensive income	-	-	-	-	2,621	-	(2,621)	-	-	-
Z1	BALANCE AT DECEMBER 31, 2023	$ 1,090,938	$ 227,137	$ 329,350	$ 16,972	$ 753,337	($ 42,013)	$ 145,441	$ 2,521,162	$ 15,945	$ 2,537,107

The accompanying notes are an integral part of the consolidated financial statements.
(With Deloitte & Touche auditors' report dated March 6, 2024)

EXCEL CELL ELECTRONIC COMPANY LIMITED AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022

(In Thousands of New Taiwan Dollars)

Code		2023	2022
	CASH FLOWS FROM OPERATING ACTIVITIES		
A10000	Income before income tax	$ 25,372	$ 221,732
A20010	Adjustments for:		
A20100	Depreciation expense	159,221	147,127
A20200	Amortization expense	5,248	9,585
A20300	Expected credit losses recognized (reversal)	(57)	(127)
A20400	Net profit of financial instruments at fair value through profit or loss	(4,800)	3,497
A20900	Finance costs	21,083	16,518
A21200	Interest income	(17,138)	(2,913)
A21300	Dividend income	(11,682)	(14,656)
A22300	Share of profit of associates accounted for under equity method	(16,408)	(38,396)
A22500	Gain on disposal of property, plant and equipment, net	(542)	(1,408)
A22700	Loss (gain) on disposal of property, plant and equipment, net	-	(10,626)
A23700	Allowance for inventory valuation and obsolescence loss	11,436	13,714
A24100	Net unrealized loss on foreign currency exchange	4,922	10,456
A29900	Deferred Income	(2,924)	(1,950)
A30000	Changes in operating assets and liabilities		
A31130	Notes receivable	(1,651)	27,028
A31150	Accounts receivable	35,826	63,857
A31180	Other receivables	(5,000)	(1,856)
A31200	Inventories	87,488	115,066
A31240	Other current assets	6,054	14,541
A32150	Notes and accounts payable	14,338	(113,422)
A32180	Other payables	(28,100)	(6,960)
A32230	Other current liabilities	11,579	(17,548)
A32240	Net defined benefit plan	(1,818)	(10,238)
A33000	Cash generated from (used in) operations	292,447	423,021
A33100	Interest received	17,138	2,913
A33200	Dividends received	44,242	47,216

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Code		2023	2022
A33300	Interest paid	(21,083)	(16,518)
A33400	Dividends paid	(109,094)	(109,093)
A33500	Income tax paid	(38,552)	(17,787)
AAAA	Net cash generated from (used in) operating activities	185,098	329,752
	CASH FLOWS FROM INVESTING ACTIVITIES		
B00020	Disposal of financial assets at fair value through other comprehensive	$ 9,374	$ 10,068
B00030	Proceeds from the capital reduction of financial assets at fair value through other comprehensive income	-	83
B00100	Purchase of financial assets at fair value through profit or loss	-	(44,480)
B00200	Disposal of financial assets at fair value through profit or loss	-	56,846
B02700	Payments for property, plant and equipment	(188,537)	(306,567)
B02800	Proceeds from disposal of property, plant and equipment	14,035	49,342
B03800	Refundable deposits paid (refunded)	1,145	(630)
B04500	Payments for intangible assets	(3,321)	(4,736)
B05500	Proceeds from disposal of investment property	-	20,453
B06700	Decrease (Increase) in other noncurrent assets	(1,132)	1,253
B07100	Increase in prepayments for equipment	(22,874)	(156,948)
BBBB	Net cash used in investing activities	(191,310)	(375,316)
	CASH FLOWS FROM FINANCING ACTIVITIES		
C00200	Increase in short-term loans	160,000	150,000
C00500	Decrease in short-term bills payable	(380,000)	-
C01600	Proceeds from long-term loans	163,505	125,727
C01700	Repayment of long-term loans	(139,390)	(52,224)
C03100	Increase (Decrease) in guarantee deposits received	(2)	1
C04020	Repayment of the principal portion of lease liabilities	(1,330)	(1,673)
C05800	Change in non-controlling interests	(1,826)	(1,682)
CCCC	Net cash generated (outflow) from financing activities	(199,043)	220,149
DDDD	EFFECT OF EXCHANGE RATE CHANGES ON THE BALANCE OF CASH AND CASH EQUIVALENTS	(9,610)	13,662
EEEE	NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(214,865)	188,247
E00100	CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR	831,243	642,996
E00200	CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	$ 616,378	$ 831,243

The accompanying notes are an integral part of the consolidated financial statements.
(With Deloitte & Touche auditors' report dated March 6, 2024)

EXCEL CELL ELECTRONIC COMPANY LIMITED AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022
(In Thousands of New Taiwan Dollars, Unless Specified Otherwise)

1. COMPANY HISTORY

Excel Cell Electronic Company Limited (the "Company," the Company and its subsidiaries are collectively referred to as the "Group") was incorporated in December 1981 and is mainly engaged in the manufacture and sale of electronic components such as programmable switches, relays, terminal blocks, and lead frames, as well as the processing and sale of various batteries. Its products are main components for computer and communication equipment.

The Company's shares have been listed and traded on the Taiwan Stock Exchange since September 17, 2001. The consolidated financial statements are presented in the Company's functional currency, the New Taiwan dollar.

2. APPROVAL OF FINANCIAL STATEMENTS

The consolidated financial statements were approved and authorized for issue by the Company's board of directors on March 6, 2024.

3. APPLICATION OF NEW AND REVISED INTERNATIONAL FINANCIAL REPORTING STANDARDS

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

The initial application of the amendments to the IFRSs endorsed and issued into effect by the FSC did not have a significant effect on the accounting policies of the Company and its subsidiaries (collectively as the "Group").

b) The IFRSs issued by International Accounting Standards Board (IASB) and endorsed by the FSC with effective date starting 2024.

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

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

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

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

As of the date the consolidated financial statements were authorized for issue, the Group assessed that the application of standards and interpretations will not have a material impact on the Group's financial position and financial performance.

c) The IFRSs issued by IASB but not yet endorsed and issued into effect by the FSC

New, Revised or Amended Standards and Interpretations	Effective Date Issued by IASB (Note 1)
Amendments to IFRS 10 and IAS 28 "Sale or Contribution of Assets between an Investor and its Associate or Joint Venture"	To be determined by IASB
IFRS 17 "Insurance Contracts"	January 1, 2023
Amendments to IFRS 17	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 stated otherwise, the above IFRSs are effective for annual reporting periods beginning on or after their respective effective dates.

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

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

d) Reclassification

Management consider that the funds repatriated under the 'The Management, Utilization, and Taxation of Repatriated Offshore Funds Act ' for substantive investments and related financial investments do not change the nature of the deposits. The Group can withdraw the amount immediately and the amount is more appropriate to classify the designated deposit as cash and cash equivalents. Consequently, the presentation of the consolidated balance sheet and consolidated cash flow statement was reclassified in 2023, with the financial assets measured at amortized cost reclassified as cash and cash equivalents. The book values of these assets as of December 31, 2023, December 31, 2022, and January 1, 2022, were NT$1,403 thousand, NT$18,347 thousand, and $53,245 thousand, respectively. The impact on cash flow items for the year 2022 is as follows:

	Adjustment
Cash used in investing activities	$ 34,898
Net increase in cash and cash equivalents	$ 34,898

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

a. Statement of Compliance

The accompanying consolidated financial statements have been prepared in conformity with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and the IFRSs endorsed by the FSC with the effective dates (collectively, "Taiwan-IFRSs").

b. Basis of Preparation

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

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

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

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

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

c. Classification of Current and Non-Current Assets and Liabilities

Current assets include:

1) Assets held primarily for the purpose of trading;

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

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

Current liabilities include:

1) Liabilities held primarily for the purpose of trading;

2) Liabilities due to be settled within 12 months after the reporting period; and

3) Liabilities for which the Company does not have an unconditional right to defer settlement for at least 12 months after the reporting period.

Assets and liabilities that are not classified as current are classified as noncurrent.

d. Basis of Consolidation

The consolidated financial statements incorporate the financial statements of the Company and the entities controlled by the Company (i.e., its subsidiaries). Income and expenses of subsidiaries acquired or disposed of are included in the consolidated statement of comprehensive income from the effective date of acquisition and up to the effective date of disposal, as appropriate. When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with those used by the Group. All intra-company transactions, balances, income and expenses are eliminated in full upon consolidation. Total comprehensive income of subsidiaries is attributed 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.

Changes in the Group's ownership interests in subsidiaries that do not result in the Group losing control over the subsidiaries are accounted for as equity transactions. The carrying amounts of the Group's interests and the non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiaries. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognized directly in equity and attributed to shareholders of the parent.

When the Group loses control of a subsidiary, a gain or loss is recognized in profit or loss and is calculated as the difference between:

1) the aggregate of the fair value of consideration received and the fair value of any retained interest at the date when control is lost; and

2) the previous carrying amount of the assets (including goodwill), and liabilities of the subsidiary and any non-controlling interest.

The Group shall account for all amounts recognized in other comprehensive income in relation to the subsidiary on the same basis as would be required if the Group had directly disposed of the related assets and liabilities.

The fair value of any investment retained in the former subsidiary at the date when control is lost is regarded as financial assets at fair value through other comprehensive income or financial assets at fair value through profit or loss.

The detailed information of subsidiaries (including the percentage of ownership and main business) is referred to Note 11, Tables 5 and 6.

e. Foreign Currencies

In preparing the financial statements of each individual entity, transactions in currencies other than the entity's functional currency (i.e., foreign currencies) are recognized at the exchange rates at the dates of the transactions. At the end of each balance sheet date, monetary items denominated in foreign currencies are retranslated at the exchange rates at that date. Exchange differences on monetary items arising from settlement or translation are recognized in profit or loss in the year in which they arise.

When the settlement of a monetary item receivable from or payable to a foreign operation is neither planed nor likely in the foreseeable future, exchange differences arising thereon from part of a net investment in the foreign operation and are recognized in other comprehensive income and reclassified from equity to profit or loss on disposal of the net investment.

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

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

For the purpose of presenting the consolidated financial statements, the functional currencies of its foreign operations are translated into the presentation currency, the New Taiwan dollar, as follows: Assets and liabilities are translated at the exchange rates at the end of the reporting period; and income and expense items are translated at the average exchange rates for the period. The resulting currency translation differences are recognized in other comprehensive income.

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

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

f. Inventories

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

g. Investments in Associates

An associate is an entity over which the Group has significant influence and which is neither a subsidiary nor an interest in a joint venture.

The Group uses the equity method to account for its investments in associates.

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

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

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

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

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

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

h. Property, Plant, and Equipment

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

Property, plant and equipment in the course of construction are measured at cost less any recognized impairment loss. Cost includes professional fees and borrowing costs eligible for capitalization. Such assets are depreciated and classified to the appropriate categories of property, plant and equipment when completed and ready for their intended use.

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

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

i. Goodwill

Goodwill arising from the acquisition of a business is carried at cost as established at the date of acquisition of the business less accumulated impairment loss.

For the purposes of impairment testing, goodwill is allocated to each of the Group's cash-generating units or groups of cash-generating units (referred to as "cash-generating unit") that is expected to benefit from the synergies of the combination.

A cash-generating unit to which goodwill has been allocated is tested for impairment annually or more frequently when there is an indication that the unit may be impaired, by comparing its carrying amount, including the attributed goodwill, with its recoverable amount. However, if the goodwill allocated to a cash-generating unit was acquired in a business combination during the current annual period, that unit shall be tested for impairment before the end of the current annual period. If the recoverable amount of the cash-generating unit is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then pro rata to the other assets of the unit based on the carrying amount of each asset in the unit. Any impairment loss is recognized directly in profit or loss. An impairment loss recognized on goodwill is not reversed in subsequent periods.

If goodwill has been allocated to a cash-generating unit and the entity disposes of an operation within that unit, the goodwill associated with the operation which is disposed of is included in the carrying amount of the operation when determining the gain or loss on disposal and is measured on the basis of the relative values of the operation disposed of and the portion of the cash-generating unit retained.

j. Intangible Assets

Intangible assets with finite useful lives that are acquired separately are initially measured at cost and subsequently measured at cost less accumulated amortization and accumulated impairment loss. Amortization is recognized on a straight-line basis. The estimated useful life, residual value, and amortization method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis. Intangible assets with indefinite useful lives that are acquired separately are measured at cost less accumulated impairment loss.

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

k. Impairment of Property, Plant and Equipment, Right-of-Use Asset, and Intangible Assets other than Goodwill

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

Recoverable amount is the higher of fair value less costs to sell and value in use. If the recoverable amount of an asset or cash-generating unit is estimated to be less than its carrying amount, the carrying amount of the asset or cash-generating unit is reduced to its recoverable amount.

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

l. Financial Instruments

Financial assets and financial liabilities are recognized when an entity in the Group becomes a party to the contractual provisions of the instruments.

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

1) Financial Assets

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

a) Measurement Category

Financial assets are classified into the following categories: financial assets at FVTPL, financial assets at amortized cost, and investments in equity instruments at fair value through other comprehensive income (FVTOCI).

i. Financial Assets at FVTPL

Financial assets are classified as at FVTPL when such financial assets are mandatorily classified as at FVTPL; such assets include debt instruments that do not meet the amortized cost criteria or the FVTOCI criteria.

Financial assets at FVTPL are subsequently measured at fair value, with any gains or losses arising on remeasurement recognized in profit or loss. The net gain or loss recognized in profit or loss incorporates any dividends or interest earned on such a financial asset. Fair value is determined in the manner described in Note 23.

ii. Financial Assets at Amortized Cost

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

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

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

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

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

I. Purchased or originated credit-impaired financial assets, for which interest income is calculated by applying the credit-adjusted effective interest rate to the amortized cost of such financial assets; and.
II. Financial assets that are not credit impaired on purchase or origination but have subsequently become credit impaired, for which interest income is calculated by applying the effective interest rate to the amortized cost of such financial assets in subsequent reporting periods.

A financial asset is credit impaired when one or more of the following events have occurred:

I. Significant financial difficulty of the issuer or the borrower;

II. Breach of contract, such as a default;

III. It is becoming probable that the borrower will enter bankruptcy or undergo a financial reorganization; or

IV. The disappearance of an active market for that financial asset because of financial difficulties.

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

iii. Investments in Equity Instruments at FVTOCI

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

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

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

b) Impairment of Financial Assets

The Group recognizes a loss allowance for expected credit losses on financial assets at amortized cost (including accounts receivable).

The Group always recognizes lifetime expected credit losses (ECLs) for accounts receivable. For all other financial instruments, the Group recognizes lifetime ECLs when there has been a significant increase in credit risk since initial recognition. If, on the other hand, the credit risk on the financial instruments has not increased significantly since initial recognition, the Group measures the loss allowance for that financial instruments at an amount equal to 12-month ECLs.

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

For internal credit risk management purposes, the Group determines that the following situations indicate that a financial asset is in default without taking into account any collateral held by the Group:

i) Internal or external information shows that the debtor is unlikely to pay its creditors.

ii) When a financial asset is more than 180 days past due unless the Group has reasonable and corroborative information to support a more lagged default criterion.

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

c) Derecognition of Financial Assets

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

On derecognition of a financial asset at amortized cost in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognized in profit or loss. On derecognition of an investment in an equity instrument at FVTOCI, the cumulative gain or loss which had been recognized in other comprehensive income is transferred directly to retained earnings, without recycling through profit or loss.

2) Financial Liabilities

a) Subsequent measurement

The Group's financial liabilities are measured at amortized cost using the effective interest method.

b) Derecognition of financial liabilities

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

m. Revenue Recognition

The Group identifies contracts with customers, allocates the transaction price to the performance obligations and recognizes revenue when performance obligations are satisfied.
For contracts where the period between the date on which the Group transfers a promised good or service to a customer and the date on which the customer pays for that good or service is one year or less, the Group does not adjust the promised amount of consideration for the effects of a significant financing component.

Sales of goods are recognized as revenue when the goods are delivered to the customer's specific location, the goods are shipped and the goods are picked up by customers because it is the time when the customer has full discretion over the manner of distribution and price to sell the goods, has the primary responsibility for sales to future customers and bears the risks of obsolescence. Accounts receivable and contract assets are recognized concurrently.

The Group does not recognize revenue on materials delivered to subcontractors because this delivery does not involve a transfer of control.

n. Leasing

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

1) The Group as Lessor

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

When the Group subleases a right-of-use asset, the sublease is classified by reference to the right-of-use asset arising from the head lease, not with reference to the underlying asset. However, if the head lease is a short-term lease that the Group, as a lessee, has accounted for applying recognition exemption, the sublease is classified as an operating lease.

Under finance leases, the lease payments comprise fixed payments. The net investment in a lease is measured at (a) the present value of the sum of the lease payments receivable by a lessor and any unguaranteed residual value accrued to the lessor plus (b) initial direct costs and is presented as a finance lease receivable. Finance lease income is allocated to the relevant accounting periods so as to reflect a constant, periodic rate of return on the Group's net investment outstanding in respect of leases.

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

2) The Group as Lessee

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

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

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

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

Subsequently, lease liabilities are measured at amortized cost using the effective interest method, with interest expense recognized over the lease terms. When there is a change in future lease payments resulting from a change in a lease term, the Group remeasures the lease liabilities with a corresponding adjustment to the right-of-use-assets. However, if the carrying amount of the right-of-use assets is reduced to zero, any remaining amount of the remeasurement is recognized in profit or loss.

Lease liabilities are presented on a separate line in the consolidated balance sheets.

o. Borrowing Costs

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

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

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

p. Government Grants

Government grants are not recognized until there is reasonable assurance that the Group will comply with the conditions attached to them and that the grants will be received.

Government grants are recognized in profit or loss on a systematic basis over the periods in which the Group recognizes as expenses the related costs for which the grants are intended to compensate. Specifically, government grants whose primary condition is that the Group should purchase, construct or otherwise acquire non-current assets are recognized as deferred revenue and transferred to profit or loss on a systematic and rational basis over the useful lives of the related assets.

Government grants that are receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the Group with no future related costs are recognized in profit or loss in the period in which they are received.

The benefit of a government loan received at a below-market rate of interest is treated as a government grant measured as the difference between the proceeds received and the fair value of the loan based on prevailing market interest rates.

q. Employee Benefits

1) Short-term Employee Benefits

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

2) Retirement Benefits

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

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

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

r. Taxation

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

1) Current Tax

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

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

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

2) Deferred Tax

Deferred tax is recognized on temporary differences between the carrying amounts of assets and liabilities and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognized for all taxable temporary differences. Deferred tax assets are generally recognized for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilized.

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

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

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

3) Current and Deferred Taxes for the Year

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

5. SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATIONS, ASSUMPTIONS AND OTHER MAJOR SOURCES OF ESTIMATION UNCERTAINTY

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

When developing material accounting estimates, the Group considers the possible impact on the cash flow projection, growth rates, discount rates, profitability and other relevant material estimates. The estimates and underlying assumptions are reviewed on an ongoing basis.

<u>Major Sources of Estimation Uncertainty - Impairment of Inventories</u>

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

6. CASH AND CASH EQUIVALENTS

	December 31, 2023	December 31, 2022
Cash on hand	$ 1,117	$ 862
Checking accounts and demand deposits	335,057	575,879
Cash equivalents (Investment with original maturities of 3 months or less)		

Repurchase agreements collateralized by bonds	109,540	153,145
Certificates of deposit	170,664	101,357
	$ 616,378	$ 831,243

The market rate intervals of cash in bank and bank overdrafts at the end of the reporting period were as follows:

	December 31, 2023	December 31, 2022
Repurchase agreements collateralized by bonds (%)	5.40-5.45	4.30
Time deposits (%)	1.55-5.38	1.75-1.80

7. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS - CURRENT

	December 31, 2023	December 31, 2022
Held for trading - Financial assets		
Non-derivative financial assets		
Mutual funds	$ 50,877	$ 46,077

8. NOTES RECEIVABLE AND ACCOUNTS RECEIVABLE

	December 31, 2023	December 31, 2022
Notes receivable - Unrelated parties		
At amortized cost	$ 38,437	$ 36,786
Accounts receivable		
At amortized cost	$ 297,554	$ 338,013
Less: Loss Allowance	(583)	(685)
	$ 296,971	$ 337,328

The average credit period of sales of goods was 60-125 days. No interest was charged on receivables. The Group uses other publicly available financial information or its own trading records to rate its major customers. The Group's credit exposure and the credit ratings of its counterparties are continuously monitored.

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

The Group measures the loss allowance for accounts receivable at an amount equal to Lifetime ECLs. The Lifetime ECLs are estimated using a provision matrix prepared by reference to the past default experience of the customer, the customer's current financial position, economic condition of the industry in which the customer operates. As the Group's historical credit loss experience does not show significantly different loss patterns for different customer segments, the provision for loss allowance based on past due status is not further distinguished according to the Group's different customer base.

The Group writes off receivables when there is evidence indicating that the debtor is in severe financial difficulty and there is no realistic prospect of recovery, e.g., when the debtor has been placed under liquidation. For receivables that have been written off, the Group continues to engage in enforcement activity to attempt to recover the receivables due. Where recoveries are made, these are recognized in profit or loss.

The Group had no overdue notes receivable. The following table details the loss allowance of accounts receivable.

	Not Past Due	Past Due 1-90 Days	Past Due 91-180 Days	Past Due 181-365 Days	Past Due Over 365 Days	Total
December 31, 2023						
Expected credit loss rate	0.01%-0.03%	1%	5%	10%	100%	
Gross carrying amount	$ 249,645	$ 47,286	$ 576	$ -	$ 47	$ 297,554
Loss allowance (Lifetime ECL)	(34)	(473)	(29)	-	(47)	(583)
Amortized cost	$ 249,611	$ 46,813	$ 547	$ -	$ -	$ 296,971
December 31, 2022						
Expected credit loss rate	0.01%-0.03%	1%	5%	10%	100%	
Gross carrying amount	$ 281,351	$ 55,507	$ 1,114	$ -	$ 41	$ 338,013
Loss allowance (Lifetime ECL)	(33)	(555)	(56)	-	(41)	(685)
Amortized cost	$ 281,318	$ 54,952	$ 1,058	$ -	$ -	$ 337,328

The movements of the loss allowance of accounts receivable were as follows:

	Years Ended December 31, 2023	Years Ended December 31, 2022
Balance, beginning of year	$ 685	$ 808
Reversal	(57)	(127)
Actual Write-off	(41)	-
Effect of exchange rate changes	(4)	4
Balance, end of year	$ 583	$ 685

9. INVENTORIES

	December 31, 2023	December 31, 2022
Finished goods	$ 121,222	$ 177,717
Semi-finished goods	92,849	108,019
Work in process	32,141	42,330
Raw materials	120,522	132,501
Merchandise	4,446	6,400
	$ 371,180	$ 466,967

The costs of the loss for market price decline and obsolete and slow-moving inventories recognized in operating costs for the years for the years ended December 31, 2023 and 2022 were $11,436thousand and $13,714 thousand respectively.

10. FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME – NONCURRENT

Investments in Equity Instruments

	December 31, 2023	December 31, 2022
Current		
Domestic investments		
Listed shares		
P-DUKE TECHNOLOGY CO., LTD.	$ 123,276	$ -
MAX ECHO TECHNOLOGY CORP.	4,130	-
	$ 127,406	$ -
Noncurrent		
Domestic investments		
Listed shares		
P-DUKE TECHNOLOGY CO., LTD.	$ 84,978	$ 80,768
MAX ECHO TECHNOLOGY CORP.	-	116,104
BASSO INDUSTRY CORP.	-	4,095
Unlisted shares		
ASEP TEC CO., LTD.	26,591	42,940
LETEX TECHNOLOGY CORP.	4,500	4,500
FUJITER SEMICONDUCTOR CO., LTD.	3,020	3,020
SUNSINO DEVELOPMENT ASSOCIATE INC.	1,944	1,944
DER YANG BIOTECHNOLOGY VENTURE CAPITAL CO., LTD	153	153
HUA ZHONG VENTURE CAPITAL CO., LTD	122	122
INITIO CORPORATION	-	-
	$ 121,308	$ 253,646

These investments in equity instruments are held for medium to long-term strategic purposes. The management designates as these investments in equity instruments as at FVTOCI as they consider that recognizing short-term fluctuations in these investments' fair value in profit or loss would not be consistent with the Group's strategy of holding these investments for long-term purposes.

11. SUBSIDIARIES

The detailed information of the subsidiaries at the end of the reporting period was as follows:

		Percentage of Ownership	
Investor	Investee	December 31, 2023	December 31, 2022
The Company	PACER TECHNOLOGY CO., LTD. (PACER TECH)	80	80
	Excel Cell Electronic (U.S.A.) Co., Ltd. （ECE USA）	100	100
	Fulltron Investments Limited（Fulltron Samoa）	100	100
	EXCEL CELL ELECTRONIC ANHUI CO., LTD. (EXCEL Anhui)	100	100

	Neocene Technology (Anhui) Co., Ltd. (Neocene Anhui) (Original: Neocene Technology (Suzhou) Corp.)	100	-
	GOOD SKY ELECTRIC CO.,LTD (GOOD SKY ELECTRIC)	-	100
	Good Sky Electric (Malaysia) SDN. BHD.（Good Sky Malaysia）	-	100
	Simply Success Investments Ltd. （Simply Success）	-	100
Fulltron Samoa	EXCEL Cell Electronic Suzhou Co., Ltd. (EXCEL Suzhou)	100	100
Simply Success	Neocene Anhui	-	100

The subsidiaries included in the Consolidated Financial Statements were calculated based on financial statements which have been audited in 2022 and 2021.

The Group liquidated GOOD SKY ELECTRIC and Good Sky Malaysia in August 2023.

The Group conducted organizational restructuring due to operation and financial planning. In February 2023, Neocene Technology (Suzhou) Co., Ltd. was renamed as Neocene Technology (Anhui) Co Ltd. The company owned 100% equity of Neocene Anhui in June 2023, and Simply Success was liquidated.

12. INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD

Name of Associate	December 31, 2023	December 31, 2022
Associates that are not individually material		
Fuzetec Technology Co., Ltd. (Fuzetec Technology)	$ 241,926	$ 258,537

Name of Associate	Proportion of Ownership and Voting Rights December 31, 2023	December 31, 2022
Fuzetec Technology	24	24

Aggregate information of associates that are not individually material

	Years Ended December 31, 2023	Years Ended December 31, 2022
The Group's share of		
Net profit for the year	$ 16,408	$ 38,396
Other comprehensive income (loss) for the year	(459)	279
Total comprehensive income for the year	$ 15,949	$ 38,675

The investment was accounted for using the equity method and the share of profit or loss and other comprehensive income; this investment was calculated based on financial statements which have been audited in 2023 and 2022.

13. PROPERTY, PLANT AND EQUIPMENT

For the year ended December 31, 2023	Balance at January 1	Additions	Disposals	Reclassified	Effect of foreign currency exchange differences	Balance at December 31
Cost						
Freehold Land	$ 712,391	$ -	$ -	$ 10,912	$ -	$ 723,303
Buildings	907,776	21,392	(892)	85,031	(7,231)	1,006,076
Machinery and Equipment	1,150,428	47,089	(21,588)	65,498	(6,731)	1,234,696
Other Equipment	761,013	23,297	(11,709)	58,682	(3,079)	828,204
Equipment under Installation and Construction in Progress	122,828	129,607	(2,764)	(205,376)	(131)	44,164
Cost Total	3,654,436	$ 221,385	($ 36,953)	$ 14,747	($ 17,172)	3,836,443
Accumulated depreciation						
Buildings	287,139	$ 28,730	($ 892)	$ -	($ 2,122)	312,855
Machinery and Equipment	679,208	82,249	(16,074)	-	(3,158)	742,225
Other Equipment	604,338	46,393	(6,494)	-	(2,672)	641,565
Accumulated depreciation Total	1,570,685	$ 157,372	($ 23,460)	$ -	($ 7,952)	1,696,645
	$2,083,751					$2,139,798

For the year ended December 31, 2022						
Cost						
Freehold Land	$ 712,391	$ -	$ -	$ -	$ -	$ 712,391
Buildings	654,176	69,082	-	179,901	4,617	907,776
Machinery and Equipment	978,528	196,431	(62,701)	34,463	3,707	1,150,428
Other Equipment	699,387	66,401	(10,541)	3,513	2,253	761,013
Equipment under Installation and Construction in Progress	226,253	76,940	-	(180,253)	(112)	122,828
Cost Total	3,270,735	$ 408,854	($ 73,242)	$ 37,624	$ 10,465	3,654,436
Accumulated depreciation						
Buildings	260,704	$ 25,201	$ -	$ -	$ 1,234	287,139
Machinery and Equipment	621,246	73,998	(17,627)	-	1,591	679,208
Other Equipment	565,183	45,342	(7,681)	-	1,494	604,338
Accumulated depreciation Total	1,447,133	$ 144,541	($ 25,308)	$ -	$ 4,319	1,570,685
	$1,823,602					$2,083,751

Property, plant and equipment are depreciated on a straight-line basis over the following estimated useful lives:

Buildings	
Main buildings	20-55 years
Electrical and mechanical equipments	3-10 years
Others	2-20 years
Machinery equipments	2-10 years
Other equipment	2-35 years

The property, plant and equipment of the Group are owned for own use and not lease out under operating leases.

Refer to Note 25 for the carrying amount of property, plant and equipment pledged by the Group to secure borrowings granted to the Group.

14. LEASE ARRANGEMENTS

a. Right-of-use assets

	December 31, 2023	December 31, 2022
Carrying amount		
Land	$ 21,413	$ 22,356
Buildings	1,991	3,078
Transportation equipment	631	117
	$ 24,035	$ 25,551

	Years Ended December 31, 2023	Years Ended December 31, 2022
Additions to right-of-use assets	$ 744	$ -
Depreciation of right-of-use assets		
Land	$ 527	$ 530
Buildings	1,102	1,646
Transportation equipment	220	282
	$ 1,849	$ 2,458

Except for the aforementioned addition and recognized depreciation, the Group did not have significant sublease or impairment of right-of-use assets for the year ended December 31, 2023 and 2022.

b. Lease liabilities

	December 31, 2023	December 31, 2022
Carrying amounts		
Current portion	$ 1,387	$ 1,215
Noncurrent portion	$ 1,383	$ 2,136

Ranges of discount rates for lease liabilities are as follows:

	December 31, 2023	December 31, 2022
Land	5%	5%
Buildings	5%-7%	5%-7%
Transportation equipment	3%-7%	3%-7%

c. Material leasing activities and terms

The Group leases land, buildings, transportation equipment and other equipment for the use of manufacturing and operating with lease terms of 1 to 50 years. The lease agreement stipulates that the Group shall not resell, mortgage, pawn, or sublease all leased equipment. The Group does not have bargain purchase options to acquire the leasehold land and buildings at the end of the lease terms. In addition, the Group is prohibited from subleasing or transferring all or any portion of the underlying assets without the lessor's consent.

d. Other lease information

	Years Ended December 31, 2023	Years Ended December 31, 2022
Expenses relating to short-term leases	$ 45	$ 64
Expenses relating to low-value asset leases	$ 657	$ 541
Total cash outflow for leases	$ 2,140	$ 2,656

All lease commitments with lease terms commencing after the balance sheet dates are as follows:

	December 31, 2023	December 31, 2022
Lease commitments	$ 251	$ 725

The Group leases certain office equipment and machinery and equipment which qualify as short-term and low-value asset leases, and the Group has elected to apply the recognition exemption and thus, did not recognize right-of-use assets and lease liabilities for these leases.

15. BORROWINGS

a. Short-term borrowings

	December 31, 2023	December 31, 2022
Line of credit	$ 470,000	$ 410,000
Secured line of credit	100,000	-
	$ 570,000	$ 410,000
Annual interest rate (%)		
Line of credit	1.60-1.79	1.38-1.69
Secured line of credit	1.68	-

b. Short-term bills payable

	December 31, 2023	December 31, 2022
Commercial paper	$ -	$ 380,000
Annual interest rate (%)	-	1.57-1.72

c. Long-term borrowings

	December 31, 2023	December 31, 2022
Unsecured borrowings	$ 431,180	$ 537,577
Secured borrowings	269,000	138,900
	700,180	676,477
Less: Current portion	(138,580)	(136,859)
Government subsidies	(12,090)	(9,273)
Long-term borrowings	$ 549,510	$ 530,345
Annual interest rate (%)		
Unsecured borrowings	1.85	1.725-5.60
Secured borrowings	1.80-1.85	1.725

Unsecured borrowings are categorized into working capital and purchasing machinery and equipment. Borrowings are made in installments within the credit limit with the period of the first borrowing as the borrowing period. The borrowing period for working capital is from December 2019 to December 2026; the borrowing period for purchasing machinery and equipment is from December 2019 to December 2029.

The secured borrowings were secured by land and buildings (refer to Note 25) which were differentiating between working capital and construction of plants. The borrowings within the credit limit are borrowed in installments with the period of the first borrowing as the borrowing period. The borrowings period for working capital is from May 2023 to April 2030; the borrowing period for construction of plants is from June 2021 to June 2031.

The Group obtained a government preferential interest rate loan from the "Action Plan for Welcoming Overseas Taiwanese Businesses to Return to Invest in Taiwan." The loan is used for working capital, purchasing machinery and equipment, and constructing plants with a credit period of 7 to 10 years. The difference between the amount obtained and the fair value is regarded as an interest-free government loan recognized as deferred income. The deferred income is recognized as other income as expenses are incurred over time.

16. OTHER PAYABLES

	December 31, 2023	December 31, 2022
Payable for salaries or bonuses	$ 54,840	$ 59,663
Payable for employees' compensation and remuneration to directors	806	12,541
Others	38,797	46,674
	$ 94,443	$ 118,878

17. RETIREMENT BENEFIT PLANS

a. Defined contribution plans

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

EXCEL Suzhou, Neocene Anhui and EXCEL Anhui also make monthly contributions at certain percentages of the basic salary of their employees in accordance with the PRC regulations. ECE USA also make contributions to defined contribution plan in accordance with the local regulations. In addition, no retirement plan has been established for holding company for overseas investment.

b. Defined benefit plans

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

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

	December 31, 2023	December 31, 2022
Present value of defined benefit obligation	$ 85,731	$ 90,069
Fair value of plan assets	(94,457)	(91,514)
Net defined benefit liability (asset)	($ 8,726)	($ 1,445)

Movements in net defined benefit liability (asset) were as follows:

	Present Value of the Defined Benefit Obligation	Fair Value of the Plan Assets	Net Defined Benefit Liabilities (Assets)
Balance at January 1, 2022	$ 104,909	($ 94,862)	$ 10,047
Service cost			
Current service cost	114	-	114
Net interest expense (income)	703	(639)	64
Recognized in profit or loss	817	(639)	178
Remeasurement			
Return on plan assets (excluding amounts included in net interest)	-	(7,356)	(7,356)
Actuarial loss - changes in demographic assumptions	83	-	83
Actuarial gain - changes in financial assumptions	($ 5,389)	$ -	($ 5,389)
Actuarial loss – experience adjustments	11,393	-	11,393
Recognized in other comprehensive income	6,087	(7,356)	(1,269)
Contributions from the employer	-	(1,783)	(1,783)
Benefits paid	(21,744)	13,126	(8,618)
Balance at December 31, 2022	90,069	(91,514)	(1,445)
Service cost			
Net interest expense (income)	1,156	(1,186)	(30)
Recognized in profit or loss	1,156	(1,186)	(30)
Remeasurement			
Return on plan assets (excluding amounts included in net interest)	-	(810)	(810)
Actuarial loss - changes in demographic assumptions	40	-	40
Actuarial gain - changes in financial assumptions	765	-	765
Actuarial loss – experience adjustments	(5,484)	-	(5,484)
Recognized in other comprehensive income	(4,679)	(810)	(5,489)
Contributions from the employer	-	(1,762)	(1,762)
Benefits paid	(815)	815	-
Balance at December 31, 2023	$ 85,731	($ 94,457)	($ 8,726)

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

1) Investment risk

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

2) Interest risk

   A decrease in the government bond interest rate will increase the present value of the defined benefit obligation; however, this will be partially offset by an increase in the return on the plan's debt investments.

3) Salary risk

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

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

	December 31, 2023	December 31, 2022
Discount rate (%)	1.20-1.25	1.30-1.35
Expected rate of salary increase (%)	2.00	2.00

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

	December 31, 2023	December 31, 2022
Discount rate(s)		
0.25% increase	($ 1,895)	($ 2,105)
0.25% decrease	$ 1,962	$ 2,183
Expected rate(s) of salary increase		
0.25% increase	$ 1,942	$ 2,163
0.25% decrease	($ 1,885)	($ 2,096)
Turnover rate(s)		
10% increase	($ 12)	($ 27)
10% decrease	$ 12	$ 27

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

	December 31, 2023	December 31, 2022
The expected contributions to the plan for the next year	$ 1,660	$ 1,760
The average duration of the defined benefit obligation (years)	8-11	9-11

18. EQUITY

a. Ordinary Shares

	December 31, 2023	December 31, 2022
Authorized shares (in thousands)	134,000	134,000
Authorized capital	$ 1,340,000	$ 1,340,000
Issued and paid shares (in thousands)	109,094	109,094
Issued capital	$ 1,090,938	$ 1,090,938

The holders of issued ordinary shares with a par value of $10 are entitled to the right to vote and to receive dividends.

b. Capital Surplus

	December 31, 2023	December 31, 2022
Additional paid-in capital	$ -	$ 5,705
From difference between the consideration received and the carrying amount of the subsidiaries' net assets during actual acquisition or disposal	262	262
From share of changes in equities of associates	39,153	39,153
From merger	187,722	225,655
	$ 227,137	$ 270,775

Such capital surplus, additional paid-in capital (including the excess of par value of ordinary shares issued, permission on Convertible bonds, Treasury stock trading, the difference between the consideration received and the carrying amount of the subsidiaries' net assets during actual acquisition or disposal, etc.) and donated surplus, may be used to offset a deficit; in addition, when the Company has no deficit, such capital surplus may be distributed as cash dividends or transferred to share capital (limited to a certain percentage of the Company's contributed capital and to once a year).

The capital surplus from share of changes in equities of associates which accounted for by using the equity method can only use to cover accumulated deficits.

c. Retained Earnings and Dividend Policy

Under the dividends policy as set forth in the Articles, due to the company's future capital requirements and long-term financial planning, as well as fulfilling its shareholders' demand for cash inflow, where the company made a profit in a fiscal year, the profit shall be first utilized for paying taxes, offsetting prior years' losses, setting aside as a legal reserve 10% of the remaining profit, except when the accumulated amount of such legal reserve equals to the company's total issued capital, setting aside or reversing a special surplus reserve in accordance with the laws and regulations, and then any remaining profit together with any undistributed retained earnings shall be used by the Company's board of directors as the basis for proposing a distribution plan, which should be resolved in the shareholders' meeting for the distribution of dividends and bonuses to shareholders. In addition, cash dividends should not be less than 10% of the total dividends to be appropriated. The Company shall take into consideration the Company's capital expenditures, future expansion plans, and financial structure, funds requirements and other plans for sustainable development needs in assessing the amount of dividends distributed by the Company.

The Company distributes its legal reserve and capital reserve in whole or in part may be paid in cash after a resolution has been adopted by a majority vote at a meeting of the board of directors attended by two-thirds of the total number of directors; and in addition, there to a report of such distribution shall be submitted to the shareholders' meeting.

Appropriation of earnings to legal reserve shall be made until the legal reserve equals the Company's paid-in capital. Legal reserve may be used to cover accumulated deficits. If the Company has no deficit and the legal reserve has exceeded 25% of the Company's paid-in capital, the excess may be transferred to capital or distributed in cash.

The appropriations of earnings 2022 and 2021 were as follows:

	For the Year Ended December 31, 2022	For the Year Ended December 31, 2021
Legal reserve	$ 17,153	$ 16,139
Cash dividends	65,456	65,456
Cash dividends per share (NT$)	0.6	0.6

In the board of directors on March 2023 and 2022, the Company approved to distribute $43,638 thousand and $43,637 thousand of capital surplus as cash dividends, respectively.

The appropriation of earnings for 2023 that were approved in the board of directors on March 6, 2024 was as follows:

	Appropriation of Earnings
Legal reserve	$ 4,225
Cash dividends	32,728
Cash dividends per share (NT$)	0.3

The cash dividends mentioned above were approved in the board of directors on March 6, 2024, the appropriations of earnings for 2023 are subject to the resolution of the shareholders in their meeting to be held in May 2024.

d. Special Surplus Reserve

	December 31, 2023	December 31, 2022
Balance at January 1	$ 16,972	$ 19,870
Special reserve reversed		
Disposal of subsidies and associates	-	(2,898)
Balance at December 31	$ 16,972	$ 16,972

On the first-time adoption of IFRSs, the Group transferred accounted cumulative translation adjustment to retained earnings and also made the same amount provisions of special surplus reserve. If a special surplus reserve appropriated on the first-time adoption of IFRSs relates to the exchange differences on translating the financial statements of foreign operations (including subsidiaries), the special surplus reserve will be reversed proportionately on the Company's disposal of subsidiaries and associates; on the Company's loss of significant influence; however, the entire special surplus reserve will be reversed.

Due to subsidiaries liquidated in August 2022, the special surplus reserve of $2,898 thousand is reversed.

19. NET PROFIT (LOSS) FROM CONTINUING OPERATIONS

a. Other income

	Years Ended December 31, 2023	Years Ended December 31, 2022
Dividends	$ 11,682	$ 14,656
Others	17,720	16,285
	$ 29,402	$ 30,941

b. Other gains and losses

	Years Ended December 31, 2023	Years Ended December 31, 2022
Foreign exchange gain (loss)	$ 12,973	$ 45,693
Financial assets mandatorily classified as at FVTPL	4,800	(3,497)
Gain on disposal of property, plant and equipment	542	1,408
Gain on disposal of investment properties	-	10,626
Others	(3,287)	(2,012)
	$ 15,028	$ 52,218

c. Finance Costs

Information about capitalized interest is as follows:

	Years Ended December 31, 2023	Years Ended December 31, 2022
Capitalized interest amount	$ 600	$ 1,642
Capitalization rate (%)	1.85	1.07-1.60

d. Employee Benefits Expense, Depreciation and Amortization

Nature	Operating cost	Operating expenses and non-operating expenses	Total
Years Ended December 31, 2023			
Short-term benefits	$ 312,044	$ 146,089	$ 458,133
Post-employment benefits			
Defined contribution plan	12,292	6,027	18,319
Defined benefit plans (Note 17)	-	(30)	(30)

Other employee benefits	16,593	10,716	27,309
Depreciation	130,648	28,573	159,221
Amortization	959	4,289	5,248
Years Ended December 31, 2022			
Short-term benefits	$ 377,876	$ 148,457	$ 526,333
Post-employment benefits			
Defined contribution plan	12,706	6,316	19,022
Defined benefit plans (Note 17)	119	59	178
Other employee benefits	19,801	11,443	31,244
Depreciation	123,960	23,168	147,128
Amortization	511	9,074	9,585

e. Compensation of Employees and Remuneration of Directors

According to the resolution of the Board of Directors, 1% of profit of the current year is distributable as compensation of employees and no higher than 2% of profit of the current year is distributable as remuneration of directors. The distribution of bonus to employees may be made by way of cash or shares by the resolution of the Board of Directors. The employees may include certain employees of the subsidiaries who meet the conditions prescribed by the Company. The distribution of employee remuneration and director remuneration shall be reported at the shareholders' meeting. The Company shall first offset prior years' losses, and then appropriated of the certain percentage mentioned previously of annual profits as bonus to employees of the Company as bonus to Directors.

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

	Years Ended December 31, 2023		Years Ended December 31, 2022	
	Accrual rate	Amount	Accrual rate	Amount
Compensation of employees	4%	$ 465	4%	$ 8,302
Remuneration of directors	2%	233	2%	4,151

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

There was no difference between the actual amounts of compensation of employees and remuneration of directors paid and the amounts recognized in the consolidated financial statements for the years ended December 31, 2022 and 2021.

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

20. INCOME TAX

a. The major components of income tax expense recognized in profit or loss

	Years Ended December 31, 2023	Years Ended December 31, 2022
Current tax		
In respect of the current year	($ 26,240)	$ 39,570
Income tax on unappropriated earnings	3	4
Adjustments for prior years	(678)	1,772
	(26,915)	41,346
Deferred tax		
In respect of the current year	14,596	13,222
Adjustments for prior years	655	(2,961)
	15,251	10,261
Income tax expense (profit) recognized in profit or loss	($ 11,664)	$ 51,607

The reconciliation of accounting profit and income tax expenses is as follows:

	Years Ended December 31, 2023	Years Ended December 31, 2022
Income tax expense calculated at the statutory rate	$ 5,981	$ 54,684
Tax-exempt income	(7,844)	(13,149)
Unrecognized loss carryforwards and deductible temporary differences	(7,889)	8,833
Nondeductible expenses	2,411	2,424
Income tax adjustments on prior years	(23)	(1,189)
Income tax on unappropriated earnings	3	4
Discount on offshore earnings	(4,303)	-
Income tax expense (profit) recognized in profit or loss	($ 11,664)	$ 51,607

In July 2021, the President of the ROC announced the amendments to “the Statute for Industrial Innovation”, which stipulates that the amounts of unappropriated earnings in 2018 and thereafter that are reinvested in the construction or purchase of certain assets or technologies are allowed as deduction when computing the income tax on unappropriated earnings. When calculating the tax on unappropriated earnings, the Group deducts only the amount of the unappropriated earnings that has been reinvested in capital expenditure.

b. Current Tax Assets and Liabilities

	December 31, 2023	December 31, 2022
Current tax assets		
Tax refund receivable	$ 9,424	$ 4,822
Current tax liabilities		
Income tax payable	$ 15,380	$ 31,372

c. Deferred Tax Assets and Liabilities

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

For the year ended December 31, 2023	Opening Balance	Recognized in Profit or Loss	Recognized in Other Comprehensive Income	Closing Balance
Deferred Tax Assets				
Temporary differences				
Defined benefit plans	$ 8,361	($ 37)	($ 1,098)	$ 7,226
Investments accounted for using the equity method	-	22,333	-	22,333
Provision for devaluation loss on obsolete and slow-moving inventories	7,375	(40)	-	7,335
Unrealized exchange losses	608	1,304	-	1,912
Provision for devaluation loss on financial assets	1,373	(655)	-	718
Others	762	(147)	-	615
	$ 18,479	$ 22,758	($ 1,098)	$ 40,139
Deferred tax liabilities				
Temporary differences				
Defined benefit plans	$ 5,561	$ 322	$ -	$ 5,883
Deferred tax	28,531	(499)	-	28,032
Investments accounted for using the equity method	7,121	(7,121)	-	-
Unrealized exchange gain	209	(209)	-	-
	$ 41,422	($ 7,507)	$ -	$ 33,915
For the year ended December 31, 2022				
Deferred Tax Assets				
Temporary differences				
Defined benefit plans	$ 8,652	($ 37)	($ 254)	$ 8,361
Investments accounted for using the equity method	14,087	(14,087)	-	-
Provision for devaluation loss on obsolete and slow-moving inventories	6,600	775	-	7,375
Unrealized exchange losses	1,404	(796)	-	608
Provision for devaluation loss on financial assets	3,337	(1,964)	-	1,373
Others	629	133	-	762
Loss carryforwards	2,827	(2,827)	-	-
	$ 37,536	($ 18,803)	($ 254)	$ 18,479
Deferred tax liabilities				
Temporary differences				
Defined benefit plans	$ 5,278	$ 283	$ -	$ 5,561
Investments accounted for using the equity method	-	7,121	-	7,121
Deferred tax	44,686	(16,155)	-	28,531
Unrealized exchange gain	-	209	-	209
	$ 49,964	($ 8,542)	$ -	$ 41,422

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

	December 31, 2023	December 31, 2022
Loss carryforwards	$ 103,582	$ 126,230
Deductible temporary differences	92,740	64,568

Investment loss	11,153	83,955
	$ 207,475	$ 274,753

e. Information about unused loss carryforwards

	Tax Loss Carryforwards	Expiry Year
EXCEL Anhui	$ 103,582	116

f. Income Tax Assessments

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

21. EARNINGS PER SHARE (EPS)

	Net profit for the year attributable to the owners of the Company	Number of shares outstanding (in thousands)	Earnings per share (in dollar)
For the year ended December 31, 2023			
Basic EPS			
Net income available to common shareholders of the parent	$ 35,280	109,094	$ 0.32
Effect of potentially dilutive ordinary shares:			
Employees' compensation	-	77	
Diluted EPS			
Corporation adding effect of potentially dilutive ordinary shares	$ 35,280	109,171	$ 0.32
For the year ended December 31, 2022			
Basic EPS			
Net income available to common shareholders of the parent	$ 167,822	109,094	$ 1.54
Effect of potentially dilutive ordinary shares:			
Employees' compensation	-	410	
Diluted EPS			
Corporation adding effect of potentially dilutive ordinary shares	$ 167,822	109,504	$ 1.53

The Group offers to settle the employees' compensation in cash or shares; thus, the Group assumes the entire amount of the compensation will be settled in shares and the resulting potential shares were included in the weighted average number of shares outstanding used in the computation of diluted EPS, as the effect is dilutive. Such dilutive effect of the potential shares is included in the computation of diluted EPS until the shareholders resolve the number of shares to be distributed to employees at their meeting in the following year.

22. CAPITAL MANAGEMENT

The Group manages its capital to ensure it will be able to continue as a going concern while maximizing the return to shareholders through the optimization of the debt and equity balance. The key management personnel of the Group periodically reviews the cost of capital and the risk associated with each class of capital. Based on recommendations of the key management personnel, in order to balance the overall capital structure, the Group may adjust the amount of dividends paid to shareholders, the number of new shares issued or repurchased, and/or the amount of new debt issued or existing debt redeemed.

23. FINANCIAL INSTRUMENTS

a. Fair Values of Financial Instruments not Measured at Fair Value

The management of the Group believes that the book value of financial assets and liabilities, which are not measured by fair value approaches its fair value cannot be reliably measured.

b. Fair Value of Financial Instruments Measured at Fair Value on a Recurring Basis

1) Fair Value Hierarchy

December 31, 2023	Level 1	Level 2	Level 3	Total
Financial assets at FVTPL				
Mutual funds	$ 50,877	$ -	$ -	$ 50,877
Financial assets at FVTOCI				
Investments in equity instruments				
－Domestic listed shares	$ 212,384	$ -	$ -	$ 212,384
－Domestic unlisted shares	-	-	36,330	36,330
	$ 212,384	$ -	$ 36,330	$ 248,714
December 31, 2022				
Financial assets at FVTPL				
Mutual funds	$ 46,077	$ -	$ -	$ 46,077
Financial assets at FVTOCI				
Investments in equity instruments				
－Domestic listed shares	$ 200,967	$ -	$ -	$ 200,967
－Domestic unlisted shares	-	-	52,679	52,679
	$ 200,967	$ -	$ 52,679	$ 253,646

There were no transfers between Level 1 and Level 2 for the years ended December 31, 2023 and 2022.

2) Valuation Techniques and Assumptions Applied for Fair Value Measurement

a) The fair value of financial instruments with standard conditions and traded in active market, including listed shares and emerging market shares, is decided based on the market price.

b) The unlisted equity investments at fair value through other comprehensive income are all measured at Level 3. The fair values of unlisted equity investments are determined using price-to-book ratio approach. In this approach, according to the financial information of the companies, both net book value per share calculated and share price estimated by comparing share price or P/E ratio with similar companies were used to capture the present value of the expected future economic benefits to be derived from the ownership of these investments.

3) Reconciliation of Level 3 Fair Value Measurements of Financial Instruments

Financial assets at fair value through other comprehensive income - equity instruments

	Years Ended December 31, 2023	Years Ended December 31, 2022
Balance at January 1	$ 52,679	$ 57,267
Unrealized gain (loss) on financial assets at FVTOCI	(16,349)	163
Return of capital due to capital reduction of invested companies	-	(83)
Invested companies closing	-	(598)
Disposal on equity of invested companies	-	(4,070)
Balance at December 31	$ 36,330	$ 52,679

c. Categories of Financial Instruments

	December 31, 2023	December 31, 2022
Financial assets		
Measured at FVTPL - Held for trading	$ 50,877	$ 46,077
Financial assets at amortized costs (Note 1)	969,189	1,214,303
Financial assets at FVTOCI - Equity instruments	248,714	253,646
Financial liabilities		
Financial liabilities at amortized cost (Note 2)	1,569,445	1,778,919

Note 1: The balances included cash and cash equivalents, notes receivable, accounts receivable, other receivables and refundable deposits at amortized cost.

Note 2: The balances included financial liabilities measured at amortized cost, which comprise short-term borrowings, short-term notes payable, notes payable, accounts payable, current portion of long-term borrowings, and guarantee deposits received.

d. Financial Risk Management Objectives and Policies

The Group's major financial instruments include equity investments, accounts receivable, accounts payable, loans and lease liabilities. The Group's Financial Department monitors and manages the financial risks relating to the operations of the Group through internal risk reports which analyze exposures by degree and magnitude of risks. These risks include market risk (including currency risk, interest rate risk and other price risk), credit risk and liquidity risk.

1) Market Risk

The Group's activities exposed it primarily to the financial risks of changes in foreign currency exchange rates and interest rates.

a) Foreign Currency Risk

The Group had foreign currency sales and purchases, which exposed the Group to foreign currency risk.

The carrying amounts of the Group's foreign-currency-denominated monetary assets and monetary liabilities (including those eliminated on consolidation) at the end of the reporting periods are set out in Note 27.

Sensitivity Analysis

The Group was mainly exposed to the USD. When there was 1% increase in the New Taiwan dollar (functional currency) against USD, the pre-tax profit of the Group for 2023 and 2022 would decrease by $5,321 thousand and $7,544 thousand, respectively. A sensitivity rate is used internally when reporting to management from the Group on exchange rate risks. It represents management's assessment on reasonably possible scope of foreign exchange rates.

b) Interest Rate Risk

The Group was exposed to interest rate risk because the Group borrowed funds at both fixed and floating interest rates. The carrying amounts of the Group's financial assets and financial liabilities with exposure to interest rates at the end of the reporting period were as follows:

	December 31, 2023	December 31, 2022
Fair value interest rate risk		
Financial assets	$ 280,204	$ 254,502
Short-term notes payable	-	380,000
Lease liabilities	2,770	3,351
Long-term loans (include maturing within one year)	688,090	649,825
Interest rate risk on cash flow		
Financial assets	335,057	575,879
Short-term loans	570,000	410,000
Long-term loans (include maturing within one year)	-	17,379

Sensitivity Analysis

The sensitivity analyses below were determined based on the Group's exposure to interest rates for both derivatives and non-derivative instruments at the end of the reporting period. For floating rate liabilities, the analysis was prepared assuming the amount of the liability outstanding at the end of the reporting period was outstanding for the whole year. A 0.125% increase or decrease was used when reporting interest rate risk internally to key management personnel and represents management’s assessment of the reasonably possible change in interest rates.

If interest rates had been higher and all other variables were held constant, the Group’s pre-tax profit for the years ended December 31, 2023 and 2022 would decrease by $294 thousand and increase $186 thousand, respectively, which was mainly attributable to the Group’s exposure to interest rates on its variable-rate bank loans.

2) Credit Risk

Credit risk refers to the risk that counterparty will default on its contractual obligations resulting in financial loss to the Group. At the end of the reporting period, the Group’s maximum exposure to credit risk could be equal to the total of the carrying amount of the respective recognized financial assets as stated in the consolidated balance sheets.

The Group adopted a policy of only dealing with creditworthy counterparties and determined of credit limits, credit approvals and other monitoring procedures to ensure that follow-up action is taken to recover overdue receivables. The concentration of credit risk was limited due to the fact that the customer base was large and unrelated.

3) Liquidity Risk

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

The Group relies on bank borrowings as a significant source of liquidity. As of December 31, 2023, and 2022. The Group had available unutilized short-term bank loan facilities of $1,297,820 thousand and $580,902 thousand, respectively.

Liquidity and Interest Rate Risk Table

The following table details the Group’s remaining contractual maturity for its non-derivative financial liabilities with agreed repayment periods. The table had been drawn up based on the undiscounted cash flows of financial liabilities from the earliest date on which the Group can be required to pay. The table included both interest and principal cash flows. The table is based on the undiscounted contractual net cash inflows and outflows on derivative instruments that settle on a net basis, and the undiscounted gross inflows and outflows on those derivatives that require gross settlement.

Classification	Less than 1 Year	1-5 Years	6-10 Years	Total
December 31, 2023				
Non-interest bearing liabilities	$ 311,253	$ 102	$ -	$ 311,355
Lease liabilities	1,456	1,405	-	2,861
Variable interest rate liabilities	570,000	-	-	570,000
Fixed interest rate liabilities	146,632	229,047	339,985	715,664
	$ 1,029,341	$ 230,554	$ 339,985	$ 1,599,880
December 31, 2022				
Non-interest bearing liabilities	$ 321,611	$ 104	$ -	$ 321,715
Lease liabilities	1,308	2,201	-	3,509
Variable interest rate liabilities	427,379	-	-	427,379
Fixed interest rate liabilities	498,759	410,745	144,632	1,054,136
	$ 1,249,057	$ 413,050	$ 144,632	$ 1,806,739

24. RELATED PARTY TRANSACTIONS

The balances and transactions between the Company and its subsidiaries, which are related parties of the Company, have been eliminated on consolidated financial statements and are not disclosed in this note. Except others are disclosed in other notes, details of transactions between the Group and other related parties are disclosed below.

a. Related Party Name and Categories

Related Party Name	Related Party Category
Fuzetec Technology	Associates
P-DUKE TECHNOLOGY CO., LTD.	Other related parties
MAX ECHO TECHNOLOGY CORP.	Other related parties
POLYMATE TECHNOLOGY CO., LTD.	Other related parties
Related Party Name	Related Party Category
GUANG NA INVESTMENT CO., LTD	Other related parties
ASEP TEC CO., LTD.	Other related parties
K. S. TERMINALS INC.	Other related parties
K.S.TERMINALS (SUZHOU) INC.	Other related parties

b. Sales of Goods

Related Party Category	Years Ended December 31, 2023	Years Ended December 31, 2022
Other related parties	$ 5,993	$ 8,612

The selling prices and transaction terms to related parties were similar to third parties.

c. Purchase of Goods

Related Party Category	Years Ended December 31, 2023	Years Ended December 31, 2022
Other related parties	$ 23,855	$ 21,542
Associates	10,487	7,092
	$ 34,342	$ 28,634

The purchase of goods from related parties were made for goods of special specifications. There were no similar transactions with third parties for comparison; payment terms were similar to third parties.

d. Operating Cost - Processing Charges

Related Party Category	Years Ended December 31, 2023	Years Ended December 31, 2022
Other related parties	$ 30,022	$ 35,819

e. Other Non-operating Income

Related Party Category	Years Ended December 31, 2023	Years Ended December 31, 2022
Other related parties	$ 742	$ 586
Associates	583	554
	$ 1,325	$ 1,140

The income is mainly from technical services, management fees and other income.

f. Accounts Receivable, Net

Related Party Category	December 31, 2023	December 31, 2022
Other related parties	$ 1,368	$ 1,581

The allowance for impairment loss of accounts receivable and notes receivable were similar to third parties. Refer to Note 8 for the details.

g. Accounts Payable and Notes Payable

Related Party Category	December 31, 2023	December 31, 2022
Other related parties	$ 13,626	$ 16,720
Associates	4,139	2,430
	$ 17,765	$ 19,150

h. Acquisition of Property, Plant and Equipment

		Acquisition Price	
Related Party Category	Items	Years Ended December 31, 2023	Years Ended December 31, 2022
Other related parties	Other equipment	$ 1,833	$ 295

i. Compensation of Key Management Personnel

	Years Ended December 31, 2023	Years Ended December 31, 2022
Short-term employee benefits	$ 11,154	$ 14,962
Post-employment benefits	179	172
	$ 11,333	$ 15,134

The remuneration of directors and other key management was determined by the Compensation Committee based on the performance of individuals and market trends.

25. MORTGAGED AND PLEDGED ASSETS

The following assets were provided as collateral for long-term loans:

	December 31, 2023	December 31, 2022
Property, plant and equipment	$ 1,055,327	$ 958,924

26. MATERIAL CONTINGENT LIABILITIES AND UNRECOGNIZED CONTRACTUAL COMMITMENTS

Significant contingent liabilities and unrecognized commitments of the Group as of the end of the reporting period, excluding those disclosed in other notes, were as follows:

a. In June 2018, EXCEL Suzhou signed an investment agreement with the Management Committee of Suzhou & Chu Zhou Modern Industry Park and China-Singapore Su-Chu (Chu Zhou) Development Co., Ltd. For the investment project of EXCEL Suzhou and Suzhou & Chu Zhou Modern Industry Park, EXCEL Suzhou established manufacturing and sales of high precision electronic components and related products with the estimated investment amount RMB$114 million and the registered capital should not be less than RMB $20 million and the investment of fixed assets should not be less 60% of the total investment amount. As of December 31, 2023, the amount of the signed construction agreement was RMB $77,539 thousand, and the amount of unrecognized contractual commitments was RMB $4,510 thousand.

b. Unrecognized commitments

	December 31, 2023	December 31, 2022
Acquisition of property, plant and equipment	$ 10,116	$ 20,595

27. SIGNIFICANT ASSETS AND LIABILITIES DENOMINATED IN FOREIGN CURRENCY

The following information was summarized according to the foreign currencies other than the functional currency of the Group. The exchange rates disclosed were used to translate the foreign currencies into the functional currency. The significant financial assets and liabilities denominated in foreign currencies were as follows:

Financial assets	December 31, 2023			December 31, 2022		
	Foreign Currencies	Exchange Rate	Carrying Amount (NTD)	Foreign Currencies	Exchange Rate	Carrying Amount (NTD)
Monetary items						
USD	$ 18,195	30.66	$ 557,778	$ 26,534	30.66	$ 813,519
JPY	73,793	0.22	15,880	45,703	0.23	10,530
HKD	2,053	3.90	8,003	2,829	3.91	11,055
EUR	354	33.78	11,971	264	32.52	8,596
Financial liabilities						
Monetary items						
USD	839	30.66	25,725	1,929	30.66	59,144
JPY	14,775	0.22	3,180	23,356	0.23	5,381

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

Foreign Currencies	Years Ended December 31, 2023		Years Ended December 31, 2022	
	Exchange Rate	Net Foreign Exchange Gains (Losses)	Exchange Rate	Net Foreign Exchange Gains (Losses)
NTD	1 (NTD: NTD)	$ 10,493	1 (NTD: NTD)	$ 43,785
RMB	4.37 (RMB: NTD)	2,480	4.40 (RMB: NTD)	1,920

28. ADDITIONAL DISCLOSURES

a. Information about material transactions and b. Information about investments in other enterprises

1) Lending funds to other parties and or guarantee: Table 1

2) Endorsements/guarantees provided: Table 2

3) Marketable securities held: Table 3

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

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

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

7) Total purchases from or sales to related parties amounting to at least NT$100 million or 20% of the paid-in capital: None

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

9) Trading in derivative instruments: None

10) Intercompany relationships and significant intercompany transactions: Table 4

11) Information on investees: Table 5

c. Information on investments in mainland China

1) Information on any investee company in mainland China, showing the name, principal business activities, paid-in capital, method of investment, inward and outward remittance of funds, ownership percentage, net income of investees, investment income or loss, carrying amount of the investment at the end of the period, repatriations of investment income, and limit on the amount of investment in the mainland China area: Table 6

2) Any of the following significant transactions with investee companies in mainland China, either directly or indirectly through a third area, and their prices, payment terms, and unrealized gains or losses:

a) The amount and percentage of purchases and the balance and percentage of the related payables at the end of the period: Table 4 and 7

b) The amount and percentage of sales and the balance and percentage of the related receivables at the end of the period: Table 4 and 7

c) The amount of property transactions and the amount of the resultant gains or losses: None

d) The balance of bill endorsements or guarantees or pledges of collateral at the end of the period and the purposes: Table 2

e) The highest balance, the end of period balance, the interest rate range, and total current period interest with respect to accommodation of funds: Table 1

f) Other transactions that have a material effect on the profit or loss for the year or on the financial position, such as the rendering or receipt of services: Table 4

d. Information about major shareholders: list all shareholders with ownership of 5% or greater showing the name of the shareholder, the number of shares owned, and percentage of ownership of each shareholder: Table 8

29. SEGMENT INFORMATION

Information reported to the chief operating decision maker for the purposes of resource allocation and assessment of segment performance focuses on types of goods or services delivered or provided. The Group's reportable segments are the stamping segment, electronic components segment, relays segment and others segment. The related information was as follows:

a. Segment revenue and operating results

The following is an analysis of the Group's revenue and results from operations by reportable segment:

Years Ended December 31, 2023	Taiwan Company	China Subsidiaries	Other Segments	Adjustments and Eliminations	Consolidated
Revenue					
Revenue from External Customers	$1,093,808	$ 634,330	$ 68,314	$ -	$ 1,796,452
Intersegment revenue	81,831	67,533	15,213	(164,577)	-
Interest income	11,546	4,265	1,327	-	17,138
	$1,187,185	$ 706,128	$ 84,854	($ 164,577)	$ 1,813,590
Expense and loss					
Depreciation and amortization	$ 100,967	$ 62,308	$ 1,194	$ -	$ 164,469
Segment income	$ 100,967	($ 2,293)	$ 23,808	($ 7,080)	$ 25,372
Assets					
Investments accounted for using the equity method	$1,294,903	$ -	$ -	($1,052,977)	$ 241,926
Segment assets	$2,799,255	$ 1,150,463	$ 138,235	($ 112,438)	$ 3,975,515
Segment liabilities	$1,572,996	$ 198,909	$ 16,752	($ 108,323)	$ 1,680,334
Years Ended December 31, 2022					
Revenue					
Revenue from External Customers	$1,322,952	$ 797,784	$ 104,859	$ -	$ 2,225,595
Intersegment revenue	118,670	108,899	24,373	(251,942)	-
Interest income	1,614	1,004	295	-	2,913
	$1,443,236	$ 907,687	$ 129,527	($ 251,942)	$ 2,228,508
Expense and loss					
Depreciation and amortization	$ 96,659	$ 56,359	$ 3,695	$ -	$ 156,713
Segment income	$ 195,088	$ 22,505	$ 44,925	($ 40,786)	$ 221,732
Assets					
Investments accounted for using the equity method	$1,351,597	$ -	$ -	($1,093,060)	$ 258,537
Segment assets	$3,017,655	$ 1,198,552	$ 162,221	($ 110,341)	$ 4,268,087
Segment liabilities	$1,763,209	$ 220,528	$ 30,249	($ 107,849)	$ 1,906,137

b. Revenue from major products and services

The following is an analysis of the Group's revenue from operations by major products and services.

	Years Ended December 31, 2023	Years Ended December 31, 2022
Semiconductors	$ 697,240	$ 902,725
Electronic components	610,900	752,804
Relays	270,610	309,939
Stepping Motor	217,702	260,127
Total	$ 1,796,452	$ 2,225,595

c. Geographical information

The Group's revenue from external customers by location of operations and information about its non-current assets by location of assets are detailed below.

	Revenue from External Customers		Non-current Assets	
	Years Ended December 31, 2023	Years Ended December 31, 2022	December 31, 2023	December 31, 2022
Taiwan	$ 480,325	$ 525,285	$ 1,712,080	$ 1,675,479
Asia	1,052,445	1,310,850	560,949	571,444
Europe	201,919	291,704	-	-
United States of America	56,729	86,757	2,344	3,553
Others	5,034	10,999	-	8
	$ 1,796,452	$ 2,225,595	$ 2,275,373	$ 2,250,484

Noncurrent assets exclude financial instrument and deferred tax assets.

d. Information about major customers

The information on customers who contributed 10% or more to the Group's revenue is as follows:

	Years Ended December 31, 2023		Years Ended December 31, 2022	
Customers' Name	Amount	%	Amount	%
Customer A	$ 195,971	11	$ 208,619	9

Table 1

Excel Cell Electronic Company Limited and its subsidiaries

LENDING FUNDS TO OTHER PARTIES AND OR GUARANTEE

FOR THE YEAR ENDED DECEMBER 31, 2023

(In Thousands of New Taiwan Dollars and Foreign Currencies)

No.	Financing Company	Counterparty	Financial Statement Account	Related Party	Maximum Balance for the Period (Note 4)	Ending Balance (Note 5)	Amount Actually Drawn (Note 6)	Interest Rate	Nature for Financing	Transaction Amounts	Reasons for Short-term Financing	Allowance for Impairment Loss	Collateral		Financing Limit for Each Borrower (Note 1 & 3)	Aggregate Financing Limit (Note 2 & 3)
													Item	Value		
0	Neocene Anhui	EXCEL Anhui	Other receivables from related parties	Y	$ 88,100 (RMB 20,000)	$ 86,018 (RMB20,000)	$ 73,115 (RMB17,000)	1%	The need for short-term financing	$ -	Operating capital and capital planning	$ -	—	$ -	$ 100,451	$ 100,451

Note 1: According to the financing provided by the Company and subsidiaries, the individual and aggregate financing limit should not exceed 5% of the equity presented in the consolidated financial statements of the Group.

Note 2: According to the financing provided by the subsidiaries, the individual and aggregate financing limit should not exceed 40% of the equity presented in the consolidated financial statements of the company.

Note 3: The individual loan amount and total amount of loans between the foreign companies, which are held directly or indirectly 100% of voting share, the individual and aggregate financing limit should not exceed the equity presented in the consolidated financial statements of the company.

Note 4: The highest balance for the period and ending balance present in NT$ at the exchange rate at the end of each month for the period.

Note 5: Foreign currencies are converted into NT$; the exchange rate was as of December 31, 2023.

Note 6: The amount was eliminated upon consolidation.

Table 2

Excel Cell Electronic Company Limited and its subsidiaries

ENDORSEMENTS/GUARANTEES PROVIDED

FOR THE YEAR ENDED DECEMBER 31, 2023

(In Thousands of New Taiwan Dollars and Foreign Currencies)

No.	Endorsement/ Guarantee Provider	Guaranteed Party		Limits on Endorsement/ Guarantee Amount Provided to Each Guaranteed Party (Notes 1)	Maximum Balance for the Period (Note 3)	Ending Balance (Note 4)	Amount Actually Drawn	Amount of Endorsement/ Guarantee Collateralized by Properties	Ratio of Accumulated Endorsement/ Guarantee to Net Equity per Latest Financial Statements	Maximum Endorsement/ Guarantee Amount Allowable (Notes 2)	Guarantee Provided by Parent Company	Guarantee Provided by A Subsidiary	Guarantee Provided to Subsidiaries in Mainland China
		Name	Nature of Relationship										
0	The Company	EXCEL Anhui	Subsidiary	$ 515,771	$ 95,430 (USD 3,000)	$ - (USD -)	$ - (USD -)	$ -	-	$ 1,289,429	Y	—	Y

Note 1: For the parent company holds directly and indirectly more than 90% of the common stock of the subsidiaries, the limit should not exceed 20% of the equity presented in the consolidated financial statements of the Group. Others should not exceed 10% of the equity presented in the consolidated financial statements of the Group.

Note 2: The maximum amount of the total guarantee for all group entities is 50% of the latest audited net assets the Group which certified by the accountant.

Note 3: The maximum amount was translated into thousand of New Taiwan dollars at prevailing exchange rate at the date of the transaction.

Note 4: The ending balance and actual borrowing amount were translated into thousand of New Taiwan dollars at prevailing exchange rate on balance sheet date.

Table 3

Excel Cell Electronic Company Limited and its subsidiaries

MARKETABLE SECURITIES HELD

FOR THE YEAR ENDED DECEMBER 31, 2023

(In Thousands of New Taiwan Dollars)

Held Company Name	Marketable Securities Type and Name	Relationship with the Company	Financial Statement Account	December 31, 2022				Note
				Number of Shares	Carrying Value	Percentage of Ownership (%)	Fair Value (Note)	
The Company	Stock							
	P-DUKE TECHNOLOGY CO., LTD.	Other related parties	Financial assets at fair value through other comprehensive income - current	737,142	$ 71,060	1	$ 71,060	
	INITIO CORPORATION	—	Financial assets at fair value through other comprehensive income - noncurrent	24,898	-	2	-	
	SUNSINO DEVELOPMENT ASSOCIATE INC.	—	Financial assets at fair value through other comprehensive income - noncurrent	1,783,490	1,944	4	1,944	
	ASEP TEC CO., LTD.	Other related parties	Financial assets at fair value through other comprehensive income - noncurrent	4,062,375	26,591	17	26,591	
	HUA ZHONG VENTURE CAPITAL CO., LTD	—	Financial assets at fair value through other comprehensive income - noncurrent	9,235	92	5	92	
	FUJITER SEMICONDUCTOR CO., LTD.	—	Financial assets at fair value through other comprehensive income - noncurrent	293,771	3,020	1	3,020	
	LETEX TECHNOLOGY CORP.	—	Financial assets at fair value through other comprehensive income - noncurrent	540,000	4,500	10	4,500	
	MAX ECHO TECHNOLOGY CORP.	Other related parties	Financial assets at fair value through other comprehensive income - noncurrent	3,827,843	84,978	11	84,978	
	APEX DISPLAY CO., LTD	—	Financial assets at fair value through profit or loss - noncurrent	6,522	-	3	-	
	Open-Ended Fund							
	PineBridge Preferred Securities Income Fund	—	Financial assets at fair value through profit or loss - current	136,374	50,877	-	50,877	
PACER TECH	Stock							
	P-DUKE TECHNOLOGY CO., LTD.	Other related parties	Financial assets at fair value through other comprehensive income - current	541,657	52,216	1	52,216	
	BASSO INDUSTRY CORP.	—	Financial assets at fair value through other comprehensive income - current	100,000	4,130	-	4,130	
	HUA ZHONG VENTURE CAPITAL CO., LTD	—	Financial assets at fair value through other comprehensive income - noncurrent	3,009	30	2	30	
	DER YANG BIOTECHNOLOGY VENTURE CAPITAL CO.,LTD	—	Financial assets at fair value through other comprehensive income - noncurrent	15,339	153	1	153	

Note 1: The information about fair value please see Note 23.

Table 4

Excel Cell Electronic Company Limited and its subsidiaries

INTERCOMPANY RELATIONSHIPS AND SIGNIFICANT INTERCOMPANY TRANSACTIONS

FOR THE YEAR ENDED DECEMBER 31, 2023

(In Thousands of New Taiwan Dollars)

No.	Company Name	Counterparty	Nature of Relationship (Note 1)	Intercompany Transactions			
				Financial Statement Account	Amount (Note 2)	Terms	Percentage of Consolidated Net Revenue or Total Assets
0	The Company	EXCEL Anhui	1	Purchases	$ 36,154	90 days for a monthly balance	2
			1	Net revenue from sale of goods	33,331	90 days for a monthly balance	2
		EXCEL Suzhou	1	Net revenue from sale of goods	19,704	60 days for a monthly balance	1
		ECE USA	1	Net revenue from sale of goods	16,416	T/T 60 days	1
		PACER TECH	1	Net revenue from sale of goods	12,379	45-105 days for a monthly balance	1
1	PACER TECH	ECE USA	3	Net revenue from sale of goods	12,620	Next month ends 45 days	1
2	EXCEL Anhui	EXCEL Suzhou	3	Net revenue from sale of goods	32,753	Next month ends 60 days	2
3	Neocene Anhui	EXCEL Anhui	3	Other receivables	73,240	Depends on the financial situation	2

Note 1: Parties involved in the transaction have a directional relationship: (1) transactions from parent company to subsidiaries; (2) transactions from subsidiaries to parent company; (3) transactions between subsidiaries.

Note 2: The above intercompany transactions have been eliminated upon consolidation.

Table 5

Excel Cell Electronic Company Limited and its subsidiaries

INFORMATION ON INVESTEES

FOR THE YEAR ENDED DECEMBER 31, 2023

(In Thousands of New Taiwan Dollars and Foreign Currencies)

Investor Company (Note 4)	Investee Company	Location	Main Businesses and Products	Original Investment Amount		Balance as of December 31, 2022			Net Income (Losses) of the Investee	Share of Profits/Losses of Investee	Note
				December 31, 2022	December 31, 2021	Shares	Percentage of Ownership	Carrying Value			
The Company	ECE USA (Note)	USA	Trading of electronic products	$ 7,578	$ 7,578	2,500	100	$ 41,737	USD 223	$ 7,559	
	PACER TECH (Note)	Taichung City	Trading of electronic products	9,610	9,610	1,919,600	80	64,946	$ 8,772	7,016	
	Fulltron Samoa (Note)	Republic of Mauritius	Investment holding company	388,928	388,928	11,650,000	100	380,537	USD 545	17,064	
	GOOD SKY ELECTRIC (Note 1)	Taichung City	Trading of electronic products	-	1,000	-	-	-	1,673	1,673	
	Fuzetec Technology	New Taipei City	Manufacturing of electronic parts	102,630	102,630	9,044,406	24	242,861	67,858	16,408	
	Good Sky Malaysia (Note 2)	Malaysia	Trading of electronic products	-	1,235	-	-	-	(MYR 2)	(15)	
	Simply Success (Note 3)	British Virgin Islands	Investment holding company	-	27,540	-	-	-	(USD 7)	(222)	

Note 1: GOOD SKY ELECTRIC completed liquidation in July 2023.

Note 2: Good Sky Malaysia completed liquidation in August 2023 in Malaysia.

Note 3: Simply Success completed liquidation in June 2023.

Note 4: The above intercompany transactions have been eliminated upon consolidation.

Excel Cell Electronic Company Limited and its subsidiaries

INFORMATION ON INVESTMENTS IN MAINLAND CHINA
FOR THE YEAR ENDED DECEMBER 31, 2023
(In Thousands of New Taiwan Dollars and Foreign Currencies)

Investee Company	Main Businesses and Products	Total Amount of Paid-in Capital	Method of Investment	Accumulated Outflow of Investment from Taiwan as of January 1, 2023	Investment Flows		Accumulated Outflow of Investment from Taiwan as of December 31, 2022	Net Income (Losses) of the Investee Company	Percentage of Ownership	Share of Profits/Losses (Note 5)	Carrying Amount as of Balance as of December 31, 2022	Accumulated Inward Remittance of Earnings as of December 31, 2022 (Note 5)
					Outflow	Inflow						
EXCEL Suzhou (Note 7)	Processing, manufacturing and trading of electronic products	$ 337,205 (USD 11,000)	(Note 1)	$ 337,205 (USD 11,000)	$ -	$ -	$ 337,205 (USD11,000)	$ 17,172	100%	$ 17,172	$ 385,602	$ -
Good Sky Shenzhen (Note 7)	Processing, manufacturing and trading of electronic products	204,837 (USD 6,682)	(Note 2)	107,017 (USD 3,491)	-	-	107,017 (USD 3,491)	-	-	-	-	-
PACER INDUSTRIAL (SHANGHAI) COMPANY LIMITED (PACER Shanghai) (Note 7)	Trading of electronic products	6,131 (USD 200)	(Note 3)	6,131 (USD 200)	-	-	6,131 (USD 200)	-	-	-	-	-
Neocene Anhui (Note 7)	Manufacturing and trading of electronic parts	30,655 (USD 1,000)	(Note 4)	27,007 (USD 881)	-	-	27,007 (USD 881)	1,802	100%	1,802	102,225	-
EXCEL Anhui (Note 7)	Processing, manufacturing and trading of electronic products	643,755 (USD 21,000)	(Note 1)	643,755 (USD 21,000)	-	-	643,755 (USD 21,000)	(27,061)	100%	(27,061)	463,884	-

Investee Company	Accumulated Outward Remittance for Investment in Mainland China as of December 31, 2023	Investment Amount Authorized by Investment Commission, MOEA	Upper Limit on the Amount of Investment Stipulated by Investment Commission, MOEA (Note 6)
The Company	$ 1,114,984 (USD 36,372)	$ 1,161,119 (Note 6) (USD 37,877)	$ 1,512,697
PACER TECH	$ 6,131 (USD 200)	$ 6,131 (USD 200)	$ 80,000

Note 1: EXCEL Suzhou invest through Fulltron Samoa; Good Sky Shenzhen invest through Good Sky BVI.
Note 2: The company invest in Good Sky Shenzhen through Good Sky BVI. Good Sky Shenzhen had been liquidated in September 2022 but not yet revoked by Investment Commission, MOEA.

Note 3: The company invest in PACER TECH through PACER Hong Kong invest in PACER Shanghai. PACER TECH had disposal of share of PACER Hong Kong but not yet revoked by Investment Commission, MOEA.
Note 4: Neocene Suzhou has been renamed Neocene Anhui. Neocene Suzhou invest through Simply Success which invested by the Company in original. The Company change to hold Neocene Anhui directly on June 2023.
Note 5: Except for EXCEL Suzhou which was audited by the Parent Company Accountant, the other is not audited by the Parent Company Accountant.

Note 6: According the "Principles Governing the Review of Investments or Technical Cooperation in Mainland China" issued by the Investment Commission, the investment amount in mainland China should be limited to 60% of net value and amount $80,000 thousand dollars.

Note 7: The total investment amount approved by the Investment Commission, MOEA, were translated into New Taiwan dollars at prevailing exchange rate on balance sheet date.

Note 8: Significant intercompany accounts and transactions have been eliminated.

Table 7

Excel Cell Electronic Company Limited and its subsidiaries

SIGNIFICANT TRANSACTIONS WITH INVESTEE COMPANIES IN MAINLAND CHINA, EITHER DIRECTLY OR INDIRECTLY THROUGH A THIRD AREA, AND THEIR PRICES, PAYMENT TERMS, AND UNREALIZED GAINS OR LOSSES
FOR THE YEAR ENDED DECEMBER 31, 2023
(In Thousands of New Taiwan Dollars)

Company Name	Counterparty	Relationship	Transaction Type	Amount	Purchase/Sale (%)	Transaction Details			Notes/Trade Receivable (Payable)		Unrealized (Gain) Loss
						Price	Payment Terms	Comparison with Normal Transactions	Ending Balance	Percentage (%)	
The Company	EXCEL Anhui	Subsidiary	Purchase	$ 36,154	7	Negotiated with reference to order price	90 days for a monthly balance	The terms with related parties are not significantly different from those with third parties	($ 7,077)	4	$ -
			Sales	33,331	3	Negotiated with reference to order price	90 days for a monthly balance	The terms with related parties are not significantly different from those with third parties	6,215	3	-
	EXCEL Suzhou	Subsidiary	Sales	19,704	2	Negotiated with reference to order price	60 days for a monthly balance	The terms with related parties are not significantly different from those with third parties	6,694	3	-
EXCEL Anhui	EXCEL Suzhou	Subsidiary	Sales	32,753	8	Negotiated with reference to order price	Next month ends 60 days	The terms with related parties are not significantly different from those with third parties	9,970	16	-
EXCEL Suzhou	EXCEL Anhui	Subsidiary	Purchase	32,753	17	Negotiated with reference to order price	Next month ends 60 days	The terms with related parties are not significantly different from those with third parties	(9,970)	35	-

Note: The above intercompany transactions have been eliminated upon consolidation.

Table 8

Excel Cell Electronic Company Limited and its subsidiaries

INFORMATION OF MAJOR SHAREHOLDERS

FOR THE YEAR ENDED DECEMBER 31, 2023

Name of Major Shareholder	Shares	
	Number of Shares	Percentage of Ownership (%)
GUANG NA INVESTMENT CO., LTD	8,995,682	8.24%
Liao Pen-Lin	7,339,548	6.72%
Xiao Deng-Tang	6,745,729	6.18%
GUANG DA INVESTMENT CO., LTD	5,503,403	5.04%

Note: The table discloses stockholding information of stockholders whose ownership percentages are more than 5%. The Taiwan Depository & Clearing Corporation calculates the total number of common stocks and special stocks (including treasury stocks) that have completed the dematerialized registration and delivery on the last business day of the quarter. The stocks reported in the financial statements and the actual number of stocks that have completed the dematerialized registration and delivery may be different due to the basis of calculation.