(Stock Code: 4551)

GLOBAL PMX CO., LTD.

2023 Annual Report

Annual report inquiry website: Market Observation Post System: http://mops.twse.com.tw
Corporate website: http://www.global.com.tw
The date of publication: May 20, 2024

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4. **Name of CPA, accountant firm, address, telephone and website of CPA responsible for the latest annual financial statement：**

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5. **Overseas Securities Exchange :** N/A

6. **Corporate Website** : http://www.global.com.tw

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I. Letter to Shareholders

Dear Shareholders,

Thank you for your long-term support and encouragement.

In 2023, the international situation continued to be affected by inflation and the slow destocking of the manufacturing industry, resulting in a notably poor global manufacturing sector. However, with the full support of shareholders and the dedication of all employees, Global PMX Co., Ltd. demonstrated commendable resilience amidst the generally unfavorable industry conditions. The consolidated revenue in 2023 was 7,121,824 thousand NTD, net profit of 515,540 thousand NTD, NT$4.47 per diluted share.

Observing the current situation in the automotive retail sector in the first half of this year, the China Association of Automobile Manufacturers recently announced that the cumulative retail sales of passenger vehicles in the first quarter of this year reached 4.841 million units, a 13% increase compared to the previous year. Among these, the retail sales of new energy vehicles reached 698,000 units, marking a 28% increase year-on-year, with a cumulative retail sales of 1.758 million units in the first quarter, representing a 34% growth compared to the corresponding period last year. It indicates a steady development in China's overall automobile market, particularly evident in the clear upward trend of new energy vehicles, offering promising growth opportunities for the Company’s automotive division's product line.

The Company is expanding its product line in the new energy vehicle market. In addition to the original cooling systems, the Company has actively collaborated with major automotive brands and Tier 1 automotive component manufacturers over the past two years to upgrade key component products for electric vehicles, hybrid vehicles, hydrogen-powered vehicles, and other emerging technologies. Particularly in cultivating relationships with customers from independent brand car manufacturers, the Company has achieved remarkable results. For instance, in safety system components, collaborations with companies like Continental and Topop have successfully developed key components for air suspension systems. Integrating compressors, valve assemblies, and control units into a single module has reduced weight and size, while partnerships with companies such as BOSCH, Continental, ZF, NASN, and Topop for brake systems have developed One-box systems, supplying related control valves and other key components. With the exploration of key components for hydrogen-powered vehicles and range-extended electric vehicles, the Company has secured promising future order visibility. Currently, new product orders have gradually entered the mass production phase, with expectations for continuous growth in overall automotive product revenue.

Looking ahead to 2024, the Company maintains a cautiously optimistic view of stable operations. In terms of its four major business areas, the post-Chinese New Year period is seen as crucial for major car manufacturers' new product launches. With the gradual completion of the price reduction cycle for car manufacturers and the implementation of national consumption policies, it's anticipated that consumers' cautious approach will ease, paving the way for a positive upturn in the overall car market., the consumer wait-and-see attitude is expected to ease, leading to a warming trend in the overall car market. This lays a solid foundation for the Company's automotive division to maintain good order visibility. Additionally, in sectors such as medical, electronics, and sports, the gradual destocking by major customers will ease, driving a new wave of shipments. Particularly in the medical business, the shipment of new products and orders to medical customers will conclude the inventory adjustment this year, with the potential for product certifications for new medical customers to be completed soon, potentially allowing them to join the trial production schedule in the second half of this year. With the continuous increase in demand from major customers in the automotive and medical sectors, the benefits of optimizing the combination of new and old products will gradually unfold, driving the overall revenue scale to expand steadily. The Company is confident in improving overall gross profit margin and profitability performance

To embrace the changeable future, the Company will uphold the principle of "Best Quality, Best Discipline ", move forward bravely, but also continued to improve processes to reduce manufacturing costs, enhance competitiveness, and deepen relationships with end customers to grasp the development opportunities of front-end products and actively expand business in order to work hard for the great value of shareholders, and also perform due diligence for the ultimate zero emission goal of global energy conservation and carbon reduction.

1. The 2023 Annual Operating Report

2023 Business Plan Implementation Results:

(1) Operating results in 2023:

In 2023, amidst the continued impact of inflation and slow destocking in the manufacturing sector, the global economy is facing a gloomy outlook, however, with the full support of shareholders and the dedication of all colleagues our performance still remains excellent compared to peers: the consolidated revenue in 2023 was 7,121,824 thousand NTD, Net profit was 515,540 thousand NTD. The after-tax earnings per share was NT$4.47 in 2023.

Unit: NT$ thousands

Item	2023	2022	Change ratio
Net sales	7,121,824	9,235,183	-22.88%
Gross profit	1,547,911	2,504,670	-38.20%
Operating income	721,504	1,629,825	-55.73%
Pre-tax income	709,280	1,829,061	-61.22%
Net income	515,540	1,405,382	-63.32%

(2) Budget implementation:

According to the laws and regulations, the company has not disclosed the 2023 financial forecast. The overall operation and actual performance are roughly equivalent to the business plans developed within the company.

(3) Financial revenue, expenditure, and profitability analysis:

Item		2023	2022
Financial structure	Debt to asset ratio %	37.86	39.16
	Long-term capital to property, plant and equipment %	171.38	179.49
Solvency	Current ratio %	167.71	170.26
	Quick ratio %	117.83	122.90
Profitability	Return on total assets %	4.22	11.07
	Return on shareholders' equity %	6.39	18.17
	Profit ratio %	7.23	15.22
	Earnings per share (NT$)	4.47	12.20

(4) Research and Development status:

The company is a professional precision metal component processing manufacturer, the main technology lies in the development of CNC lathes, milling machines, turning and milling composite automatic lathes, grinding machines, surface treatment and etc. To achieve optimal production and quality with systematic measurement control management for quality feedback. Therefore, in the development of new products, the selection of machinery and equipment, the design of the manufacturing process, the development and production of the fixtures required in the process, and the innovation of the measurement and inspection tools are the focus of research and development. To cooperate with the introduction of automation into production optimally. The developed technology can be applied to the processing of metal products in various industries, such as manufactures and assembles products such as surgical, orthopedic and other related medical parts, automotive brake safety systems, fuel injection nozzle systems, transmission system, steering system, temperature control systems, hiking bicycle with front and rear suspension systems, semiconductor equipment flow controller systems, Cloud and high-capacity hard disk precision parts, industrial and optical precision metal parts and so on.

The research and development for the implementation of the short-term, medium-term and long-term plans are as follows:

●Short term: Benefiting greatly from the strong demand from major automotive customers for its Gasoline Direct Injection, transmission system, AT/CVT/DCT, and related automotive components. The company continue to develop and pass through new products such as dual clutch parts, automotive diesel nozzles, high pressure pump core parts, brake safety components. Furthermore, the surgical automatic stapler components are assembled into a qualified FDA medical orthopedic surgical device in the United States, coupled with continuous cooperation with customers in the field of outdoor sports to develop and produce front and rear suspension systems for hiking bicycles, as well as verifying the development and mass production capabilities of cloud and industrial hard disk drive products.

●Medium term: To cooperate with the client to develop precision finishing workpieces for hybrid electric vehicles. In between with enhancing process integration such as stamping enhance process integration such as stamping, forging, multi-axis machine multi-station processing and so on. In addition to medical surgical spare parts, we will collaborate with new customers in new product development and new capacity planning, sample development, and mass production preparation. To provide integrated processing service modules, including integrated front-end stamping, forging, injection molding, casting, machined turning, milling, multi-axis and back-end surface treatment and assembly services.

●Long term: The United States recently promulgated an executive order to achieve “net-zero carbon emissions” by 2050. In the meantime, Europe also expects to announce stricter carbon emission trade policy for environmental protection soon. This will speed the R&D efforts of major global brand carmakers and Tier 1 automotive component suppliers to focus on the development of more carbon-saving and new energy cars. Cut into the important supply chain of electric vehicle precision components. Integrate new machine performance and develop more processing and assembly capabilities. In order to provide more high value-added products for clients. We expect to be a "world-class leading factory for precision machinery foundry."

2. 2024 Business Plan Summary:

(1) Operating strategy

<1> Annual goal ： Loosening Epidemic Prevention, communicating with our customers actively and frequently to stay abreast of first-hand information from their end.

<2>The economic situation remains fragile, Effective Expenditure Control and flexible adjustment are key indicators this year and unnecessary waste must be reduced.

<3>The operation and management this year implemented a "slowly but surely" strategy, and tight control of the capital expenditure budget.

<4>Order-controlled must be more detailed along with a capable manufacturing system with more flexible production lines to cope with the economic cycle.

<5>To accelerate talent development programs, and aggressively foster internationalized/ diversified personnel.

(2) Sales Quantity forecast and its basis

The shipments for 2024 are expected to continue to grow under the enthusiasm of major customers' original product orders and the gradual entry of new products into mass production. The shipment estimation of this year is based on long-term demand forecasts provided by customers, new project development schedules, and capacity planning.

(3) Important production and marketing policy

<1> Production policy: The integrity of the new plant and the availability of the machines have been prepared to meet the large production plan for new products.

<2> Marketing Policy: To meet the needs of existing customers, and actively strive for new orders. To manage potential customers, and fully cooperate with new customers to develop the required resources. To observe the market trends and strive to develop high-quality, stable and high value-added customers.

3. Future development strategy of the Company:

(1) To reduce the proportion of auto parts with low traditional additional value, and increase industrial products such as high additional value automobiles, medical supplies, high-tech industries and environmental green energy.

(2) Develop future EV customers and increase the proportion of medical products to diversify customer concentration risk.

(3) To integrate critical processes vertically, and to enhance high additional value processes such as stamping, forging and multi-axis machining processes, front-end material and back-end surface treatment capabilities and equipment investment.

4. Influences of the external competitive environment, regulatory environment and the overall business environment:

To cope with the ever-changing overall environments, the government debuted several reform plans and laws/regulations for the listed companies, and revised certain financial/accounting report standards to follow the step of internationalization, an effort to keep the international connection and the competitiveness of enterprises. The Company abides by its management motto of sustainable operation and spares no efforts to be in line with government policies. To this end, the Company continues to upgrade its international competitiveness and create a maximum value for all shareholders under the premise of financial transparency.

GLOBAL PMX CO., LTD.

Chairman: Sixxon Tech Co., Ltd.
Legal Representative：Lin, Zheng-Sheng

General Manager: Lin, Ci-Qing

Chief Accounting Officer: Huang, Yao-Ling

II. Company Profile

1. Date of Incorporation: February 18, 1987

2. A Brief History of the Company

Year	Milestones
February 1987	The Company was established and named as Global Pmx Co., Ltd. The capital amount at the time of establishment was NT ten million.
April 1995	The increase of cash of NT forty million was made. After the capital increase, the paid-in capital was NT fifty million.
November 1997	The organization was changed to a company limited by shares. The cash increase of NT fifty million was made. After the capital increase, the paid-in capital was NT one hundred million.
October 1999	The Company changed its name to global pmx co., ltd.
August 2007	Passed ISO9001 certification.
January 2008	Passed ISO/TS16949 certification which was required for automotive parts manufacturing.
November 2011	Cash increase of NT five hundred and fifty million was made. After the capital increase, the paid-in capital was NT six hundred and fifty million. Invested in the establishment of the subsidiary company Fortune Tower Holding Co., Ltd.
February 2012	Approved by the Investment Review Board to invest in a third place, including Seamax Manufacturing Pte., Ltd. (Dongguan), Global Pmx Co., Ltd. (Dongguan) And Global Pmx Co., Ltd. (Zhejiang). The Subsidiary Global Pmx Co., Ltd. (Zhejiang) passed ISO13485:2003 certification. (2008: Seamax Manufacturing Pte., Ltd. a subsidiary in Dongguan, passed ISO14001:2004 certification.) (2011: Global Pmx Co., Ltd., a subsidiary in Zhejiang, passed ISO14001:2004 certification.)
December 2012	Invested in the establishment of the subsidiary company Seamax International Ltd.
September 2013	The cash increase of NT a hundred million was made. After the capital increase, the paid-in capital was NT seven hundred and fifty million.
November 2013	The Financial Supervisory Commission approved the public offering of the

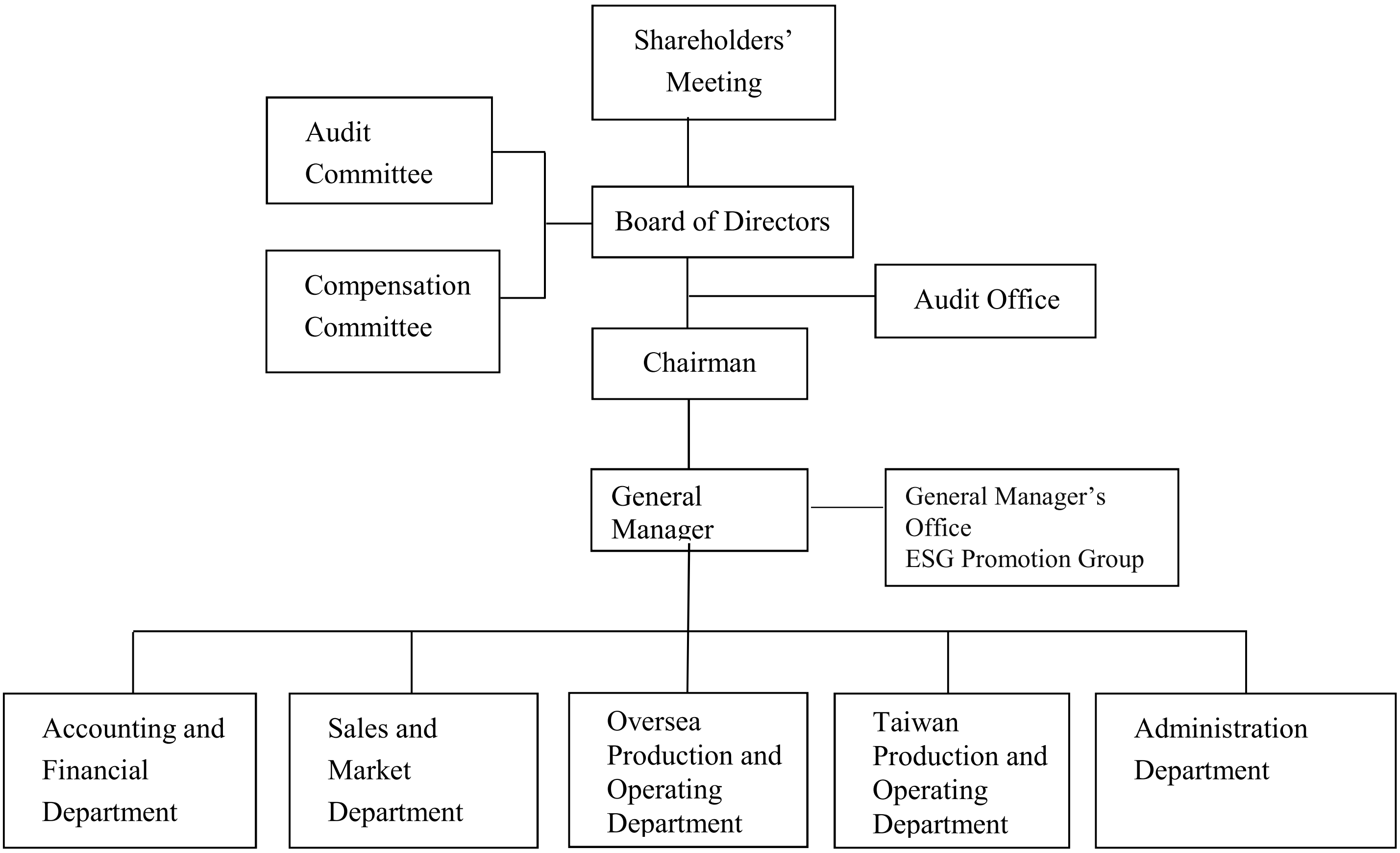
Year	Milestones
	Company’s shares.
January 2014	TPEx has approved the listing the Company’s stocks at emerging stock market.
August 2015	Cash increased of NT eighty million. After the capital increase, the paid-in capital was NT eight hundred and thirty million.
August 2015	The Company’s shares are listed and traded on the Taiwan Stock Exchange.
September 2015	In order to maintain the Company’s reputation and shareholders’ rights, the first purchase of treasury shares was carried out, and 1,066 shares were bought back.
May 2016	For the treasury shares to be cancelled, the amount of paid-in capital after the cancellation was eight hundred and nineteen million 3 hundred and forty thousand.
May 2016	Invested in the subsidiary company Ace Plus Technology Limited.
February 2018	Approved by the Investment Review Board to invest in a third place, including Global Pmx Co., Ltd. (Jiaxing).
November 2019	The Special shareholder's meeting of the Company approved to acquire Sixxon Precision Machinery Co., Ltd. by issuing new shares, which is expected to issue a total of 24,000,000 shares.
April 2020	It has completed the stock conversion by issuing new shares on April 13, 2020, namely, the stock conversion reference date, so as to acquire 100% shares of Sixxon Precision Machinery Co., Ltd. After the capital increase, the paid-in capital was NT one billion fifty-nine million three hundred and forty thousand.
December 2020	Convertible corporate bonds were converted to common stock of 3,676 thousand shares, after conversion, the paid-in capital is NT$1,096,203 thousand.
April 2021	Convertible corporate bonds were converted to common stock of 5,612 thousand shares, after conversion, the paid-in capital is NT$1,152,225 thousand.
August 2021	The Subsidiary, Sixxon Precision Machinery Co., Ltd. passed ISO45001:2018 certification.
April 2024	Global Pmx Co., Ltd., a subsidiary in Zhejiang, passed ISO14064-1:2018 certification.

III. Corporate Governance Report

1. Organizational System

(1) Organizational System

i. Organization Chart



ii. Major Corporate Functions

Department	Functions
Audit Committee	Establishment or modification of the internal control system and the assessment on the effectiveness of internal control system. Establishment or modification of the procedures for material financial business behaviors such as acquisition or disposal of assets, engaging in derivative commodity transactions, capital lending to others, endorsing or providing guarantees for others Procedures for conduct major financial business activities. Assessment on major asset investments, major derivative commodity transactions, capital lending, endorsement or provision of guarantees. Evaluating the appointment, dismissal or remuneration of a Certified Public Accountant and the appointment or dismissal of a Chief Financial Officer, Chief Accounting Officer and chief audit executive. Review financial reports.
Remuneration Committee	Formulate and review the remuneration policies, systems, standards and structures. Regularly evaluate the reasonable basis for the remuneration and performance appraisal of the Company's directors and managers. Regularly supervise the implementation of the remuneration system.
Audit Office	Establishes internal control system Preparation and implementation of audit plans. Audits operational procedures of each department.
General Manager's Office	Oversees the daily operational performance and recommend improvement for various departments. Plans and implements the instructions from various managers of each department. Aim at sustainable development and promote the sustainable development of the Group.
Accounting and Financial Department	Plans and executes the Company's financial management and fund scheduling business. Prepares for financial statements and establishes for management financial information. Corporate tax planning, execution and compliance with various tax laws.
Sales and Marketing Departments	Responsible for domestic and foreign customer development. Collection, analysis and reporting of market intelligence. Execution of delay payment collection. Handles sales and service matters include orders, shipment, collection of goods, and customer complaints.
Oversea Production and Operation	Operations, developments and managements of products and market.

Department	Functions
Department	Responsible for customer product technical support, product reliability and functional verification. Formulation and promotion of the Company's quality assurance policy. Analyzes and manages quality inspection. Administration of purchase and supply chain management Import and export production management. Material incoming, production, and shipping management. Production planning, product manufacturing, and execution of process records. Inventory management planning, shipping arrangements and relevant matters.
Production and Operation Department (Taiwan, Yangmei)	Operations, developments and managements of products and market. Responsible for customer product technical support, product reliability and functional verification. Formulation and promotion of the Company's quality assurance policy. Analyzes and manages quality inspection. Administration of purchase and supply chain management Import and export production management. Material incoming, production, and shipping management. Production planning, product manufacturing, and execution of process records. Inventory management planning, shipping arrangements and relevant matters.
Administration Department	Establishment and implementation of the comprehensive management of human resources and general administration. Plans the implementations for the Company's e-policy. Maintains and manages IT equipment/internet related hardware and software equipment. Implements and maintains related application system. Plans and prepares for share affairs.

2. Information of Directors, General Managers, Deputy General Managers, Deputy Assistant General Managers, and the Supervisors of All the Company’s Divisions and Branch Units

(1) Information of Directors and Supervisors

i. Information of Directors

April 16, 2024; Unit: Shares; %

Title	Nationality or Place of Registration	Name	Gender Age	Date Elected	Term	Date First Elected	Shareholding when Elected		Current Shareholding		Spouse & Minor Current Shareholding		Shareholding by Nominee Arrangement		Experience (Education)	Current Positions at the Company and Other Companies	Executives, Directors or Supervisors who are Spouses or within Two Degrees of Kinship			Re-mark
							Shares	Ratio	Shares	Ratio	Shares	Ratio	Shares	Ratio			Title	Name	Relation	
Chairman	ROC	SIXXON TECH. CO., LTD.	-	2023.07.28	3	2013.08.12	12,256,900	10.64	12,256,900	10.64	0	0	0	0	–	–	–	–	–	–
Legal representative	ROC	Lin, Zheng-Sheng (Note 1)	Male 81~85	2023.07.28	3	1999.10.01	389,000	0.34	389,000	0.34	141,000	0.12	5,386,600	4.67	Sheng-Te Christian College Chairman of SIXXON TECH CO., LTD. Chairman of Sixxon Precision Machinery Co., Ltd. Chairman of Global PMX Co., Ltd.	Legal representative of subsidiaries of the Company Chairman of JYT Technology Co., Ltd. Director of New Alliance Group Limited. Chairman of Sixxon Precision Machinery Co., Ltd.(Cayman Islands) Chairman and General Manager of Sixxon Precision Machinery Co., Ltd. Chairman of SIXXON TECH CO., LTD Director of An Yong Co., Ltd. Chairperson of Sixxon Precision Machinery (Kunshan) Co., Ltd. Chairperson of Sixxon Precision Machinery Co., Ltd.(BVI)	–	–	–	–
Chairman	ROC	Lin, En-Dao	Male 51~60	2023.06.20	3	2013.10.21	1,156,000	1.00	1,156,000	1.00	129,000	0.11	0	0	Master of Business	Executive Director of subsidiaries of Global PMX Co., Ltd.	Chairman	Lin, Zheng-	Father and Son	–

Title	Nationality or Place of Registration	Name	Gender Age	Date Elected	Term	Date First Elected	Shareholding when Elected		Current Shareholding		Spouse & Minor Current Shareholding		Shareholding by Nominee Arrangement		Experience (Education)	Current Positions at the Company and Other Companies	Executives, Directors or Supervisors who are Spouses or within Two Degrees of Kinship			Re-mark
							Shares	Ratio	Shares	Ratio	Shares	Ratio	Shares	Ratio			Title	Name	Relation	
		(Note 2)													Administration of Chulalongkorn University President of Global PMX Co., Ltd. Purchasing manager of Philips	(Zhejiang), Seamax Manufacturing Pte., Ltd.(Dongguan), Global PMX Co., Ltd. (Jiaxing) President of Global PMX Co., Ltd. Chairman of JYT Technology Co., Ltd. Director of JYT Technology Co., Ltd. Chairman of Sixxon Precision Machinery Co., Ltd.(Cayman Islands)		Sheng		
Director	ROC	He, Rui-Zheng (Note 3)	Male 71~80	2023.06.20	3	2009.5.20	356,000	0.31	356,000	0.31	0	0	5,376,700	4.67	Master of Management of National Cheng Kung Engineering and Science University	Director of Elno Technology Co., Ltd. Director of SIXXON TECH CO., LTD. Director of Sixxon Precision Machinery Co., Ltd. (Cayman) Supervisor of Sixxon Precision Machinery (Kunshan) Co., Ltd. Chairperson of Huakete Co., Ltd. Director of Sixxon Tech Co., Ltd. (Cayman)	—	—	—	—
Director	ROC	Lin, Ci-Qing	Female 41-50	2023.06.20	3	2023.06.20	17,000	0.01	17,000	0.01	0	0	0	0	The Manchester Metropolitan University Marketing Management Sales and Marketing Assistant Vice President of	General Manager of Global PMX Co., Ltd. Factory Chief of Seamax Manufacturing Pte., Ltd.(Dongguan)	—	—	—	—

Title	Nationality or Place of Registration	Name	Gender Age	Date Elected	Term	Date First Elected	Shareholding when Elected		Current Shareholding		Spouse & Minor Current Shareholding		Shareholding by Nominee Arrangement		Experience (Education)	Current Positions at the Company and Other Companies	Executives, Directors or Supervisors who are Spouses or within Two Degrees of Kinship			Re-mark
							Shares	Ratio	Shares	Ratio	Shares	Ratio	Shares	Ratio			Title	Name	Relation	
															Global PMX Co., Ltd. Marketing manager of Drinks					
Director	ROC	Chung, I-Teng (Note 4)	Male 51-60	2023.06.20	3	2023.06.20	1,000	0.00	1,000	0.00	0	0	0	0	Master's Degree, Technological Systems Management, Stony Brook University Sales Manager of Sixxon Precision Machinery Co., Ltd.	Assistant Vice President of Sixxon Precision Machinery Co., Ltd.	—	—	—	—
Independent director	ROC	Tsai, Chia-Yu	Female 41~50	2023.06.20	3	2014.01.06	0	0	0	0	0	0	0	0	Graduate of Accounting Institute of Tamkang University Project manager of Accton Technology Co., Ltd.	Partner accountant of We Win CPAs Firm Independent director of North-Star Petroleum Co., Ltd.	—	—	—	—
Independent director	ROC	Huang, Fung-Ting	Male 51~60	2023.06.20	3	2023.06.20	0	0	0	0	0	0	0	0	Information Engineering, Feng Chia University Sr. GCM, Dell Director of strategic sourcing, TPK	Country Manager of NEXT Biometrics Taiwan	—	—	—	—
Independent director	ROC	Chen, Chun-Yuan	Male 51~60	2023.06.20	3	2023.06.20	0	0	0	0	0	0	0	0	Master's Degree, Agricultural Economics, National Taiwan University. Section Manager Of Far East Engineering Co., Ltd.	General Manager of Ai Wei Hsiang Food Corporation Director of Chennq Faah Enterprise Corp.	—	—	—	—

Title	Nationality or Place of Registration	Name	Gender Age	Date Elected	Term	Date First Elected	Shareholding when Elected		Current Shareholding		Spouse & Minor Current Shareholding		Shareholding by Nominee Arrangement		Experience (Education)	Current Positions at the Company and Other Companies	Executives, Directors or Supervisors who are Spouses or within Two Degrees of Kinship			Re-mark
							Shares	Ratio	Shares	Ratio	Shares	Ratio	Shares	Ratio			Title	Name	Relation	
Independ-ent director	ROC	Lin, Paiwen	Male 51~60	2023.06.20	3	2023.06.20	0	0	0	0	0	0	0	0	Graduate Institute of Environmental Engineering National Taiwan University Deputy Engineer at the Environmental Technology Development Center of CTCI Foundation	Chairperson of Protect-eco Technology & Consultants Co.,Ltd General Manager of Honest Safety Engineering Consultants Co.,Ltd	—	—	—	—

Note 1: Lin, Zheng-Sheng has 100% ownership of the overseas company New Alliance Group Limited, holding 5,386,600 shares of the Company, with a shareholding ratio of 4.67%.

Note2：Chairman Lin, En-Dao was dismissed due to his passing on July 27, 2023.

Note 3 : He, Rui-Zheng has 33.33% of the overseas company Elno Technology Co., Ltd, holding 5,376,700 shares of the Company, with a shareholding ratio of 4.67%.

Note 4: Director Chung, I-Teng resigned on May 6, 2024.

ii. Major Shareholders of Institutional Shareholders:

April 16, 2024

Name of Institutional Shareholder	Major Shareholders	Ratio
SIXXON TECH. CO., LTD.	Hetong Investment Co., Ltd.	18.18%
	Huakete Co., Ltd.	18.18%
	Dingsheng Investment Co., Ltd.	18.18%
	Zhengiue Investment Co., Ltd.	18.18%
	Jason Co., Ltd.	18.18%
	Bojia Co., Ltd.	9.10%

Note: Unable to obtain information in a timely manner for unlisted companies

iii. Major shareholders of the Company's major institutional shareholders

April 16, 2024

Name of Institutional Shareholder	Major Shareholders	Ratio
Hetong Investment Co., Ltd.	Wang, Jian-Zhen	48.92%
	Wang, Qiao-Zhen	1%
	Ge, Jhong-Lin	49.08%
	Ge, Da-Lin	1%
Huakete Co., Ltd.	He, Rui-Zheng	50%
	Liu, Jun-Ching	50%
Dingsheng Investment Co., Ltd.	Han, Kuang-Hsiang	38%
	Lee, Li-Hua	38%
	Han, Chi	12%
	Han, Lin	12%
Zhengiue Investment Co., Ltd.	Lu, Jing-Wei	41.6%
	Huang, Ling-Ling	41.6%
	Lu, Yan-Ru	8.4%
	Lu, Jing-Ru	8.4%
Jason Co., Ltd.	Lin, Zheng-Sheng	38%
	Huang, Cheng-chiu	38%
	Lin, En-Dao	12%
	Lin, Jia-Shen	12%
Bojia Co., Ltd.	Lin, Liang-Xiong	87.5%
	Lai, Li-Wei	12.5%

iv. Information disclosure of the professional qualifications of directors and independence of independent directors:

Criteria / Name	Professional Qualification and Experience (Note 1)	Independence Attribute (Note 2)	Number of holding concurrent independent director position in other public companies
Chairman：Sixxon Tech Co., Ltd. Legal Representative：Lin, Zheng-Sheng	Formerly served as the Chairman of the Company, currently severing as the chairman and General Manager of Sixxon Precision Machinery Co., Ltd., an important subsidiary of the company, and the chairman of SIXXON TECH CO., LTD. With more than 40 years of industrial experience in precision metal parts processing, production, technology research and development, marketing and leadership capabilities. Not under any circumstances as stipulated in Article 30 of the Company Act.	–	None
Director He, Rui-Zheng	With more than 40 years of industrial experience in precision metal parts processing, production, technology research and development, and the ability in practical factory management. Not under any circumstances as stipulated in Article 30 of the Company Act.	–	None
Director Lin, Ci-Qing	Currently serves as a General Manager of the company and with more than 20 years of industrial experience in precision metal parts processing, has the international market perspective, specializes in international marketing, business promotion, and the cross-strait operation management of China, Taiwan and Hong Kong. Not under any circumstances as stipulated in Article 30 of the Company Act.	–	None
Director Chung, I-Teng	Currently serves as the Assistant Vice President of Sixxon Precision Machinery Co., Ltd., with over 10 years of extensive experience in precision metal parts processing industry. Possesses capabilities in marketing and practical management in factory operations. Not under any circumstances as stipulated in Article 30 of the Company Act.	–	None
Independent Director Tsai, Chia-Yu	Serves as a convener of the company's audit committee, and the member of compensation committee, has gained and passed the National Examination of Qualification certification of professional and technical required by accountants. Also serves as a certified public accountant of We Win CPAs Firm, having	An independent director who is in compliance with the criteria for independence, not a director, or employee of the Company or its affiliates; including but not limited to the person himself/herself, spouses or second-degree relatives;	1

	more-than-five-years' experience in commerce, accounting, corporate business and specializes in tax and accounting, and has extensive experience in the industry. Not under any circumstances as stipulated in Article 30 of the Company Act.	not holding shares of the Company; not serving as a director, supervisor or an employee of a company with which the Company has a specific relationship; not having received any remuneration for commercial, legal, financial and accounting services provided by the Company or its affiliates in the past two years.	
Independent Director Huang, Fung-Ting	Serves as a convener of the company' s compensation committee, and the member of audit committee, possessing practical qualifications in international corporate procurement, marketing, and management, with more than five years of experience in commerce, accounting, and corporate business. Not under any circumstances as stipulated in Article 30 of the Company Act.	An independent director who is in compliance with the criteria for independence, not a director, or employee of the Company or its affiliates; including but not limited to the person himself/herself, spouses or second-degree relatives; not holding shares of the Company; not serving as a director, supervisor or an employee of a company with which the Company has a specific relationship; not having received any remuneration for commercial, legal, financial and accounting services provided by the Company or its affiliates in the past two years.	None
Independent Director Chen, Chun-Yuan	Serves as a member of the company's audit committee, and compensation committee, and currently is the General Manager of Ai Wei Hsiang Food Corporation. With nearly two decades of experience in industry operations, specializing in corporate management, market marketing, and business promotion, and having more than five years of experience in commerce, accounting, and corporate business. Not under any circumstances as stipulated in Article 30 of the Company Act.	An independent director who is in compliance with the criteria for independence, not a director, or employee of the Company or its affiliates; including but not limited to the person himself/herself, spouses or second-degree relatives; not holding shares of the Company; not serving as a director, supervisor or an employee of a company with which the Company has a specific relationship; not having received any remuneration for commercial, legal, financial and accounting services provided by the Company or its affiliates in the past two years.	None
Independent Director Lin, Paiwen	Serves as a member of the company's audit committee, and compensation committee, and currently is the Chairman of Protect-eco Technology & Consultants Co., Ltd. With nearly two decades of experience in the environmental pollution prevention and control industry, specializing in corporate management, market marketing, and business promotion, and having more than five years of experience in commerce, accounting, and corporate business. Not under any circumstances as stipulated in	An independent director who is in compliance with the criteria for independence, not a director, or employee of the Company or its affiliates; including but not limited to the person himself/herself, spouses or second-degree relatives; not holding shares of the Company; not serving as a director, supervisor or an employee of a company with which the Company has a specific relationship; not having received	None

	Article 30 of the Company Act.	any remuneration for commercial, legal, financial and accounting services provided by the Company or its affiliates in the past two years.	

Note 1: Professional qualifications and experience: Specify the professional qualifications and experience of individual directors and supervisors. If the person is a member of the Audit Committee with accounting or financial expertise, their accounting or financial background and work experience shall be specified; while stating whether it meets the circumstances provided in Article 30 of the Company Act.

Note 2: For independent directors, their state of independence must be specified, including but not limited to whether they, their spouses, second-degree relatives serve as a director, supervisor or employer in the Company or affiliates; the proportion of shares held by the independent director himself/herself, their spouses or second-degree relatives (or in the name of others); whether the independent director serves as a director, supervisor or an employee of a company with which the Company has a specific relationship (refer to Subparagraphs 5 to 8, Paragraph 1, Article 3 of the Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies); and amount of remuneration receive for commercial, legal, financial and accounting services provided by the Company or its affiliates in the past two years.

(2) Information of General Managers, Deputy General Managers, Assistant General Managers and other Department and Branch Managers:

April 16, 2024；Unit: Share: %

Title	Nation-ality	Name	Gen-der	Date Elected	Shareholding		Spouse & Minor Current Shareholding		Current Shareholding by Nominee Arrangement		Experience (Education)	Current Positions at the Company and Other Companies	Executives, Directors or Supervisors who are Spouses or within two Degrees of Kinship			
					Share	Ratio	Share	Ratio	Share	Ratio			Title	Name	Relati-onship	Note
General Manager	ROC	Lin, Ci-Qing	Female	2023.07.28	17,000	0.01	0	0	0	0	The Manchester Metropolitan University Marketing Management Sales and Marketing Assistant Vice President of Global PMX Co., Ltd. Marketing manager of Drinks	General Manager of Global PMX Co., Ltd. Factory Chief of Seamax Manufacturing Pte., Ltd.(Dongguan)	None	None	None	-
Deputy General Manager	ROC	Lin, Zhong-Yong	Male	2024.01.01	39,000	0.03	0	0	0	0	Department of Mechanical Engineering of National Yunlin University of Science and Technology Assistant Vice President of Global PMX Co., Ltd.	Factory Chief of Global PMX Co., Ltd.(Zhejiang) Factory Chief of Global PMX Co., Ltd.(Jiaxing)	None	None	None	-
Assistant Vice President	ROC	Yan, Rui-Quan	Male	2011.11.01	0	0	0	0	0	0	Master of Science and Technology Management of National Chengchi University Assistant Vice President of Global PMX Co., Ltd.	Supervisor of subsidiaries of Global PMX Co., Ltd.(Zhejiang), Seamax Manufacturing Pte., Ltd.(Dongguan), Global PMX Co., Ltd. (Jiaxing), Sixxon Precision Machinery Co., Ltd.	None	None	None	-
Accounting Supervisor	ROC	Huang, Yao-Ling	Female	2017.05.01	0	0.	0	0	0	0	Department of Information Management of Tutung University Manager of Department of accounting	None	None	None	None	-
Financial Supervisor	ROC	Xu, Xue-Lian	Female	2017.05.01	1,000	0.00	0	0	0	0	Department of International Trade of National Taipei University of Business Manager of Department of Finance	None	None	None	None	-

Title	Nationality	Name	Gender	Date Elected	Shareholding		Spouse & Minor Current Shareholding		Current Shareholding by Nominee Arrangement		Experience (Education)	Current Positions at the Company and Other Companies	Executives, Directors or Supervisors who are Spouses or within two Degrees of Kinship			
					Share	Ratio	Share	Ratio	Share	Ratio			Title	Name	Relationship	Note
Corporate Governance Officer	ROC	Kao, Shun-Feng	Female	2024.02.16	0	0	0	0	0	0	Master's Degree, Finance and Banking, Taiwan University of Science and Technology. Chief internal auditor of Global PMX Co.,Ltd.	None	None	None	None	-

3. Most Recent Remuneration of Directors, Supervisors, General Managers, Deputy General Managers

(1) Remunerations of Directors (including independent directors)

Unit: NT$ Thousands

Title	Name	Remuneration: Base Compensation (A): The Company	Remuneration: Base Compensation (A): All Companies in the Con-solidated Financial Statement	Remuneration: Severance Pay (B): The Company	Remuneration: Severance Pay (B): All Companies in the Con-solidated Financial Statement	Remuneration: Directors Compensation (C) (Note 1): The Company	Remuneration: Directors Compensation (C) (Note 1): All Companies in the Con-solidated Financial Statement	Remuneration: Allowances (D): The Com-pany	Remuneration: Allowances (D): All Companies in the Con-solidated Financial Statement	Amount and Ratio of Total Remuneration (A+B+C+D) to Net Income (%): The Company	Amount and Ratio of Total Remuneration (A+B+C+D) to Net Income (%): All Companies in the Con-solidated Financial Statement	Relevant Remuneration Received by Directors Who are also Employees: Salary, Bonuses and Allowances (E): The Company	Salary, Bonuses and Allowances (E): All Companies in the Con-solidated Financial Statement	Severance Pay (F): The Company	Severance Pay (F): All Compa-nies in the Con-solidated Financial Statement	Employee Compensation (G) (Note 2): The Company: Cash	Employee Compensation (G) (Note 2): The Company: Stock	Employee Compensation (G) (Note 2): All Companies in the Con-solidated Financial Statement: Cash	Employee Compensation (G) (Note 2): All Companies in the Con-solidated Financial Statement: Stock	Amount and Ratio of Total Compensation (A+B+C+D+E+F+G) to Net Income: The Company	Amount and Ratio of Total Compensation (A+B+C+D+E+F+G) to Net Income: All Companies in the Con-solidated Financial Statement	Compensation Paid from an Invested Company other than The Company's Subsidiary
Chairman	SIXXON TECH. CO., LTD. Representative: Lin, Zheng-Sheng	0	0	0	0	6,528	6,528	72	72	6,600 1.28%	6,600 1.28%	7,790	18,060	0	0	16,920	0	16,920	0	31,310 6.07%	41,580 8.07%	None
Chairman	Lin, En-Dao (Note 1)																					
Director	He, Rui-Zheng																					
	Lin, Ci-Qing (Note 3)																					
	Chung, I-Teng Note 3)																					
Independent director	Gu, Qing-De (Note 2)	1,780	1,780	0	0	0	0	63	63	1,843 0.36%	1,843 0.36%	0	0	0	0	0	0	0	0	1,843 0.36%	1,843 0.36%	None
	Yang, Xiang-Yu (Note 2)																					
	Tsai, Chia-Yu																					
	Huang, Fung-Ting (Note 3)																					
	Chen, Chun-Yuan (Note 3)																					
	Lin, Paiwen (Note 3)																					

1. Please describe the policies, systems, standards and structure of independent directors' remuneration, and explain the relevance with the amount of remuneration based on their responsibilities, risks, and time investment.
The company independent directors' remunerations are based on the board of directors' participation and the company value contribution by reference to the discretion of the board of directors. It also considers his personal attendance at the board of directors, serving on the functional committee such as the remuneration committees and the audit committees, and taking risks into account of the standard approval criteria.
2. Besides the figures shown in the table above, the remuneration to all the directors served for all the companies within the consolidated financial statement (For example, serving as a consultant for a non-employee of the parent company/companies included in the financial statements/investment businesses) in the most recent fiscal year: None.

Note 1：Chairman Lin, En-Dao was dismissed due to his passing on July 27, 2023.

Note 2：Independent directors Yang, Xiang-Yu and Gu, Qing-De resigned from their positions upon the expiration of their terms on June 20, 2023.

Note 3：Directors Lin, Ci-Qing and Chung, I-Teng, Independent directors Huang, Fung-Ting, Chen, Chun-Yuan, and Lin, Paiwen were newly appointed through shareholder's meeting election on June 20, 2023.

Range of Remuneration

Range of Remuneration	Names of Directors			
	Total of (A+B+C+D)		Total of ((A+B+C+D+E+F+G)	
	The Company	All Companies in the Consolidated Financial Statement	The Company	All Companies in the Consolidated Financial Statement
Under NT$ 1000,000	Lin, En-Dao, Gu, Qing-De, Yang, Xiang-Yu, Tsai, Chia-Yu、Huang, Fung-Ting、Chen, Chun-Yuan、Lin, Paiwen	Lin, En-Dao, Gu, Qing-De, Yang, Xiang-Yu, Tsai, Chia-Yu、Huang, Fung-Ting、Chen, Chun-Yuan、Lin, Paiwen	Gu, Qing-De, Yang, Xiang-Yu, Tsai, Chia-Yu、Huang, Fung-Ting、Chen, Chun-Yuan、Lin, Paiwen	Gu, Qing-De, Yang, Xiang-Yu, Tsai, Chia-Yu、Huang, Fung-Ting、Chen, Chun-Yuan、Lin, Paiwen
NT$1,000,000 (included) ～ NT$2,000,000 (excluded)	SIXXON TECH. CO., LTD., (Representive:Lin, Zheng-Sheng), He, Rui-Zheng, Lin, Ci-Qing, Chung, I-Teng	SIXXON TECH. CO., LTD., (Representive;Lin, Zheng-Sheng), He, Rui-Zheng, Lin, Ci-Qing, Chung, I-Teng	SIXXON TECH. CO., LTD., (Representive;Lin, Zheng-Sheng), He, Rui-Zheng,	SIXXON TECH. CO., LTD., (Representive;Lin, Zheng-Sheng), He, Rui-Zheng,
NT$2,000,000 (included) ～ NT$3,500,000 (excluded)	—	—	—	—
NT$3,500,000 (included) ～ NT$5,000,000 (excluded)	—	—	—	—
NT$5,000,000 (included) ～ NT$10,000,000(excluded)	—	—	Lin, En-Dao, Lin, Ci-Qing, Chung, I-Teng	Lin, Ci-Qing, Chung, I-Teng
NT$10,000,000 (included)～ NT$15,000,000(excluded)	—	—	—	—

NT$15,000,000 (included)～NT$30,000,000(excluded)	—	—	—	Lin, En-Dao
NT$30,000,000 (included) ～NT$50,000,000(excluded)	—	—	—	—
NT$50,000,000 (included) ～NT$100,000,000(excluded)	—	—	—	—
Over NT$100,000,000	—	—	—	—
Total	11 persons	11 persons	11 persons	11 persons

(2) Remunerations of Supervisors: Not applicable (The auditor's authority of the Company is acted upon by the audit committee established by the independent director).

(3) Remunerations of the President and Deputy General Manager:

Unit: NT$ Thousands

Title	Name	Salary (A)		Severance Pay (B)		Bonus and Allowances（C）		Employee Compensation（D）(Note)				Amount and Ratio of Total Remuneration (A+B+C+D) to Net Income (%)		Compensation paid from an Invested Company other than The Company's Subsidiary
		The Company	All Companies in the Consolidated Financial Statement	The Company	All Companies in the Consolidated Financial Statement	The Company	All Companies in the Consolidated Financial Statement	The Company		All Companies in the Consolidated Financial Statement		The Company	All Companies in the Consolidated Financial Statement	
								Cash	Stock	Cash	Stock			
General Manager	Lin, En-Dao (Note1)	2,290	4,560	0	0	2,500	10,500	15,120	0	15,120	0	19,910 3.86%	30,180 5.85%	None
General Manager	Lin, Ci-Qing (Note2)													

Note 1: General Manager Lin, En-Dao was dismissed due to his passing on July 27, 2023.

Note 2: The Group's Executive Deputy General Manager, Ms. Lin, Ci-Qing, was appointed as the General Manager by the board of directors on July 28, 2023.

Range of Remuneration

Range of Remuneration Paid to the General Managers and Deputy General Managers	Names of President and Deputy General Manager	
	The Company	All Companies in the Consolidated Financial Statement
Under NT$ 1,000,000	—	—
NT$1,000,000 (included) ～ NT$2,000,000 (excluded)	—	—
NT$2,000,000 (included) ～ NT$3,500,000 (excluded)	—	—
NT$3,500,000 (included) ～ NT$5,000,000 (excluded)		—
NT$5,000,000 (included) ～ NT$10,000,000 (excluded)	Lin, Ci-Qing	Lin, Ci-Qing
NT$10,000,000 (included)～ NT$15,000,000 (excluded)	Lin, En-Dao	—
NT$15,000,000 (included)～ NT$30,000,000 (excluded)	—	Lin, En-Dao
NT$30,000,000 (included) ～ NT$50,000,000 (excluded)	—	—
NT$50,000,000 (included) ～ NT$100,000,000 (excluded)	—	—
Over NT$100,000,000	—	—
Total	2 persons	2 persons

(4) Employees' Profit Sharing Granted to the Managerial Officers Team:

Unit: NT$ Thousand

Item	Title	Name	Stock	Cash (Note1)	Total	Ratio of Total Amount to Net Profits after Tax (%)
Executive officers	General Manager	Lin, Ci-Qing	0	7,197	7,197	1.40%
	Deputy General Manager	Lin, Zhong-Yong				
	Assistant Vice President	Yan, Rui-Quan				
	Accounting Supervisor	Huang, Yao-Ling				
	Financial Supervisor	Xu, Xue-Lian				

＊It is the amount of compensation (including stocks and cash) of the employees who have been appointed by the board of directors in the most recent fiscal year. If it is not possible to estimate, the amount of this year is calculated based on the proportion of the actual distribution amount last year. After-tax net profit refers to the net profit after tax in the most recent fiscal year. The International Financial Reporting Standard has been adopted, the net profit after tax is the net profit of individual or individual financial reports in the most recent fiscal year.

Note 1: Based on the amount of employee compensation distributed by the board of directors on March 11, 2024.

(5) Analysis of the Proportion of the Total Remuneration of Directors, Supervisors, General Managers and Deputy General Managers of the Company Paid the Company and All Companies in the Consolidated Financial Statement to Net Profit After Tax in Individual Financial Statements of the Recent Two Years. Explanation of Remuneration Policies, Standards and Packages, the Procedure for Determining Remuneration, and Its Linkage to Operating Performance and Future Risk Exposure:

i. Analysis of the proportion of the total remuneration of directors, supervisors, general managers and deputy general managers of the Company paid the Company and all companies in the consolidated financial statement to net profit after tax in individual financial statements of the recent two years.

Title	2022		2023	
	The Company	All Companies in the Consolidated	The Company	All Companies in the Consolidated

		Financial Statement		Financial Statement
Director	2.06%	3.67%	6.43%	8.43%
General Manager and Deputy General Manager	1.46%	2.11%	3.86%	5.85%

ii. The policy, standards and combination of remuneration, the procedure for setting remuneration, and the correlation with business performance and future risks. :

1. Explanation of remuneration policies, standards and packages

(1)Remuneration of the Company's director:

In accordance with the Article 15 of the "Articles of incorporation", the compensations of all directors perform their duties shall be given regardless of business profit or loss. The compensation is based on the value of their participation and contribution to the company's operations, and the company's long-term operating performance, and comprehensive consideration of the company's operating risks, authorizing the board of directors to pay according to the standard terms in the industry. If there is profit in the year, the compensation will be distributed in accordance with the Article 17-1 of this article, and Directors' compensation should be deducted less than 2.24%.

(2) Remuneration of the Company's managerial officers:

The salary policy of the company's employees is based on personal competence and duties, theirs performance, contribution to the company, and the company's operation. According to Article 17-1 of the company's articles of incorporation, if the company gains profits in the year, the appropriation shall not be lowern than 2% of the empolyees' salary.

2. The Company's procedures for determining the remuneration:

The evaluation of the directors is executed based on the yearly " Performance of the Board of Directors Regulation". "Employees Perfomance Management Regulation " is applied to managerial officers for evaluation, and the salary refers to the whole company's operating performance, the average salary in the industry, personal contribution to the company's operating goal to provide a reasonable salary. The reasonableness of the directors' and managerial officers' salaries is evaluated audited by the compensation committee and Board of Directors every year, and the commission system is evaluated and reviewed properly depending on the actual operation.

The 2023 annual self-evaluation of performance result of the Board of Director, director members and members of each functional committee are A, and the 2023 managerial officers performance evaluation shows that the performance of all the managers have achieved the requirement that the company regulates.

3.The correlation between business performance and future risks

(1)The review of the payment standards and systems related to the Company's remuneration policy is based on the overall operational status of the Company, and payment standards are determined based on performance achievement rates and contribution degrees to enhance the overall organizational effectiveness of the Board of Directors and management departments. Furthermore, reference to industry salary standards is made to ensure that the compensation of our management is competitive within the industry and retain outstanding managerial talents.

(2)The performance goals of the Company's management are all combined with "risk control" to ensure that the risks within the scope of their responsibilities are managed and prevented. And the results of the performance evaluations are considered according to the actual performance which linked to the relevant human resources and compensation policies. The important decisions made by the Company's management are balanced with various risk factors, and the performance of these decisions reflects the Company's profitability, which is further linked to the management's compensation and risk control performance."

4. The State of the Company's Implementation of Corporate Governance

(1) The state of operations of the board of directors

The board of directors has held 6 meetings in the fiscal year of 2023; the attendance of directors is as shown below (A):

Title	Name	Attendance in Person (A)	By Proxy	Attendance in Person (%)	Remarks
Chairman	Lin, Zheng-Sheng (Note 1)	2	0	100%	—
Chairman	SIXXON TECH. CO., LTD. Representative: Lin, Zheng-Sheng (Note 2)	3	0	100%	—
Director	SIXXON TECH. CO., LTD. Representative: Yan, Rui-Quan (Note 2)	2	0	100%	—
Director	He, Rui-Zheng	6	0	100%	—
Director	Lin, En-Dao (Note 1)	3	0	100%	—
Director	Lin, Liang-Xiong (Note 1)	0	0	0%	—
Director	Lin, Ci-Qing (Note 2)	4	0	100%	—
Director	Chung, I-Teng (Note 2)	3	0	75%	—
Independent director	Gu, Qing-De (Note 1)	2	0	100%	—
Independent director	Yang, Xiang-Yu (Note 1)	2	0	100%	—

Independent director	Tsai, Chia-Yu	6	0	100%	—
Independent director	Huang, Fung-Ting (Note 2)	4	0	100%	—
Independent director	Chen, Chun-Yuan (Note 2)	4	0	100%	—
Independent director	Lin, Paiwen (Note 2)	3	0	75%	—

Note 1：Chairman Lin, Zheng-Sheng, director Lin, Liang-Xiong, independent director Yang, Xiang-Yu, and independent director Gu, Qing-De were dismissed on June 20, 2023, due to the expiration of their terms and the re-election of the shareholders' meeting；Chairman Lin, En-Dao was dismissed due to his passing on July 27, 2023；The board of directors elected SIXXON TECH. CO., LTD. as the chairman on July 28, 2023.

Note 2：Directors Lin Ci-Qing, Chung I-Teng, independent directors Huang, Fung-Ting, Chen, Chun-Yuan, and Lin, Paiwen were newly appointed through the re-election of the shareholders' meeting on June 20, 2023."

Other mentionable items:

1. If any of the following circumstances occur, the dates of the meetings, sessions, contents of motion, all independent directors' opinions and the Company's response should be specified:

(1) Matters specified in Article 14.3 of Taiwan Securities and Exchange Act: Not applicable. The Company has set up an audit committee and is applicable to relevant matters of Article 14.5 of Taiwan Securities and Exchange Act. Please refer to the operation of the Audit Committee of the annual report.

(2) Besides what is mentioned above, other Independent Directors who expressed opposition or qualified opinions that were recorded or declared in writing as: None. Independent directors have no objection or reservation this year.

2. To avoid conflict of interest among directors, the Director's name, meeting content, and reason for avoiding conflict of interest and participation in the voting process must be properly recorded:

Meeting Date	Meeting Content	Name of Directors	Reason for Avoiding Conflict of Interest	Voting Participation
March 27, 2023	The compensation of employees and directors of the Company of 2022.	Chairman Lin, Zheng-Sheng. Directors He, Rui-Zheng, Lin, En-Dao, Vice Assistant President Yan, Rui-Quan	Persons of conflict of interest	To avoid conflict of interest, the Directors aforementioned did not participate in the voting process. The remaining Directors present approved the case

				with no dissenting opinion.
July 28, 2023	Appointment of General Manager.	Director Lin, Ci-Qing	Persons of conflict of interest	To avoid conflict of interest, the Directors aforementioned did not participate in the voting process. The remaining Directors present approved the case with no dissenting opinion.
November 6, 2023	Approval for reviewing the implementation of various remuneration projects of 2024 to by the Company's directors and managers.	Director Lin, Ci-Qing	Persons of conflict of interest	To avoid conflict of interest, the Directors aforementioned did not participate in the voting process. The remaining Directors present approved the case with no dissenting opinion.
	Approval for reviewing the year-end bonus of the Company's 2023 executive business directors and managers.	Director Lin, Ci-Qing	Persons of conflict of interest	To avoid conflict of interest, the Directors aforementioned did not participate in the voting process. The remaining Directors present approved the case with no dissenting opinion.

3. Strengthening the functions of the board in the current and recent fiscal years (e.g. establishing the Audit Committee, promoting information transparency, etc.) and conducting performance assessment:

(1) Enhance the transparency of information

The Company has established the "Regulations on Board Meetings" in accordance with the "Regulations Governing Procedure for Board of Directors Meetings of Public Companies" and has published the attendance of Board of Directors Meetings on Public Information Observatory. The Company has set up an Internal Significant Message Management Mechanism to avoid improper disclosure of information and ensure the consistency and accuracy of the Company’s information to outside. The Company has also established an Internal Significant Information Operating Procedures which was announced within the Company, and is also incorporated into the Company’s internal control system to implement the fairness principle of information symmetry.

(2) Implementation of the Corporate Governance Act

To enhance the directors and managers’ understanding of Securities Management Act and to continue to strengthen the promotion of corporate governance of related laws and regulations, in addition to providing information on recent amendments to the Board of Directors, the Board of Supervisors actively participated in the discussions on corporate governance of the competent authorities. The Company also regularly arranges courses on Corporate Governance Act to improve the benefits of the promotion and the goal of effective corporate governance.

(3) Improve the Company’s s remuneration system

The Company has established a remuneration committee, which is responsible for implementing the recommendations, evaluating and supervising the Company’s overall remuneration policy, also the remuneration level of directors and managers, as well as the distribution of employee compensation. In the year of 2023, the Company has completed a regular review of the performance appraisal and remuneration policies, systems, standards and structures of its directors. In the future, the Company shall continue to review the improvement of relevant system to improve the remuneration system of the Company.

（2）TWSE/TPEx listed companies shall disclose information such as evaluation cycle and period, evaluation scope, method and content of evaluation of the self-evaluation (or peer evaluation) of the Board of Directors: (1) Evaluation implementation status of the Board of Directors:

Evaluation implementation status of the Board of Directors:

Evaluation cycle	Evaluation period	Evaluation scope	Evaluation method	Evaluation content
Once per year	2023.1.1-2023.12.31	Performance evaluation of the overall board of directors, individual board members, and functional committees (audit committee and remuneration committee)	1. Internal evaluation of the Board. 2. Self-evaluation by individual Board members.	1.The criteria for Board performance evaluation cover the following six aspects: (A) The degree of participation in the Company's operations. (B) Improvement in the quality of decision making by the board of directors. (C) The composition and structure of the board of directors. (D) The election of the

				directors and their continuing education. (E) Internal controls. 2. The criteria for evaluating the performance of the board members cover the following six aspects: (A) Understanding of the Company's goals and missions. (B) Knowledge about director's duties. (C) The degree of participation in the Company's operations. (D) Internal relation building and communication. (E) Directors' professionalism and continuing education. (F) Internal controls. 3. The criteria for functional committees' performance evaluation cover the following five aspects: (A) The degree of participation in the Company's operations. (B) Knowledge of duties of the functional committees. (C) Improvement of the decision-making quality of the functional committees. (D) Composition and election of members of the functional committees. (E) Internal controls.

To implement corporate governance and boost the efficacy of the Board of Directors and functional committees, the company has accomplished 2023 self-evaluation of the performance of the Board of Directors and functional committees, and the result is as follows:

1. The indicators include five dimensions, with a total of 45 indicators. The overall average score of the self-assessment of the board of directors' performance is 5 points (The full score is 5 points), indicating that the overall operation of the board of directors is good and meets the requirements of corporate governance.

2. The indicators include six dimensions, with a total of 23 indicators. The overall average score of the self-evaluation of the board members is 4.58points (The full score is 5 points), indicating that the board members fully agree with the efficiency of the self-evaluation indicators and comply with the requirements of corporate governance.
3.The indicators include five dimensions, with a total of 24 indicators, and the overall average score of the functional committees' self-evaluation of performance is 4.48(The full score is 5 points), indicating that the Audit Committee is operating well as a whole and comply with corporate governance requirements.
4. The indicators include five dimensions, with a total of 24 indicators, and the overall average score of the functional committees' self-evaluation of performance is 4.48(The full score is 5 points), indicating that the Compensation Committee is operating well as a whole and comply with corporate governance requirements.

(2) The state of operations of the audit committee or attendance of supervisor at board meetings

i. The operations of the Audit Committee

The Company Audit Committee was duly established on January 6, 2014. It is currently composed of 4 independent directors, and elected the independent director, Tsai, Chai-Yu, to serve as the convener. The Audit Committee convenes the meeting at least once every quarter. It is responsible for reviewing the proper presentation of the Company's financial statements, evaluation of the selection (dismissal), independence and performance of the Certified Public Accountant, evaluation of the effective implementation of the Company's internal control, the Company's compliance with relevant laws and the Company's control over existing or potential risks. Its primary authorities are as follows:

(1) To establish or modify the internal control system as prescribed in Article 14 of the Securities and Exchange Act;
(2) To evaluate the effectiveness of the internal control system;
(3) To establish or modify the procedures for material financial business behaviors such as acquiring or disposing assets, engaging in derivative commodity transactions, lending capital to others, endorsing or providing guarantees for others as prescribed in Article 36-1 of the Securities and Exchange Act;
(4) Matters concerning the directors' personal interests;
(5) Material assets or derivative commodities transactions;
(6) Material capital lending, endorsement or provision of guarantees;
(7) Offering, issuance or private placement of equity securities;
(8) Appointment, dismissal or remuneration of Certified Public Accountant;
(9) Appointment or dismissal of chief financial officer, chief accounting officer or chief audit executive;
(10) Annual financial statements and semi-annual financial statements; and
(11) Other matters required by the Company or the competent authority

The Audit Committee has held 4 meetings (A) in the fiscal year of 2023 （A); the attendance of independent directors is as follows:

Title	Name	Attendance in Person (B)	By Proxy	Attendance Ratio (%) (B/A)	Remarks
Independent Director	Tsai, Chia-Yu	4	0	100%	—
Independent Director	Gu, Qing-De (Note 1)	2	0	100%	—
Independent Director	Yang, Xiang-Yu (Note 1)	2	0	100%	—
Independent Director	Huang, Fung-Ting (Note 2)	2	0	100%	—
Independent Director	Chen, Chun-Yuan (Note 2)	2	0	100%	—
Independent Director	Lin, Paiwen (Note 2)	2	0	100%	—

Note 1：Independent directors Yang, Xiang-Yu and Gu, Qing-De resigned from their positions upon the expiration of their terms on June 20, 2023.

Note 2：Independent directors Huang, Fung-Ting, Chen, Chun-Yuan, and Lin, Paiwen were newly appointed through shareholder's meeting election on June 20, 2023.

Other mentionable items:

1.For Audit Committee meetings that meet any of the following descriptions, state the date and session of the Audit Committee meeting held, the discussed topics, the content of the objections, reservations or material recommendations of independent directors, the Audit Committee's resolution, and how the company has responded to Audit Committee's opinions:

(1) Matters specified in Article 14.5 of Taiwan Securities and Exchange Act:

Audit Committee Meeting Date	Content and Response	Independent director's opinions or objections	Resolution of the Audit Committee	The Company's response to the opinion of the Audit Committee
Mar 27, 2023 1st time	1. The Company's business report and financial statements for 2022.	None	Approved by all Committee members present in The meeting.	Submitted the first board meeting resolution of 2023 and proceed in accordance with the
	2. Distribution of 2022 Earnings of cash dividend.	None		
	3. The Company's 2022 annual earnings distribution.	None		

	4. The Company's "Internal Control System Statement" for 2022.	None		Boards resolutions
	5. The 2022 annual review and assess the competence and independence of the CPA.	None		
	6. Change CPA and independence assessment of CPA.			
	7. The Company and its subsidiaries applied for a comprehensive credit line from the financial institutions make the endorsements and guarantees for subsidiaries.	None		
	8. Internal audit report for the fourth quarter of 2022.	None		
	9. For the accounts receivable (including related parties and non-related parties) with significant amounts that are beyond the normal credit period more than of three months, the nature is not loans to others.	None		
May 8, 2023 2nd time	1. The Company's financial statements for the first quarter of 2023.	None	Approved by all Committee members present in The meeting.	Submitted the Second board meeting resolution of 2023 and proceed in accordance with the Boards resolutions
	2 The Company and its subsidiaries applied for a comprehensive credit line from the financial institutions make the endorsements and guarantees for subsidiaries.	None		
	3. Internal audit report for the first quarter of 2023.	None		
	4. To formulate the" Pre-approval Procedure for Non-Assurance Services by Certified Public Accountants' in the Company".	None		
Aug 7, 2023	1. Financial report for the second quarter of 2023.	None	Approved by all	Submitted the fifth board

3nd time	2. The Company and its subsidiaries applied for a comprehensive credit line from the financial institutions and make the endorsements and guarantees for subsidiaries.	None	Committee members present in The meeting.	meeting resolution of 2023 and proceed in accordance with the Boards resolutions
	3. Internal audit report for the second quarter of 2023.	None		
Nov 6, 2023 4th time	1. Financial report for the third quarter of 2023.	None	Approved by all Committee members present in The meeting.	Submitted the sixth board meeting resolution of 2023 and proceed in accordance with the Boards resolutions
	2. The Company's operating plan and operating budget for 2024.	None		
	3. The Company's audit plan for 2024.	None		
	4. The remuneration of the Company's CPA.	None		
	5. The Company and its subsidiaries applied for a comprehensive credit line from the financial institutions and make the endorsements and guarantees for subsidiaries.	None		
	6. Internal audit report for the third quarter of 2023.	None		
	7. For the accounts receivable (including related parties and non-related parties) with significant amounts that are beyond the normal credit period more than of three months, the nature is not loans to others.	None		

(2) Besides the matters above, other resolutions adopted with the approval of two-thirds or more of all Directors, without having been passed by the Audit Committee: No such incident occurred.

2. The independent directors, the content of the resolutions, the reasons for conflict of interest, and the participation in the voting: None.

3. Communication between independent directors and internal auditors (which should include audit materials, methods, and results pertaining to corporate finances and/or operations, etc.): The Company invites CPA, independent directors and audit supervisors to hold meetings to communicate and advise on the Company's financial auditing conditions, and finance, business conditions and the audit result of internal

control as well. The internal audit supervisor also provides audit reports on a regular basis. Each quarterly report is submitted to the audit committee for discussion and approval.

4. Annual key functions and operations：

(1) Annual Key functions

A. Review financial reports.

B. Assessment of the effectiveness of internal control system.

C. Review the hiring, dismissal, compensation concerning CPAs。

D. Evaluate the independence and performance of the CPA.

E. Review the Company's operational procedures and material transactions of assets, derivatives, and endorsement/guarantees.

F. Communicate with CPA periodically over financial statement review or audit results, and internal audit items.

G. Communicate with head of internal audit periodically over the results of the implement the annual audit plans.

(2).2023 Operations:

Proposals of the Audit Committee meetings have all been approved by members of the Audit Committee with no dissent from any of the Independent Directors.

(3) The state of the Company's implementation of corporate governance, any departure of such implementation from the Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies and the reason for any such departure:

Evaluation Item	Implementation Status (Note 1)			Deviations from "the Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies" and Reasons
	Yes	No	Description	
1. Does the Company establish and disclose the Corporate Governance Best-Practice Principles based on "Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies"?	V		The Company has revised its "Corporate Governance Best Practice Principles" with the Board of Directors' approval on May 8, 2023. All operations are handled in accordance with the Code. So far, there has not been any significant difference. The Code has been disclosed on the Market Observation Post System and the Company's website.	No difference.
2. Shareholding structure &				

Evaluation Item	Implementation Status (Note 1)			Deviations from "the Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies" and Reasons
	Yes	No	Description	
shareholders' rights				
(1) Does the company establish an internal operating procedure to deal with shareholders' suggestions, doubts, disputes and litigations, and implement based on the procedure?	V		(1) The Company has a spokesperson and a deputy spokesperson to handle matter such as shareholder suggestions, doubts, disputes and an Email on the website for investor relations, through which shareholders can contact the Company. Shareholders' suggestions, doubts, disputes, and litigation matters are all handled in accordance with relevant operating procedures.	(1) No difference.
(2) Does the company possess the list of its major shareholders as well as the ultimate owners of those shares?	V		(2) The Company has designated specific personnel who possesses the list of its major shareholders as well as the ultimate owners of those shares and maintains close relationship with them.	(2) No difference.
(3) Does the Company establish and execute the risk management and firewall system within its conglomerate structure?	V		(3) The Company's personnel, assets and financial management responsibilities are clearly and independently related to the Company, and the Company has set up the "Subsidiary Company Monitoring Operations", monthly financial and business management reports of subsidiaries, and	(3) No difference.

Evaluation Item	Implementation Status (Note 1)			Deviations from "the Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies" and Reasons
	Yes	No	Description	
(4) Does the Company establish internal rules against insiders trading with undisclosed information?	V		implementation of risk control mechanism for subsidiaries. (4) The Company has established "Procedures for Handling Material Inside Information" in order to avoid improper disclosure of information.	(4) No difference.
3. Composition and Responsibilities of the Board of Directors (1) Has the Board formulated a diversity policy and specific management objectives, and have they been implemented	V		(1) The Company has established the "Corporate Governance Practices and Principles" to ensure diversity in the Board of Directors. At present the Company's Board of Directors has 8 members (including 4 independent directors). The members have professional background, professional skills and industry experiences. In addition, for the gender equality for the composition of the board of directors, the Company also pays attention to this issue. The Company's target is 10% or more of the directors are female. (Note 2) For the director composition ratio, 37.5 is with employee status, 50% is independent directors, and 50% is general directors. For the age group,	(1) No difference.

Evaluation Item	Implementation Status (Note 1)			Deviations from "the Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies" and Reasons
	Yes	No	Description	
			25% is over 70 years old, with the other 75% is between 40 and 55 years old. Two director is female, accounting for 25% of the total number of directors. The Company has achieved the goal of gender equality and diversity for the directors' composition. 「Director Diversity Policy」 Please refer to pages 52~54 for the explanation.	
(2) Does the Company voluntarily establish other functional committees in addition to the Remuneration Committee and the Audit Committee?		V	(2) The Company has established the Compensation Committee and Audit Committee. There is no plan to form other functional committees.	(2) There is ongoing discussion about establishing additional functional committees.
(3) Does the Company establish a standard to measure the performance of the Board, and implement it annually?	V		(3) The Company has established "Rules and Procedures for the Board of Directors' Performance Assessment" on 11 August, 2017. It conducts regularly scheduled performance assessments every year and will be reviewed by the compensation committee which will determine the distribution of annual compensation for directors and individual details. 「The Board of Directors' Performance Assessment」 Please refer to pages 31~33 for the explanation.	(3)No difference.

Evaluation Item	Implementation Status (Note 1)			Deviations from "the Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies" and Reasons
	Yes	No	Description	
(4) Does the Company regularly evaluate the independence of CPAs?	V		(4) The Company regularly evaluates the annual CPA service according to the "Accounting Assessment and Performance Evaluation Measure" set by the Board of Directors each year, and based on Audit Quality Indicators (AQIs) provided by Deloitte, No.47 of Certified Public Accountant Act and No.10 of "The Norm of Professional Ethics for Certified Public Accountant of the Republic of China" (Evaluation is based on the criteria in Note 4), and the Company also obtained the statement of independence signed by the accountant. After the evaluation, it will be submitted to the Audit Committee and the Board of Directors for discussion and resolution. The annual CPA assessment results of 2023 were reviewed and approved by the Audit Committee on March 11, 2024 and Board of Directors on March 11, 2024.	(4) No difference.
4. Whether TWSE/TPEx listed companies have deployed appropriate numbers of suitable corporate governance personnel, and designated corporate governance directors responsible for corporate governance-related matters	V		The company's the Board of Directors has been approved the appointment of senior specialist of Administration Department to serve as the corporate governance officer, which is responsible for corporate governance and relevant matters such as providing the information required by the directors to conduct business,	No difference.

Evaluation Item	Implementation Status (Note 1)			Deviations from “the Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies” and Reasons
	Yes	No	Description	
(including but not limited to providing directors, supervisors with information required to perform business, assisting directors, supervisors in complying with laws, handled matters related to meetings of the board of directors and shareholders' meeting on the basis of the laws, and prepared the minutes of the board of directors and shareholders' meetings, etc.?			handling matters related to the meetings of the Board of Directors and shareholders, handling company registration and changes of registration, constructing Directors and shareholders’ meetings, safeguarding shareholders’ rights and strengthening the functions of the Board of Directors. Business implementation in 2023: (1) Assist independent directors and general directors to perform their duties, provide necessary data and arrange directors' further training: <1> It provides and regularly updates the latest amendments and developments of laws and regulations related the Company's business field and corporate governance for the directors when they are appointed. <2> It reviews the confidentiality level of relevant information, provides the company information required by the directors, and maintains effective communication between directors and business executives. <3> It arranges related meetings if the independent directors need to communicate with the internal audit supervisor or CPA individually to understand the Company's financial and business status in accordance with the Corporate Governance Best	

Evaluation Item	Implementation Status (Note 1)			Deviations from "the Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies" and Reasons
	Yes	No	Description	
			Practice Principles. <4> It formulates the annual continuing education plans and courses for the independent directors and general directors based on the Company's industrial characteristics, education and experience background of the directors. (2)Assist in meeting procedures and resolutions on regulatory compliance matters during the board meeting and shareholder's meeting: <1> It reports to the Board of Directors independent directors, and Audit Committee on the operations of the Company's corporate governance and confirms whether the shareholder's meeting and board meeting of the Company are held in compliance with relevant laws and corporate governance codes. <2> Assist and remind the directors that they should follow the laws and regulations when performing business or making a formal resolution of the Board of Directors, and propose suggestions when the Board	
			of Directors is going to make an illegal resolution. <3> It reviews the matters related	

Evaluation Item	Implementation Status (Note 1)			Deviations from "the Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies" and Reasons
	Yes	No	Description	
			to release of major information upon the important resolutions of the Board of Directors after the meeting, so as to ensure the regulatory compliance and correctness of the material information. This is to ensure the trading information equivalence of investors. (3)It drafts the agenda for the board meeting and notifies the directors seven days in advance; convenes the meeting and provides the meeting information reminds the avoidance if any issue involves the conflict of interest, and completes the board meeting minutes within 20 days after the meeting. (4)It handles the registration before the shareholder's meeting under laws, prepares the meeting notice, the handbook for the meeting, and the meeting minutes within the statutory period, and handle the matters of registration changes in case of amendments on the Articles of Association or the re-election of directors. The corporate governance officer had taken the 2023 course, the information was disclosed on the company website.	

Evaluation Item	Implementation Status (Note 1)			Deviations from "the Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies" and Reasons
	Yes	No	Description	
5. Does the Company establish communication channels and dedicate section for stakeholder (including but not limited to the shareholders, employees, clients and suppliers) on its website to respond to important issues of corporate social responsibility concerns?	V		The Company has set up a stakeholder area on its website, and discloses the contact phone number and E-mail of the spokesperson and deputy spokesperson. It also provides an address and contact window for stakeholders' complaints. The Company maintains good communication channels with its stakeholders and allows stakeholders to have sufficient information to judge and defend their rights.	No difference.
6. Does the Company appoint a professional shareholder service agency to deal with shareholder affairs?	V		The Company authorized "SinoPac" Securities as shareholder services agent.	No difference.
7. Disclosure of information				
(1) Does the Company have a corporate website to disclose both financial standings and the status of corporate governance?	V		(1) The Company has established a website with dedicated person responsible for maintaining and updating important financial, business and corporate governance information, and enquire by MOPS for shareholders and stakeholders.	(1)No difference.
(2) Does the Company have other information disclosure channels (e.g.	V		(2) The Company has designated personnel to be responsible for information collection and	(2)No difference.

Evaluation Item	Implementation Status (Note 1)			Deviations from "the Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies" and Reasons
	Yes	No	Description	
building an English website, appointing designated people to handle information on collection and disclosure, creating a spokesperson system, webcasting investor conferences)?			disclosure. There is also a spokesperson who is responsible for the external speeches, and the relevant information of the legal person briefing is disclosed in the investor area on the MOPS for public to enquire.	
(3) Whether the Company announced and reported the annual financial report within two months after the end of the fiscal year, and announced and reported the first, second and third quarter financial reports and operation of each month in advance before the prescribed period.	V		(3)On March 11, 2024, the Company has reported the 2023 Annual Financial Report, and announced the completion of the first, second and third quarter of 2023 financial reports and the operation of each month before the provided period.	(3)No difference
8. Is there any other important information to facilitate a better understanding of the Company's corporate governance practices (e.g., including but not limited to employee rights, employee wellness, investor relations, supplier relations, rights of stakeholders, directors' and supervisors' training records, the implementation of risk management policies and risk evaluation measures,	V		As follows: (1) Interests and rights of employees and care for employees: all measures of the Company's employees' interest and rights and labor relations are in accordance with relevant laws and regulations, to which the implementation is sound. Any new or revised measures concerning employee rights and labor relations are agreed by both employers and employees, therefore no disputes have occurred. The Company's employee welfare,	(1) No difference.

Evaluation Item	Implementation Status (Note 1)			Deviations from "the Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies" and Reasons
	Yes	No	Description	
the implementation of customer relations policies, and purchasing insurance for directors and supervisors)?			retirement system and labor agreement implementation are described as follows: <1> Employ welfare measures and their implementation: guaranteed employee salary and employee bonus, provide labor and health insurance, issue birthday/Mid-Autumn Festival/Chinese New Year/labor monies, provide allowances for weddings and funerals as well as domestic and overseas holidays, hold end-of-year parties etc., to establish employee leave measures in accordance with the provisions of the Law of Labor, implement on-the-job training for employees, adhering to the concept of lifelong learning, provide employees with facilities for learning software and hardware which has achieved the goal of whole-person education. Establish an employee welfare committee to coordinate employee welfare measures and provide employee benefits on a monthly basis. <2> Retirement system and its implementation: The company currently has full pensions based on the Labor	

Evaluation Item	Implementation Status (Note 1)			Deviations from "the Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies" and Reasons
	Yes	No	Description	
			Standard Laws. The pension has been fully funded using the old system, and since July 1, 2005 the new system has been adopted which mean a 6% of the salary is paid into the employee's individual retirement account according to the Labor Pension Statutes. An actuary will assess whether the proposal is adequate regarding the old system at the end of each year, if there is a shortage it shall be made up. <3> Agreement between labor and management: The rights and obligations of both employers and employees are handled in accordance with the provisions of the Company's working rules. The Company's labor relations are harmonious, and there have not been any major disputes or loss between labor and management. <4> Implement the employee dividend system to enhance employees' coherence. <5> Designate relevant personnel to participate in safety and health topics. The implementation of health	

Evaluation Item	Implementation Status (Note 1)			Deviations from "the Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies" and Reasons
	Yes	No	Description	
			checkups and health promotion activities for all employees will provide a safe and healthy working environment for employees.	
	V		(2) Investor relations: In addition to regularly disclosing the Company's important operating information, the Company continues to enhance the transparency of information, so that investors can grasp the Company's business development and development plans.	(2) No difference.
	V		(3) Supplier relations: The Company maintains long-term good cooperative relations with suppliers.	(3) No difference.
	V		(4) Relations with stakeholders: The Company has established various good and smooth communication channels in order to protect to interests of stakeholders, adheres to the principle of honesty, and a responsible attitude in order to fulfill corporate social responsibility.	(4) No difference.
	V		(5) Continuing education opportunities for directors: According to the rules on "Continuing Education for	(5) No difference.

Evaluation Item	Implementation Status (Note 1)			Deviations from "the Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies" and Reasons
	Yes	No	Description	
			Directors and Supervisors of TWSE/TPEx-listed Companies", there will be training courses on the Securities & Exchange Act based on the required training house. (Note 3)	
	V		(6) Implementation of risk management policy and risk measurement standards: Various internal regulations are created according to the law for risk management and evaluation.	(6) No difference.
	V		(7) Implementation of customer policies: The Company is committed to quality improvement and professional technology to provide customers with best services and products.	(7) No difference.
	V		(8) In order to implement corporate governance, the Company has established an independent director system in addition to establishing effective internal control. It relies on professional experience of independent directors, and has detailed regulations on board meetings in accordance with the regulations. Liability insurance is covered for directors. The relevant	(8) No difference.

<table>
<tr><td rowspan="2">Evaluation Item</td><td colspan="3">Implementation Status (Note 1)</td><td rowspan="2">Deviations from “the Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies” and Reasons</td></tr>
<tr><td>Yes</td><td>No</td><td>Description</td></tr>
<tr><td></td><td></td><td></td><td>insurance reports has already submitted to the board of directors on May 10, 2024.</td><td></td></tr>
<tr><td colspan="5">9. According to the latest result of the Corporate Governance Evaluation System by the Corporate Governance Center of TWSE, explains the amendments or propose the priority measurements to the items which have not been improved (unnecessary for the excluded companies):

According to the results of the 10th Corporate Governance Evaluation in 2023, the company's ranking is 51%~65%. In order to maintain the investors’ rights and interests, the website of the company has provided more detailed explanation of the company profile, financial and business information, shareholders’ meeting information, corporate governance and stakeholder information to be used as reference. The company strives to improve continuously and enhance the operation of corporate governance.
The company is going to continue assess the poor items to make the action plans to enhance the corporate governance</td></tr>
</table>

Note 1: Regardless of whether “Yes” or “No” is checked, it should be specified in the Description column.

Note 2: Does the Board of Directors develop and implement a diversified policy for the composition of its members.

Note 3: Continuing education opportunities for directors.

Note 2: The status and policy of diversified board members

1. The policy of diversified board members:

The Company has adopted “Corporate Governance Best-Practice Principles” which requires a diversified manner when forming the board of directors. A director who is also a manager of a company should not exceed one-third of the board of directors. To formulate its operation, operational type and development needs, the basic qualifications and the diversification of professional knowledge and skills, the Company’s “Corporate Governance Best-Practice Principles” Article 20 on the diversity board member is listed as follows:

“The board structure of the Company shall be determined on the Company’s business development and its shareholdings of major shareholders, considering the need for practical operation, it is necessary to determine the appropriate board of directors for more than five persons. A director who is also a manager of a company should not exceed one-third of the board of directors. To formulate its operation, operational type and development needs with diversification shall include but not limited to the following two standards:

(1) Basic qualifications and values: gender, age, nationality and culture.

(2) Professional knowledge and skills: professional background (such as law, accounting, industry, finance, marketing or technology), professional skills and industry experience.

Board members should generally have the knowledge, skills and literacy to perform their duties. In order to achieve the ideal goal of corporate governance, the overall ability of the board of directors should be as follows.

(1) The ability to make judgments about operations.

(2) Accounting and financial analysis ability.

(3) Business management ability.

(4) Crisis management ability.

(5) Knowledge of industry.

(6) An International market perspective.

(7) Leadership ability.

(8) Decision-making ability.

(9) Risk management and knowledge capability.

When the Company is selecting directors, it not only considers the professional background, but also the diversification of each director. The company has total 8 directors, 4 are independent directors. For the director composition ratio, 37.5% is with employee status (The number of directors who hold a concurrent post as manager of the company shall not exceed one-third of the number of directors.), 50% is independent directors, and 50% is general directors. For age group, 25% is over 70 years old, with the other 75% is between 40 and 55 years old. In addition, the company also pays attention to gender equality in the composition of the Board of Directors, and the target ratio of female directors exceeds 10%. Two directors are female, accounting for 25% of the total number of the directors. The Company has achieved the goal of gender equality and diversity for the directors' composition. The professional background of the members covers accountancy and industrial operations. As each board member has a diverse knowledge from industrial, recommendations can be given from different angles to help improve the Company's business performance and management efficiency.

2. The formation of diversified board members:

Core Diversification Standard / Director Name	Basic Information									Industry Experience				Professional Competence			
	Nationality	Gender	Concurrent employee	age			Independent director tenure			Precision Metal Part	Automobile	Electric Machinery	Accounting and asset management	Accounting and Financial Analysis	Operating and Management	Mechanical engineering	Risk Management
				40 ~ 55	55 ~ 70	70 UP	Under 3 years	3 to 9 years	9 Years or more								
SIXXON TECH. CO., LTD. Representative: Lin, Zheng-Sheng	ROC	Male	V			V				V	V	V			V	V	V
He, Rui-Zheng	ROC	Male				V				V	V	V			V	V	V
Lin, Ci-Qing	ROC	Fe-male	V	V						V	V	V	V	V	V		V
Chung, I-Teng	ROC	Male	V	V						V	V	V			V	V	V
Tsai, Chia-Yu	ROC	Fe-male		V					V				V	V	V		V
Huang, Fung-Ting	ROC	Male		V			V						V		V		V
Chen, Chun-Yuan	ROC	Male		V			V						V		V		V
Lin, Paiwen	ROC	Male		V			V						V		V		V

2-1. Directors' industry expertise and related situation：

Expertise	Affiliation with the company	Number of directors
Board of directors/Committee leadership	Management leadership experience considered as the Board of directors and functional committees' strategic assets.	8
Related industry experience	Support in reviewing the company's business operations, financial, and investments.	4
Financial and account	Regulatory Compliance	2
Business management	Support in reviewing the company's business operations, financial, and investments.	8
Risk management	Boards responsibility encompasses the risk and regulatory compliance	8

2-2. Directors composition

The proportion of employees to directors：

Employee identity	37.5%
General director	12.5%
Independent director	50.0%

The proportion of female directors

Female	25.0%
Male	75.0%

2-3.The specific management objectives and achievement of the director diversity policy

No.	Management objective	Achievement
1	The number of directors who hold a concurrent post as manager of the company shall not exceed one-third of the number of directors.	Achieved
2	The target ratio of female directors exceed 10%	Achieved
3	The continuous tenure of half independent director must not exceed three consecutive terms	Achieved

Note 3. The status of continuing education for directors in 2023

<table>
<tr><th>Title</th><th>Name</th><th>Date of Education</th><th>Organizer</th><th>Name of Course</th><th>Hours of Education</th></tr>
<tr><td>Chairman</td><td>Legal representative: Lin, Zheng-Sheng</td><td rowspan="2">2023/11/06</td><td rowspan="2">Taiwan Corporate Governance Association</td><td rowspan="2">The legal responsibilities of Directors and Supervisors of The listed Companies</td><td rowspan="2">3H</td></tr>
<tr><td>Director</td><td>He, Rui-Zheng</td></tr>
</table>

Director	Lin, Ci-Qing				
Director	Chung, I-Teng				
Independent Director	Tsai, Chia-Yu				
Independent Director	Huang, Fung-Ting				
Independent Director	Chen, Chun-Yuan				
Independent Director	Lin, Paiwen				
Independent Director	Huang, Fung-Ting	2023/09/21	Taiwan Securities Association	Domestic and International Net Zero Transition Related Trends and Corporate Response Strategies	3H
Independent Director	Chen, Chun-Yuan				

Note 4: Assessment table of independence of Certified Public Accountant

Item	Description	Result (Y/N)	Independence (Y/N)
1.	Whether Certified Public Accountant has direct or significant indirect financial interests with the Company.	□Y ■N	■Y □N
2.	Whether or not Certified Public Accountant has any financing or guarantees of conduct with the Company or the directors of the Company.	□Y ■N	■Y □N
3.	Whether Certified Public Accountant has a close business relationship and potential employment relationship with the Company	□Y ■N	■Y □N
4.	Whether Certified Public Accountant or members of their audit team had any positions in the Company as directors, managers of significant influence on the audit during the audit period.	□Y ■N	■Y □N
5.	Whether Certified Public Accountant has any non-audit services to the Company which may directly affect the audit work.	□Y ■N	■Y □N
6.	Whether Certified Public Accountant has an intermediary to issue shares or other securities of the Company.	□Y ■N	■Y □N
7.	Whether Certified Public Accountant has acted as the Company's defender or on behalf of the Company to coordinate conflicts with other third parties.	□Y ■N	■Y □N
8.	Whether Certified Public Accountant has a kinship with the directors, managers of the Company or persons who have a significant influence on the audit work.	□Y ■N	■Y □N

(4) Composition, responsibilities and operation status of the Compensation Committee:

i. Information on members of the Compensation Committee

Identity (Note 1)	Condition / Name	Professional Qualification and Experience	Independence Attribute	Concurrent compensation committee position in other publicly listed companies
Convener	Huang, Fung-Ting	Please refer to page 17~19 for further information about independent directors	Please refer to page 17~19 for further information about independent directors	None
Member	Tsai, Chia-Yu			1
Member	Chen, Chun-Yuan			None
Member	Lin, Paiwen			None

Note：Compliance of the criteria for independence: For independent directors, their state of independence must be specified, including but not limited to whether they, their spouses, second-degree relatives serve as a director, supervisor or employer in the Company or affiliates; the proportion of shares held by the independent director himself/herself, their spouses or second-degree relatives (or in the name of others); whether the independent director serves as a director, supervisor or an employee of a company with which the Company has a specific relationship (refer to Subparagraphs 5 to 8, Paragraph 1, Article 6 of the Regulations Governing the Appointment and Exercise of Powers by the Remuneration Committee of a Company Whose Stock is Listed on the Taiwan Stock Exchange or the Taipei Exchange); and amount of remuneration receive for commercial, legal, financial and accounting services provided by the Company or its affiliates in the past two years.

ii. Operation status of the Compensation Committee

A. There are 4 members in the Company’s Compensation Committee.

B. Current Term: From June 20, 2023 to June 19, 2026. The Compensation Committee held 2 meetings in the recent year.

C. The qualifications and attendance of the Committee are shown as below (A):

Title	Name	Attendance in Person (B)	By Proxy	Attendance in Person Rate (%) (B/A) (Note)	Remarks
Convener	Yang, Xiang-Yu (Note 1)	1	0	100%	None
Convener	Huang, Fung-Ting (Note 2)	1	0	100%	None
Independent Director	Gu, Qing-De (Note 1)	1	0	100%	None
Independent Director	Tsai, Chia-Yu	2	0	100%	None
Independent Director	Chen, Chun-Yuan (Note 2)	1	0	100%	None
Independent Director	Lin, Paiwen (Note 2)	1	0	100%	None

Note 1: Independent directors Yang, Xiang-Yu and Gu, Qing-De resigned from their positions upon the expiration of their terms on June 20, 2023

Note 2: Independent directors Huang, Fung-Ting, Chen, Chun-Yuan, and Lin, Paiwen were newly appointed through shareholder's meeting election on June 20, 2023.

Other mentionable items:

1. If the board of directors declines to adopt or modifies a recommendation of the remuneration committee, it should specify the date of the meeting, session, content of the motion, resolution by the board of directors, and the Company's response to the remuneration committee's opinion (e.g., the remuneration passed by the Board of Directors exceeds the recommendation of the remuneration committee, the circumstances and cause for the difference shall be specified): None.

2. Resolutions of the remuneration committee objected by members or to which reservation was expressed and recorded or declared in writing, the date of the meeting, session, content of the motion, all members' opinions and the response to members' opinions should be specified:

Compensation Committee Meeting Date	Discussion	Resolution
March 27, 2023 1st time	1. The 2022 annual performance evaluation review of the board of directors (including Functional Committee).	
	2. The compensation distribution of employees and directors of the Company of 2022.	
	3. The compensation disbursement of employees and directors of the Company of 2022.	

		Resolution of the compensation committee meeting (March 27, 2023): All members of compensation committee have all approved.
		The Company's response to compensation committee: All members of compensation committee have all approved, therefore it's not applicable.
	November 6, 2023 2nd time	1. The compensation of managerial officers and directors of the Company of 2024.
		2. The 2023 year-end bonus of the directors and managers officers.
		3. Review the salary and compensation of Ms. Lin, Ci-Qing, General Manager appointed by the board of directors.
		Resolution of the compensation committee meeting (November 6, 2023): All members of compensation committee have all approved.
		The Company's response to compensation committee: All members of compensation committee have all approved, therefore it's not applicable.

Note 1: Those who resign from the compensation committee before the end of the year shall specify the date or resignation in the Remarks column. The in-person attendance (%) is calculated based on the number of meetings compensation committee hold during their employment and their actual attendance.

Note 2: Before the end of the year, if the compensation committee is re-elected, the members of the new and old compensation committee shall be specified whether it is old, new and date of the re-election in the Remarks column. The actual attendance rate (%) is calculated based on the number of meetings compensation committee hold during its incumbency and their actual attendance.

(5) Implementation of sustainable development promotion and difference from the Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies and reasons thereof

Promotion items	Implementation Status (Note 1)			Difference from the Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies and reasons thereof
	Yes	No	Abstract Explanation (Note 2)	
(1) Has the company constructed a governance structure to promote sustainable development and established a dedicated (part-time) unit for the promotion of sustainable development, which is managed by senior management by authorization of the Board of Directors and is supervised by the Board of Directors?	V		(1)The promotion of sustainable development within the Company is spearheaded by the General Manager, who is authorized by the Chairman to serve as the convener. We have established an "ESG Promotion Team" in the General Manager's office, composed of senior executives from various subsidiaries within the group, as well as relevant personnel from environmental safety departments and management departments. This team is responsible for formulating medium to long-term sustainable development plans, aligning with regulatory agencies' net-zero policies, proposing specific policies and their execution, preparing annual ESG reports, monitoring sustainability and climate change trends, and promoting various sustainable development initiatives. We aim to integrate corporate sustainable development into our operational policies and lead relevant department personnel to fulfill corporate sustainable development goals systematically and in an organized manner. We have already begun preparing the annual ESG report and aim to complete it by the end of August 2024. In addition to regularly reporting the status of ESG initiatives to the Chairman and General Manager, the "ESG Promotion Team" will report on ESG execution status and expected work plans to the Board of Directors at least once a year. On May 10,	(1) No difference.

Promotion items	Implementation Status (Note 1)			Difference from the Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies and reasons thereof
	Yes	No	Abstract Explanation (Note 2)	
			2024, we will report to the Board of Directors on the progress and effectiveness of the implementation. The agenda includes: (1) Continuously identifying sustainable-related issues and formulating corresponding action plans; (2) Revising goals and policies related to sustainability issues; (3) Supervising the implementation of sustainable operating matters. The company's board of directors shall regularly receive reports and relevant plans regarding sustainable development from the management team annually. The management must propose strategies to the board, which evaluates the feasibility of the proposed strategies. The management team shall develop and revise strategies based on the board's recommendations and adjust them according to implementation circumstances.	
(2) Whether the Company have conducted risk assessments of environmental, social and corporate governance issues related to its operations in accordance with the materiality principles, and formulated relevant risk management policies or strategies?	V		(2)The boundary data for this risk assessment primarily focuses on the Company's operations in Taiwan, with other operational bases as secondary considerations. The data covers the sustainable development performance of the Company in major operational locations for the year 2023. The company follows the "Sustainable Development Best Practice Principles", and advocates to build a corporate culture of integrity. All of the employees have signed a Confidentiality Undertaking. The major suppliers have signed the letter of commitment for honesty and integrity, in which the supplies are required to conduct business transaction activities in a	(2) No difference.

Promotion items	Implementation Status (Note 1)			Difference from the Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies and reasons thereof
	Yes	No	Abstract Explanation (Note 2)	
			transparent, fair and honest way without corruption. For political contributions, it is subject to the related provisions of "Integrity Operation Procedures and Guidelines". In terms of environmental issues, most subsidiaries has established an ISO14001 management system. It conducts environmental inspections and risk assessments in daily work, and pays close attention to and abides by the product inspection standards established by the legislation of the countries. Promoting Sustainable Development Risk Assessment. The Board of Directors of the company is the highest-positioned section of risk management policy, assures the efficacy of risk management and is responsible for the final responsibility. The supervisor of the management office serves as the chairperson of the risk management team under the management office, and the team is the competent authority for executing risk management, and should convene more than one meeting every year and report the risk management result to the Board of Directors regularly. The company has reported to the board of directors on the implementation of the company's risk management on November 6, 2023. The company had passed formulating “Risk Management Policy and Procedure” as the governing principle of risk management to establish effective risk management system. The company evaluates risks related to important issues based on the materiality principle of the sustainable development, and formulates relevant the following risk management policies or strategies after evaluation	

<table>
<tr><th rowspan="2">Promotion items</th><th colspan="3">Implementation Status (Note 1)</th><th rowspan="2">Difference from the Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies and reasons thereof</th></tr>
<tr><th>Yes</th><th>No</th><th>Abstract Explanation (Note 2)</th></tr>
<tr><td></td><td></td><td></td><td>
<table>
<tr><th>Major issue</th><th>Risk assessments</th><th>Risk management policy or strategy</th></tr>
<tr><td rowspan="2">Economy (including corporate governance)</td><td>market risk</td><td>1. Technology and industry aspect:
The caused financial or business risks, including the factors of domestic foreign economy, technology, and industry changes to the company. The company remains close cooperative development partnership with clients and keeps an eye on the trend of industry changes, keeps acquiring new clients to add new resources for profits.
2. Financial aspect:
The risk of loss caused by the fluctuation of market risk factors (interest rate, exchange rate, stock price, commodity price), leading to the changes in financial assets or liability value. The financial department keeps an eye on the trend of international finance so as to govern the changes in interest rate, exchange rate and to adjust the nee of credits.</td></tr>
<tr><td>Operation risk</td><td>1. Operation aspect:
Including the risks caused by the change of business model, too centralized selling/purchase, and eliminated products. The company keeps an eye on the change in product technology and keeps acquiring new</td></tr>
</table>
</td><td></td></tr>
</table>

Promotion items	Implementation Status (Note 1)			Difference from the Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies and reasons thereof
	Yes	No	Abstract Explanation (Note 2)	
			clients and decentralizes proactively the concentration of purchase and selling. 2.Financial aspect: The risks caused by the loss of margin trading, exchange rate, interest rate, hedging, financial investment, investment shift and major capital expenditure. The company properly uses the working capital and monitors the change in the exchange rate and interest rate and operates derivative products timely to hedge the loss that financial risks brought. 3. Supply chain aspect: Including the risks caused by the suppliers' quality, price, delivery date and other relative issues. The group conducts many evaluations of suppliers every year to select the qualified ones that the company needs and eliminate the disqualified ones. 4.Internal control aspect: Including the risks related to the internal control of the company. The company plans internal audit program to audit if each working procedure meets the regulations. 5. Information security aspect: The risks caused by information security and general data protection regulation. The company intensifies information security, governance, reporting	

Promotion items	Implementation Status (Note 1)					Difference from the Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies and reasons thereof
	Yes	No	Abstract Explanation (Note 2)			
					system, exception handling and back-up.	
				Legal compliance risk	1. Compliance aspect: Including the risks caused by failing to comply with legal compliance risk, which includes Labor Law, Company Act, Relative regulation related to Securities Exchange Act, Import and Export Regulations, and code of conduct. The company established governance organization and implemented internal control system to make sure that all the staff and work are in accordance with related regulation. 2. Law aspect: Including the risks that not following regulations may cause, or any legal risks that may encroach on the company's rights. The company governs related regulations to see if we legally comply.	
			environmental aspect	environmental risks	Environmental aspect: Including the risks caused by Greenhouse Gas emission management, carbon rights management and energy management derived by climate change and natural disasters, and the risks of needing to meet international or local regulations, such as air pollution, sound pollution, water pollution, waste treatment management or the risks that	

<table>
<tr><th rowspan="2">Promotion items</th><th colspan="3">Implementation Status (Note 1)</th><th rowspan="2">Difference from the Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies and reasons thereof</th></tr>
<tr><th>Yes</th><th>No</th><th>Abstract Explanation (Note 2)</th></tr>
<tr><td></td><td></td><td></td><td><table>
<tr><td></td><td></td><td>environmental impact assessment requires. The important subsidiaries of the group have gained ISO14001 environmental recognition in succession, and the products all met the regulation for environmental friendliness, the subsidiary Global PMX Co., Ltd. (Zhejiang) has obtained ISO14064-1 greenhouse gas verification certification in 2024.</td></tr>
<tr><td rowspan="2">social aspect</td><td>working hazard risk</td><td>Working aspect: Including the risks caused by the emergency measure of occupational safety and healthy , chemical management, safety protection and emergency measure, and other man-made management operation inappropriateness or errors. The company holds fire drills and worker safety and hygiene to nourish the employees’ ability in emergency measures and self-security management. The important subsidiary of the group, Sixxon Precision Machinery Co., Ltd., has passed ISO 45001:2018 Occupational Health and Safety Management Systems</td></tr>
<tr><td>human resource risk</td><td>1.Human resource aspect: Including the risks caused by staff and</td></tr>
</table></td><td></td></tr>
</table>

Promotion items	Implementation Status (Note 1)			Difference from the Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies and reasons thereof
	Yes	No	Abstract Explanation (Note 2)	
			human rights issues of suppliers, including but not limits to labor relations, child labor, forced labor, and the management of talented people of the company, such as recruiting, the retaining of talented people and the talented people development management. The company complies with the principle of "The United Nations Global Compact", we trust that the staff is the largest asset to the company, and view taking care of the employees and nourishing them as the core of each human resource system. 2.Working environment aspect: The risks caused by staff or related issues of suppliers' safety working environment. The company strives to establish the staff's safe working environment to prevent occupational injuries.	
3. Issues of Environment (1) Does the Company establish proper environmental management systems based on the characteristics of their industries?	V		3. (1) To keep improving the environment quality, reduce waste disposal, and over-used energy, and step further in achieving the goal of sustainable development of the enterprise. The Taiwan Yangmei production base (Sixxon Precision), Dongguan production base (Seamax Manufacturing), and Zhejiang Jinshan production base (Global PMX) have obtained ISO 14001 environmental	(1) No difference.

Promotion items	Implementation Status (Note 1)			Difference from the Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies and reasons thereof
	Yes	No	Abstract Explanation (Note 2)	
			management system certification. Additionally, Global PMX (Zhejiang) have implemented ISO14064-1 greenhouse gas emission management systems, and complies with environmental protection law regulated by each production base. Each plant has established related management policy, such as “Energy Conservation Regulations”, “Air Conditioning Management Regulations”, “Waste Oil Recycling Regulations “and “Water-saving Corporation Establishment and Water-Conserving Management Regulations”, and implement internal environment, Safety and Health Check Act, Smoking-ban Regulations and set environment safety staff. The company will establish a related management system in accordance with the industry’s requirement in environmental management.	
(2) Is the company committed to enhancing the utilization efficiency of energy and use renewable materials that are with low impact on the environmental?	V		(2)The Group has taken measures such as retiring old equipment and purchasing high-efficiency equipment, as well as electrifying material handling equipment in the factory. The classification, management and recycling of business waste are carried out in accordance with ISO14001 operation procedures.	(2) No difference.
(3) Does the company assess the potential risks and opportunities of climate change to the company now and in the	V		(3)R&D Engineer team develops energy-efficient equipment and manufacturing process to improve the efficiency of the use of resources. A.Energy management： I. The strategy of replacing human with machines, purchasing renewable	(3) No difference.

Promotion items	Implementation Status (Note 1)			Difference from the Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies and reasons thereof
	Yes	No	Abstract Explanation (Note 2)	
future? Does the company take countermeasures in response to climate-related issues?			energy, introducing advanced, main and auxiliary high productivity and low energy-wasting equipment. Ianthe corporation managed to adopt the upgrade of hydrocarbon vacuum cleaning process engineering technique, energy-efficient tools, recycling, cooling circulating water through a continuous reconstruction of water-conservation technique, having excellent overall economic efficiency. In order to take a further step in enhancing the water use efficiency, the corporation will strengthen the horizontal communication with corporations in the same industry, focusing on reclaimed water reuse, regulating system and method seriously, implementing each performance appraisal system, and boosting the development and application of industrial water-conserving. III.Cardboard boxes and photocopying paper are recycled and reused to enhance paperless applications, waste sorting and resource recycling. The expired paper shall be recycled by the social associations for reuse. IV.Disseminate saving energy among the staff, personnel are assigned to check and turn off the power supplies that are not in use during the launch break and off-duty time, so as to avoid unnecessary waste of resources.	
(4)Whether the Company counted the gas emissions of greenhouse, water consumption	V		(4)To deal with the impact of global warming and climate change, "Net Zero by 2050" has been the joint vision for countries around the world. The company plans carbon reduction policy step by step to	(4)No difference.

<table>
<tr><th rowspan="2">Promotion items</th><th colspan="3">Implementation Status (Note 1)</th><th rowspan="2">Difference from the Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies and reasons thereof</th></tr>
<tr><th>Yes</th><th>No</th><th>Abstract Explanation (Note 2)</th></tr>
<tr><td>and total weight of waste in the past two years, and whether the Company formulated policies on reduction of greenhouse gas and water consumption or other waste management?</td><td></td><td></td><td>
keep up with the world trend, and we intensify the introduction of renewable energy to achieve the goal of carbon reduction.
A.Greenhouse gas emissions:
I. Greenhouse gas emissions in the last two years (covering all factories):
<table>
<tr><th>Year</th><th>Scope 1 (tons of CO2e)</th><th>Scope 2 (tons of CO2e)</th><th>Scope 3 (tons of CO2e)</th></tr>
<tr><td>2022</td><td>216.87</td><td>55,282.79</td><td>not yet calculated</td></tr>
<tr><td>2023</td><td>898.67</td><td>46,151.25</td><td>896,733.41</td></tr>
</table>
<table>
<tr><th>Year</th><th>Total(tons of CO2e) (Scope 1 + Scope 2 + Scope3)</th><th>Emission intensity per million dollars of revenue</th></tr>
<tr><td>2022</td><td>55,499.66</td><td>6.0097</td></tr>
<tr><td>2023</td><td>943,783.63</td><td>132.5167</td></tr>
</table>
Note 1: The greenhouse gas emission intensity in the 2022 annual report is calculated per unit of product.
Note 2: Global PMX Co., Ltd. (Zhejiang) greenhouse gas emission data for the year 2023 has been certified by third-party SGS, while the other subsidiaries are self-assessed and have not yet been verified by external parties.
II.Management Policy:
a. Greenhous Gas reduction has been executed by the concept of process chilled water. We adopt the cold water produced by the chilling machine to cool down the manufacturing process equipment and improve manufacturing process equipment, install chilling machines to achieve the goal of reducing Greenhous Gas emission.
b.The policy of air compressor waste heat recovery has been executed by produced hot water supplying the need of fleshing-up in dormitories to achieve the goal of the reduction of electricity and
</td><td></td></tr>
</table>

<table>
<tr><th rowspan="2">Promotion items</th><th colspan="3">Implementation Status (Note 1)</th><th rowspan="2">Difference from the Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies and reasons thereof</th></tr>
<tr><th>Yes</th><th>No</th><th>Abstract Explanation (Note 2)</th></tr>
<tr><td></td><td></td><td></td><td>Greenhous Gas emission.
B.Water consumption:
I. Water consumption in the last two years (covering all factories):
<table><tr><th>Year</th><th>Water consumption (M3)</th><th>Water consumption per million dollars of revenue</th></tr><tr><td>2022</td><td>483,666</td><td>52.3731</td></tr><tr><td>2023</td><td>318,591</td><td>44.7334</td></tr></table>Note 1: Water consumption in the 2022 annual report is calculated per unit of product.
Note 2: Water consumption is self-assessed by each plant area and has not yet been verified by external parties.

II.Management Policy:
a.Manufacturing process cleaning wastewater has been executed by the policy of permuted precipitator recycling, and it is used in primary manufacturing process cleaning use and pure water, and the waste recycling of ultrapure water which is used in chilled water.
b.Water-saving and carbon reduction: Improve the yield of pure water and ultrapure water to decrease the water withdrawal of fresh tap water and reduce discharge capacity. Collecting rainwater to transform the current rainwater harvesting, extending valve regulator, and replacing fresh tap water of cooling towers with rainwater which has been purified to decrease the water withdrawal of fresh tap water. Through the constant reform of water-saving technique, keeping adopting carbon vacuum cleaning process engineering technique, water-saving tools, and recycling, cooling water circulation to realize the overall economic efficiency. Meanwhile, we take a step</td><td></td></tr>
</table>

<table>
<tr><td rowspan="2">Promotion items</td><td colspan="3">Implementation Status (Note 1)</td><td rowspan="2">Difference from the Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies and reasons thereof</td></tr>
<tr><td>Yes</td><td>No</td><td>Abstract Explanation (Note 2)</td></tr>
<tr><td></td><td></td><td></td><td>further in boosting the corporation’s water use efficiency. We keep improving regulation system and measure, implementing each performance appraisal system, and boosting the development and application of industrial water-conserving technique.
c. Plan to conserve water and reduce carbon emissions 5% and above from 2024 to 2025 each year.
C. Waste
I.The amount of hazardous waste and non-hazardous waste in the last two years (covering all factories)：
<table><tr><td>Year</td><td>Hazardous industrial waste(ton)</td><td>Non-hazardous industrial waste(ton)</td><td>Total</td><td>Waste production per million dollars of revenue</td></tr><tr><td>2022</td><td>583.48</td><td>1,648.99</td><td>2,232.47</td><td>0.2417</td></tr><tr><td>2023</td><td>466.25</td><td>1,732.64</td><td>2,198.89</td><td>0.3087</td></tr></table>Note 1: Waste production in the 2022 annual report is calculated per unit of product.
Note 2: The waste production volume, including Sixxon Precision, Seamax Manufacturing (Dongguan), and Global PMX (Zhejiang), has been a certified by ISO 14001. Global PMX (Jiaxing) is self-assessed and has not yet been verified by external parties.
II.Management Policy：
a. The company's energy-saving goals involve concurrent activities in planning waste recycling and waste reduction plans.
b. We choose legal waste treatment dealers to file management according to the government’s Commercial wastes management regulation.
c. Strengthen the management of dangerous waste disposal, municipal solid wastes,</td><td></td></tr>
</table>

Promotion items	Implementation Status (Note 1)			Difference from the Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies and reasons thereof
	Yes	No	Abstract Explanation (Note 2)	
	V		introduce the equipment of waste emulsion, waste cutting oil, and waste hydrocarbon liquid filtration enrichment to achieve reduction disposal. Sludge drying equipment is fully water-removed before the disposal to achieve reduction disposal. Disseminate waste sorting among the staff, which can fully recycle the waste. We plan to reduce waste by 5% and above every year.	
4. Issues of Social (1) Does the Company formulate appropriate management policies and procedures according to relevant regulations and the International Bill of Human Rights?	V		(1) The Company follows the relevant national laws and regulations, including the Labor Standard Laws, the Employment Service Law and the Gender Equality in Employment Law. There is no employment discrimination within the Company. The Company provides work rules, performance evaluation methods according to the Company's rules and regulations to ensure employees understand the relevant labor laws and basic rights. To safeguard the legal rights and interests of all employees, we comply with labor regulations in the respective jurisdictions of our global operating locations. We adhere to the spirit and fundamental principles of various international human rights conventions, such as the United Nations Global Compact, the Universal Declaration of Human Rights, and the International Labor Organization's Declaration on Fundamental Principles and Rights at Work. We fully respect and protect the responsibilities of our employees, treating them with dignity and respect at all times. Our human rights management policy is as follows:	(1)No difference.

Promotion items	Implementation Status (Note 1)			Difference from the Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies and reasons thereof
	Yes	No	Abstract Explanation (Note 2)	
			Prohibition of child labor Elimination of employment discrimination Prohibition of forced labor Ensuring workplace safety and health Strengthening vocational training Ensuring social security for laborers In 2023, we provided human rights protection training to a total of 55 employees.	
(2) Whether the Company have formulated and implemented reasonable employee benefits measures (including salary, leave and other benefits, etc.), and appropriately reflect the operating performance or results on the compensation of employees?	V		(2) Employee Compensation The Company formulates employee work rules, various systems of compensation, vacation, retirement and welfare measures in accordance with laws and regulations. Moreover, it regularly sets reasonable and competitive compensation levels based on the labor market in the overseas production base and the compensation situation of the industry, plus the operating performance of the Company, employee remuneration shall be calculated at not less than 2% of the current year's profit in accordance with the company's Articles of Incorporation. Which serves as the reference for the formulation of various remuneration systems. The remuneration of managerial officers shall be paid after it is reviewed by the Remuneration Committee and approved by the Board of Directors. The distribution standards are closely correlated to the Company's operating performance. Employee welfare measures： The Staff Welfare Committee of the Company plans various welfare measures based on the appropriation status of the welfare funds. The Administration Division also plans various welfare	(2)No difference.

Promotion items	Implementation Status (Note 1)			Difference from the Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies and reasons thereof
	Yes	No	Abstract Explanation (Note 2)	
			activities for employees, which are delivered to all employees. workplace diversity and equality Realize equal pay for equal work and equal promotion opportunities for men and women, maintain a female executive ratio of over 25%, and promote sustainable and inclusive economic growth. The average proportion of female executives in 2023 was 33%. Business performance reflected in employee compensation The Company's salary policy is based on job responsibilities and is not different based on gender. Additionally, salaries are adjusted according to market salary levels, company performance, and individual performance to maintain overall competitiveness. According to the information on the average and median salaries of "full-time employees not serving as executives" reported by the Company to the Taiwan Stock Exchange, the Company employees' salaries have shown a growth trend every year.	
(3) Does the Company provide a healthy and safe working environment and organize training on health and safety for its employees on a regular basis?	V		(3) Employees are the Company’s most important asset. The Company endeavored to establish a safe and healthy working environment and provide employees with the necessary protection. I. The Company building holds a fire drill regularly once a year and 24-hours security control to ensure the safety of the work environment. II. Labor Safety and Health Independent Inspection and Treatment regulations have been formulated. The Company are planning to implement health education of regular health checkup as well as	(3)No difference.

Promotion items	Implementation Status (Note 1)			Difference from the Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies and reasons thereof
	Yes	No	Abstract Explanation (Note 2)	
			group insurance. III.The office environment is entrusted to the property management of the building. Special personnel are assigned to clean up and conduct fire protection equipment inspections regularly. The office environment is entrusted to the property management of the building. Special personnel are assigned to clean up and conduct fire protection equipment inspections regularly. The entire office building is non-smoking and the water dispensers in the office are maintained once a month. IV.The important subsidiary of the Group, Sixxon Precision： A.Sixxon Precision has implemented the ISO45001 Occupational Health and Safety Management System, and has obtained a third-party verification certificate (BSI), continuously promoting health and safety management. V.The important subsidiary of the Group, Global PMX Co., Ltd. (Zhejiang): A.In 2023, the disability injury frequency was 0.21, lower than the target disability injury frequency of 0.3. Accident control is improving. Meanwhile, Global PMX Co., Ltd. (Zhejiang) continues to review and improve countermeasures, strengthening machine safety inspections and maintenance. Enhanced safety awareness and promotion have been provided to employees who have experienced occupational accidents and other colleagues in various production sites. Necessary occupational safety training has been provided to all employees to enhance their safety awareness and self-protection capabilities,	

<table>
<tr><th rowspan="2">Promotion items</th><th colspan="3">Implementation Status (Note 1)</th><th rowspan="2">Difference from the Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies and reasons thereof</th></tr>
<tr><th>Yes</th><th>No</th><th>Abstract Explanation (Note 2)</th></tr>
<tr><td></td><td></td><td></td><td>ensuring the safety of colleagues during work.
B.In 2023, a total of 22 employees received occupational safety education training, with a combined training duration of 352 hours.

The important subsidiary of the Group, Global PMX Co., Ltd. (Zhejiang), Global PMX Co., Ltd. (Jiaxing) and Seamax Manufacturing Pte., Ltd.(Dongguan)：
A.Complying with local government regulations such as the "Occupational Safety and Health Act," the "Occupational Disease Prevention and Control Act," the "Environmental Protection Act," and the "Fire Safety Act," to establish a safe production environment.
B.Each factory establishes and improves various production safety management systems and operating standards, holds regular "safety environment meetings," and conducts periodic safety incident drills.
C.Occupational Safety Inspection:
Each factory has established a safety inspection system, and the respective responsible departments are in charge of supervising, inspecting, and evaluating the safety work in the factory area.
<table><tr><th colspan="2">Occupational Safety Inspection</th></tr><tr><td>Factory-level safety inspection</td><td>Once every quarter and on national holidays.</td></tr><tr><td>Department-level safety inspection</td><td>Once every month.</td></tr><tr><td>Team-level safety inspection</td><td>Twice every month.</td></tr></table></td><td></td></tr>
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<tr><td rowspan="2">Promotion items</td><td colspan="3">Implementation Status (Note 1)</td><td rowspan="2">Difference from the Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies and reasons thereof</td></tr>
<tr><td>Yes</td><td>No</td><td>Abstract Explanation (Note 2)</td></tr>
<tr><td></td><td></td><td></td><td><table><tr><td>Position-level safety inspection</td><td>Daily</td></tr><tr><td>Fire safety inspection</td><td>Once every month</td></tr><tr><td>EHS department systematic comprehensive professional safety inspection</td><td>Once every month.</td></tr></table>Occupational Safety Education and Promotion：<table><tr><td>year</td><td>Number of Training Participants</td><td>Training Hours</td></tr><tr><td>2022</td><td>6,000 Trainees</td><td>6000 Hours</td></tr><tr><td>2023</td><td>10,425 Trainees</td><td>12,820.5 Hours</td></tr></table>V. The Company and its subsidiaries did not experience any fire incidents in 2023.</td><td></td></tr>
<tr><td>(4) Does the Company provide its employees with career development and training sessions?</td><td>V</td><td></td><td>(4) The Company provides comprehensive job training programs for all levels of managers and employees, including new hire training, professional development training, and management training, to assist employees in continuous learning and growth through diverse learning methods. We also incorporate training courses related to corporate ethics to develop key competencies among employees. In 2023, a total of 1,410 employees received career training, totaling 1,916.50 hours.</td><td>(4)No Difference.</td></tr>
<tr><td>(5) Whether the Company has complied with relevant laws and regulations and international</td><td>V</td><td></td><td>(5) The company supervises strictly on the quality of all the products and has customer complaint handling procedure to provide customers with a complete grievance procedure. The Company provides customers with contact Email</td><td>(5) No difference.</td></tr>
</table>

Promotion items	Implementation Status (Note 1)			Difference from the Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies and reasons thereof
	Yes	No	Abstract Explanation (Note 2)	
standards for the health and safety of customers, customer privacy, marketing and labeling of products and services, and formulated relevant consumer or customer protection policies and complaint procedures?			addresses and stakeholder complaint mailboxes on the website, which makes adequate channels for customers' suggestions and petitions to protect the rights and interests of customers.	
(6) Whether the Company have formulated a supplier management policy which requires suppliers to comply with the relevant regulations on issues such as environmental protection, occupational safety and health, or labor rights, and how their implementation is.	V		(6) The company formulated "Supply Manual" to regulate the suppliers shall follow the following requirements: A. Sustainable development I. As for the human rights aspect, we don't protect any behavior and activities that encroach human rights. II. Effective guarantee of the freedom of establishing unions and the right to negotiate with groups. III. Eliminate any forms of forced activities, including human trafficking. IV.Abolish child labor practically and effectively. V. Refuse any discrimination among labor and occupation aspects. VI. The wages and the benefits need to comply with local regulations. B. Environmental aspect I. If the supplier is the manufacturer, it shall meet IS014001 or similar standards or other environmental management systems which suits the specific industry.	(6) No difference.

Promotion items	Implementation Status (Note 1)			Difference from the Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies and reasons thereof
	Yes	No	Abstract Explanation (Note 2)	
			Other suppliers are obliged to meet the goal of ISO14001 through proper measure implementation. II. Ban minerals from conflict zones, and toxic substances marked by RoHS. C. Health and safety aspect Suppliers shall formulate and implement a safety production management system in accordance with local government. The system shall include personal emergency protection equipment preparation, fire-proof, working environment, and chemicals management. D. Business ethics aspect I. Suppliers shall sign the “Honesty and Integrity Agreement” to prevent corruption and protect the legal profits of the two parties, enabling the both parties to establish a long-term, win-win partnership. II.Sign purchasing agreement to regulate confidentiality. In 2023, we have completed the signing of the "Supplier Integrity Agreement" with 243 major Cooperative manufacturers. Each supplier is required to obtain various management system certifications based on their business category, and will be included in the supplier annual evaluation for 2023. We expect our suppliers to fulfill requirements such as environmental protection, occupational safety, and integrity and ethics.	

<table>
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<tr><th>Yes</th><th>No</th><th>Abstract Explanation (Note 2)</th></tr>
<tr><td colspan="5">5. Whether the Company referred to the reporting standards or guidelines which are accepted internationally for compiling reports which disclosed the non-financial information of the Company, such as the sustainable development report.
Whether the previous report obtained the assurance or verification statement of a verification unit from the third party.
The company is currently in the process of preparing the sustainability report, will evaluate the impact and benefit function of the report that discloses the non-financial information on the sustainable development, It is expected to be completed in August 2024.</td></tr>
<tr><td colspan="5">6. If the Company has established the sustainable development principles based on “the Sustainable Development Best-Practice Principles for TWSE/TPEx Listed Companies”, please describe any discrepancy between the Principles and their implementation:
The Company has established sustainable development by principles and has implemented it according to the principles.</td></tr>
<tr><td colspan="5">7. Other important information to facilitate better understanding of the Company’s sustainable development practices:
When hiring, the Company adopts appropriate methods regardless of race, gender, age, political view or regions, but consider the individual’s professional knowledge and skills to provide fair employment opportunities for the applicant and making sure the work they do is voluntary.
The Company actively participates in works with various social services and help underprivileged groups in order to help the community who are in need, have a caring heart to give back to the society. For example, the subsidiaries of the Company participated in the following public welfare and donation activities:
1. Subsidiary-Sixxon Precision Machinery Co., Ltd.
To enhance communication with Minghsin University of Science and Technology and encourage students to strive for progress, donations of NT$100,000 to the Department of Mechanical Engineering and NT$20,000 to the Department of Industrial Management.
2.Subsidiary-Global PMX Co., Ltd. (Zhejiang)
(1) Donated RMB 30,000 to the Jiaxing Charitable Federation's Poverty Alleviation Assistance Fund for the 2023 Charity Naming (Poverty Alleviation Assistance) project.
(2)We donated RMB 10,000 to Jiaxing Shanyuan Agricultural Development Co., Ltd. as part of the poverty alleviation and agricultural assistance initiative organized by the</td></tr>
</table>

Promotion items	Implementation Status (Note 1)			Difference from the Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies and reasons thereof
	Yes	No	Abstract Explanation (Note 2)	
Yaozhuang Government in Jiashan County, Zhejiang Province in 2023. (3)Employees participated in the 2023 "Hematopoietic Stem Cell" donation and voluntary blood donation charity event organized by the Jiashan Red Cross Society. 3. Subsidiary-Seamax Manufacturing Pte Limited. Employees participated in the Dongguan "2023 Ten Thousand People Donate Blood and Plasma to Save Ten Thousand People" unpaid blood donation public welfare activity. The groups offer employment opportunities for the disabled. While striving to operate the industry and provide a stable and exceptional working environment, the Company also seeks maximum benefits for the shareholders and related stakeholders. In the future, in addition to improving product quality, strengthening competiveness and cultivating professional talents, the Company actively demonstrates corporate responsibility and implements its core values.				

Note 1: If "Yes" is selected for the implementation status, please explain the important policies, strategies, measures and implementation status. If "No" is selected for the implementation status, please explain the difference and reason and the related policies, strategies and measures to the implemented in the future.

Note 2： The materiality principle refers to those related to environmental, social and corporate governance issues that have significant influence on the Company's investors and other interested parties.

Climate-related Information of TWSE/TPEx Listed Companies

Disclosure of climate-related information

Item	Implementation status
1. Describe the supervision and governance of the Board and the management team regarding climate-related risks and opportunities.	Authorized by the Board of Directors, the General Manager has established the "ESG Promotion Team," comprised of top executives from various factory locations and representatives from relevant departments. The team aims to enhance the promotion of corporate sustainable development and manage various related matters while identifying and managing climate-related risks and opportunities. The Board of Directors serves as the highest supervisory body. Each factory location is actively promoting greenhouse gas inventory operations, collecting data, and planning carbon emission reduction strategies. The ESG Promotion Team

Item	Implementation status
	regularly reports on greenhouse gas inventory and progress planning to the Board of Directors on a quarterly basis. In accordance with our company's "Risk Management Policy and Procedures," a risk management team has been established. The risk management team is responsible for executing risk management activities and analyzing and monitoring relevant risks within the organization to ensure the effective implementation of risk control mechanisms and procedures. Annually, a comprehensive assessment of various risk scenarios, including climate-related risks, is conducted to develop strategies for addressing climate change-related issues. The team is required to hold meetings at least once and regularly report the results of risk management to the board of directors.
2. Describe how the identified climate risks and opportunities affect the business, strategy, and finances of the company (in the short, medium, and long term).	In light of the global trends in climate change and the low-carbon market, we continue to closely monitor the risks and opportunities associated with climate change. We refer to the climate risk and opportunity factors suggested by the Task Force on Climate-related Financial Disclosures (TCFD), relevant policies and regulations, and market technological shifts to assess the potential impacts in the short, medium, and long term. We conduct annual reviews of changes in regulations, technology, policies, and market trends, perform various scenario and risk analyses, and develop or adjust plans to address the company's business, strategies, and finances accordingly. We have set targets for short-term, medium-term, and long-term reduction of carbon emissions by 2030 and 2050, as well as reductions in water and electricity usage and the utilization of renewable energy sources. Furthermore, we have established a goal to achieve net-zero emissions by 2050.
3. Describe the impact of extreme climate events and transitional actions on company finances.	The company will initiate the "Climate Change and Opportunity Assessment Process" in 2024. Referencing the three scenarios outlined in the International Energy Agency's World Energy Outlook (WEO 2022), physical risks will be analyzed based on the methodology outlined in the Intergovernmental Panel on Climate Change's Sixth Assessment Report (AR6). The assessment process is expected to be completed by 2024. Based on the results of the assessment, strategies for response and adjustment plans will be proposed and submitted to the Board of Directors for approval.
4. Describe how climate risk identification, assessment and management processes are integrated into the overall risk management system.	According to the Company's "Risk Management Policy and Procedures," the Risk Management Team, guided by the risk management policy, coordinates with relevant departments to jointly identify internal and external risks faced by the company. These risks include aspects such as market, operations, environment, and occupational hazards, assessing their likelihood and severity. The ESG Promotion

Item	Implementation status
	Team defines the risk levels of climate risk items, devises response strategies, and regularly monitors and reviews changes in risks through periodic rolling monitoring. The Risk Management Team then reports regularly to the Board of Directors.
5. If a scenario analysis is adopted for the assessment of resilience to climate change risks, then the scenarios, parameters, assumptions, and analysis factors used, as well as the major financial impacts should be explained.	Expected in 2024, coordinated by the headquarters, scenario analyses will be conducted for various operational locations. These analyses will reference three scenarios outlined in the World Energy Outlook (WEO 2022) by the International Energy Agency (IEA): (1)Announced Pledges Scenario (APS): Incorporating the latest climate pledges from countries, including nationally determined contributions and long-term net-zero targets. It is assumed that countries' climate pledges will be achieved on schedule, resulting in a global average temperature rise of approximately 1.7°C above pre-industrial levels by 2100. (2)Stated Policies Scenario (STEPS): Examining development under current policies and the challenges that may arise. This scenario projects a global average temperature rise of approximately 2.5°C above pre-industrial levels by 2100. (3) Net Zero Emissions by 2050 Scenario (NZE): Achieving the global goal of limiting temperature rise to 1.5°C and transitioning to widespread use of modern energy by 2030. Estimations will be made regarding the significant financial impacts climate risk changes may have on the operations and finances of various locations, and strategies for mitigation or adaptation will be planned.
6. If there is a transition plan for managing climate-related risks, please describe the content of the plan, as well as the indicators and goals used to identify and manage physical risks and transition risks.	To address the increasing greenhouse gas emissions or regulations imposed on them, resulting in rising carbon emission costs, the company will gradually plan to install solar power generation facilities at various factory sites and replace inefficient facilities. It will introduce high-energy-low-consumption advanced primary and auxiliary equipment and implement various energy-saving and carbon-reduction measures at the factory sites. The company will actively develop its product line in the new energy vehicle market, continuously upgrading key components products such as electric vehicles, hybrid vehicles, and hydrogen energy vehicles to maintain its competitiveness in the industry.
7. If internal carbon pricing is used as a planning tool, the basis for setting the price should be stated.	The Company currently does not use internal carbon pricing as a planning tool.
8. If climate-related goals are set, information such as the activities involved, the scope of greenhouse gas	Refer to the explanations in sections 1-1 and 1-2. Currently, there is no use of carbon offsets or renewable energy certificates (RECs).

Item	Implementation status
emissions, planning schedule, and annual progress should be disclosed. If carbon offsets or renewable energy certificates (RECs) are used to achieve the relevant goals, the source and quantity of carbon reductions for carbon offsets or the quantity of renewable energy certificates (RECs) should be explained.	
9. Greenhouse gas inventory and assurance results.	The greenhouse gas inventory and verification situation, reduction targets, strategies, and specific action plans refer to the explanations provided in the following 1-1 and 1-2.

1-1 Greenhouse Gas Inventory and Confirmation Situation of the Company in the Last Two Years

The parent company should conduct inventories starting from 2025.

Subsidiaries included in the consolidated financial statements should conduct inventories starting from 2026.

The greenhouse gas emissions in the last two years are as shown in the table below: Except for the subsidiary Global PMX Co., Ltd. (Zhejiang) whose greenhouse gas emissions data has been audited and certified by the third-party SGS, the rest subsidiaries are self-inventory data from each operating site, which has not yet been verified by a third party.

year	Scope 1 (tons CO2e)	Scope 2 (tons CO2e)	Scope 2 (tons CO2e)	Total (tons CO2e)	Greenhouse gas emission intensity per million dollars of revenue
2022	216.87	55,282.79	Not yet calculated	55,499.66	6.0097
2023	898.97	46,151.25	896,733.41	943,783.63	132.5167

1-1-2 Greenhouse Gas Verification Information

The parent company should commence verification from 2027.

Subsidiaries included in the consolidated financial statements should commence verification from 2028.

The Company expects to conduct an external verification of GHG emissions in 2027.

1-2 Greenhouse Gas Reduction Targets, Strategies and Specific Action Plans：

Carbon Neutral Path Planning Table			
	Short-term Objectives	Medium Term Objectives	Long-term Objectives
Year	2028	2030	2050
Carbon	a decrease of 7.5%	a decrease of 12.5%	with the effort goal of

reduction targets	compared to the emissions in 2025	compared to the emissions in 2025	achieving carbon neutrality
Strategies and specific action plans	1. Replace inefficient facilities with advanced, high-energy, and low-consumption main and auxiliary equipment. 2. Purchase green energy annually. 3. Install solar power generation systems. 4. Improve production efficiency. 5. Implement water recycling management for water cleaning lines. 6. Transition water cleaning lines to hydrocarbon cleaning lines. 7. Implement waste heat recovery from air compressors to meet hot water demand. 8. Manage electricity usage for air conditioning. 9. Adopt electrochemical energy storage systems. 10. Manage paper consumption.	1. Gradually replace air conditioning units with models that use environmentally friendly refrigerants. 2. Purchase green energy annually. 3. Gradually replace government gasoline-powered cars with electric or hybrid vehicles. 4. Scientifically based carbon reduction targets approved by the Sty official audit. 5. Procure renewable energy sources.	1. Utilize factory space to install renewable energy generation facilities. 2. Purchase green energy annually. 3. Procure renewable energy sources.

(6) Circumstances of the company fulfilling ethical corporate management and the differences with the Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies and the reasons thereof.

Evaluation	Implementation Status (Note 1)			Deviations from “the Ethical Corporate Management Best-Practice Principles for TWSE/TPEx Listed Companies” and Reasons
	Yes	No	Description	
1. Establishment of ethical corporate management policies and programs (1) Did the company develop ethical corporate management policies approved by the board of directors and clearly state its policies and practices of ethical corporate management in the regulations and external documents? Are the Board of Directors and the senior management implementing the commitment to business policies?	V		(1) The Company has formulated「Procedures for Ethical Management and Guidelines for Conduct」that approved by the Board of Directors in accordance with「Corporate Social Responsibility Best Practice Principles」, and the Company’s stipulate that employees shall not accept hospitalities, gifts, kickbacks, or other unlawful interests due to their duties or violations of their duties. These operations have been disclosed on the company website and Market Observation Post System (MOPS) to implement corporate governance and integrity management policies.	(1)No difference.
(2) Did the company establish the assessment system for the risks of unethical behaviors and regularly analyze and assess the business activities with higher risks of unethical behaviors within its	V		(2) The Company’s “Integrity Operations Code” and “Procedures for Ethical Management and Guidelines for Conduct” clearly states the prohibition of giving bribery or taking bribery, offering illegal political contributions, improper charitable donations or sponsorship, unreasonable gifts,	(2)No difference.

Evaluation	Implementation Status (Note 1)			Deviations from "the Ethical Corporate Management Best-Practice Principles for TWSE/TPEx Listed Companies" and Reasons
	Yes	No	Description	
business scope? Furthermore, did the company establish prevention programs against unethical behaviors, which at least covered the prevention measures for the behaviors in Article 7, Paragraph 2 of "Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies"?			hospitality or other improper benefits. The Company also regularly issues notices and information of relevant regulations to enhance integrity and self-discipline.	
(3) Has the Company clearly established and implemented operating procedures, code of conduct, penalties for violation and complaint system in the prevention programs against unethical behaviors as well as reviewed and revised the aforementioned programs regularly?	V		(3) The Company has established an effective accounting system and internal control system for business activities with high risk of unethical conducts, and reviews it on a regular basis to ensure that the design and implementation of the system is effective. The Company also carries out internal audit plans on a regular basis to effectively prevent violations.	(3)No difference.
2. Fulfill operations integrity policy (1) Does the Company evaluate business partners' ethical records and include ethics-related clauses in business contracts?	V		(1) The Company avoids dealing with those who have records of unethical conducts when engaging in business, and stipulates the terms of integrity in the relevant business contract.	(1)No difference.
(2) Has the company established units exclusive for the	V		(2)The Company's Administration Department is the dedicated unit that promotes business integrity.	(2)No difference.

Evaluation	Implementation Status (Note 1)			Deviations from "the Ethical Corporate Management Best-Practice Principles for TWSE/TPEx Listed Companies" and Reasons
	Yes	No	Description	
promotion of ethical corporate management, which are affiliated under board of directors and will report regularly (at least once a year) to board of directors about the programs, supervision and execution situations for the ethical corporate management policies and the prevention against unethical behaviors?			According to the job responsibilities and scope of each department, it is responsible for assisting the Board of Directors and the management to formulate and supervise the implementation of integrity operation policies and prevention programs, and ensuring the implementation of the Integrity Operations Code. Its implementation shall be reported to the Board of Directors regularly every year. The situation of integrity operations was reported to the Board of Directors which on November 6, 2023 and disclosed on the Company website.	
(3) Does the Company establish policies to prevent conflicts of interest and provide appropriate communication channels, and implement it?	V		(3) The Company has established a policy to prevent conflicts of interest in the Integrity Operations Code, it shall report to the audit committee, managers, and internal audit supervisors if there are violations.	(3)No difference.
(4) Has the Company established effective accounting systems and internal control systems for implementing Ethical Corporate Management and has its internal audit unit developed relevant audit programs according to the assessment results for the risks of unethical behaviors as well as	V		(4) The management of the Company has established an effective accounting system and internal control system. The internal auditors have planned the audit according to the risk levels and carried out the evaluation. So as to reasonably ensure the implementation of integrity operations.	(4)No difference.

Evaluation	Implementation Status (Note 1)			Deviations from "the Ethical Corporate Management Best-Practice Principles for TWSE/TPEx Listed Companies" and Reasons
	Yes	No	Description	
reviewed compliance to prevention against unethical behaviors or entrusted accountants to conduct the review ?				
(5) Does the Company regularly hold internal and external educations trainings on operational integrity?	V		(5) The Company has established the " Ethical Corporate Management Best Practice Principles," " Procedures for Ethical Management and Guidelines for Conduct," and "Internal Handling of Material Nonpublic Information and Prevention of Insider Trading Procedures" to actively promote the core values of corporate integrity and honesty and prevent corrupt events from happening. These guidelines are posted in the "Corporate Governance" section of the Company's official website and are also included in the training and education of new employees by our Human Resources Department to convey the Company's policies on integrity and strengthen employee values on ethical conduct. The Company regularly provides "Internal Equity Trading Q&A" to internal staff, including information on declaration obligations and prohibition of insider trading. We also periodically provide information on Securities and Exchange Act promotion and	(5)No difference.

Evaluation	Implementation Status (Note 1)			Deviations from "the Ethical Corporate Management Best-Practice Principles for TWSE/TPEx Listed Companies" and Reasons
	Yes	No	Description	
			participate in prevention of insider trading promotion meetings held by the regulatory authorities. In 2023, the Company held internal and external training course related to integrity management issues (including courses on professional ethics, legal responsibilities, internal control, and integrity management,), and 60 people were participated for 120 person-hours.	
3. Operation of the integrity channel (1) Does the Company establish both a reward/punishment system and an integrity hotline? Can the accused be reached by an appropriate person for follow-up?	V		(1) The Company's "Procedures for the Management of Fraudulent Conduct" has provided proper reporting channel and the whistleblower's identity and the content of the report shall be kept confidential. If violations of laws and regulations or ethical conduct are found, they may be reported to an internal audit supervisor or other appropriate person.	(1)No difference.
(2) Has the Company established standard operating procedures for the investigation on complaints and the follow-up measures to be adopted after the investigation is completed as well as the relevant	V		(2) In order to encourage employees to report violations, the Company has established the "Procedures for the Management of Fraudulent Conduct", of which employees know that the Company will do its utmost to protect the privacy of the whistleblower and keep it confidential.	(2)No difference.

Evaluation	Implementation Status (Note 1)			Deviations from "the Ethical Corporate Management Best-Practice Principles for TWSE/TPEx Listed Companies" and Reasons
	Yes	No	Description	
confidentiality mechanisms? (3) Does the Company provide proper whistleblower protection?	V		(3) The Company shall be responsible for the confidentiality and protection of the whistleblower.	(3)No difference.
4. Strengthening information disclosure Does the Company disclose its ethical corporate management policies and the results of its implementation on the Company's website and MOPS?	V		The Company has a website that discloses relevant information of the Company and has designated people who are responsible for data maintenance and updates. At present, there is no disclose of the ethical corporate management to promote results.	No difference.
5. If the Company has established the ethical corporate management policies based on the "Ethical Corporate Management Best-Practice Principles for TWSE/TPEx Listed Companies", please describe any discrepancy between the policies and their implementation: The Company has established "Ethical Corporate Management Best-Practice Principles", which have been implemented according to the principles, therefore, there is no difference. ◦				
6. Other important information to facilitate a better understanding of the Company's ethical corporate management policies (such as review and revision of regulations): None				

(7) If the Company has adopted corporate governance best-practice principles or related bylaws, disclose how these are to be searched:

The Company has established the integrity operation rules according to the "Integrity Operation Best Practice Principles", "Sustainable Development Best Practice Principles", "Integrity Operations Code", "Procedures for Ethical Management and Guidelines for Conduct" and "Operating Procedure for Material Information Processing and Prevention of Insider Transactions." for TWSE/GTSM-Listed

Companies", as well as setting up the audit committee and remuneration committee, related guidelines and regulations can be found on MOPS or it's the Company's official website (http://www.global.com.tw/).

(8) Other significant information that will provide a better understanding of the state of the Company's implementation of corporate governance may also be disclosed:

1. The Company has established procedures for handling material inside information, and all relevant documents required for the disclosure of important information shall comply with the Company's internal procedures.
2. The disclosure of material inside information shall be handled with by the spokesperson. Other than the Company's Chairman, spokesperson and deputy spokesperson, the personnel of the Company shall not disclose the internal important information without authorization.
3. In the most recent year and as of the publication date of the annual report, the corporate managerial officials' participation in corporate governance-related education and training is as follows:

Title	Name	Date of Continued Education	Continued Education Organizer	Course name	Hours of Continued Education
General Manager	Lin, Ci-Qing	2023/11/06	Taiwan Corporate Governance Association	The legal responsibilities of Directors and Supervisors of the Listed Companies	3H
Assistant Vice President / Corporate Governance officer	Yen, Rui-Quan	2023/10/03	The Institute of Internal Auditors-Chinese Taiwan	Audit Practices Seminar on 'Cybersecurity Protection' and 'Cloud Security'	6H
		2023/11/09		Policy Analysis of 'Self-Compiled Financial Reports' and 'Sustainability Reports' and Key Discussions on Internal Audit Control Practices (including 'Sustainable Development Action Plans for Listed Companies' (2023))	6H
Accounting supervisor	Huang, Yao-Ling	2023/07/27 ~ 2023/07/28	Accounting Research and Development Foundation	Continued Education of Principal Accounting Officers of Issuers, Securities Firms, and Securities Exchanges	12H

(9) Status of implementation of internal control system:

i. Statement of Internal Control System

Global PMX Co., LTD.

Statement of Internal Control System

Date: March 11, 2024

Based on the findings of a self-assessment, Global PMX Co., Ltd. states the following with regard to its internal control system during the year 2023:

1. The Company's board of directors and managements are responsible for establishing, implementing, and maintaining an adequate internal control system and have already established it. Its purpose is: i. to provide reasonable assurance over the effectiveness and efficiency of our operations (including profitability, performance and safeguarding of assets); ii. The report has reliability, timeliness, transparency; iii. It is compliance with applicable rulings, laws and regulations.

2. An internal control system has inherent limitations. No matter how perfectly designed, an effective internal control system can provide only reasonable assurance of accomplishing its three stated objectives above. Moreover, the effectiveness of an internal control system may be subject to changes due to extenuating circumstances beyond our control. Nevertheless, our internal control system contains self-monitoring mechanisms, and the Company takes immediate remedial actions in response to any identified deficiencies.

3. The Company evaluates the design and operating effectiveness of its internal control system based on the criteria provided in the Regulations Governing the Establishment of an Internal Control System by Public Companies (herein below, the Regulations). The criteria adopted by the Regulations identify five key components of managerial internal control: i. control environment, ii. Risk assessment, iii. Control activities, IV. Information and communication, and v. monitoring activities.

4. The Company has evaluated the design and operating effectiveness of its internal control system according to the aforesaid Regulations.

5. Based on the findings of such evaluation, the Company believes that, on December 31, 2023, it has maintained, in all material respects, an effective internal control system (that includes the supervision and management of our subsidiaries), to provide reasonable assurance over our operational effectiveness and efficiency, reliability, timeliness, transparency of reporting, and compliance with applicable rulings, laws and regulations.

6. This Statement is an integral part of the Company's annual report and prospectus, and will be made public. Any falsehood, concealment, or other illegality in the content made public will entail legal liability under Articles 20, 32, 171 and 174 of the Securities and Exchange Law.

7. This Statement was approved by the board of directors in their meeting held on March 11, 2024, with none of the 8 attending directors expressing dissenting opinions, and the remainder all affirming the content of this Statement.

Global PMX Co., LTD.

Chairman: Sixxon Tech Co., Ltd.

Legal Representative: Lin, Zheng-Sheng

General Manager: Lin, Ci-Qing

ii. If CPA was engaged to conduct a Special Audit of Internal Control System, provide its audit report: None.

(10) For the most recent fiscal year or during the current fiscal year up to the date of publication of the annual report, disclose any sanctions imposed in accordance with the law upon the Company or its internal personnel, any sanctions imposed by the Company upon its internal personnel for violations of internal control system provisions, principal deficiencies, and the state of any efforts to make improvements:

i. Sanctions imposed in accordance with the law upon the Company or its internal personnel: None.

ii. Any sanctions imposed by the Company upon its internal personnel for violations of internal control system provisions, principal deficiencies, and the state of any efforts to make improvements: None.

(11) Material resolutions of a shareholders meeting or a board of directors meeting during the most recent fiscal year or during the current fiscal year up to the date of publication of the annual report:

i. The Shareholders Meeting

1. Material resolutions made by the Shareholders Meeting of 2023

The Company held a shareholders' meeting on June 20, 2023. Material resolutions and implementations made by the shareholders' meeting

Major Resolutions	Resolution Result	Implementation Status
Approval of the 2022 Business Report and Financial Statements	Approved the board's proposal by voting	Not available.
Approval of the Distribution of 2022 earnings	Approved the board's proposal by voting	(1) The 2022 earnings distribution has been fully allocated. (2) The cash dividend of shareholders was NT$ 691,334,988, and the cash dividend per share was NT$6.

Major Resolutions	Resolution Result	Implementation Status
		(3) The ex-dividend date was July 22, 2023, and was paid on August 15, 2023.
The nine directors are considered to be re-elected.	According to the Article Incorporation of the company，The company election of directors shall adopt a candidate nomination system. List of 9 Director (including 4 Independent Directors) by election are Directors Lin, En-Dao Sixxon Tech. Co., Ltd., , He, Rui-Zheng, Lin, Ci-Qing , Chung, I-Teng, and Independent Directors are Tsai, Chia-Yu, Huang, Fung-Ting, Chen, Chun-Yuan and Lin, Paiwen.	1. The board of directors appointed Director Lin, En-Dao as the Chairman on June 20, 2023, and was announced on the MOPS. 2. It was registered upon the approval of the Ministry of Economic Affairs on July 10, 2023.
Removal the Business Strife Limitation of the newly elected directors and the director's legal representative.	Approved the board's proposal by voting	It was announced on the MOPS on June 20, 2023.

ii. Material resolutions made by the board of directors' Meeting during 2023 and up to the date of publication of the annual report:

Meeting Date	Material Resolutions	Implementation Status
March 27, 2023 1st time	1. The business report and financial statement of 2022. 2. Distribution of 2022 Earnings of cash dividend. 3. The earnings distribution of 2022. 4. The distribution of compensation for employees and directors of 2022. 5. The payment for the Company's employee and director remuneration of 2022. 6. The Internal Control System Statement of 2022. 7. The 2022 annual review and assess the competency and independence of the CPA. 8.Change of the Company's CPA and review CPA's independence evaluation 9. The Company and its subsidiaries proposed to apply for a comprehensive credit limit from financial institutions and make the Endorsements and guarantees for subsidiaries. 10. For the accounts receivable (including related parties and non-related parties) with significant amounts that are beyond the normal credit period more than three months, the nature is not of loan to others. 11. Matters related to the convening of the 2023 shareholders' general meeting. 12. To elect nine Directors (including five directors and four independent directors) 13. Acceptance of the shareholder's proposals and the candidate nominations of directors and independent directors. 14. The directors (independent director) candidates	1. All attending directors have approved. 2. All attending directors have approved. 3. All attending directors have approved. 4. All attending directors have approved. 5. All attending directors have approved. 6. All attending directors have approved. 7. All attending directors have approved. 8. All attending directors have approved. 9. All attending directors have approved. 10. All attending directors have approved. 11. All attending directors have approved. 12. All attending directors have approved. 13. All attending directors have approved. 14. All attending directors have

Meeting Date	Material Resolutions	Implementation Status
	nominated and reviewed by Board of Directors. 15. Removal the Business Strife Limitation of the newly elected directors and the director's legal representative.	approved. 15. All attending directors have approved.
May 8, 2023 2nd time	1. The Company of financial statements of the first quarter of 2023. 2. The Company and its subsidiaries proposed to apply for a comprehensive credit limit from financial institutions and make the endorsements and guarantees for subsidiaries. 3. Amendment to the certain provision of some Procedures of the Company. 4. To formulate the "Pre-approval Procedure for Non-Assurance Services by CPAs".	1. All attending directors have approved. 2. All attending directors have approved. 3. All attending directors have approved. 4. All attending directors have approved.
June 20, 2023 3rd time	1. Election of the new chairman in accordance with the Company's articles of Incorporation. 2. Appointment of members of the 5th Remuneration Committee. 3. The remuneration of the Company's independent director.	1. All attending directors have approved. 2. All attending directors have approved. 3. All attending directors have approved.
July 28, 2023 4th	1. Election of the new chairman in accordance with the Company's articles of Incorporation. 2. Appointment general manager by the board of directors.	1. All attending directors have approved. 2. All attending directors have approved.
Aug 7, 2023 5th time	1. The financial statements of the second quarter of 2023. 2. The Company and its subsidiaries proposed to apply for a comprehensive credit limit from financial	1. All attending directors have approved. 2. All attending directors have approved.

Meeting Date	Material Resolutions	Implementation Status
	institutions and make the endorsements and guarantees for subsidiaries.	
Nov 6, 2023 6th time	1. The financial statements of the third quarter of 2023. 2. The Company's operating plans and budget of 2024. 3. The Company's audit plans of 2024. 4. The appointment and remuneration of the Company CPA of 2024. 5. Proposed the implementations of various remuneration projects by the directors and managers of 2024. 6. The Company's directors and managers' year-end bonus of 2023. 7. Review the salary and compensation of Ms. Lin, Ci-Qing, general manager appointed by the board of directors. 8. The Company and its subsidiaries proposed to apply for a comprehensive credit limit from financial institutions and make the Endorsements and guarantees for subsidiaries. 9. For the accounts receivable (including related parties and non-related parties) with significant amounts that are beyond the normal credit period more than three months, the nature is not of loan to others.	1. All attending directors have approved. 2. All attending directors have approved. 3. All attending directors have approved. 4. All attending directors have approved. 5. All attending directors have approved. 6. All attending directors have approved. 7. All attending directors have approved. 8. All attending directors have approved. 9. All attending directors have approved.
March 11, 2024 1st time	1. The business report and financial statement of 2023. 2. Distribution of 2023 Earnings of cash dividend. 3. The earnings distribution of 2023. 4. The distribution of compensation for employees and directors of 2023.	1. All attending directors have approved. 2. All attending directors have approved. 3. All attending directors have approved. 4. All attending directors have approved.

Meeting Date	Material Resolutions	Implementation Status
	5. The payment for the Company's employee and director remuneration of 2023. 6. The Internal Control System Statement of 2023. 7. The 2023 annual review and assess the independence And competency of the CPA. 8. The Company and its subsidiaries proposed to apply for a comprehensive credit limit from financial institutions and make the Endorsements and guarantees for subsidiaries. 9. For the accounts receivable (including related parties and non-related parties) with significant amounts that are beyond the normal credit period more than three months, the nature is not of loan to others. 10. Amendment to the Rules of Procedure for Shareholder Meetings. 11. The date, place, and contents related to the convening of the 2023 shareholders' general meeting. 12. Acceptance of the shareholder's proposal for the 2024 annual general meeting of shareholders. 13. The project of indirectly investment in Mexico. 14. Appointed Kao, Shun-Feng from the Administrative Department as corporate governance officer.	5. All attending directors have approved. 6. All attending directors have approved. 7. All attending directors have approved. 8. All attending directors have approved. 9. All attending directors have approved. 10. All attending directors have approved. 11. All attending directors have approved. 12. All attending directors have approved. 13. All attending directors have approved. 14. All attending directors have approved.
May 10, 2024 2nd time	1. The financial statements of the first quarter of 2024. 2. The Company and its subsidiaries proposed to apply for a comprehensive credit limit from financial institutions and make the Endorsements and guarantees	1. All attending directors have approved. 2. All attending directors have approved.

Meeting Date	Material Resolutions	Implementation Status
	for subsidiaries. 3. Amendment of the partial provisions of "rules of procedure for meetings of the board of directors". 4. Appointment of chief internal auditor. 5. In accordance with local government land acquisition and storage policies, the subsidiary company, Global PMX Co., Ltd. (Jiaxing), plans to dispose of its factory's land right-of-use, plant, and associated equipment. 6. For the accounts receivable (including related parties and non-related parties) with significant amounts that are beyond the normal credit period more than three months, the nature is not of loans to others.	3. All attending directors have approved. 4. All attending directors have approved. 5. All attending directors have approved. 6. All attending directors have approved.

Implementation status: The resolutions of the board of directors have been completed according to the board meeting minutes.

(12) Where, during the most recent fiscal year or during the current fiscal year up to the date of publication of the annual report, a director or supervisor has expressed a dissenting opinion with respect to a material resolution passed by the board of directors, and said dissenting opinion has been recorded or prepared as a written declaration, disclose the principal content thereof: None.

(13) A summary of resignations and dismissals, during the most recent fiscal year or during the current fiscal year up to the date of publication of the annual report, of the Company's chairman, general manager, principal accounting officer, principal financial offer, chief internal auditor, chief corporate governance officer, and principal research and development officer:

Title	Name	Date of assuming office	Date of resignation or dismissal	Reason for resignation or dismissal
Chairman (general manager)	Lin, En -Dao	2011.01.01	2023.07.27	Death
Chief corporate governance officer	Yen, Rui-Quan	2011.11.01	2024.02.16	Position adjustment
Chief internal auditor	Kao, Shun-Feng	2012.03.15	2024.02.16	Position adjustment

5. Information on CPA Fees:

Unit: NT$ Thousand

Accounting Firm	Name of CPAs	CPA Audit Period	Audit Fee	Non-Audit fee	Subtotal	Remarks
Deloitte & Touché Taiwan	Hsueh, Jun-Min	January 1, 2023~December 31, 2023	3,660	1,030	4,690	Note 1
	Kuo, Nai-Hua	January 1, 2023~December 31, 2023				

Note 1: The transfer pricing report for non-audit fees is NT$230,000, and the Filing Returns Assessed and Certified by CPA is NT$800,000.

Note 2: If the CPA firm changes, and the audit fee paid in the year of such change is reduced from the audit fee of the previous year, the amount of the audit fee before and after such change and the reason of such change should be disclosed：Not applicable

Note 3: When the audit fees paid for the current fiscal year are lower than those for the previous fiscal year by 10% or more, the reduction in the amount of audit fees, reduction percentage, and reason(s) therefore shall be disclosed: None

6. Information on Replacement of Certified Public Accountant: None

(1) Regarding the former CPA:

<table>
<tr><td>Replacement Date</td><td colspan="3">March 27, 2023</td></tr>
<tr><td>Replacement reasons and explanations</td><td colspan="3">The internal organizational adjustment of the accounting firm.</td></tr>
<tr><td rowspan="3">Describe whether the company terminated or the CPA did not accept the appointment</td><td>Status＼Parties</td><td>CPA</td><td>The Company</td></tr>
<tr><td>Appointment terminated automatically</td><td>✓</td><td></td></tr>
<tr><td>Appointment rejected (discontinued)</td><td></td><td></td></tr>
<tr><td>Other issues (except for unqualified issues) in the audit reports within the last two years</td><td colspan="3">None</td></tr>
<tr><td rowspan="3">Differences with the company</td><td rowspan="3">Yes</td><td></td><td>Accounting principles or practices</td></tr>
<tr><td></td><td>Disclosure of financial statement</td></tr>
<tr><td></td><td>Audit scope or steps</td></tr>
</table>

			Others
	No	✓	
	Remarks		
Other revealed matters	None		

(2) Regarding the successor CPAs

Name of accounting firm	Deloitte & Touche
Name of CPA	Hsueh, Jun-Min、Kuo, Nai-Hua
Date of appointment	March 27, 2023
Consultation results and opinions on accounting treatments or principles with respect to specified transactions and the Company's financial reports that the CPA might issue prior to the engagement	None
Succeeding CPA's written opinion of disagreement towards the former CPA	None

(3) The reply of former CPAs on Article 10.6.1 and Article 10.6.2.3 of the standards:
Not Available.

7.The Status of the Company's Chairman, President, and Financial or Accounting Managers has in the Most Recent Year Held a Position at the Accounting Firm of Its CPA or at Affiliated Enterprise of Such Accounting Firm, the Name and Position of the Person, and the Period during which the Position was Held, shall be Disclosed: None.

8. Any Transfer of Equity Interests and/or Pledge of or Change in Equity Interests (During the Most Recent Fiscal Year or During the Current Fiscal Year up to the Date of Publication of the Annual Report) by a Director, Supervisor, Managerial Officer, or Shareholder with A Stake of More than 10 Percent during the Most Recent Fiscal Year or during the Current Fiscal Year up to the Date of Publication of the Annual Report:

(1) Change in equity transfer and equity pledge:

Unit: Shares

Title	Name	2023		Current year to March 31, 2024	
		Shareholding Increase/ Decrease	Pledged Shares Increase/ Decrease	Shareholding Increase/ Decrease	Pledged Shares Increase/ Decrease
Chairman and Major Shareholder	SIXXON TECH. CO., LTD. Representative : Lin, Zheng-Sheng	—	—	—	—
Legal Representative	Lin, Zheng-Sheng (Note 1)	(1,000)	—	—	—
Director	He, Rui-Zheng	—	—	—	—
Director and General Manager	Lin, En-Gao (Note 2)	—	—	—	—
Director	Lin, Liang-Xiong (Note 1)	—	—	—	—
Director and General Manager	Lin, Ci-Qing (Note 2)	—	—	—	—
Director	Chung, I-Teng (Note 2)	—	—	—	—
Independence Director	Gu Qing-De (Note 1)	—	—	—	—
Independence Director	Yang, Xiang-Yu (Note 1)	—	—	—	—
Independence Director	Tsai, Chia-Yu	—	—	—	—
Independence Director	Huang, Fung-Ting (Note 2)	—	—	—	—
Independence Director	Chen, Chun-Yuan (Note 2)	—	—	—	—
Independence Director	Lin, Paiwen (Note 2)	—	—	—	—
Deputy General Manager	Lin, Zhong-Yong	—	—	—	—
Assistant Vice President	Yen, Rui-Quan	—	—	—	—

Accounting Supervisor	Huang, Yao-Ling	(2,000)	—	—	—
Financial Supervisor	Xu, Xue-Lian	(42,000)	—	(1,000)	—
Corporate Governance Officer	Kao, Shun-Feng (Note 3)	—	—	—	—
Shareholder with A Stake of More than 10 Percent	Sixxon Precision Machinery Co., Ltd. (Cayman Islands)	—	—	—	—

Note 1：Chairman Lin, Zheng-Sheng, director Lin, Liang-Xiong, independent director Yang, Xiang-Yu, and independent director Gu Qing-De were dismissed on June 20, 2023, due to the expiration of their terms and the re-election of the shareholders' meeting.

Note 2：Directors Lin, Ci-Qing, Chung, I-Teng, independent directors Huang, Fung-Ting, Chen, Chun-Yuan, and Lin Paiwen were newly appointed through the re-election of the shareholders' meeting on June 20, 2023. Chairman Lin, En-Dao was dismissed due to his passing on July 27, 2023.

Note 3：Corporate governance officer, Kao, Shun-Feng was newly appointed on February 16, 2024 due to a job reassignment

(2) Information on equity transfer: The counterparties of equity transfer are not related parties.

(3) Information on equity pledge: The counterparties of share pledges are not related parties.

9. Relationship Information, if among the Company's 10 Largest Shareholders any One is a Related Party or a Relative within the Second Degree of Kinship of Another:

April 16, 2024, Unit: Share

Name	Shareholding		Spouse & Minor Current Shareholding		Shareholding by Nominee Arrangement		Names and the Relationship among the Top Ten Shareholders in the Relationship of Related Parties or Spouses, Blood Relatives within the Second Degree of Kinship		Re-marks
	Share	%	Share	%	Share	%	Name	Relations	
Sixxon Precision Machinery Co., Ltd. (Cayman Islands) Chairman : Lin, Zheng-Sheng	23,948,000	20.78%	0	0	0	0	SIXXON TECH. CO., LTD.	The Chairman is the same person.	—
							New Alliance Group Limited	The Chairman is the same person.	
SIXXON TECH. CO., LTD. Chairman Lin, Zheng-Sheng	12,256,900	10.64%	0	0	0	0	New Alliance Group Limited	The Chairman is the same person.	—
							Sixxon Precision Machinery Co., Ltd. (Cayman Islands)	The Chairman is the same person.	
Cathay Life Insurance Co., Ltd. Chairman：Hsiung, Ming-Ho	7,138,000	6.19%	0	0	0	0	None	None	—
New Alliance Group Limited Representative: Lin, Zheng-Sheng	5,386,600	4.67%	0	0	0	0	SIXXON TECH. CO., LTD.	The Chairman is the same person.	—
							Sixxon Precision Machinery Co., Ltd. (Cayman Islands)	The Chairman is the same person.	
Elmer Limited Representative: Han, Guang-Xiang	5,376,700	4.67%	0	0	0	0	None	None	—
Elno Technology Co., Ltd Representative: He, Rui-Zheng	5,376,700	4.67%	0	0	0	0	None	None	—
Fubon Life Insurances Co., Limited Chairman: Lin, Fu-Sing	5,131,000	4.45%	0	0	0	0	None	None	—
Tmk Co., Ltd Representative: Wang, Jian-Zhen	4,576,700	3.97%	0	0	0	0	None	None	—
New Giant Limited Representative: Lu, Jing-Wei	3,814,700	3.31%	0	0	0	0	None	None	—
Rich Abundant Limited Representative: Lin, Liang-Xiong	2,666,000	2.31%	0	0	0	0	None	None	—

Note 1: The top ten shareholders shall be listed in full; corporate shareholder shall list its name and the names of its proxy separately.

Note 2: The calculation of the shareholding percentage refers to the percentage of shares held in his/her/its own name, or under the name of his/her/its spouse, children under twenty years of age, or others.

Note 3: The relationship between above-listed juristic person shareholders and natural person shareholders shall be disclosed pursuant to the regulations governing the preparation of financial reports of the issuer.

10. The Total Number of Shares and Total Equity Stake Held in any Single Enterprise by The Company, Its Directors and Supervisors, Managers, and any Companies Controlled either Directly or Indirectly by the Company:

December 31, 2023 Unit: USD/Thousands: %

Affiliated Enterprises (Note)	Ownership by the Company		Directors, Supervisors, Managers, and Directly/Indirectly Controlled Businesses		Total Ownership	
	Shares	%	Shares	%	Shares	%
Fortune Tower Holding CO., Ltd.	125,750	100%	0	0	125,750	100%
Seamax International Ltd.	1,000	100%	0	0	1,000	100%
Ace Plus Technology Limited.	50	100%	0	0	50	100%
Seamax Manufacturing Pte. Limited.	12,200	100%	0	0	12,200	100%
Global Advance Technology Limited.	97,750	100%	0	0	97,750	100%
Seamax Manufacturing Pte., Ltd.(Dongguan)	(Note)	100%	0	0	(Note)	100%
Global PMX Co., Ltd. (Zhejiang).	(Note)	100%	0	0	(Note)	100%
Global PMX Co., Ltd.(Jiaxing)	(Note)	100%	0	0	(Note)	100%
Sixxon Precision Machinery Co., Ltd.	30,000,000shares NT$300,000,000	100%	0	0	30,000,000shares NT$300,000,000	100%

Note: Shares of non-limited companies are not issued; the Company's investment is expressed in proportion to equity.

IV. Capital Overview

1. Capital and Shares

(1) Sources of Capital

i. The formation of capital

Unit: Thousand Shares/NT$ thousand

Year/ Month	Par Value (NT$)	Authorized Capital		Paid-In Capital		Remarks		
		Shares	Amount	Shares	Amount	Source of Capitals	Capital Increased by Assets Other than Cash	Other (Date of Approval, Preference Number)
February 1987	10	1,000	10,000	1,000	10,000	Establishm-ent of share capital	None	Approved by Municipal Government of Taipei government built No. 121418.
April 1995	10	5,000	50,000	5,000	50,000	Cash capital increase	None	Cash increased by 40,000 thousand, Taipei Municipal Government Construction Bureau approved the case of 969317
November 1997	10	10,000	100,000	10,000	100,000	Cash capital increase	None	Cash increased by 50,000 thousand, government built No. (86)126037 was approved.
November 2011	20	65,000	650,000	65,000	650,000	Cash capital increase	None	Cash increased by 550,000 thousand, government built No. 10001279430 was approved on December 13, 2011.
September 2013	25	150,000	1,500,000	75,000	750,000	Cash capital increase	None	Cash increased by 100,000 thousand, government built No. 10201209350 was approved on October 14, 2013.
August 2015	63	150,000	1,500,000	83,000	830,000	Cash capital increase	None	Cash increased by 80,000 thousand, government built No. 10401178660 was approved on August 31, 2015.
May 2016	-	150,000	1,500,000	81,934	819,340	Treasure stock retired	None	Treasure stock retired by 1,066 thousand, case of 10501098320 was approved on May 11, 2016.
April 2020	10	150,000	1,500,000	105,934	1,059,340	Issue new shares for share	None	Issue new shares by 24,000 thousand, case of

Year/ Month	Par Value (NT$)	Authorized Capital		Paid-In Capital		Remarks		
		Shares	Amount	Shares	Amount	Source of Capitals	Capital Increased by Assets Other than Cash	Other (Date of Approval, Preference Number)
						exchange		10901068070 was approved on May 25, 2020.
December 2020	10	150,000	1,500,000	109,610	1,096,103	Share capital of 36,763 NT$ thousands converted from convertible corporate bonds	None	Issue new shares by 3,676 thousand, case of 10901222250 was approved on December 2, 2020.
April 2021	10	150,000	1,500,000	115,222	1,152,225	Share capital of 56,122 NT$ thousands converted from convertible corporate bonds	None	Issue new shares by 5,612 thousand, case of 11001056040 was approved on April 8, 2021.

ii. Type of stock

As of April 16, 2024, Unit: Thousands

Type of Stock	Authorized Capital			Remarks
	Issued Share	Un-Issued Shares	Total	
Registered common stock	115,222	34,778	150,000	15,000 thousand shares were reserved for the issuance of stock options.

iii. Information on shelf registration system: None.

(2) Shareholder Structure

As of April 16, 2024, Unit: Person: Shares: %

Shareholder Structure / Quantity	Government Agencies	Financial Institutions	Other Juridical Person	Individuals	Foreign Institutions and Foreign Persons	Total
Number of shareholders	0	10	31	5,147	90	5,278
Shareholding	0	14,730,240	21,583,790	21,586,724	57,321,744	115,222,498
Holding percentage (%)	0	12.78	18.73	18.74	49.75	100.00

(3) Shareholding Distribution Status

i. Common stock

NT$10 per Share

As of April 16, 2024

Class of Shareholding \ Shares	Number of Shareholders	Shareholding	Percentage
1 ~ 999	1,188	161,621	0.14%
1,000 ~ 5,000	3,397	6,412,261	5.56%
5,001 ~ 10,000	347	2,694,393	2.34%
10,001 ~ 15,000	106	1,366,875	1.19%
15,001 ~ 20,000	66	1,205,020	1.05%
20,001 ~ 30,000	52	1,337,460	1.16%
30,001 40,000	26	949,624	0.82%
40,001 ~ 50,000	13	600,000	0.52%
50,001 ~ 100,000	24	1,806,294	1.57%
100,001 ~ 200,000	25	3,595,000	3.12%
200,001 ~ 400,000	11	3,270,000	2.84%
400,001 ~ 600,000	4	1,995,000	1.73%
600,001 ~ 800,000	1	650,000	0.56%
800,001 ~ 1,000,000	0	0	0%
Over 1,000,001	18	89,178,950	77.40%
Total	5,278	115,222,498	100.00%

ii. Preferred stock: None

(4) Major Shareholders:

List all shareholders with a stake of 5 percent or greater, or the names of the top ten shareholders, specifying the number of shares and takes held by each shareholder on the list.

April 16, 2024

Name of Major Shareholders	Shareholding	Percentage (%)
SIXXON PRECISION MACHINERY CO.,LTD. (Cayman Islands)	23,948,000	20.83
SIXXON TECH. CO.,LTD.	12,256,900	10.64
CATHAY LIFE INSURANCE CO.,LTD.	7,138,000	6.19
NEW ALLIANCE GROUP LIMITED	5,386,600	4.67
ELMER LIMITED	5,376,700	4.67
ELNO TECHNOLOGY CO., LTD	5,376,700	4.67
FUBON LIFE INSURANCE CO.,LTD.	5,131,000	4.45
TMK CO., Ltd	4,576,700	3.97
NEW GIANT LIMITED	3,814,700	3.31
RICH ABUNDANT LIMITED.	2,666,000	2.31

(5) Provide Share Prices for the Past 2 Fiscal Years, Together with the Company's Net worth per Share, Earnings per Share, Dividends per Share, and Related Information

Unit: NT$, Share

Item			2022	2023	March 31, 2024
Market Price Per Share (Note1)	Highest		183	164	131
	Lowest		121	113	101
	Average		154.45	142.57	110.35
Net Worth Per Share	Before distribution		71.07	68.83	71.91
	After distribution		65.07	66.33	69.41
Earnings Per Share	Weighted average shares		115,222,498 shares	115,222,498shares	115,222,498 shares
	Net profit per share after tax (Note3)		12.20	4.47	1.50
Dividends Per Share	Cash dividends		6	2.50	—
	Stock dividends	Stock dividends appropriated from retained Earnings	—	—	—
		Stock dividends appropriated from capital surplus	—	—	—
	Accumulated undistributed dividends (Note 4)		—	—	—
Return On Investment	Price / Earnings ratio (Note5)		12.66	31.13	—
	Price / Dividend ratio (Note 6)		25.74	55.66	—
	Cash dividend yield rate (Note 7)		3.88%	1.80%	—

* If there is a surplus or additional paid-in capital to increase the capital allotment, the market price and cash dividend information adjusted retrospectively based on the number of shares to be issued shall be disclosed.

Note 1: The highest and lowest market prices of common stocks for each year are listed, and are calculated on the basis of the annual transaction value and volume.

Note 2: Please fill in the number of shares issued at the end of the year and the distribution according to the resolution of the board of directors or the shareholders' meeting of next year.

Note 3: If there is a retroactive adjustment from stock dividends, the pre-adjustment and adjusted surplus per share shall be listed.

Note 4: Dividends that have not been issued in the current year are accrued to the issuer of the annual surplus; the accumulated undistributed dividends of the current year should be disclosed separately.

Note 5: Price / Earnings ratio = current year average closing price per share / earnings per share

Note 6: Price / Dividend ratio = current year average closing price per share / cash dividend per share

Note 7: Cash dividend yield rate = cash dividend per share/ current year average closing price per share

Note 8: The Company distributes cash dividends of NT$2.50 which is decided after the resolution of the Board of Directors on March 11, 2024.

Note 9: The net value per share and the earnings per share shall be filed in with the information of the account audited (reviewed) by the CPA in the most recent quarter of the annual report. The remaining fields shall be filled up to the date of publication of the annual report

(6) Company's Dividend Policy and Implementation Status

i. Dividend policy provided in the Articles of Incorporation

Article 18 of the Company's Association

If there is a surplus in the final accounts of the Company, the tax shall be paid to make up for the losses first, and second, 10 percent shall be reserved as statutory surplus reserve, but this is no longer necessary when the statutory surplus reserve has reached the total amount of capital of the Company, and in accordance with the law and the competent authorities, the special surplus reserve shall be increased or rotated. If there is a surplus still, the BOD shall prepare the Surplus distribution case with the previous annual accumulation of undistributed surplus to present in the shareholders' meeting for resolution of distribution of shareholders' dividends and shareholder bonus. The company may authorize the distributable dividends, or legal reserve, or special reserve as referred in the preceding paragraph in whole or in part may be paid in cash after a resolution has been adopted by a majority vote at a meeting of the board of directors attended by two-thirds of the total number of directors; and in addition thereto a report of such distribution shall be submitted to the shareholders' meeting.

The Company's dividend policy is based on the Company's future annual operating plan and the demand for funds. When the dividends are distributed, no less than 30% of the remaining amount of the net profit after tax of the current year, after covering the accumulative losses and setting aside the legal reserve and the special reserve. However, when the shareholder dividends is than NT$0.5, the surplus available for distribution may be retained and not distributed. The dividends shall be distributed in cash or stocks, and cash dividends shall not be less than 50% of the total dividends.

ii. Distribution of dividends at this fiscal year:

The proposed dividend of 2023 earning was NT$2.50 per share (Proposed cash dividend of NT$2.50 per share). After the approval of the board of directors, the authorized chairman is to set a separate interest-bearing base date, which will be distributed by the number of shares held by shareholders on the base date.

(7) Effect upon Business Performance and Earnings per Share of any Stock Dividend Distribution Proposed or Adopted at the Most Recent Shareholder' Meeting: The board of director approved the earning distribution of 2023 on March 11, 2024, which has no stock dividend, therefore there is not effect.

(8) Compensation of Employees, Directors, and Supervisors

i. Ratio or scope of compensation for employees, directors and supervisors, as set forth in the Company's Articles of Incorporation:

The Company's annual profit shall be distributed:

A. The proportion of the employees' compensation shall not be less than 2%.

B. The proportion of the directors' compensation shall not be higher than 2.24%.

The employee compensation aforementioned shall be a resolution made by the board of directors whether to issue shares or cash distribution. The issuance of the object contains a certain condition for the subsidiary employees.

However, when the Company still has accumulated losses, it shall retain the amount of compensation in advance, then distribute compensation to employees and directors according to the first ratio.

ii. The estimated amount of compensation for employees, directors and supervisors for the current period shall be calculated based on number of employee shares of stock considering any accounting discrepancy between the actual distributed amount and compensation for employee stock dividend and estimated figure:

The estimated amount of compensation for employees, directors and supervisors is calculated according to the Company's Articles of Association. If there is any discrepancy between the actual distributed amount and compensation for employees, directors and supervisors, it shall be considered an accounting estimation, and shall be adjusted in the next year.

iii. Distribution of compensation passed by the Board of Directors:

Distribution of compensation was approved by the board of directors on March 11, 2024, the amount and method of issuance are as follows:

A. The compensation of employees: NT$15,994,006 is issued in cash.

B. The compensation of directors: NT$6,528,166 is issued in cash.

C. The compensation of employees, directors is distributed in the form of cash dividend or stock dividend. If there is any discrepancy between the actual distributed amount and figure, the difference, reason and response should be disclosed: No difference.

D. The amount of stock dividend and ratio of the total net profit after-tax and individual employee compensation or separate financial report for the current period: None.

iv. The actual distribution of compensation for employees, directors in the previous fiscal year (including number of shares, monetary amount, stock price, shares distributed) and any discrepancy between the actual distributed amount and amount of compensation for employees, directors. The discrepancy, cause, and response shall be stated:

The amount of compensation distributed in the previous fiscal year (2022) to employees was NT$45,175,339, and NT$12,616,550 to directors. There is no difference to the actual distribution of compensation.

(9) Share Repurchases: None.

2. Corporate Bonds: None.

3. Preferred Shares: None.

4. Global Depository Receipts (GDR): None.

5. Employee Stock Warrants: None.

6. New Restricted Employee Shares: None.

7. Status of New Shares Issuance in Connection with Mergers and Acquisitions: None.

8. The Status of Implementation of Capital Allocations plans: None.

V. Operational Highlights

1. Business Activities

(1) Business Scope

i. The main operational categories of the Company

1. CA01030 Iron and Steel Casting
2. CA01050 Iron and Steel Rolling, Drawing, and Extruding
3. CA01100 Aluminum Material Rolls over Extends and Crowding
4. CA01120 Copper Casting
5. CA01990 Other Non-ferrous Metal Basic Industries
6. CA02010 Metal Architectural Components Manufacturing
7. CA02050 Metal Valves Manufacturing
8. CC01080 Electronic Parts and Components Manufacturing
9. CD01030 Automotive and accessories manufacturing
10. CP01010 Hand Tool Manufacturing
11. CQ01010 Die Manufacturing
12. F106010 Wholesale of Ironware
13. F106030 Wholesale of Die
14. F113010 Wholesale of Machinery
15. F113030 Wholesale of Precision Instruments
16. F114030 Wholesale of Motor Vehicle Parts and Supplies
17. F119010 Wholesale of Electronic Materials
18. F206010 Retail Sale of Ironware
19. F206030 Retail Sale of Die
20. F213040 Retail Sale of Precision Instruments
21. F214030 Retail Sale of Motor Vehicle Parts and Supplies
22. F219010 Retail Sale of Electronic Materials
23. F401010 International Trade
24. ZZ99999 All business items that are not prohibited or restricted by law, except those that are subject to special approval.

ii. Operational proportion

Unit: NT$ Thousands, %

Year / Item	2022		2023		2024 Q1	
	Amount	%	Amount	%	Amount	%
Automobile	4,781,427	51.77	4,509,151	63.31	1,101,054	67.29
Sports	1,593,936	17.26	686,170	9.63	196,323	12.00
Electronics	1,186,729	12.85	780,722	10.96	221,807	13.55
Medical	1,258,768	13.63	912,861	12.82	45,154	2.76
Other	414,323	4.49	232,920	3.28	72,001	4.40
Total	9,235,183	100.00	7,121,824	100.00	1,636,339	100.00

A. the Company's current product (service) collections

The Group is mainly engaged in the manufacture and processing of precision metal components for automotive industry, hard disk drive, medical equipment industry, sports industry and various industrial products. The Company has a diverse line of products which includes automotive brake safety systems, diesel fuel components, high-pressure pumps, hard disk precision parts, surgical-related medical parts, High-end bicycle's front and rear suspension systems, and semiconductor equipment flow controller systems, and other products.

B. New product (services) development projects

(a) Short-term plan: Research and develop the precision machinery components for hybrid electric vehicles with customers, which do not only continue to develop the diversity elements but also integrate high value-added processes, including multi-axis machining with the multi-station processing operation. To provide integrated processing service modules, including front-end stamping, forging, casting, injection molding, machined car, milling, multi-axis and back-end surface treatment and assembly and other integrated service products. Which all of the above mentioned are all important development indicators of the Group.

(b) Medium-term plan: To get into the important supply of electric vehicle precision components, integrate the new and different machine performances, develop more processing and assembly capabilities, and hope to provide more high value-added products for customers, and and the goal is to become a "World-class precision machinery leading factory".

(c) Long-term plan: We aim to fulfill our social responsibility by expanding our product line to be more diverse, with a particular emphasis on products related to green energy and sustainable operations, based on our current client base.

(2) Industry Overview

i. Industry status and development

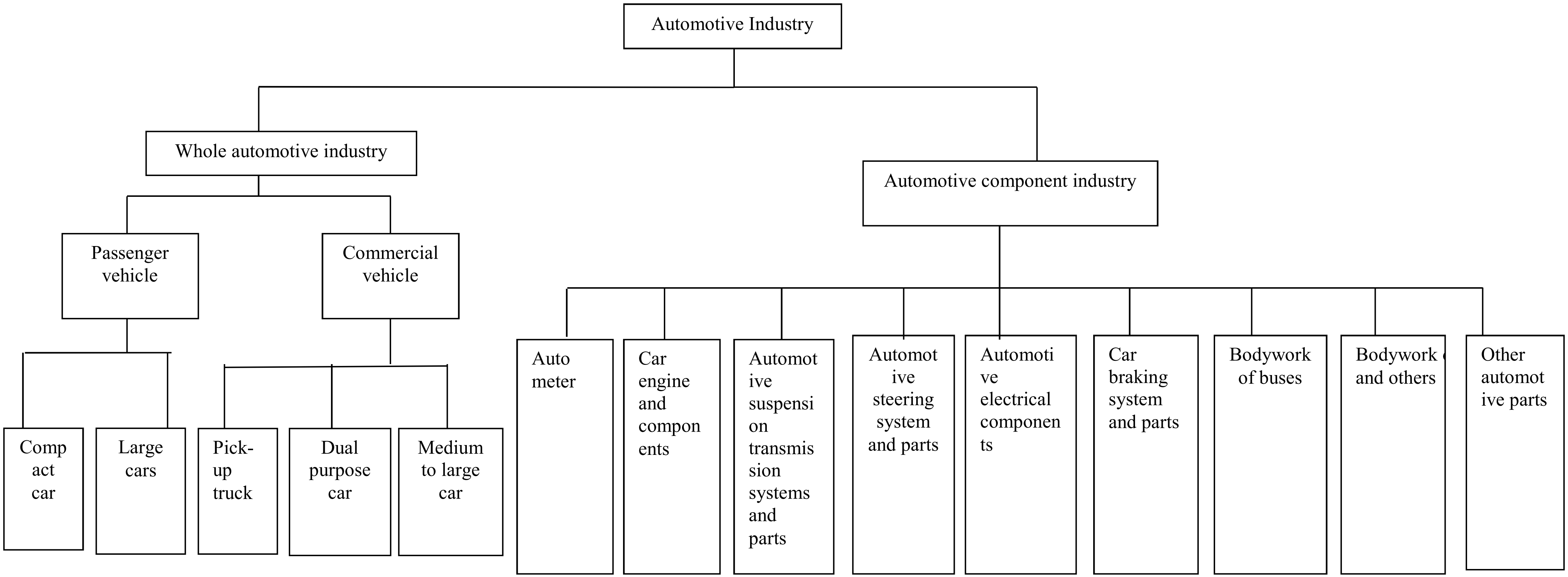
The Group is mainly engaged in the manufacture and processing of precision metal components for automotive industry, hard disk drive, medical equipment industry, sports industry and various industrial products. The Company has a diverse line of products which includes automotive brake safety systems, diesel fuel components, high-pressure pumps, gasoline direct injection (GDI), hard disk precision parts, surgical-related medical parts, semiconductor equipment flow controller systems and bicycle shock absorber. At present, the higher proportion of the business is in the automotive industry, hard disk drives and bicycle shock absorber. The medical equipment industry is one of the Group's key development targets in the future, and the Group's medical components account for an increasing proportion of business. The industry overview of the automotive industry, hard disk drives, medical equipment industry and sports industry is as follows:

A. Automotive industry

The automotive industry is the pillar industry of the national economy of United States, Japan, Germany and France, etc., and is one of the largest and most important industries in the world that accounts for a large proportion in the manufacturing industry. Automotive industry has great influence on industrial structure upgrade and development of related industries. The automotive industry can be divided into the automotive industry and the automobile parts industry, which can be divided into the following ten categories according to the industrial production statistical classification (See Figure 1). The Group's products are mainly automobile brake system, automotive engines and parts, steering systems and parts, and other automotive parts.

The automotive industry is a comprehensive industry of high precision, technology and high integration. The cycle of the development is long from initial market research, product development, manufacturing to final sales feedback, and the manufacturing process is complicated that involves various of extremely wide ranges, therefore the relevant components manufacturers need a variety of industries to cooperate with each other. Automotive parts are used by automotive manufacturers and automotive repairers to replace parts. The materials of automotive parts, such metal components and non-metal components supply various industries, including petrochemical, glass, steel, rubber, motor and electronics. Components are manufactured in a way which includes casting, stamping, forging, machining and heat treatment procedures, and it is required for the completed components to pass the quality inspection.

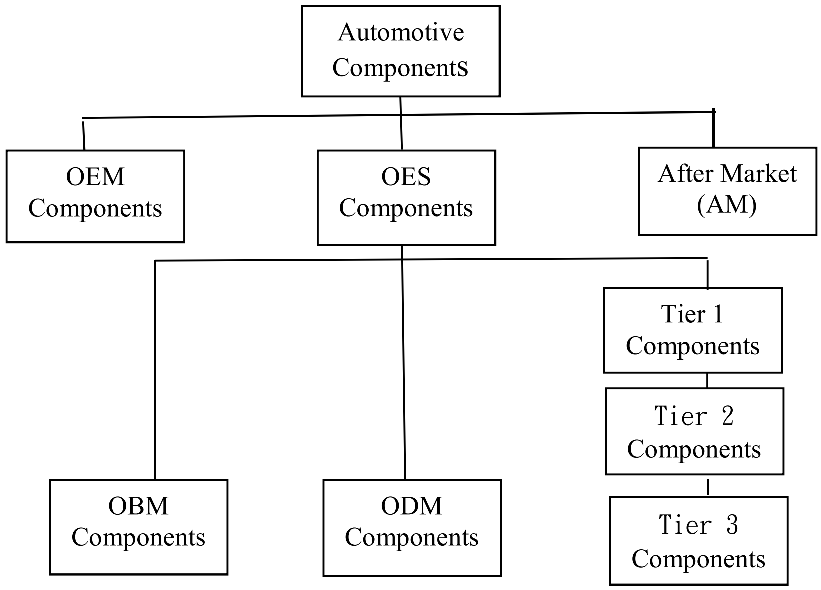
Figure 1: Statistical classification of Industrial production in the automotive industry



Note: According to the classification of industrial production statistics; Source: Industrial Technology Research Institute (2017/04)

Automotive component suppliers can be divided into OEM (Original Equipment Manufacturing) parts and AM (Aftermarket) parts, and in general, the aftermarket can be further divided into OES (Original Equipment Service) parts and IAM (Independent Aftermarket) parts. The former is the original parts used when returning to the car factory for repairing, whereas the latter is mostly the aftermarket spare parts for repairing or modifying (Figure 2). The original component markets changes are positively correlated with the overall production; the parts market of the after-sale service will be affected by total number of the cars and the age of the cars. The Group's main target is the overseas automotive market, as well as cooperate with major automobile parts suppliers (Tier 1).

Figure 2: Classification of automotive components by sales market



Source: Industrial Technology Research Institute IEK, 2018

(a).Global automotive industry

The automobile has become one of the indispensable products in our life and work, as both the development and application highly advance conveniences and pace of life of humankind, the automotive industry has now deeply integrated with modern humanity, serving as a leading sector in the field accordingly.

According to IEK Consulting, the easing of global chip shortages and the cooling of the pandemic after 2023 have driven a 6.1% growth in global automotive sales. China has maintained its position as the top-selling country since 2009, with the United States following closely behind. India and Japan have narrowed the gap, while global electric vehicle sales are growing due to net-zero carbon reduction efforts and gradually more affordable prices.

As the carbon reduction wave sweeps across the globe, many countries are gradually phasing out the sale of fossil fuel cars by 2040. Observing the sales performance of new energy vehicles in various countries in 2022, China's sales of new energy vehicles were particularly impressive due to effective subsidy policies. According to data released by the China Association of Automobile Manufacturers (CAAM), the overall retail sales of passenger cars are expected to reach 22.2 million units in 2024, representing a 3% year-on-year increase. Wholesale volume of new energy passenger cars in 2024 is projected to reach 11 million units, with a net increase of 2.3 million units, representing a 22% year-on-year increase. The penetration rate is expected to reach 40%, indicating strong growth momentum for new energy passenger cars.

(b). Global automotive parts industry

The OE parts require relatively high quality and strict quality control. Plus the problem of transportation, the automobile parts manufacturers in Taiwan take up a high market share in the AM market, which supplies about 85%~90% of the parts in the global AM market.

Sales of global automotive parts follow market fluctuations worldwide, there are nearly 3,000 automobile parts manufacturers in Taiwan, with a complete of the industrial supply chain. This industry has the advantages of small quantity, great variety and flexible manufacturing. Over the past few years, manufacturers in the line have aggressively developed new processes and introduced them into the supply chain of original makers. And they purchased automatic equipment to improve efficiency and production utilities, thus strengthening their own competitiveness and upgrading added values. Thus, they have now possessed international competitiveness and are potential of entering the supply chain of international carmakers. These makers are expert in processes of precision machining and rubber/plastic injection forming parts, with a higher sales ratio focusing on the after-market of automotive parts. Aided by the overseas invested plants, internet deployment, sales strongholds, international technological cooperation projects, joint ventures and so on, they have become increasingly successful in the supply chain of international car makers and distributions in the global market regardless of after sales services or OEM by the original manufacturers, accumulating certain revenue records and developing overseas sales.

Under the background of soft/hardware, the network, raw materials, advanced technologies, and grouping measures, the car-making industry has now developed toward the direction of Autonomous, Connected, Electrification, and Shared & Service, and this guides automotive parts to equip with modeling, intelligence, automation, and lightness features. In prospects, automotive parts will venture into mass production and customized services. Smart manufacturing and driving services will play an important role in the years to come.

B. Hard disk drive industry

Hard Disk Drive (HDD) is one of the mediums for storing digital data. It is being widely used in recording devices and storage systems such as desktop computers, laptops, and external hard disk drive and PVR.

In the recent years, the hard disk drives have undergone frequent industrial consolidation. West Digital (WD) merged with Hitachi Global Storage Technologies (HGST), Seagate merged with the hard drive department of Samsung, and Seagate and WD being the biggest suppliers in hard drive disk market. The hard drive disk components produced by Global PMX Company are mainly for Seagate.

The development of hard disk drives originated from people’s need for storing data. With the increased storage technology of hard drives and the emergence of Solid-State Disk (SSD), HDD’s price per bit quickly fell, In terms of performance, SSD that emphasizes on high speed and high performance is superior to HDD. However, HDD featured by large capacity, the stable access technology of cost performance ration makes it the standard equipment of the cloud drive.

Observing the increasing use of portable hard drives, desktop hard drives, and network-attached storage hard drives for storing operating systems, software programs, and other items on disks, it is expected to drive the continued expansion of the global hard drive market. Furthermore, the development of smart interconnected technologies is driving the demand for storage disk drives for storing different types of data, hence the recent changes in consumer electronics industry technology trends are expected to contribute to the growth of the global hard drive market. The global market size of portable HDD reached $27.371 billion USD in 2022, and it is projected to reach $28.811 USD billion by 2029, growing at a compound annual growth rate of 0.74% during the forecast period (2024-2029).

In the recent years, many emerging services require the support of hard disk drives, including Cloud services, digital monitoring, medical imaging, transmission systems, log analysis and vast amount of data which all demand large amount of storage space. Considering the currently increasing needs for autopilot IT 4.0 and the current growing need for cloud access industrial cloud monitoring and analysis system, the industry continues to grow. The continuous growth of aforementioned industries is the source of sustaining the growth momentum of hard drive disks.

C. Medical equipment industry overview

The medical equipment industry is crucial to our health. It is a necessary industry to help prevent, diagnose, slow down and treat people’s illness; as a result the fluctuations have very little effect on the industry. The global ageing population has increased with the coming of ageing society, and chronic diseases and people in emerging countries are in greater need of medical equipment which initiates many medical care and health care demands.

Based on the BMI Research market report, the medical equipment sub-field is divided into six categories: medical consumable products, diagnostic imaging products, dental products, orthopedics and implant products, auxiliary equipment and other medical equipment. Medical equipment are subject to inspection or be registered in accordance with the law by health authorities in order to fulfill the safety, reliability and efficiency of the products. Research and development of the medical equipment take a great length of time and requires product certification as well as clinical testing. Since the products are protected by having patents and certifications as well as the benefit of their long cycle of life after being successfully introduced into the market, they are of better profit than other industries. Therefore, medical equipment has become a target industry for domestic and foreign manufacturers.

Due to the easing of the pandemic, countries have gradually lifted their lockdowns, and economic and social activities have gradually resumed. Non-emergency medical treatment arrangements have also resumed operation. The transformation of medical projects has also affected the sales of medical equipment market demand, which is reflected in changes in the types of medical equipment and the rebound in market demand. The IEK Consulting of ITRI (Industrial Technology Research Institute) released the "2023 Global Medical Equipment Industry Trends and Outlook." With the long-term trend of aging populations, it anticipates that the global medical equipment market, which reached $483.3 billion USD in 2022, will continue to grow at a compound annual growth rate of 6.7%, reaching $589.7 billion USD by 2025.

When China State Council proposed the manufacturing policies in "Made in China 2025", it clearly stated taking high-performance medical devices as one of the ten key development fields. In recent years, China’s government has also successively planned a series of supplementary policies such as the industrial preferential programs and guidance measures, so as to promote the healthy development of the medical device industry. Benefiting from the economic development and the steady increase of the elderly population, the Chinese show increasingly high demands for health.

According to the global market report on minimally invasive surgical instruments by research firm Global Market Insights - The Brainy Insights, the global market value of minimally invasive surgical instruments is expected to grow at a compound annual growth rate of 8.1% from 2023 to 2032, reaching $53.3 billion USD.

D. Sports Industry

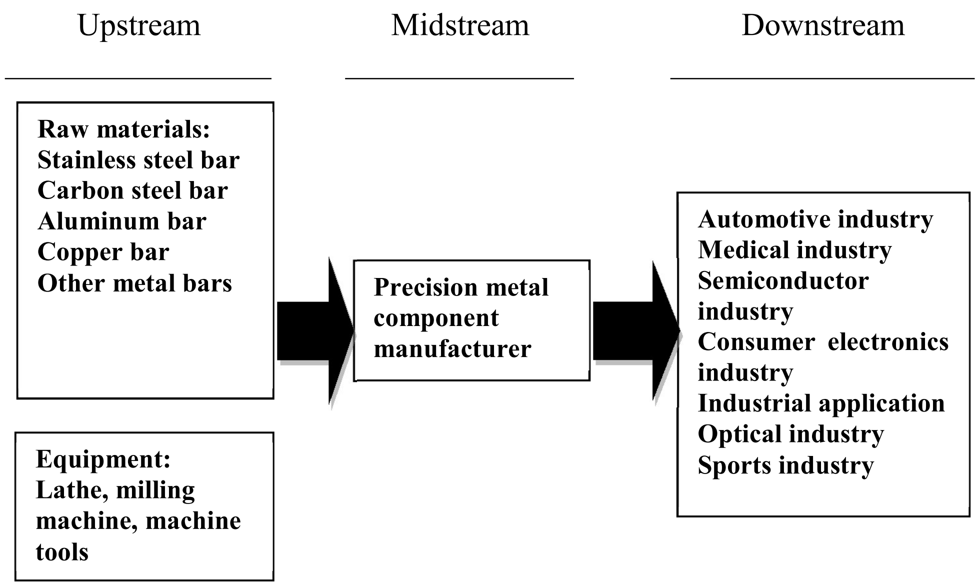
Regarded as an economic and environmental protection transportation method, cycling has become increasingly popular and praised by the general public, and it ranks as a sport which is suitable for all seasons of the year and benefits health. The global epidemic is changing the bicycle industry by the fact that people in many European nations are encouraged and subsided to use bicycles as their public transportation tools. This move increases tremendously huge sales of bicycles in Europe’s retail markets, especially electric bicycles.

Prioritizing the use of bicycles as a convenient mode of exercise to ensure a healthy lifestyle, avoid obesity and other illnesses, is expected to further drive market expansion. The dock less bike-sharing system has become increasingly popular in recent times. This system allows users to locate nearby bicycles and unlock them electronically. The dock less bike-sharing system, initially emerged in Europe, has gained popularity, especially in Asian countries like India and China.

In response to the COVID-19 pandemic, there have been slight changes in people's lifestyles, with many consumers placing greater emphasis on hygiene, sustainability, and flexible travel options. Additionally, the rise of global cycling events has driven an increase in demand for bicycles worldwide. According to Market.US forecasts, the global bicycle market is estimated to be valued at $67.4 billion in 2023, with an expected compound annual growth rate of 6.8%. By 2033, it is projected to reach $130.1 billion USD. The Asia-Pacific region is expected to dominate, accounting for 35.7% of the market share. This leading position is attributed to the region's strong bicycle manufacturing capabilities, rapid urban population growth, and growing environmental awareness, all of which collectively stimulate demand for both traditional bicycles and electric bicycles.

ii. Industrial relevance of upstream, midstream and downstream companies

The raw materials and related production equipment purchased by the Group to produce relevant products belong in the upstream of the industrial supply chain who mainly purchases various metal bars, including stainless steel bars, carbon steel bars, aluminum bars, copper bars and other metal bars. The midstream of industrial supply chain produces automobile parts, medical equipment components, bicycle components, semiconductor equipment flow controller systems, Cloud and high-capacity hard disk precision parts and metal parts for industrial and optical products. The components produced by Group are the key components for downstream companies and are used in a wide range of applications including automobiles, medical, semiconductor, and consumer electronics, industrial and optical products. The relevance of the industrial supply chain of upstream, midstream, and downstream companies is as follows



iii. Various product development trends

A. High-precision automated production equipment

With the increasing requirements of product precision, the future of metal processing equipment will develop in ways towards high precision and automation. Rather than being high precision, high output, small footprint and lower manpower requirements, it shall also improve the quality and stability. In response to such trend, in recent years not only did the Group introduce dozens of precision milling machines of high horizontal and vertical rotary tables from Japan to fully save the waiting time on loading and unloading, the Group also imported high precision five-axis CNC milling machine from Germany DMG for the production of high-precision molds and high-precision medical products, which also helps the competition with European manufacturers.

B. Product quality development trends

Products such as automobiles, medical and electronics will develop towards high-tech and new-precision technologies which will make processing more difficult when selecting materials and the processing procedures will be more complex, such as milling/lathe/grinding/gear processing/heat treating/surface treatment etc. In the future, only manufacturers with comprehensive processing capabilities and high equipment investment shall be able to meet such requirements.

C. Development and application of new technologies

In recent years, many high-end equipment have been introduced into the market, including Swiss Tornos multi-axis (simultaneous processing of six-axis and eight-axis), German Mikron multi-station modular five-axis machines, Valve Piston automatic inspection machines, French BMI heat treatment equipment, German Dürr vacuum cleaners that adapt environmental-friendly solvents, Japanese robotic automated precision hard lathe. The equipment help improve production efficiency and product accuracy , but apart from having professional technicians and customer’s long-term support, high-end equipment also increases the entry threshold for high investment in equipment.

iv. Product competition

At present, a large number of companies are engaged in the production of precision metal parts whose products are being used in a vast range of industries like electronics, automotive and machinery. With the different products each industry develops and produces, it is difficult to get hold of relevant information of market share. By far, the Group's main competitors in processing precision metal parts market are more or less using the same production procedures (lathe/milling, electroplating), and the market positioning and the customer bases are also different due to the fact that the machining process is extensive. Product quality varies depending on the main technologies (know how) and experiences, and the customers who are very demanding in terms of quality stability tend to trust qualified and cooperative suppliers. Most of the Group's major customers are well-known large manufacturers, whose products and technologies are highly recognized, the Group has excellent advantage in comparison with other competitors.

(3) Technology and R&D overview

i. Technical level and R&D status

A. Technical level

The Group is a manufacturer that makes various industrial precision metal parts such as automobiles, medical, hard drive disks, bike, of which the main technology lie in the research and development of milling machines, turning and milling lathes, automatic lathes, grinding machines, etc. The main technical resources are based on engineering capabilities and years and years of experiences of the R&D team who actively establish technology development capabilities to implement technological autonomy. The team cultivates their own R&D talents to enhance their technical capabilities.

B. R&D status

(a) Continuously improve the production technology and process optimization of processed products to boost production efficiency and shorten the delivery time and reduce costs.

(b) Increase value to high-added value high-tech industries and eco-friendly green energy industrial products such as automobiles, medical supplies, semiconductors, bike, in order to reduce the proportion of auto parts with low traditional added value.

(c) To vertically integrate with important processes to enhance the capabilities and equipment inputs of front-end materials and back-end surface treatment to reduce the risk of external failure costs and significantly increase profitability.

(d) In addition to continuous precision processing technologies in the development of automation equipment and commitment to participate in the large-scale development of automobile manufacturers. The front-end design is settle to consider the needs of the process in order to achieve double the results with half the effort, and also contributes to self-development and the improvement of design capabilities. Accordingly, in the future, the Company will gradually invest in R&D talents and automation equipment and fixtures according to the needs of customers.

(e) Work with the customer's R&D center to develop high value-added process integration of disposable products for medical surgery, enhanced stamping, forging and multi-axis machining processes.

ii. R&D expense and the accomplishment in the product or technology development in the recent fiscal years

A. R&D expenses invested in the recent fiscal years

Unit: NT$ Thousands

Year / Item	2023	2024 till 31 of March
R&D expenses	211,456	53,221

B. Product and technology accomplishments in the recent fiscal years

Year	Item or Accomplishment
2018	◎Products for customers automotive Gasoline Direct Injection (GDI) Pump body part was approved. ◎Products for customers medical Powered Stapler was approved. ◎Products for customers medical Surgical Knife was approved.
2019	◎completed the mass production plan for GDI in-cylinder body of cars and hybrid vehicles
2020	◎Certified by BMW in full series of hybrid transmission system components, and ranks as a key supplier.
2021	◎Recognized as the main global supplier of the critical parts of medical clients devices

(4) Long and short-term business development plans

i. Short-term business development plans

A. Fulfill the demands of current customers, actively strive for new orders, work hard on potential customers and fully cooperate with the required resources for the development of new customers.

B. Pursue the goal of zero customer complaints.

ii. Long-term business development plans

A. Reduce the proportion of traditional low Value-added auto parts, and increase high value-added industrial products such as automobiles (sensors), medical supplies, semiconductor, aerospace industry, high-tech industries and environmental green energy.

B. Reorganize the resources within the Group, reduce repeated personnel expenditures, and replace human-intensive processes and inspection with automation.

C. To vertically integrate with important processes to enhance the capabilities and equipment inputs of front-end materials and back-end surface treatment to reduce the risk of external failure cost and significantly increase profitability.

D. Strengthen the identification of employees and enhance the efficiency of decision-making and output.

All the cultivated talents ultimately require recognition of the Company; therefore, the Company shall continue to focus on the coherence of the employees to enhance their recognition of the Company's future development and cultivate common values so that each employee can develop their own strengths that makes the Company's decision-making and output more efficient.

E. Promote transparency and enhance external supervision

Implement the Company's internal supervision system, and by the disclosure of the Company's information and financial statements, the market and investors will have a better understanding on the Company's business philosophy, operation direction and financial quality. As a result the Company is able to gather feedback from the market and investors, which will enhance external supervision and strengthen the structure as well as improve the business development of the Company.

2. Market and Sales Overview

(1) Market Analysis

i. Sales (Provided) region of the main product (Service)

Unit: NT$ Thousands, %

Sales Region	2022		2023		2024 Q1	
	Sales Amount	Sales Proportion	Sales Amount	Sales Proportion	Sales Amount	Sales Proportion
Asia	5,680,636	61.51	4,239,003	59.52	1,089,579	66.59
The Americas	2,120,507	22.96	1,743,325	24.48	226,500	13.84
Europe	1,434,040	15.53	1,139,496	16.00	320,260	19.57
Total	9,235,183	100.00	7,121,824	100.00	1,636,339	100.00

ii. Market share

The Group is a manufacturer of precision metal components. Since the processed products produces by the Company are mostly the internal components that are used in industrial products such as automotive, medical equipment, sports, semiconductor and industrial sectors, the market share is difficult to calculate. However, the Group's philosophy has been serving the customers since establishment and the turnover has shown growth each year. As a result, the market share of the Company will target on the continuous growth of the Company business. It is estimated that the Group's turnover will continue to grow as long as the demand for products in the automotive industry and the medical equipment industry continue to grow.

iii. Market supply and demand situation and future growth

A. Automotive industry

Despite the uncertainty and delay in consumer car purchasing due to global high inflation and US interest rate hikes, global traditional brand automakers are stepping up their pace to enter the new energy vehicle market, and Chinese brand automakers are also entering non-Chinese markets with new energy vehicle models.

In addition, with various governments actively supporting local electric vehicle manufacturers and electric vehicle brand manufacturers adopting price reductions to expand market share, according to the latest "Electric Vehicle Industry Report" released by DIGITIMES, it is pointed out that the total sales volume of electric vehicles worldwide in 2024 has the potential to approach the milestone of 18 million vehicles, with an annual growth rate of 29.6%. As the proportion of products from new energy vehicles and electric vehicles continues to increase, the Company currently integrates more technical upgrades and high-value-added key component products with its major customers, ensuring good order visibility and creating a positive trajectory for the Company medium to long-term operations.

B. Hard disk industry

In view of the 5G technology and such deployment are maturing, many emerging services require the support of the cloud hard drive will be further upgraded, including Automatic driving、Cloud services, digital monitoring, medical imaging, transmission systems, log analysis and vast amount of data which all demand large amount of storage space. Compared with SSD, the HDD still has the advantages of low price for unit storage and high capacity. The continuous growth of aforementioned industries is the source of sustaining the growth momentum of hard drive disks. However, the hard disk drive market has only grown very little due to the decline in bit Unit price and the emergence of SSD.

C. Medical equipment industry

The Company mainly offers its medical equipment for the use of surgery and relevant parts. Despite the global economic center of gravity has moved to Asia-Pacific emerging markets, the aging population is becoming an issue for most nations in this area. China and India have increased their medical expenses annually, and it has the same trend in ASEAN. Asia still has tremendous space in the development of medical equipment market. To this end, the development of medical equipment specified for the surgery purpose of Asian people will become a new trend.

D. Sports Industry

Meanwhile, the Covid-19 epidemic changed people’s home lifestyles. Many consumers prioritize hygiene, sustainability, and flexible travel options more than ever. Coupled with the rise of global cycling events, this trend has driven an increase in demand for bicycles worldwide. According to Market.US estimates, the global bicycle market was valued at $67.4 billion USD in 2023, and it is projected to grow at a compound annual growth rate (CAGR) of 6.8%, reaching $130.1 billion USD by 2033. The Asia-Pacific region holds the dominant position, accounting for 35.7% of the market share. This leadership is attributed to the region's robust bicycle manufacturing capabilities, rapid urban population growth, and growing environmental consciousness, all of which collectively stimulate demand for both traditional bicycles and electric bicycles.

iv. Competitive niche

The Company has set up four production bases in Jiashan (Zhejiang) 、Dongguan (Guangdong)、Jiaxing (Zhejiang) and Yangmei (Taiwan) for the time being. The subsidiary, Seamax Manufacturing Co., Ltd. (Dongguan) (has passed the code of conduct assessment of Responsible Business Alliance (RBA) 。The Company enables to integrate a cross-strait production and R&D teamwork resources with nonstop efforts. It expects to optimize its whole operation costs and complementary great benefits, and build up a supply chain for more new cars and different brands simultaneously. With full efforts, the entire group will hand in a brighter performance in both revenues and profits.

Under the epidemic, the flexibility of automakers' production capacity in response to changes in orders and their product competitiveness in the market are also tested. The Group is now accelerating to complete the production line's multiple certifications, an expectation to respond to the needs of customers for urgent orders through the flexible productivity. For many years, it will continue to cooperate with major clients for the development of new technology applications and niche-typed products with high added-value. It is obvious that the group has still maintained its competitive advantage of main products in the global market even the industry chain is reshuffled. With increasing penetration rates, the product application has extended and fully covered from fuel cars to electric vehicles. This creates a good visibility of orders on hand, and lays a solid foundation for steady operation growth.

A. Independent research and development capabilities

The Company has gathered a wealth of process precision technologies and expertise while developing various ranges of components for customers for a long period of time. The company has been working for a long time with world's leading automotive satellite factories, including Bosch, Continental, Delphi and Seagate which is a data storage equipment manufacturer. The Company has exceptional understanding of the key components and meets the needs of customers while cooperating with OEMs in order to complete the product line of the future AM market and invest in molds, fixtures and equipment to achieve economies of scale. The Group's positive reputation for quality in the industries of automotive, medical, equipment, hard drive disks and other related products has been recognized, which not only enhances the product image but also improves the growth momentum of the Group's revenue.

Advantages and machining technology to shorten the time of development

The Group has always had close and good cooperative relationship with the suppliers and has formed an important supply system. Due to the large number of products the Group produces, other than considering the production equipment and production capacity of the Group, it also carries out comprehensive evaluations on the production capacity, production equipment and technology of all the subcontractors, and supplements the processing technology with the manufacturers through independent technological advantages. As a result, it will effectively shorten the product development schedule and increase the advantages of the listings of customers' products, and the Group will have even closer relationship with customers and increase the advantages of competition.

C. The product quality has passed various certifications and has good reputation who customers trust

The Group has been certified with quality assurance certification such as ISO9001, QS9000, ISO/TS16949, ISO14001, ISO13485, ISO45001 and ISO14064-1. There are relevant procedures and operating standards to follow at all stages of development, manufacturing, quality inspection and sales. The quality system is audited by many international manufacturers and has positive achievements. The Group has been certified by numerous domestic and foreign auto parts manufacturers and has established long-term stable cooperative relations with internationally well-known brands. The quality of products is deeply trusted by customers, which is beneficial to the Group's cross-industry business development.

D. Quality R&D team

The Group produces and processes precision metal components and the issue of having the lowest process cost, and the development of production quality optimization and stable process is one of the industry's competitive niches. The Group has quality R&D team with a wealth of experience and achievements in designing and strengthening production processes, processing procedures and improving product yield. Therefore, the products have gained recognition and trust from customers in various industries internationally. At the present, approximately 80% of the Group's current R&D team's seniority has exceeded 10 years, and has a vast of relevant and complete experiences; therefore it's one of the Group's important competitive niches.

v. Favorable development prospects, unfavorable factors and countermeasures

Favorable factors

A. The application market demand of main products continue to grow

The domestic demand markets in developing countries such as China and India are a source of global growth momentum, which makes a difference in the global automotive market. The auto market that had always been dominated by Europe and the United States has shown a sign of slow growth, and has been replaced with the development of demand in emerging markets, among which China has the best growth. With the increase of the average income of the Chinese, reduced car prices by car dealers in order to sell, the urbanization policy and the expected growth of car demand in China's fourth-tier and fifth-tier cities, it is foreseeable that the demand for China's auto market in the future will continue to grow, and the global auto market shall maintain at growth which will increase the demand in the automotive component market.

Recently at the CES consumer electronics show, it was evident that the integration of technology and automobiles in self-driving and electric cars remains a major focus of the automotive industry's technological development. The company will rely on its long-term collaborative advantage with customers in the latest technology research and development, and with the global car supply chain expected to ease, the automotive industry pursues engines efficiency, battery life, and the stable increase of ADAS advanced driving assistance system penetration from high-end to normal vehicle models. This is beneficial for the stable growth momentum of the Company's automotive business, including key component products such as GDI, ESC, and transmission systems, which have strong sales performance during product renewal and process improvement optimization adjustment periods, and drive the overall growth of the Company's automotive business.

New energy cars and electric vehicles will become the mainstream of the future new car sales. and the company keeps concentrating on developing more critical car tools involving power, safety, steering and drivetrain system of electric vehicles and hybrid electric vehicles in response to the new orders of electric vehicles in the future, and new plant will focus on producing hybrid electric vehicle tools as well. The company expects the new plant's involvement plus the clients' pull-in can be conducive for the learning curve of production capacity to increase and inject positive growing power for the future operation.

In addition to the growth of the automotive industry, the Group's main product applications in the medical equipment market has grown steadily with the global economy. Benefiting from the rapid development of minimally invasive surgery worldwide, the minimally invasive surgery instruments and accessories (MISIA) market enters period of rapid growth. According to the Global Market Insights report by The Brainy Insights on the global minimally invasive surgical instruments market, it is projected to grow at a compound annual growth rate (CAGR) of 8.1% from 2023 to 2032, reaching a value of $53.3 billion USD.

The Company's medical business products have expanded both vertically and horizontally. In addition to manufacturing key components of a single product, we have extended our capabilities to produce complete products. Horizontally, we have expanded the product indications and added disposable products, including related product lines. With the increasing application of our products in various types of surgical procedures such as laparoscopy, bariatrics, and endoscopy, we have driven our major customers to gradually increase the volume of our new minimally invasive surgery products.

Moreover, the Company is actively accelerating the certification of new minimally invasive surgery products with another major medical customer. In the future, the medical business will maintain good operational growth momentum.

B. Auto industry reduces the cost in response to competition and accelerates the release of orders

Due to the external environmental factors, automakers have gradually turned into a customer-oriented business style which will focus on product design and customer relationship management in the future, and that also suggests increase of outsourcing ratio. The chances for component suppliers undertaking automotive manufacturing are relatively high and it shall be beneficial to the future development of the Group.

C. Major customers are dispersed in various industries to reduce the impact of specific industries

The Group's goal is cross-industry development, and customers in the same industry are being separated by components of different products in order to achieve the purposes of diversifying product portfolio and reducing risks. The main customers are dispersed in the automotive industry, semiconductor industry, medical industry, electronics industry, sports industry and industrial applications, and the Group is capable of producing the key components required by any of the industries mentioned above. The Group has a good ability to adapt to specific industries owing to the dispersion of industries, and chances of turnover being affected by a single industry are lower, which is beneficial to the Group's stable development.

D. Become a strategic supplier to world-class customers

Continental, Bosch, Seagate, Delphi, BorgWarner and Fox are the Group's major customers who have selected their long-term strategic suppliers under strict demands. The long-term strategic partnership with major customers is the biggest niche for Group growth. The Group has become a qualified supplier for many leading industrial manufacturers with long accumulated production technology and expertise (know how) which will help gain access to the supply chain of other leading manufacturers.

E. Increase of energy-saving demand

With the increase demand of energy-saving, the introduction of high-pressure pump and gasoline direct injection (GDI) of related products is the trend of new vehicles in the future. Because high-pressure pumping through gasoline improves dynamic response and increases intake efficiency, while GDI increases the instantaneous kinetic energy that can precisely control the gasoline injection, help the engine performance and improve the gasoline inefficiency problem which will lead to the goal of reducing carbon emission and saving energy. According to Business Research Insights, the global Gasoline Direct Injection (GDI) system market was valued at $76.23 billion USD in 2022, and it is expected to reach $100.07 billion USD by 2028, with a compound annual growth rate (CAGR) of 4.6%. Wherein, our new products including gasoline high-pressure pumps that are important GDI modules, will be increased with the global GDI demands which is beneficial to the future development of the Group.

Unfavorable factors and countermeasures

A. China's processing level in the automotive industry is gradually improving

China's manufacturers have successively purchased a large number of machinery and equipment in the auto parts industry, resulting in a rapid growth of relevant production capacity. In order to digest such amount of production capacity, the Chinese industry have adopted the strategy of selling for low prices which poses certain threats and pressures on the industry. The industry projects invested by China's manufacturers mostly require lower processing level of production technology. Owing to the fact that automotive parts industry requires low level of technology, large-scale of equipment and large-scale production seems necessary in order to reduce the production cost. As a result, the excess of supply over demand leads the market to face an oversupply price competition.

Countermeasures:

The Group's manufacturing technologies are brake systems, fuel injection nozzle systems and temperature control systems, and is continuing to innovate to avoid falling into price competition market. The Group has been in automotive parts industry for many years, with a wealth of experiences in production technology and excellent quality. The downstream customers are mostly well-known international automobile manufacturers or car satellite suppliers, and based on the brand reputation and the strict safety requirements of automotive industry, it is unlikely for the customers to change their suppliers. The Group is dedicated to the optimization of various products and the improvement of product quality, therefore the Group is different from the current positioning of the competitors in the markets and products. The Group also avoids the price competition of low-level products.

B. Raised wages in China and the cost of production increases

In recent years, the basic wages in China have noticeably risen, making the proportion of labor cost is gradually increased to the manufacturing cost, which has a direct impact on the gross profit of existing products.

Countermeasures:

The Group continuously improves the production process to enhance the pre-process yield, and through the Quick Response Quality Control (QRQC) to reduce the use of unnecessary manpower such as repeated inspection and heavy work as to improve the efficiency of production process and eliminate the pressure of rising wages. On the other hand, the Group has also increased the ratio of automated production by introducing automatic inspection machines, automatic feeding of centerless grinding machines, robotic arms and other equipment. By introducing automated production machinery to replace the manpower-intensive process, the product quality is stabilized to reduce labor and production costs.

C. Vicious price competition of general products

Industries with general products of low technical content are easier to enter and will finally fall into low price competition, which has a negative impact on the Company's technical capabilities and positioning.

Countermeasures:

Reduce the proportion of traditional Low added value value automotive parts, and increase industrial products such as automobiles, medical supplies, semiconductors, aerospace industry, high-tech industries with high added value and eco green energy. In order to establish a high entry threshold, the Group keep developing new processes, such as research and development of new processes for hydrocarbon cleaning lines and vacuum carbonitriding heat treatment and purchase of high-end equipment, hoping to develop High added value products with high technical content that compete with European and American manufacturers.

D. The prices of metals are soaring

After suffering from the pandemic for the last four years, the price of the global raw material and freight skyrocketed. In addition, the Russia-Ukraine war caused western countries' sanctions on Russia, and the factor of the metal supply shortage plus the speculation of the market bring about the expected-rise conjuncture of the future overall metal market, increasing the cost of metal raw material production.

Countermeasures:

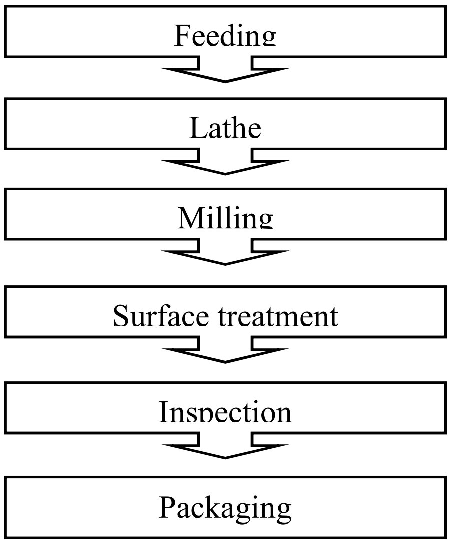
Due to the metal prices and the impact of the Russia-Ukraine war, the purchase sector of the company keeps an eye on the raw material price trend, collects international conjuncture extensively, lay out the supply chain in advance under the consideration of the inventory, and keeps strengthening R&D to enhance the competitiveness of the company.

(2) Usage and manufacturing processes for the company's main products

i. Usage for the company's main products

The Group mainly manufactures and assembles products such as surgical, orthopedic and other related medical parts, automotive brake safety systems, fuel injection nozzle systems, temperature control systems, semiconductor equipment flow controller systems, and Cloud and high-capacity hard disk precision parts, industrial and optical precision metal parts.

ii. Manufacturing processes for the company's main products/services



(3) Supply situation for the company's major raw materials

Major Raw Materials	Supply Situation
Carbon steel bar	Good
Stainless steel bar	Good
Aluminum bar	Good
Brass bar	Good

(4) A list of any suppliers and clients accounting for 10 percent or more of the company's total procurement (sales) amount in either of the 2 most recent fiscal years, the amounts bought from (sold to) each, the percentage of total procurement (sales) accounted for by each, and an explanation of the reason for increases or decreases as follows:

i. A list of any suppliers accounting for 10 percent or more of the company's total procurement amount in either of the 2 most recent

Unit: NT$ Thousands

	2022				2023				2024 Q1			
Item	Company	Amount	Annual Net Purchase (%)	Relationship with Issuer	Company	Amount	Annual Net Purchase (%)	Relationship with Issuer	Company	Amount	To Net Purchase (%)	Relationship with Issuer
1	Changsheng Precision	290,053	10.67	None	Jiangsu Maokun	203,078	10.46	None	Jiangsu Maokun	58,421	11.85	None
2	ZS Advance	276,720	10.18	None	Others	1,738,950	89.54		Others	434,647	88.15	
3	Others	2,152,453	79.15									
Total	Net Purchase	2,719,226	100.00		Net Purchase	1,942,028	100.00		Net Purchase	493,068	100.00	

Reason for changes: In 2023, due to changes in the sales industry, the proportion of automobile sales orders increased, resulting in an increase in the purchase of raw materials. Therefore, the purchase of raw materials for sports and 3C decreased due to the sales proportion decreased.

ii. A list of any clients accounting for 10 percent or more of the company's total sales amount in:

Unit: NT$ Thousands

	2022				2023				2024Q1			
Item	Company	Amount	Annual Net Sales (%)	Relation-ship with Issuer	Company	Amount	Annual Net Sales (%)	Relation-ship with Issuer	Company	Amount	To Net Sales (%)	Relation-ship with Issuer
1	Fox	1,584,964	17.16	None	BorgWarner	1,029,250	14.45	None	Bosch	234,588	14.34	None
2	Medtronic	1,118,465	12.11	None	Bosch	828,343	11.63	None	Fox	196,323	12.00	None
3	Seagate	1,084,738	11.75	None	Medtronic	816,950	11.47	None	Seagate	196,046	11.98	None
4	Continental	948,966	10.28	None	Continental	749,373	10.52	None	Continental	182,659	11.16	None
5	ZF	947,200	10.26	None	ZF	713,157	10.01	None				
6	BorgWarner	923,556	10.00	None								
	Others	2,627,294	28.44		Others	2,984,751	41.92		Others	826,723	50.52	
Total	Net sales	9,235,183	100.00		Net sales	7,121,824	100.00		Net sales	1,636,339	100.00	

Reason for changes： In 2023, the revenue from FOX decreased mainly due to soft market demand after the epidemic and the impact of customer inventory destocking.

(5) An indication of the production volume for the 2 most recent fiscal years

Unit: NT$ Thousands, Thousands PCS

Year / Output / Major Products	2022			2023		
	Capacity	Quantity	Amount	Capacity	Quantity	Amount
Automotive	Note	165,217	4,188,250	Note	152,083	4,032,778
Sports	Note	19,774	1,343,050	Note	8,122	595,954
Electronics	Note	130,499	834,998	Note	85,391	546,506
Medical	Note	9,265	752,318	Note	6,745	547,717
Other	Note	1,851	207,312	Note	1,581	138,499
Total	Note	326,606	7,325,928	Note	253,922	5,861,454

Note：Since the products are all non-standard, only Output units and output value is provided.

(6) An indication of the volume of units sold for the 2 most recent fiscal years

Unit: NT$ Thousands, Thousands PCS

Year / Production / Key products	2022				2023			
	Domestic		Foreign		Domestic		Foreign	
	Quantity	Amount	Quantity	Amount	Quantity	Amount	Quantity	Amount
Automotive	1	383	153,892	4,781,044	27	936	145,185	4,508,215
Sports	17,885	1,567,695	425	26,241	7,339	671,761	244	14,409
Electronics	197	86,334	124,088	1,100,395	209	99,086	78,552	681,636
Medical	31	9,789	8,556	1,248,979	24	8,129	6,672	904,732
Other	11	3,305	1,752	411,018	2	1,437	1,685	231,483
Total	18,125	1,667,506	288,713	7,567,677	7,601	781,349	232,338	6,340,475

3. The Number of Employees Employed for the 2 Most Recent Fiscal Years, and during the Current Fiscal Year up to the Date of Publication of the Annual Report, Their Average Years of Service, Average Age, and Educational Levels:

The numbers, average years of service, average age and educational levels of employees employed for the 2 most recent fiscal years

Unit: Persons, Age, Years

Year		2022	2023	Ending 31 March, 2024
Number of Employees	Direct Staff	1,380	1,265	1,199
	Indirect Staff	970	1,028	1,025
	Total	2,350	2,293	2,224
Average Age		38.7	38.98	39.23
Average Years Of Service		6.50	6.90	7.20
Education Level Distribution Ratio	Ph.D.	0%	0%	0%
	Masters	2%	2%	2%
	Bachelor's Degree	31%	31%	29%
	Senior High School	35%	38%	39%
	Below Senior High School	32%	29%	30%

4. Disbursements for Environmental Protection

(1) Total losses (including damage awards) and fines for environmental pollution for the 2 most recent fiscal years, and during the current fiscal year up to the date of publication of the annual report, and an explanation of the measures (including corrective measures) and possible disbursements to be made in the future (including an estimate of losses, fines, and compensation resulting from any failure to adopt responsive measures, or if it is not possible to provide such an estimate, an explanation of the reason why it is not possible)：None

5. Labor Relations

(1) List any employee benefit plans, continuing education, training, retirement systems, and the status of their implementation, and the status of labor-management agreements and measures for preserving employees' rights and interests.

i. Employee welfare measures

With the intention to fully look after employees and protect their living condition, the Company provides or sponsors various welfare programs, and has established a staff welfare committee according to the law. The welfare committee is selected to manage various welfare measures, such as annual welfare budget and plans in order to use the employees' benefits in a reasonable and effective manner. Staff welfare measures are also implemented for the subsidiaries overseas on a regular or irregular basis.

The main benefits of the Company’s internal welfare measures are as follows:

A. Birthday vouchers

B. Diverse activities organized by the welfare committee (employee trips / employee meals)

C. Allowance for weddings and funerals

D. Regular health check-ups

E. Employee group insurance and travel insurance

F. Holiday system in accordance with the law

G. Year-end bonuses

H. Dividends for those who have achieved excellent performance to share profit.

I. External training subsidy

ii. Continuing education and training

The Company and its subsidiaries regard their employees as important assets, value each of their talent and arrange professional on-the-job training courses and management courses for employees according to their functional needs which include: internal classes and occasional external training, integrating internal and external resources, and cultivating skills in a planned manner and train talents who will ultimately have abundant professional, yet challenging skills.

iii. Retirement system and the status of its implementation

A. For employees who are subject to the provisions of the Labor Standards Act, the Company deposits a 4% of their wages on a monthly basis to the Labor Pension Reserve Supervision Committee in a special account at the Bank of Taiwan.

B. Continuing to take to the Labor Standards Act pension provisions in accordance with the Labor Pension Statutes or retain the working years before the applicable Labor Pension Statutes, and the payment of the pension is based on the service years and the average wages for the six months prior to the approved retirement date.

C. For employees who are subject to the provisions of the Labor Pension Statutes, the Company shall deposit a 6% of the employee’s monthly wages to their pension account.

D. Subsidiaries are required to provide relevant retirement benefits in accordance with the laws and regulations of their countries and shall be acknowledged as current year expenses.

iv. Labor agreements

The Company and its subsidiaries value a great deal of internal communication. Other than organizing labor meetings and employee communication meetings, the internal of the Company also has various communication channels. The management and employees respect each other and provide suggestions for improvements who all work together for the Company's growth. So far, labor relations have been harmonious, trust has been mutual and interaction has been exceptional. There has not been any need to coordinate due to labor disputes.

v. Maintenance of employee rights and interests

The requirements the Company and its subsidiaries have established are in accordance with the Government's various labor laws and regulations. The-well established system sets out various managements practices, specifies the rights and obligations of employees and welfare projects, and regularly revises the contents of the system in order to protect employees' rights.

(2) Losses sustained due to labor disputes (including labor inspection results found in violation of the Labor Standards Act, specify the date of the penalty, letter number, article violated, provision violated, details of the penalty) in the most recent year and up to the printing date of the annual report, and disclose current and future estimated amount and response measures; if it cannot be reasonably estimated, describe the facts that it cannot be reasonably estimate : The Group has always kept good relations with employees in the last 2 years and up to the date of publication of the annual report, there have not been any disputes.

6. Cybersecurity management

(1) The cyber security risk management framework, cyber security policies, concrete management programs, and investments in resources for cyber security management.

I. The cyber security risk management framework

A. The cyber security risk management framework

The company has established Cyber Security Committee to plan the group's information security, including information security policy, staffing, Software and hardware planning, and budget allocation. The company supervises and reviews the subsidiaries' information security to make sure that the information security policy is executed and meet the requirements

B. Cyber security policies：

a. information security governance: control risk and intensify its prevention, strengthen the safety structure of information security

To formulate a complete management system, enhance education training, the design of the safety structure and protect technology. Assure the system availability of information, limit possessions, access management, and resist external threats.

b. Compliance: establish legal mechanisms and view / revise regularly

Establish mechanisms that meet standards, view and revise related regulation regularly to meet the information security standard.

The information security policy also needs to be examined and assessed at all times in response to information security law and the update and post of the current situation. The information security committee will make sure that each subsidiary meets the new regulation

C. Concrete management programs

a.Formulate information security control documents, including the responsibilities of organizations, document, data management, the safety management of computer facilities, the access control of the internet and data, and system development management.

b. Keep an eye on or attend the news or reports from ISAC, CERT and make proper disposals

c. Provide the latest information safety messages, enhance employees' safety awareness and training on cybersecurity, and stay alert to unknown information.

d. External protection including viewing threats, internet, firewall, host computer, important files and checking if the Log is abnormal and implement related preventive measure.

e. The access right of Net/APP/files shall be assessed by risk assessment, and audited by related supervisors to prevent improper or illegal assess.

f. Program developments shall follow manuals and are required to be supervised with total assess, and should be tested comprehensively to ensure the wholeness of the data.

g. information assets security (such as the safety management and the fire protection measure in computer facilities, it shall make sure the data is irretrievable when scrapped.

h. Full drill of back-up, remote back-up and disaster recovery

i systems or outsourcing development shall define the responsibility of persons concerned of the both parties and the use of safety control measure, working procedure, bestowing manufacturers with relative safety management responsibilities

D. Investments in resources for cyber security management

a. Conduct internal, external examination regularly according to the examination plan, and track improvement and effectiveness regularly.

b. Check if each computer or each software of the host computer is legal, meets official use, renews system or antivirus software regularly.

c. conduct a selective examination if the access of the personnel change is renewed or canceled regularly.

d. The company had convened an information security committee in every year to revise the execution of information security of each sector.

e. The company had made remote back-up drill in every year.

f. New employees had taken information security training lessons from the information department.

(2)State clearly any losses, possible impacts, and countermeasures caused by significant cybersecurity incidents in the year prior to the annual report publication date; if they cannot be reasonably estimated, an explanation must be made as to the fact that they cannot be reasonably estimated: None

7. Important Contracts:

Up to the date of publication of the annual report, the Company is still in good standing and holds supply and marketing contract due in the most recent year, technical cooperation contract, engineering contract, long-term loan contract and other important contracts that affect shareholders' rights:

(1) Global PMX Co., Ltd.:

Type Of Contract	Party	Contract Duration	Contract Content	Restrictions
Building Lease Contract	SIXXON TECH. CO.,LTD.	September 1, 2023~August 31,2024	Lease	None

(2) Sixxon Precision Machinery Co., Ltd.:

Type Of Contract	Party	Contract Duration	Contract Content	Restrictions
Building Lease Contract	SIXXON TECH. CO.,LTD.	January 1, 2017 ~ December 31, 2026	Lease	None
Plant Lease Contract	Lin, Zhong Nan	November 1, 2021~October 31, 2024	Lease	None
Plant Lease Contract	HOM TECH PRECISE CO., LTD.	January 1, 2023 ~ December 31, 2027	Lease	None

(3)Global PMX Co., Ltd. (Zhejiang)

Type Of Contract	Party	Contract Duration	Contract Content	Restrictions
Lease Contract	Shandong Rongtai Construction Engineering Group Co., Ltd.	June 9, 2003 ~ June 8, 2053	Land Lease	None
Lease Contract	Shandong Rongtai Construction Engineering Group Co., Ltd.	April 17, 2014 ~ April 16, 2064	Land Lease	None
Lease Contract	Shandong Rongtai Construction Engineering Group Co., Ltd.	February 26, 2019 ~ February 25, 2069	Land Lease	None

(4) Global PMX Co., Ltd. (Jiaxing)

Type Of Contract	Party	Contract Duration	Contract Content	Restrictions
Lease Contract	Jiaxing Bureau of Land and Resources	April 20, 2018 ~ April 19, 2068	Land Lease	None
Lease Contract	Jason Tech (Jiaxing) Co., Ltd	January 1,2024~ December 31, 2028	Plant Lease	None

(5) Seamax Manufacturing Pte. Ltd. (Dongguan)

Type Of Contract	Party	Contract Duration	Contract Content	Restrictions
Lease Contract	Dongguan Bureau of Land and Resources	August 4, 1997 ~ August 3, 2047	Land Lease	None

VI. Financial Overview

1. Condensed Balance Sheets and Statements of Comprehensive Income for the Past 5 Fiscal Years, Showing the Name of the Certified Public Account and the Auditor's Opinion Given Thereby

(1)Condensed Balance Sheet and Statement of Comprehensive Income

i. consolidated condensed balance sheet

Unit: NT$ Thousands

Item / Year		Financial Information in the Past 5 Year (Note 1)					Current Financial Information Ending March 31, 2024 (Note 3)
		2019 (Restated)	2020	2021	2022	2023	
Current Assets		6,732,739	7,230,273	7,044,991	7,947,549	7,206,413	7,671,788
Property, Plant and Equipment		4,491,907	4,432,844	4,669,626	4,898,183	4,939,821	4,986,615
Intangible Assets		18,339	15,882	15,364	11,450	13,448	12,856
Other Assets		609,040	491,451	616,012	602,318	603,350	551,472
Total Assets		11,852,025	12,170,450	12,345,993	13,459,500	12,763,032	13,222,731
Current Liabilities	Before Distribu-tion	5,436,957	5,610,583	4,517,199	4,667,889	4,296,695	4,387,471
	After Distribu-tion	5,641,792	6,071,473	5,093,311	5,359,224	4,584,751 (Note 4)	4,675,527
Non-Current Liabilities		1,938,570	479,925	549,057	602,870	535,782	549,947
Total Liabilities	Before Distribu-tion	7,375,527	6,090,508	5,066,256	5,270,759	4,832,477	4,937,418
	After Distribu-tion	7,580,362	6,551,398	5,642,368	5,962,094	5,120,533 (Note 4))	5,225,474
Equity Attributable to Shareholders of the Parent		4,476,498	6,079,942	7,279,737	8,188,741	7,930,555	7,997,257
Capital Stock		819,340	1,120,981	1,152,225	1,152,225	1,152,225	1,152,225
Capital Surplus		1,107,664	3,238,705	3,696,715	3,696,715	3,696,715	3,696,715
Retained	Before	1,455,682	1,922,739	2,664,029	3,494,745	3,315,923	3,488,367

Earnings	Distribution						
	After Distribution	1,250,847	1,461,849	2,087,917	2,803,410	3,027,867 (Note 4)	3,200,311
Other Equity Interest		(271,368)	(202,483)	(233,232)	(154,944)	(234,308)	(51,994)
Treasury Stock		—	—	—	—	—	—
Non-Controlling Interests		—	—	—	—	—	—
Predecessors' interests under common control		1,365,180	—	—	—	—	—
Total Equity	Before Distribution	4,476,498	6,079,942	7,279,737	8,188,741	7,930,555	8,285,313
	After Distribution	4,271,663	5,619,052	6,703,625	7,497,406	7,642,499 (Note 4)	7,997,257

Note 1: Financial information for the last 5 years have been audited by the independent CPAs.

Note 2: No revaluation has been processed in each year.

Note 3: As of the publication date of the annual report, the consolidated financial information was reviewed by the independent CPAs in the previous quarter was the financial information on March 31, 2024.

Note 4: The amount presented above has been approved by the Board of Directors on March 11, 2024.

ii. Independent condensed balance sheet

Unit: NT$ Thousands

Item \ Year		Financial Information in the Past 5 Year (Note 1)				
		2019 (Restated)	2020	2021	2022	2023
Current Assets		2,159,985	1,731,402	1,995,296	2,419,130	2,616,668
Investments Accounted for Using Equity Method		5,543,031	6,380,179	7,039,856	8,104,171	7,390,638
Property, Plant and Equipment		23,897	24,239	23,848	23,457	23,114
Intangible Assets		160	3,320	1,627	394	169
Other Assets		77,966	57,009	72,453	45,199	79,945
Total Assets		7,805,039	8,196,149	9,133,080	10,592,351	10,110,534
Current Liabilities	Before Distribution	1,534,090	1,758,255	1,402,281	1,882,901	1,741,233
	After Distribution	1,738,925	2,219,145	1,978,393	2,574,236	2,029,289 (Note 4)
Non-Current Liabilities		1,794,451	357,952	451,062	520,709	438,746
Total Liabilities	Before Distribution	3,328,541	2,116,207	1,853,343	2,403,610	2,179,979
	After Distribution	3,533,376	2,577,097	2,429,455	3,094,945	2,468,035 (Note 4)
Equity Attributable to Shareholders of the Parent		4,476,498	6,079,942	7,279,737	8,188,741	7,930,555
Capital Stock		819,340	1,120,981	1,152,225	1,152,225	1,152,225
Capital Surplus		1,107,664	3,238,705	3,696,715	3,696,715	3,696,715
Retained Earnings	Before Distribution	1,455,682	1,922,739	2,664,029	3,494,745	3,315,923
	After Distribution	1,250,847	1,461,849	2,087,917	2,803,410 (Note 4)	3,027,867 (Note 4)
Other Equity		(271,368)	(202,483)	(233,232)	(154,944)	(234,308)
Treasury Stock		—	—	—	—	—
Non-Controlling Interests		—	—	—	—	—
Predecessors' interests under common control		1,365,180	—	—	—	—

Total Equity	Before Distribution	4,476,498	6,079,942	7,279,737	8,188,741	7,930,555
	After Distribution	4,271,663	5,619,052	6,703,625	7,497,406	7,642,499 (Note 4)

Note 1: Financial information for the last 5 years have been audited by the independent CPAs.

Note 2: No revaluation has been processed in each year.

Note 3: As of the publication date of the annual report, the consolidated financial information was reviewed by the independent CPAs in the previous quarter was the financial information on March 31, 2024.

Note 4: The amount presented above has been approved by the Board of Directors on March 11, 2024.

(2) Condensed Statement of Comprehensive Income

i. Consolidated Condensed Statement of Comprehensive Income

Unit: NT$ Thousands, Except for Earnings per Share

Item / Year	Financial Information in the Past 5 Year (Note 1)					Current Financial Information Ending March 31, 2024 (Note 2)
	2019 (Restated)	2020	2021	2022	2023	
Operating Revenues	7,610,315	7,160,275	8,814,067	9,235,183	7,121,824	1,636,339
Gross Profit	1,978,539	1,933,593	2,433,660	2,504,670	1,547,911	277,595
Income from Operations	1,284,258	1,176,385	1,552,258	1,629,825	721,504	53,274
Non-Operating Income and Expenses	(49,892)	(136,576)	17,689	199,236	(12,224)	173,716
Income Before Tax, Net	1,234,366	1,039,809	1,569,947	1,829,061	709,280	226,990
Continuing Operations Profit	908,290	771,395	1,202,917	1,405,382	515,540	172,444
Loss from Discontinued Operations	—	—	—	—	—	—
Net Income (Loss)	908,290	771,395	1,202,917	1,405,382	515,540	172,444
Other Comprehensive Income Profit After Income, Tax, Net	(153,603)	68,838	(31,486)	79,734	(82,391)	182,314
Total Comprehensive Income	754,687	840,233	1,171,431	1,485,116	433,149	354,758
Net Income Attributable to Shareholders of the Parent	908,290	771,395	1,202,917	1,405,382	515,540	172,444
Net Profit Attributable to Non-Controlling Interests	—	—	—	—	—	—
Comprehensive Income Attributable to Shareholders of the Parent	754,687	840,233	1,171,431	1,485,116	433,149	354,758
Comprehensive Income Attributable to Non-Controlling Interests	—	—	—	—	—	—
Earnings Per Share	8.57	7.19	10.47	12.20	4.47	1.50

Note 1: Financial information for the last 5 years have been audited by the independent CPAs

Note 2: Financial information for the first quarter of 2024 has been reviewed by the independent CPAs.

ii. Independent condensed statement of comprehensive income

Unit: NT$ Thousands, Except for Earnings per Share

Item / Year	Financial Information in the Past 5 Year (Note 1, 2)				
	2019 (Restated)	2020	2021	2022	2023
Operating Revenues	2,414,853	2,403,424	2,984,519	3,535,722	2,837,341
Gross Profit	623,709	577,119	680,398	824,880	682,468
Income from Operations	489,163	386,786	462,576	628,229	513,794
Non-Operating Income and Expenses	587,689	513,430	924,263	1,011,778	126,692
Income Before Tax, Net	1,076,852	900,216	1,386,839	1,640,007	640,486
Continuing Operation Profit	908,290	771,395	1,202,917	1,405,382	515,540
Loss from Discontinued Operations	—	—	—	—	—
Net Income (Loss)	908,290	771,395	1,202,917	1,405,382	515,540
Other Comprehensive Income Profit After Income, Tax, Net	(153,603)	68,838	(31,486)	79,734	(82,391)
Total Comprehensive Income	754,687	840,233	1,171,431	1,485,116	433,149
Net Income Attributable to Shareholders of the Parent	908,290	771,395	1,202,917	1,405,382	515,540
Net Profit Attributable to Non-Controlling Interests	—	—	—	—	—
Comprehensive Income Attributable to Shareholders of the Parent	754,687	840,233	1,171,431	1,485,116	433,149
Comprehensive Income Attributable to Non-Controlling Interests	—	—	—	—	—
Earnings Per Share	8.57	7.19	10.47	12.20	4.47

Note 1: Financial information for the last 5 years have been reviewed by the independent

CPAs.

Note 2: There is no financial report (independent) for the first quarter of 2024, therefore it is not available.

(3) The names of appointed certified public accounts and their audit opinions in the last 5 years

i. appointed certified public accounts and their audit opinions in the last 5 years

Year	Name of accounting firm	Name of CPA	Audit opinion
2023 (Note 1)	Deloitte & Touche Taiwan	Hsueh, Jun-Min Kuo, Nai-Hua	Unqualified opinion
2022	Deloitte & Touche Taiwan	Weng, Roy Kuo, Nai-Hua	Unqualified opinion
2021	Deloitte & Touche Taiwan	Weng, Roy Kuo, Nai-Hua	Unqualified opinion
2020	Deloitte & Touche Taiwan	Weng, Roy Kuo, Nai-Hua	Unqualified opinion
2019	Deloitte & Touche Taiwan	Weng, Roy Kuo, Nai-Hua	Unqualified opinion

Note 1: The reason for the Company’s CPA change was mainly due to the internal organizational adjustment of the accounting firm.

2. Financial Information in the Past 5 Years

(1) Financial analyses for the past five fiscal years and reasons for changes in financial ratios in the last two years

i. Consolidated financial analysis

Item	Year	Financial Information in the Past Five Years (Note 1)					Current Financial Infor-mation Ending March 31, 2024 (Note 2)
		2019 (Restated)	2020	2021	2022	2023	
Financial Structure (%)	Debt Ratio (%)	62.23	50.04	41.04	39.16	37.86	39.51
	Long-Term Capital to Property, Plant and Equipment Ratio (%)	142.81	147.98	167.65	179.48	171.38	171.40
Solvency (%)	Current Ratio (%)	123.83	128.87	155.96	170.26	167.71	164.08
	Quick Ratio (%)	96.42	101.32	105.79	122.90	117.83	117.49
	Interest Earned Ratio (Times)	21.32	22.74	65.22	66.23	15.74	19.03
Operating Performance	Average Collection Period	3.38	2.88	3.61	3.50	2.82	3.08
	Average Collection of Days	107.98	126.73	101.10	104.28	129.43	118.50
	Inventory Turnover (Times)	4.49	4.11	3.95	3.50	2.93	2.84
	Average Accounts Payable Turnover	8.60	7.40	8.12	8.66	8.48	8.92
	Average Days in Sales	81.29	88.80	92.40	104.28	124.57	128.52
	Property, Plant and Equipment Turnover (Times)	1.69	1.60	1.94	1.93	1.45	1.32
	Total Assets Turnover (Times)	0.67	0.60	0.72	0.71	0.54	0.48
Profitability	Return on Total Assets (%)	8.39	6.74	9.97	11.06	4.22	5.60
	Return on Stockholders' Equity (%)	21.49	14.61	18.01	18.17	6.39	8.64
	Pre-Tax Income to Paid-In Capital (%)	150.65	92.76	136.25	158.74	61.55	19.70
	Profit Ratio (%)	11.93	10.77	13.65	15.21	7.23	10.53
	Earnings Per Share (NT$)	8.57	7.19	10.47	12.20	4.47	1.50
Cash Flow	Cash Flow Ratio (%)	5.34	27.27	34.87	32.76	35.11	6.56
	Cash Flow Adequacy	46.85	69.33	66.36	79.49	99.79	114.74

	Ratio (%)						
	Cash Flow Reinvestment Ratio (%)	0.41	14.02	10.08	7.52	6.38	2.32
Leverage	Operating Leverage	1.50	1.53	1.40	1.39	1.93	4.28
	Financial Leverage	1.05	1.04	1.02	1.01	1.07	1.30

Analysis of significant changes in financial ratios over the last two years (20% change):

1. Solvency：Interest Earned Ratio decreased due to reduced profitability.
2. Operating Performance：The average collection of days increased is due to slight extension of customer payment terms.
3. Profitability：Due to the profit declined in 2023, the return on total assets, return on stockholders' equity, profit ratio, and earnings per share all decreased.
4. Leverage：Due to the declined in income for operations, the operational leverage increased.

Note 1: Financial information for the last 5 years have been audited by the independent CPAs.

Note 2: Financial information for the first quarter of 2024 has been reviewed by the independent CPAs.

ii. Independent Financial Analysis

Item	Year	Financial Information in the Past Five Years (Note 1,2)				
		2019 (Restated)	2020	2021	2022	2023
Financial Structure (%)	Debt Ratio (%)	42.65	25.82	20.29	22.69	21.56
	Long-Term Capital to Property, Plant and Equipment Ratio (%)	26,241.57	26,560.06	32,416.97	37,129.42	36,208.79
Solvency (%)	Current Ratio (%)	140.80	98.47	142.29	128.47	150.27
	Quick Ratio (%)	134.44	90.83	127.62	120.99	141.43
	Interest Earned Ratio (Times)	53.41	49.95	248.52	214.54	41.13
Operating Performance	Average Collection Period (Times)	2.93	2.98	4.04	3.79	3.03
	Average Collection Days	124.57	122.48	90.34	96.30	120.46
	Inventory Turnover (Times)	24.20	16.42	15.64	18.33	15.86
	Average Accounts Payable Turnover (Times)	3.31	3.28	3.73	3.35	2.74
	Average Days in Sales	15.08	22.22	23.33	19.91	23.01
	Property, Plant and Equipment Turnover (Times)	100.56	99.86	124.13	149.48	121.85
	Total Assets Turnover (Times)	0.32	0.30	0.34	0.35	0.27
Profitability	Return on Total Assets (%)	12.37	9.83	13.93	14.31	5.10
	Return on Stockholders' Equity (%)	21.49	14.61	18.01	18.17	6.39
	Pre-Tax Income to Paid-In Capital (%)	131.43	80.31	120.36	142.33	55.58
	Profit Ratio (%)	37.61	32.10	40.31	39.74	18.16
	Earnings Per Share (NT$)	8.57	7.19	10.47	12.20	4.47
Cash Flow	Cash Flow Ratio (%)	55.59	18.94	31.57	23.39	21.18
	Cash Flow Adequacy Ratio (%)	82.72	102.42	96.63	108.42	106.07
	Cash Flow Reinvestment Ratio (%)	9.64	2.01	-0.24	-1.56	-3.88
Leverage	Operating Leverage	1.00	1.01	1.00	1.00	1.00
	Financial Leverage	1.04	1.05	1.01	1.01	1.03

Analysis of significant changes in financial ratios over the last two years (20% change):

1. Operating Performance Analysis：Due to some extensions in customer payment terms, the average collection days increased.
2. Profitability Analysis：Market demand softened due to inflation, along with destocking by end customers, leading to a decrease in revenue and profits.
3. Cash Flow Analysis：Due to the dividend distribution in 2022 being greater than the net cash inflow from individual operations, the cash flow reinvestment ratio decreased and became negative.

Note 1: Financial information for the last 5 years have been audited by the independent CPAs.

Note 2: There is no financial report (independent) for the first quarter of 2024, therefore it is not available.

Note 3: The formula is as follows:

1. Financial Structure
   (1) Debts Ratio = Total Liabilities / Total Assets.
   (2) Long-Term Capital to Property, Plant and Equipment Ratio = (Shareholders' Equity + Noncurrent Liabilities) / Net Property, Plant and Equipment
2. Solvency
   (1) Current Ratio = Current Assets / Current Liabilities.
   (2) Quick Ratio = (Current Assets – Inventories – Prepaid Expenses) / Current Liabilities.
   (3) Interest Earned Ratio (Times) = Earnings before Interest and Taxes / Interest Expenses.
3. Operating Performances
   (1) Average Collection Period (Times) = Net Sales / Average Trade Receivables.
   (2) Average Collection Days = 365 / Average Collection Turnover
   (3) Inventory Turnover = Cost of Sales / Average Inventory.
   (4) Average Accounts Payable Turnover = Cost of Sales / Average Trade Payables
   (5) Average Days in Sales = 365 / Average Inventory Turnover
   (6) Property, Plant and Equipment Turnover = Net Sales / Average Net Property, Plant and Equipment.
   (7) Total Assets Turnover = Net Sales / Average Total Assets
4. Profitability
   (1) Return on Total Assets = (Net income + Interest Expenses * (1 – Effective Tax Rate)) / Average Total Assets.
   (2) Return on Stockholders' Equity = Net Income / Average Total Shareholders' Equity
   (3) Profit Ratio = Net Income / Net Sales
   (4) Earnings per Share = (Net Income Attributable to Shareholders of the Parent – Preferred Stock Dividend) / Weighted Average Number of Shares Outstanding (Note4)

5. Cash Flow
   (1) Cash Flow Ratio = Net Cash Provided by Operating Activities / Current Liabilities
   (2) Cash Flow Adequacy Ratio = Five-year Sum of Cash from Operations / Five-year Sum of Capital Expenditures, Inventory Additions, and Cash Dividend
   (3) Cash Flow Reinvestment Ratio = (Cash Provided by Operating Activities – Cash Dividends) / (Gross Property Plant and Equipment – Long-term Investments + Other Noncurrent Assets + Working Capital) (Note 5)
6. Leverage
   (1) Operating Leverage = (Net Sales – Variable Cost) / Income from Operations. (Note 6)
   (2) Financial Leverage = Income from Operations / (Income from Operations – Interest Expenses).

Note 2: The calculation of the earnings per share of the preceding paragraph shall pay special attention to the following:

1. Based on the weighted average number of ordinary shares, rather than the numbers of shares issued at the end of the year.
2. Where there is a cash replenishment or treasury stock trading, the weighted average number of shares shall be calculated during the period of circulation.
3. Where there is a surplus to capital increase or capital surplus to capital increase, the calculation of the earnings per share for the precious year and half-year should be adjusted by the proportion of capital increase, rather than the period the capital increase is issued.
4. If the preferred shares are non-convertible accumulative shares, its annual dividend (whether or not it is issued) shall be deductible from the net income or increased to net loss after tax. If the preferred shares are non-cumulative, then in case of having a net profit after tax, the preferred dividend should be deducted from the net profit after tax; in the case of having a net loss after tax, no adjustments are required.

Note 3: Cash flow analysis should pay special attention to the following:

1. Net cash flow from operating activities refers to the net cash inflow from operating activities in the cash flow statement.
2. Capital expenditure refers to the annual cash outflow of capital flows.
3. The increase in inventories shall only be credited when the balance at the end of the period is greater than the balance at the beginning of the period. If the inventory is reduced at the end of the year, then the inventory amount should be accounted at zero.
4. Cash dividends include cash dividends for common stock and special shares.
5. Net plant property and equipment means the total amount of property, plant and

equipment before deducting accumulated depreciation.

Note 4: The issuer shall distinguish between the operating costs and operating expenses being fixed or variables. When involved in the estimation or subjective judgments, one should pay attention to its rationality and consistency.

Note 5: If the Company's shares are no par or not in the denomination of NT$10, the calculation of the ratio of the paid-in capital shall be calculated based on the equity ratio of the balance sheet attributable to the owners of the parent company.

3. Audit Committee's Report for the Most Recent Year's Financial Statement

Global PMX Co., Ltd.

Inspection Report of Audit Committee

The Board of Directors has prepared the Company's 2023 Business Report, Financial Statements (including consolidated financial statements) and proposal for allocation of earnings. Of which, the financial statements (including consolidated financial statements) have been audited by the accountants of Deloitte & Touche Taiwan, who were appointed by the Board of Directors, and issued a verification report.

The aforementioned business report, financial statements (including consolidated financial statements) and allocation proposal have been approved by the Audit Committee and deem no inappropriateness. Pursuant to Article 14-4 of the Securities and Exchange Act and Article 219 of the company act, we hereby submit this report. Please review.

To

2024 Annual Shareholders' Meeting of Global PMX Co., Ltd.

Global PMX Co., Ltd.

Audit Committee Convener: Tsai, Chia-Yu

March 11, 2024

4. Financial Statement for the Most Recent Fiscal Year:

Please refer to Attachment 1.

5. A Parent Company Only Financial Statement for the Most Recent Fiscal Year, Certified by a CPA:

Please refer to Attachment 2.

6. If The Company or Its Affiliates Have Experienced Financial Difficulties in the Most Recent Fiscal Year or During the Current Fiscal Year up to the Date of Publication of the Annual Report, the Annual Report shall Explain How Said Difficulties will Affect the Company's Financial Situation: None.

VII. A Review and Analysis of the Company's Financial Position and Financial Performance, and a Listing of Risks

1. Financial Position

Unit: N$ Thousands

Item \ Year	2022	2023	Difference	
			Amount	%
Current Assets	7,947,549	7,206,413	(741,136)	(9.33)
Property, Plant and Equipment	4,898,183	4,939,821	41,638	0.85
Other Assets	613,768	616,798	3,030	0.49
Total Assets	13,459,500	12,763,032	(696,468)	(5.17)
Current Liabilities	4,667,889	4,296,695	(371,194)	(7.95)
Non-Current Liabilities	602,870	535,782	(67,088)	(11.13)
Total Liabilities	5,270,759	4,832,477	(438,282)	(8.32)
Capital Stock	1,152,225	1,152,225	—	—
Capital Surplus	3,696,715	3,696,715	—	—
Retained Earnings	3,494,745	3,315,923	(178,822)	(5.12)
Other Equity	(154,944)	(234,308)	(79,364)	(51.22)
Total Shareholders' Equity	8,188,741	7,930,555	(258,186)	(3.15)
Analysis of significant changes over 20%: 1. Other Interests: Mainly due to exchange differences on translation of the financial statements of foreign operations.				

2. Financial Performance

(1) The annual report shall list the main reasons for any material change in operating revenues, operating income, or income before tax during the past 2 fiscal years.

Unit: NT$ Thousands

Year / Item	2022	2023	Increased (Decreased) Amount	% Change
Operating Revenues	9,235,183	7,121,824	(2,113,359)	(22.88)
Operating Cost	6,730,513	5,573,913	(1,156,600)	(17.18)
Gross Profit	2,504,670	1,547,911	(956,759)	(38.20)
Operating Expenses	874,845	826,407	(48,438)	(5.54)
Income for Operations	1,629 ,825	721,504	(908,321)	(55.73)
Non-Operating Income and Expenses	199,236	(12,224)	(211,460)	(106.14)
Incomes Before Tax, Net	1,829,061	709,280	(1,119,781)	(61.22)
Income Tax Expense	(423,679)	(193,740)	229,939	54.27
Net Income	1,405,382	515,540	(889,842)	(63.32)
Other Comprehensive Incomes Profit After Income Tax, Net	79,734	(82,391)	(162,125)	(103.33)
Current Total Comprehensive Income	1,485,116	433,149	(1,051,967)	(70.83)

Analysis of significant changes over 20%:

1. In 2023, due to post-pandemic conditions and inflation led to weakened market demand and destocking by end customers that the Company have adversely affected the results of operating revenue, gross profit, and net income.
2. Non-Operating income and expense: Due to loss on exchange.
3. Other comprehensive income: Due to the exchange differences on translation of the financial operation.
4. The net income and current total comprehensive income decreased year-over-year： Due primarily to decline of the profit in 2023.

(2) Sales volume forecast and the basis therefor, and describe the effect upon the company's financial operations as well as measures to be taken in response:

Based on the overall economic environment changes, business trends and the Company’s future development direction, as well as taking into account the operational goals planned based on the recent operational overview, has planned to optimize the production capacity and processes of our products. With the gradual certification and new orders of automotive and medical component products, we anticipate that they will help the Company's production and sales back to normal in the second half of 2024.

3. Cash Flow

(1) The annual report shall describe and analyze any cash flow changes during the most recent fiscal year

Unit: NT$ Thousands

Item \ Year	2022	2023	Increase (Decrease)	
			Amount	%
Operating Activities	1,529,579	1,508,792	(20,787)	(1.36)
Investing Activities	(806,292)	(593,278)	213,014	26.42
Financing Activities	(309,383)	(793,286)	(483,903)	(156.41)
Fluctuations in Exchange Rate	15,548	(25,639)	(41,187)	(164.90)
Increase in Net Cash Flow	429,452	96,589	(332,862)	(77.51)

Analysis of significant changes over 20%:

1. Decrease in cash outflow from investing activities: It's due to a decrease in the amount spent on purchasing machinery and equipment.
2. Increase in cash outflow from financing activities: It’s due to the decrease in current borrowings and the increase in cash dividends paid.
3. Fluctuations in Exchange Rate：Due to exchange rate fluctuations during this period.
4. Due to the above factors, the increase in net cash flow has decreased.

(2) The plans to address any illiquidity problems: Not available.

(3) An analysis of cash liquidity for the coming fiscal year：

Unit: NT$ Thousands

Beginning ash Balance (1)	Cash Flow from Operating Activities (2)	Cash Flow from Investing & Financing Activities(3)	Cash Surplus (Deficit) Balance (1)+(2)+(3)	Cash Shortage Contingency Plan	
				Investment Plan	Financing Plan
2,847,638	1,027,796	(432,805)	3,442,629	–	–

Cash flow variance analysis:

1. Operating activities: Estimated net cash inflow from the operating activity is NT$1,027,796 thousand, which is mainly caused by the net profit.
2. Investment & Financing activities: Estimated net cash outflow is NT$432,805 thousand resulted from the continuous acquisition of fixed assets and the payment of cash dividends.
3. Remedial actions for cash shortfall: Not applicable.

4. The Impact of any Material Capital Expenditures over the Most Recent Fiscal Year upon the Financial and Operating Condition:

The plant of the subsidiary, Global PMX CO., Ltd. (Jiaxing) has reached the completion stage of construction, and new project orders from new customers are under the certification phase, and thus the amount of capital expenditure remains stable. Our goal is to continue optimizing processes and enhancing technology. All associated expenses can be covered by internal funds, which brings positive benefits to overall financial operations.

5. The Policy for the Most Recent Fiscal Year on Investments in other Companies, the Main Reasons for Profit/Losses Resulting Therefrom, Improvement, and Investment Plans for the Coming Fiscal Year:

December 31, 2023；Unit: NT$ Thousands

Name Of Company	Investment Policy	2023 Recognized Investment (Loss) Gain	Main Reasons for Profits or Losses	Improvement Plans	Investment Plans for the Coming Year
Fortune Tower Holding Co., Ltd.	General investment	(107,859)	The consolidated profit from the subsidiary resulted in losses.	—	—
Seamax International Ltd.	Import and export of goods	1,274	Only served as a between-group transaction.	—	—
Ace Plus Technology Limited	Import and export of goods	(46)	Only served as a between-group transaction.		
Seamax Manufacturing Pte. Limited	General investment	126,278	Profits attributed from subsidiary, Seamax Manufacturing PTE Limited. (Dongguan), is consolidated.	—	—

Name Of Company	Investment Policy	2023 Recognized Investment (Loss) Gain	Main Reasons for Profits or Losses	Improvement Plans	Investment Plans for the Coming Year
Global Advance Technology Limited	General investment	(224,788)	The losses from subsidiaries Global Pmx Co., Ltd. (Zhejiang) and Global Pmx Co., Ltd. (Jiaxing).	—	—
Seamax Manufacturing Pte., Ltd.(Dongguan)	Production and sales of computer hard disk parts, industrial control components, precision die, mold standard parts, high-grade hardware, high-grade construction hardware, plumbing, heating products and hardware components, new types of electronic components, automotive key components, anti-lock brake system.	126,259	Stable operations result in profits.	—	—
Global Pmx Co., Ltd. (Zhejiang.)	Development, research, production and sales of various types of large-capacity optical, disk drives and their components, semiconductor components, new types of electronic components, digital cameras, precision online measuring instruments, precision die, mold standard parts and medical precision parts, automotive precision parts.	(30,714)	The decrease in market demand and inventory destocking by customers resulted in reduced orders.	—	—

Name Of Company	Investment Policy	2023 Recognized Investment (Loss) Gain	Main Reasons for Profits or Losses	Improvement Plans	Investment Plans for the Coming Year
Global Pmx Co., Ltd. (Jiaxing)	Development, research, production and sales of auto parts, general components, Class 1 medical equipment, computer software/hardware, R&D of electronic components.	(99,419)	Initial stage of establishment The plant is still under construction and is in preliminary operational development.	—	—
Sixxon Precision Machinery Co., Ltd.	research and development and production and sales of auto parts, High-end off-road bicycles and suspension forks for electric bicycles, etc.	176,960	Stable operations result in profits.	—	—

6. The Section on Risks shall Analyze and Assess the Following Matters during the Most Recent Fiscal Year and as They Stood on the Date of Publication of the Annual Report:

(1) The effect upon the Company's profits (losses) of interest and exchange rate fluctuations and changes in the inflation rate, and response measures to be taken in the future:

i. Change in interest rate

The interest expense of the Group in 2021~2023 were NT$24,445 thousand, NT$28,037thousand and NT$48,134 thousand respectively which accounted for 0.28%, 0.30% and 0.68% of the total net profit before tax and had little effect on the overall operation of the Group. The Group has built a good relationship with the bank for many years, with the Group's financial stability and good credit standing, it is possible to obtain preferential interest rates and reduce interest expenses by negotiating with the bank. It is expected that the interest rates in the future will have no significant impact on the overall operation on the Group.

ii. Change in exchange rate

The Company's previous exchange rate risk management and exchange gains (losses) in the last years and the first quarter of 2024

Unit: Thousands

Year / Item	2023	2024 Q1
Exchange Gains (Loss)	(44,746)	158,622
Net Revenue	7,121,824	1,636,339
Exchange Gains or Losses / Net Revenue (%)	(0.63%)	9.69%
Operating Profit	721,504	53,274
Exchange Gains or Losses / Operating Profit (%)	(6.2%)	297.75%

In order to effectively reduce the impact of exchange rate changes on revenue and profit based on the fact that exchange rate fluctuations are difficult to estimate, other than collecting information on exchange rate changes, the following measures are also implemented to reduce the risks of exchange rate fluctuation.

(1) The Group's currency for collection is mainly in US dollars and RMB. The payment of raw materials is also in US dollars and RMB. Using the characteristics of natural hedging, the cash collected in foreign currency from the sales revenue of export products shall be used to cover foreign currency payables upon foreign purchases.

The Group's responds the risk of exchange rate changes on profit and loss, use the forward foreign exchange contract as an appropriate measure to conduct safe-haven transactions in the foreign currency pre-sales in the purpose of reducing exchange rate risks. To continue monitoring market changes in exchange rates and its own position in internal foreign exchanges. To maintain a balance of foreign currency assets and liabilities, thus avoiding the risk of exchange rate changes and reducing the impact of such changes on profit and loss of the Company.

(2) The financial unit strengthens information on changes in international exchange rates and maintains close contact with the foreign exchange department of financial institutions. It also collects relevant information on exchange rate at any time and fully grasps the trends in international exchange rates as well as spreading the risks to actively respond to the negative impact of fluctuations caused by exchange rates.

Concrete measures against exchange rate fluctuation:

iii. Effect on inflation

The Group is constantly aware of fluctuations in market prices. The main materials are customers' designated suppliers. The Group adjusts the material prices and sales prices according to the increase cost of purchase due to inflation, as well as strengthen inventory control to improve the turnover rate in order to reduce the adverse effects of rising raw material prices.

(2) The Company's policy regarding high-risk investments, highly leveraged investments, loans to other parties, endorsements, guarantees, and derivatives transactions; the main reasons for the profits/losses generated thereby; and mitigation measures to be taken in the future:

i. The Company's policy regarding high-risk investments, highly leveraged investments; the main reasons for the profits/losses generated thereby; and response measures to be taken in the future:

The Group focuses on the development within the industry and does not invest in other high-risk industries. The Group has always adopted a Strong and stable financial management policy, therefore has not engaged in highly leveraged investments.

ii. The Company's policy regarding loans to other parties, endorsements, guarantees, and derivatives transactions; the main reasons for the profits/losses generated thereby; and response measures to be taken in the future:

The Company has established the "Operational Procedures for Lending capital to others" "Operational Procedures for Endorsements and Guarantees" and "Operational Procedures for Acquisition and Disposal of Assets" as the bases for the Company and its subsidiaries' operations. Among which the capital lending and guarantees endorsements only occurred within the group and all are based on the above-mentioned policies and response measures. The trade of derivatives transactions is carefully evaluated by the Company, and any manipulations in this regard are made for the purpose of upgrading the Company's business performance and lowering down its operational and financial risks. It abides by rules and regulations governing "Operational Procedures for Acquisition and Disposal of Assets", and not to engage in arbitrage and speculation. Ultimately, the Company has always focused on the operations of the industry; therefore the relevant risks are limited.

(3) Research and development work to be carried out in the future, and further expenditures expected for research and development work:

The Group is a professional precision metal component processing manufacturer. The main technology lies in the development of milling machine, turning and milling compound automatic lathe, grinding machine and surface treatment. In addition to continue the deep involvement in core machining technology, the development of automation equipment and actively strive to work with large-scale development plans of automobile manufacturers, the design of the front end is based on the needs of the process in order to achieve twice the result with half the effort that also helps enhance self-research and development and design capabilities. In the future, the Company will gradually introduce R&D talents and automation equipment and fixtures according to the needs of customers.

(4) Effect on the Company's financial operations of important policies adopted and changes in the legal environment at home and abroad, and mitigation measures to be taken in response:

The Group's operations are carried out in accordance with the established relevant procedures, and with relevant domestic and foreign laws and regulations. The Company's operations in recent years have not been affected by major policies and regulations changes locally and internationally. The Company pays attention to amendments in domestic and international policies and regulations in order to fully comprehend changes in the legal environment. If major domestic and international policies and legal changes affect the Company's affairs, lawyers, accountants and relevant professional units shall be consulted to evaluate, recommend and plan the response measures that comply with the law and reduce the financial adverse effects of the business whereas necessary.

(5) Effect on the company's financial operations of developments in science and technology as well as industrial change, and measures to be taken in response:

The Group's main business projects are automotive brake safety systems, fuel injection systems, steering systems, thermos regulator systems, medical devices, semiconductor equipment flow controller systems, cloud and high-capacity hard disk precision parts, industrial and optical products, precision metal parts, etc.

The group will continue to pay attention to the technology, the development, and the changes related to its industry field. We will control the trend of the industry rapidly and promote the ability of the development. In this stage, the company's financial operations have no significant impact derived from the developments in science and technology along with industrial changes.

(6) Effect on the Company's crisis management of changes in the Company's corporate image, and mitigation measures to be taken in response:

The Company has always followed the principle of professionalism and integrity, values the importance of corporate image and Idol. There are no foreseeable corporate crisis issues.

(7) Expected benefits and possible risks associated with any merger and acquisitions, and mitigation measures being or to be taken: None.

(8) Expected benefits and possible risks associated with any plant expansion and mitigation measures being or to be taken: None.

(9) Risks associated with any consolidation of sales or purchasing operations, and mitigation measures being or to be taken:

1. Purchases

The main materials used by the Group are from qualified suppliers who customers have verified. The relevant quality, supply, finance and management are in line with customers' requirements. The remaining suppliers are long-term stable cooperation, whose product quality and supply stability are high and also deliver on time. The main raw materials are steel bars, aluminum bars, copper bars, etc., none of which are single source suppliers with the intention of reducing the risk of centralized procurement.

2. Sales

The net sales of the top 3 sales customers in our company accounted for 12% to 15% of the annual net sales last two years, which show little change, so centralized sales didn't exist.

In addition to continuing to focus on maintaining the relationship with existing customers and products, the Company will strive to enter the supply chain of other industry's leading manufacturers. Other than that, the Group aims to cross –industry development as much as possible, and customers in the same industry are separated by parts of each differ duct to achieve the purpose of diversifying product mix and reducing risks which is beneficial to the uncertainties of economic cycle.

(10) Effect upon and risk to the Company in the event a major quantity of share belonging to a director, supervisor, or shareholder holding greater than a 10 percent stake in the Company has been transferred or has otherwise changed hands, and mitigation measures belong or to be taken:

The Company has four directors and four independent directors. The shareholdings are in compliance with the regulations of the competent authorities. In the recent years up to the publication of the annual report, the directors of the Company or the majority shareholders who hold more than 10% of the Company had made no significant transfer or replacement of shares.

(11) Effect upon and risks to Company associated with any change in governance personnel or top management, and mitigation measures being or to be taken: None

(12) Litigious and non-litigious matters, the directors, supervisors, general managers and substantial principals of the Company, the majority shareholders and affiliated companies with a shareholding ratio of more than 10% have been determined or are included in the lawsuit; non-litigation or administrative litigation results may have a significant effect on the Company's shareholders' equity or securities prices must be fully disclosed in detail and include the cost of litigation, date of commencement of proceedings, main litigants and the current situation up the date of publication of the annual report: None.

(13) Other important risks, and mitigation measures being or to be taken:

Description of the information security risk assessment:

The company is divided information system/security into four different authority and responsibilities.

1. Management

   Set up the electronic information system/security related regulations to serve as basic guidance for company personnel to follow.

2. Information system division

(1) Comply with the information system/security related regulations to execute operational tasks. In the case of new cyber security issues, amendments along with modification methods may be proposed at any time as a reference for management.

(2) Examine information appliance at any time

A. Evaluate whether a hardware/firmware upgrade is necessary to perform.

B .Evaluate whether a new machine should be purchased in order to prevent damage and loss caused by vulnerability threats.

C. Implement the necessary warranty along with any spare parts that may be needed for important assets, and supplement safety precautions measures (such as UPS, etc.).

D. Implement the precautionary measures to assess whether all important assets are easily destroyed or lost.

(3) Data preservation

According to the information system/security-related regulations, data preservation shall be authorized by authorities concerned.

A.Availabilities, conduct Disaster Recovery (DR) drills exercises at regular intervals.

B.Data access control, implement effective and regular preventive measures of inspections in order to prevent unauthorized access.

C.The LOG record is activated for every important information change in order to ascertain the correct type of event and be traceable to determine rights and responsibilities correctly,

D.Personnel authority can be adjusted or canceled immediately according to personnel changes.

(4) External information security issue

The information system division keeps abreast of external news and threats information, and immediately implements preventive measures (such as firewall setting changes/firmware updates/software updates), as well as publish relevant information to company personnel for further.

3. Internal and external audit

The company has a complete internal and external auditing system, which is audited by an independent auditor or company personnel. For the regulations and related methods, the management team can put forward proposals for improvement at any time and may make checks considered necessary for each department.

4. Company personnel

The company conducts security training for employees occasionally and constantly announces guidance of the latest information security measures. As a consequent, the employees become fully aware of its received information and immediately report to the information system division if there is a suspicious affair (such as unknown mail/file/link). Encourage accountability by building collaboration among the information system division and other company personnel.

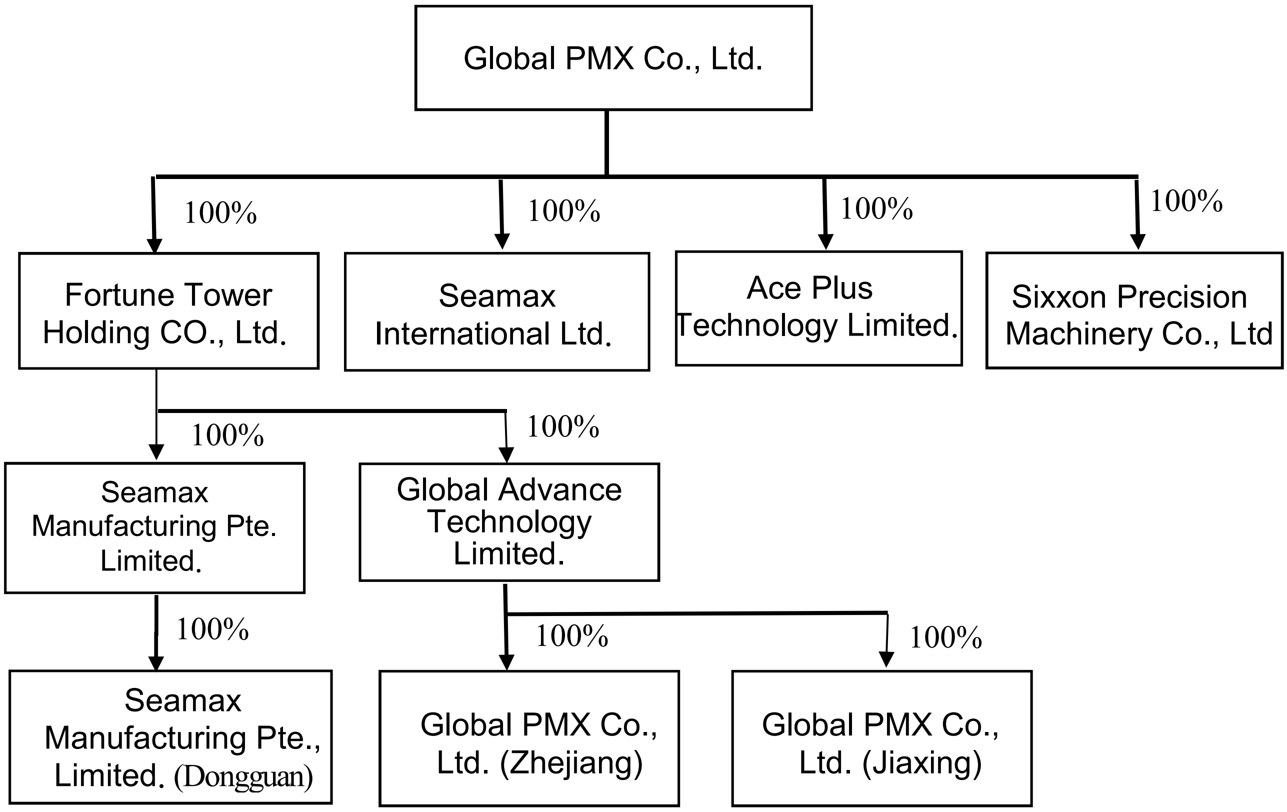
The company's operating model does not rely on digital marketing or online sales model (B2C / B2B), nevertheless, the cyber information risk could be minimized by preventing, institutionalizing, maneuvering reaction and conducting disaster recovery drills exercises. The security problem will not bring any difficulties or pauses towards the business operation of the company, nor lead any losses or damages to customers.

7. Other Important Matters: None.

VIII. Special Disclosure

1. Information Related to the Company's Affiliates

(1) Organizational chart of affiliate companies



December 31, 2023

(2) Basic information of affiliate companies

December 31, 2023
Unit: NT$ Thousands

Name of Company	Date of Incorporation	Address	Paid-In Capital	Type of Business
Fortune Tower Holding Co., Ltd.	2011/11/18	Vistra Corporate Services Centre, Ground Floor NPF Building, Beach Road, Apia, Samoa	3,719,067	General investment
Seamax International Ltd.	2011/03/07	Vistra Corporate Services Centre, Ground Floor NPF Building, Beach Road, Apia, Samoa	28,995	Import and export of goods
Ace Plus Technology Limited.	2016/05/11	Vistra Corporate Services Centre, Ground Floor NPF Building, Beach Road, Apia, Samoa	1,564	Import and export of goods
Seamax Manufacturing Pte. Limited.	2007/11/16	1501 Capital Centre, 151 Gloucester Road, Wan Chai, Hong Kong.	363,000	General investment
Global Advance Technology Limited.	2002/02/28	Vistra Corporate Services Centre, Ground Floor NPF Building, Beach Road, Apia, Samoa	2,964,584	General investment
Seamax Manufacturing Pte, Limited. (Dongguan)	1997/01/02	No. 11, Jinfu Road, Huanan Industrial	359,046	Production and sales of computer hard disk parts, industrial control components, precision die, mold

		Park, Liaobu Town, Dongguan, Guangdong, China		standard parts, high-grade hardware, high grade construction hardware, plumbing, heating products and hardware components, new types of electronic components, automotive key components, anti-lock brake system
Global Pmx Co., Ltd. (Zhejiang)	2003/04/15	368 Baoqun Road, Industrial Park, Yaozhuang Town, Jiashan County, Zhejiang Province, China	1,803,264	Research and development, production and sales of various types of large-capacity optical, disk drives and their components, semiconductor components, new types of electronic components, digital cameras, precision online measuring instruments, precision die, mold standard parts and medical precision parts, automotive precision parts
Global Pmx Co., Ltd. (Jiaxing)	2017/12/7	No.3339 Linggongtang Road, Nanhu District, Jiaxing City, Zhejiang Province, China	1,329,750	Research and development, production and sales of automotive parts, general-purpose parts, first-class medical equipment, computer hardware and software, electronic components technology development.
Sixxon Precision Machinery Co.,Ltd.	2016/12/29	No.6, Yu 3 Road, Youth Indusrtail District Taoyuan 326 Taiwan	300,000	Automotive, Mechanical, Manufacturing Mold and Electronics Components, Processing and Sales.

(3) Shareholders presumed to have a relationship of control and subordination: None.

(4) The industries covered by the business operated by the affiliates overall:

Automotive, Sport, Electronic, Medical, Precision Components for Semiconductor and Industrial Application.

(5) Relationship between the directors, supervisors and President of the enterprise:

December 31, 2023

Unit: Thousand Shares: %

Company Name	Title	Name of Representative	Shares Owned	
			Capital Contribution / Share	Percentage
Fortune Tower Holding Co., Ltd	Director	Global PMX Co., Ltd.	125,750	100％
Seamax International Ltd.	Director	Global PMX Co., Ltd.	1,000	100％
Ace Plus Technology Limited	Director	Global PMX Co., Ltd.	50	100%
Seamax Manufacturing Pte. Limited	Director	Fortune Tower Holding Co., Ltd / Lin, Zheng-Sheng	12,200	100％
Global Advance Technology Limited	Director	Fortune Tower Holding Co., Ltd	97,750	100％
Seamax Manufacturing Pte. Limited. (Dongguan)	Executive Director	Lin, Zheng-Sheng Supervisor: Yen, Rui-Quan	Note	Note
Global Pmx Co., Ltd. (Zhejiang)	Executive Director	Lin, Zheng-Sheng Supervisor: Yen, Rui-Quan	Note	Note
Global Pmx Co., Ltd. (Jiaxing)	Executive Director	Lin, Zheng-Sheng Supervisor: Yen, Rui-Quan	Note	Note
Sixxon Precision Machinery Co.,Ltd.	Director	Lin, Zheng-Sheng / Chen, De-Run / Chung, I-Teng Supervisor: Yen, Rui-Quan	30,000	100%

Note: The Company is a limited Company; there are no shares.

(6) Operation status of affiliate companies:

Financial status and operation results of each affiliate company

December 31, 2023
Unit: NT$ Thousands

Company Name	Capital Stock	Total Assets	Total Liabilities	Net Worth	Operating Revenues	Income from Operations	Net Income (After tax)	Earnings Per Share (NT$) (After Tax)
Fortune Tower Holding Co., Ltd	3,719,067	5,580,111	152	5,579,959	—	(9,393)	(107,859)	(0.86)
Seamax International Ltd.	28,995	528,199	492,424	35,775	1,433,651	-98	1,275	1.28
Ace Plus Technology Limited	1,564	194,053	192,847	1,207	491,200	(45)	(45)	(0.90)
Seamax Manufacturing Pte. Limited	363,000	755,755	—	755,755	—	(129)	126,278	10.35
Global Advance Technology Limited	2,964,584	5,882,783	1,275,831	4,606,952	—	(54)	(224,788)	(0.23)
Seamax Manufacturing Pte. Limited. (Dongguan)	359,046	942,903	313,101	629,801	896,585	124,224	126,259	N/A
Global Pmx Co., Ltd. (Zhejiang)	1,803,264	5,093,194	1,223,884	3,869,310	3,022,862	(23,843)	(30,714)	N/A
Global Pmx Co., Ltd. (Jiaxing)	1,329,750	1,819,816	795,424	1,024,392	423,689	(77,450)	(99,419)	N/A
Sixxon Precision Machinery Co.,Ltd.	300,000	2,961,020	1,182,755	1,778,265	2,408,686	192,547	176,960	5.90

(7) Consolidated financial statements of affiliated enterprises and consolidated financial statements：Please refer to P.189~P.258

(8) Consolidated business report of affiliated enterprises: Not available.

2. Transaction about the Company Has Carried out Private Placement of Securities during the Most Recent Fiscal Year or during the Current Fiscal Year up to the Date of Publication of the Annual Report: None.

3. Holding or Disposal of Shares in the Company by the Company's Subsidiaries during the Most Recent Fiscal Year or during the Current Fiscal Year up to the Date of Publication of the Annual Report: None.

4. Other Matters that Require Additional Description: None.

5. If any of the Situations Listed in Article 36, Paragraph 3, Subparagraph 2 of the Securities and Exchange Act, Which Might Materially Affect Shareholders' Equity or the Price of the Company's Securities, has Occurred during the Most Recent Fiscal Year or during the Current Fiscal Year up to the Date of Publication of the Annual Report, such Situations shall be Listed One by One: None.

Attachment 1: The Most Recent Year's Financial Statement

DECLARATION OF CONSOLIDATION OF FINANCIAL STATEMENTS OF AFFILIATES

The entities that are required to be included in the combined financial statements of Global PMX Co., Ltd. as of and for the year ended December 31, 2023 under the "Criteria Governing the Preparation of Affiliation Reports, Consolidated Business Reports and Consolidated Financial Statements of Affiliated Enterprises" are the same as those included in the consolidated financial statements prepared in conformity with the International Financial Reporting Standard 10 "Consolidated Financial Statements". In addition, the information required to be disclosed in the combined financial statements has already been disclosed in the above consolidated financial statements. Consequently, Global PMX Co., Ltd. and subsidiaries did not prepare a separate set of combined financial statements.

Very truly yours,

GLOBAL PMX CO., LTD.

ZHENG-SHENG LIN
Chairman

March 11, 2024

INDEPENDENT AUDITORS' REPORT

The Board of Directors and Shareholders
Global PMX Co., Ltd.

Opinion

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

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

Basis for Opinion

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

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements for the year ended December 31, 2023. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matters for Global PMX Co., Ltd. and its subsidiaries' consolidated financial statements for the year ended December 31, 2023 are stated as follows:

<u>The Truth of the Sales to the Specific Customers</u>

The Group mainly engaged in manufacturing and processing of automotive, electronics, medical equipment and precision metal parts of various industries. Based on the significance and Statements on Auditing Standards presupposes revenue recognition as a significant risk. We believe that the impact of the sales revenue recognition of automotive equipment from the specific sales customers if actually occurred on the financial statements is significant, it has been identified as a key audit matter. Please refer to Note 4 (12) to the consolidated financial statements for the details of the information about the accounting policy for recognizing revenue.

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

1. Understood and tested the design and implementation of the internal controls over revenue recognition from specific sales customers.

2. Sampled and inspected the sale records of the specific sales customers aforementioned to select appropriate samples to examine the related supporting source documents and to test the receiving situation in order to verify whether the sales transaction actually occurred.

Other Matter

We have also audited the parent company only financial statements of Global PMX Co., Ltd. as of and for the years ended December 31, 2023 and 2022, on which we have issued an unmodified opinion.

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

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

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

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

Auditors' Responsibilities for the Audit of the Consolidated Financial Statements

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

As part of an audit in accordance with the Standards on Auditing of the Republic of China, we exercise professional judgment and professional skepticism. We also:

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

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

3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

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

5. Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

6. Obtain sufficient and appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision, and performance of the Group audit. We remain solely responsible for our audit opinion.

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

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

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

* These consolidated financial statements are translated from the traditional Chinese version and are unaudited by a CPA.

The engagement partners on the audits resulting in this independent auditors' report are Jun-Min Hsueh and Nai-Hua Kuo.

Deloitte & Touche
Taipei, Taiwan
Republic of China

March 11, 2024

Notice to Readers

The accompanying consolidated financial statements are intended only to present the consolidated financial position, financial performance and cash flows in accordance with accounting principles and practices generally accepted in the Republic of China and not those of any other jurisdictions. The standards, procedures and practices to audit such consolidated financial statements are those generally applied in the Republic of China.

For the convenience of readers, the independent auditors' report and the accompanying consolidated financial statements have been translated into English from the original Chinese version prepared and used in the Republic of China. 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.

GLOBAL PMX CO., LTD. AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEETS
DECEMBER 31, 2023 AND 2022
(In Thousands of New Taiwan Dollars)

	2023		2022	
ASSETS	**Amount**	**%**	**Amount**	**%**
CURRENT ASSETS				
Cash and cash equivalents (Notes 6 and 27)	$ 2,847,638	22	$ 2,751,049	21
Notes receivable, net (Notes 9 and 27)	30,835	-	465	-
Trade receivables from unrelated parties, net (Notes 9 and 27)	2,094,397	17	2,921,307	22
Other receivables (Notes 9 and 27)	39,550	-	30,756	-
Current tax assets (Note 23)	8,365	-	588	-
Inventories (Note 10)	1,884,382	15	1,917,693	14
Prepayments (Note 15)	258,907	2	293,000	2
Other current assets (Notes 15, 27 and 29)	42,339	-	32,691	-
Total current assets	7,206,413	56	7,947,549	59
NON-CURRENT ASSETS				
Financial assets at amortized cost - non-current (Notes 7, 8, 27 and 29)	800	-	-	-
Property, plant and equipment (Note 12)	4,939,821	39	4,898,183	36
Right-of-use assets (Notes 13 and 28)	272,651	2	246,732	2
Intangible assets (Note 14)	13,448	-	11,450	-
Deferred tax assets (Note 23)	138,305	1	80,685	1
Prepayments for equipment (Note 15)	187,869	2	270,909	2
Refundable deposits (Notes 15, 27 and 28)	3,725	-	3,692	-
Other financial assets - non-current (Notes 15, 27 and 29)	-	-	300	-
Total non-current assets	5,556,619	44	5,511,951	41
TOTAL	$ 12,763,032	100	$ 13,459,500	100
LIABILITIES AND EQUITY				
CURRENT LIABILITIES				
Short-term borrowings (Notes 16 and 27)	$ 2,347,662	19	$ 2,408,798	18
Trade payables to unrelated parties (Notes 17 and 27)	610,634	5	702,573	5
Other payables (Notes 18 and 27)	1,125,226	9	1,298,915	10
Other payables to related parties (Notes 18, 27 and 28)	11,759	-	16,282	-
Current tax liabilities (Note 23)	130,969	1	193,705	2
Lease liabilities - current (Notes 13, 27 and 28)	39,549	-	25,490	-
Other current liabilities	30,896	-	22,126	-
Total current liabilities	4,296,695	34	4,667,889	35
NON-CURRENT LIABILITIES				
Lease liabilities - non-current (Notes 13, 27 and 28)	91,033	1	72,418	-
Net defined benefit liabilities - non-current (Note 19)	6,371	-	4,760	-
Guarantee deposits received (Note 27)	130	-	-	-
Deferred tax liabilities (Note 23)	438,248	3	525,692	4
Total non-current liabilities	535,782	4	602,870	4
Total liabilities	4,832,477	38	5,270,759	39
EQUITY ATTRIBUTABLE TO OWNERS OF THE COMPANY (Note 20)				
Share capital				
Ordinary shares	1,152,225	9	1,152,225	9
Capital surplus	3,696,715	29	3,696,715	27
Retained earnings				
Legal reserve	657,983	5	517,300	4
Special reserve	154,944	1	233,232	2
Unappropriated earnings	2,502,996	20	2,744,213	20
Total retained earnings	3,315,923	26	3,494,745	26
Other equity	(234,308)	(2)	(154,944)	(1)
Total equity	7,930,555	62	8,188,741	61
TOTAL	$ 12,763,032	100	$ 13,459,500	100

The accompanying notes are an integral part of the consolidated financial statements.

GLOBAL PMX CO., LTD. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022
(In Thousands of New Taiwan Dollars, Except Earnings Per Share)

	2023		2022	
	Amount	**%**	**Amount**	**%**
OPERATING REVENUE (Notes 21, 28 and 34)	$ 7,121,824	100	$ 9,235,183	100
OPERATING COST (Notes 10, 22 and 28)	(5,573,913)	(78)	(6,730,513)	(73)
GROSS PROFIT	1,547,911	22	2,504,670	27
OPERATING EXPENSES (Notes 9, 22 and 28)				
Selling and marketing expenses	(143,820)	(2)	(220,469)	(2)
General and administrative expenses	(357,224)	(5)	(403,822)	(4)
Research and development expenses	(211,456)	(3)	(239,806)	(3)
Expected credit loss	(113,907)	(2)	(10,748)	-
Total operating expenses	(826,407)	(12)	(874,845)	(9)
PROFIT FROM OPERATIONS	721,504	10	1,629,825	18
NON-OPERATING INCOME AND EXPENSES (Notes 22 and 28)				
Interest income	64,430	1	12,951	-
Other income	26,330	1	46,361	-
Other gains and losses	(54,850)	(1)	167,961	2
Finance costs	(48,134)	(1)	(28,037)	-
Total non-operating income and expenses	(12,224)	-	199,236	2
PROFIT BEFORE INCOME TAX	709,280	10	1,829,061	20
INCOME TAX EXPENSE (Note 23)	(193,740)	(3)	(423,679)	(5)
NET PROFIT FOR THE YEAR	515,540	7	1,405,382	15

(Continued)

GLOBAL PMX CO., LTD. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022
(In Thousands of New Taiwan Dollars, Except Earnings Per Share)

	2023		2022	
	Amount	%	Amount	%
OTHER COMPREHENSIVE INCOME (LOSS)				
Items that will not be reclassified subsequently to profit or loss:				
Remeasurement of defined benefit plans (Note 19)	$ (3,027)	-	$ 1,446	-
Items that may be reclassified subsequently to profit or loss:				
Exchange differences on translation the financial statements of foreign operations (Note 20)	(79,364)	(1)	78,288	1
Other comprehensive (loss) income for the year, net of income tax	(82,391)	(1)	79,734	1
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	$ 433,149	6	$ 1,485,116	16
NET PROFIT ATTRIBUTABLE TO:				
Owner(s) of the Company	$ 515,540	7	$ 1,405,382	15
Non-controlling interests	-	-	-	-
	$ 515,540	7	$ 1,405,382	15
TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO:				
Owner(s) of the Company	$ 433,149	6	$ 1,485,116	16
Non-controlling interests	-	-	-	-
	$ 433,149	6	$ 1,485,116	16
EARNINGS PER SHARE (Note 24)				
From continuing operations				
Basic	$ 4.47		$ 12.20	
Diluted	$ 4.47		$ 12.16	

The accompanying notes are an integral part of the consolidated financial statements. (Concluded)

GLOBAL PMX CO., LTD. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022
(In Thousands of New Taiwan Dollars)

	Equity Attributable to Owners of the Company							
	Share Capital			Retained Earnings			Other Equity	
	Shares (In Thousand)	Amount	Capital Surplus	Legal Reserve	Special Reserve	Unappropriated Earnings	Exchange Differences on Translation the Financial Statements of Foreign Operations	Total Equity
BALANCE AT JANUARY 1, 2022	115,222	$ 1,152,225	$ 3,696,715	$ 397,082	$ 202,483	$ 2,064,464	$ (233,232)	$ 7,279,737
Appropriation of 2021 earnings								
Legal reserve	-	-	-	120,218	-	(120,218)	-	-
Special reserve	-	-	-	-	30,749	(30,749)	-	-
Cash dividends	-	-	-	-	-	(576,112)	-	(576,112)
Net profit for the year ended December 31, 2022	-	-	-	-	-	1,405,382	-	1,405,382
Other comprehensive income for the year ended December 31, 2022, net of income tax	-	-	-	-	-	1,446	78,288	79,734
Total comprehensive income for the year ended December 31, 2022	-	-	-	-	-	1,406,828	78,288	1,485,116
BALANCE, DECEMBER 31, 2022	115,222	1,152,225	3,696,715	517,300	233,232	2,744,213	(154,944)	8,188,741
Appropriation of 2022 earnings								
Legal reserve	-	-	-	140,683	-	(140,683)	-	-
Cash dividends	-	-	-	-	-	(691,335)	-	(691,335)
Reversal of special reserve	-	-	-	-	(78,288)	78,288	-	-
Net profit for the year ended December 31, 2023	-	-	-	-	-	515,540	-	515,540
Other comprehensive income (loss) for the year ended December 31, 2023, net of income tax	-	-	-	-	-	(3,027)	(79,364)	(82,391)
Total comprehensive income (loss) for the year ended December 31, 2023	-	-	-	-	-	512,513	(79,364)	433,149
BALANCE, DECEMBER 31, 2023	115,222	$ 1,152,225	$ 3,696,715	$ 657,983	$ 154,944	$ 2,502,996	$ (234,308)	$ 7,930,555

The accompanying notes are an integral part of the consolidated financial statements.

GLOBAL PMX CO., LTD. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022
(In Thousands of New Taiwan Dollars)

	2023	2022
CASH FLOWS FROM OPERATING ACTIVITIES		
Income before income tax	$ 709,280	$ 1,829,061
Adjustments for:		
Depreciation expenses	668,042	640,465
Amortization expenses	8,562	10,368
Expected credit loss recognized	113,907	10,748
Net loss on fair value changes of financial liabilities at fair value through profit or loss	-	4,214
Finance costs	48,134	28,037
Interest income	(64,430)	(12,951)
Gain on disposal of property, plant and equipment	(2,671)	(805)
Write-down of inventories	57,747	1,865
Net loss (gain) on foreign currency exchange	-	22,548
Changes in operating assets and liabilities		
Notes receivable	(30,370)	1,303
Trade receivables	713,004	(585,112)
Other receivables	(4,082)	17,978
Inventories	(22,714)	6,827
Prepayments	34,093	46,014
Other current assets	(9,652)	12,905
Held for trading financial liabilities	-	(4,214)
Trade payables	(91,939)	(148,261)
Other payables	(192,742)	(43,636)
Other current liabilities	8,770	6,555
Net defined benefit liabilities	(1,416)	-
Cash generated from operations	1,941,523	1,843,909
Interest paid	(43,007)	(25,756)
Income tax paid	(389,724)	(288,574)
Net cash generated from operating activities	1,508,792	1,529,579
CASH FLOWS FROM INVESTING ACTIVITIES		
Payments for financial assets at amortized cost	(800)	-
Payments for property, plant and equipment	(649,803)	(823,668)
Proceeds from disposal of property, plant and equipment	7,816	9,683
Increase in refundable deposits	(33)	-
Decrease in refundable deposits	-	2,660
Payments for intangible assets	(10,435)	(6,269)
Acquisition of right-of-use assets	(45)	-
Decrease in other financial assets	304	-
Interest received	59,718	11,302
Net cash used in investing activities	(593,278)	(806,292)

(Continued)

GLOBAL PMX CO., LTD. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022
(In Thousands of New Taiwan Dollars)

	2023	2022
CASH FLOWS FROM FINANCING ACTIVITIES		
Increase in short-term borrowings	$ -	$ 293,386
Decrease in short-term borrowings	(61,136)	-
Increase in guarantee deposits received	130	-
Decrease in guarantee deposits received	-	(87)
Repayment of the principal portion of lease liabilities	(40,945)	(26,570)
Dividends paid	(691,335)	(576,112)
Net cash used in financing activities	(793,286)	(309,383)
EFFECTS OF EXCHANGE RATE CHANGES ON THE BALANCE OF CASH HELD IN FOREIGN CURRENCIES	(25,639)	15,548
NET INCREASE IN CASH AND CASH EQUIVALENTS	96,589	429,452
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR	2,751,049	2,321,597
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	$ 2,847,638	$ 2,751,049

The accompanying notes are an integral part of the consolidated financial statements. (Concluded)

GLOBAL PMX CO., LTD. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

1. GENERAL INFORMATION

Global PMX Co., Ltd. (the "Company") was incorporated in February 1987, formerly known as "Global PMX Co., Ltd.", it was renamed to "Global PMX Co., Ltd." in October 1999. The Company engages mainly in manufacturing of electronic equipment, plastic components, hardware hand tools, metal parts etc. trading, import and export, industrial plastic products manufacturing, other non-metal products manufacturing, iron and steel casting, iron and steel forging, steel rework, aluminum rework, etc.

The Company's share have been listed on the Taiwan Stock Exchange since August 10, 2015.

The consolidated financial statements are presented in the Company's functional currency, the New Taiwan dollar.

On September 30, 2019, the Company's board of directors decided to acquire all issued and outstanding ordinary shares of Sixxon Precision Machinery Co., Ltd. by issuing shares, completing the transferring procedure on April 13, 2020. The transaction is a business combination under common control; therefore, comparative information of the prior period in the consolidated financial statements is restated as if the combination had already occurred.

2. APPROVAL OF CONSOLIDATED FINANCIAL STATEMENTS

The consolidated financial statements were approved by the Company's board of directors on March 11, 2024.

3. APPLICATION OF NEW, AMENDED AND REVISED STANDARDS AND INTERPRETATIONS

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

   Except for the following, the initial application of the IFRS Accounting Standards endorsed and issued into effect by the FSC did not have material impact on the Group's accounting policies:

   1) Amendments to IAS 1 "Disclosure of Accounting Policies"

      When applying the amendments, the Group refers to the definition of material to determine its material accounting policy information to be disclosed. Accounting policy information is material if it can reasonably be expected to influence decisions that the primary users of general purpose financial statements make on the basis of those financial statements. Moreover:

      - Accounting policy information that relates to immaterial transactions, other events or conditions is immaterial and need not be disclosed;

      - The Group may consider the accounting policy information material because of the nature of the related transactions, other events or conditions, even if the amounts are immaterial; and

- Not all accounting policy information relating to material transactions, other events or conditions is itself material.

The accounting policy information is likely to be considered material to the financial statements if that information relates to material transactions, other events or conditions and:

a) The Group changed its accounting policy during the reporting period and this change resulted in a material change to the information in the financial statements;

b) The Group chose the accounting policy from options permitted by the standards;

c) The accounting policy was developed in accordance with IAS 8 "Accounting Policies, Changes in Accounting Estimates and Errors" in the absence of an IFRS that specifically applies;

d) The accounting policy relates to an area for which the Group is required to make significant judgments or assumptions in applying an accounting policy, and the Group discloses those judgments or assumptions; or

e) The accounting is complex, and users of the financial statements would otherwise not understand those material transactions, other events or conditions.

Refer to Note 4 for related accounting policy information.

2) Amendments to IAS 8 "Definition of Accounting Estimates"

The Group has applied the amendments since January 1, 2023, which defines accounting estimates as monetary amounts in financial statements that are subject to measurement uncertainty. In applying accounting policies, the Group may be required to measure items at monetary amounts that cannot be observed directly and must instead be estimated. In such a case, the Group uses measurement techniques and inputs to develop accounting estimates to achieve the objective. The effects on an accounting estimate of a change in a measurement technique or a change in an input are changes in accounting estimates unless they result from the correction of prior period errors.

b. The IFRS Accounting Standards endorsed by the FSC for application starting from 2024

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

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

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

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

Amendments to IAS 1 "Classification of Liabilities as Current or Non-current" (referred to as the "2020 amendments") and "Non-current Liabilities with Covenants" (referred to as the "2022 amendments")

The 2020 amendments clarify that for a liability to be classified as non-current, the Group shall assess whether it has the right at the end of the reporting period to defer settlement of the liability for at least twelve months after the reporting period. If such rights exist at the end of the reporting period, the liability is classified as non-current regardless of whether the Group will exercise that right.

The 2020 amendments also stipulate that, if the right to defer settlement is subject to compliance with specified conditions, the Group must comply with those conditions at the end of the reporting period even if the lender does not test compliance until a later date. The 2022 amendments further clarify that only covenants with which an entity is required to comply on or before the reporting date should affect the classification of a liability as current or non-current. Although the covenants to be complied with within twelve months after the reporting period do not affect the classification of a liability, the Group shall disclose information that enables users of financial statements to understand the risk of the Group, which may have difficulty complying with the covenants and repaying its liabilities within twelve months after the reporting period.

The 2020 amendments stipulate that, for the purpose of liability classification, the aforementioned settlement refers to a transfer of cash, other economic resources or the Group's own equity instruments to the counterparty that results in the extinguishment of the liability. However, if the terms of a liability that, at the option of the counterparty, result in its settlement by a transfer of the Group's own equity instruments, and if such an option is recognized separately as equity in accordance with IAS 32 "Financial Instruments: Presentation", the aforementioned terms would not affect the classification of the liability.

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

c. The IFRS Accounting Standards in issue but not yet endorsed and issued into effect by the FSC

New, Amended and Revised Standards and Interpretations	**Effective Date Announced by IASB (Note 1)**
Amendments to IFRS 10 and IAS 28 "Sale or Contribution of Assets between an Investor and its Associate or Joint Venture"	To be determined by IASB
IFRS 17 "Insurance Contracts"	January 1, 2023
Amendments to IFRS 17	January 1, 2023
Amendments to IFRS 17 "Initial Application of IFRS 9 and IFRS 17 Comparative Information"	January 1, 2023
Amendments to IAS 21 "Lack of Exchangeability"	January 1, 2025 (Note 2)

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

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

1) Amendments to IFRS 10 and IAS 28 "Sale or Contribution of Assets between an Investor and its Associate or Joint Venture"

The amendments stipulate that, when the Group sells or contributes assets that constitute a business (as defined in IFRS 3) to an associate or joint venture, the gain or loss resulting from the transaction is recognized in full. Also, when the Group loses control of a subsidiary that contains a business but retains significant influence or joint control, the gain or loss resulting from the transaction is recognized in full.

Conversely, when the Group sells or contributes assets that do not constitute a business to an associate or joint venture, the gain or loss resulting from the transaction is recognized only to the extent of the Group's interest as an unrelated investor in the associate or joint venture, i.e., the Group's share of the gain or loss is eliminated. Also, when the Group loses control of a subsidiary that does not contain a business but retains significant influence or joint control over an associate or a joint venture, the gain or loss resulting from the transaction is recognized only to the extent of the Group's interest as an unrelated investor in the associate or joint venture, i.e., the Group's share of the gain or loss is eliminated.

2) Amendments to IAS 21 "Lack of Exchangeability"

The amendments stipulate that a currency is exchangeable into another currency when an entity is able to obtain the other currency within a time frame that allows for a normal administrative delay and through a market or exchange mechanism in which an exchange transaction would create enforceable rights and obligations. An entity shall estimate the spot exchange rate at a measurement date when a currency is not exchangeable into another currency to reflect the rate at which an orderly exchange transaction would take place at the measurement date between market participants under prevailing economic conditions. In this situation, the Group shall disclose information that enables users of its financial statements to understand how the currency not being exchangeable into the other currency affects, or is expected to affect, its financial performance, financial position and cash flows.

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

4. SUMMARY OF MATERIAL ACCOUNTING POLICY INFORMATION

a. Statement of compliance

The consolidated financial statements have been prepared in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and IFRS Accounting Standards as endorsed and issued into effect by the FSC.

b. Basis of preparation

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

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

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

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

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

c. Classification of current and non-current assets and liabilities

Current assets include:

- Assets held primarily for the purpose of trading;

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

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

Current liabilities include:

- Liabilities held primarily for the purpose of trading;

- Liabilities due to be settled within 12 months after the reporting period, even if an agreement to refinance, or to reschedule payments, on a long-term basis is completed after the reporting period and before the consolidated financial statements are authorized for issue; and

- Liabilities for which the Group does not have an unconditional right to defer settlement for at least 12 months after the reporting period. Terms of a liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification.

Assets and liabilities that are not classified as current are classified as non-current.

d. Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Company and the entities controlled by the Company (i.e., its subsidiaries).

Income and expenses of subsidiaries acquired or disposed of during the period are included in the consolidated statement of comprehensive income from the effective dates of acquisitions up to the effective dates of disposals, as appropriate.

When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with those of the Group.

All intra-group transactions, balances, income and expenses are eliminated in full upon consolidation. Total comprehensive income of subsidiaries is attributed to the owners of the Company and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

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

See Note 11, Tables 6 and Table 7 for detailed information on subsidiaries (including percentages of ownership and main businesses).

e. Business combinations

Acquisitions of businesses are accounted for using the acquisition method. Acquisition-related costs are generally recognized in profit or loss as they are incurred.

Business combinations under common control

Business combinations under common control are accounted for applying the book-value method. Comparative information of the prior period in the consolidated financial statements is restated as if the combination had already occurred.

f. Foreign currencies

In preparing the financial statements of each individual entity, transactions in currencies other than the entity's functional currency (i.e. foreign currencies) are recognized at the rates of exchange prevailing at the dates of the transactions.

At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Exchange differences on monetary items arising from settlement or translation are recognized in profit or loss in the period in which they arise.

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

Non-monetary item denominated in a foreign currency and measured at historical cost is stated at the reporting currency as originally translated from the foreign currency.

For the purpose of presenting financial statements, the financial statements of the Group's foreign operations (including subsidiaries, associates, joint ventures and branches in other countries) that are prepared using functional currencies which are different from the currency of the Group are translated into the presentation currency, the New Taiwan dollar, as follows: Assets and liabilities are translated at the exchange rates prevailing at the end of the reporting period; and income and expense items are translated at the average exchange rates for the period. The resulting currency translation differences are recognized in other comprehensive income.

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

In a partial disposal of a subsidiary that does not result in the Group losing control over the subsidiary, the proportionate share of accumulated exchange differences is not recognized in profit or loss. For all other partial disposals, the proportionate share of the accumulated exchange differences recognized in other comprehensive income is reclassified to profit or loss.

g. Inventories

Inventories consist of finished goods are stated at the lower of cost or net realizable value. Inventory write-downs are made by item, except where it may be appropriate to group similar or related items. The net realizable value is the estimated selling price of inventories less all estimated costs of completion and costs necessary to make the sale. Inventories are recorded at the weighted-average cost on the balance sheet date.

h. Property, plant and equipment

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

Property, plant and equipment in the course of construction are measured at cost. Cost includes professional fees and borrowing costs eligible for capitalization. Samples produced when testing whether an item of property, plant and equipment is functioning properly before that asset reaches its intended use are measured at the lower of cost or net realizable value, and any proceeds from selling those samples and the cost of those samples are recognized in profit or loss. Such assets are depreciated and classified to the appropriate categories of property, plant and equipment when completed and ready for their intended use.

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

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

i. Intangible assets

1) Intangible assets acquired separately

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

2) Derecognition of intangible assets

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

j. Impairment of property, plant and equipment, right-of-use asset and intangible assets

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

Intangible assets with indefinite useful lives and intangible assets not yet available for use are tested for impairment at least annually and whenever there is an indication that the assets may be impaired.

The recoverable amount is the higher of fair value less costs to sell and value in use. If the recoverable amount of an asset or cash-generating unit is estimated to be less than its carrying amount, the carrying amount of the asset or cash-generating unit is reduced to its recoverable amount, with the resulting impairment loss recognized in profit or loss.

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

k. Financial instruments

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

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

1) Financial assets

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

a) Measurement categories

Financial assets are classified into the following categories: Financial assets at FVTPL and financial assets at amortized cost.

i. Financial assets at FVTPL

Financial assets are classified as at FVTPL when such financial assets are mandatorily classified as at FVTPL. Financial assets mandatorily classified as at FVTPL include investments in equity instruments which are not designated as at FVTOCI and debt instruments that do not meet the amortized cost criteria or the FVTOCI criteria.

Financial assets at FVTPL are subsequently measured at fair value, and any dividends, interest earned and remeasurement gains or losses on such financial assets are recognized in other gains. Fair value is determined in the manner described in Note 27: Financial instruments.

ii. Financial assets at amortized cost

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

i) The financial assets are held within a business model whose objective is to hold financial assets in order to collect contractual cash flows; and

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

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

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

i) Purchased or originated credit-impaired financial asset, for which interest income is calculated by applying the credit-adjusted effective interest rate to the amortized cost of such financial assets; and

ii) Financial asset that is not credit impaired on purchase or origination but has subsequently become credit impaired, for which interest income is calculated by applying the effective interest rate to the amortized cost of such financial assets in subsequent reporting periods.

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

i) Significant financial difficulty of the issuer or the borrower;

ii) Breach of contract, such as a default;

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

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

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

b) Impairment of financial assets

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

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

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

For internal credit risk management purposes, the Group considers the following situations as indication that a financial asset is in default (without taking into account any collateral held by the Group):

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

ii. Financial asset is more than 181 days past due unless the Group has reasonable and corroborative information to support a more lagged default criterion.

The impairment loss of all financial assets is recognized in profit or loss by a reduction in their carrying amounts through a loss allowance account, except for investments in debt instruments that are measured at FVTOCI, for which the loss allowance is recognized in other comprehensive income and the carrying amounts of such financial assets are not reduced.

c) Derecognition of financial assets

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

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

2) Equity instruments

Debt and equity instruments issued by the Group are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

Equity instruments issued by the Group are recognized at the proceeds received, net of direct issue costs.

The repurchase of the Group's own equity instruments is recognized in and deducted directly from equity and its carrying amounts are calculated based on weighted average by share types and calculated separately by repurchase category. No gain or loss is recognized in profit or loss on the purchase, sale, issuance or cancellation of the Group's own equity instruments.

3) Financial liabilities

a) Subsequent measurement

Financial liabilities are measured at amortized cost using the effective interest method.

b) Derecognition of financial liabilities

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

4) Convertible bonds

The component parts of compound instruments (i.e., convertible bonds) issued by the Group are classified separately as financial liabilities and equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

On initial recognition, the fair value of the liability component is estimated using the prevailing market interest rate for similar non-convertible instruments. This amount is recorded as a liability on an amortized cost basis using the effective interest method until extinguished upon conversion or upon the instrument's maturity date. Any embedded derivative liability is measured at fair value.

The conversion option classified as equity is determined by deducting the amount of the liability component from the fair value of the compound instrument as a whole. This is recognized and included in equity, net of income tax effects, and is not subsequently remeasured. In addition, the conversion option classified as equity will remain in equity until the conversion option is exercised; in which case, the balance recognized in equity will be transferred to capital surplus - share premiums. When the conversion option remains unexercised at maturity, the balance recognized in equity will be transferred to capital surplus - share premiums.

Transaction costs that relate to the issuance of the convertible notes are allocated to the liability and equity components in proportion to the allocation of the gross proceeds. Transaction costs relating to the equity component are recognized directly in equity. Transaction costs relating to the liability component are included in the carrying amount of the liability component.

5) Derivative financial instruments

The Group enters into a variety of derivative financial instruments to manage its exposure to foreign exchange rate risks, including foreign exchange forward contracts.

Derivatives are initially recognized at fair value at the date on which the derivative contracts are entered into and are subsequently remeasured to their fair value at the end of each reporting period. The resulting gain or loss is recognized in profit or loss immediately unless the derivative is designated and effective as a hedging instrument; in which event, the timing of the recognition in profit or loss depends on the nature of the hedging relationship. When the fair value of a derivative financial instrument is positive, the derivative is recognized as a financial asset; when the fair value of a derivative financial instrument is negative, the derivative is recognized as a financial liability.

Derivatives embedded in hybrid contracts that contain financial asset hosts that is within the scope of IFRS 9 are not separated; instead, the classification is determined in accordance with the entire hybrid contract. Derivatives embedded in non-derivative host contracts that are not financial assets within the scope of IFRS 9 (e.g., financial liabilities) are treated as separate derivatives when they meet the definition of a derivative, their risks and characteristics are not closely related to those of the host contracts, and the host contracts are not measured at FVTPL.

l. Revenue recognition

The Group identifies contracts with customers, allocates the transaction price to the performance obligations and recognizes revenue when performance obligations are satisfied.

Revenue from the sale of goods

Revenue from the sale of goods comes from automotive parts, computer parts and medical equipments. The Group recognizes revenue when the products are delivered and the control of their ownership are transferred.

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

m. Leases

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

The Group as lessee

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

Right-of-use assets are initially measured at cost. Right-of-use assets are subsequently measured at cost less accumulated depreciation and impairment losses and adjusted for any remeasurement of the lease liabilities. Right-of-use assets are presented on a separate line in the consolidated balance sheets.

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

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

Subsequently, lease liabilities are measured at amortized cost using the effective interest method, with interest expense recognized over the lease terms. When there is a change in a lease term to determine those payments, the Group remeasures the lease liabilities with a corresponding adjustment to the right-of-use-assets. However, if the carrying amount of the right-of-use assets is reduced to zero, any remaining amount of the remeasurement is recognized in profit or loss. Lease liabilities are presented on a separate line in the consolidated balance sheets.

n. Borrowing costs

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

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

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

o. Government grants

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

Government grants related to income are recognized on a systematic basis over the periods in which the Group recognizes as expenses the related costs that the grants intend to compensate.

p. Employee benefits

1) Short-term employee benefits

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

2) Retirement benefits

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

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

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

q. Taxation

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

1) Current tax

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

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

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

2) Deferred tax

Deferred tax is recognized on temporary differences between the carrying amounts of assets and liabilities and the corresponding tax bases used in the computation of taxable profit.

Deferred tax liabilities are generally recognized for all taxable temporary differences. Deferred tax assets are generally recognized for all deductible temporary differences and unused loss carryforwards to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilized.

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

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

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

3) Current and deferred taxes

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

5. MATERIAL ACCOUNTING JUDGMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

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

When developing material accounting estimates, the Group considers the possible impact of on the cash flow projection, growth rate, discount rate, profitability and other relevant material estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised.

Key Sources of Estimation Uncertainty

a. Estimated impairment of financial assets

The provision for impairment of trade receivables, investments in debt instruments, and financial guarantee contracts is based on assumptions on probability of default and loss given default. The Group uses judgment in making these assumptions and in selecting the inputs to the impairment calculation, based on the Group's historical experience, existing market conditions as well as forward looking estimates as of the end of each reporting period. For details of the key assumptions and inputs used, see Note 9. Where the actual future cash inflows are less than expected, a material impairment loss may arise.

b. Write-down of inventories

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

6. CASH AND CASH EQUIVALENTS

	December 31	
	2023	2022
Cash on hand	$ 995	$ 1,044
Checking accounts and demand deposits	1,478,333	2,419,001
Cash equivalents (investments with original maturities of 3 months or less)		
Time deposits	1,368,310	331,004
	$ 2,847,638	$ 2,751,049

7. FINANCIAL ASSETS AT AMORTIZED COST

	December 31	
	2023	2022
Non-current		
Time deposits with original maturities more than three months	$ 800	$ -

Refer to Note 8 for information relating to their credit risk management and impairment.

Refer to Note 29 for information relating to financial assets at amortized cost pledged as security.

8. CREDIT RISK MANAGEMENT FOR INVESTMENTS IN DEBT INSTRUMENTS

Investments in debt instruments were classified as at amortized cost:

	December 31 2023	December 31 2022
Gross carrying amount	$ 800	$ -
Less: Allowance for impairment loss	-	-
Amortized cost	$ 800	$ -

The Group's current credit risk grading mechanism is as follows:

The credit risk of bank deposits and other financial instruments is measured and monitored by the finance department of the Group. The Group's trade counterpart and performing party are all reputable banks and the financial institutions and corporates rated as the investment level or higher with no significant performance concerns; therefore, there is no significant credit risk.

The Group's current credit risk evaluation mechanism and the total book value of liability instruments for each credit rating are shown as follows:

December 31, 2023

Category	Description	Expected Credit Losses (ECLs)	Expected Loss Rate	Gross Carrying Amount
Performing	The counterparty has a low risk of default and a strong capacity to meet contractual cash flows	12m ECLs	0%	$ 800

9. NOTES RECEIVABLE, TRADE RECEIVABLES AND OTHER RECEIVABLES

	December 31 2023	December 31 2022
Notes receivable		
Notes receivable - operating	$ 30,835	$ 465
Trade receivables from unrelated parties		
At amortized cost		
Gross carrying amount	$ 2,284,164	$ 2,997,168
Less: Allowance for impairment loss	(189,767)	(75,861)
	$ 2,094,397	$ 2,921,307
Other receivables		
Tax refund receivables	$ 24,290	$ 24,934
Interest receivables	6,425	1,713
Others	8,835	4,109
	$ 39,550	$ 30,756

The average credit period of sales of goods is 30 to 150 days. No interest is charged on trade receivables. The Group uses other publicly available financial information or its own trading records to rate its major customers, and obtain sufficient collateral, where appropriate, as a means of mitigating the risk of financial loss from defaults. The Group's exposure and the credit ratings of its counterparties are continuously monitored. Credit exposure is controlled by counterparty limits that are reviewed and approved by the risk management committee annually.

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

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

The following table details the loss allowance of trade receivables based on the Group's provision matrix.

December 31, 2023

	Not Past Due	1 to 60 Days Past Due	61 to 120 Days Past Due	121 to 180 Days Past Due	Over 181 Days Past Due	Total
Gross carrying amount	$ 1,666,540	$ 316,315	$ 132,084	$ 85,665	$ 83,560	$ 2,284,164
Loss allowance (Lifetime ECLs)	(7,673)	(24,425)	(34,967)	(39,142)	(83,560)	(189,767)
Amortized cost	$ 1,658,867	$ 291,890	$ 97,117	$ 46,523	$ -	$ 2,094,397

December 31, 2022

	Not Past Due	1 to 60 Days Past Due	61 to 120 Days Past Due	121 to 180 Days Past Due	Over 181 Days Past Due	Total
Gross carrying amount	$ 2,509,016	$ 317,087	$ 99,360	$ 59,622	$ 12,083	$ 2,997,168
Loss allowance (Lifetime ECLs)	(7,756)	(17,903)	(14,436)	(23,683)	(12,083)	(75,861)
Amortized cost	$ 2,501,260	$ 299,184	$ 84,924	$ 35,939	$ -	$ 2,921,307

The loss allowance for accounts receivable is calculated by the rate of expected credit loss at each aging range, and the rate of expected credit loss is 0% to 100%.

The movements of the loss allowance of trade receivables were as follows:

	For the Year Ended December 31	
	2023	2022
Balance at January 1	$ 75,861	$ 65,080
Add: Remeasurement of loss allowance	113,907	10,748
Foreign exchange gains and losses	(1)	33
Balance at December 31	$ 189,767	$ 75,861

Compared with January 1, 2023 and 2022, the total carrying amount of accounts receivable as of December 31, 2023 and 2022 decreased by $713,004 thousand and increased by $585,112 thousand respectively. Due to the impact of difference between the receivables over 60 days past due and Balance at January 1, the balances of loss allowance at December 31, 2023 and 2022 increased by $113,907 thousand and $10,748 thousand, respectively.

10. INVENTORIES

	December 31	
	2023	2022
Finished goods	$ 1,095,746	$ 968,314
Work in progress	488,749	564,929
Raw materials	299,887	384,450
	$ 1,884,382	$ 1,917,693

The nature of the cost of goods sold is as follows:

	For the Year Ended December 31	
	2023	2022
Cost of inventories sold	$ 5,516,166	$ 6,728,648
Inventory write-downs	57,747	1,865
	$ 5,573,913	$ 6,730,513

11. SUBSIDIARIES

Subsidiaries Included in the Consolidated Financial Statements

			Proportion of Ownership December 31		
Investor	Investee	Nature of Activities	2023	2022	Remark
Global PMX Co., Ltd.	Fortune Tower Holding Co., Ltd.	Investment holding company	100%	100%	Incorporated in January 2012
	Seamax International Ltd.	Import and export of goods	100%	100%	Incorporated in January 2012
	Ace Plus Technology Limited	Import and export of goods	100%	100%	Incorporated in August 2016
	Sixxon Precision Machinery Co., Ltd.	Manufacturing and sale of automotive, machinery, tooling and electronic parts	100%	100%	Transfer 100% majority stake directly in April 2020

(Continued)

Investor	Investee	Nature of Activities	Proportion of Ownership December 31 2023	Proportion of Ownership December 31 2022	Remark
Fortune Tower Holding Co., Ltd.	Seamax Manufacturing Pte. Limited	Investment holding company	100%	100%	Acquire 100% majority stake directly or indirectly in January 2012
	Global Advance Technology Limited	Investment holding company	100%	100%	Acquire 100% majority stake directly or indirectly in January 2012
Seamax Manufacturing Pte. Limited	Seamax Manufacturing Co., Ltd. (Dongguan)	Productions and sales of hard-discs, industrial control components, fine blanking die, standard parts for die sets, advanced hardware, advanced construction hardware, plumbing equipment and hardware, new electronic components, key auto parts, anti-lock braking system.	100%	100%	Acquire 100% majority stake directly or indirectly in January 2012
Global Advance Technology Limited	Global PMX Co., Ltd. (Zhejiang)	Development, research, production and sales of various large capacity optical disc/hard disc drivers and parts, semiconductor devices, new electronic components, digital cameras, precise online measuring instruments, fine blanking die, standard parts for die sets, and precise medical equipment, precise auto parts.	100%	100%	Acquire 100% majority stake directly or indirectly in January 2012
	Global PMX Co., Ltd. (Jiaxing)	Development, research, production and sales of auto parts, general components, class 1 medical equipment, computer software/ hardware, R&D of electronic components	100%	100%	Incorporated in December 2017

(Concluded)

12. PROPERTY, PLANT AND EQUIPMENT

	Freehold Land	Buildings	Machinery Equipment	Transportation Equipment	Office Equipment	Other Equipment	Property under Construction	Total
Cost								
Balance at January 1, 2023	$ 16,801	$ 512,206	$ 6,808,217	$ 18,269	$ 45,989	$ 513,275	$ 948,854	$ 8,863,611
Additions	-	5,834	474,639	992	1,948	76,898	68,764	629,075
Disposals	-	-	(34,393)	(186)	(2,296)	(18,640)	-	(55,515)
Reclassification	-	91,563	148,758	98	-	25,329	(153,697)	112,051
Effects of foreign currency exchange differences	-	(10,491)	(90,607)	(188)	(664)	(8,430)	(14,329)	(124,709)
Balance at December 31, 2023	$ 16,801	$ 599,112	$ 7,306,614	$ 18,985	$ 44,977	$ 588,432	$ 849,592	$ 9,424,513
Accumulated depreciation and impairment								
Balance at January 1, 2023	$ -	$ 237,272	$ 3,305,124	$ 13,307	$ 37,946	$ 371,779	$ -	$ 3,965,428
Depreciation expenses	-	28,878	527,148	1,861	2,741	64,156	-	624,784
Disposals	-	-	(29,513)	(78)	(2,194)	(18,585)	-	(50,370)
Reclassification	-	-	-	-	-	(225)	-	(225)
Effects of foreign currency exchange differences	-	(4,495)	(44,175)	(136)	(546)	(5,573)	-	(54,925)
Balance at December 31, 2023	$ -	$ 261,655	$ 3,758,584	$ 14,954	$ 37,947	$ 411,552	$ -	$ 4,484,692
Carrying amounts at December 31, 2023	$ 16,801	$ 337,457	$ 3,548,030	$ 4,031	$ 7,030	$ 176,880	$ 849,592	$ 4,939,821

(Continued)

	Freehold Land	Buildings	Machinery Equipment	Transportation Equipment	Office Equipment	Other Equipment	Property under Construction	Total
Cost								
Balance at January 1, 2022	$ 16,801	$ 484,871	$ 6,273,454	$ 18,457	$ 43,014	$ 471,917	$ 709,979	$ 8,018,493
Additions	-	20,564	346,321	3,511	2,029	37,329	228,732	638,486
Disposals	-	-	(19,668)	(3,942)	(1,007)	(14,945)	-	(39,562)
Reclassification	-	-	139,556	65	1,389	13,339	-	154,349
Effects of foreign currency exchange differences	-	6,771	68,554	178	564	5,635	10,143	91,845
Balance at December 31, 2022	$ 16,801	$ 512,206	$ 6,808,217	$ 18,269	$ 45,989	$ 513,275	$ 948,854	$ 8,863,611
Accumulated depreciation and impairment								
Balance at January 1, 2022	$ -	$ 211,102	$ 2,770,054	$ 15,249	$ 34,901	$ 317,561	$ -	$ 3,348,867
Depreciation expenses	-	23,094	518,020	1,653	3,606	65,155	-	611,528
Disposals	-	-	(11,309)	(3,755)	(1,007)	(14,613)	-	(30,684)
Effects of foreign currency exchange differences	-	3,076	28,359	160	446	3,676	-	35,717
Balance at December 31, 2022	$ -	$ 237,272	$ 3,305,124	$ 13,307	$ 37,946	$ 371,779	$ -	$ 3,965,428
Carrying amounts at December 31, 2022	$ 16,801	$ 274,934	$ 3,503,093	$ 4,962	$ 8,043	$ 141,496	$ 948,854	$ 4,898,183

(Concluded)

No impairment loss or reversal of impairment loss was recognized for the years ended December 31, 2023 and 2022.

The above items of property, plant and equipment used by the Group are depreciated on a straight-line basis over their estimated useful lives as follows:

Buildings	
Main buildings - Taiwan	55 years
Main buildings - Mainland China	20 years
Building improvement	3 years
Machinery equipment	2-15 years
Transportation equipment	5-10 years
Office equipment	3-6 years
Other equipment	3-10 years

13. LEASE ARRANGEMENTS

a. Right-of-use assets

	December 31	
	2023	2022
Carrying amount		
Land	$ 145,006	$ 151,028
Buildings	127,645	95,704
	$ 272,651	$ 246,732

	For the Year Ended December 31	
	2023	2022
Additions to right-of-use assets	$ 71,648	$ -
Depreciation charge for right-of-use assets		
Land	$ 3,551	$ 3,559
Buildings	39,707	25,378
	$ 43,258	$ 28,937

No impairment loss or reversal of impairment loss was recognized for the years ended December 31, 2023 and 2022.

b. Lease liabilities

	December 31	
	2023	2022
Carrying amounts		
Current	$ 39,549	$ 25,490
Non-current	$ 91,033	$ 72,418

Range of discount rate for lease liabilities was as follows:

	December 31	
	2023	2022
Buildings	1.25%-1.60%	1.25%-1.30%

c. Material leasing activities and terms

Sixxon Precision Machinery Co., Ltd., a subsidiary of the Group, leases certain buildings as the factory and the office with lease terms of 3 to 10 years. The Group have bargain purchase options to acquire the leasehold buildings at the end of the lease terms.

The land of the right-of-use assets on land is located in Mainland China, with the land lease term of 49 to 50 years.

d. Other lease information

	For the Year Ended December 31	
	2023	2022
Expenses relating to short-term leases	$ 38,255	$ 26,560
Total cash outflow for leases	$ 79,200	$ 53,130

The Group’s leases of certain buildings and office equipments qualify as short-term leases. The Group has elected to apply the recognition exemption and thus, did not recognize right-of-use assets and lease liabilities for these leases.

14. INTANGIBLE ASSETS

	Specialized Technology	Computer Software	Other Intangible Assets	Total
Cost				
Balance at January 1, 2023	$ 1,960	$ 24,460	$ -	$ 26,420
Additions	-	8,041	2,394	10,435
Reclassification	-	-	562	562
Disposals	-	(10,179)	-	(10,179)
Effect of foreign currency exchange differences	-	(320)	(59)	(379)
Balance at December 31, 2023	$ 1,960	$ 22,002	$ 2,897	$ 26,859
Accumulated amortization and impairment				
Balance at January 1, 2023	$ 1,960	$ 13,010	$ -	$ 14,970
Amortization expenses	-	8,170	392	8,562
Reclassification	-	-	225	225
Disposals	-	(10,179)	-	(10,179)
Effect of foreign currency exchange differences	-	(155)	(12)	(167)
Balance at December 31, 2023	$ 1,960	$ 10,846	$ 605	$ 13,411
Carrying amounts at December 31, 2023	$ -	$ 11,156	$ 2,292	$ 13,448
Cost				
Balance at January 1, 2022	$ 1,960	$ 33,134	$ -	$ 35,094
Additions	-	6,269	-	6,269
Disposals	-	(15,348)	-	(15,348)
Effect of foreign currency exchange differences	-	405	-	405
Balance at December 31, 2022	$ 1,960	$ 24,460	$ -	$ 26,420
Accumulated amortization and impairment				
Balance at January 1, 2022	$ 1,960	$ 17,770	$ -	$ 19,730
Amortization expenses	-	10,368	-	10,368
Disposals	-	(15,348)	-	(15,348)
Effect of foreign currency exchange differences	-	220	-	220
Balance at December 31, 2022	$ 1,960	$ 13,010	$ -	$ 14,970
Carrying amounts at December 31, 2022	$ -	$ 11,450	$ -	$ 11,450

Intangible assets are amortized on a straight-line basis over their estimated useful lives as follows:

Specialized technology	6 years
Computer software	1-5 years
Other intangible assets	5 years

Aggregate amortization expenses by functions:

	December 31	
	2023	2022
Operating costs	$ 3,558	$ 4,330
Selling expenses	225	56
Administrative expenses	4,779	5,982
Research and development expenses	-	-
	$ 8,562	$ 10,368

15. OTHER ASSETS

	December 31	
	2023	2022
Current		
Prepayments		
Office supplies	$ 179,228	$ 212,986
Prepayments to suppliers	16,574	40,409
Others	63,105	39,605
	$ 258,907	$ 293,000
Other current assets		
Temporary payments	$ 19,310	$ 9,658
Other financial assets (Note 29)	23,029	23,033
	$ 42,339	$ 32,691
Non-current		
Other assets		
Prepayments for equipment	$ 187,869	$ 270,909
Refundable deposits	3,725	3,692
Other financial assets (Note 29)	-	300
	$ 191,594	$ 274,901

a. Prepayments for equipment

The Group's prepayments for equipment are advanced payments for the purchase of property, plant and equipment used in the production of products or services.

b. Other financial assets - restricted bank deposits

The Group's other financial assets - restricted bank deposits were mainly the bank deposits for application to the bank for issuance of guarantee and for mortgage loan reserves. Please refer to the description of Note 29.

16. BORROWINGS

Short-term Borrowings

	December 31	
	2023	2022
Unsecured borrowings		
Line of credit borrowings	$ 2,347,662	$ 2,408,798

The short-term interest rate of line of credit borrowings was 1.59%-2.55% and 1.10%-2.35% per annum at December 31, 2023 and 2022, respectively.

17. TRADE PAYABLE

	December 31	
	2023	2022
Trade payable		
Trade payable - operating	$ 610,634	$ 702,573

The average credit period is 90-120 days. The Company regularly reviews any unpaid payments to ensure that all payables can be paid back within the pre-agreed term of credit.

18. OTHER LIABILITIES

	December 31	
	2023	2022
Current		
Other payables		
Non-related party		
Payables for salaries and bonuses	$ 217,124	$ 285,848
Payables for Insurance	216,977	182,937
Payables for equipments	90,573	79,154
Payables for interest	4,814	1,703
Payables for compensation of employees	30,749	45,175
Payables for remuneration of directors and supervisors	16,083	26,685
Payables for processing expenses	214,361	242,161
Others	334,545	435,252
	$ 1,125,226	$ 1,298,915

(Continued)

	December 31	
	2023	2022
Related parties		
Payables for processing expenses	$ 254	$ 4,016
Utilities payables	9,419	10,180
Others	2,086	2,086
	$ 11,759	$ 16,282

(Concluded)

19. RETIREMENT BENEFIT PLANS

a. Defined contribution plan

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

The employees of the Group's subsidiaries in China are the participants of the retirement benefit plan operated by the government. The subsidiaries must distribute a certain proportion of their salary costs for the retirement benefit plan in order to provide funds for the plan. For the retirement benefit plan operated by the government, the Group is only obligated to distribute a certain amount of funds.

b. Defined benefit plans

The defined benefit plans adopted by the Company in accordance with the Labor Standards Act is operated by the government of the ROC. Pension benefits are calculated on the basis of the length of service and average monthly salaries of the 6 months before retirement. The Company contribute amounts equal to 4% of total monthly salaries and wages to a pension fund administered by the pension fund monitoring committee. Pension contributions are deposited in the Bank of Taiwan in the committee's name. Before the end of each year, the Company assesses the balance in the pension fund. If the amount of the balance in the pension fund is inadequate to pay retirement benefits for employees who conform to retirement requirements in the next year, the Company is required to fund the difference in one appropriation that should be made before the end of March of the next year. The pension fund is managed by the Bureau of Labor Funds, Ministry of Labor (the "Bureau"); the Company has no right to influence the investment policy and strategy.

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

	December 31	
	2023	2022
Present value of defined benefit obligation	$ 11,590	$ 8,403
Fair value of plan assets	(5,219)	(3,643)
Deficit	6,371	4,760
Net defined benefit liabilities	$ 6,371	$ 4,760

Movements in net defined benefit liabilities were as follows:

	Present Value of the Defined Benefit Obligation	Fair Value of the Plan Assets	Net Defined Benefit Liabilities (Assets)
Balance at January 1, 2023	$ 8,403	$ (3,643)	$ 4,760
Net interest expense (income)	116	(50)	66
Recognized in profit or loss	116	(50)	66
Remeasurement			
Return on plan assets (excluding amounts included in net interest)	-	(44)	(44)
Actuarial (gain) loss			
Changes in financial assumptions	141	-	141
Experience adjustments	2,930	-	2,930
Recognized in other comprehensive income	3,071	(44)	3,027
Contributions from the employer	-	(1,482)	(1,482)
Benefits paid	-	-	-
Balance at December 31, 2023	$ 11,590	$ (5,219)	$ 6,371

	Present Value of the Defined Benefit Obligation	Fair Value of the Plan Assets	Net Defined Benefit Liabilities (Assets)
Balance at January 1, 2022	$ 12,054	$ (5,848)	$ 6,206
Net interest expense (income)	60	(29)	31
Recognized in profit or loss	60	(29)	31
Remeasurement			
Return on plan assets (excluding amounts included in net interest)	-	(449)	(449)
Actuarial (gain) loss			
Changes in financial assumptions	(780)	-	(780)
Experience adjustments	(217)	-	(217)
Recognized in other comprehensive income	(997)	(449)	(1,446)
Contributions from the employer	-	(31)	(31)
Benefits paid	(2,714)	2,714	-
Balance at December 31, 2022	$ 8,403	$ (3,643)	$ 4,760

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

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

2) Interest risk: A decrease in the government/corporate bond interest rate will increase the present value of the defined benefit obligation; however, this will be partially offset by an increase in the return on the plans' debt investments.

3) Salary risk: The present value of the defined benefit obligation is calculated using the future salaries of plan participants. As such, an increase in the salaries of the plan participants will increase the present value of the defined benefit obligation.

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

	December 31	
	2023	**2022**
Discount rate(s)	1.25%	1.375%
Expected rate(s) of salary increase	2.25%	2.25%

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

	December 31	
	2023	**2022**
Discount rate(s)		
0.25% increase	$ (281)	$ (207)
0.25% decrease	$ 291	$ 214
Expected rate(s) of salary increase		
0.25% increase	$ 282	$ 208
0.25% decrease	$ (274)	$ (202)

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

	December 31	
	2023	**2022**
Expected contributions to the plans for the next year	$ 67	$ 31
Average duration of the defined benefit obligation	9.8 years	10 years

20. EQUITY

a. Share capital

Ordinary share

	December 31	
	2023	**2022**
Number of shares authorized (in thousands)	150,000	150,000
Shares authorized	$ 1,500,000	$ 1,500,000
Number of shares issued and fully paid (in thousands)	115,222	115,222
Shares issued	$ 1,152,225	$ 1,152,225

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

b. Capital surplus

	December 31	
	2023	**2022**
<u>May be used to offset a deficit, distributed as cash dividends, or transferred to share capital (1)</u>		
Issuance of ordinary shares (2)	$ 2,288,638	$ 2,288,638
Conversion of bonds	1,406,927	1,406,927
<u>May only be used to offset a deficit</u>		
Expired options of convertible bonds (3)	1,150	1,150
	$ 3,696,715	$ 3,696,715

1) Such capital surplus may be used to offset a deficit; in addition, when the Company has no deficit, such capital surplus may be distributed as cash dividends or transferred to share capital (limited to a certain percentage of the Company's capital surplus and to once a year).

2) On September 30, 2019, the Company's board of directors decided to acquire all issued and outstanding ordinary shares of Sixxon Precision Machinery Co., Ltd. by issuing shares. The reorganization resulted in a common control restructuring. Therefore, the amount accounted for should be the book value of the target company hold by predecessors less the impairment loss. Differences between the amount and the acquisition cost is $1,224,636 thousand, which increases Capital Surplus.

3) Capital surplus generated from convertible bonds may not be used for any purpose. Capital surplus generated from expired options of convertible bonds may only be used to offset a deficit.

c. Retained earnings and dividends policy

Under the dividends policy as set forth in the Articles, where the Company made a profit in a fiscal year, the profit shall be first utilized for paying taxes, offsetting losses of previous years, setting aside as legal reserve 10% of the remaining profit, setting aside or reversing a special reserve in accordance with the laws and regulations, and then any remaining profit together with any undistributed retained earnings shall be used by the Company's board of directors as the basis for proposing a distribution plan, which should be resolved in the shareholders' meeting for the distribution of dividends and bonuses to shareholders. The Company's board of directors, with both two thirds of directors attends the meeting and half of the attended directors agrees, is authorized to determine the distribution plan and reports to the shareholders' meeting instead when the distribution is determined by cash.

The dividends policy is based on the consideration of any future operating plans and fund demand, which shall be resolved in the shareholders' meeting for the distribution of dividends and bonuses to shareholders by cash or shares, cash dividends shall be distributed not less than 30% of profit, which was offseted losses and deducted legal reserve and special reserve. However, if the Company's shareholder dividend is less than $0.5 per share, retained earnings will not be distributed. The Company can distribute the dividends by cash or shares, cash dividend is not less than 50% of the total dividend.

For the policies on the distribution of compensation of employees and remuneration of directors and supervisors after the amendment, refer to compensation of employees and remuneration of directors and supervisors in Note 22 (h).

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

Pursuant to existing regulations, the Company is required to set aside additional special capital reserve equivalent to the net debit balance of the other components of stockholders' equity. For the subsequent decrease in the deduction amount to stockholders' equity, any special reserve appropriated may be reversed to the extent that the net debit balance reverses. When a special reserve is appropriated for cumulative net debit balance reserves from prior period, the special reserve is only appropriated from the prior unappropriated earnings.

The appropriations of earnings for 2022 and 2021, which were approved in the shareholders' meetings on June 20, 2023 and June 27, 2022, respectively, were as follows:

	Appropriation of Earnings For the Year Ended December 31	
	2022	**2021**
Legal reserve	$ 140,683	$ 120,218
Special reserve	$ (78,288)	$ 30,749
Cash dividends	$ 691,335	$ 576,112
Cash dividends per share (NT$)	$ 6.0	$ 5.0

The appropriation of earnings for 2023, which were proposed by the Company's board of directors on March 11, 2024, were as follows:

	For the Year Ended December 31, 2023
Legal reserve	$ 51,251
Special reserve	$ 79,364
Cash dividends	$ 288,056
Cash dividends per share (NT$)	$ 2.5

The appropriation of earnings for 2023 will be resolved by the shareholders in their meeting to be held in June 2024.

d. Special reserve

	For the Year Ended December 31	
	2023	**2022**
Balance at January 1	$ 233,232	$ 202,483
Appropriations in respect of		
Debits to other equity items	-	30,749
Reversals		
Reversal of the debits to other equity items	(78,288)	-
Balance at December 31	$ 154,944	$ 233,232

e. Other equity items

Exchange differences on the translation of the financial statements of foreign operations

	For the Year Ended December 31	
	2023	2022
Balance at January 1	$ (154,944)	$ (233,232)
Recognized for the year		
Exchange differences on the translation of the financial statements of foreign operations	(99,205)	97,859
Related tax effect	19,841	(19,571)
Other comprehensive income recognized for the year	(79,364)	78,288
Balance at December 31	$ (234,308)	$ (154,944)

21. REVENUE

	For the Year Ended December 31	
	2023	2022
Revenue from contracts with customers		
Revenue from the sale of goods	$ 7,121,824	$ 9,235,183

a. Revenue from customer sales

Revenue from the sale of goods

The product categories are the manufacturing and processing of precision metal components for the automobile industry, sports industry, electronics industry, medical equipment industry and various industrial products. The Group sold the products at the price agreed in the contract, quotation or order.

b. Contract balances

	December 31, 2023	December 31, 2022	January 1, 2022
Notes receivable and trade receivables (Note 9)	$ 2,125,232	$ 2,921,772	$ 2,348,744

c. Customer contract income breakdown

Please refer to Note 35 for income breakdown information.

22. NET PROFIT

a. Interest income

	For the Year Ended December 31	
	2023	2022
Bank deposits	$ 64,385	$ 9,692
Financial assets at amortized cost	8	3,259
Others	37	-
	$ 64,430	$ 12,951

b. Other income

	For the Year Ended December 31	
	2023	2022
Government subsidy income	$ 22,038	$ 43,021
Others	4,292	3,340
	$ 26,330	$ 46,361

c. Other gains and losses

	For the Year Ended December 31	
	2023	2022
Gains on disposal of property, plant and equipment	$ 2,671	$ 805
Net foreign exchange (losses) gains	(44,746)	177,036
Fair value changes of financial assets at FVTPL	-	(4,214)
Others	(12,775)	(5,666)
	$ (54,850)	$ 167,961

d. Finance costs

	For the Year Ended December 31	
	2023	2022
Interest on bank loans	$ 46,118	$ 26,639
Interest on lease liabilities	2,016	1,398
	$ 48,134	$ 28,037

No capitalized interest was performed for the years ended December 31, 2023 and 2022.

e. Depreciation and amortization

	For the Year Ended December 31	
	2023	2022
An analysis of depreciation by function		
Operating costs	$ 605,643	$ 589,237
Operating expenses	62,399	51,228
	$ 668,042	$ 640,465
An analysis of amortization by function		
Operating costs	$ 3,558	$ 4,330
Operating expenses	5,004	6,038
	$ 8,562	$ 10,368

Refer to Note 14 for information relating to the line items in which any amortization of intangible assets is included.

f. Research and development expenditures recognized as expenses when incurred

	For the Year Ended December 31	
	2023	2022
Research and development expenditures	$ 211,456	$ 239,806

g. Employee benefits expense

	For the Year Ended December 31	
	2023	2022
Short-term benefits	$ 1,409,212	$ 1,617,083
Post-employment benefits		
Defined contribution plan	53,267	50,870
Defined benefit plans (Note 19)	66	31
Termination benefits	89	6,448
Other employee benefits	78,622	83,787
Total employee benefits expense	$ 1,541,256	$ 1,758,219
An analysis of employee benefits expense by function		
Operating costs	$ 1,187,284	$ 1,313,842
Operating expenses	353,972	444,377
	$ 1,541,256	$ 1,758,219

h. Compensation of employees and remuneration of directors and supervisors

According to the Company's Articles, the Company accrues compensation of employees and remuneration of directors and supervisors at rates of no less than 2% and no higher than 2.24%, respectively, of net profit before income tax, compensation of employees, and remuneration of directors and supervisors. The compensation of employees and the remuneration of directors and supervisors for the years ended December 31, 2023 and 2022, which were approved by the Company's board of directors on March 11, 2024 and March 27, 2023, respectively, are as follows:

Accrual rate

	For the Year Ended December 31	
	2023	2022
Compensation of employees	2.41%	2.66%
Remuneration of directors and supervisors	0.98%	0.74%

Amount

	For the Year Ended December 31	
	2023	2022
	Cash	Cash
Compensation of employees	$ 15,994	$ 45,175
Remuneration of directors and supervisors	6,528	12,617

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

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

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

i. Foreign exchange losses and gains

	For the Year Ended December 31	
	2023	2022
Foreign exchange gains	$ 298,210	$ 453,672
Foreign exchange losses	(342,956)	(276,636)
(Losses) gains, net	$ (44,746)	$ 177,036

23. INCOME TAXES

a. Income tax recognized in profit or loss

Major components of income tax expense are as follows:

	For the Year Ended December 31	
	2023	2022
Current tax		
In respect of the current year	$ 273,460	$ 315,624
Income tax on unappropriated earnings	33,876	27,587
Adjustments for prior year	11,875	(4,405)
	319,211	338,806
Deferred tax		
In respect of the current year	(125,471)	84,873
Income tax expense recognized in profit or loss	$ 193,740	$ 423,679

A reconciliation of accounting profit and income tax expense is as follows:

	For the Year Ended December 31	
	2023	2022
Profit before tax	$ 709,280	$ 1,829,061
Income tax expense calculated at the statutory rate	$ 164,000	$ 538,290
Nondeductible expenses or deductible items in determining taxable income	(33,747)	(114,045)
Unrecognized deductible temporary differences	1,532	(4,247)
Unrecognized loss carryforwards	21,565	11,577
Adjustments for prior years' tax	11,875	(4,405)
Income tax on unappropriated earnings	33,876	27,587
Favorable tax for high-tech enterprises and investment tax credit	(12,741)	(34,672)
Others	7,380	3,594
Income tax expense recognized in profit or loss	$ 193,740	$ 423,679

The Group, according to R.O.C income tax act, would apply to a tax rate of 20%. While both Seamax Manufacturing Pte., Ltd. (Dongguan) and Global PMX Co., Ltd. (Zhejiang), subsidiaries in Mainland China, obtained favorable tax rate of 15% applicable to high-tech enterprises while a tax rate of 25% would apply to other subsidiaries in Mainland China.

b. Income tax recognized in other comprehensive income

	For the Year Ended December 31	
	2023	2022
Deferred tax		
In respect of the current year		
Translation of foreign operations	$ 19,841	$ (19,571)
Total income tax recognized in other comprehensive income	$ 19,841	$ (19,571)

c. Current tax assets and liabilities

	December 31 2023	December 31 2022
Current tax assets		
Tax refund receivable	$ 8,365	$ 588
Current tax liabilities		
Income tax payable	$ 130,969	$ 193,705

d. Deferred tax assets and liabilities

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

For the year ended December 31, 2023

	Opening Balance	Recognized in Profit or Loss	Recognized in Other Comprehensive Income	Exchange Differences	Closing Balance
Deferred tax assets					
Temporary differences					
Gains or losses on foreign investment accounted for using equity method	$ 1,359	$ (381)	$ -	$ -	$ 978
Exchange differences on translating the financial statements of foreign operations	38,724	-	19,841	-	58,565
Allowance for inventory write-downs	18,629	9,646	-	(172)	28,103
Allowance for impairment loss	9,943	24,976	-	-	34,919
Differences in useful lives of depreciation	7,598	2,010	-	(168)	9,440
Others	4,432	1,868	-	-	6,300
	$ 80,685	$ 38,119	$ 19,841	$ (340)	$ 138,305
Deferred tax liabilities					
Temporary differences					
Gains or losses on foreign investment accounted for using equity method	$ 514,731	$ (82,639)	$ -	$ -	$ 432,092
Others	10,961	(4,713)	-	(92)	6,156
	$ 525,692	$ (87,352)	$ -	$ (92)	$ 438,248

For the year ended December 31, 2022

	Opening Balance	Recognized in Profit or Loss	Recognized in Other Comprehensive Income	Exchange Differences	Closing Balance
Deferred tax assets					
Temporary differences					
Gains or losses on foreign investment accounted for using equity method	$ 514	$ 845	$ -	$ -	$ 1,359
Exchange differences on translating the financial statements of foreign operations	58,295	-	(19,571)	-	38,724
Allowance for inventory write-downs	18,499	44	-	86	18,629
Allowance for impairment loss	9,534	404	-	5	9,943
Differences in useful lives of depreciation	5,881	1,634	-	83	7,598
Others	11,361	(6,929)	-	-	4,432
	$ 104,084	$ (4,002)	$ (19,571)	$ 174	$ 80,685

(Continued)

	Opening Balance	Recognized in Profit or Loss	Recognized in Other Comprehensive Income	Exchange Differences	Closing Balance
Deferred tax liabilities					
Temporary differences					
Gains or losses on foreign investment accounted for using equity method	$ 444,856	$ 69,875	$ -	$ -	$ 514,731
Others	-	10,996	-	(35)	10,961
	$ 444,856	$ 80,871	$ -	$ (35)	$ 525,692

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

	December 31	
	2023	2022
Loss carryforwards		
Expiry in 2025	$ 24,206	$ 24,620
Expiry in 2026	116,463	118,457
Expiry in 2027	44,040	46,043
Expiry in 2028	88,885	-
	$ 273,594	$ 189,120
Deductible temporary differences		
Allowances for inventory write-downs	$ 32,988	$ 28,885
Other book-tax differences	14,935	12,775
	$ 47,923	$ 41,660

f. Income tax examination

The income tax returns of both the Company and its subsidiaries, Sixxon Precision Machinery Co., Ltd., through 2021 have been assessed by the tax authorities.

24. EARNINGS PER SHARE

Unit: NT$ Per Share

	For the Year Ended December 31	
	2023	2022
Basic earnings per share		
From continuing operations	$ 4.47	$ 12.20
Diluted earnings per share		
From continuing operations	$ 4.47	$ 12.16

The earnings and weighted average number of ordinary shares outstanding used in the computation of earnings per share were as follows:

Net profit for the year

	For the Year Ended December 31	
	2023	2022
Profit for the year attributable to owners of the Company	$ 515,540	$ 1,405,382
Earnings used in the computation of basic earnings per share	$ 515,540	$ 1,405,382
Earnings used in the computation of diluted earnings per share	$ 515,540	$ 1,405,382

Number of shares

Unit: In Thousand Shares

	For the Year Ended December 31	
	2023	2022
Weighted average number of ordinary shares used in the computation of basic earnings per share	115,222	115,222
Effect of potentially dilutive ordinary shares		
Compensation of employees	195	355
Weighted average number of ordinary shares used in the computation of diluted earnings per share	115,417	115,577

The Group may settle the compensation of employees in cash or shares; therefore, the Group assumes that the entire amount of the compensation will be settled in shares, and the resulting potential shares are included in the weighted average number of shares outstanding used in the computation of diluted earnings per share, as the effect is dilutive. Such dilutive effect of the potential shares is included in the computation of diluted earnings per share until the number of shares to be distributed to employees is resolved in the following year.

25. CASH FLOW INFORMATION

Non-cash Transactions

The Group obtained property, plant and equipment with fair value of $741,688 thousand, reclassified to real estate, plant and equipment with fair value of $337 thousand, with intangible asset and prepayments of equipments in amount to decrease $80,466 thousand and payments of equipments in amount to increase $11,419 thousand, the Group paid $649,803 thousand for the year ended December 31, 2023.

The Group obtained property, plant and equipment with fair value of $792,835 thousand. With prepayments of equipments in amount to increase $37,013 thousand and payments of equipments in amount to increase $6,180 thousand, the Group paid $823,668 thousand for the year ended December 31, 2022.

26. CAPITAL MANAGEMENT

The Group manages its capital to ensure that entities in the Group will be able to continue as going concerns while maximizing the return to stakeholders through the optimization of the debt and equity balance.

The capital structure of the Group consists of net debt (borrowings offset by cash and cash equivalents) and equity of the Group (comprising issued capital, reserves, retained earnings, other equity). The Group is not subject to any externally imposed capital requirements.

Key management personnel of the Group review the capital structure on a quarterly basis. As part of this review, the key management personnel consider the cost of capital and the risks associated with each class of capital. Based on recommendations of the key management personnel, in order to balance the overall capital structure, the Group may adjust the amount of dividends paid to shareholders, the number of new shares issued or repurchased, and/or the amount of new debt issued or existing debt redeemed.

27. FINANCIAL INSTRUMENTS

a. Fair value of financial instruments not measured at fair value

The management of the Company considers that when approaching the expiry date of the carrying amount of financial assets and financial liabilities that are not measured at fair value, or the price receivable in the future equivalent to the carrying amount, their carrying amount approximate their fair values.

b. Categories of financial instruments

	December 31	
	2023	**2022**
Financial assets		
Financial assets at amortized cost (1)	$ 5,039,974	$ 5,730,602
Financial liabilities		
Amortized cost (2)	4,095,411	4,426,568

1) The balances include financial assets at amortized cost, which comprise cash and cash equivalents, financial assets at amortized cost, notes receivable, trade receivables, other receivables, other financial assets and refundable deposits.

2) The balances include financial liabilities at amortized cost, which comprise short-term borrowings, trade payables, other payables and guarantee deposits received.

c. Financial risk management objectives and policies

The Group's major financial instruments include account receivables, account payables and loans. The Group's financial risks relating to the operations include market risk (including foreign currency risk and interest rate risk), credit risk and liquidity risk.

The Group is committed to ensuring that the company has sufficient and cost-effective operating capital in response to its operations. The Group prudently manages foreign currency exchange rate risk, credit risk and liquidity risk related to operating activities to reduce the market's uncertainty and potentially adversely affect the company's finances.

1) Market risk

The Group's activities exposed it primarily to the financial risks of changes in foreign currency exchange rates (see (a) below) and interest rates (see (b) below).

a) Foreign currency risk

The Group have foreign currency denominated sales and purchases, which expose the Group to foreign currency risk. In respect of the management of exchange rate risk, the Group's dedicated units regularly review the assets and liabilities affected by the exchange rate and use appropriate hedging instruments to control the risks arising from foreign exchange fluctuations.

The carrying amounts of the Group's foreign currency denominated monetary assets and monetary liabilities are as follows:

	For the Year Ended December 31	
	2023	2022
Assets		
USD	$ 3,330,805	$ 3,127,247
EUR	807,514	1,086,782
CHF	11,506	19,152
Liabilities		
USD	774,980	1,188,509
EUR	49,748	302,742
CHF	943,416	797,875

Sensitivity analysis

The Group is mainly exposed to the currency USD, EUR and CHF. The Group's sensitivity to a 1% increase and decrease in the New Taiwan dollar against the relevant foreign currencies. The sensitivity rate used when reporting foreign currency risk internally to key management personnel and representing management's assessment of the reasonably possible change in foreign exchange is 1%.

The sensitivity analysis included the amount of monetary assets and liabilities denominated by the Group in non-functional currency at the balance sheet date, and is affected by fluctuations in the foreign currency exchange rate by 1% at the end of the year. A positive number below indicates an increase in profit before income tax associated with the New Taiwan dollar strengthening 1% against USD and EUR. A negative number below indicates an decrease in profit before income tax associated with the New Taiwan dollar strengthening 1% against CHF.

	USD Impact		EUR Impact	
	For the Year Ended December 31		For the Year Ended December 31	
	2023	2022	2023	2022
Profit or loss	$ 25,558	$ 19,387	$ 7,578	$ 7,840

	CHF Impact	
	For the Year Ended December 31	
	2023	2022
Profit or loss	$ (9,319)	$ (7,787)

* The result was mainly attributable to the exposure on outstanding receivables, payables and borrowings in Currency USD, EUR and CHF that were not hedged at the end of the year.

The Group's sensitivity to foreign currency increased during the current year mainly due to the increase of accounts payable balance in the USD.

b) Interest rate risk

The Group is exposed to interest rate risk because entities in the Group borrow funds at floating interest rates. It is the Group's policy to keep its borrowings at floating interest rates so as to minimize the changes in interest rates. Therefore, key management personnel of the Group assessed that the effects of taking floating interest rate loans is not significant.

Interest rates applied over bank deposits the Group held are relatively stable, therefore, revenue and operating cash flows of the Group are not affected by changes in market rates.

The carrying amounts of the Group's financial assets and financial liabilities with exposure to interest rates at the end of the year were as follows:

	December 31	
	2023	**2022**
Fair value interest rate risk		
Financial assets	$ 1,369,110	$ 331,004
Financial liabilities	-	-
Cash flow interest rate risk		
Financial assets	1,501,362	2,442,034
Financial liabilities	2,347,662	2,408,798

The sensitivity analysis below was determined based on the Group's exposure to interest rates for non-derivative instruments at the reporting date to provide financial.

Sensitivity analysis

A 0.5% increase or decrease is used when reporting interest rate risk internally to key management personnel and represents management's assessment of the reasonably possible change in interest rates. If interest rates had been 0.5% higher and all other conditions were held constant, the interest capitalization factor is not taken into consideration, the Group's profit before income tax for the years ended December 31, 2023 and 2022 would have decreased by $4,232 thousand and increased by $166 thousand, respectively.

The Group's sensitivity to interest rates increased during the current year mainly due to the decrease of bank deposits balance.

2) Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in a financial loss to the Group. At the end of the year, the Group's maximum exposure to credit risk comes from accounts receivable. The Group will review the receivable amount one by one to ensure that uncollectible receivables have been provided with appropriate impairment losses. Therefore, no significant credit risk is expected, and details of overdue and impairment losses please refer to Note 9.

3) Liquidity risk

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

The Group relies on bank borrowings as a significant source of liquidity. As of December 31, 2023 and 2022, the Group had available unutilized short-term bank loan facilities was $5,422,137 thousand

and $5,029,004 thousand, respectively.

Liquidity and interest rate risk tables for non-derivative financial liabilities

The following table details the Group's remaining contractual maturities for its non-derivative financial liabilities with agreed upon repayment periods. The table has been drawn up based on the undiscounted cash flows of financial liabilities from the earliest date on which the Group can be required to pay. The table includes both interest and principal cash flows. Specifically, bank loans with a repayment on demand clause were included in the earliest time band regardless of the probability of the banks choosing to exercise their rights. The maturity dates for other non-derivative financial liabilities were based on the agreed upon repayment dates.

To the extent that interest flows are at floating rates, the undiscounted amount was derived from the interest rate curve at the end of the year.

December 31, 2023

	Effective Interest Rate (%)	Less than 1 Year	1-5 Years	5+ Years
Non-derivative financial liabilities				
Short-term borrowings	1.92	$ 2,352,283	$ -	$ -
Trade payables		610,634	-	-
Other payables		1,136,985	-	-
Lease liabilities	1.25-1.60	41,114	92,678	-

Additional information about the maturity analysis for lease liabilities

	Less than 1 Year	1-5 Years	5-10 Years	10-15 Years	15-20 Years	20+ Years
Lease liabilities	$ 41,114	$ 92,678	$ -	$ -	$ -	$ -

December 31, 2022

	Effective Interest Rate (%)	Less than 1 Year	1-5 Years	5+ Years
Non-derivative financial liabilities				
Short-term borrowings	1.68	$ 2,415,950	$ -	$ -
Trade payables	-	702,573	-	-
Other payables	-	1,315,197	-	-
Lease liabilities	1.25-1.30	26,569	73,793	-

Additional information about the maturity analysis for lease liabilities

	Less than 1 Year	1-5 Years	5-10 Years	10-15 Years	15-20 Years	20+ Years
Lease liabilities	$ 26,569	$ 73,793	$ -	$ -	$ -	$ -

28. TRANSACTIONS WITH RELATED PARTIES

Balances and transactions between the Company and its subsidiaries, which are related parties of the Company, have been eliminated on consolidation and are not disclosed in this note. Besides information disclosed elsewhere in the other notes, details of transactions between the Group and other related parties are disclosed as follows.

a. Related party name and category

Related Party Name	Related Party Category
Sixxon Tech Co., Ltd. (henceforth referred to as "Sixxon Tech")	Investors with significant influence over the Group
Global-Thaixon Precision Industry Co., Ltd. (henceforth referred to as "GT")	Other related parties
Thaixon Tech Co., Ltd. (henceforth referred to as "TT")	Other related parties
Jheng Sing Corporate (henceforth referred to as "Jheng Sing")	Other related parties
An Yong Co., Ltd. (henceforth referred to as "An Yong")	Other related parties

b. Sales of goods

		For the Year Ended December 31	
Line Item	Related Party Category/Name	2023	2022
Sales	Other related parties	$ -	$ 168

c. Payables to related parties (excluding loans from related parties)

		December 31	
Line Item	Related Party Category/Name	2023	2022
Other payables	Sixxon Tech	$ 11,505	$ 12,266
	Jheng Sing	254	4,016
		$ 11,759	$ 16,282

Terms and conditions for sales and purchases of goods from related parties are the same as that of general transactions.

The outstanding accounts payable to related parties are unsecured and are settled in cash. Accounts receivable from related parties are unsecured. For the years ended December 31, 2023 and 2022, no impairment losses were recognized for accounts receivable from related parties.

d. Lease arrangements - the Group is lessee

Line Item	Related Party Category/Name	December 31 2023	December 31 2022
Lease liabilities - current	Sixxon Tech	$ 23,094	$ 22,807
Lease liabilities - non-current	Sixxon Tech	$ 47,062	$ 70,156

Line Item	Related Party Category/Name	For the Year Ended December 31 2023	For the Year Ended December 31 2022
Interest expense	Investors with significant influence over the Group	$ 1,032	$ 1,315
Lease expense	Investors with significant influence over the Group	$ 180	$ 180

For the Year Ended December 31, 2023

Name of Related Party	Premises	Lease Period	Determination of Rent	Monthly Rental
Investors with significant influence over the Group	Part of the buildings in No. 1 and 6, You 3rd Rd., Yangmei Dist., Taoyuan City	January 1, 2017 to December 31, 2026	Negotiation	$ 1,987
Investors with significant influence over the Group	Part of the buildings in No. 6, You 3rd Rd., Yangmei Dist., Taoyuan City	September 1, 2023 to August 31, 2024	Negotiation	15

For the Year Ended December 31, 2022

Name of Related Party	Premises	Lease Period	Determination of Rent	Monthly Rental
Investors with significant influence over the Group	Part of the buildings in No. 1 and 6, You 3rd Rd., Yangmei Dist., Taoyuan City	January 1, 2017 to December 31, 2026	Negotiation	$ 1,987
Investors with significant influence over the Group	Part of the buildings in No. 6, You 3rd Rd., Yangmei Dist., Taoyuan City	September 1, 2022 to August 31, 2023	Negotiation	15

e. Other transactions with related parties

Line Item	Related Party Category/Name	December 31 2023	December 31 2022
Guarantee deposits paid	Sixxon Tech	$ 200	$ 200

Line Item	Related Party Category/Name	For the Year Ended December 31 2023	2022
Processing expenses	Other related parties	$ 9,279	$ 17,671

f. Remuneration of key management personnel

	For the Year Ended December 31 2023	2022
Short-term employee benefits	$ 41,460	$ 51,341
Post-employment benefits	180	158
	$ 41,640	$ 51,499

The remuneration of directors and key executives, as determined by the remuneration committee, was based on the performance of individuals and market trends.

29. ASSETS PLEDGED AS COLLATERAL OR FOR SECURITY

The following assets were provided as collateral for bank borrowings and guarantee deposits for import and export:

	December 31 2023	2022
Financial assets at amortized cost - non-current - time deposits	$ 800	$ -
Other financial assets - current - reserve account	23,029	23,033
Other financial assets - non-current - time deposits	-	300
	$ 23,829	$ 23,333

30. SIGNIFICANT CONTINGENT LIABILITIES AND UNRECOGNIZED COMMITMENTS

In addition to those disclosed in other notes, unrecognized commitments of the Group at December 31, 2023 and 2022 were as follows:

	December 31 2023	2022
Acquisition of property, plant and equipment	$ 174,094	$ 308,611

31. SIGNIFICANT LOSSES FROM DISASTERS: NONE

32 SIGNIFICANT EVENTS AFTER THE REPORTING PERIOD: NONE

33. SIGNIFICANT ASSETS AND LIABILITIES DENOMINATED IN FOREIGN CURRENCIES

The Group's significant financial assets and liabilities denominated in foreign currencies aggregated by the foreign currencies other than functional currencies of the entities in the Group and the related exchange rates between the foreign currencies and the respective functional currencies were as follows:

December 31, 2023

	Foreign Currency	Exchange Rate	Carrying Amount
Financial assets			
Monetary items			
USD	$ 108,478	30.705	$ 3,330,805
RMB	78,662	4.327	340,372
EUR	23,764	33.98	807,514
JPY	92,387	0.2172	20,067
CHF	315	36.485	11,506
HKD	589	3.929	2,313
Financial liabilities			
Monetary items			
USD	25,240	30.705	774,980
RMB	3,756	4.327	16,251
EUR	1,464	33.98	49,748
JPY	382	0.2172	83
CHF	25,858	36.485	943,416
HKD	222	3.929	870

December 31, 2022

	Foreign Currency	Exchange Rate	Carrying Amount
Financial assets			
Monetary items			
USD	$ 101,832	30.71	$ 3,127,247
RMB	71,486	4.408	315,108
EUR	33,215	32.72	1,086,782
JPY	324,121	0.2324	75,326
CHF	577	33.205	19,152
HKD	843	3.938	3,321
Financial liabilities			
Monetary items			
USD	38,701	30.71	1,188,509
RMB	5,078	4.408	22,386
EUR	9,252	32.72	302,742
JPY	138,900	0.2324	32,280
CHF	24,029	33.205	797,875
HKD	207	3.938	815

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

	For the Year Ended December 31			
	2023		2022	
Functional Currency	Exchange Rate (Functional Currency: Presentation Currency)	Net Foreign Exchange Gains (Losses)	Exchange Rate (Functional Currency: Presentation Currency)	Net Foreign Exchange Gains (Losses)
NTD	1 (NTD:NTD)	$ 57,922	1.00 (NTD:NTD)	$ 167,085
RMB	4.396 (RMB:NTD)	(12,699)	4.422 (RMB:NTD)	86,386
USD	31.155 (USD:NTD)	(89,969)	29.805 (USD:NTD)	(76,435)
		$ (44,746)		$ 177,036

34. SEPARATELY DISCLOSED ITEMS

a. Information on significant transactions:

1) Financing provided to others (Table 1)

2) Endorsements/guarantees provided (Table 2)

3) Marketable securities held (None)

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

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

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

7) Total purchases from or sales to related parties amounting to at least NT$100 million or 20% of the paid-in capital (Table 3)

8) Receivables from related parties amounting to at least NT$100 million or 20% of the paid-in capital (Table 4)

9) Trading in derivative instruments (None)

10) Intercompany relationships and significant intercompany transactions (Table 5)

b. Information on investees (Table 6)

c. Information on investments in mainland China

1) Information on any investee company in mainland China, showing the name, principal business activities, paid-in capital, method of investment, inward and outward remittance of funds, ownership percentage, net income of investees, investment income or loss, carrying amount of the investment at the end of the year, repatriations of investment income, and limit on the amount of investment in the mainland China area (Table 7)

2) Any of the following significant transactions with investee companies in mainland China, either directly or indirectly through a third party, and their prices, payment terms, and unrealized gains or losses (Table 8):

a) The amount and percentage of purchases and the balance and percentage of the related payables at the end of the year.

b) The amount and percentage of sales and the balance and percentage of the related receivables at the end of the year.

c) The amount of property transactions and the amount of the resultant gains or losses

d) The balance of negotiable instrument endorsements or guarantees or pledges of collateral at the end of the year and the purposes.

e) The highest balance, the ending balance, the interest rate range, and total current period interest with respect to the financing of funds.

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

d. Information of major shareholders: List all shareholders with ownership of 5% or greater showing the name of the shareholder, the number of shares owned, and percentage of ownership of each shareholder (Table 9)

35. SEGMENT INFORMATION

Information reported to the chief operating decision maker for the purposes of resource allocation and assessment of segment performance focuses on financial information on a per plant basis. As each plant shares similar economic characteristics, produces similar products by using similar production process and all of products produced are distributed through a central sales function, these individual operating segments have been aggregated into a single reportable operating segment. In addition, the measurement basis of segment information reviewed by the chief operating decision maker is consistent with that of the consolidated financial statements. The reportable segment revenues can be referred to the consolidated statements of comprehensive income for the years ended December 31, 2023 and 2022. The operating results and measured values of assets can be referred to the consolidated balance sheets as of December 31, 2023 and 2022.

a. Revenue from major products

The following is an analysis of the Group's revenue from continuing operations from its major products.

	For the Year Ended December 31	
	2023	2022
Automotive parts	$ 4,509,151	$ 4,781,427
Sports	686,170	1,593,936
Computer	780,722	1,186,729
Medical	912,861	1,258,768
Others	232,920	414,323
	$ 7,121,824	$ 9,235,183

b. Geographical information

The Group operates in three principal geographical areas - the United States (USA), China and Japan.

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

	Revenue from External Customers		Non-current Assets	
	For the Year Ended December 31		December 31	
	2023	2022	2023	2022
Asia	$ 4,239,003	$ 5,680,636	$ 5,417,514	$ 5,430,966
America	1,743,325	2,120,507	-	-
Europe	1,139,496	1,434,040	-	-
	$ 7,121,824	$ 9,235,183	$ 5,417,514	$ 5,430,966

Non-current assets exclude financial instruments and deferred tax assets.

c. Information on major customers

Single customers contributing 10% or more to the Group's revenue were as follows:

For the Year Ended December 31					
2023			2022		
Customer Code	Amount	% of Total Sales	Customer Code	Amount	% of Total Sales
Customer B	$ 1,029,250	14	Customer F	$ 1,584,964	17
Customer O	828,343	12	Customer S	1,084,738	12
Customer M	816,950	11	Customer M	1,118,465	12
Customer C	749,373	11	Customer C	948,966	10
Customer Z	713,157	10	Customer Z	947,200	10
			Customer B	923,556	10

TABLE 1

GLOBAL PMX CO., LTD. AND SUBSIDIARIES

FINANCING PROVIDED TO OTHERS
FOR THE YEAR ENDED DECEMBER 31, 2023
(In Thousands of New Taiwan Dollars)

No.	Lender	Borrower	Financial Statement Account	Related Party	Highest Balance for the Period	Ending Balance	Actual Amount Borrowed	Interest Rate	Nature of Financing	Business Transaction Amount	Reasons for Short-term Financing	Allowance for Impairment Loss	Collateral		Financing Limit for Each Borrower	Aggregate Financing Limit	Note
													Item	Value			
1	Fortune Tower Holding Co., Ltd.	Global Advance Technology Limited	Other receivables from related parties	Yes	$ 223,733	$ 211,865	$ 211,865	-	The need for short-term financing	$ -	Operating capital	$ -	-	$ -	$ 11,159,918	$ 11,159,918	Note 2
2	Seamax Manufacturing Pte. Limited	Global Advance Technology Limited	Other receivables from related parties	Yes	129,700	122,820	122,820	-	The need for short-term financing	-	Operating capital	-	-	-	1,511,510	1,511,510	Note 3
3	Global Advance Technology Limited	Global PMX Co., Ltd. (Zhejiang)	Other receivables from related parties	Yes	361,387	346,817	346,817	3%	The need for short-term financing	-	Operating capital	-	-	-	9,213,904	9,213,904	Note 4
		Global PMX Co., Ltd. (Jiaxing)	Other receivables from related parties	Yes	609,600	567,163	480,458	2%-3%	The need for short-term financing	-	Operating capital	-	-	-	9,213,904	9,213,904	Note 4

Note 1: The maximum financing amount provided by the Company is calculated as follows:

a. Nature of financing attributed to business transaction, each separately financing amount shall not exceed amount of transactions between two parties, aggregate financing amount shall not exceed 20% of net worth of the Company for the period. Transaction amount refers to the higher of purchases or sales between two parties within the latest year. Nature for financing attributed to short-term financing needs, each separately financing amount shall not exceed 20% of net worth of the Company for the period, and aggregate financing amount shall not exceed 40% of net worth of the Company for the period.

b. Foreign company loans between overseas companies in which the Company holds directly or indirectly 100% of the voting shares, and financing limits for each entity, as well as limits on aggregate financing amount should not exceed 200% of net worth of the lender.

Note 2: Maximum limit on financing from Fortune Tower Holding Co., Ltd. provided to Global Advance Technology Limited was computed as $5,579,959 thousand multiplied by 200% equal to $11,159,918 thousand.

Note 3: Maximum limit on financing from Seamax Manufacturing Pte. Limited provided to Global Advance Technology Limited was computed as $755,755 thousand multiplied by 200% equal to $1,511,510 thousand.

Note 4: Maximum limit on financing from Global Advance Technology Limited provided to Global PMX Co., Ltd. (Zhejiang) and Global PMX Co., Ltd. (Jiaxing) was computed as $4,606,952 thousand multiplied by 200% equal to $9,213,904 thousand.

GLOBAL PMX CO., LTD. AND SUBSIDIARIES

ENDORSEMENTS/GUARANTEES PROVIDED
FOR THE YEAR ENDED DECEMBER 31, 2023
(In Thousands of New Taiwan Dollars)

No.	Endorser/Guarantor	Endorsee/Guarantee		Limit on Endorsement/ Guarantee Given on Behalf of Each Party	Maximum Amount Endorsed/ Guaranteed During the Period	Outstanding Endorsement/ Guarantee at the End of the Period	Actual Amount Borrowed	Amount Endorsed/ Guaranteed by Collateral	Ratio of Accumulated Endorsement/ Guarantee to Net Equity in Latest Financial Statements (%)	Aggregate Endorsement/ Guarantee Limit	Endorsement/ Guarantee Given by Parent on Behalf of Subsidiaries	Endorsement/ Guarantee Given by Subsidiaries on Behalf of Parent	Endorsement/ Guarantee Given on Behalf of Companies in Mainland China	Note
		Name	Relationship											
0	Global PMX Co., Ltd.	Fortune Tower Holding Co., Ltd.	Subsidiary	$ 12,688,888	$ 32,425	$ 30,705	$ -	$ -	0.39	$ 15,861,110	Y	N	N	Note 1
		Global Advance Technology Limited	A subsidiary directly holding over 50% of the common shares	12,688,888	5,586,831	5,027,944	937,665	-	63.40	15,861,110	Y	N	N	Note 1

Note: According to the Company's operational procedures for endorsement/guarantee provided to others, the calculation for endorsement/guarantee limits is as below:

a. The Company's aggregate amount of endorsement/guarantee provided to others shall not exceed 200% of net worth of the Company for the period. Accumulated amount of endorsement/guarantee provided to a single entity shall not exceed 160% of net worth of the Company. If an endorsement/guarantee provided to a single entity is made due to needs arising from business transactions, in addition to aforementioned requirements, amount of endorsement/guarantee provided shall not exceed total transaction amount with the Company for latest fiscal year (the higher of purchases or sales between two parties).

b. Pursuant to requirements mentioned above, ceilings on endorsement/guarantee provided to others equals to net worth of the Company computed as $7,930,555 thousand multiplied by 200% equals $15,861,110 thousand, and ceilings on endorsement/guarantee provided to a single entity are equivalent to net worth of the Company computed as $7,930,555 thousand multiplied by 160% equals to $12,688,888 thousand.

TABLE 3

GLOBAL PMX CO., LTD. AND SUBSIDIARIES

TOTAL PURCHASES FROM OR SALES TO RELATED PARTIES AMOUNTING TO AT LEAST NT$100 MILLION OR 20% OF THE PAID-IN CAPITAL
FOR THE YEAR ENDED DECEMBER 31, 2023
(In Thousands of New Taiwan Dollars)

Buyer	Related Party	Relationship	Transaction Details				Abnormal Transaction		Notes/Accounts Receivable (Payable)		Note
			Purchase/ Sale	Amount	% of Total	Payment Terms	Unit Price	Payment Terms	Ending Balance	% of Total	
Seamax International Ltd.	Global PMX Co., Ltd.	Parent and subsidiary	Sale	$ 1,327,995	92.89	90 days after	-	-	Accounts receivable $ 397,159	80.79	
Sixxon Precision Machinery Co., Ltd.	Global PMX Co., Ltd.	Parent and subsidiary	Sale	341,257	14.17	90 days after	-	-	Accounts receivable 50,016	9.33	
Ace Plus Technology Limited	Global PMX Co., Ltd.	Parent and subsidiary	Sale	491,083	100.00	90 days after	-	-	Accounts receivable 192,847	100.00	
Seamax Manufacturing Pte., Ltd. (Dongguan)	Seamax International Ltd.	The same ultimate parent company	Sale	275,854	30.86	90 days after	-	-	Accounts receivable 111,200	31.39	
	Ace Plus Technology Limited	The same ultimate parent company	Sale	491,200	54.82	90 days after	-	-	Accounts receivable 192,847	54.44	
Global PMX Co., Ltd. (Zhejiang)	Seamax International Ltd	The same ultimate parent company	Sale	974,537	32.23	90 days after	-	-	Accounts receivable 279,731	25.40	
Global PMX Co., Ltd. (Jiaxing)	Global PMX Co., Ltd. (Zhejiang)	The same ultimate parent company	Sale	197,595	46.64	90 days after	-	-	Accounts receivable 121,044	64.54	

TABLE 4

GLOBAL PMX CO., LTD. AND SUBSIDIARIES

RECEIVABLES FROM RELATED PARTIES AMOUNTING TO AT LEAST NT$100 MILLION OR 20% OF THE PAID-IN CAPITAL
DECEMBER 31, 2023
(In Thousands of New Taiwan Dollars)

Company Name	Related Party	Relationship	Ending Balance	Turnover Rate	Overdue		Amount Received in Subsequent Period	Allowance for Impairment Loss
					Amount	Actions Taken		
Seamax International Ltd.	Global PMX Co., Ltd	Parent and subsidiary	$ 397,159	2.78 times/year	$ -	-	$ 197,349	$ -
Ace Plus Technology Limited	Global PMX Co., Ltd	Parent and subsidiary	192,847	2.85 times/year	-	-	94,645	-
Global PMX Co., Ltd. (Zhejiang)	Seamax International Ltd.	The same ultimate parent company	279,731	2.96 times/year	-	-	141,115	-
Seamax Manufacturing Pte., Ltd. (Dongguan)	Ace Plus Technology Limited	The same ultimate parent company	192,847	2.85 times/year	-	-	48,422	-
	Seamax International Ltd.	The same ultimate parent company	111,200	2.48 times/year	-	-	32,618	-
Global PMX Co., Ltd. (Jiaxing)	Global PMX Co., Ltd. (Zhejiang)	The same ultimate parent company	121,044	2.40 times/year	-	-	24,562	-
Fortune Tower Holding Co., Ltd	Global Advance Technology Limited	Parent and subsidiary	211,865	Note 1	-	-	-	-
Seamax Manufacturing Pte. Limited	Global Advance Technology Limited	The same ultimate parent company	122,820	Note 1	-	-	122,820	-
Global Advance Technology Limited	Global PMX Co., Ltd. (Zhejiang)	Parent and subsidiary	398,102	Note 1	-	-	-	-
	Global PMX Co., Ltd. (Jiaxing)	Parent and subsidiary	495,364	Note 1	-	-	-	-

Note: The calculation of turnover ratio excludes other receivables.

GLOBAL PMX CO., LTD. AND SUBSIDIARIES

INTERCOMPANY RELATIONSHIPS AND SIGNIFICANT INTERCOMPANY TRANSACTIONS
FOR THE YEAR ENDED DECEMBER 31, 2023
(In Thousands of New Taiwan Dollars)

No. (Note 1)	Company	Counterparty	Relationship (Note 2)	Transaction Details			
				Financial Statement Accounts	Amount	Payment Terms	% of Total Sales or Assets (Note 3)
0	Global PMX Co., Ltd.	Seamax International Ltd.	a.	Purchase (sales)	$ 1,327,995	Note 4	19
		Seamax International Ltd.	a.	Other receivables (payables)	90,725	Note 4	1
		Ace Plus Technology Limited	a.	Trade payables (receivables)	192,847	Note 4	2
		Ace Plus Technology Limited	a.	Purchase (sales)	491,083	Note 4	7
		Sixxon Precision Machinery Co., Ltd.	a.	Trade payables (receivables)	50,016	Note 4	-
		Sixxon Precision Machinery Co., Ltd.	a.	Purchase (sales)	341,257	Note 4	5
		Seamax International Ltd.	a.	Trade payables (receivables)	397,159	Note 4	3
1	Seamax International Ltd.	Global PMX Co., Ltd.	b.	Purchase (sales)	100,269	Note 4	1
		Seamax Manufacturing Pte., Ltd. (Dongguan)	c.	Trade payables (receivables)	111,200	Note 4	1
		Seamax Manufacturing Pte., Ltd. (Dongguan)	c.	Purchase (sales)	275,854	Note 4	4
		Global PMX Co., Ltd. (Zhejiang)	c.	Trade payables (receivables)	279,731	Note 4	2
		Global PMX Co., Ltd. (Zhejiang)	c.	Purchase (sales)	974,537	Note 4	14
		Global PMX Co., Ltd. (Jiaxing)	c.	Purchase (sales)	81,306	Note 4	1
2	Ace Plus Technology Limited	Seamax Manufacturing Pte., Ltd. (Dongguan)	c.	Trade payables (receivables)	192,847	Note 4	2
		Seamax Manufacturing Pte., Ltd. (Dongguan)	c.	Purchase (sales)	491,200	Note 4	7
3	Fortune Tower Holding Co., Ltd.	Global Advance Technology Limited	a.	Other receivables (payables)	211,865	Note 4	2
4	Seamax Manufacturing Pte. Limited	Global Advance Technology Limited	c.	Other receivables (payables)	122,820	Note 4	1
5	Global Advance Technology Limited	Global PMX Co., Ltd. (Zhejiang)	a.	Other receivables (payables)	398,102	Note 4	3
		Global PMX Co., Ltd. (Jiaxing)	a.	Other receivables (payables)	495,364	Note 4	4
6	Global PMX Co., Ltd. (Jiaxing)	Seamax International Ltd.	c.	Purchase (sales)	97,857	Note 4	1
		Seamax International Ltd.	c.	Trade payables (receivables)	90,684	Note 4	1
7	Sixxon Precision Machinery Co., Ltd.	Global PMX Co., Ltd. (Jiaxing)	c.	Purchase (sales)	87,464	Note 4	1
8	Global PMX Co., Ltd. (Zhejiang)	Global PMX Co., Ltd. (Jiaxing)	c.	Trade payables (receivables)	121,044	Note 4	1
		Global PMX Co., Ltd. (Jiaxing)	c.	Purchase (sales)	197,595	Note 4	3

Note 1: The intercompany transactions are identified and numbered as follows:

a. Number 0 represents the parent company.
b. Subsidiaries are numbered in an order starting from 1.

(Continued)

Note 2: Relationship with counterparty is classified into the following three categories, fill in the number of category each case belongs to:

a. Parent company to subsidiary.
b. Subsidiary to parent company.
c. Subsidiary to subsidiary.

Note 3: The percentage of transaction is calculated by the percentage to the consolidated total operating revenues or total assets. For accounts attributable to assets or liabilities, it is calculated based on the ending balance of accounts to consolidated total assets. For accounts attributable to income or loss, it is calculated based on accumulated transaction amount for the period to consolidated total operating revenues.

Note 4: The terms of transaction were determined by both sides depending on their operating demands as there were no similar kinds of transaction.

Note 5: Transactions mentioned above are offset in the consolidated financial statements.

(Concluded)

TABLE 6

GLOBAL PMX CO., LTD. AND SUBSIDIARIES

INFORMATION ON INVESTEES
FOR THE YEAR ENDED DECEMBER 31, 2023
(In Thousands of New Taiwan Dollars)

Investor Company	Investee Company	Location	Main Businesses and Products	Original Investment Amount		As of December 31, 2023			Net Income (Loss) of the Investee	Share of Profit (Loss)	Note
				December 31, 2023	December 31, 2022	Number of Shares	%	Carrying Amount			
Global PMX Co., Ltd.	Fortune Tower Holding Co., Ltd.	TMF Chambers, P.O. Box 3269, Apia, Samoa	General investment	$ 3,719,067	$ 3,719,067	125,750	100.00	$ 5,575,392	$ (107,859)	$ (105,906)	
	Seamax International Ltd.	Offshore Chambers, P.O. Box 217, Apia, Samoa	Import and export of goods	28,995	28,995	1,000	100.00	35,775	1,274	1,274	
	Ace Plus Technology Limited	Offshore Chambers, P.O. Box 217, Apia, Samoa	Import and export of goods	1,564	1,564	50	100.00	1,206	(46)	(46)	
	Sixxon Precision Machinery Co., Ltd	Taiwan	Manufacturing of automotive and its parts	1,464,636	1,464,636	30,000	100.00	1,778,265	176,960	176,960	
Fortune Tower Holding Co., Ltd.	Seamax Manufacturing Pte. Limited	1004AXA Centre, 151 Gloucester Road, Wan Chai, Hong Kong	General investment	363,000	363,000	12,200	100.00	755,755	126,278	126,278	
	Global Advance Technology Limited	Offshore Chambers, P.O. Box 217, Apia, Samoa	General investment	2,964,584	2,964,584	97,750	100.00	4,606,952	(224,788)	(224,788)	

Note: The share of profits/losses of investee includes the effect of unrealized gross profit on intercompany transactions.

GLOBAL PMX CO., LTD. AND SUBSIDIARIES

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

1. The investee company in Mainland China, main business and products, total amount of paid-in capital, method of investment, accumulated outflow and inflow of investment from Taiwan, percentage of ownership, share of profits/losses, accumulated inward remittance of earnings.

Investee Company	Main Businesses and Products	Paid-in Capital	Method of Investment (Note 1)	Accumulated Outward Remittance for Investment from Taiwan as of December 31, 2022	Remittance of Funds		Accumulated Outward Remittance for Investment from Taiwan as of December 31, 2023	Net Income (Loss) of the Investee	% Ownership of Direct or Indirect Investment	Investment Gain (Loss) (Note 2)	Carrying Amount as of December 31, 2023	Accumulated Repatriation of Investment Income as of December 31, 2023	Note
					Outward	Inward							
Seamax Manufacturing Pte., Ltd. (Dongguan)	Production and sales of computer hard disk components, industrial control components, precision die, mold standard parts, high-grade hardware, high-end construction hardware, plumbing equipment and hardware, new electronic components, automotive key components, anti-lock braking system.	$ 359,046	b.	$ 363,000	$ -	$ -	$ 363,000	$ 126,259	100.00	$ 126,259	$ 629,801	$ 306,610	
Global PMX Co., Ltd. (Zhejiang)	Development, research, production and sales of various types of large-capacity optical, disk drives and components, semiconductor components, new electronic components, digital cameras, precision online measuring instruments, precision die, mold standard parts and medical precision parts, automotive precision parts.	1,803,264	b.	1,055,339	-	-	1,055,339	(30,714)	100.00	(30,714)	3,863,414	-	
Global PMX Co., Ltd. (Jiaxing)	Development, research, production and sales of automotive parts, general parts, first-class medical equipment, computer hardware and software, electronic components technology research and development.	1,329,750	b.	1,329,750	-	-	1,329,750	(99,419)	100.00	(99,419)	1,024,392	-	

Note 1: Methods of investment are classified into following three categories:

a. Direct investment in mainland China.
b. The Company invested in a company located in Mainland China indirectly through an existing company in the third country.
c. Others.

Note 2: Investment income or loss mentioned above is recognized based on the financial statements of the parent company in Taiwan which were reviewed by its independent accountants for the corresponding periods.

(Continued)

2. Limit on investment in Mainland China:

Company Name	Accumulated Outward Remittance for Investments in Mainland China as of December 31, 2023	Investment Amount Authorized by the Investment Commission, MOEA	Upper Limit on the Amount of Investments Stipulated by the Investment Commission, MOEA
Global PMX Co., Ltd. (Note)	$ 3,112,192	$ 3,941,572	Note

Note: According to “Regulations screening of application to engage in technical cooperation in Mainland China”, the Company obtained the approval from the Industrial Development Bureau of Ministry of Economic Affairs issued to Headquarters on October 6, 2023, and effective on October 2, 2023, so the amount the Company invested in Mainland China is not subject to the upper limit on the amount investment stipulated by investment commission, MOEA.

(Concluded)

GLOBAL PMX CO., LTD. AND SUBSIDIARIES

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

Investee Company	Transaction Type	Purchase/Sale		Price	Transaction Details		Notes/Accounts Receivable (Payable)			Unrealized (Gain) Loss	Note
		Amount	%		Payment Terms	Comparison with Normal Transactions	Ending Balance		%		
Seamax Manufacturing Pte., Ltd. (Dongguan)	Sales	$ 767,054	85.69	Note 5	Note 5	Note 5	Trade receivable	$ 304,047	85.84	$ 2,594	
Global PMX Co., Ltd. (Zhejiang)	Sales	974,537	32.23	Note 5	Note 5	Note 5	Trade receivable	279,731	25.40	1,666	
Global PMX Co., Ltd. (Jiaxing)	Sales	166,828	39.45	Note 5	Note 5	Note 5	Trade receivable	52,900	28.20	308	

Note 1: The information on the endorsement, guarantee or collateral provided to any investees in Mainland China, either directly or indirectly, through a business in a third area: None.

Note 2: Refer to Table 1 for the information with respect to financing of funds provided to any investees in Mainland China, either directly or indirectly, through a third area.

Note 3: The amount of property transactions with any investees in Mainland China, either directly or indirectly, through a business in a third area and the amount of the resulting profits or losses: None.

Note 4: Related transactions and period-end balances were removed from the consolidated financial statements.

Note 5: The terms of transaction were determined by both sides depending on their operating demands as there were no similar kinds of transaction.

TABLE 9

GLOBAL PMX CO., LTD.

INFORMATION OF MAJOR SHAREHOLDERS
DECEMBER 31, 2023

Name of Major Shareholder	Shares	
	Number of Shares	Percentage of Ownership (%)
Sixxon Precision Machinery Co., Ltd. (Cayman Islands)	23,948,000	20.78
Sixxon Tech Co., Ltd.	12,256,900	10.63
Cathay Life Insurance Company, Ltd.	7,588,000	6.58

Note: The information of major shareholders presented in this table is provided by the Taiwan Depository & Clearing Corporation based on the number of ordinary shares and preferred shares held by shareholders with ownership of 5% or greater, that have been issued without physical registration (including treasury shares) by the Group as of the last business day for the current quarter. The share capital in the consolidated financial statements may differ from the actual number of shares that have been issued without physical registration because of different preparation basis.

Attachment 2: Financial Statement for the Most Recent Fiscal Year, including an Auditor's Report Prepared by a Certified Public Account

INDEPENDENT AUDITORS' REPORT

The Board of Directors and Shareholders
Global PMX Co., Ltd.

Opinion

We have audited the accompanying financial statements of Global PMX Co., Ltd. (the "Company"), which comprise the balance sheets as of December 31, 2023 and 2022, and the statements of comprehensive income, changes in equity and cash flows for the years then ended, and notes to the financial statements, including a summary of significant accounting policies (collectively referred to as the "financial statements").

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as of December 31, 2023 and 2022, and its financial performance and its cash flows for the years then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers.

Basis for Opinion

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

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of Global PMX Co., Ltd. for the year ended December 31, 2023. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matters for the Company's financial statements for the year ended December 31, 2023 are stated as follows:

<u>The Truth of the Sales to the Specific Customers</u>

The Company mainly engaged in manufacturing and processing of automotive, electronics, medical equipment and precision metal parts of various industries. Based on the significance and Statements on Auditing Standards presupposes revenue recognition as a significant risk. We believe that the impact of the sales revenue recognition of automotive from the specific sales customers if actually occurred on the financial statements is significant, it has been identified as a key audit matter. Please refer to Note 4 (k) to the financial statements for the details of the information about the accounting policy for recognizing revenue.

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

1. Understood and tested the design and implementation of the internal controls over revenue recognition from specific sales customers.

2. Sampled and inspected the sale records of the specific sales customers aforementioned to select appropriate samples to examine the related supporting source documents and to test the receiving situation in order to verify whether the sales transaction actually occurred.

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

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

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

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

Auditors' Responsibilities for the Audit of the Financial Statements

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

As part of an audit in accordance with the Standards on Auditing of the Republic of China, we exercise professional judgment and professional skepticism. We also:

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

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

3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

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

5. Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

6. Obtain sufficient and appropriate audit evidence regarding the financial information of entities or business activities within the Company to express an opinion on the financial statements. We are responsible for the direction, supervision, and performance of the group audit. We remain solely responsible for our audit opinion.

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

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

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

- These financial statements are translated from the traditional Chinese version and are unaudited by a CPA.

The engagement partners on the audits resulting in this independent auditors' report are Jun-Min Hsueh and Nai-Hua Kuo.

Deloitte & Touche
Taipei, Taiwan
Republic of China

March 11, 2024

<u>*Notice to Readers*</u>

The accompanying financial statements are intended only to present the financial position, financial performance and cash flows in accordance with accounting principles and practices generally accepted in the Republic of China and not those of any other jurisdictions. The standards, procedures and practices to audit such financial statements are those generally applied in the Republic of China.

For the convenience of readers, the independent auditors' report and the accompanying financial statements have been translated into English from the original Chinese version prepared and used in the Republic of China. 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 financial statements shall prevail.

GLOBAL PMX CO., LTD.

BALANCE SHEETS
DECEMBER 31, 2023 AND 2022
(In Thousands of New Taiwan Dollars)

	2023		2022	
ASSETS	**Amount**	**%**	**Amount**	**%**
CURRENT ASSETS				
Cash and cash equivalents (Notes 6 and 24)	$ 1,583,974	16	$ 1,037,754	10
Trade receivables from unrelated parties (Notes 7 and 24)	758,116	8	977,531	9
Trade receivables from related parties (Notes 7, 24 and 25)	4,072	-	132,541	1
Other receivables (Notes 7 and 24)	6,440	-	3,953	-
Other receivables from related parties (Notes 7, 24 and 25)	90,725	1	117,910	1
Inventories (Note 8)	137,131	1	134,439	2
Prepayments (Note 13)	16,903	-	6,478	-
Other current assets (Note 13)	19,307	-	8,524	-
Total current assets	2,616,668	26	2,419,130	23
NON-CURRENT ASSETS				
Investments accounted for using equity method (Note 9)	7,390,638	73	8,104,171	77
Property, plant and equipment (Note 10)	23,114	-	23,457	-
Computer software, net (Note 12)	169	-	394	-
Deferred tax assets (Note 21)	79,596	1	44,840	-
Refundable deposits (Notes 24 and 25)	349	-	359	-
Total non-current assets	7,493,866	74	8,173,221	77
TOTAL	$ 10,110,534	100	$ 10,592,351	100
LIABILITIES AND EQUITY				
CURRENT LIABILITIES				
Short-term borrowings (Notes 14 and 24)	$ 860,000	9	$ 712,000	7
Trade payables to unrelated parties (Notes 15 and 24)	7,824	-	15,145	-
Trade payables to related parties (Notes 15, 24 and 25)	640,022	6	904,319	9
Other payables (Notes 16 and 24)	85,816	1	128,631	1
Other payables to related parties (Notes 16, 24 and 25)	346	-	447	-
Current tax liabilities (Note 21)	123,378	1	111,221	1
Other current liabilities	23,847	-	11,138	-
Total current liabilities	1,741,233	17	1,882,901	18
NON-CURRENT LIABILITIES				
Net defined benefit liabilities - non-current (Note 17)	6,371	-	4,760	-
Deferred tax liabilities (Note 21)	432,375	5	515,949	5
Total non-current liabilities	438,746	5	520,709	5
Total liabilities	2,179,979	22	2,403,610	23
EQUITY (Note 18)				
Share capital				
Ordinary shares	1,152,225	11	1,152,225	11
Capital surplus	3,696,715	36	3,696,715	35
Retained earnings				
Legal reserve	657,983	6	517,300	5
Special reserve	154,944	2	233,232	2
Unappropriated earnings	2,502,996	25	2,744,213	26
Total retained earnings	3,315,923	33	3,494,745	33
Other equity	(234,308)	(2)	(154,944)	(2)
Total equity	7,930,555	78	8,188,741	77
TOTAL	$ 10,110,534	100	$ 10,592,351	100

The accompanying notes are an integral part of the financial statements.

GLOBAL PMX CO., LTD.

STATEMENTS OF COMPREHENSIVE INCOME
FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022
(In Thousands of New Taiwan Dollars, Except Earnings Per Share)

	2023		2022	
	Amount	**%**	**Amount**	**%**
OPERATING REVENUE (Notes 19 and 25)	$ 2,837,341	100	$ 3,535,722	100
OPERATING COST (Notes 8 and 25)	(2,154,873)	(76)	(2,710,842)	(77)
GROSS PROFIT	682,468	24	824,880	23
OPERATING EXPENSES (Notes 7, 20 and 25)				
Selling and marketing expenses	(33,767)	(1)	(59,152)	(1)
General and administrative expenses	(75,644)	(3)	(110,807)	(3)
Research and development expenses	(15,438)	-	(25,876)	(1)
Expected credit loss	(43,825)	(2)	(816)	-
Total operating expenses	(168,674)	(6)	(196,651)	(5)
PROFIT FROM OPERATIONS	513,794	18	628,229	18
NON-OPERATING INCOME AND EXPENSES (Note 20)				
Interest income	38,018	1	4,876	-
Other gains and losses	32,350	1	83,776	3
Finance costs	(15,958)	(1)	(7,680)	-
Share of profit or loss of subsidiaries, associates and joint ventures	72,282	3	930,806	26
Total non-operating income and expenses	126,692	4	1,011,778	29
PROFIT BEFORE INCOME TAX	640,486	22	1,640,007	47
INCOME TAX EXPENSE (Note 21)	(124,946)	(4)	(234,625)	(7)
NET PROFIT FOR THE YEAR	515,540	18	1,405,382	40

(Continued)

GLOBAL PMX CO., LTD.

STATEMENTS OF COMPREHENSIVE INCOME
FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022
(In Thousands of New Taiwan Dollars, Except Earnings Per Share)

	2023		2022	
	Amount	**%**	**Amount**	**%**
OTHER COMPREHENSIVE INCOME (LOSS)				
Items that will not be reclassified subsequently to profit or loss:				
Remeasurement of defined benefit plans (Note 17)	$ (3,027)	-	$ 1,446	-
Items that may be reclassified subsequently to profit or loss:				
Exchange differences on translation of the financial statements of foreign operations (Note 18)	(79,364)	(3)	78,288	2
Other comprehensive income/(loss) for the year, net of income tax	(82,391)	(3)	79,734	2
TOTAL COMPREHENSIVE INCOME/(LOSS) FOR THE YEAR	$ 433,149	15	$ 1,485,116	42
EARNINGS PER SHARE (Note 22)				
From continuing operations				
Basic	$ 4.47		$ 12.20	
Diluted	$ 4.47		$ 12.16	

The accompanying notes are an integral part of the financial statements. (Concluded)

GLOBAL PMX CO., LTD.

STATEMENTS OF CHANGES IN EQUITY
FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022
(In Thousands of New Taiwan Dollars)

	Share Capital			Retained Earnings			Other Equity	
	Shares (In Thousand)	Amount	Capital Surplus	Legal Reserve	Special Reserve	Unappropriated Earnings	Exchange Differences on Translation of the Financial Statements of Foreign Operations	Total Equity
BALANCE AT JANUARY 1, 2022	115,222	$ 1,152,225	$ 3,696,715	$ 397,082	$ 202,483	$ 2,064,464	$ (233,232)	$ 7,279,737
Appropriation of 2021 earnings								
Legal reserve	-	-	-	120,218	-	(120,218)	-	-
Special reserve	-	-	-	-	30,749	(30,749)	-	-
Cash dividends	-	-	-	-	-	(576,112)	-	(576,112)
Net profit for the year ended December 31, 2022	-	-	-	-	-	1,405,382	-	1,405,382
Other comprehensive income/(loss) for the year ended December 31, 2022, net of income tax	-	-	-	-	-	1,446	78,288	79,734
Total comprehensive income/(loss) for the year ended December 31, 2022	-	-	-	-	-	1,406,828	78,288	1,485,116
BALANCE, DECEMBER 31, 2022	115,222	1,152,225	3,696,715	517,300	233,232	2,744,213	(154,944)	8,188,741
Appropriation of 2022 earnings								
Legal reserve	-	-	-	140,683	-	(140,683)	-	-
Cash dividends	-	-	-	-	-	(691,335)	-	(691,335)
Reversal of special reserve	-	-	-	-	(78,288)	78,288	-	-
Net profit for the year ended December 31, 2023	-	-	-	-	-	515,540	-	515,540
Other comprehensive income/(loss) for the year ended December 31, 2023, net of income tax	-	-	-	-	-	(3,027)	(79,364)	(82,391)
Total comprehensive income/(loss) for the year ended December 31, 2023	-	-	-	-	-	512,513	(79,364)	433,149
BALANCE, DECEMBER 31, 2023	115,222	$ 1,152,225	$ 3,696,715	$ 657,983	$ 154,944	$ 2,502,996	$ (234,308)	$ 7,930,555

The accompanying notes are an integral part of the financial statements.

GLOBAL PMX CO., LTD.

STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022
(In Thousands of New Taiwan Dollars)

	2023	2022
CASH FLOWS FROM OPERATING ACTIVITIES		
Income before income tax	$ 640,486	$ 1,640,007
Adjustments for:		
Depreciation expenses	343	391
Amortization expenses	225	1,683
Expected credit loss recognized	43,825	816
Net loss on fair value changes of financial liabilities at fair value through profit or loss	-	4,214
Finance costs	15,958	7,680
Interest income	(38,018)	(4,876)
(Reversal) write-down of inventories	(531)	531
Share of (profit) loss of subsidiaries, associates and joint ventures	(72,282)	(930,806)
Changes in operating assets and liabilities		
Trade receivables	304,059	(473,227)
Other receivables	28,746	2,758
Inventories	(2,161)	26,244
Prepayments	(10,425)	38,051
Other current assets	(10,783)	16,143
Held for trading financial liabilities	-	(4,214)
Trade payables	(271,618)	222,738
Other payables	(43,621)	8,218
Other current liabilities	12,709	2,197
Net defined benefit liabilities	(1,416)	-
Cash generated from operations	595,496	558,548
Interest paid	(15,253)	(7,706)
Income tax paid	(211,278)	(110,356)
Net cash generated from operating activities	368,965	440,486
CASH FLOWS FROM INVESTING ACTIVITIES		
Acquisitions of investments accounted for using equity method	-	(285,650)
Decrease in refundable deposits	10	-
Payments for intangible assets	-	(450)
Interest received	33,970	3,284
Dividends received from subsidiaries	686,610	250,000
Net cash (used in) generated from investing activities	720,590	(32,816)
CASH FLOWS FROM FINANCING ACTIVITIES		
Increase in short-term borrowings	148,000	202,000
Dividends paid	(691,335)	(576,112)
Net cash used in financing activities	(543,335)	(374,112)

(Continued)

GLOBAL PMX CO., LTD.

STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022
(In Thousands of New Taiwan Dollars)

	2023	2022
NET INCREASE IN CASH AND CASH EQUIVALENTS	$ 546,220	$ 33,558
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR	1,037,754	1,004,196
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	$ 1,583,974	$ 1,037,754

The accompanying notes are an integral part of the financial statements. (Concluded)

GLOBAL PMX CO., LTD.

NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

1. GENERAL INFORMATION

Global PMX Co., Ltd. (the "Company") was incorporated in February 1987, formerly known as "Global PMX Co., Ltd.", it was renamed to "Global PMX Co., Ltd." in October 1999. The Company engages mainly in manufacturing of electronic equipment, plastic components, hardware hand tools, metal parts etc. trading, import and export, industrial plastic products manufacturing, other non-metal products manufacturing, iron and steel casting, iron and steel forging, steel rework, aluminum rework, etc.

The Company's share have been listed on the Taiwan Stock Exchange since August 10, 2015.

The parent company only financial statements are presented in the Company's functional currency, New Taiwan dollar (NTD).

On September 30, 2019, the Company's board of directors decided to acquire all issued and outstanding ordinary shares of Sixxon Precision Machinery Co., Ltd. by issuing shares, completing the transferring procedure on April 13, 2020. The transaction is a business combination under common control; therefore, comparative information of the prior period in the financial statements is restated as if the combination had already occurred.

2. APPROVAL OF FINANCIAL STATEMENTS

The parent company only financial statements were approved by the Company's board of directors on March 11, 2024.

3. APPLICATION OF NEW, AMENDED AND REVISED STANDARDS AND INTERPRETATIONS

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

   Except for the following, the initial application of the IFRS Accounting Standards endorsed and issued into effect by the FSC did not have material impact on the Company's accounting policies:

   1) Amendments to IAS 1 "Disclosure of Accounting Policies"

      When applying the amendments, the Company refers to the definition of material to determine its material accounting policy information to be disclosed. Accounting policy information is material if it can reasonably be expected to influence decisions that the primary users of general purpose financial statements make on the basis of those financial statements. Moreover:

      - Accounting policy information that relates to immaterial transactions, other events or conditions is immaterial and need not be disclosed;

      - The Company may consider the accounting policy information material because of the nature of the related transactions, other events or conditions, even if the amounts are immaterial; and

- Not all accounting policy information relating to material transactions, other events or conditions is itself material.

The accounting policy information is likely to be considered material to the financial statements if that information relates to material transactions, other events or conditions and:

a) The Company changed its accounting policy during the reporting period and this change resulted in a material change to the information in the financial statements;

b) The Company chose the accounting policy from options permitted by the standards;

c) The accounting policy was developed in accordance with IAS 8 “Accounting Policies, Changes in Accounting Estimates and Errors” in the absence of an IFRS that specifically applies;

d) The accounting policy relates to an area for which the Company is required to make significant judgements or assumptions in applying an accounting policy, and the Company discloses those judgements or assumptions; or

e) The accounting is complex and users of the financial statements would otherwise not understand those material transactions, other events or conditions.

Refer to Note 4 for related accounting policy information.

2) Amendments to IAS 8 “Definition of Accounting Estimates”

The Company has applied the amendments since January 1, 2023, which defines accounting estimates as monetary amounts in financial statements that are subject to measurement uncertainty. In applying accounting policies, the Company may be required to measure items at monetary amounts that cannot be observed directly and must instead be estimated. In such a case, the Company uses measurement techniques and inputs to develop accounting estimates to achieve the objective. The effects on an accounting estimate of a change in a measurement technique or a change in an input are changes in accounting estimates unless they result from the correction of prior period errors.

b. The IFRS Accounting Standards endorsed by the FSC for application starting from 2024

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

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

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

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

Amendments to IAS 1 "Classification of Liabilities as Current or Non-current" (referred to as the "2020 amendments") and "Non-current Liabilities with Covenants" (referred to as the "2022 amendments")

The 2020 amendments clarify that for a liability to be classified as non-current, the Company shall assess whether it has the right at the end of the reporting period to defer settlement of the liability for at least twelve months after the reporting period. If such rights exist at the end of the reporting period, the liability is classified as non-current regardless of whether the Company will exercise that right.

The 2020 amendments also stipulate that, if the right to defer settlement is subject to compliance with specified conditions, the Company must comply with those conditions at the end of the reporting period even if the lender does not test compliance until a later date. The 2022 amendments further clarify that only covenants with which an entity is required to comply on or before the reporting date should affect the classification of a liability as current or non-current. Although the covenants to be complied with within twelve months after the reporting period do not affect the classification of a liability, the Company shall disclose information that enables users of financial statements to understand the risk of the Company, which may have difficulty complying with the covenants and repaying its liabilities within twelve months after the reporting period.

The 2020 amendments stipulate that, for the purpose of liability classification, the aforementioned settlement refers to a transfer of cash, other economic resources or the Company's own equity instruments to the counterparty that results in the extinguishment of the liability. However, if the terms of a liability that, at the option of the counterparty, result in its settlement by a transfer of the Company's own equity instruments, and if such an option is recognized separately as equity in accordance with IAS 32 "Financial Instruments: Presentation", the aforementioned terms would not affect the classification of the liability.

Except for the above impact, as of the date the financial statements were authorized for issue, the Company has assessed that the application of other standards and interpretations will not have a material impact on the Company's financial position and financial performance.

c. The IFRS Accounting Standards in issue but not yet endorsed and issued into effect by the FSC

New, Amended and Revised Standards and Interpretations	**Effective Date Announced by IASB (Note 1)**
Amendments to IFRS 10 and IAS 28 "Sale or Contribution of Assets between an Investor and its Associate or Joint Venture"	To be determined by IASB
IFRS 17 "Insurance Contracts"	January 1, 2023
Amendments to IFRS 17	January 1, 2023
Amendments to IFRS 17 "Initial Application of IFRS 9 and IFRS 17 Comparative Information"	January 1, 2023
Amendments to IAS 21 "Lack of Exchangeability"	January 1, 2025 (Note 2)

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

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

1) Amendments to IFRS 10 and IAS 28 "Sale or Contribution of Assets between an Investor and its Associate or Joint Venture"

The amendments stipulate that, when the Company sells or contributes assets that constitute a business (as defined in IFRS 3) to an associate or joint venture, the gain or loss resulting from the transaction is recognized in full. Also, when the Company loses control of a subsidiary that contains a business but retains significant influence or joint control, the gain or loss resulting from the transaction is recognized in full.

Conversely, when the Company sells or contributes assets that do not constitute a business to an associate or joint venture, the gain or loss resulting from the transaction is recognized only to the extent of the Company's interest as an unrelated investor in the associate or joint venture, i.e., the Company's share of the gain or loss is eliminated. Also, when the Company loses control of a subsidiary that does not contain a business but retains significant influence or joint control over an associate or a joint venture, the gain or loss resulting from the transaction is recognized only to the extent of the Company's interest as an unrelated investor in the associate or joint venture, i.e., the Company's share of the gain or loss is eliminated.

2) Amendments to IAS 21 "Lack of Exchangeability"

The amendments stipulate that a currency is exchangeable into another currency when an entity is able to obtain the other currency within a time frame that allows for a normal administrative delay and through a market or exchange mechanism in which an exchange transaction would create enforceable rights and obligations. An entity shall estimate the spot exchange rate at a measurement date when a currency is not exchangeable into another currency to reflect the rate at which an orderly exchange transaction would take place at the measurement date between market participants under prevailing economic conditions. In this situation, the Company shall disclose information that enables users of its financial statements to understand how the currency not being exchangeable into the other currency affects, or is expected to affect, its financial performance, financial position and cash flows.

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

4. SUMMARY OF MATERIAL ACCOUNTING POLICY INFORMATION

a. Statement of compliance

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

b. Basis of preparation

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

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

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

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

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

When preparing the parent company only financial statements, the Company used the equity method to account for its investments in subsidiaries. In order for the amounts of the net profit for the year, other comprehensive income for the year and total equity in the parent company only financial statements to be the same with the amounts attributable to the owners of the Company in its consolidated financial statements, adjustments arising from the differences in accounting treatments between the parent company only basis and the consolidated basis were made to investments accounted for using the equity method, the share of profits or loss of subsidiaries.

c. Classification of current and non-current assets and liabilities

Current assets include:

- Assets held primarily for the purpose of trading;
- Assets expected to be realized within 12 months after the reporting period; and
- Cash and cash equivalents unless the asset is restricted from being exchanged or used to settle a liability for at least 12 months after the reporting period.

Current liabilities include:

- Liabilities held primarily for the purpose of trading;
- Liabilities due to be settled within 12 months after the reporting period; and
- Liabilities for which the Company does not have an unconditional right to defer settlement for at least 12 months after the reporting period.

Assets and liabilities that are not classified as current are classified as non-current.

d. Foreign currencies

In preparing the Company's financial statements, transactions in currencies other than the Company's functional currency (i.e. foreign currencies) are recognized at the rates of exchange prevailing at the dates of the transactions.

At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Exchange differences on monetary items arising from settlement or translation are recognized in profit or loss in the period in which they arise.

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

Non-monetary item denominated in a foreign currency and measured at historical cost is stated at the reporting currency as originally translated from the foreign currency.

For the purpose of presenting financial statements, the financial statements of the Company's foreign operations (including subsidiaries, associates, joint ventures and branches in other countries) that are prepared using functional currencies which are different from the currency of the Company are translated into the presentation currency, the New Taiwan dollar, as follows: Assets and liabilities are translated at the exchange rates prevailing at the end of the reporting period; and income and expense items are translated at the average exchange rates for the period. The resulting currency translation differences are recognized in other comprehensive income.

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

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

e. Inventories

Inventories consist of finished goods are stated at the lower of cost or net realizable value. Inventory write-downs are made by item, except where it may be appropriate to group similar or related items. The net realizable value is the estimated selling price of inventories less all estimated costs of completion and costs necessary to make the sale. Inventories are recorded at the weighted-average cost on the balance sheet date.

f. Investments in subsidiaries

The Company uses the equity method to account for its investments in subsidiaries.

A subsidiary is an entity that is controlled by the Company.

Under the equity method, an investment in a subsidiary is initially recognized at cost and adjusted thereafter to recognize the Company's share of the profit or loss and other comprehensive income of the subsidiary. The Company also recognizes the changes in the Company's share of equity of subsidiaries.

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

When the Company's share of loss of a subsidiary exceeds its interest in that subsidiary (which includes any carrying amount of the investment accounted for using the equity method and long-term interests that, in substance, form part of the Company's net investment in the subsidiary), the Company continues recognizing its share of further loss, if any.

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

The Company assesses its investment for any impairment by comparing the carrying amount with the estimated recoverable amount as assessed based on the investee's financial statements as a whole. Impairment loss is recognized when the carrying amount exceeds the recoverable amount. If the recoverable amount of the investment subsequently increases, the Company recognizes a reversal of the impairment loss; the adjusted post-reversal carrying amount should not exceed the carrying amount that would have been recognized (net of amortization or depreciation) had no impairment loss been recognized in prior years. An impairment loss recognized on goodwill cannot be reversed in a subsequent period.

When the Company loses control of a subsidiary, it recognizes the investment retained in the former subsidiary at its fair value at the date when control is lost. The difference between the fair value of the retained investment plus any consideration received and the carrying amount of the previous investment at the date when control is lost is recognized as a gain or loss in profit or loss. Besides this, the Company accounts for all amounts previously recognized in other comprehensive income in relation to that subsidiary on the same basis as would be required had the Company directly disposed of the related assets or liabilities.

Profit or loss resulting from downstream transactions is eliminated in full only in the parent company only financial statements. Profit and loss resulting from upstream transactions and transactions between subsidiaries is recognized only in the parent company only financial statements and only to the extent of interests in the subsidiaries that are not related to the Company.

g. Property, plant and equipment

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

The depreciation of property, plant and equipment is recognized using the straight-line method. Each significant part is depreciated separately. The estimated useful lives, residual values and depreciation methods are reviewed at the end of each reporting period, with the effects of any changes in the estimates accounted for on a prospective basis.

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

h. Intangible assets

1) Intangible assets acquired separately

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

2) Derecognition of intangible assets

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

i. Impairment of property, plant and equipment and intangible assets

At the end of each reporting period, the Company reviews the carrying amounts of its property, plant and equipment and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss. When it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Intangible assets with indefinite useful lives and intangible assets not yet available for use are tested for impairment at least annually and whenever there is an indication that the assets may be impaired.

The recoverable amount is the higher of fair value less costs to sell and value in use. If the recoverable amount of an asset or cash-generating unit is estimated to be less than its carrying amount, the carrying amount of the asset or cash-generating unit is reduced to its recoverable amount, with the resulting impairment loss recognized in profit or loss.

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

j. Financial instruments

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

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

1) Financial assets

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

a) Measurement categories

Financial assets are classified into the following categories: Financial assets at amortized cost.

- Financial assets at amortized cost

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

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

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

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

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

i. Purchased or originated credit-impaired financial asset, for which interest income is calculated by applying the credit-adjusted effective interest rate to the amortized cost of such financial assets; and

ii. Financial asset that is not credit impaired on purchase or origination but has subsequently become credit impaired, for which interest income is calculated by applying the effective interest rate to the amortized cost of such financial assets in subsequent reporting periods.

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

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

ii. Breach of contract, such as a default;

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

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

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

b) Impairment of financial assets

The Company recognizes a loss allowance for expected credit losses on financial assets at amortized cost (including trade receivables).

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

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

For internal credit risk management purposes, the Company considers the following situations as indication that a financial asset is in default (without taking into account any collateral held by the Company):

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

ii. Financial asset is more than 181 days past due unless the Company has reasonable and corroborative information to support a more lagged default criterion.

The impairment loss of all financial assets is recognized in profit or loss by a reduction in their carrying amounts through a loss allowance account, except for investments in debt instruments that are measured at FVTOCI, for which the loss allowance is recognized in other comprehensive income and the carrying amounts of such financial assets are not reduced.

c) Derecognition of financial assets

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

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

2) Equity instruments

Debt and equity instruments issued by the Company are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

Equity instruments issued by the Company are recognized at the proceeds received, net of direct issue costs.

The repurchase of the Company's own equity instruments is recognized in and deducted directly from equity. No gain or loss is recognized in profit or loss on the purchase, sale, issuance or cancellation of the Company's own equity instruments.

3) Financial liabilities

a) Subsequent measurement

Financial liabilities are measured at amortized cost using the effective interest method.

b) Derecognition of financial liabilities

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

k. Revenue recognition

The Company identifies contracts with customers, allocates the transaction price to the performance obligations and recognizes revenue when performance obligations are satisfied.

Revenue from the sale of goods

Revenue from the sale of goods comes from automotive parts, computer parts and medical equipments. The Company recognizes revenue when the products are delivered and the control of their ownership are transferred.

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

l. Leases

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

The Company as lessee

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

m. Borrowing costs

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

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

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

n. Employee benefits

1) Short-term employee benefits

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

2) Retirement benefits

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

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

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

o. Taxation

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

1) Current tax

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

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

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

2) Deferred tax

Deferred tax is recognized on temporary differences between the carrying amounts of assets and liabilities and the corresponding tax bases used in the computation of taxable profit.

Deferred tax liabilities are generally recognized for all taxable temporary differences. Deferred tax assets are generally recognized for all deductible temporary differences and unused loss carryforwards to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilized.

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

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

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

3) Current and deferred taxes

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

5. MATERIAL ACCOUNTING JUDGMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

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

When developing material accounting estimates, the Company considers the possible impact when making its critical accounting estimates on the cash flow projections, growth rate, discount rate, profitability, and other relevant material estimates, etc. The estimates and underlying assumptions are reviewed on an ongoing basis.

Key Sources of Estimation Uncertainty

a. Estimated impairment of financial assets

The provision for impairment of trade receivables is based on assumptions on probability of default and loss given default. The Company uses judgment in making these assumptions and in selecting the inputs to the impairment calculation, based on the Company's historical experience, existing market conditions as well as forward looking estimates as of the end of each reporting period. For details of the key assumptions and inputs used, see Note 7. Where the actual future cash inflows are less than expected, a material impairment loss may arise.

b. Write-down of inventories

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

6. CASH AND CASH EQUIVALENTS

	December 31	
	2023	2022
Cash on hand	$ 388	$ 394
Checking accounts and demand deposits	520,170	826,474
Cash equivalents (investments with original maturities of 3 months or less)		
Time deposits	1,063,416	210,886
	$ 1,583,974	$ 1,037,754

7. TRADE RECEIVABLES AND OTHER RECEIVABLES

	December 31	
	2023	2022
Trade receivables from unrelated parties		
At amortized cost		
Gross carrying amount	$ 837,831	$ 1,013,421
Less: Allowance for impairment loss	(79,715)	(35,890)
	$ 758,116	$ 977,531
Trade receivables from related parties		
At amortized cost		
Gross carrying amount	$ 4,072	$ 132,541
Other receivables		
Tax refund receivables	$ 736	$ 2,297
Interest receivables	5,704	1,656
	$ 6,440	$ 3,953
Other receivables from related parties		
Advances receivable	$ -	$ 220
Trade receivable were transferred	90,725	117,690
	$ 90,725	$ 117,910

The average credit period of sales of goods is 60 to 120 days. No interest is charged on trade receivables. The Company uses other publicly available financial information or its own trading records to rate its major customers, and obtain sufficient collateral, where appropriate, as a means of mitigating the risk of financial loss from defaults. The Company's exposure and the credit ratings of its counterparties are continuously monitored. Credit exposure is controlled by counterparty limits that are reviewed and approved by the risk management committee annually.

In order to minimize credit risk, the management of the Company has delegated a person responsible for determining credit limits, credit approvals and other monitoring procedures to ensure that follow-up action is taken to recover overdue debts. In addition, the Company reviews the recoverable amount of each individual trade debt at the end of the year to ensure that adequate allowance is made for possible irrecoverable amounts.

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

The following table details the loss allowance of trade receivables (including transfer of other receivables - related parties) based on the Company's provision matrix.

December 31, 2023

	Not Past Due	1 to 60 Days Past Due	61 to 120 Days Past Due	121 to 180 Days Past Due	Over 181 Days Past Due	Total
Gross carrying amount	$ 554,768	$ 177,903	$ 152,186	$ 27,977	$ 19,794	$ 932,628
Loss allowance (Lifetime ECLs)	(3,818)	(18,241)	(21,221)	(16,641)	(19,794)	(79,715)
Amortized cost	$ 550,950	$ 159,662	$ 130,965	$ 11,336	$ -	$ 852,913

December 31, 2022

	Not Past Due	1 to 60 Days Past Due	61 to 120 Days Past Due	121 to 180 Days Past Due	Over 181 Days Past Due	Total
Gross carrying amount	$ 917,935	$ 250,900	$ 17,573	$ 69,615	$ 7,629	$ 1,263,652
Loss allowance (Lifetime ECLs)	(3,745)	(10,704)	(5,040)	(8,772)	(7,629)	(35,890)
Amortized cost	$ 914,190	$ 240,196	$ 12,533	$ 60,843	$ -	$ 1,227,762

The loss allowance for accounts receivable is calculated by the rate of expected credit loss at each aging range, and the rate of expected credit loss is 0.41% to 100%.

The movements of the loss allowance of trade receivables were as follows:

	For the Year Ended December 31	
	2023	2022
Balance at January 1	$ 35,890	$ 35,074
Add: Net remeasurement of loss allowance	43,825	816
Balance at December 31	$ 79,715	$ 35,890

* Compared to January 1, 2023 and 2022, the decrease in gross accounts receivable of $304,059 thousand and increase in gross accounts receivable of $355,537 thousand at December 31, 2023 and 2022, respectively. However, due to the difference between the receivables that were overdue for more than 60 days and the opening balance, resulted from the increase in new trade receivables net of those collected of $43,825 thousand and $816 thousand, respectively.

8. INVENTORIES

	December 31	
	2023	2022
Finished goods	$ 137,131	$ 134,439

The nature of the cost of goods sold is as follows:

	For the Year Ended December 31	
	2023	2022
Cost of inventories sold	$ 2,155,404	$ 2,710,311
Inventory (reversed) write-downs*	(531)	531
	$ 2,154,873	$ 2,710,842

* The recovery in the net realized value of inventories was due to the fact that the inventories had been sold in 2023.

9. INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD

Investments in Subsidiaries

	December 31	
	2023	2022
Non listed company		
Fortune Tower Holding Co., Ltd.	$ 5,575,392	$ 6,087,089
Seamax International Ltd.	35,775	34,525
Ace Plus Technology Limited	1,206	1,252
Sixxon Precision Machinery Co., Ltd.	1,778,265	1,981,305
	$ 7,390,638	$ 8,104,171

	Proportion of Ownership and Voting Rights	
	December 31	
Name of Subsidiary	2023	2022
Fortune Tower Holding Co., Ltd.	100%	100%
Seamax International Ltd.	100%	100%
Ace Plus Technology Limited	100%	100%
Sixxon Precision Machinery Co., Ltd.	100%	100%

Refer to Note 29, Table 5 “Information On Investees” for the details of the subsidiaries indirectly held by the Company.

10. PROPERTY, PLANT AND EQUIPMENT

	Freehold Land	Buildings	Machinery Equipment	Office Equipment	Total
Cost					
Balance at January 1, 2023	$ 16,801	$ 11,250	$ 9,591	$ 4,204	$ 41,846
Balance at December 31, 2023	$ 16,801	$ 11,250	$ 9,591	$ 4,204	$ 41,846
Accumulated depreciation and impairment					
Balance at January 1, 2023	$ -	$ 4,741	$ 9,591	$ 4,057	$ 18,389
Depreciation expenses	-	196	-	147	343
Balance at December 31, 2023	$ -	$ 4,937	$ 9,591	$ 4,204	$ 18,732
Carrying amounts at December 31, 2023	$ 16,801	$ 6,313	$ -	$ -	$ 23,114
Cost					
Balance at January 1, 2022	$ 16,801	$ 11,250	$ 9,591	$ 4,204	$ 41,846
Balance at December 31, 2022	$ 16,801	$ 11,250	$ 9,591	$ 4,204	$ 41,846
Accumulated depreciation and impairment					
Balance at January 1, 2022	$ -	$ 4,545	$ 9,591	$ 3,862	$ 17,998
Depreciation expenses	-	196	-	195	391
Balance at December 31, 2022	$ -	$ 4,741	$ 9,591	$ 4,057	$ 18,389
Carrying amounts at December 31, 2022	$ 16,801	$ 6,509	$ -	$ 147	$ 23,457

No impairment loss or reversal of impairment loss was recognized for the years ended December 31, 2023 and 2022.

The above items of property, plant and equipment used by the Company are depreciated on a straight-line basis over their estimated useful lives as follows:

Buildings	
Main buildings	55 years
Building improvement	3 years
Machinery equipment	4-6 years
Office equipment	3-5 years

11. LEASE ARRANGEMENTS

	For the Year Ended December 31	
	2023	2022
Expenses relating to short-term leases	$ 267	$ 272
Total cash outflow for leases	$ 267	$ 272

The Company's leases of certain buildings and office equipments qualify as short-term leases. The Company has elected to apply the recognition exemption and thus, did not recognize right-of-use assets and lease liabilities for these leases.

12. COMPUTER SOFTWARE, NET

	December 31	
	2023	**2022**
Cost		
Balance at January 1	$ 450	$ 4,880
Additions	-	450
Disposals	-	(4,880)
Balance at December 31	$ 450	$ 450
Accumulated amortization and impairment		
Balance at January 1	$ (56)	$ (3,253)
Amortization expenses	(225)	(1,683)
Disposals	-	4,880
Balance at December 31	$ (281)	$ (56)
Carrying amount at January 1	$ 394	$ 1,627
Carrying amount at December 31	$ 169	$ 394

Amortization on a straight-line basis over their estimated useful lives are 2 years.

	For the Year Ended December 31	
	2023	**2022**
An analysis of depreciation by function		
Operating costs	$ -	$ -
Selling and marketing expenses	225	56
General and administrative expenses	-	1,627
Research and development expenses	-	-
	$ 225	$ 1,683

13. OTHER ASSETS

	December 31	
	2023	**2022**
Current		
Prepayments to suppliers	$ 16,145	$ 5,525
Other prepayments	758	953
Others	19,307	8,524
	$ 36,210	$ 15,002

14. BORROWINGS

Short-term Borrowings

	December 31	
	2023	2022
Unsecured borrowings		
Line of credit borrowings	$ 860,000	$ 712,000

The interest rate of line of credit borrowings was 1.59%-1.74% and 1.42%-1.90% per annum at December 31, 2023 and 2022, respectively.

15. TRADE PAYABLES

	December 31	
	2023	2022
Trade payables to unrelated parties - operating	$ 7,824	$ 15,145
Trade payables to related parties - operating	$ 640,022	$ 904,319

The average credit period is 90-120 days. The Company regularly reviews any unpaid payments to ensure that all payables can be paid back within the pre-agreed term of credit.

16. OTHER CURRENT LIABILITIES

	December 31	
	2023	2022
Current		
Other payables		
Payables for salaries and bonuses	$ 15,631	$ 29,785
Payables for Insurance	1,469	1,685
Payable for interest	974	269
Payables for labor cost	2,000	1,782
Payables for compensation of employees	30,749	45,175
Payables for remuneration of directors and supervisors	16,083	26,685
Payables for tax and dues	-	5,979
Payables for others	18,910	17,271
	$ 85,816	$ 128,631
Other payables to related parties		
Other	$ 346	$ 447

17. RETIREMENT BENEFIT PLANS

a. Defined contribution plan

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

b. Defined benefit plans

The defined benefit plans adopted by the Company in accordance with the Labor Standards Act is operated by the government of the ROC. Pension benefits are calculated on the basis of the length of service and average monthly salaries of the 6 months before retirement. The Company contribute amounts equal to 4% of total monthly salaries and wages to a pension fund administered by the pension fund monitoring committee. Pension contributions are deposited in the Bank of Taiwan in the committee's name. Before the end of each year, the Company assesses the balance in the pension fund. If the amount of the balance in the pension fund is inadequate to pay retirement benefits for employees who conform to retirement requirements in the next year, the Company is required to fund the difference in one appropriation that should be made before the end of March of the next year. The pension fund is managed by the Bureau of Labor Funds, Ministry of Labor (the "Bureau"); the Company has no right to influence the investment policy and strategy.

The amounts included in the balance sheets in respect of the Company's defined benefit plans are as follows:

	December 31	
	2023	**2022**
Present value of defined benefit obligation	$ 11,590	$ 8,403
Fair value of plan assets	(5,219)	(3,643)
Deficit	6,371	4,760
Net defined benefit liabilities	$ 6,371	$ 4,760

Movements in net defined benefit liabilities were as follows:

	Present Value of the Defined Benefit Obligation	**Fair Value of the Plan Assets**	**Net Defined Benefit Liabilities (Assets)**
Balance at January 1, 2023	$ 8,403	$ (3,643)	$ 4,760
Net interest expense (income)	116	(50)	66
Recognized in profit or loss	116	(50)	66
Remeasurement			
Return on plan assets (excluding amounts included in net interest)	-	(44)	(44)
Actuarial loss (gain)			
Changes in demographic assumptions	141	-	141
Experience adjustments	2,930	-	2,930
Recognized in other comprehensive income	3,071	(44)	3,027
Contributions from the employer	-	(1,482)	(1,482)
Benefits paid	-	-	-
Balance at December 31, 2023	$ 11,590	$ (5,219)	$ 6,371

(Continued)

	Present Value of the Defined Benefit Obligation	Fair Value of the Plan Assets	Net Defined Benefit Liabilities (Assets)
Balance at January 1, 2022	$ 12,054	$ (5,848)	$ 6,206
Net interest expense (income)	60	(29)	31
Recognized in profit or loss	60	(29)	31
Remeasurement			
Return on plan assets (excluding amounts included in net interest)	-	(449)	(449)
Actuarial (gain) loss			
Changes in demographic assumptions	(780)	-	(780)
Experience adjustments	(217)	-	(217)
Recognized in other comprehensive income	(997)	(449)	(1,446)
Contributions from the employer	-	(31)	(31)
Benefits paid	(2,714)	2,714	-
Balance at December 31, 2022	$ 8,403	$ (3,643)	$ 4,760

(Concluded)

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

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

2) Interest risk: A decrease in the government/corporate bond interest rate will increase the present value of the defined benefit obligation; however, this will be partially offset by an increase in the return on the plans' debt investments.

3) Salary risk: The present value of the defined benefit obligation is calculated using the future salaries of plan participants. As such, an increase in the salaries of the plan participants will increase the present value of the defined benefit obligation.

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

	December 31	
	2023	2022
Discount rate(s)	1.25%	1.375%
Expected rate(s) of salary increase	2.25%	2.25%

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

	December 31	
	2023	2022
Discount rate(s)		
0.25% increase	$ (281)	$ (207)
0.25% decrease	$ 291	$ 214
Expected rate(s) of salary increase		
0.25% increase	$ 282	$ 208
0.25% decrease	$ (274)	$ (202)

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

	December 31	
	2023	2022
Expected contributions to the plans for the next year	$ 67	$ 31
Average duration of the defined benefit obligation	9.8 years	10 years

18. EQUITY

a. Share capital

Ordinary share

	December 31	
	2023	2022
Number of shares authorized (in thousands of shares)	150,000	150,000
Shares authorized	$ 1,500,000	$ 1,500,000
Number of shares issued and fully paid (in thousands of shares)	115,222	115,222
Shares issued and fully paid	$ 1,152,225	$ 1,152,225

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

b. Capital surplus

	December 31	
	2023	**2022**
May be used to offset a deficit, distributed as cash dividends, or transferred to share capital (1)		
Issuance of ordinary shares (2)	$ 2,288,638	$ 2,288,638
Conversion of bonds	1,406,927	1,406,927
May only be used to offset a deficit		
Expired options of convertible bonds (3)	1,150	1,150
	$ 3,696,715	$ 3,696,715

1) Such capital surplus may be used to offset a deficit; in addition, when the Company has no deficit, such capital surplus may be distributed as cash dividends or transferred to share capital (limited to a certain percentage of the Company's capital surplus and to once a year).

2) On September 30, 2019, the Company's board of directors decided to acquire all issued and outstanding ordinary shares of Sixxon Precision Machinery Co., Ltd. by issuing shares. The reorganization resulted in a common control restructuring. Therefore, the amount accounted for should be the book value of the target company hold by predecessors less the impairment loss. Differences between the amount and the acquisition cost is $1,224,636 thousand, which increases Capital Surplus.

3) Capital surplus generated from convertible bonds may not be used for any purpose. Capital surplus generated from expired options of convertible bonds may only be used to offset a deficit.

c. Retained earnings and dividends policy

Under the dividends policy as set forth in the Articles, where the Company made a profit in a fiscal year, the profit shall be first utilized for paying taxes, offsetting losses of previous years, setting aside as legal reserve 10% of the remaining profit, setting aside or reversing a special reserve in accordance with the laws and regulations, and then any remaining profit together with any undistributed retained earnings shall be used by the Company's board of directors as the basis for proposing a distribution plan, which should be resolved in the shareholders' meeting for the distribution of dividends and bonuses to shareholders. The Company's board of directors, with both two thirds of directors attends the meeting and half of the attended directors agrees, is authorized to determine the distribution plan and reports to the shareholders' meeting instead when the distribution is determined by cash.

The dividends policy is based on the consideration of any future operating plans and fund demand, which shall be resolved in the shareholders' meeting for the distribution of dividends and bonuses to shareholders by cash or shares, cash dividends shall be distributed not less than 30% of profit, which was offsite losses and deducted legal reserve and special reserve. However, if the Company's shareholder dividend is less than $0.5 per share, retained earnings will not be distributed. The Company can distribute the dividends by cash or shares, cash dividend is not less than 50% of the total dividend.

For the policies on the distribution of compensation of employees and remuneration of directors after the amendment, refer to compensation of employees and remuneration of directors and supervisors in Note 20 (g).

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

Pursuant to existing regulations, the Company is required to set aside additional special capital reserve equivalent to the net debit balance of the other components of stockholders' equity. For the subsequent decrease in the deduction amount to stockholders' equity, any special reserve appropriated may be reversed to the extent that the net debit balance reverses. When a special reserve is appropriated for cumulative net debit balance reserves from prior period, the special reserve is only appropriated from the prior unappropriated earnings.

The appropriations of earnings for 2022 and 2021, which were approved in the shareholders' meetings on June 20, 2023 and June 27, 2022, respectively, were as follows:

	Appropriation of Earnings For the Year Ended December 31	
	2022	**2021**
Legal reserve	$ 140,683	$ 120,218
Special reserve	$ (78,288)	$ 30,749
Cash dividends	$ 691,335	$ 576,112
Cash dividends per share (NT$)	$ 6.0	$ 5.0

The appropriation of earnings for 2023, which were proposed by the Company's board of directors on March 11, 2024, were as follows:

	For the Year Ended December 31, 2023
Legal reserve	$ 51,251
Special reserve	$ 79,364
Cash dividends	$ 288,056
Cash dividends per share (NT$)	$ 2.5

The appropriation of earnings for 2023 will be resolved by the shareholders in their meeting to be held in June 2024.

d. Special reserve

	For the Year Ended December 31	
	2023	**2022**
Balance at January 1	$ 233,232	$ 202,483
Appropriations in respect of		
Debits to other equity items	-	30,749
Reversals		
Reversal of the debits to other equity items	(78,288)	-
Balance at December 31	$ 154,944	$ 233,232

e. Other equity items

Exchange differences on the translation of the financial statements of foreign operations

	For the Year Ended December 31	
	2023	2022
Balance at January 1	$ (154,944)	$ (233,232)
Recognized for the year		
Exchange differences on the translation of the financial statements of foreign operations	(99,205)	97,859
Related tax effect	19,841	(19,571)
Other comprehensive income recognized for the year	(79,364)	78,288
Balance at December 31	$ (234,308)	$ (154,944)

19. REVENUE

	For the Year Ended December 31	
	2023	2022
Revenue from contracts with customers		
Revenue from the sale of goods	$ 2,837,341	$ 3,535,722

a. Revenue from the sale of customers

Revenue from the sale of goods

The product categories are manufacturing and processing of automotive, electronics, medical equipment and precision metal parts of various industries, the Company sold the products at the price agreed in the contract, quotation or order.

b. Contract balances

	December 31, 2023	December 31, 2022	January 1, 2022
Trade receivables (Note 7)	$ 762,188	$ 1,110,072	$ 755,351

c. Disaggregation of revenue

	Automotive Parts	Computer	Medical	Other	Total
For the year ended December 31, 2023					
Type of goods or services					
Sale of goods	$ 1,212,337	$ 681,637	$ 831,291	$ 112,076	$ 2,837,341
For the year ended December 31, 2022					
Type of goods or services					
Sale of goods	$ 1,065,535	$ 1,084,738	$ 1,163,147	$ 222,302	$ 3,535,722

20. NET PROFIT

a. Interest income

	For the Year Ended December 31	
	2023	2022
Bank deposits	$ 38,018	$ 4,876

b. Other gains and losses

	For the Year Ended December 31	
	2023	2022
Net foreign exchange gains	$ 32,350	$ 87,990
Fair value changes of financial assets at FVTPL	-	(4,214)
	$ 32,350	$ 83,776

c. Finance costs

	For the Year Ended December 31	
	2023	2022
Interest on bank loans	$ 15,958	$ 7,680

No capitalized interest was performed for the years ended December 31, 2023 and 2022.

d. Depreciation and amortization

	For the Year Ended December 31	
	2023	2022
An analysis of depreciation by function		
Operating expenses	$ 343	$ 391
An analysis of amortization by function		
Operating expenses	$ 225	$ 1,683

Refer to Note 12 for information relating to the line items in which any amortization of intangible assets is included.

e. Research and development expenditures recognized as expenses when incurred

	For the Year Ended December 31	
	2023	2022
Research and development expenditures	$ 15,438	$ 25,876

f. Employee benefits expense

	For the Year Ended December 31	
	2023	**2022**
Short-term benefits	$ 78,979	$ 129,629
Post-employment benefits		
Defined contribution plan	2,727	2,517
Defined benefit plans (Note 17)	66	31
Other employee benefits	3,122	3,251
Total employee benefits expense	$ 84,894	$ 135,428
An analysis of employee benefits expense by function		
Operating expenses	$ 84,894	$ 135,428

g. Compensation of employees and remuneration of directors

According to the Company's Articles, the Company accrues compensation of employees and remuneration of directors at rates of no less than 2% and no higher than 2.24%, respectively, of net profit before income tax, compensation of employees, and remuneration of directors. The compensation of employees and the remuneration of directors for the years ended December 31, 2023 and 2022, which were approved by the Company's board of directors on March 11, 2024 and March 27, 2023, respectively, are as follows:

Accrual rate

	For the Year Ended December 31	
	2023	**2022**
Compensation of employees	2.41%	2.66%
Remuneration of directors and supervisors	0.98%	0.74%

Amount

	For the Year Ended December 31	
	2023	**2022**
	Cash	**Cash**
Compensation of employees	$ 15,994	$ 45,175
Remuneration of directors and supervisors	6,528	12,617

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

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

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

h. Gains or losses on foreign currency exchange

	For the Year Ended December 31	
	2023	2022
Foreign exchange gains	$ 165,197	$ 154,849
Foreign exchange losses	(132,847)	(66,859)
Gains (losses), net	$ 32,350	$ 87,990

21. INCOME TAXES

a. Income tax recognized in profit or loss

Major components of income tax expense are as follows:

	For the Year Ended December 31	
	2023	2022
Current tax		
In respect of the current year	$ 190,780	$ 132,094
Income tax on unappropriated earnings	32,655	23,755
	223,435	155,849
Deferred tax		
In respect of the current year	(98,489)	78,776
Income tax expense recognized in profit or loss	$ 124,946	$ 234,625

A reconciliation of accounting profit and income tax expense is as follows:

	For the Year Ended December 31	
	2023	2022
Profit before tax	$ 640,486	$ 1,640,007
Income tax expense calculated at the statutory rate	$ 128,097	$ 328,001
Nondeductible expenses or deductible items in determining taxable income	(35,392)	(117,131)
Income tax on unappropriated earnings	32,655	23,755
Others	(414)	-
Income tax expense recognized in profit or loss	$ 124,946	$ 234,625

b. Income tax recognized in other comprehensive income

	For the Year Ended December 31	
	2023	2022
Deferred tax		
In respect of the current year		
Translation of foreign operations	$ 19,841	$ (19,571)
Total income tax recognized in other comprehensive income	$ 19,841	$ (19,571)

c. Current tax liabilities

	December 31 2023	December 31 2022
Current tax liabilities		
Income tax payable	$ 123,378	$ 111,221

d. Deferred tax assets and liabilities

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

For the year ended December 31, 2023

	Opening Balance	Recognized in Profit or Loss	Recognized in Other Compre-hensive Income	Closing Balance
Deferred tax assets				
Temporary differences				
Gains or losses on foreign investment accounted for using equity method	$ 1,359	$ (381)	$ -	$ 978
Exchange differences on translating the financial statements of foreign operations	38,724	-	19,841	58,565
Differences arising from unrealized profits or losses	4,757	15,296	-	20,053
	$ 44,840	$ 14,915	$ 19,841	$ 79,596
Deferred tax liabilities				
Temporary differences				
Gains or losses on foreign investment accounted for using equity method	$ 514,731	$ (82,639)	$ -	$ 432,092
Differences arising from unrealized profits or losses	1,218	(935)	-	283
	$ 515,949	$ (83,574)	$ -	$ 432,375

For the year ended December 31, 2022

	Opening Balance	Recognized in Profit or Loss	Recognized in Other Compre-hensive Income	Closing Balance
Deferred tax assets				
Temporary differences				
Gains or losses on foreign investment accounted for using equity method	$ 514	$ 845	$ -	$ 1,359
Exchange differences on translating the financial statements of foreign operations	58,295	-	(19,571)	38,724
Differences arising from unrealized profits or losses	13,285	(8,528)	-	4,757
	$ 72,094	$ (7,683)	$ (19,571)	$ 44,840

(Continued)

	Opening Balance	Recognized in Profit or Loss	Recognized in Other Compre-hensive Income	Closing Balance
Deferred tax liabilities				
Temporary differences				
Gains or losses on foreign investment accounted for using equity method	$ 444,856	$ 69,875	$ -	$ 514,731
Differences arising from unrealized profits or losses	-	1,218	-	1,218
	$ 444,856	$ 71,093	$ -	$ 515,949

(Concluded)

e. Income tax assessments

The income tax returns through 2021 have been assessed by the tax authorities.

22. EARNINGS PER SHARE

Unit: NT$ Per Share

	For the Year Ended December 31	
	2023	2022
Basic earnings per share		
From continuing operations	$ 4.47	$ 12.20
Diluted earnings per share		
From continuing operations	$ 4.47	$ 12.16

The earnings and weighted average number of ordinary shares outstanding used in the computation of earnings per share were as follows:

Net profit for the year

	For the Year Ended December 31	
	2023	2022
Earnings used in the computation of basic earnings per share	$ 515,540	$ 1,405,382
Earnings used in the computation of diluted earnings per share	$ 515,540	$ 1,405,382

Number of shares

Unit: In Thousand Shares

	For the Year Ended December 31	
	2023	**2022**
Weighted average number of ordinary shares used in the computation of basic earnings per share	115,222	115,222
Effect of potentially dilutive ordinary shares		
Compensation of employees	195	355
Weighted average number of ordinary shares used in the computation of diluted earnings per share	115,417	115,577

The Company may settle the compensation of employees in cash or shares; therefore, the Company assumes that the entire amount of the compensation will be settled in shares, and the resulting potential shares are included in the weighted average number of shares outstanding used in the computation of diluted earnings per share, as the effect is dilutive. Such dilutive effect of the potential shares is included in the computation of diluted earnings per share until the number of shares to be distributed to employees is resolved in the following year.

23. CAPITAL RISK MANAGEMENT

The Company manages its capital to ensure that entities in the Company will be able to continue as going concerns while maximizing the return to stakeholders through the optimization of the debt and equity balance.

The capital structure of the Company consists of net debt (borrowings offset by cash and cash equivalents) and equity of the Company (comprising issued capital, reserves, retained earnings and other equity).The Company is not subject to any externally imposed capital requirements.

Key management personnel of the Company review the capital structure on a quarterly basis. As part of this review, the key management personnel consider the cost of capital and the risks associated with each class of capital. Based on recommendations of the key management personnel, in order to balance the overall capital structure, the Company may adjust the amount of dividends paid to shareholders, the number of new shares issued or repurchased, and/or the amount of new debt issued or existing debt redeemed.

24. FINANCIAL INSTRUMENTS

a. Fair value of financial instruments not measured at fair value

When the carrying amounts of financial assets and financial liabilities that are not measured at fair value are so near their maturity or the future exit prices are equivalent to their fair values, key management personnel of the Company believed that the carrying amounts approximate their fair values.

b. Categories of financial instruments

	December 31	
	2023	2022
Financial assets		
Financial assets at amortized cost (1)	$ 2,443,676	$ 2,270,048
Financial liabilities		
Amortized cost (2)	1,594,008	1,760,542

1) The balances include financial assets at amortized cost, which comprise cash and cash equivalents, trade and other receivables and refundable deposits.

2) The balances include financial liabilities at amortized cost, which comprise short-term borrowings and trade and other payables.

c. Financial risk management objectives and policies

The Company's major financial instruments include account receivables, account payables and loans. The Company's financial risks relating to the operations include market risk (including foreign currency risk and interest rate risk), credit risk and liquidity risk.

The Company is committed to ensuring that the Company has sufficient and cost-effective operating capital in response to its operations. The Company prudently manages foreign currency exchange rate risk, credit risk and liquidity risk related to operating activities to reduce the market's uncertainty and potentially adversely affect the Company's finances.

1) Market risk

The Company's activities exposed it primarily to the financial risks of changes in foreign currency exchange rates (see (a) below) and interest rates (see (b) below).

a) Foreign currency risk

The Company have foreign currency denominated sales and purchases, which expose the Company to foreign currency risk. In respect of the management of exchange rate risk, the Company's dedicated units regularly review the assets and liabilities affected by the exchange rate and use appropriate hedging instruments to control the risks arising from foreign exchange fluctuations.

The carrying amounts of the Company's foreign currency denominated monetary assets and monetary liabilities are as follows:

	December 31	
	2023	2022
Assets		
USD	$ 1,911,137	$ 1,463,021
EUR	497,785	701,646
Liabilities		
USD	619,596	875,627

EUR	31,024	32,186

Sensitivity analysis

The Company is mainly exposed to the Currency USD and Currency EUR. The Company's sensitivity to a 1% increase and decrease in the New Taiwan dollar against the relevant foreign currencies. The sensitivity rate used when reporting foreign currency risk internally to key management personnel and representing management's assessment of the reasonably possible change in foreign exchange is 1%.

The sensitivity analysis included the amount of monetary assets and liabilities denominated by the Company in non-functional currency at the balance sheet date, and is affected by fluctuations in the foreign currency exchange rate by 1% at the end of the year. A positive number below indicates an increase in pre-tax profit with the USD and EUR dollar strengthening against the relevant currency.

	Currency USD Impact		**Currency EUR Impact**	
	For the Year Ended December 31		**For the Year Ended December 31**	
	2023	**2022**	**2023**	**2022**
Profit or loss	$ 12,915	$ 5,874	$ 4,668	$ 6,695

i. The result was mainly attributable to the holding of foreign currency deposits and exposure on outstanding receivables and payables in Currency USD and EUR that were not hedged at the end of the year.

The Company's sensitivity to exchange rates increased during the period mainly due to the increase in the balance of USD-denominated foreign currency deposits.

b) Interest rate risk

The Company is exposed to interest rate risk because entities in the Company borrow funds at floating interest rates. It is the Company's policy to keep its borrowings at floating interest rates so as to minimize the changes in interest rates. Therefore, key management personnel of the Company assessed that the effects of taking floating interest rate loans is not significant.

Interest rates applied over bank deposits the Company held are relatively stable, therefore, revenue and operating cash flows of the Company are not subject to the risk of significant impacts from changes in market rates.

The carrying amounts of the Company's financial assets and financial liabilities with exposure to interest rates at the end of the year were as follows:

	December 31	
	2023	**2022**
Fair value interest rate risk		
Financial assets	$ 1,063,416	$ 210,886
Financial liabilities	-	-
Cash flow interest rate risk		
Financial assets	520,170	826,474
Financial liabilities	860,000	712,000

The sensitivity analysis below was determined based on the Company's exposure to interest rates for non-derivative instruments at the reporting date to provide financial.

Sensitivity analysis

A 0.5% increase or decrease is used when reporting interest rate risk internally to key management personnel and represents management's assessment of the reasonably possible change in interest rates.

If interest rates had been 0.5% higher and all other conditions were held constant, the interest capitalization factor is not taken into consideration, the Company's pre-tax profit for the years ended December 31, 2023 and 2022 would have decreased by $1,699 thousand and increased by $572 thousand, respectively.

The Company has increased the interest rate sensitivity for the year due to the decrease in deposits at variable interest rate.

2) Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in a financial loss to the Company. At the end of the year, the Company's maximum exposure to credit risk comes from accounts receivable. The Company will review the receivable amount one by one to ensure that uncollectible receivables have been provided with appropriate impairment losses. Therefore, no significant credit risk is expected, and details of overdue and impairment losses please refer to Note 7.

3) Liquidity risk

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

The Company relies on bank borrowings as a significant source of liquidity. As of December 31, 2023 and 2022, the Company had available unutilized short-term bank loan facilities was $3,439,568 thousand and $2,796,663 thousand, respectively.

Liquidity and interest rate risk tables for non-derivative financial liabilities

The following table details the Company's remaining contractual maturities for its non-derivative financial liabilities with agreed upon repayment periods. The table has been drawn up based on the undiscounted cash flows of financial liabilities from the earliest date on which the Company can be required to pay. The table includes both interest and principal cash flows. Specifically, bank loans with a repayment on demand clause were included in the earliest time band regardless of the probability of the banks choosing to exercise their rights. The maturity dates for other non-derivative financial liabilities were based on the agreed upon repayment dates.

To the extent that interest flows are at floating rates, the undiscounted amount was derived from the interest rate curve at the end of the year.

December 31, 2023

	Effective Interest Rate (%)	Less than 1 Year	1-5 Years	5+ Years
Non-derivative financial liabilities				
Short-term loans	1.64	$ 861,227	$ -	$ -
Trade payables	-	647,846	-	-
Other payables	-	86,162	-	-

December 31, 2022

	Effective Interest Rate (%)	Less than 1 Year	1-5 Years	5+ Years
Non-derivative financial liabilities				
Short-term loans	1.70	$ 713,559	$ -	$ -
Trade payables	-	919,464	-	-
Other payables	-	129,078	-	-

25. TRANSACTIONS WITH RELATED PARTIES

Besides information disclosed elsewhere in the other notes, details of transactions between the Company and other related parties are disclosed as follows.

a. Related party name and category

Related Party Name	Related Party Category
SIXXON TECH CO., LTD. (henceforth referred to as "SIXXON TECH")	Investors with significant influence over the Company
SIXXON PRECISION MACHINERY CO., LTD. (henceforth referred to as "SIXXON")	Subsidiary
SEAMAX INTERNATIONAL LTD. (henceforth referred to as "SIWS")	Subsidiary
ACE PLUS TECHNOLOGY LIMITED (henceforth referred to as "APWS")	Subsidiary
FORTUNE TOWER HOLDING CO., LTD. (henceforth referred to as "FTWS")	Subsidiary
GLOBAL-THAIXON PRECISION INDUSTRY CO., LTD. (henceforth referred to as "GT")	Other related parties

b. Sales of goods

Line Item	Related Party Category/Name	For the Year Ended December 31 2023	2022
Sales	Other related parties	$ -	$ 97

c. Purchases of goods

Related Party Category/Name	For the Year Ended December 31 2023	2022
SIWS	$ 1,327,995	$ 1,447,428
APWS	491,083	752,718
SIXXON	341,257	485,823
	$ 2,160,335	$ 2,685,969

d. Receivables from related parties (excluding loans to related parties)

Line Item	Related Party Category/Name	December 31 2023	2022
Trade receivables	SIWS	$ 4,072	$ 132,541
Other receivables	SIXXON	$ -	$ 220
	SIWS	90,725	117,690
		$ 90,725	$ 117,910

e. Payables to related parties (excluding loans from related parties)

Line Item	Related Party Category/Name	December 31 2023	2022
Trade payables	SIWS	$ 397,159	$ 557,905
	APWS	192,847	151,348
	SIXXON	50,016	195,066
		$ 640,022	$ 904,319
Other payables	FTWS	$ 346	$ 353
	SIXXON	-	94
		$ 346	$ 447

Terms and conditions for sales and purchases of goods from related parties are the same as that of general transactions.

The outstanding accounts payable to related parties are unsecured and are settled in cash. Accounts receivable from related parties are unsecured. For the years ended December 31, 2023 and 2022, no impairment losses were recognized for accounts receivable from related parties.

f. Lease arrangements - the Company is lessee

Line Item	Related Party Category/Name	For the Year Ended December 31 2023	For the Year Ended December 31 2022
Lease expense	Investors with significant influence over the Company	$ 180	$ 180

For the Year Ended December 31, 2023

Name of Related Party	Premises	Lease Period	Determination of Rent	Monthly Rental
Investors with significant influence over the Company	Part of the buildings in No. 6, You 3rd Rd., Yangmei Dist., Taoyuan City	September 1, 2023 to August 31, 2024	Negotiation	$15

For the Year Ended December 31, 2022

Name of Related Party	Premises	Lease Period	Determination of Rent	Monthly Rental
Investors with significant influence over the Company	Part of the buildings in No. 6, You 3rd Rd., Yangmei Dist., Taoyuan City	September 1, 2022 to August 31, 2023	Negotiation	$15

g. Endorsements and guarantees

Information about endorsements and guarantees provided by the Company, please refer to Table 2 “Endorsements/Guarantees Provided”.

h. Other transactions with related parties

Line Item	Related Party Category/Name	December 31 2023	December 31 2022
Guarantee deposits paid	SIXXON TECH	$ 200	$ 200

i. Remuneration of key management personnel

	For the Year Ended December 31 2023	For the Year Ended December 31 2022
Short-term employee benefits	$ 18,032	$ 28,785
Post-employment benefits	180	158
	$ 18,212	$ 28,943

The remuneration of directors and key executives, as determined by the remuneration committee, is based on the performance of individuals and market trends.

26. SIGNIFICANT LOSSES FROM DISASTERS: NONE.

27. SIGNIFICANT EVENTS AFTER THE REPORTING PERIOD: NONE.

28. SIGNIFICANT ASSETS AND LIABILITIES DENOMINATED IN FOREIGN CURRENCIES

The Company's significant financial assets and liabilities denominated in foreign currencies aggregated by the foreign currencies other than functional currencies and the related exchange rates between the foreign currencies and the functional currencies were as follows:

December 31, 2023

	Foreign Currency	Exchange Rate	Carrying Amount
Financial assets			
Monetary items			
USD	$ 62,242	30.705	$ 1,911,137
EUR	14,649	33.98	497,785
RMB	17,494	4.327	75,698
HKD	377	3.929	1,480
JPY	101	0.2172	22
Non-monetary items			
Investments accounted for using the equity method			
USD	182,784	30.705	5,612,373
Financial liabilities			
Monetary items			
USD	20,179	30.705	619,596
EUR	913	33.98	31,024
RMB	2,808	4.327	12,149
HKD	222	3.929	870

December 31, 2022

	Foreign Currency	Exchange Rate	Carrying Amount
Financial assets			
Monetary items			
USD	$ 47,640	30.71	$ 1,463,021
EUR	21,444	32.72	701,646
RMB	18,990	4.408	83,708
HKD	647	3.938	2,547
JPY	103	0.2324	24
Non-monetary items			
Investments accounted for using the equity method			
USD	199,377	30.71	6,122,866
Financial liabilities			
Monetary items			
USD	28,513	30.71	875,627
EUR	984	32.72	32,186
RMB	4,026	4.408	17,748
HKD	207	3.938	815

JPY	30,600	0.2324	7,111

The Company is mainly exposed to the USD and the EUR. For the years ended December 31, 2023 and 2022, realized net foreign exchange (losses) gains were $67,408 thousand and $42,646 thousand, respectively, and unrealized net foreign exchange (losses) gains were $(35,058) thousand and $45,344 thousand, respectively.

29. SEPARATELY DISCLOSED ITEMS

a. Information on significant transactions:

1) Financing provided to others (Table 1)

2) Endorsements/guarantees provided (Table 2)

3) Marketable securities held (None)

4) Marketable securities acquired or disposed of at costs or prices of at least NT$100 million or 20% of the paid-in capital (None)

5) Acquisition of individual real estate at costs of at least NT$100 million or 20% of the paid-in capital (None)

6) Disposal of individual real estate at prices of at least NT$100 million or 20% of the paid-in capital (None)

7) Total purchases from or sales to related parties amounting to at least NT$100 million or 20% of the paid-in capital (Table 3)

8) Receivables from related parties amounting to at least NT$100 million or 20% of the paid-in capital (Table 4)

9) Trading in derivative instruments (None)

b. Information on investees (Table 5)

c. Information on investments in mainland China

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

2) Any of the following significant transactions with investee companies in mainland China, either directly or indirectly through a third party, and their prices, payment terms, and unrealized gains or losses (Table 7):

a) The amount and percentage of purchases and the balance and percentage of the related payables at the end of the year

b) The amount and percentage of sales and the balance and percentage of the related receivables at the end of the year

c) The amount of property transactions and the amount of the resultant gains or losses

d) The balance of negotiable instrument endorsements or guarantees or pledges of collateral at the end of the year and the purposes

e) The highest balance, the ending balance, the interest rate range, and total current period interest with respect to the financing of funds

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

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

GLOBAL PMX CO., LTD.

FINANCING PROVIDED TO OTHERS
FOR THE YEAR ENDED DECEMBER 31, 2023
(In Thousands of New Taiwan Dollars)

No.	Lender	Borrower	Financial Statement Account	Related Party	Highest Balance for the Period	Ending Balance	Actual Amount Borrowed	Interest Rate	Nature of Financing	Business Transaction Amount	Reasons for Short-term Financing	Allowance for Impairment Loss	Collateral		Financing Limit for Each Borrower	Aggregate Financing Limit	Note
													Item	Value			
1	Fortune Tower Holding Co., Ltd.	Global Advance Technology Limited	Other receivables from related parties	Yes	$ 223,733	$ 211,865	$ 211,865	-	The need for short-term financing	$	Operating capital	$ -	-	$ -	$ 11,159,918	$ 11,159,918	Note 2
2	Seamax Manufacturing Pte. Limited	Global Advance Technology Limited	Other receivables from related parties	Yes	129,700	122,820	122,820	-	The need for short-term financing		Operating capital	-	-	-	1,511,510	1,511,510	Note 3
3	Global Advance Technology Limited	Global PMX Co., Ltd. (Zhejiang)	Other receivables from related parties	Yes	361,387	346,817	346,817	3%	The need for short-term financing		Operating capital	-	-	-	9,213,904	9,213,904	Note 4
		Global PMX Co., Ltd. (Jiaxing)	Other receivables from related parties	Yes	609,600	567,163	480,458	2%-3%	The need for short-term financing		Operating capital	-	-	-	9,213,904	9,213,904	Note 4

Note 1: The maximum financing amount provided by the Company is calculated as follows:

a. Nature of financing attributed to business transaction, each separately financing amount shall not exceed amount of transactions between two parties, aggregate financing amount shall not exceed 20% of net worth of the Company for the period. Transaction amount refers to the higher of purchases or sales between two parties within the latest year. Nature for financing attributed to short-term financing needs, each separately financing amount shall not exceed 20% of net worth of the Company for the period, and aggregate financing amount shall not exceed 40% of net worth of the Company for the period.

b. Foreign company loans between overseas companies in which the Company holds directly or indirectly 100% of the voting shares, and financing limits for each entity, as well as limits on aggregate financing amount should not exceed 200% of net worth of the lender.

Note 2: Maximum limit on financing from Fortune Tower Holding Co., Ltd. provided to Global Advance Technology Limited was computed as $5,579,959 thousand multiplied by 200% equal to $11,159,918 thousand.

Note 3: Maximum limit on financing from Seamax Manufacturing Pte. Limited provided to Global Advance Technology Limited was computed as $755,755 thousand multiplied by 200% equal to $1,511,510 thousand.

Note 4: Maximum limit on financing from Global Advance Technology Limited provided to Global PMX Co., Ltd. (Zhejiang) and Global PMX Co., Ltd. (Jiaxing) was computed as $4,606,952 thousand multiplied by 200% equal to $9,213,904 thousand.

GLOBAL PMX CO., LTD.

ENDORSEMENTS/GUARANTEES PROVIDED
FOR THE YEAR ENDED DECEMBER 31, 2023
(In Thousands of New Taiwan Dollars)

No.	Endorser/Guarantor	Endorsee/Guarantee		Limit on Endorsement/ Guarantee Given on Behalf of Each Party	Maximum Amount Endorsed/ Guaranteed During the Period	Outstanding Endorsement/ Guarantee at the End of the Period	Actual Amount Borrowed	Amount Endorsed/ Guaranteed by Collateral	Ratio of Accumulated Endorsement/ Guarantee to Net Equity in Latest Financial Statements (%)	Aggregate Endorsement/ Guarantee Limit	Endorsement/ Guarantee Given by Parent on Behalf of Subsidiaries	Endorsement/ Guarantee Given by Subsidiaries on Behalf of Parent	Endorsement/ Guarantee Given on Behalf of Companies in Mainland China	Note
		Name	Relationship											
0	Global PMX Co., Ltd.	Fortune Tower Holding Co., Ltd.	Subsidiary	$ 12,688,888	$ 32,425	$ 30,705	$ -	$ -	0.39	$ 15,861,110	Y	N	N	Note 1
		Global Advance Technology Limited	A subsidiary directly holding over 50% of the common shares	12,688,888	5,586,831	5,027,944	937,665	-	63.40	15,861,110	Y	N	N	Note 1

Note: According to the Company's operational procedures for endorsement/guarantee provided to others, the calculation for endorsement/guarantee limits is as below:

a. The Company's aggregate amount of endorsement/guarantee provided to others shall not exceed 200% of net worth of the Company for the period. Accumulated amount of endorsement/guarantee provided to a single entity shall not exceed 160% of net worth of the Company. If an endorsement/guarantee provided to a single entity is made due to needs arising from business transactions, in addition to aforementioned requirements, amount of endorsement/guarantee provided shall not exceed total transaction amount with the Company for latest fiscal year (the higher of purchases or sales between two parties).

b. Pursuant to requirements mentioned above, ceilings on endorsement/guarantee provided to others equals to net worth of the Company computed as $7,930,555 thousand multiplied by 200% equals $15,861,110 thousand, and ceilings on endorsement/guarantee provided to a single entity are equivalent to net worth of the Company computed as $7,930,555 thousand multiplied by 160% equals to $12,688,888 thousand.

TABLE 3

GLOBAL PMX CO., LTD.

TOTAL PURCHASES FROM OR SALES TO RELATED PARTIES AMOUNTING TO AT LEAST NT$100 MILLION OR 20% OF THE PAID-IN CAPITAL
FOR THE YEAR ENDED DECEMBER 31, 2023
(In Thousands of New Taiwan Dollars)

Buyer	Related Party	Relationship	Transaction Details				Abnormal Transaction		Notes/Accounts Receivable (Payable)		Note
			Purchase/ Sale	Amount	% of Total	Payment Terms	Unit Price	Payment Terms	Ending Balance	% of Total	
Seamax International Ltd.	Global PMX Co., Ltd.	Parent and subsidiary	Sale	$ 1,327,995	92.89	90 days after	-	-	Accounts receivable $ 397,159	80.79	
Sixxon Precision Machinery Co., Ltd.	Global PMX Co., Ltd.	Parent and subsidiary	Sale	341,257	14.17	90 days after	-	-	Accounts receivable 50,016	9.33	
Ace Plus Technology Limited	Global PMX Co., Ltd.	Parent and subsidiary	Sale	491,083	100.00	90 days after	-	-	Accounts receivable 192,847	100.00	
Seamax Manufacturing Pte., Ltd. (Dongguan)	Seamax International Ltd.	The same ultimate parent company	Sale	275,854	30.86	90 days after	-	-	Accounts receivable 111,200	31.39	
Seamax Manufacturing Pte., Ltd. (Dongguan)	Ace Plus Technology Limited	The same ultimate parent company	Sale	491,200	54.82	90 days after	-	-	Accounts receivable 192,847	54.44	
Global PMX Co., Ltd. (Zhejiang)	Seamax International Ltd.	The same ultimate parent company	Sale	974,537	32.23	90 days after	-	-	Accounts receivable 279,731	25.40	
Global PMX Co., Ltd. (Jiaxing)	Global PMX Co., Ltd. (Zhejiang)	The same ultimate parent company	Sale	197,595	46.64	90 days after	-	-	Accounts receivable 121,044	64.54	

TABLE 4

GLOBAL PMX CO., LTD.

RECEIVABLES FROM RELATED PARTIES AMOUNTING TO AT LEAST NT$100 MILLION OR 20% OF THE PAID-IN CAPITAL
DECEMBER 31, 2023
(In Thousands of New Taiwan Dollars)

Company Name	Related Party	Relationship	Ending Balance	Turnover Rate	Overdue		Amount Received in Subsequent Period	Allowance for Impairment Loss
					Amount	Actions Taken		
Seamax International Ltd.	Global PMX Co., Ltd.	Parent and subsidiary	$ 397,159	2.78 times/year	$ -	-	$ 197,349	$ -
Ace Plus Technology Limited	Global PMX Co., Ltd.	Parent and subsidiary	192,847	2.85 times/year	-	-	94,645	-
Global PMX Co., Ltd. (Zhejiang)	Seamax International Ltd.	The same ultimate parent company	279,731	2.96 times/year	-	-	141,115	-
Seamax Manufacturing Pte., Ltd. (Dongguan)	Ace Plus Technology Limited	The same ultimate parent company	192,847	2.85 times/year	-	-	48,422	-
Seamax Manufacturing Pte., Ltd. (Dongguan)	Seamax International Ltd.	The same ultimate parent company	111,200	2.48 times/year	-	-	32,618	-
Global PMX Co., Ltd. (Jiaxing)	Global PMX Co., Ltd. (Zhejiang)	The same ultimate parent company	121,044	2.40 times/year	-	-	24,562	-
Fortune Tower Holding Co., Ltd.	Global Advance Technology Limited	Parent and subsidiary	211,865	Note 2	-	-	-	-
Seamax Manufacturing Pte. Limited	Global Advance Technology Limited	The same ultimate parent company	122,820	Note 2	-	-	122,820	-
Global Advance Technology Limited	Global PMX Co., Ltd. (Zhejiang)	Parent and subsidiary	398,102	Note 2	-	-	-	-
Global Advance Technology Limited	Global PMX Co., Ltd. (Jiaxing)	Parent and subsidiary	495,364	Note 2	-	-	-	-

Note 1: The amount was eliminated in the consolidated financial statements.

Note 2: The calculation of turnover ratio excludes other receivables.

TABLE 5

GLOBAL PMX CO., LTD.

INFORMATION ON INVESTEES
FOR THE YEAR ENDED DECEMBER 31, 2023
(In Thousands of New Taiwan Dollars)

Investor Company	Investee Company	Location	Main Businesses and Products	Original Investment Amount		As of December 31, 2023			Net Income (Loss) of the Investee	Share of Profit (Loss)	Note
				December 31, 2023	December 31, 2022	Number of Shares	%	Carrying Amount			
Global PMX Co., Ltd.	Fortune Tower Holding Co., Ltd.	TMF Chambers, P.O. Box 3269, Apia, Samoa	General investment	$ 3,719,067	$ 3,719,067	125,750	100.00	$ 5,575,392	$ (107,859)	$ (105,906)	
	Seamax International Ltd.	Offshore Chambers, P.O. Box 217, Apia, Samoa	Import and export of goods	28,995	28,995	1,000	100.00	35,775	1,274	1,274	
	Ace Plus Technology Limited	Offshore Chambers, P.O. Box 217, Apia, Samoa	Import and export of goods	1,564	1,564	50	100.00	1,206	(46)	(46)	
	Sixxon Precision Machinery Co., Ltd.	Taiwan	Manufacturing of automotive and its parts	1,464,636	1,464,636	30,000	100.00	1,778,265	176,960	176,960	
Fortune Tower Holding Co., Ltd.	Seamax Manufacturing Pte. Limited	1004AXA Centre, 151 Gloucester Road, Wan Chai, Hong Kong	General investment	363,000	363,000	12,200	100.00	755,755	126,278	126,278	
	Global Advance Technology Limited	Offshore Chambers, P.O. Box 217, Apia, Samoa	General investment	2,964,584	2,964,584	97,750	100.00	4,606,952	(224,788)	(224,788)	

Note: The share of profits/losses of investee includes the effect of unrealized gross profit on intercompany transactions.

TABLE 6

GLOBAL PMX CO., LTD.

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

1. The investee company in Mainland China, main business and products, total amount of paid-in capital, method of investment, accumulated outflow and inflow of investment from Taiwan, percentage of ownership, share of profits/losses, accumulated inward remittance of earnings.

Investee Company	Main Businesses and Products	Paid-in Capital	Method of Investment (Note 1)	Accumulated Outward Remittance for Investment from Taiwan as of December 31, 2022	Remittance of Funds		Accumulated Outward Remittance for Investment from Taiwan as of December 31, 2023	Net Income (Loss) of the Investee	% Ownership of Direct or Indirect Investment	Investment Gain (Loss) (Note 2)	Carrying Amount as of December 31, 2023	Accumulated Repatriation of Investment Income as of December 31, 2023	Note
					Outward	Inward							
Seamax Manufacturing Pte., Ltd. (Dongguan)	Production and sales of computer hard disk components, industrial control components, precision die, mold standard parts, high-grade hardware, high-end construction hardware, plumbing equipment and hardware, new electronic components, automotive key components, anti-lock braking system.	$ 359,046	b.	$ 363,000	$ -	$ -	$ 363,000	$ 126,259	100.00	$ 126,259	$ 629,801	$ 306,610	
Global PMX Co., Ltd. (Zhejiang)	Development, research, production and sales of various types of large-capacity optical, disk drives and components, semiconductor components, new electronic components, digital cameras, precision online measuring instruments, precision die, mold standard parts and medical precision parts, automotive precision parts.	1,803,264	b.	1,055,339	-	-	1,055,339	(30,714)	100.00	(30,714)	3,863,414	-	
Global PMX Co., Ltd. (Jiaxing)	Development, research, production and sales of automotive parts, general parts, first-class medical equipment, computer hardware and software, electronic components technology research and development.	1,329,750	b.	1,329,750	--		1,329,750	(99,419)	100.00	(99,419)	1,024,392	-	

Note 1: Methods of investment are classified into following three categories:

a. Direct investment in mainland China
b. The Company invested in a company located in Mainland China indirectly through an existing company in the third country.
c. Others

Note 2: Investment income or loss mentioned above is recognized based on the financial statements of the parent company in Taiwan which were reviewed by its independent accountants for the corresponding periods.

(Continued)

2. Limit on investment in Mainland China:

Company Name	Accumulated Outward Remittance for Investments in Mainland China as of December 31, 2023	Investment Amount Authorized by the Investment Commission, MOEA	Upper Limit on the Amount of Investments Stipulated by the Investment Commission, MOEA
Global PMX Co., Ltd. (Note)	$3,112,192	$3,941,572	Note

Note: According to “Regulations screening of application to engage in technical cooperation in Mainland China”, the Company obtained the approval from the Industrial Development Bureau of Ministry of Economic Affairs issued to Headquarters on October 6, 2023, and effective on October 2, 2023, so the amount the Company invested in Mainland China is not subject to the upper limit on the amount investment stipulated by investment commission, MOEA.

(Concluded)

TABLE 7

GLOBAL PMX CO., LTD.

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

Investee Company	Transaction Type	Purchase/Sale		Price	Transaction Details		Notes/Accounts Receivable (Payable)			Unrealized (Gain) Loss	Note
		Amount	%		Payment Terms	Comparison with Normal Transactions	Ending Balance		%		
Seamax Manufacturing Pte., Ltd. (Dongguan)	Sales	$ 767,054	85.69	Note 5	Note 5	Note 5	Trade receivable	$ 304,047	85.84	$ 2,594	
Global PMX Co., Ltd. (Zhejiang)	Sales	974,537	32.23	Note 5	Note 5	Note 5	Trade receivable	279,731	25.40	1,666	
Global PMX Co., Ltd. (Jiaxing)	Sales	166,828	39.45	Note 5	Note 5	Note 5	Trade receivable	52,900	28.20	308	

Note 1: The information on the endorsement, guarantee or collateral provided to any investees in Mainland China, either directly or indirectly, through a business in a third area: None

Note 2: Refer to Table 1 for the information with respect to financing of funds provided to any investees in Mainland China, either directly or indirectly, through a third area.

Note 3: The amount of property transactions with any investees in Mainland China, either directly or indirectly, through a business in a third area and the amount of the resulting profits or losses: None

Note 4: Related transactions and period-end balances were removed from the consolidated financial statements.

Note 5: The terms of transaction were determined by both sides depending on their operating demands as there were no similar kinds of transaction.

TABLE 8

GLOBAL PMX CO., LTD.

INFORMATION OF MAJOR SHAREHOLDERS
DECEMBER 31, 2023

Name of Major Shareholder	Shares	
	Number of Shares	Percentage of Ownership (%)
Sixxon Precision Machinery Co., Ltd. (Cayman Islands)	23,948,000	20.78
Sixxon Tech Co., Ltd.	12,256,900	10.63
Cathay Life Insurance Co., Ltd	7,588,000	6.58

Note: The information of major shareholders presented in this table is provided by the Taiwan Depository & Clearing Corporation based on the number of ordinary shares and preferred shares held by shareholders with ownership of 5% or greater, that have been issued without physical registration (including treasury shares) by the Group as of the last business day for the current quarter. The share capital in the consolidated financial statements may differ from the actual number of shares that have been issued without physical registration because of different preparation basis.

GLOBAL PMX CO., LTD.

Chairman：SIXXON TECH CO., LTD.