Stock Code: 3092

HOTRON PRECISION ELECTRONIC INDUSTRIAL CO., LTD.

Parent Company Only Financial Statements and CPAS' Report

For the Years Ended December 31, 2023 and 2022

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Notice to Reader

For the convenience of readers, this report has been translated into English from the original Chinese version. The English version has not been audited or reviewed by independent auditors. If there is any conflict between the English version and the original Chinese version or any difference in the interpretation of the two versions, the Chinese-language independent auditors' report and consolidated financial statements shall prevail.

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INDEPENDENT AUDITORS' REPORT

(2024) C.S.B.Z. No. 23003435

To: Hotron Precision Electronic Industrial Co., Ltd.,

Opinions

The Parent Company Only Balance Sheets of HOTRON PRECISION ELECTRONIC INDUSTRIAL CO., LTD. (hereinafter "The Company") as of December 31, 2023 and 2022, in addition to the Parent Company Only Statements of Comprehensive Income, Parent Company Only Statements of Changes in Equity, Parent Company Only Statements of Cash Flows, and Notes to the Parent Company Only Financial Statements (including a summary of significant accounting policies) from January 1 to December 31, 2023 and 2022, have been audited by the CPAs.

In the opinion of the CPAs, the above Parent Company Only Financial Statements have been prepared in all material respects in accordance with the Financial Reporting Standards for Securities Issuers, and are sufficient to give a fair representation of the financial position of The Company as at December 31, 2023 and 2022, and the financial performance and cash flow from January 1 to December 31, 2023 and 2022.

Basis for Opinions

We conducted our audits in accordance with the Regulations Governing the Auditing and Attestation of Financial Statements by Certified Public Accountants and Generally Accepted Auditing Standards (GAAS) of the Republic of China. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of Financial Statements section of our report. We are independent of The Company in accordance with the Norm of Professional Ethics for Certified Public Accountant, and 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 refer to those which, in accordance with the professional judgment of the CPAs, are most important for the audit of the Parent Company Only Financial Statements of The Company for the year 2023. These matters were addressed in the context of our audit of the Parent Company Only Financial Statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

The key audit matters of the Parent Company Only Financial Statements of The Company for the year 2023 are listed as follows:

Investments Accounted for Using the Equity Method and Recognition of Investment Gains and Losses

<u>Description</u>

Regarding the accounting policies for investments accounted for using the equity method, please refer to Note 4(11) of the parent company only financial statements For explanations of investments accounted for using the equity method, please refer to Note 6(5) of the parent company only financial statements.

The amount of investments accounted for using the equity method by Hotron Company as of December 31, 2023 was NT$1,733,761 thousand.The amount of share of profit (loss) of subsidiaries, associates and joint ventures accounted for using the equity method recognized by Hotron Company in 2023 was NT$(157,991) thousand. As these amounts have a material impact on the financial statements, the CPA considered the valuation of the balance of investments accounted for using the equity method as one of the most important matters for this year's audit.

<u>Response audit procedures</u>

The principal audit procedures performed by the CPA on the specific aspects described in the key audit matters are summarized as follows:

1. Understand the accounting policies for investments accounted for using the equity method, verify that the accounting policies comply with the standards on which the financial statements are prepared, and assess whether the accounting policies are appropriate.

2. Understand the control procedures related to investments accounted for using the equity method, and test the accuracy of the calculations for additions, disposals, recognition of investment gains and losses, and other comprehensive income shares.

Revenue Recognition Cut-Off for Ex-Works Sales

<u>Description</u>

Please refer to Note 4(23) to the parent company only financial statements for the accounting policy for revenue recognition.

The Hotron Company's sales models are mainly categorized into recognizing revenue after ex-factory shipments and after ex-warehouse shipments. For ex-works sales, revenue is recognized only when the customer takes delivery and the risks and rewards are transferred. The Hotron Company primarily recognizes revenue based on the actual ex-works sales to customers as provided in the reports or other information from warehouse custodians.

As revenue recognition for ex-works sales is based on the information and reports provided by custodians, it typically involves more manual processes. Considering the significant transaction volume of the Hotron Company's ex-works sales and the material impact of transactions around the financial statement date on the financial statements, the CPA considers the revenue recognition cut-off for the Company's ex-works sales as one of the most important audit matters this year.

Response audit procedures

The principal audit procedures performed by the CPA on the revenue recognition cut-off for ex-warehouse sales are summarized as follows:

1. Understand the Hotron Company's revenue recognition procedures for ex-works sales, evaluate the appropriateness of recognizing ex-works revenue, including understanding relevant internal control procedures, and obtain information and reports provided by custodians.

2. Perform internal control testing on ex-works sales revenue to ensure the Hotron Company recognizes revenue only after the customer takes delivery and the risks and rewards are transferred.

3. Perform cut-off testing on ex-works sales revenue transactions for a certain period before and after the balance sheet date, including verifying supporting documents from warehouse custodians, shipping documents, and that revenue is recorded in the appropriate period.

4. Perform sample physical inventory observation and count for ex-works inventory quantities and reconcile with book balances.

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

To ensure that the Parent Company Only Financial Statements do not contain material misstatements caused by fraud or errors, the management is responsible for preparing prudent Parent Company Only Financial Statements in accordance with the Financial Reporting Standards for Securities Issuers and for preparing and maintaining necessary internal control procedures pertaining to the Parent Company Only Financial Statements.

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

Those in charge with the Company's governance (including the Audit Committee) are responsible for overseeing its financial reporting process.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the Parent Company Only Financial Statements as a whole are free from material misstatements, 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 error or fraud 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 financial statements.

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

1. Identify and evaluate the risk of material misstatements due to fraud or error in the Parent Company Only Financial Statements; design and carry out appropriate countermeasures for the evaluated risk; and obtain sufficient and appropriate evidence as the basis for audit opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

2. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.

3. Assess the appropriateness of the accounting policies adopted by the management, as well as the reasonableness of their accounting estimates and relevant disclosures.

4. Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on The Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the Parent Company Only Financial Statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.

5. Evaluate the overall expression, structure and contents of the Parent Company Only Financial Statements (including relevant Notes), and whether the Parent Company Only Financial Statements fairly present relevant transactions and items.

6. Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Company to express an opinion on the Parent Company Only Financial Statements. We are responsible for the direction, supervision, and performance of the audit and for expressing an opinion on the Parent Company Only Financial Statements.

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 of the Republic of China, 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 communication with the management unit, the accountant decided on the key audit matters for the Parent Company Only Financial Statements of the Company for 2023. 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 Wu, Han-Chi and Lin, Ya-Hui.

PWC Taiwan
Taipei, Taiwan
Republic of China
February 27, 2024

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HOTRON PRECISION ELECTRONIC INDUSTRIAL CO., LTD.

PARENT COMPANY ONLY BALANCE SHEETS

December 31, 2023 and 2022

Unit: NT$ thousand

	Assets	Note	December 31, 2023 Amount	%	December 31, 2022 Amount	%
	Current Assets					
1100	Cash and cash equivalents	6(1)	$ 236,091	8	$ 284,284	9
1136	Financial assets at amortized cost - current	6(2)	531,553	17	-	-
1150	Net notes receivable	6(3)	2,820	-	-	-
1170	Net accounts receivable	6(3)	223,675	7	265,325	8
1180	Accounts receivable - related parties, net	6(3), 7	-	-	35,376	1
1200	Other receivables		11,411	-	1,519	-
1220	Current tax assets	6(25)	683	-	-	-
130X	Inventories	6(4)	8,303	-	15,817	1
1410	Prepayments	7	266	-	369,880	12
1479	Other current assets – other		396	-	91	-
11XX	**Total Current Assets**		1,015,198	32	972,292	31
	Non-Current Assets					
1550	Investments accounted for using the equity method	6(5)	1,733,761	55	1,770,334	56
1600	Property, plant, and equipment	6(6), 8	81,079	2	105,244	3
1760	Investment property	6(9), 8	322,649	10	302,961	9
1780	Intangible assets		699	-	887	-
1840	Deferred income tax assets	6(25)	20,208	1	18,008	1
1900	Other non-current assets		3,007	-	2,920	-
15XX	**Total Non-Current Assets**		2,161,403	68	2,200,354	69
1XXX	**Total Assets**		$ 3,176,601	100	$ 3,172,646	100

	Liabilities and Equity	Note	December 31, 2023 Amount	%	December 31, 2022 Amount	%
	Current Liabilities					
2100	Short-term loans	6(10), 8	$ 695,000	22	$ 865,000	27
2110	Short-term notes and bills payable	6(11)	-	-	109,843	4
2120	Financial liabilities at fair value through profit or loss - current	6(13)	-	-	2,116	-
2130	Contract liabilities - current	6(20)	2,852	-	-	-
2180	Accounts payable - related parties	7	4,098	-	-	-
2200	Other payables	6(12)	10,644	1	13,501	-
2230	Current income tax liabilities	6(25)	-	-	16,553	1
2320	Current portion of long-term liabilities	6(14)	-	-	8,182	-
2399	Other current liabilities – others		426	-	484	-
21XX	**Total Current Liabilities**		713,020	23	1,015,679	32
	Non-Current Liabilities					
2500	Financial liabilities at fair value through profit or loss - non-current	6(13)	1,100	-	-	-
2530	Bonds payable	6(14)	236,212	7	-	-
2570	Deferred income tax liabilities	6(25)	91,177	3	92,041	3
2670	Other Non-current liabilities – others	7	3,051	-	2,095	-
25XX	**Total Non-Current Liabilities**		331,540	10	94,136	3
2XXX	**Total Liabilities**		1,044,560	33	1,109,815	35
	Equity					
	Capital stock	6(17)				
3110	Capital stock - common shares		1,065,520	34	932,210	29
	Capital surplus	6(18)				
3200	Capital surplus		854,024	27	641,858	20
	Retained Earnings	6(19)				
3310	Legal reserve		226,931	7	220,291	7
3320	Special reserve		82,834	3	115,046	4
3350	Unappropriated earnings		12,858	-	236,260	8
	Other equity					
3400	Other equity		(110,126)	(4)	(82,834)	(3)
3XXX	**Total Equity**		2,132,041	67	2,062,831	65
	Significant contingent liabilities and unrecognized contract commitments	9				
	Significant events after the balance sheet date	11				
3X2X	**Total Liabilities And Equity**		$ 3,176,601	100	$ 3,172,646	100

Please also refer to the attached Notes to Parent Company Only Financial Statements as part of these parent company only financial statements.

Chairman: Chang, Li-Jung Managerial officer: Lu, I-Hsuan Accounting manager: Hsu, Kuo-Huang

HOTRON PRECISION ELECTRONIC INDUSTRIAL CO., LTD.

PARENT COMPANY ONLY STATEMENTS OF COMPREHENSIVE INCOME

Years Ended December 31, 2023 and 2022

Unit: NT$ thousand (Except earnings (deficit) per share in NT$)

	Item	Note	2023 Amount	2023 %	2022 Amount	2022 %
4000	Operating revenue	6(20), 7	$ 447,396	100	$ 778,225	100
5000	Operating costs	6(4), 7	(424,582)	(95)	(700,522)	(90)
5900	Gross profit		22,814	5	77,703	10
	Operating expenses	6(24), 7				
6100	Selling and marketing expense		(1,250)	-	(190)	-
6200	General and administrative expenses		(60,875)	(14)	(50,879)	(6)
6450	Expected credit impairment losses	12(2)	(68)	-	-	-
6000	Total operating expenses		(62,193)	(14)	(51,069)	(6)
6500	Other non-operating income and expenses	6(21)	12,276	3	64,321	8
6900	Operating profit (loss)		(27,103)	(6)	90,955	12
	Non-operating income and expenses					
7100	Interest income	7	30,306	7	3,429	-
7010	Other income		1,214	-	704	-
7020	Other gains or losses	6(22)	50	-	(225)	-
7050	Financial cost	6(23)	(15,439)	(4)	(10,163)	(1)
7070	Share of profit or loss of subsidiaries, associates, and joint ventures recognized using the equity method	6(5)	(157,991)	(35)	(1,129)	-
7000	Total non-operating income and expenses		(141,860)	(32)	(7,384)	(1)
7900	Net profit (loss) before tax		(168,963)	(38)	83,571	11
7950	Income tax benefits (expenses)	6(25)	3,884	1	(17,825)	(2)
8200	Net profit (loss) for the period		($ 165,079)	(37)	$ 65,746	9
	Other comprehensive income (net)					
	Items that may not be reclassified to profit or loss					
8311	Remeasurements of defined benefit plan	6(15)	$ 51	-	$ 181	-
8330	Share of other comprehensive income of subsidiaries, associates, and joint ventures recognized using the equity method - Items that may not be reclassified to profit or loss		(1,359)	-	510	-
8349	Income tax related to items that may not be reclassified	6(25)	(10)	-	(36)	-
8310	Total of items that may not be reclassified to profit or loss		(1,318)	-	655	-
	Items that may be subsequently reclassified to profit or loss					
8361	Exchange differences on translation of financial statements of foreign operations		(27,292)	(6)	32,212	4
8360	Total of items that may be subsequently reclassified to profit or loss		(27,292)	(6)	32,212	4
8300	Other comprehensive income (net)		($ 28,610)	(6)	$ 32,867	4
8500	Total comprehensive income (loss) for the period		($ 193,689)	(43)	$ 98,613	13
	Basic earnings (deficit) per share	6(26)				
9750	Basic earnings (deficit) per share		($ 1.58)		$ 0.69	
9850	Diluted earnings (deficit) per share		($ 1.58)		$ 0.68	

Please also refer to the attached Notes to Parent Company Only Financial Statements as part of these parent company only financial statements.

Chairman: Chang, Li-Jung　　Managerial officer: Lu, I-Hsuan　　Accounting manager: Hsu, Kuo-Huang

HOTRON PRECISION ELECTRONIC INDUSTRIAL CO., LTD.

PARENT COMPANY ONLY STATEMENTS OF CHANGES IN EQUITY

Years Ended December 31, 2023 and 2022

Unit: NT$ thousand

	Note		Capital surplus				Retained Earnings				
		Capital Stock - Common Shares	Share premium	Treasury share transactions	Share Option	Others	Legal reserve	Special reserve	Unappropriated earnings	Exchange differences on translation of financial statements of foreign operations	Total equity
2022											
Balance as of January 1, 2022		$ 923,181	$ 613,797	$ 1,615	$ 1,450	$ 18	$ 218,051	$ 112,601	$ 174,544	($ 115,046)	$ 1,930,211
Net profit for the period		-	-	-	-	-	-	-	65,746	-	65,746
Other comprehensive income		-	-	-	-	-	-	-	655	32,212	32,867
Total comprehensive income (loss) for the period		-	-	-	-	-	-	-	66,401	32,212	98,613
Appropriation of earnings in 2021:	6(19)										
Legal reserve		-	-	-	-	-	2,240	-	(2,240)	-	-
Provision of special reserve		-	-	-	-	-	-	2,445	(2,445)	-	-
Convertible corporate bonds	6(14)(17)	9,029	26,140	-	(1,171)	-	-	-	-	-	33,998
Overdue dividends converted to capital surplus		-	-	-	-	9	-	-	-	-	9
Balance as of December 31, 2022		$ 932,210	$ 639,937	$ 1,615	$ 279	$ 27	$ 220,291	$ 115,046	$ 236,260	($ 82,834)	$ 2,062,831
2023											
Balance as of January 1, 2023		$ 932,210	$ 639,937	$ 1,615	$ 279	$ 27	$ 220,291	$ 115,046	$ 236,260	($ 82,834)	$ 2,062,831
Current loss		-	-	-	-	-	-	-	(165,079)	-	(165,079)
Other comprehensive income		-	-	-	-	-	-	-	(1,318)	(27,292)	(28,610)
Total comprehensive income (loss) for the period		-	-	-	-	-	-	-	(166,397)	(27,292)	(193,689)
Appropriation and distribution of earnings in 2022:	6(19)										
Legal reserve		-	-	-	-	-	6,640	-	(6,640)	-	-
Reversed special reserve		-	-	-	-	-	-	(32,212)	32,212	-	-
Cash dividends		-	-	-	-	-	-	-	(51,611)	-	(51,611)
Stock dividends	6(17)	30,966	-	-	-	-	-	-	(30,966)	-	-
Cash capital increase	6(17)	100,000	162,100	-	-	-	-	-	-	-	262,100
Cash capital increase reserved for employee subscription compensation cost	6(16)(17)	-	9,527	-	2,163	-	-	-	-	-	11,690
Issuance of convertible corporate bonds	6(14)	-	-	-	30,297	-	-	-	-	-	30,297
Convertible corporate bonds	6(14)(17)	2,344	8,359	-	(291)	-	-	-	-	-	10,412
Overdue dividends converted to capital surplus		-	-	-	-	11	-	-	-	-	11
Balance as of December 31, 2023		$ 1,065,520	$ 819,923	$ 1,615	$ 32,448	$ 38	$ 226,931	$ 82,834	$ 12,858	($ 110,126)	$ 2,132,041

Please also refer to the attached Notes to Parent Company Only Financial Statements as part of these parent company only financial statements.

Chairman: Chang, Li-Jung　　Managerial officer: Lu, I-Hsuan　　Accounting manager: Hsu, Kuo-Huang

HOTRON PRECISION ELECTRONIC INDUSTRIAL CO., LTD.

PARENT COMPANY ONLY STATEMENTS OF CASH FLOWS

Years Ended December 31, 2023 and 2022

Unit: NT$ thousand

	Note	January 1-December 31, 2023	January 1-December 31, 2022
Cash Flows from Operating Activities			
Net profit (loss) before tax		($ 168,963)	$ 83,571
Adjustment item			
Income (expense) items			
Depreciation expenses	6(6)(9)(24)	7,733	7,531
Amortization expenses	6(24)	188	39
Expected credit impairment losses	12(2)	68	-
Interest expenses	6(23)	12,760	9,958
Interest income		(30,306)	(3,429)
Share-based payment compensation costs	6(16)	11,690	-
Amortization of corporate bond discounts	6(23)	2,679	205
Net loss (gain) on financial assets at fair value through profit or loss	6(13)(22)	(50)	225
Share of profit or loss of subsidiaries, associates, and joint ventures recognized using the equity method	6(5)	157,991	1,129
Changes in operating assets and liabilities			
Net change in assets related to operating activities			
Notes receivable		(2,820)	-
Accounts receivable		41,582	90,051
Accounts receivable - related parties		35,376	13,687
Other receivables		(238)	-
Other receivables - related parties		-	692
Inventories		7,514	(7,031)
Prepayments		369,614	(123,874)
Other current assets		(244)	1,351
Net defined benefit assets - non-current		(36)	(705)
Net change in liabilities related to operating activities			
Accounts payable - related parties		4,098	-
Contract liabilities - current		2,852	-
Other payables		(3,109)	(2,122)
Other current liabilities		(58)	87
Cash inflow generated from operations		448,321	71,365
Interest received		20,652	1,940
Interest paid		(12,565)	(9,879)
Income tax paid		(16,426)	(178)
Net cash inflow generated from operating activities		439,982	63,248
Cash flows from investing activities			
Increase in financial assets at amortized cost		(531,553)	-
Acquisition of property, plant, and equipment	6(6)	(3,317)	(472)
Acquisition of intangible assets		-	(815)
Acquisition of investments accounted for using the equity method	6(5)	(150,000)	(50,000)
Net cash flows used in investing activities		(684,870)	(51,287)
Cash flows from financing activities			
Increase (decrease) in short-term loans	6(27)	(170,000)	133,000
Decrease in short-term notes and bills payable	6(27)	(109,843)	(40,089)
Issuance of corporate bonds	6(27)	268,316	-
Costs of corporate bond issuance	6(27)	(3,223)	-
Increase in refundable deposits		956	491
Cash dividends paid	6(19)	(51,611)	-
Cash capital increase	6(17)	262,100	-
Net cash inflows from financing activities		196,695	93,402
Increase (decrease) in cash and cash equivalents for the current period		(48,193)	105,363
Beginning balance of cash and cash equivalents	6(1)	284,284	178,921
Ending balance of cash and cash equivalents	6(1)	$ 236,091	$ 284,284

Please also refer to the attached Notes to Parent Company Only Financial Statements as part of these parent company only financial statements.

Chairman: Chang, Li-Jung　　Managerial officer: Lu, I-Hsuan　　Accounting manager: Hsu, Kuo-Huang

NOTES TO PARENT COMPANY ONLY FINANCIAL STATEMENTS

For the Years Ended December 31, 2023 and 2022

Unit: NT$ thousand(Unless Stated Otherwise)

1. Company History

HOTRON PRECISION ELECTRONIC INDUSTRIAL CO., LTD (hereinafter referred to as "the Company") was established in December, 1991. Previous name is Goldfull Electronics & Telecommunications Corp.，rename on June, 2006 HOTRON PRECISION ELECTRONIC INDUSTRIAL CO., LTD. The Company's stock has been listed on the Taipei Exchange since May 11, 2010, and was approved by the Taiwan Stock Exchange for listing and trading on May 13, 2021. The main business activities of the Company are producing、selling various categories 3C cable and singal cable。

2. Date of Authorization for Issuance of the Financial Statements and Procedures for Authorization

The Parent Company Only Financial Statements were adopted and issued by the Company's Board of Directors on February 27, 2024.

3. Application of New and Amended Standards and Interpretations

(1) The impact of adopting new and amended IFRSs as endorsed and issued into effect by the Financial Supervisory Commission ("FSC")

The following table summarizes the new, amended and revised standards and interpretations of the applicable IFRSs for 2023 as endorsed and issued into effect by the FSC:

New/Revised/Amended Standards and Interpretations	Effective Date of Issuance by the IASB
Amendment to IAS 1 "Disclosure of Accounting Policies"	January 1, 2023
Amendment to IAS 8 "Definition of Accounting Estimates"	January 1, 2023
Amendment to IAS 12 "Deferred Tax related to Assets and Liabilities arising from a Single Transaction"	January 1, 2023
Amendment to IAS 12 "International Tax Reform - Pillar Two Model Rules"	May 23, 2023

The Company found through assessment that the above standards and interpretations have no material impact on the Company's financial condition and financial performance.

(2) The impact of not adopting new and revised IFRSs recognized by the FSC

The following table summarizes the new, amended and revised standards and interpretations of the applicable IFRSs for 2024 endorsed by the FSC:

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

The Company found through assessment that the above standards and interpretations have no material impact on the Company's financial condition and financial performance.

(3) Impact of IFRSs issued by the IASB but not yet endorsed by the FSC

The following table summarizes the new, amended and revised IFRSs and interpretations published by the IASB but not yet endorsed by the FSC:

New/Revised/Amended Standards and Interpretations	Effective Date of Issuance by The IASB
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 "Insurance Contracts"	January 1, 2023
Amendments to IFRS 17 "Initial Application of IFRS 17 and IFRS 9 - Comparative Information"	January 1, 2023
Amendments to IAS 21 "Lack of Exchangeability"	January 1, 2025

The Company found through assessment that the above standards and interpretations have no material impact on the Company's financial condition and financial performance.

4. Summary of Significant Accounting Policies

The principal accounting policies adopted in the preparation of these financial standards are described below. Unless otherwise stated, these policies apply consistently throughout all reporting periods.

(1) Compliance declaration

The financial statements have been prepared in accordance with the Financial Reporting Standards for Securities Issuers.

(2) Preparation basis

1. Except for financial liabilities at fair value through profit or loss and defined benefit liabilities recognized at the net amount of retirement fund assets less the present value of defined benefit obligations, this parent company only financial report is prepared on a historical cost basis.

2. The preparation of financial statements in compliance with the International Financial Reporting Standards, International Accounting Standards, Interpretations and Interpretations (hereinafter referred to as IFRSs) recognized by the FSC requires the use of certain critical accounting estimates and the use of management's judgment in the process of applying the Company's accounting policies. For items involving a high degree of judgment or complexity, or involving significant assumptions and estimates in the financial statements, please refer to Note 5 for details.

(3) Foreign currency conversion

Items included in the financial statements of the Company are measured in the currency of the primary economic environment in which the Company operates (i.e., the functional currency). The financial statements are presented in the New Taiwan dollar, the Company's functional currency.

1. Foreign currency transactions and balances

(1) Foreign currency transactions are translated into the functional currency using the spot exchange rate on the transaction date or measurement date, and translation differences arising from the translation of such transactions are recognized as current profit and loss.

(2) The balance of monetary assets and liabilities denominated in foreign currencies shall be evaluated and adjusted according to the spot exchange rate on the balance sheet date, and the translation differences arising from the adjustment shall be recognized as current profit and loss.

(3) The balance of non-monetary assets and liabilities denominated in foreign currencies, which are measured at fair value through profit or loss, is adjusted according to the spot exchange rate on the balance sheet date, and the exchange differences arising from the adjustment is recognized as the current profit and loss; for those measured at fair value through other comprehensive income, the adjustment is evaluated at the spot exchange rate on the balance sheet date, and the exchange differences arising from the adjustment is recognized in other comprehensive income; those not measured at fair value are measured at the historical exchange rate on the initial transaction date.

(4) All foreign exchange gains and losses are reported as "Other gains and losses, net" in the income statement based on the nature of the transactions.

2. Translation of foreign operating entities

(1) For all entities of the Company whose functional currency is different from the presentation currency, the operating results and financial position are converted into the presentation currency in the following manner:

A. Assets and liabilities presented on each balance sheet are translated at the closing exchange rate on that balance sheet date.

B. The gains or losses presented in each consolidated statement of gains or losses are translated at the average exchange rate for the period.

C. All exchange differences arising from translation are recognized in other comprehensive income.

(2) When a foreign operating entity partially disposed or sold is a subsidiary, the accumulated exchange differences recognized as other comprehensive income shall be re-attributed to the non-controlling interests of the foreign operating entity on a pro rata basis. However, if the Company still retains part of the rights and interests in the former subsidiary, but has lost its control over the foreign operating organization that is an subsidiary, it will be dealt with as a punishment for all the rights and interests of the foreign operating organization.

(4) Classification criteria for distinguishing current and non-current assets and liabilities

1. Assets that meet one of the following conditions are classified as current assets:

(1) Those expected to be realized in the normal operating cycle, or intended to be sold or consumed.

(2) Those held primarily for trading purposes.

(3) Those expected to be realized within 12 months after the balance sheet date.

(4) Cash or a cash equivalents, unless the assets are restricted from being exchanged or used to pay off liabilities at least 12 months after the balance sheet date.

The Company classifies all assets that do not meet the above criteria as non-current.

2. Liabilities that meet one of the following conditions are classified as current liabilities:

(1) Those expected to be paid off in the normal operating cycle.

(2) Those held primarily for trading purposes.

(3) Those expected to be paid off within 12 months after the balance sheet date.

(4) Those of which the settlement term cannot be deferred unconditionally to at least 12 months after the balance sheet date. The terms of a liability which may result in the settlement of an equity instrument at the option of the counterparty will not affect its classification.

The Company classifies all liabilities that do not meet the above criteria as non-current.

(5) Cash Equivalents

Cash equivalents refer to short-term investments with highly liquidity that can be converted into quota cash at any time with little risk of change in value. Time deposits that meet the above definition and are held for the purpose of meeting short-term cash commitments for operations are classified as cash equivalents.

(6) Financial Assets at Amortized Cost

The Company holds time deposits that do not qualify as cash equivalents. Due to the short holding period, the impact of discounting is not significant and is measured at the investment amount.

(7) Accounts Receivable

1. Refer to the account with the right to unconditionally receive the consideration amount in exchange for the transfer of goods or services according to the contract.

2. Short-term accounts receivable without interest paid which are measured by the Company at the original invoice amount as the effect of discounting is insignificant.

(8) Impairment of Financial Assets

On each balance sheet date, for financial assets measured at amortized cost and accounts receivable containing significant financing components, the Company considers all reasonable and supportable information (including forward-looking information) and measures the loss allowance at an amount equal to 12-month expected credit losses for those that have not had a significant increase in credit risk since initial recognition; for those whose credit risk has increased significantly since the original recognition, the Company measures the allowance loss at the expected credit loss amount during the duration; for accounts receivable that do not include significant financial components, the allowance losses are measured at the expected credit loss amount during the duration.

(9) Lessor’s Lease Transaction - Operating lease

Operating lease revenue is recognized on a straight-line basis over the lease term after deducting any incentives granted to the lessee.

(10) Inventories

Inventories are measured at the lower of cost and net realizable value, and cost carry-forward is calculated using the weighted average method. When comparing the lower of the cost and the net realizable value, the item-by-item comparison method is adopted. The net realizable value refers to the balance of the estimated selling price in the normal course of business deducting the estimated cost to be invested until completion and estimated cost of completion of sale.

(11) Investments Accounted for Using the Equity Method/Subsidiary

1. Subsidiary means an entity (including structured entity) that is controlled by the Company when the Company is exposed to or entitled to variable remuneration arising

from participation in such entity and is able to influence such remuneration through its power over such entity.

2. All unrealized gains or losses arising from transactions between the Company and its subsidiaries have been written off. The accounting policies of the subsidiaries have been adjusted as necessary to be consistent with those adopted by the Company.

3. The Company recognizes the share of profit and loss of the subsidiaries after acquisition as current profit and loss, and recognizes the share of other comprehensive income as other comprehensive income. When the shares of losses of a subsidiary recognized by the Company equal or exceed its equity in that subsidiary, the Company continues recognizing its losses in proportion to its holdings.

4. According to the provisions of the Regulations Governing the Preparation of Financial Reports by Securities Issuers, the current profit and loss and other comprehensive income of the Parent Company Only Financial Statements shall be the same as the apportionment of the current profit and loss and other comprehensive income attributable to the owners of the parent company in the financial statements prepared on a consolidated basis, and the owner’s equity of the Parent Company Only Financial Statements shall be the same as the equity attributable to the owners of the parent company in the financial statements prepared on a consolidated basis.

(12) Property, plant, and equipment

1. Property, plant and equipment are recorded on the basis of acquisition cost, and the relevant interest during the period of acquisition and construction is capitalized.

2. Subsequent costs are included in the asset’s carrying amount or recognized as a separate asset only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. The carrying amount of the replacement part shall be derecognized. All other maintenance costs shall be recognized as current profit or loss when incurred.

3. Property, plant and equipment shall be subsequently measured by the cost model, and shall be depreciated by the straight-line method based on the estimated useful life except for land. The depreciation of each component of property, plant and equipment is provided separately if it is significant.

4. The Company reviews the residual value, useful life and depreciation method of each asset at the end of each financial year. If the expected value of residual value and useful life is different from previous estimates, or if there is a material change in the expected consumption pattern of future economic benefits contained in the asset, it shall be treated in accordance with the provisions of IAS 8 “Changes in Accounting Policies, Estimates and Errors” for changes in accounting estimates since the date of the change. The useful life of each asset are as follows:

Buildings and improvements 5-50 years, office equipment 3-5 years, and other equipment 3-5 years.

(13) Lessee's Lease Transaction - Right-of-Use Asset/Lease Liability

1. Lease assets are recognized as right-of-use assets and lease liabilities when they become available for use by the Company. When the lease contract is for a short-term lease or a lease of a low-value underlying asset, the lease payment is recognized as an expense by the straight-line method during the lease term.

2. With respect to lease liabilities, the outstanding lease payments shall be recognized on the commencement date of the lease at the present value after discounting at the interest rate of the Company's incremental loan. The lease payments include fixed payments minus any lease inducements that may be collected. The lease liabilities shall be measured by the interest method and the amortized cost method subsequently, and the provision for interest expense shall be made during the lease term. The lease liabilities will be reassessed and the remeasurement amount will be adjusted to right-of-use asset when there is a change in the lease term or lease payments due to non-contractual modification.

3. Right-of-use assets are recognized at costs on the lease commencement date. Costs include the initial measurement amount of the lease liability. Right-of-use assets are subsequently measured by cost model. The depreciation provision for right-of-use assets shall be made on at the end of the useful life of the assets or the end of the lease term, whichever is earlier. When the lease liability is reassessed, the right-of-use assets will be adjusted to any remeasurement of the lease liability.

(14) Investment Property

Investment properties are initially recognized at cost and subsequently measured using the cost model. Depreciation is provided on a straight-line basis over the estimated useful lives of 50 years, except for land.

(15) Intangible Assets

Computer software is recognized at cost of acquisition and amortized on a straight-line basis over an estimated useful life of 1 to 5 years.

(16) Impairment of Non-Financial Assets

The Company estimates the recoverable amount of assets with signs of impairment on the balance sheet date, and recognizes impairment losses when the recoverable amount is lower than its book value. The recoverable amount is the fair value of an asset less the cost of disposal or its use value, whichever is higher. When the impairment of an asset recognized in previous years does not exist or decreases, the impairment loss shall be reversed, provided that the increase in the carrying amount of the asset resulting from the reversal of the impairment loss shall not exceed the carrying amount of the asset after deducting depreciation or amortization if the impairment loss is not recognized.

(17) Loans

Short-term loans from banks. They are measured by the Company at their fair value less transaction costs at the time of initial recognition, and with respect to any difference between the price after deducting transaction costs and the redemption value, the interest expenses are subsequently recognized as profit or loss during the circulation period by the effective interest method according to the amortization procedures.

(18) Convertible bonds payable

The Company's convertible bonds payable issued contain conversion rights (i.e., the holder's option to convert into the Company's ordinary shares at a fixed amount for a fixed number of shares), put rights, and call rights. At initial issuance, the issue price is allocated to financial liabilities or equity components based on the issuance terms, with the following treatments:

1. Embedded put and call rights: Initially recognized at their fair value net amount as "Financial liabilities at fair value through profit or loss"; Subsequently measured at fair value on the balance sheet date, with the difference recognized as "Gains (losses) on financial assets (liabilities) at fair value through profit or loss".

2. For the host debt contract: Initially measured at fair value, with the difference between fair value and redemption price recognized as discounts on bonds payable; Subsequently measured at amortized cost using the effective interest method over the circulation period and recognized in profit or loss as an adjustment to "finance costs".

3. Embedded conversion rights (meeting the definition of equity): Initially recognized at the residual amount after deducting the aforementioned "financial liabilities at fair value through profit or loss" and "bonds payable" from the issue price, and recorded as "capital surplus - share options", and not subsequently remeasured.

4. Any directly attributable transaction costs are allocated to the liability and equity components in proportion to their initial carrying amounts.

5. When the bondholder exercises the conversion option, the liability components (including "bonds payable" and "financial liabilities at fair value through profit or loss") are accounted for based on their respective subsequent measurement methods, and the sum of the carrying amounts of the liability components and the carrying amount of "capital surplus - share options" is used as the issuance cost of the ordinary shares exchanged.

(19) Employee Benefits

1. Short-term employee benefits

   Short-term employee benefits are measured at the undiscounted amount expected to be paid and are recognized as an expense when the related services are rendered.

2. Pensions

   (1) Defined contribution plans

   The amount of the retirement fund to be contributed is recognized as the current pension cost on an accrual basis for determining the contribution plan. Advance contribution is recognized as asset to the extent of refundable cash or reduced future payments.

   (2) Defined Benefit Plan

   A. The net obligation under the defined benefit plan is calculated by discounting the future benefit amount earned by the employee’s current or past service, using the present value of the defined benefit obligation at the balance sheet date less the fair value of the plan assets. The net defined benefit obligation is calculated annually by actuaries using the projected unit credit method. The discount rate is based on the market yield of government bonds that have maturity dates approximating the terms of the Group’s obligations and are denominated in the same currency in which the benefits are expected to be paid.

   B. Remeasurements arising from defined benefit plans are recognized in other comprehensive income in the period in which they occur and are presented in retained earnings.

3. Remunerations of employees and directors

   Remunerations of employees and directors are recognized as expenses and liabilities when there is a legal or constructive obligation and the amount can be reasonably estimated. If there is a discrepancy between the actual distribution amount and the estimated amount in subsequent resolutions, it shall be treated as a change in accounting estimate.

(20) Employee Share-based Payment

For equity-settled share-based payment arrangements, the employee services received are measured at the fair value of the equity instruments granted on the grant date, with a corresponding increase in equity recognized over the vesting period. The fair value of the equity instruments should reflect the impact of market and non-vesting conditions. The amount recognized as an expense is adjusted to reflect the number of awards for which the service and non-market performance conditions are expected to be met, such that the amount ultimately recognized as an expense is based on the number of awards that meet the service and non-market performance conditions at the vesting date.

(21) Income Tax

1. Income tax expense includes current and deferred income taxes. Income tax shall be recognized in profit and loss, except that income tax related to items included in other comprehensive income or directly included in equity shall be separately included in other comprehensive income or directly included in equity.

2. The Company calculates current income tax based on the tax rates enacted or substantively enacted on the balance sheet date in the countries in which it operates and generates its chargeable income. Management periodically evaluates the status of income tax returns in respect of applicable income tax regulations and, where applicable, estimates income tax liabilities based on the taxes expected to be paid to tax authorities. The income tax imposed on undistributed earnings under the Income Tax Act shall not be recognized for the distribution of undistributed earnings until the year next to the year in which the surplus is generated after the shareholders' meeting has approved the distribution of surplus.

3. Deferred income tax is recognized using the balance sheet method at temporary differences arising from the tax bases of assets and liabilities and their carrying amounts in the parent company only balance sheet. Deferred tax liabilities arising from initial recognition of goodwill are not recognized. Deferred income tax is not recognized if it arises from the original recognition of an asset or liability in a transaction (other than a business combination) that does not affect accounting profit or taxable income (taxable loss) at the time of transaction. If the temporary differences arising from investments in subsidiaries can be controlled by the Company as to their reversal, and it is probable that the temporary differences will not reverse in the foreseeable future, they are not recognized. Deferred income tax is subject to the tax rates (and tax laws) that are enacted or substantively enacted at the balance sheet date and that are expected to apply when the related deferred income tax asset is realized or the deferred income tax liability is paid off.

4. Deferred income tax assets are recognized to the extent that temporary differences are likely to be used to offset future taxable income, and unrecognized and recognized deferred income tax assets are reassessed on each balance sheet date.

5. The current income tax assets and current income tax liabilities can be offset only when there is a legal enforcement right to offset the recognized amount of current income tax assets and liabilities, and there is an intention to realize the assets and pay off the liabilities on a net basis; only when the current income tax assets and current income tax liabilities can be offset against each other by a statutory enforcement right, and the deferred income tax assets and liabilities are generated by the same taxpayer subject to taxation by the same tax authority, or by different taxpayers but each entity intends to pay off the liabilities on a net basis or simultaneously realize the assets and pay off the liabilities, can the deferred income tax assets and liabilities be offset against each other.

(22) Dividend Distribution

Dividends distributed to shareholders of the Company are recognized in the financial statements when the Company's shareholders' meeting resolves to distribute dividends. Cash dividends are recognized as liabilities, while stock dividends are recognized as undistributed stock dividends and are rerecognized as ordinary shares on the base date of issuance.

(23) Revenue Recognition

1. Sale of goods

(1) Production and operation of 3C product cables and signal cables, etc.. Its sales revenue is recognized when the control of product is transferred to customer, that is, when the product is delivered to the customer, the customer has the discretion on the product sales channel and the price, and the Company has no outstanding performance obligations that may affect the customer's acceptance of the product. Product delivery occurs only when the product has been shipped to the designated location, the risk of obsolescence and loss has passed to the customer and the customer has accepted the products pursuant to the sales contract or there is objective evidence that all acceptance criteria have been met.

(2) Revenue is recognized at the contract price net of sales tax, returns of sales, quantity discounts and allowances. The revenue shall be recognized to the extend that there will be no highly probable significant reversal in the future, and the estimate is updated on each balance sheet date. For sales of goods that transfer the promised goods to customers, the time gap between the transfer of goods to customers and customer payment does not exceed one year, and thus the Company does not adjust transaction prices to reflect the time value of money.

(3) Accounts receivable are recognized when the goods are delivered to the customer, as the Company has an unconditional right to the contract price from that point on, and it only takes time to receive the consideration from the customer.

2. Lease service

The Company's office leasing business recognizes revenue on a period basis over the lease term.

3. Authorization of customer services

The royalties received by the Company for authorizing the sale of goods to the Company's original customers are calculated and recognized as revenue based on sales.

5. Primary Sources of Uncertainties in Material Accounting Judgments, Estimates, and Assumptions

In preparing the financial statements of the Company, the management has used its judgment to determine the accounting policies to be adopted and has made accounting estimates and assumptions based on reasonable expectations of future events based on the conditions prevailing at the balance sheet date. Significant accounting estimates and assumptions made may differ from actual results and will be continuously evaluated and adjusted by taking into account historical experience and other factors. Such estimates and assumptions carry risks that will result in a material adjustment to the carrying amounts of assets and liabilities in the next financial year. Please refer to the following explanations on the uncertainty of significant accounting judgments, estimates and assumptions:

(1) Important Judgments on Accounting Policies

Investment properties are properties held by the Company for the purpose of earning rentals or for capital appreciation. However, a portion of these properties is occupied for its own use. If each portion cannot be sold separately and cannot be leased out separately under a finance lease, the leased property is classified as investment property only if an insignificant portion is held for self-use.

(2) Significant Accounting Estimates and Assumptions

None.

6. Details of Significant Accounting Subjects

(1) Cash and Cash Equivalents

	December 31, 2023	December 31, 2022
Cash on hand and working capital	$ 60	$ 67
Demand deposits and checking accounts	8,692	12,879
Cash Equivalents		
− Time deposits	227,339	271,338
	$ 236,091	$ 284,284

1. The financial institutions with which the Company is engaged with are of good credit standing, and the Company has contacts with a number of financial institutions to diversify credit risks, so the possibility of default is expected to be low.

2. The Company did not provide any cash and cash equivalents as collateral.

(2) Financial Assets at Amortized Cost

Item	December 31, 2023	December 31, 2022
Time deposits	$ 531,553	$ -

1. The financial institutions with which the Company is engaged with are of good credit standing, and the Company has contacts with a number of financial institutions to diversify credit risks, so the possibility of default is expected to be low.

2. Financial Assets at Amortized Cost:

Item	2023	2022
Interest income	$ 25,280	$ -

3. Without considering collateral or other credit enhancements, the maximum exposure to credit risk for financial assets held by the Company and measured at amortized cost as of December 31, 2023 and 2022 is $531,553 and $0, respectively.

4. The Company did not provide any financial assets measured at amortized cost as collateral.

(3) Notes and Accounts Receivable

	December 31, 2023	December 31, 2022
Notes Receivable	$ 2,820	$ -
Accounts Receivable	$ 223,743	$ 265,325
Accounts receivable - related parties	-	35,376
Less: Loss allowances	(68)	-
	$ 226,495	$ 300,701

1. The aging analysis of the notes and accounts receivable is as follows:

	December 31, 2023	December 31, 2022
Not Past Due	$ 226,563	$ 300,701

The above aging schedule was based on the number of days past due from the end of the credit term.

2. The balances of accounts receivable (Including notes receivable) as of December 31, 2023 and 2022 all arose from customer contracts, and the balances of accounts receivable from customer contracts as of January 1, 2022 was $405,071.

3. Without considering collateral or other credit enhancements, the maximum exposure to credit risk for the Company's notes receivable as of December 31, 2023 and 2022 is $2,820 and $0, respectively; the maximum exposure to credit risk for the Company's accounts receivable as of December 31, 2023 and 2022 is $223,675 and $300,701, respectively.

4. For relevant credit risk information, please refer to Note 12(2).

(4) Inventories

	December 31, 2023		
	Costs	Allowance for Inventory Impairment Loss	Carrying Amount
Inventory	$ 8,425	($ 122)	$ 8,303

	December 31, 2022		
	Costs	Allowance for Inventory Impairment Loss	Carrying Amount
Inventory	$ 15,826	($ 9)	$ 15,817

Cost of inventories recognized by the Company as expense or loss:

	2023	2022
Cost of inventories sold	$ 424,469	$ 700,539
Loss from slow moving inventories and write-down (recovery benefit) (Note)	113	(17)
	$ 424,582	$ 700,522

Note: In 2022, the net realizable value rebounded due to the inventory depletion, resulting in a recovery benefit.

(5) Investments Accounted for Using the Equity Method

Subsidiary	December 31, 2023		December 31, 2022	
	Book Value	Shareholding Ratio (%)	Book Value	Shareholding Ratio (%)
Fortuna International Holdings Ltd	$1,549,103	100	$1,724,313	100
SmartGreen Solution Co., LTD	184,658	100	46,021	100
	$1,733,761		$1,770,334	

1. For information about the subsidiaries of the Company, please refer to Note 4(3) to the Consolidated Financial Statements of the Company for 2023.

2. On September 7, 2022, the Company invested in the establishment of SmartGreen Solution Co., LTD. Additionally, on June 28, 2023, the Company made a cash capital increase of $150,000 to SmartGreen Solution Co., LTD. As of December 31, 2023, the paid-in capital amounted to $200,000, with a 100% shareholding ratio.

3. The share of profit or loss from subsidiaries recognized by the Company using the equity method is evaluated based on the financial statements audited by CPAs for the same period. The details of the investment gains and losses recognized are as follows:

	2023	2022
Fortuna International Holdings Ltd	($ 146,243)	$ 2,850
SmartGreen Solution Co., LTD	(11,748)	(3,979)
	($ 157,991)	($ 1,129)

(6) Property, Plant, and Equipment

2023

			Office Equipment			Other Equipment			
	Land	**Housing and Construction**	**Self-Occupied**	**For Leasing**	**Subtotal**	**Self-Occupied**	**For Leasing**	**Subtotal**	**Total**
January 1									
Costs	$ 64,213	$ 56,857	$ 779	$ 2,571	$ 3,350	$ 3,626	$ 2,744	$ 6,370	$130,790
Accumulated depreciation	-	(21,799)	(656)	(428)	(1,084)	(2,296)	(367)	(2,663)	(25,546)
	$ 64,213	$ 35,058	$ 123	$ 2,143	$ 2,266	$ 1,330	$ 2,377	$ 3,707	$105,244
January 1	$ 64,213	$ 35,058	$ 123	$ 2,143	$ 2,266	$ 1,330	$ 2,377	$ 3,707	$105,244
Addition	-	-	-	-	-	3,047	270	3,317	3,317
Reclassification (Note)	-	(24,990)	-	-	-	-	(61)	(61)	(25,051)
Depreciation expenses	-	(1,088)	(40)	(429)	(469)	(403)	(471)	(874)	(2,431)
December 31	$ 64,213	$ 8,980	$ 83	$ 1,714	$ 1,797	$ 3,974	$ 2,115	$ 6,089	$ 81,079
December 31									
Costs	$ 64,213	$ 31,867	$ 779	$ 2,571	$ 3,350	$ 6,673	$ 2,952	$ 9,625	$109,055
Accumulated depreciation	-	(22,887)	(696)	(857)	(1,553)	(2,699)	(837)	(3,536)	(27,976)
	$ 64,213	$ 8,980	$ 83	$ 1,714	$ 1,797	$ 3,974	$ 2,115	$ 6,089	$ 81,079

2022

			Office Equipment			Other Equipment			
	Land	**Housing and Construction**	**Self-Occupied**	**For Leasing**	**Subtotal**	**Self-Occupied**	**For Leasing**	**Subtotal**	**Total**
January 1									
Costs	$ 64,213	$ 56,857	$ 677	$ 2,571	$ 3,248	$ 6,607	$ -	$ 6,007	$130,325
Accumulated depreciation	-	(20,117)	(623)	-	(623)	(2,009)	-	(2,009)	(22,749)
	$ 64,213	$ 36,740	$ 54	$ 2,571	$ 2,625	$ 3,998	$ -	$ 3,998	$107,576
January 1	$ 64,213	$ 36,740	$ 54	$ 2,571	$ 2,625	$ 3,998	$ -	$ 3,998	$107,576
Addition	-	-	102	-	102	112	258	370	472
Reclassification	-	-	-	-	-	(2,493)	2,486	(7)	(7)
Depreciation expenses	-	(1,682)	(33)	(428)	(461)	(287)	(367)	(654)	(2,797)
December 31	$ 64,213	$ 35,058	$ 123	$ 2,143	$ 2,266	$ 1,330	$ 2,377	$ 3,707	$105,244
December 31									
Costs	$ 64,213	$ 56,857	$ 779	$ 2,571	$ 3,350	$ 3,626	$ 2,744	$ 6,370	$130,790
Accumulated depreciation	-	(21,799)	(656)	(428)	(1,084)	(2,296)	(367)	(2,663)	(25,546)
	$ 64,213	$ 35,058	$ 123	$ 2,143	$ 2,266	$ 1,330	$ 2,377	$ 3,707	$105,244

Note: Mainly transferred to Investment Property

1. The significant components of the property, plant and equipment of the Company and their useful lives are as follows:

Item	**Significant Components**	**Useful Life**
Housing and Construction	Buildings, etc.	5-50 years
Office Equipment and Computer	Computer, etc.	3-5 years
Other Equipment	Air conditioning and interior decoration, etc.	3-5 years

2. Please refer to Note 8 for information on guarantees provided with property, plant and equipment.

(7) Lease Transactions - Lessee

1. Information on the items of gains or losses related to the lease contracts is as follows:

	2023	2022
Items Affecting Profit or Loss for the Period		
Expense Attributable to Short-Term Leases	$ 23	$ 23

2. In 2023 and 2022, the Company's total cash outflows from leases were both $23.

(8) Lease Transactions - Lessor

1. The underlying assets leased by the Company are buildings. The terms of the lease contracts usually range from 1 to 5 years. To protect the usage of the leased assets, lessees are generally required not to use the leased assets as loan collateral.

2. In 2023 and 2022, the Company recognized rental income of $14,471 and $12,343, respectively, based on operating lease contracts, none of which were variable lease payments.

3. An analysis of the lease payment due dates for the Company's operating leases is as follows:

	December 31, 2023		December 31, 2022
2023	$ 14,471	2022	$ 12,343
2024	14,996	2023	12,339
2025	11,071	2024	9,601
2026	5,371	2025	5,339
2027	5,371	2026	-
2028 and thereafter	2,686	2027 and thereafter	-
	$ 53,966		$ 39,622

(9) Investment Property

	2023		
	Land	Housing and Construction	Total
January 1			
Costs	$ 196,787	$ 143,990	$ 340,777
Accumulated depreciation	-	(37,816)	(37,816)
	$ 196,787	$ 106,174	$ 302,961
January 1	$ 196,787	$ 106,174	$ 302,961
Reclassification	-	24,990	24,990
Depreciation expenses	-	(5,302)	(5,302)
December 31	$ 196,787	$ 125,862	$ 322,649
December 31			
Costs	$ 196,787	$ 168,980	$ 365,767
Accumulated depreciation	-	(43,118)	(43,118)
	$ 196,787	$ 125,862	$ 322,649

	2022		
	Land	Housing and Construction	Total
January 1			
Costs	$ 196,787	$ 143,990	$ 340,777
Accumulated depreciation	-	(33,082)	(33,082)
	$ 196,787	$ 110,908	$ 307,695
January 1	$ 196,787	$ 110,908	$ 307,695
Depreciation expenses	-	(4,734)	(4,734)
December 31	$ 196,787	$ 106,174	$ 302,961
December 31			
Costs	$ 196,787	$ 143,990	$ 340,777
Accumulated depreciation	-	(37,816)	(37,816)
	$ 196,787	$ 106,174	$ 302,961

Note: Mainly transferred from Property, Plant, and Equipment

1. Rental income and direct operating expenses from investment properties:

	2023	2022
Investment properties on nature of borrowings	$ 14,471	$ 12,343
Investment properties generating rental income during the period Direct operating expenses incurred	$ 5,302	$ 4,734

2. The fair values of the Company's investment properties as of December 31, 2023 and 2022 were $547,576 and $441,266, respectively, which are Level 2 fair values based on the reasonable market prices at which willing buyers and sellers, who are well-informed of the real estate prices, would be willing to transact.

3. Please refer to Note 8 for information on guarantees provided with investment property.

(10) Short-Term Loans

Nature of Borrowings	December 31, 2023	December 31, 2022
Bank loan		
Credit Loans	$ 595,000	$ 575,000
Secured Loans	100,000	290,000
	695,000	865,000
Interest Rate	1.70%-1.80%	1.44%-1.78%

Please refer to Note 8 for information on the collateral provided for the bank loans mentioned above.

(11) Short-term Notes and Bills Payable

December 31, 2023: None.

Nature of Borrowings	December 31, 2022
Commercial papers payable	$ 110,000
Less: Discount on short-term notes and bills payable	(157)
	$ 109,843
Interest Rate	1.35%-1.89%

The aforementioned commercial papers payable of the Company were guaranteed by Mega Bills Finance Co., Ltd. and China Bills Finance Corporation.

(12) Other Payables

	December 31, 2023	December 31, 2022
Salaries payable and bouns	$ 3,341	$ 4,165
Service fee payable	1,946	1,526
compensation payable to directors	840	3,447
Interest payable	443	248
Employee compensation payable	-	2,607
Others	4,074	1,508
	$ 10,644	$ 13,501

(13) Financial Liabilities at Fair Value Through Profit or Loss

Item	December 31, 2023	December 31, 2022
Current:		
Financial liability held for trading		
Put and call rights of convertible bonds	$ -	$ 3,367
Assessment adjustment	-	(1,251)
	$ -	$ 2,116
Non-current:		
Financial liability held for trading		
Put and call rights of convertible bonds	$ 1,150	$ -
Assessment adjustment	(50)	-
	$ 1,100	-

1. The Company recognized net gains (losses) of $50 and ($225) on financial liabilities held for trading in 2023 and 2022, respectively.

2. "For details on the Company's first issuance of secured convertible bonds and second issuance of unsecured convertible bonds, please refer to Note 6.

(14) Bonds Payable

	December 31, 2023	December 31, 2022
Bonds payable	$ 249,900	$ 8,200
Less: Discount on bonds payable	(13,688)	(18)
	236,212	8,182
Less: Current portion of bonds payable or bonds subject to put rights	-	(8,182)
	$ 236,212	$ -

1. The Company's first domestic unsecured convertible bonds.

(1) The issuance conditions for the Company's first domestic secured convertible bonds are as follows:

A. The Company was approved by the competent authority to issue its first domestic secured convertible bonds with a total issuance amount of $510,000, a par value of $100 per bond, a coupon rate of 0%, a maturity period of 3 years, and a circulation period from September 21, 2020 to September 21, 2023. The convertible bonds will be redeemed in cash at par value upon maturity. The convertible bonds were listed on the Taipei Exchange on September 21, 2020.

B. The bondholders may, except during the book closure period as specified in the relevant laws and regulations, request the Company's share registration agent to convert the bonds into the Company's ordinary shares at any time from the day after the three-month period following the issuance date (December 22, 2020) until the maturity date (September 21, 2023). The rights and obligations of the ordinary shares converted shall be the same as those of the Company’s originally issued ordinary shares.

C. The bondholders have the right to require the Company to redeem the convertible bonds at 101.0025% of the par value (equivalent to a 0.5% yield to put) upon the second anniversary of the issuance date.

D. The initial conversion price of the convertible bonds was determined based on the pricing model stipulated in the Conversion Rules, with the initial conversion price set at NT$38.9 per share. Subsequently, due to the Company’s cash dividend distribution and cash capital increase for issuance of ordinary shares, the conversion price was adjusted to NT$35.4 per share.

E. If the closing price of the Company's ordinary shares exceeds 30% (inclusive) of the then-prevailing conversion price for 30 consecutive business days between the day after the three-month period following the issuance date (December 22, 2020) and the 40th day before the maturity date (August 12, 2023), or if the outstanding balance of the convertible bonds falls below 10% of the original issuance amount during the same period, the Company may redeem the bonds in cash at par value by giving a 30-day prior notice or anytime thereafter by sending a registered mail to the bondholders, requesting the Taipei Exchange to make a public announcement, and redeeming all outstanding bonds in cash at par value within five business days after the bond redemption record date.

F. In accordance with the Conversion Rules, all convertible bonds redeemed (including those redeemed by securities firms), repaid or converted by the Company will be canceled and cannot be re-issued or re-sold, with all rights and obligations attached to the bonds extinguished.

G. Upon issuance of the convertible bonds, in accordance with IAS 32 “Financial Instruments: Presentation”, the Company separated the conversion rights component that meets the definition of equity from the liability components and recognized it as “capital surplus - share options” in the amount of $17,023. Additionally, the embedded put and call rights, which are not closely related to the host debt instrument in terms of economic characteristics and risks as required by IFRS 9 “Financial Instruments”, were separated and recognized at their net amount as “financial assets at fair value through profit or loss”. After separation, the effective interest rate of the host debt instrument was 0.91%.

H. As of December 31, 2023, convertible bonds with a face value of $510,000 were converted into 12,924 thousand ordinary shares, with the change registration completed on November 2, 2023.

I. Please refer to Note 8 for information on the collateral provided for the Company’s first domestic secured convertible bonds

(2) The issuance conditions for the Company's second domestic unsecured convertible bonds are as follows:

A. The Company was approved by the competent authority to issue its second domestic unsecured convertible bonds with a total issuance amount of $268,316, a par value of $100 per bond, a coupon rate of 0%, a maturity period of 3 years, and a circulation period from July 4, 2023 to July 4, 2026. The convertible bonds will be redeemed in cash at par value upon maturity. The convertible bonds were listed on the Taipei Exchange on July 4, 2023.

B. The bondholders may, except during the book closure period as specified in the relevant laws and regulations, request the Company's share registration agent to convert the bonds into the Company's ordinary shares at any time from the day after the three-month period following the issuance date (October 5, 2023) until the maturity date (July 4, 2026). The rights and obligations of the ordinary shares converted shall be the same as those of the Company's originally issued ordinary shares.

C. The bondholders have the right to require the Company to redeem the convertible bonds at 101.0025% of the par value (equivalent to a 0.5% yield to put) upon the second anniversary of the issuance date.

D. The initial conversion price of the convertible bonds was determined based on the pricing model stipulated in the Conversion Rules, with the initial conversion price set at NT$37.6 per share. Subsequently, due to the Company's cash dividend distribution, the conversion price was adjusted to NT$36 per share.

E. If the closing price of the Company's ordinary shares exceeds 30% (inclusive) of the then-prevailing conversion price for 30 consecutive business days between the day after the three-month period following the issuance date (October 5, 2023) and the 40th day before the maturity date (May 25, 2026), or if the outstanding balance of the convertible bonds falls below 10% of the original issuance amount during the same period, the Company may redeem the bonds in cash at par value within five business days by giving a 30-day prior notice or anytime thereafter.

F. In accordance with the Conversion Rules, all convertible bonds redeemed (including those redeemed by securities firms), repaid or converted by the Company will be canceled and cannot be re-issued or re-sold, with all rights and obligations attached to the bonds extinguished.

G. Upon issuance of the convertible bonds, in accordance with IAS 32 "Financial Instruments: Presentation", the Company separated the conversion rights component that meets the definition of equity from the liability components and recognized it as "capital surplus - share options" in the amount of $30,297. Additionally, the embedded put and call rights, which are not closely related to the host debt instrument in terms of economic characteristics and risks as required by IFRS 9 “Financial Instruments”, were separated and recognized at their net amount as “financial assets at fair value through profit or loss”. After separation, the effective interest rate of the host debt instrument was 2.26%.

H. As of December 31, 2023, convertible bonds with a face value of $100 were converted into 3 thousand ordinary shares, with the change registration completed on February 15, 2024.

(15) Pensions

1. (1) In accordance with the Labor Standards Act, the Company has formulated defined benefit pension plans, which apply to all formal employees with service years prior to July 1, 2005, the effective date of the Labor Pension Act, as well as employees who chose to continue applying the Labor Standards Act after the Labor Pension Act took effect for their subsequent service years. For employees who meet the retirement criteria, the pension payment is calculated based on service years and the average salary for the six months prior to retirement. For service years up to 15 years (inclusive), two base units are given for each year of service; for service years beyond 15 years, one base unit is given for each year of service, with a maximum of 45 base units. The Company contributes 2% of total salaries to a pension fund on a monthly basis, which is deposited in a designated account at the Bank of Taiwan under the supervision of the Pension Fund Monitoring Committee. Additionally, before the end of each fiscal year, the Company estimates the balance of the aforementioned pension fund account. If the balance is insufficient to pay the estimated pension payments for employees meeting the retirement criteria in the following year based on the above calculation, the Company will make a lump-sum contribution to cover the shortfall by the end of March of the following year.

(2) The amounts recognized in the balance sheet are as follows:

	December 31, 2023	December 31, 2022
Fair value of plan assets	($ 2,892)	($ 2,804)
Net Defined Benefit Asset	($ 2,892)	($ 2,804)

(3) Changes in net defined benefit liability are as follows:

	2023		
	Present Value of a Defined Benefit Obligation	Fair Value of Plan Assets	Defined Benefit Liability
Balance as of January 1	$ -	($ 2,804)	($ 2,804)
Interest expenses (revenue)	-	(37)	(37)
	-	(2,841)	$ 2,841
Remeasurement Amount:			
Plan assets (excluding amounts included in net interest expense)	-	(51)	(51)
	-	(51)	(51)
Balance as of December 31	$ -	($ 2,892)	($ 2,892)

	2022		
	Present Value of a Defined Benefit Obligation	Fair Value of Plan Assets	Defined Benefit Liability
Balance as of January 1	$ 4,298	($ 6,217)	($ 1,919)
Interest expenses (revenue)	30	(45)	(15)
	4,328	(6,262)	1,934
Remeasurement Amount:			
Plan assets (excluding amounts included in net interest expense)	-	(442)	(442)
Effects of changes in financial assumptions	(131)	-	(131)
Experience adjustments	392	-	392
	261	(442)	(181)
Contributions to retirement fund	-	(689)	(689)
Pensions paid	(4,589)	4,589	-
Balance as of December 31	$ -	($ 2,804)	($ 2,804)

(4) The Company's defined benefit pension fund is managed by the Bank of Taiwan in accordance with the regulations on the investment operations prescribed by the Labor Pension Fund Supervisory Committee, including investments in domestic and foreign securities as stipulated in the Regulations for Revenues, Expenditures, Safeguard and Utilization of the Labor Retirement Fund.
The minimum annual distribution of the fund's earnings should not be less than the interest rate for a 2-year time deposit with local banks. If there is any shortfall, it will be covered by the national treasury upon approval by the competent authority. Since the Company does not have the right to participate in the operation and management of the fund, it is unable to disclose the classification of plan assets fair value in accordance with paragraph 142 of IAS 19. Please refer to the annual labor pension fund utilization reports published by the government for the fair value of the total plan assets as of December 31, 2023 and 2022.

(5) The principal actuarial assumptions are summarized as follows:

	2023	2022
Discount rate	1.28%	1.30%
Future salary increase rate	2.50%	2.50%

Assumptions for future mortality rates are based on the Actuarial Life Table of the Taiwan Life Insurance Industry with a 90% weighting.

An analysis of the impact of changes in the principal actuarial assumptions on the present value of the defined benefit obligation is as follows:

	Discount rate		Future salary increase rate	
	Increase 0.25%	**Decrease 0.25%**	**Increase 0.25%**	**Decrease 0.25%**
December 31, 2023				
Impacts on present value of defined benefit obligation	$ -	$ -	$ -	$ -

	Discount rate		Future salary increase rate	
	Increase 0.25%	**Decrease 0.25%**	**Increase 0.25%**	**Decrease 0.25%**
December 31, 2022				
Impacts on present value of defined benefit obligation	$ -	$ -	$ -	$ -

The above sensitivity analysis is based on a change in one assumption while all other assumptions remain constant. In practice, changes in some of the assumptions may be correlated. The sensitivity analysis is consistent with the method used to calculate the net pension liability on the balance sheet.

The method and assumptions used for the current period's sensitivity analysis are the same as those for the prior period.

(6) The Company's expected contributions to the defined benefit plans for 2024 are $0.

(7) As of December 31, 2023, the weighted average duration of the defined benefit plans is 0 years. No future retirement benefits are expected to be paid.

2. Since July 1, 2005, the Company has formulated a retirement method with defined contributions in accordance with the "Labor Pension Act", which is applicable to employees in Taiwan. Where the Company chooses to apply the labor pension system for their employees stipulated in the "Labor Pension Act", the labor pension shall be paid at 6% of the salary to the employee's personal account at the Labor Insurance Bureau. The employee's pension shall be paid on a monthly pension basis or on a lump sum basis according to the dedicated pension account and the amount of accumulated incomes. In 2023 and 2022, the Company's pension costs recognized by the above-mentioned pension method were $734 and $629 respectively.

(16) Share-Based Payment

1. As of December 31, 2023, the Company's share-based payment arrangements are as follows:

Type of Arrangement	Grant date	Number of Shares Granted (in Thousands)	Contract Period	Vesting Conditions
Cash capital increase reserved for employee subscription	2023.03.06	1,000	N/A.	Immediately vested

2. The above detail information of share-based payment arrangement are as follows:

	2023	
	Share option Quantity (thousand shares)	Exercise price (NT$)
Outstanding options at beginning of period	-	$ -
Options granted during the period	1,000	26.21
Options forfeited during the period	(185)	26.21
Options exercised during the period	(815)	26.21
Outstanding options at end of period	-	-
Exercisable options at end of period	-	-

3. The Company used the Black-Scholes option pricing model to estimate the fair value of the share options granted for the cash capital increase reserved for employee subscription, with the relevant information as follows:

Type of Arrangement	Grant Date	Share Price (NT$)	Exercise Price (NT$)	Expected Fluctuation Rate	Expected Duration	Expected Dividends	Risk-Free Interest Rate	Fair Value Per Unit (NT$)
Cash capital increase reserved for employee subscription	2023.03.06	37.90	26.21	37.97%	0.03 years	-	0.46%	11.69

4. 2023 The share-based payment expenses for the period amounted to $11,690.

(17) Capital Stock

1. After being amended by the shareholders' meeting on May 26, 2022, the Company's authorized capital was $2,000,000, divided into 200,000 thousand shares (including shares for employee share options and convertible bonds of 30,000 thousand shares). As of December 31, 2023, the Company's paid-in capital was $1,065,520, with a par value of NT$10 per share, and the share payments for all issued shares have been collected.

   A reconciliation of the number of the Company's outstanding ordinary shares (in thousands) at the beginning and end of the period is as follows:

	2023	2022
January 1	93,221	92,318
Cash capital increase	10,000	-
Stock dividends	3,097	-
Conversion of convertible bonds	234	903
December 31	106,552	93,221

2. On December 14, 2022, the Company's Board of Directors approved a cash capital increase through the issuance of 10,000 thousand ordinary shares. On February 24, 2023, the Board of Directors further approved an issuance price of NT$26.21 per share, with a total issuance amount of $262,100. The base date for the capital increase was March 6, 2023, and the change registration for this capital increase was completed on April 7, 2023.

3. On May 30, 2023, the Company's shareholders' meeting approved the capitalization of $30,966 from unappropriated earnings for the issuance of 3,097 thousand new shares. This capital increase case was approved by the Financial Supervisory Commission on June 27, 2023, with a base date of August 14, 2023, and the change registration was completed on August 29, 2023.

4. For details on the conversion of the Company's convertible bonds into ordinary shares, please refer to Note 6(14).

(18) Capital Surplus

In accordance with the provisions of the Company Act, in addition to being used to make up for losses, the surplus from the issuance of shares in excess of the par value and the capital reserves received from them can be issued with new shares or cash in proportion to the shareholders' existing shares when the Company has no accumulated losses. In addition, in accordance with the relevant regulations of the Securities and Exchange Act, when the above-mentioned capital reserve is allocated to increase the capital, the total increased amount shall not exceed 10% of the paid-in capital each year. The Company may not supplement its capital reserve unless surplus reserve is insufficient to cover its capital loss.

(19) Retained Earnings

1. In accordance with the Company's Articles of Incorporation, if there is a surplus in the Company's annual final accounts, taxes shall be paid first, accumulated losses shall be covered, and then 10% of the remaining amount shall be appropriated as legal reserve, but this shall not apply if the legal reserve has reached the total paid-in capital. Next, special reserves shall be set aside or reversed in accordance with laws or regulations of the competent authority. If there is still a surplus, it shall be added to the unappropriated earnings from previous periods, and the Board of Directors shall propose a distribution plan, which shall be approved by the shareholders' meeting if the distribution is to be made in the form of new share issuance.

The Company’s dividend distribution policy takes into account the Company’s current and future operating conditions, capital requirements, and long-term financial planning, with dividends distributed in the form of cash or stock dividends. Cash dividends shall account for no less than 10% of the total dividends distributed.

The company, in accordance with Paragraph 5, Article 240 of the Company Act, authorizes the board of directors, with the attendance of more than two-thirds of the directors and the approval of more than half of the attending directors, to distribute dividends, bonuses, or all or part of the statutory surplus reserve and capital reserve as stipulated in Paragraph 1, Article 241 of the Company Act, by way of cash payment, and report to the shareholders' meeting.

2. The legal reserve shall be exclusively used to cover accumulated deficit, to issue new stocks or distribute cash to shareholders in proportion to their share ownership. The use of legal reserve for the issuance of stocks or cash dividends to shareholders in proportion to their share ownership is permitted provided that the balance of such reserve exceeds 25% of the Company’s paid-in capital.

3. In accordance with the regulations, the Group shall set aside special reserve from the debit balance on other equity items at the balance sheet date before distributing earnings. When debit balance on other equity items is reversed subsequently, the reversed amount could be included in the distributable earnings.

4. On May 30, 2023, the shareholders’ meeting approved the 2022 earnings distribution proposal as follows:

	2022	
	Amount	**Dividends Per Share (NT$)**
Legal Reserve	$ 6,640	
Cash Dividends	51,611	$ 0.5
Stock Dividends	30,966	0.3
	$ 89,217	

The above 2022 earnings distribution was consistent with the Board of Directors’ proposal.

5. On April 17, 2023, the Board of Directors proposed to reverse the special reserve of $32,212, which was approved by the shareholders’ meeting on May 30, 2023, with no discrepancy from the Board’s proposal.

6. The shareholders’ meeting on May 26, 2022 resolved not to distribute 2021 earnings due to considerations for the Group’s future operations and capital needs. The meeting also approved the 2021 earnings appropriation as follows:

	2021
	Amount
Legal Reserve	$ 2,240

Special Reserve	2,445
	$ 4,685

The above 2022 earnings appropriation was consistent with the Board of Directors' proposal.

7. As of February 27, 2024, the Board of Directors has not proposed the 2023 deficit compensation plan.

(20) Operating Revenue

	2023	2022
Revenue from Contracts with Customers		
- Revenue from sale of goods	$ 432,925	$ 731,384
Others		
- Lease service revenue	14,471	12,343
- Authorized customer service revenue	-	34,498
	$ 447,396	$ 778,225

1. Disaggregation of revenue from Contracts with Customers

   The Company's revenue is derived from the transfer of goods at a point in time and services rendered over time.

2. Contract Liabilities

   The contract liabilities in relation to revenue from contracts with customers recognized by the Company are as follows:

	December 31, 2023	December 31, 2022	January 1, 2022
Revenue From Contracts with Customers			
- Advance Receipts for Lease Services	$ 2,852	$ -	$ -

3. Contract Liabilities

   In 2023 and 2022, there were no situations where revenue was recognized from beginning contract liabilities.

(21) Other Non-Operating Income and Expenses

	2023	2022
Foreign Exchange Gains	$ 12,276	$ 64,321

(22) Other Gains or Losses

	2023	2022
Gain (Loss) on financial assets at fair value through profit or loss	$ 50	($ 225)

(23) Financial cost

	2023	2022
Interest expenses − Bank Loans	$ 12,760	$ 9,958
Interest Expenses − Amortization of Corporate Bond Discounts	2,679	205
	$ 15,439	$ 10,163

(24) Employee Benefits, Depreciation and Amortization Expenses

Function / Property	2023 Operation Costs	2023 Operation Expenses	2023 Total	2022 Operation Costs	2022 Operation Expenses	2022 Total
Employee Benefits Expenses						
Salary Expenses	$ -	$ 31,245	$ 31,245	$ -	$ 18,666	$ 18,666
Expenses for Labor and Health Insurance	-	1,162	1,162	-	988	988
Pension Expenses	-	697	697	-	614	614
Remuneration Paid to Directors	-	1,044	1,044	-	3,649	3,649
Other Employee Benefits	-	670	670	-	810	810
Depreciation Expenses (Note 1)	-	7,733	7,733	-	7,531	7,531
Amortization Expenses	-	188	188	-	39	39

Note 1: Including depreciation of investment properties of $5,302 and $4,734 in 2023 and 2022, respectively.

Note 2: As of December 31, 2023 and 2022, the Company’s average number of employees was 16 and 17, respectively, of which the number of non-executive directors was 5 in both years. The Company’s average employee benefit expenses in 2023 and 2022 were $3,070 and $1,757, respectively; The Company’s average employee salary expenses in 2023 and 2022 were $2,840 and $1,556, respectively, with an 83% adjustment in average employee salary expenses.

Note 3: The Company’s compensation policies:

(1) For executive directors, managers and employees:

A. Salary policy: The salary standards for all employees of the Company are determined based on the Company’s operating conditions, as well as with reference to price levels, industry salary trends, etc.

B. Bonus policy: The Company’s bonus distribution is based on the Company’s overall operating performance and individual performance contributions.

(2) Remuneration Paid to Directors:

A. The Company calculates directors' remuneration at no more than 3% of the profit before tax after deducting the provision for employee and director remuneration, if there is any remaining balance after making up for losses in the current year.

B. Directors' remuneration is distributed proportionately based on each director's level of participation in the Company's operations, contributions, and attendance, using a weighted approach.

(3) Employee Compensation:

A. The Company calculates employee remuneration at no less than 1% of the profit before tax after deducting the provision for employee and director remuneration, if there is any remaining balance after making up for losses in the current year.

B. Employee remuneration is determined by the Chairman based on factors such as the employees' position levels, seniority, work performance, appraisal results, dedication, overall contributions, and special achievements, with discretion to increase or decrease the remuneration amount.

1. According to the Company's Articles of Incorporation, the Company shall contribute no less than 1% as the remuneration of employees and no more than 3% as the remuneration of directors if there is any balance after deducting the accumulated losses according to the profit status of the current year.

2. The estimated employee remuneration for 2023 and 2022 was $0 and $2,607, respectively (including $0 and $1,894, respectively, allocated by the Company to its subsidiaries' employees). The estimated amounts of director remuneration were $0 and $2,607, respectively, and the aforementioned amounts were charged to the remuneration expenses.

   In 2023, employee and director remuneration were estimated based on the profitability for the year and the ratio stipulated in the Company's Articles of Incorporation. Due to the pre-tax loss in 2023, the Company did not estimate employee and director remuneration.

   The employee and director remuneration resolved by the Board of Directors were consistent with the amounts recognized in the 2022 financial statements.

3. Information on employee remuneration and director remuneration approved by the Board of Directors and Supervisors of the Company is available at the Market Observation Post System.

(25) Income Tax

1. Income tax (benefits) expenses

(1) Components of income (benefits) tax expenses:

	2023	2022
Current Income Tax:		
Income Tax Incurred in Current Period	$ 870	$ 16,069
Surtax On Unappropriated Earnings	470	886
Prior Years' Income Tax Overestimated	(2,150)	-
Deferred Income Tax:		
Relating to Origination and Reversal of Temporary Differences	(3,074)	870
Income Tax (Benefit) Expenses	($ 3,884)	$ 17,825

(2) Income tax related to components of other comprehensive income

	2023	2022
Remeasurements of defined benefit plan	($ 10)	($ 36)

2. The relationship between income tax (benefits) expense and accounting profit

	2023	2022
Income Tax Calculated at Statutory Rate	($ 33,793)	$ 16,714
Tax Effects of Adjustments in Accordance with Tax Regulations	31,589	225
Surtax on Unappropriated Earnings	470	886
Prior Years' Income Tax Overestimation	(2,150)	-
Income Tax (Benefits) Expenses	($ 3,884)	$ 17,825

3. The amount of each deferred tax asset or liability arising from the temporary difference is as follows:

	2023			
	January 1	Recognized in Profit or Loss	Recognized Other Comprehensive Net Income	December 31
Temporary Differences:				
- Deferred income tax assets:				
Allowance for bad debts	$ 403	$ -	$ -	$ 403
Unrealized inventory and write-down	2	22	-	24
Unrealized losses on exchange	1,154	2,022	-	3,176
Unpaid vacation bonus	93	43	-	136
Cumulative translation adjustment	16,356	-	-	16,356
Tax difference on convertible bonds	-	113	-	113
	18,008	2,200	-	20,208
- Deferred income tax liabilities:				
Gains on long-term equity investments in foreign entities	(90,469)	-	-	(90,469)
Unrealized gains from disposal of property, plant, and equipment	(170)	170	-	-
Remeasurements of defined benefit plans	(690)	(8)	(10)	(708)
Tax difference on convertible bonds	(712)	712	-	-
	(92,041)	874	(10)	(91,177)
	($ 74,033)	$ 3,074	($ 10)	($ 70,969)

	2022			
	January 1	Recognized in Profit or Loss	Recognized in Other Comprehensive Net Income	December 31
Temporary differences:				
- Deferred income tax assets				
Allowance for doubtful accounts in excess of tax limit	$ 403	$ -	$ -	$ 403
Unrealized inventory and write-down	5	(3)	-	2
Unrealized losses on exchange	1,854	(700)	-	1,154
Unpaid vacation bonus	145	(52)	-	93
Cumulative translation adjustment	16,356	-	-	16,356
	18,763	(755)	-	18,008
- Deferred income tax liabilities:				
Gains on long-term equity investments in foreign entities	(90,469)	-	-	(90,469)
Unrealized gains from disposal of property, plant, and equipment	(460)	290	-	(170)
Remeasurements of defined benefit plans	(513)	(141)	(36)	(690)
Tax difference on convertible bonds	(448)	(264)	-	(712)
	(91,890)	(115)	(36)	(92,041)
	($ 73,127)	($ 870)	($ 36)	($ 74,033)

4. The effective periods of the Company's unused tax losses and the relevant amounts of unrecognized deferred tax assets on December 31, 2023 and 2022 are as follows:

December 31, 2023: None.

December 31, 2022

Year	Estimated Amount	Unused Amount	Unrecognized Deferred Tax Assets	Usable until Year
2021	$ 11,853	$ 11,853	$ 11,853	2031

5. The Company's profit-seeking enterprise income tax has been approved by the tax authorities through 2020.

(26) Earnings per Share

	2023		
	After-Tax Amount	Weighted Average Number of Outstanding Shares (Thousand Shares)	Deficit Per Share (NT$)
Basic Deficit Per Share			
Current net loss attributable to common shareholders of the parent	($ 165,079)	104,622	($ 1.58)
Diluted Deficit Per Share			
Current net loss attributable to common shareholders of the parent	($ 165,079)	104,622	
Convertible bonds	-	-	
Current net loss attributable to common shareholders of the parent	($ 165,079)	104,622	($ 1.58)

	2022		
	After-Tax Amount	Retrospective Adjustment Number of Outstanding Shares (Thousand Shares)	Deficit Per Share (NT$)
Basic Earnings per Share			
Profit attributable to common shareholders of the parent	$ 65,746	95,859	$ 0.69
Diluted Earnings Per Share			
Profit attributable to common shareholders of the parent	$ 65,746	95,859	
Convertible bonds	164	675	
Profit attributable to common shareholders of the parent plus effect of potential common shares	$ 65,910	96,534	$ 0.68

1. If employee remuneration is distributed in the form of shares, there would be no material impact on the Company's 2023 and 2022 parent company only financial statements or earnings per share.

2. Due to the anti-dilutive effect of convertible bonds in 2023, they are not included in the calculation.

3. The above-mentioned retrospective adjustment of the number of outstanding shares in 2023 had been retrospectively adjusted in accordance with the ratio of surplus to capital increase in 2022.

(27) Changes in Liabilities Arising from Financing Activities

	2023			
	Short-Term Loans	**Short-Term Notes and Bills Payable**	**Bonds Payable**	**Total Liabilities Arising from Financing Activities**
January 1	$ 865,000	$ 109,843	$ 8,182	$ 983,025
Change in cash flows from financing activities	(170,000)	(109,843)	265,093	(14,750)
Other non-cash changes	-	-	(37,063)	(37,063)
December 31	$ 695,000	$ -	$ 236,212	$ 931,212

	2022			
	Short-Term Loans	**Short-Term Notes and Bills Payable**	**Bonds Payable**	**Total Liabilities Arising From Financing Activities**
January 1	$ 732,000	$ 149,932	$ 42,055	$ 923,987
Change in cash flows from financing activities	133,000	(40,089)	-	92,911
Other non-cash changes	-	-	(33,873)	(33,873)
December 31	$ 865,000	$ 109,843	$ 8,182	$ 983,025

7. Related Party Transactions

(1) Names and relations of related parties

Related Party	Relationship with the Company
Fortuna International Holdings Ltd (Fortuna)	Subsidiary
SmartGreen Solution Co., LTD (SmartGreen)	Subsidiary
Hotron Precision Electronic Industrial(Suzhou) Co., Ltd. (Hotron Suzhou)	Second-tier Subsidiary
Hotlink Company Limited (Hotlink)	Second-tier Subsidiary
Hotron Precision Electronic Industrial(Vietnam) Co., Ltd. (Hotron Vietnam)	Second-tier Subsidiary

(2) Significant transactions with related party

1. Operating revenue

	2023	2022
Others:		
Hotlink	$ 5,405	$ 40,631
SmartGreen	2,492	828
	$ 7,897	$ 41,459

Other items are related to rental income received from related parties.

2. Purchase of goods

	2023	2022
Purchases of goods:		
Hotron(Suzhou)	$ 416,832	$ 707,553

Goods were purchased from related parties under normal commercial terms and conditions.

3. Receivables from related parties

	December 31, 2023	December 31, 2022
Accounts receivable:		
Hotlink	$ -	$ 35,376

The receivables from Hotlink are mainly derived from the royalties received by the Company for authorizing Hotlink to sell goods to the Company's original customers (hereinafter referred to as "authorized customer royalties"). The authorized customer royalties will be calculated based on 4.53% of Hotlink's net revenue from sales to the authorized customers in 2022, and will be calculated starting from the year in which Hotlink's transactions with the authorized customers occurred. As of December 31, 2023, the aforementioned amounts have been fully paid.

4. Prepayments (recorded as prepayments)

	December 31, 2023	December 31, 2022
Hotron (Suzhou)	$ -	$ 369,675

5. Payables to related parties

	December 31, 2023	December 31, 2022
Accounts Payable:		
Hotron (Suzhou)	$ 4,098	$ -

6. Recognized as refundable deposits r(recognized as other non-current liabilities)

	December 31, 2023	December 31, 2022
Hotlink	$ 500	$ 500
SmartGreen	500	500
	$ 1,000	$1,000

7. Acquisition of financial assets

	2023			
	Accounting Subject	**Trading Shares**	**Trading Subject**	**Price Acquisition**
The Company	Investments Accounted for Using the Equity Method	15,000,000	SmartGreen	$ 150,000
	2022			
	Accounting Subject	**Trading Shares**	**Trading Subject**	**Price Acquisition**
The Company	Investments Accounted for Using the Equity Method	5,000,000	SmartGreen	$ 50,000

8. Financing provided to related parties

Make loans to related parties:

(1) Interest income:

	2023	**2022**
Subsidiary	$ -	$ 10

The loan terms for subsidiaries in 2022 were one-time repayment upon maturity, with interest charged at annual rates of 0.83% to 2.00%.

9. Endorsements/guarantees provided by related parties

	December 31, 2023	**December 31, 2022**
Fortuna	$ 61,410	$ 122,840
Hotron(Vietnam)	309,640	184,260
Hotlink	80,000	36,000
Hotron(Suzhou)	501,355	399,230
	$ 952,405	$ 742,330

(3) Information on Remuneration to the Management

	2023	**2022**
Short-Term Employee Benefits	$ 11,998	$ 12,009
Business Execution Fees	840	840
	$ 12,838	$ 12,849

8. Pledged Assets

The details of the guarantee provided for the assets of the Company are as follows:

Asset Name	Book Value December 31, 2023	Book Value December 31, 2022	Purpose of Guarantee
Property, Plant, and Equipment			
Land	$ 64,213	$ 64,213	Bank loan facilities and collateral for bond issuance (Note)
Housing and Construction	8,980	35,058	Bank loan facilities and collateral for bond issuance (Note)
Investment Property			
Land	196,787	196,787	Bank loan facilities and collateral for bond issuance (Note)
Housing and Construction	125,862	106,174	Bank loan facilities and collateral for bond issuance (Note)
	$ 395,842	$ 402,232	

Note: As of December 31, 2023, the Company's assets are no longer pledged as collateral for the issuance of corporate bonds.

9. Significant Contingent Liabilities and Unrecognized Contract Commitments

(1) Contingencies

None.

(2) Commitments

1. As of December 31, 2023 and 2022, the guarantee notes issued by the Company for applying for import letter of credit facilities were both $100,000.

2. As of December 31, 2023 and 2022, the guarantee notes issued by the Company for the issuance of its first domestic secured convertible bonds were $0 and $507,538, respectively.

3. Details of the endorsement/guarantee amounts provided by the Company to related parties to obtain bank loan facilities are as follows:

Endorsee/Guarantee	December 31, 2023	December 31, 2022
Fortuna International Holdings Ltd	$ 61,410	$ 122,840
	(2,000 US$ thousand)	(4,000 US$ thousand)
Hotron Precision Electronic Industrial(Suzhou) Co., Ltd.	$ 501,355	$ 399,230
	(13,000 US$ thousand and 20,000 RMB$ thousand)	(13,000 US$ thousand)
Hotlink Company Limited	$ 80,000	$ 36,000
Hotron Precision Electronic Industrial(Vietnam) Co., Ltd.	$ 309,640	$ 184,260
	(10,000 US$ thousand)	(6,000 US$ thousand)

10. Significant Disaster Loss

None.

11. Significant Events After the Balance Sheet Date

To support the Group's operational expansion, develop new energy product businesses, and accommodate long-term business development needs, the Company's Board of Directors resolved on January 11, 2024 to acquire 36 land parcels numbered 1500, Dayinsan Section, Sanxing Township, Yilan County, and the buildings thereon from TUNG HSING TECHNOLOGY CORPORATION Corporation (hereinafter referred to as "Tung Hsing Corporation") at an expected acquisition cost of approximately $520,000. However, the Company will proceed with the subsequent payment in accordance with the agreement after Tung Hsing Corporation obtains the building use permit for the plant expansion and completes the change of land use.

12. Others

(1) Capital Management

The Company's capital management objectives are to ensure that the Company can continue to operate as a going concern, maintain an optimal capital structure to reduce capital costs, and provide remunerations to shareholders. In order to maintain or adjust the capital structure, the Company may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt. The Company monitors its capital using the debt-to-equity ratio, which is calculated as net debt divided by total capital. Net debt is calculated as total borrowings less cash and cash equivalents. Total capital is calculated as 'equity' reported in the balance sheet plus net debt.

In 2023, the Company's strategy remained the same as in 2022, aiming to maintain a debt-to-equity ratio below 50%. The Company's debt-to-equity ratios as of December 31, 2023 and 2022 were as follows:

	December 31, 2023	December 31, 2022
Total loans	$ 931,212	$ 983,025
Less: Cash and cash equivalents	(236,091)	(284,284)
Net debt	695,121	698,741
Total equity	2,132,041	2,062,831
Total capital	$ 2,827,162	$ 2,761,572
Debt-to-equity ratio	24.59%	25.30%

(2) Financial Instruments

1. Category of Financial Instruments

The Company's financial assets classified as measured at amortized cost under IFRS 9 as of December 31, 2023 and 2022 (including cash and cash equivalents, financial assets at amortized cost, notes receivable, accounts receivable (including related parties), other receivables, and refundable deposits) were $1,005,665 and $586,619, respectively, and the carrying amounts of financial liabilities classified as measured at amortized cost (including short-term loans, short-term notes and bills payable, accounts payable - related parties, other payables, bonds payable (including current portion), and guarantee deposits received) were $949,005 and $998,621, respectively.

2. Management Policies

(1) The Company's daily operations are exposed to various financial risks, including market risk (comprising foreign exchange risk and interest rate risk), credit risk, and liquidity risk. The Company's overall risk management policy focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects on the Company's financial position and financial performance.

(2) Risk management is carried out by the Finance Department of the Company in accordance with the policies approved by the Board of Directors. The Company's Finance Department is responsible for identifying, assessing and avoiding financial risks through close cooperation with the Company's operating units. The Board of Directors has established written principles for overall risk management and written policies on specific areas and issues, such as exchange rate risk, interest rate risk, credit risk, and the investment of surplus working capital.

3. The natures and extents of material financial risks

(1) Market Risks

<u>Foreign Exchange Risk</u>

A. The Company's business involves certain non-functional currencies. The Company's business involves certain non-functional currencies Information on foreign currency assets and liabilities affected by fluctuations is as follows:

	December 31, 2023		
(Foreign Currency: Functional Currency)	**Foreign Currency (NT$ thousand)**	**Exchange Rate**	**Carrying Amount (NT$)**
Financial Assets			
Monetary Items			
US$: NT$	$ 32,330	30.7050	$ 992,693
Non-Monetary Items			
Investments Accounted for Using the Equity Method			
US$: NT$	50,451	30.7050	1,549,103

(Foreign Currency: Functional Currency)	December 31, 2022 Foreign Currency (NT$ thousand)	Exchange Rate	Carrying Amount (NT$)
Financial Assets			
Monetary Items			
US$: NT$	$ 18,817	30.7100	$ 577,870
Non-Monetary Items			
Investments Accounted for Using the Equity Method			
US$: NT$	56,148	30.7100	1,724,313

B. The Company's monetary items are significantly affected by exchange rate fluctuations, and the total foreign exchange gains (including realized and unrealized) recognized in 2023 and 2022 were $12,276 and $64,321, respectively.

C. The foreign currency market risk analysis of the Company due to significant exchange rate fluctuations is as follows:

(Foreign Currency: Functional Currency)	2023 Sensitivity Analysis Range of Change	Effect on Profit and Loss	Effect on Other Comprehensive Income
Financial Assets			
Monetary Items			
US$: NT$	10%	$ 99,269	$ -
Non-Monetary Items			
Investments Accounted for Using the Equity Method			
US$: NT$	10%	-	154,910

(Foreign Currency: Functional Currency)	2022 Sensitivity Analysis Range of Change	Effect on Profit and Loss	Effect on Other Comprehensive Income
Financial Assets			
Monetary Items			
US$: NT$	10%	$ 57,787	$ -
Non-Monetary Items			
Investments Accounted for Using the Equity Method			
US$: NT$	10%	-	172,431

Cash Flow and Fair Value Interest Rate Risk

A. The Company's interest rate risk arises from bank borrowings. Borrowings issued at floating rates expose the Company to cash flow interest rate risk. This risk is partially offset by cash and cash equivalents held at floating rates. Borrowings issued at fixed rates expose the Company to fair value interest rate risk.

B. The Company simulates multiple scenarios and analyzes interest rate risk, considering refinancing, renewals of existing positions, alternative financing, and hedging options to calculate the impact of specific interest rate changes on profit or loss. For each simulation scenario, the same interest rate change is applied across all currencies. These simulation scenarios are applied only to significant interest-bearing liability positions.

C. If interest rates on borrowings had increased/decreased by 1%, with all other variables held constant, the Company's post-tax net profit for 2023 and 2022 would have decreased/increased by $5,560 and $7,799, respectively.

(2) Credit Risk

A. The Company's credit risk is the risk of financial loss to the Company due to the failure of the customer or counterparty to a financial instrument to perform its contractual obligations, mainly arising from the counterparty's inability to pay off the notes and accounts receivable based on collection terms and financial assets classified as measured at amortized cost.

B. The Company establishes credit risk management from a Company perspective. For banks and financial institutions, only those with an independent credit rating of good standing can be accepted as transaction counterparties. According to the internal credit policy, each operating entity and each new customer within the Company must conduct management and credit risk analysis before setting the terms and conditions for payment and delivery. Internal risk control is to assess the credit quality of customers by taking into account their financial status, past experience and other factors. Individual risk limits are set by the Board of Directors based on internal or external ratings, and the use of credit lines is regularly monitored.

C. The Company adopts the following presumptions under IFRS 9 as the basis for determining whether credit risk has increased significantly since initial recognition for financial instruments:

When the contract payment is overdue for more than 30 days according to the agreed payment terms, it is deemed that the credit risk of the financial asset has increased significantly since the original recognition.

D. The Company adopts the presumption under IFRS 9 that a default occurs when the contractual payments are more than 90 days past due, unless some or all of the amount is still subject to enforcement activity or has been renegotiated.

E. Due to the good collection status of accounts with counterparties, the Company adopts a probability of default method to estimate expected credit losses.

F. After exhausting recovery procedures, the Company writes off the amount of financial assets that cannot be reasonably expected to be recovered, but the Company continues to engage in legal proceedings to preserve its claim rights.

G. The Company incorporates forward-looking considerations from statistical authorities and adjusts loss rates established based on historical and current information over specific periods to estimate allowances for notes receivable and accounts receivable. The expected loss situation as of December 31, 2023 and 2022 is as follows:

December 31, 2023	**Not Past Due**
Expected loss rate	0.03%
Total book value	$ 226,563
Loss allowances	68

December 31, 2022	**Not Past Due**
Expected loss rate	0.03%
Total book value	$ 300,701
Loss allowances	-

H. The Table of Changes in Allowance Losses of Accounts Receivable (Including Related Parties) that the Company adopts a simplified practice is as follows:

2023	**Accounts Receivable**
January 1	$ -
Provision for impairment loss	68
December 31	$ 68

2022	**Accounts Receivable**
January 1	$ 632
Amounts written off as not collectible	(632)
December 31	$ -

(3) Liquidity risk

A. Cash flow forecasting is performed by each operating entity of the Company and compiled by the Company's Finance Department. The Company's Finance Department monitors rolling forecasts of the Company's working capital requirements to ensure it has sufficient cash to meet operational needs and maintaining sufficient unutilized borrowing facilities at all times, so as to prevent the Company from breaching the relevant borrowing limits or terms.

B. Any remaining cash held by the operating entities, in excess of the balance required for managing working capital, is transferred to the Company's Finance Department. The Company's Finance Department then invests the remaining funds in interest-bearing demand deposits and time deposits, selecting instruments with appropriate maturities or sufficient liquidity to provide adequate liquidity levels.

C. Details of the Company's unutilized borrowing facilities are as follows:

	December 31, 2023	December 31, 2022
Floating Interest Rate		
Current Portion	$ 1,023,943	$ 1,028,225

D. The Company's non-derivative financial liabilities are grouped by relevant maturity dates. Non-derivative financial liabilities are analyzed based on the remaining period from the balance sheet date to the contract maturity date.

Except for the maturity analysis of bonds payable and guarantee deposits received as detailed in the following table, the maturity dates of the Company's non-derivative financial liabilities (including short-term loans and short-term notes and bills payable) are all within one year as of December 31, 2023 and 2022. The contractual cash flows disclosed in the following table are undiscounted amounts.

	December 31, 2023		December 31, 2022	
	Due Within 1 Year	Due After 1 Year	Due Within 1 Year	Due After 1 Year
Bonds payable	$ -	$ 249,900	$ 8,200	$ -
Guarantee deposits received	-	3,051	-	2,095

E. The Company does not expect that the timing of the cash flows for the maturity analysis will occur significantly earlier, or that the actual amounts will be significantly different.

(3) Information on Fair Value

1. The levels of evaluation techniques used to measure the fair value of financial and non-financial instruments are defined as follows:

   Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities on the measurement date. An active market is one in which transactions of assets or liabilities occur with sufficient frequency and volume to provide pricing information on an ongoing basis.

   Level 2: Direct or indirect observable inputs for assets or liabilities other than those included in quoted prices in Level 1. The fair value of the Company's convertible bonds payable falls into this category.

   Level 3: An unobservable input for an asset or liability.

2. For information on the fair value of investment properties measured at cost, please refer to Note 6(9).

3. Financial instruments not measured at fair value

   (1) Except the subjects on the list , carrying amounts of cash and cash equivalents, financial assets measured at amortized cost, notes and accounts receivable (including related parties), other receivables, short-term borrowings, short-term notes payable, accounts receivable - related parties and other payables are reasonable approximations of fair value:

	December 31, 2023			
		Fair value		
	Carrying Amount	Level 1	Level 2	Level 3
Financial liabilities:				
Convertible bonds payable	$ 236,212	$ -	$ 238,255	$ -

	December 31, 2022			
		Fair value		
	Carrying Amount	Level 1	Level 2	Level 3
Financial liabilities:				
Convertible bonds payable	$ 8,182	$ -	$ 8,122	$ -

   (2) The methods and assumptions used to estimate fair value are as follows:

   Convertible bonds payable Measured at present value calculated using the average yield rate over the approximate duration of the convertible bonds based on the Taipei Exchange's twAAA corporate bond reference rate, and this average yield rate is used as the reference for the risk discount rate.

4. Financial and non-financial instruments measured at fair value are classified by the Company on the basis of the nature, characteristics and risks of the assets and liabilities and the level of fair value. The relevant information is as follows:

(1) The Company classifies assets and liabilities by nature, with relevant information as follows:

December 31, 2023	**Level 1**	**Level 2**	**Level 3**	**Total**
Liabilities				
Recurring Fair Value Measurement				
Financial liabilities at fair value through profit or loss				
Put and call rights of convertible bonds	$ -	$ -	$ 1,100	$ 1,100

December 31, 2022	**Level 1**	**Level 2**	**Level 3**	**Total**
Liabilities				
Recurring Fair Value Measurement				
Financial liabilities at fair value through profit or loss				
Put and call rights of convertible bonds	$ -	$ -	$ 2,116	$ 2,116

(2) The methods and assumptions used by the Company to measure fair value are described below:

A. When evaluating non-standardized and relatively simple financial instruments, such as debt instruments without an active market, the Company adopts valuation techniques widely used by market participants. The parameters used in the valuation models for these financial instruments are typically observable market information.

B. The outputs of valuation models are estimated values, and the valuation techniques may not fully reflect all relevant factors of the financial and non-financial instruments held by the Company. Therefore, the estimated values from the valuation models are appropriately adjusted for additional parameters, such as model risk or liquidity risk. Based on the Company's fair value valuation model management policies and related control procedures, management believes that the fair value adjustments are appropriate and necessary to reasonably represent the fair values of financial and non-financial instruments in the parent company only balance sheets. The price information and parameters used in the valuation process are carefully assessed and appropriately adjusted based on current market conditions.

5. In 2023 and 2022, there was no transfer between Level 1 and Level 2.

6. The following table presents the movements of Level 3 fair values in 2023 and 2022:

	2023	2022
	Derivative	Derivative
January 1	($ 2,116)	($ 1,811)
Issued in current period	(1,150)	-
Converted in current period	(1)	(80)
Decrease	2,117	-
Gains Losses recognized in profit or loss	50	(225)
December 31	($ 1,100)	($ 2,116)
Ending balance Changes in unrealized gains (losses) on assets/liabilities held at end of period and included in profit or loss for the period (Note)	$ 50	($ 225)

Note: Recognized as other gains and losses.

7. There was no transfer in or out from Level 3 in 2023 and 2022.

8. For fair value measurements categorized within Level 3, the Company's valuation process is conducted by the Finance Department using expert valuation reports and independent source data to ensure that the valuation results approximate market conditions, the data sources are independent, reliable, and consistent with other sources, and represent executable prices, to ensure the reasonableness of the valuation results.

9. For fair value measurements categorized within Level 3, the Company's valuation process is conducted by the Finance Department using expert valuation reports and independent source data to ensure that the valuation results approximate market conditions, the data sources are independent, reliable, and consistent with other sources, and represent executable prices, to ensure the reasonableness of the valuation results.

	Fair Value of December 31, 2023	Valuation Technique	Significant Unobservable Input Value	Range (Weighted Average)	Relationship Between Input Value And Fair Value
Put and call rights of convertible bonds	($ 1,100)	Binomial convertible bond valuation model	Stock price volatility	32.61%	The higher the stock price volatility, the greater the fluctuation in fair value.

	Fair Value of December 31, 2022	Valuation Technique	Significant Unobservable Input Value	Range (Weighted Average)	Relationship Between Input Value and Fair Value
Put and call rights of convertible bonds	($ 2,116)	Binomial convertible bond valuation model	Stock price volatility	47.15%	The higher the stock price volatility, the greater the fluctuation in fair value.

10. The Company selects the evaluation model and evaluation parameters after careful evaluation, but the use of different evaluation models or evaluation parameters may lead to different evaluation results. For financial assets classified as Level 3, if the evaluation parameters change, the impacts on the current profit or loss or other comprehensive income are as follows:

	Input Value	Change	December 31, 2023 Recognized In Profit or Loss Favorable Change	 Unfavorable Change	 Recognized in Other Comprehensive Income Favorable Change	 Unfavorable Change
Financial Liabilities						
Put and call rights of convertible bonds	Fluctuation rate	±5	$ 150	($ 50)	$ -	$ -

	Input Value	Change	December 31, 2022 Recognized In Profit or Loss Favorable Change	 Unfavorable Change	 Recognized in Other Comprehensive Income Favorable Change	 Unfavorable Change
Financial Liabilities						
Put and call rights of convertible bonds	Fluctuation rate	±5	$ -	($ 1)	$ -	$ -

13. Supplementary Disclosures

The following information on investee companies has been eliminated in the preparation of the consolidated financial statements and is disclosed for reference only.

(1) Information on Significant Transactions

1. Loans provided for others: Please refer to Table 1.
2. Endorsements/guarantees provided for others: Please refer to Table 2.
3. Securities held at end of period (excluding investments in subsidiaries): None.
4. Accumulated purchase or sale of the same securities amounting to NT$300 million or 20% of paid-in capital or more: None.
5. Acquisition of property amounting to NT$300 million or 20% of the paid-in capital or more: None.
6. Disposal of property amounting to NT$300 million or 20% of the paid-in capital or more: None.
7. Purchases or sales with related parties amounting to NT$100 million or 20% of the paid-in capital or more: Please refer to Table 3.
8. Receivables from Related Parties Amounting to NT$100 million or 20% of the Paid-in Capital or More: Please refer to Table 4.
9. Derivatives transactions: None.
10. Intercompany Relationships and Significant Intercompany Transactions Between Parent and Subsidiaries and Between Subsidiaries and Their Amounts Please refer to Table 5.

11. information on investees

Names, Locations and Relevant Information of Investee Companies (Excluding Investee Companies in Mainland China): Please refer to Table 6.

12. Information on Investments in Mainland China

1. Basic information: Please refer to Table 7.

2. Significant transactions directly or indirectly through third-region businesses and investee companies that have reinvested in mainland China: None.

3. Information on Major Shareholders

Information on major shareholders: Please refer to Table 8.

14. Division Information

N/A.

HOTRON PRECISION ELECTRONIC INDUSTRIAL CO., LTD.

LOANS PROVIDED FOR OTHERS

Years Ended December 31, 2023

Table 1

Unit: NT$ thousand (Unless Stated Otherwise)

No. (Note 1)	Financing Company	Borrower	Transaction Item	Related Party	Maximum Outstanding Balance for The Period	Ending Balance	Actual Amount Drawn	Interest Rate	Nature for Financing	Business Transaction Amount	Reason for Short-Term Financing	Allowance for Bad Debts	Collateral		Limit on Loans Provided to a Single Party	Total Limit on Loans Provided	Remarks
													Name	Value			
1	Hotron Electron & Telecommunication (Fuqing) Co., Ltd.	Hotron Precision Electronic Industrial (Suzhou) Co., Ltd.	Other receivables − related party	Yes	$ 29,671	$ -	$ -	Non-interest bearing	Business transaction	$ 12,422	Approved by the Board of Directors as a loan of funds	-	None	-	$ 12,422	$ 12,422	

Note 1: The numbers filled are described as follows:

(1) For the issuer, fill in 0.

(2) The investee company is numbered sequentially starting from Arabic number 1 according to the company type.

Note 2: The Company’s “Operational Procedures for Loaning Funds to Others” stipulate that for companies or firms with business dealings, the total and individual loan amounts shall not exceed the highest amount of business transactions between the parties in the most recent year. The amount of business transactions refers to the higher of the amounts of purchases or sales between the parties; The total amount of short-term financing loans shall not exceed 40% of the Company’s net worth; The individual loan amount shall not exceed 40% of the Company’s net worth.

For loans between the Company’s direct and indirect 100%-owned foreign companies, the above restrictions do not apply, but the total amount of short-term financing loans shall not exceed 100% of the Company’s net worth; The individual loan amount shall not exceed 100% of the Company’s net worth.

Note 3: The ending balance represents the loan amount approved by the Board of Directors.

HOTRON PRECISION ELECTRONIC INDUSTRIAL CO., LTD.

ENDORSEMENTS/GUARANTEES PROVIDED FOR OTHERS

Years Ended December 31, 2023

Table 2

Unit: NT$ thousand(Unless Stated Otherwise)

Number	Endorser/Guarantor	Endorsee/Guarantee: Name of Company	Endorsee/Guarantee: Relationship (Note 2)	Limit on Endorsements/ Guarantees Provided for Single Entity	Maximum Endorsement/ Guarantee Balance for the Period	Endorsement and Guarantee Ending Balance	Actual Amount Drawn	Amount of Endorsements/ Guarantees Collateralized by Property	Ratio of Accumulated Endorsements/ Guarantees to Net Worth Per Latest Financial Statements(%)	Endorsement/ Guarantee Ceiling	Endorsements/ Guarantees Provided by Parent for Subsidiary	Endorsements/ Guarantees Provided by Subsidiary for Parent	Endorsements/ Guarantees Provided for Subsidiary in Mainland China	Remarks
0	Hotron Precision Electronic Industrial Co., Ltd.	Fortuna International Holdings Ltd	2	$ 1,918,837	$ 121,920	$ 61,410	$ -	$ -	2.87	$ 2,132,041	Y	N	N	-
0	Hotron Precision Electronic Industrial Co., Ltd.	Hotron Precision Electronic Industrial (Vietnam) Co., Ltd.	2	1,918,837	309,640	309,640	148,920	-	14.52	2,132,041	Y	N	N	-
0	Hotron Precision Electronic Industrial Co., Ltd.	Hotlink Company Limited	2	1,918,837	80,000	80,000	60,000	-	3.75	2,132,041	Y	N	N	-
0	Hotron Precision Electronic Industrial Co., Ltd.	Hotron Precision Electronic Industrial (Suzhou) Co., Ltd.	2	1,918,837	508,415	501,355	-	-	23.52	2,132,041	Y	N	Y	-
1	Hotron Precision Electronic Industrial (Suzhou) Co., Ltd.	Hotron Precision Electronic Industrial (HuBei) Co., Ltd.	2	1,394,954	222,250	216,350	43,270	-	13.96	1,549,949	N	N	Y	-

Note 1: The Company’s total amount of endorsements/guarantees provided shall not exceed the Company’s current net worth. The endorsement/guarantee amount for a single entity shall not exceed 10% of the Company’s current net worth, while for a single overseas affiliated company, it shall not exceed 90% of the Company’s current net worth. Net worth is based on the Company’s latest financial statements audited or reviewed by a CPA.

Note 2: The relationships between endorsers/guarantors and endorsees/guarantees are categorized into the following 7 types. Please specify the type:
(1) Companies with which the Company conducts business.
(2) Companies in which the Company directly or indirectly holds more than 50% of the voting shares.
(3) Companies that directly or indirectly hold more than 50% of the voting shares in the Company.
(4) Companies in which the Company directly or indirectly holds 90% or more of the voting shares.
(5) Companies in the same industry that provide mutual endorsements/guarantees based on contractual requirements for undertaking construction projects or as co-construction contractors.
(6) Shareholders making endorsements/guarantees for their mutually invested company in proportion to their shareholding ratio.
(7) Companies in the same industry that provide mutual endorsements/guarantees for pre-sale housing contracts based on the consumer protection regulations.

Note 3: The company shall specify the limits on endorsements/guarantees for individual entities and the maximum amount of endorsements/guarantees based on its operational procedures for endorsements/guarantees, and explain the calculation method for the limits on endorsements/guarantees for individual entities and the total limit in the remarks column.

Note 4: The maximum balance of endorsements/guarantees provided for others during the year.

Note 5: The amount approved by the Board of Directors shall be filled in. However, if the Board of Directors has authorized the Chairman to make decisions pursuant to Article 12, Paragraph 8 of the Regulations Governing Loaning of Funds and Making of Endorsements/Guarantees by Public Companies, the amount decided by the Chairman shall be filled in.

Note 6: The actual amount drawn by the endorsed/guaranteed company within the balance of endorsements/guarantees shall be filled in.

Note 7: For endorsements/guarantees provided by a parent company to subsidiaries, by subsidiaries to a parent company, or in mainland China, “Y” must be filled in.

HOTRON PRECISION ELECTRONIC INDUSTRIAL CO., LTD.

PURCHASES OR SALES WITH RELATED PARTIES AMOUNTING TO NT$100 MILLION OR 20% OF THE PAID-IN CAPITAL OR MORE:

Years Ended December 31, 2023

Table 3

Unit: NT$ thousand(Unless Stated Otherwise)

Purchasing (Selling) Company	Counterparty	Relationship	Transaction Situation				Unusual Transaction Terms and Reasons		Notes and Accounts Receivable (Payable)		Remarks
			Purchases (Sales)	Amount	Percentage of Total Purchases (Sales)	Credit Period	Unit price	Credit Period	Balance	Percentage of Total Notes and Accounts Receivable (Payable)	
Hotron Precision Electronic Industrial(Suzhou) Co., Ltd.	The Company	Second-tier Subsidiary of the Company	Sales	($ 416,832)	(23%)	Advance payment and net 30 days	$ -	-	$ 4,098	1%	-
Hotron Precision Electronic Industrial(Suzhou) Co., Ltd.	Hotlink Company Limited	Associate	Sales	(133,169)	(7%)	Advance payment and net 150 days	-	-	-	-	-
Hotron Precision Electronic Industrial (HuBei) Co., Ltd.	Hotlink Company Limited	Associate	Sales	(317,763)	(25%)	Advance payment and net 150 days	-	-	19,368	6%	-
Hotron Precision Electronic Industrial (HuBei) Co., Ltd.	Hotron Precision Electronic Industrial(Suzhou) Co., Ltd.	Associate	Sales	(581,219)	(45%)	Advance payment and net 150 days	-	-	68,509	23%	-
Hotron Precision Electronic Industrial(Suzhou) Co., Ltd.	Hotron Precision Electronic Industrial (HuBei) Co., Ltd.	Associate	Sales	(443,672)	(24%)	Advance payment and net 150 days	-	-	378,354	54%	-

Note 1: The transactions are disclosed as assets and income, and its relative transactions are no longer disclosed.

Note 2: If the related party transaction terms are different from the normal transaction terms, the differences and reasons shall be stated in the column of unit price and credit period.

HOTRON PRECISION ELECTRONIC INDUSTRIAL CO., LTD.

RECEIVABLES FROM RELATED PARTIES AMOUNTING TO NT$100 MILLION OR 20% OF THE PAID-IN CAPITAL OR MORE

December 31, 2023

Table 4

Unit: NT$ thousand(Unless Stated Otherwise)

Company Recorded Under Account Receivables	Counterparty	Relationship	Receivables From Related Parties	Turnover Rate	Overdue Receivables From Related Parties		Receivables From Related Parties	Allowance for Bad Debts
					Amount	Action Taken		
Hotron Precision Electronic Industrial (Suzhou) Co., Ltd.	Hotron Precision Electronic Industrial (HuBei) Co., Ltd.	Associate	$ 378,354	1. 31	$ -	–	$ 12,981	$ -

Note 1: Please fill in separately according to related party's accounts receivable , notes receivable, other receivables, etc.

Note 2: The paid-in capital is the of the parent company. For issuers with shares of no-par value or of par value which is not NT$10 per share, the transaction amount of 20% of the paid-in capital is calculated as 10% of the equity attributable to owners of the parent company in the balance sheet.

HOTRON PRECISION ELECTRONIC INDUSTRIAL CO., LTD.

INTERCOMPANY RELATIONSHIPS AND SIGNIFICANT INTERCOMPANY TRANSACTIONS BETWEEN PARENT AND SUBSIDIARIES AND BETWEEN SUBSIDIARIES AND THEIR AMOUNTS

Years Ended December 31, 2023

Table 5

Unit: NT$ thousand(Unless Stated Otherwise)

No. (Note 1)	Name of Trader	Counterparty	Relationship with The Trader (Note 2)	Description of Transactions			
				Ledger Account	Amount	Transaction Term	Percentage in Consolidated Total Revenue or Total Assets (Note 3)
0	The Company	Hotron Precision Electronic Industrial (Suzhou) Co., Ltd.	1	Purchase of goods	$ 416,832	Note 4	19%
2	Hotlink Company Limited	Hotron Precision Electronic Industrial (Suzhou) Co., Ltd.	3	Purchase of goods	133,169	Note 5	6%
2	Hotlink Company Limited	Hotron Precision Electronic Industrial (HuBei) Co., Ltd.	3	Purchase of goods	317,763	Note 5	15%
1	Hotron Precision Electronic Industrial (Suzhou) Co., Ltd.	Hotron Precision Electronic Industrial (HuBei) Co., Ltd.	3	Purchase of goods	581,219	Note 5	27%
1	Hotron Precision Electronic Industrial (HuBei) Co., Ltd.	Hotron Precision Electronic Industrial (Suzhou) Co., Ltd.	3	Accounts Payable	378,354	Note 5	7%
1	Hotron Precision Electronic Industrial (HuBei) Co., Ltd.	Hotron Precision Electronic Industrial (Suzhou) Co., Ltd.	3	Purchase of goods	443,672	Note 5	21%

Note 1: The information of business transactions between the parent company and subsidiaries shall be indicated in the number column respectively. The number shall be filled in as follows:

(1) For the parent company, fill in 0.

(2) Subsidiaries are numbered sequentially starting from Arabic number 1 according to the company type.

Note 2: There are three types of relationship between traders, and fill in the type is acceptable (if the transaction between the parent company and subsidiaries is the same as that between subsidiaries, it is not necessary to disclose again. For example, if the parent company has disclosed the transaction between the parent company and the subsidiary, the part of the subsidiary is not required to be disclosed again. For a transaction between two subsidiaries, if it has been disclosed by one subsidiary, it is not required to be disclosed again by the other subsidiary):

(1) Parent company's transaction with Second-tier Subsidiary.

(2) Subsidiary's transaction with the parent company.

(3) Transaction between two subsidiaries.

Note 3: The ratio of transaction amount to consolidated total revenue or total assets shall be calculated as the ratio of ending balance to consolidated total assets for those belongs to balance sheet item, or as the ratio of mid-term cumulative balance to consolidated total revenue for those belongs to items on the income statement.

Note 4: For purchases from a subsidiary, transaction prices are determined through mutual agreement, with payment terms of advance payment and net 30 days from the end of the month.

Note 5: For inter-subsidiary purchases, transaction prices are determined through mutual agreement, with payment terms of advance payment and net 150 days from the end of the month.

Note 6: It is up to the Company to decide whether the important transactions in this table should be listed or not based on the principle of materiality.

HOTRON PRECISION ELECTRONIC INDUSTRIAL CO., LTD.

NAMES, LOCATIONS AND RELEVANT INFORMATION OF INVESTEE COMPANIES (EXCLUDING INVESTEE COMPANIES IN MAINLAND CHINA)

Years Ended December 31, 2023

Table 6

Unit: NT$ thousand(Unless Stated Otherwise)

Name of Investor	Name of Investee	Location	Primary Business Activities	Initial Investment Amount		Held at End of Period			Profit (Loss) of Investee for The Period	Investment Profit (Loss) Recognized for The Period (Note 1)	Remarks
				End of The Period (Note 2)	End of Last Year	Number of Shares	Ratio	Carrying Amount			
Hotron Precision Electronic Industrial Co., Ltd.	Fortuna International Holdings Ltd	Samoa	Investment business and merchandise trade	$ 410,825	$ 410,825	12,466,995	100%	1,549,103	($ 145,949)	($ 146,243)	Subsidiary
Hotron Precision Electronic Industrial Co., Ltd.	SmartGreen Solution Co., LTD	Taiwan	Production and operation of electric vehicle charging guns, high-voltage wires, and new energy materials	200,000	50,000	20,000,000	100%	184,657	(11,773)	(11,748)	Subsidiary
Hotron Precision Electronic Industrial(Suzhou) Co., Ltd.	Hotlink Company Limited	Taiwan	Merchandise trade	230,760	146,880	-	100%	206,704	(48,867)	(48,867)	Second-tier Subsidiary
Hotlink Company Limited	Hotron Precision Electronic Industrial (Vietnam) Co., Ltd.	Vietnam	Production and operation of 3C product cables and signal cables, etc.	146,053	146,053	-	100%	64,526	(51,489)	(51,489)	Second-tier Subsidiary

Note 1: The investment income recognized by the Company for the period has been adjusted for unrealized gains or losses from transactions between the Company and its investees.

Note 2: The original investment amount of Hotlink Company Limited was US$7,720 thousand (RMB 53,953 thousand); The original investment amount of Hotron Precision Electronic Industrial (Vietnam) Co., Ltd. was VND 115,288,093 thousand (US$5,000 thousand).

HOTRON PRECISION ELECTRONIC INDUSTRIAL CO., LTD.

INFORMATION ON INVESTMENTS IN MAINLAND CHINA - BASIC DATA

Years Ended December 31, 2023

Table 7

Unit: NT$ thousand(Unless Stated Otherwise)

Investee Company	Primary Business Activities	Paid-In Capital (Note 2)	Method of Investments	Accumulated Amount of Investments Remitted From Taiwan at Beginning of Period	Amount of Investments Remitted or Repatriated for The Period		Accumulated Amount of Investments Remitted From Taiwan at End of Period	Profit (Loss) of Investee for The Period	Shareholding Ratio of the Company's Direct or Indirect Investment	Investment Profit (loss) Recognized for The Reriod (Note 1)	Carrying Amount of Investments at End of Period	Accumulated Investment Income Repatriated at End of Period	Remarks
					Remitted	Repatriated							
Hotron Precision Electronic Industrial (Suzhou) Co., Ltd.	Production and operation of 3C product cables, signal cables, electric vehicle charging guns, high-voltage wires, and new energy materials	$ 619,607	Reinvestment in Mainland China through a third-region company (Fortuna Global Holdings)	$ 305,952	$ -	$ -	$ 305,952	($ 145,913)	100%	($ 145,913)	$1,549,953	$ 85,235	-
Hotron Electron & Telecommunication (Fuqing) Co., Ltd.	Processing of various 3C product cables and signal cables	11,819	Reinvestment in Mainland China through Hotron Precision (Suzhou)	-	-	-	-	(850)	100%	(850)	10,138	-	-
Hotron Precision Electronic Industrial (HuBei) Co., Ltd.	Production and operation of copper products, 3C product cables, signal cables, electric vehicle charging guns, high-voltage wires, and new energy materials	713,084	Reinvestment in Mainland China through Hotron Precision (Suzhou)	-	-	-	-	18,406	100%	18,406	577,557	-	-
Hotron Real Estate Development (Tianmen) Co., Ltd.	Real estate development, construction, sales, leasing, and housing agency services, etc.	10,192	Reinvestment in Mainland China through Hotron Precision (Suzhou)	-	-	-	-	(857)	100%	(857)	4,879	-	-

Note 1: Evaluated and recognized based on the financial statements audited by CPAs.

Note 2: Hotron Precision Electronic Industrial (Suzhou) Co., Ltd. has a paid-in capital of US$20,000 thousand (RMB 141,692 thousand); The paid-in capital of Hotron Electron & Telecommunication (Fuqing) Co., Ltd. is RMB 3,000 thousand. Hotron Precision Electronic Industrial (HuBei) Co., Ltd. is RMB 163,000 thousand. The paid-in capital of Hotron Real Estate Development (Tianmen) Co., Ltd. is RMB 2,300 thousand.

Note 3: Calculated based on 60% of the Group's consolidated net worth in accordance with Order No. 09704604680 issued by the Ministry of Economic Affairs on August 29, 2008.

Name of Company	Accumulated Amount of Investments Remitted From Taiwan to Mainland China at End of Period	Amount of Investments Authorized by Investment Commission, M.O.E.A.	Ceiling on Amount of Investments Authorized by Investment Commission, M.O.E.A. (Note 3)
Hotron Precision Electronic Industrial Co., Ltd.	$305,952	$636,262	$1,279,225

HOTRON PRECISION ELECTRONIC INDUSTRIAL CO., LTD. AND ITS SUBSIDIARIES

INFORMATION ON MAJOR SHAREHOLDERS

December 31, 2023

Table 8

Name of Major Shareholders	Shareholding	
	Number of Shares Held	**Shareholding Ratio**
Gao Peng Co., Ltd.	8,749,827	8.21%

HOTRON PRECISION ELECTRONIC INDUSTRIAL CO., LTD.

CASH AND CASH EQUIVALENTS

December 31, 2023

Statement 1 Unit: NT$ thousand

Item	Summary			Amount
Cash on hand and working capital				$ 60
Checking accounts				1
Demand deposits				
－Ntd deposits				5,824
－Foreign currency deposits	US$	93 thousand	exchange rate 30.71	2,867
Cash equivalents				
－Time deposits	US$	7,404 thousand	exchange rate 30.71	227,339
				$ 236,091

HOTRON PRECISION ELECTRONIC INDUSTRIAL CO., LTD.

NET ACCOUNTS RECEIVABLE

December 31, 2023

Statement 2 Unit: NT$ thousand

Customer Name	Summary	Amount	Remarks
Non-related parties			
Customer A		$ 96,661	
Customer B		63,349	
Customer C		59,726	
Others		4,007	No individual customer balance exceeds 5% of the account balance
Less: Loss allowances		(68)	
		$ 223,675	

HOTRON PRECISION ELECTRONIC INDUSTRIAL CO., LTD.

INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD

Years Ended December 31, 2023

Statement 3

Unit: NT$ thousand

	Beginning Balance		Increase		Decrease		Recognition for the Period				Ending Balance			Net Equity Value			
Name	Number of Outstanding Shares (Thousand Shares)	Amount	Number of Outstanding Shares (Thousand Shares)	Amount	Number of Outstanding Shares (Thousand Shares)	Amount	Investment (Loss) Gain	Cumulative Translation Adjustment	Actuarial Gains and Losses	Issuance of Employee Remuneration to Subsidiaries	Number of Outstanding Shares (Thousand Shares)	Shareholding Ratio	Amount	Unit Price (NTD)	Total	Guarantee or Collateral Provided	Remarks
Fortuna International Holdings Ltd	12,467	$ 1,724,313	-	$ -	-	$ -	($ 146,243)	($ 27,292)	($ 1,359)	($ 315)	12,467	0%	$ 1,549,104	$ -	$ 1,549,104	None	
SmartGreen Solution Co., LTD	5,000	46,021	15,000	150,000	-	-	(11,748)	-	-	384	20,000	0%	184,657	-	184,657	None	
		$ 1,770,334		150,000		$ -	($ 157,991)	($ 27,292)	($ 1,359)	$ 69			$ 1,733,761		$ 1,733,761		

HOTRON PRECISION ELECTRONIC INDUSTRIAL CO., LTD.

SHORT-TERM LOANS

December 31, 2023

Statement 4 Unit: NT$ thousand

Creditors	Type of Loans	Ending Balance	Contract Period	Interest Rate	Line of Credit	Pledge or Guarantee
Bank A	Credit Loans	$ 205,000	2023.12.18-2024.01.30	1.76%	$ 300,000	None
Bank A	Credit Loans	40,000	2023.11.24-2024.02.22	1.80%	300,000	None
Bank A	Credit Loans	40,000	2023.12.06-2024.01.30	1.80%	300,000	None
Bank B	Credit Loans	70,000	2023.11.16-2024.01.05	1.75%	80,000	None
Bank B	Credit Loans	10,000	2023.11.06-2024.02.02	1.75%	80,000	None
Bank C	Credit Loans	100,000	2023.11.03-2024.02.01	1.70%	100,000	None
Bank D	Credit Loans	130,000	2023.11.15-2024.02.07	1.75%	138,173	None
Bank E	Secured loans	100,000	2023.12.29-2024.01.29	1.78%	700,000	Land, Housing and Construction
		$ 695,000				

HOTRON PRECISION ELECTRONIC INDUSTRIAL CO., LTD.

OPERATING REVENUE

Years Ended December 31, 2023

Statement 5 Unit: NT$ thousand

Item	Quantity	Amount	Remarks
Sales revenue			
Signal cables	10,073KPCS	$ 432,925	
Others			
Lease service revenue		14,471	
		$ 447,396	

HOTRON PRECISION ELECTRONIC INDUSTRIAL CO., LTD.

OPERATING COSTS

Years Ended December 31, 2023

Statement 6 Unit: NT$ thousand

Item	Amount
Beginning inventory	$ 15,826
Add: Purchases for the period	417,068
Less: Ending inventory	(8,425)
Cost of sales	424,469
Inventory write-down loss	113
	$ 424,582

HOTRON PRECISION ELECTRONIC INDUSTRIAL CO., LTD.

OPERATING EXPENSES

Years Ended December 31, 2023

Statement 7 Unit: NT$ thousand

Item	Selling and Marketing Expense	General and Administrative Expenses	Total	Remarks
Salary expenses	$ -	$ 32,085	$ 32,085	
Depreciation expenses	-	7,733	7,733	
Other fee (Note)	1,250	21,057	22,307	
	$ 1,250	$ 60,875	$ 62,125	

Note: No individual item exceeds 5% of the total account balance.