

Ampacs Corporation

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

Address: 3F., No.19-3, Sanchong Rd., Nangang
Dist., Taipei City 115601, TAIWAN
Telephone: (02)2655-2798

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INDEPENDENT AUDITORS' REPORT

The Board of Directors and Shareholders
AMPACS Corporation

Opinion

We have audited the accompanying parent company only financial statements of AMPACS Corporation , which comprise the parent company only balance sheets as of December 31, 2023 and 2022, and the parent company only statements of comprehensive income or loss, parent company only statements of changes in equity and parent company only statements of cash flows for the years then ended, and the notes to the parent company only financial statements, including material accounting policies information (collectively referred to as the “parent company only financial statements”).

In our opinion, based on our audits and the report of other auditors (refer to the other matter paragraph), the accompanying parent company only 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 Financial Statement Audit and Attestation Engagements of 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 parent company only financial statements for the year ended December 31, 2023. These matters were addressed in the context of our audit of

the parent company only financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

The key audit matter of the parent company only financial statements for the year ended December 31, 2023 is described as follows:

The Occurrence of Sales Revenue

The sales revenue of the Ampacs Corporation mainly comes from consumer electronics products and plastic components used in network communication products, and its changes mainly come from certain clients and products. Because certain sales revenue has a significant impact on financial performance, the occurrence of sales revenue from certain clients and products of AMPACS Group is considered as a key audit matter of the Group's consolidated financial statements for the year ended December 31, 2023.

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

1. We obtained an understanding of the internal control systems and operating procedures related to sales transaction processes, evaluated the design and implementation of relevant internal controls and performed internal control testing to obtain sufficient and appropriate audit evidence on the effectiveness of relevant control implementation.
2. We determined the appropriate methods of sampling and sample sizes, audited external and internal vouchers to support the fact of shipments, and we confirmed the actual occurrence of certain sales revenue transactions.
3. We inspected the cash receipt records and vouchers. We evaluated the amounts entered into the accounts and confirmed that the recipients of the remittances were consistent with the recipients of the shipments to prove the occurrence of the sales transaction.

Other Matter

We did not audit the financial statements of Ability Technologies Co., Ltd., an associate included in the parent company only financial statements, but such statements were audited by other auditors. Our opinion, insofar as it relates to the investments accounted for using the equity method, is based solely on the reports of other auditors. The investments accounted for using the equity method were NT\$0 and NT\$14,968 thousand as of December 31, 2023 and 2022, representing 0% and 0.24% of the total assets, respectively. The Group's share of profit of associate accounted for using the equity method was NT\$(2,383) and NT\$(4,442) thousand for the year then ended, representing 3.76% and (3.67%) of the total comprehensive income and loss, respectively.

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

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with the Regulations Governing the Preparation of

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

In preparing the consolidated financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the 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 Parent Company Only Financial Statements

Our objectives are to obtain reasonable assurance about whether the parent company only 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 parent company only financial statements. As part of an audit in accordance with the Standards on Auditing of the Republic of China, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

1. Identify and assess the risks of material misstatement of the parent company only 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 parent company only financial statements or, if such

- disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.
5. Evaluate the overall presentation, structure and content of the parent company only financial statements, including the disclosures, and whether the parent company only 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 parent company only financial statements. We are responsible for the direction, supervision, and performance of the audit. We remain solely responsible for our audit opinion.

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

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

The engagement partners on the audits resulting in this independent auditors' report are Chun-Yu Wang and Ming-Hsien Liu.

Deloitte & Touche
Taipei, Taiwan
Republic of China

March 14, 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.

Ampacs Corporation
Balance Sheets
31 December 2023 and 2022

Unit: NT\$1,000

C o d e	A s s e t s	December 31, 2023		December 31, 2022	
		A m o u n t	%	A m o u n t	%
	Current Assets				
1100	Cash (Note 4 & 6)	\$ 86,384	2	\$ 79,162	1
1136	Financial Assets Measured at Amortized Cost (Note 4, 9, & 28)	333,433	5	358,608	6
1170	Accounts Receivable - Net Amount (Note 4, 10, & 28)	967,389	15	873,241	14
1180	Net Accounts Receivable - Net Value of Related Parties (Note 27)	64,857	1	37,008	1
1200	Other Accounts Receivable	-	-	319	-
1210	Other Accounts Receivable - Related Parties (Note 27)	386,692	6	478,299	8
130X	Inventory - Net Amount (Note 4 & 12)	5,357	-	14,727	-
1421	Prepayments for Purchases (Note 27)	925,900	15	1,577,907	26
1460	Non-Current Assets Held for Sale - Net Amount (Note 4 & 11)	13,020	-	-	-
1470	Other Current Assets	-	-	3,500	-
11XX	Total Current Assets	<u>2,783,032</u>	<u>44</u>	<u>3,422,771</u>	<u>56</u>
	Non-Current Asset				
1510	Financial Assets Measured at Fair Value Through Profit or Loss Non-Current (Note 4 & 7)	30,710	-	-	-
1517	Financial Assets Measured at Fair Value Through Other Comprehensive Income - Non-Current (Note 4 & 8)	255,361	4	3,043	-
1550	Acquisition of Investments Accounted for Using the Equity Method (Note 4 & 13)	1,836,113	29	1,261,105	20
1600	Real Estate, Plant, and Equipment - Net Amount (Note 4, 14 & 28)	1,309,367	21	1,322,768	22
1760	Investment Real Estate - Net Amount (Note 4 & 15)	57,898	1	59,125	1
1780	Intangible Assets - Net Amount (Note 4 & 16)	3,930	-	5,563	-
1840	Deferred Tax Assets (Note 4 & 23)	43,485	1	39,151	1
1990	Other non-current assets	383	-	383	-
15XX	Total Non-Current Assets	<u>3,537,247</u>	<u>56</u>	<u>2,691,138</u>	<u>44</u>
1XXX	Total Assets	<u>\$ 6,320,279</u>	<u>100</u>	<u>\$ 6,113,909</u>	<u>100</u>
	Liability and Equity				
	Current Liabilities				
2100	Short-Term Loans (Note 4 & 17)	\$ 2,119,411	33	\$ 1,742,348	28
2110	Short-Term Notes Payable (Note 4 & 17)	250,000	4	100,000	2
2170	Accounts Payable	204,794	3	230,292	4
2180	Accounts Payable - Related Party (Note 27)	118,153	2	10,529	-
2200	Other Accounts Payable (Note 18)	45,277	1	49,595	1
2230	Current Income Tax Liabilities (Note 4 & 23)	100,452	2	143,751	2
2320	Long-Term Liabilities Due Within One Year (Note 4 & 17)	91,484	1	240,993	4
2399	Other Current Liabilities	35,556	1	22,951	-
21XX	Total Current Liabilities	<u>2,965,127</u>	<u>47</u>	<u>2,540,459</u>	<u>41</u>
	Non-Current Liability				
2540	Long-Term Loans (Note 4 & 17)	689,829	11	770,145	13
2645	Guarantee Deposits Received	2,771	-	3,574	-
25XX	Total Non-Current Liabilities	<u>692,600</u>	<u>11</u>	<u>773,719</u>	<u>13</u>
2XXX	Total Liabilities	<u>3,657,727</u>	<u>58</u>	<u>3,314,178</u>	<u>54</u>
	Equity (Note 20)				
3110	Common Stock	1,500,000	24	1,500,000	24
3200	Capital Surplus	1,044,837	16	1,097,937	18
	Retained Earnings				
3310	Legal Surplus Reserve	182,782	3	175,449	3
3320	Special Surplus Reserve	144,026	2	191,736	3
3350	Undistributed Retained Earnings	176,839	3	163,929	3
3300	Total Retained Earnings	<u>503,647</u>	<u>8</u>	<u>531,114</u>	<u>9</u>
	Other Equities				
3410	Exchange Differences on Conversion of the Financial Statements of Foreign Operation	(172,611)	(3)	(115,816)	(2)
3420	Unrealized Valuation of Financial Assets (Losses) and Profits Measured at Fair Value Through Other Comprehensive Income	(27,872)	-	(28,210)	-
3470	Equities Directly Related to the Non-Current Assets Held for Sale	(155)	-	-	-
3400	Total Other equity	<u>(200,638)</u>	<u>(3)</u>	<u>(144,026)</u>	<u>(2)</u>
3500	Treasury Stock	(185,294)	(3)	(185,294)	(3)
3XXX	Total equity	<u>2,662,552</u>	<u>42</u>	<u>2,799,731</u>	<u>46</u>
	Total liabilities and equity	<u>\$ 6,320,279</u>	<u>100</u>	<u>\$ 6,113,909</u>	<u>100</u>

The accompanying notes are an integral part of these individual financial statements.
(Please refer to the audit report of Deloitte Taiwan, dated March 14, 2024)

Chairman: Huang Changqing Manager: Huang Changqing Accounting Supervisor: Lin Renjie

Ampacs Corporation
Statements of Comprehensive Income
For The Years Ended December 31, 2023 and 2022

Unit: NT\$ thousands, except the earning (deficit)
per share in 1.00 NTD

Code		Year 2023		Year 2022	
		A m o u n t	%	A m o u n t	%
4000	Operating Income (Note 4, 21 & 27)	\$ 3,774,424	100	\$ 4,928,989	100
5000	Operating Cost (Note 12. 22 & 27)	(3,477,289)	(92)	(4,603,923)	(94)
5900	Operating Margin	297,135	8	325,066	6
	Operating Expenses (Note 22)				
6100	Selling Expenses	(49,040)	(1)	(40,610)	(1)
6200	Administration Expenses	(87,223)	(3)	(97,785)	(2)
6300	Research and Development Expenses	(115,999)	(3)	(113,923)	(2)
6450	Expected Credit Impairment Reversal Interest (Note 10)	315	-	-	-
6000	Total Operating Expenses	(251,947)	(7)	(252,318)	(5)
6900	Operating Net Profit	45,188	1	72,748	1
	Non-Operating Income and Expenses (Note 22)				
7010	Other Revenue	21,196	1	16,571	-
7020	Other Profits and Losses	33,219	1	197,048	4
7050	Financial Cost	(121,273)	(3)	(81,820)	(1)
7070	Share of Profits and Losses of Subsidiaries and Affiliated Enterprises by Equity Method	20,175	-	(97,695)	(2)

7000	Total Non-Operating Income and Expenses	(<u>46,683</u>)	(<u>1</u>)	<u>34,104</u>	<u>1</u>
7900	Net Profit (Loss) Before Tax	(1,495)	-	106,852	2
7950	Income Tax Expense (Note 4 & 23)	(<u>5,322</u>)	<u>-</u>	(<u>33,522</u>)	(<u>1</u>)
8200	Net Profit (Loss)	(<u>6,817</u>)	<u>-</u>	<u>73,330</u>	<u>1</u>

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<u>Code</u>		<u>Year 2023</u>		<u>Year 2022</u>	
		<u>A m o u n t</u>	<u>%</u>	<u>A m o u n t</u>	<u>%</u>
	Other Comprehensive Profit or Loss (Note 20)				
	Items That May Be Subsequently Reclassified as Profit or Loss				
8361	Exchange Differences on Conversion of the Financial Statements of Foreign Operation	(\$ 57,385)	(2)	\$ 49,889	1
8367	Unrealized Gains or Losses on Debt Instrument Investments Measured at Fair Value Through Other Comprehensive Income	338	-	(1,589)	-
8371	Exchange Differences on the Translation of Financial Statements of Foreign Operations of Associated Companies and Joint Ventures	<u>435</u>	<u>-</u>	<u>(590)</u>	<u>-</u>
8360		<u>(56,612)</u>	<u>(2)</u>	<u>47,710</u>	<u>1</u>
8300	Other Comprehensive Profit and Loss	<u>(56,612)</u>	<u>(2)</u>	<u>47,710</u>	<u>1</u>
8500	Comprehensive (Loss) Income	<u>(\$ 63,429)</u>	<u>(2)</u>	<u>\$ 121,040</u>	<u>2</u>
	Earnings (Loss) Per Share (Note 24)				
9750	Basic	<u>(\$ 0.05)</u>		<u>\$ 0.50</u>	
9850	Diluted	<u>(\$ 0.05)</u>		<u>\$ 0.50</u>	

The accompanying notes are an integral part of these individual financial statements.

(Please refer to the audit report of Deloitte Taiwan, dated March 14, 2024)

Chairman: Huang Chang Qing,

Manager: Huang Chang Qing,

Accounting

Supervisor: Lin Ren Jie.

Ampacs Corporation
Statement of Changes in Equity
For The Years Ended December 31, 2023 and 2022

Unit: Unless otherwise specified,
, NT\$ 1,000.

Code		Share Capital (Note 20)		Capital Surplus	Retained Earnings (Note 20)		Other Equities	Treasury Stock	Total Equity	
		Number of Shares (1000 Shares)	Amount	(Note 20)	Legal Surplus Reserve	Special Surplus Reserve	Undistributed Retained Earnings	(Note 20)		(Note 20)
A1	Balance as of January 1, 2022	150,000	\$ 1,500,000	\$ 1,161,362	\$ 175,449	\$ 174,422	\$ 118,238	(\$ 191,736)	(\$ 185,294)	\$ 2,752,441
	Distribution of earnings for the year 2021									
B3	Appropriation to special earnings reserve	-	-	-	-	17,314	(17,314)	-	-	-
B5	Cash dividends - NT\$0.07 per share	-	-	-	-	-	(10,325)	-	-	(10,325)
	Other changes in capital surplus:									
C15	Distribution of Cash dividends from capital surplus - NT\$0.43 per share.	-	-	(63,425)	-	-	-	-	-	(63,425)
	Total Comprehensive Profit and Loss in 2022									
D1	Net income in 2022	-	-	-	-	-	73,330	-	-	73,330
D3	Other comprehensive benefits in 2022	-	-	-	-	-	-	47,710	-	47,710
D5	Total Comprehensive Income for the Year 2022	-	-	-	-	-	73,330	47,710	-	121,040
Z1	Balance as of December 31, 2022	150,000	1,500,000	1,097,937	175,449	191,736	163,929	(144,026)	(185,294)	2,799,731
	Distribution of Earnings for the Year 2021									
B1	Appropriation to legal reserve	-	-	-	7,333	-	(7,333)	-	-	-
B5	Cash Dividends - NT\$0.14 Per Share	-	-	-	-	-	(20,650)	-	-	(20,650)
B17	Special Surplus Reserve Reversal	-	-	-	-	(47,710)	47,710	-	-	-
	Other Changes in Capital Surplus:									
C15	Capital Surplus Distribution in Cash - NT\$0.36 Per Share	-	-	(53,100)	-	-	-	-	-	(53,100)
	Total Comprehensive Profit and Loss in 2023									
D1	Net Loss in 2023	-	-	-	-	-	(6,817)	-	-	(6,817)

D3	Other Comprehensive Loss in 2023	<u> -</u>	<u> -</u>	<u> -</u>	<u> -</u>	<u> -</u>	<u> -</u>	(<u> 56,612</u>)	<u> -</u>	(<u> 56,612</u>)
D5	Total Comprehensive Profit and Loss in 2023	<u> -</u>	<u> -</u>	<u> -</u>	<u> -</u>	<u> -</u>	(<u> 6,817</u>)	(<u> 56,612</u>)	<u> -</u>	(<u> 63,429</u>)
Z1	December 31, 2023 Balance	<u> 150,000</u>	<u> \$ 1,500,000</u>	<u> \$ 1,044,837</u>	<u> \$ 182,782</u>	<u> \$ 144,026</u>	<u> \$ 176,839</u>	(<u> \$ 200,638</u>)	(<u> \$ 185,294</u>)	<u> \$ 2,662,552</u>

The accompanying notes are an integral part of these individual financial statements.

(Please refer to the audit report of Deloitte Taiwan, dated March 14, 2024)

Chairman: Huang Chang Qing, Manager: Huang Chang Qing, Accounting Supervisor: Lin Ren Jie.

Ampacs Corporation
Statements of Cash Flows

For The Years Ended December 31, 2023 and 2022

Unit: NT\$1,000

<u>C o d e</u>		<u>Year 2023</u>	<u>Year 2022</u>
	Cash Flow from Operating Activities		
A10000	Net Profit (Loss) Before Tax	(\$ 1,495)	\$ 106,852
A20010	Items of Income and Expenses		
A20100	Depreciation Expenses	14,777	16,209
A20200	Amortization Expenses	3,052	3,653
A20300	Expected Credit Impairment		
	Reversal Profits	(315)	-
A20900	Financial Cost	121,273	81,820
A21200	Interest Revenue	(5,605)	(1,741)
A22400	Share of Profit or Loss From		
	Subsidiaries Accounted for		
	Using the Equity Method	(20,175)	97,695
A24100	Unrealized Foreign Exchange		
	Loss	17,223	23,751
A30000	Net Changes in Operating Assets		
	and Liabilities		
A31115	Financial Assets Forced to Be		
	Measured at Fair Value		
	Through Profit and Loss	(32,017)	-
A31150	Accounts receivable	(131,647)	765,305
A31160	Accounts receivable - related		
	parties	(29,750)	9,419
A31180	Other Accounts Receivable	319	(149)
A31190	Other accounts receivable -		
	related parties	90,871	1,533,381
A31200	Inventories	9,370	647
A31230	Prepayments for purchases	652,007	(1,509,459)
A31240	Other Current Assets	3,500	(85)
A32150	Accounts Payable	(25,498)	(167,012)
A32160	Accounts Payable - Related		
	Parties	111,890	(179,761)
A32180	Other Accounts Payable	(8,380)	5,852
A32230	Other Current Liabilities	<u>12,605</u>	<u>(3,226)</u>
A33000	Cash Inflow From Operations	782,005	783,151
A33100	Interests Received	5,605	1,741
A33300	Financial Cost Paid	(117,211)	(76,571)
A33500	Income Tax Paid	<u>(52,955)</u>	<u>(21,049)</u>

AAAA	Net Cash Inflow From Operating Activities	<u>617,444</u>	<u>687,272</u>
	Cash Flow From Investment Activities		
B00010	Acquisition of financial assets at fair value through other comprehensive income	(265,340)	-
B00040	Obtain Financial Assets Measured at Amortized Cost	25,175	(82,918)

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<u>C o d e</u>		<u>Year 2023</u>	<u>Year 2022</u>
B01800	Acquisition of Long-term Equity Investments Accounted for by the Equity Method	\$ -	(\$ 20,000)
B02700	Purchase of Real Estate, Plant, and Equipment	(149)	(1,336)
B04500	Purchase of Intangible Assets	(1,419)	(970)
BBBB	Net Cash Outflow From Investment Activities	(241,733)	(105,224)
	Cash Flow from Financing Activities		
C00100	Short-Term Loan Increased	410,692	-
C00200	Short-Term Loan Decreased	-	(680,791)
C00500	Short-Term Notes Payable Increased	150,000	100,000
C01600	Long-Term Loan Borrowed	150,000	150,000
C01700	Long-Term Loan Repaid	(379,825)	(89,525)
C03100	Guarantee Deposits Received Decreased	(803)	-
C03000	Guarantee Deposits Received Increased	-	1,503
C04500	Distribution of Cash Dividend	(73,750)	(73,750)
C05400	Acquisition of Equity in Subsidiary	(624,803)	-
CCCC	Net Cash Outflows From Fundraising Activities	(368,489)	(592,563)
EEEE	Net Increase (Decrease) in Cash	7,222	(10,515)
E00100	Beginning cash balance	<u>79,162</u>	<u>89,677</u>
E00200	Ending cash balance	<u>\$ 86,384</u>	<u>\$ 79,162</u>

The accompanying notes are an integral part of these individual financial statements.

(Please refer to the audit report of Deloitte Taiwan, dated March 14, 2024)

Chairman: Huang Chang Qing, Manager: Huang Chang Qing, Accounting
Supervisor: Lin Ren Jie.

Ampacs Corporation
Notes To Financial Statements

For The Years Ended December 31, 2023 and 2022

(Unless otherwise indicated, amounts are expressed in thousands of New Taiwan Dollars.)

1. Company History

Ampacs Corporation (hereinafter referred to as "the Company") was established in July 1998, primarily engaged in the design and manufacture of plastic components and earphone products for consumer electronics. The Company's stock has been listed on the Taiwan Stock Exchange since December 14, 2020.

The financial statements of the Company are presented in New Taiwan dollars, which is the functional currency of the Company.

2. Date and procedure of approval of the financial report

The individual financial report was approved by the board of directors on March 14, 2024.

3. Application of Newly Issued or Revised Accounting Standards and Interpretations

(1) The initial adoption of International Financial Reporting Standards (IFRSs), International Accounting Standards (IASs), Interpretations (IFRICs), and Standing Interpretations Committee (SICs) endorsed and issued by the Financial Supervisory Commission (FSC) (referred to as "IFRS Accounting Standards").

The application of revised IFRS Accounting Standard approved and issued by the Financial Supervisory Commission (FSC) that become effective will not result in significant changes to the Company's accounting policies.

(2) IFRS Accounting Standard Approved by the FSC Applicable in 2024

<u>Applicability of newly issued / revised / amended standards and interpretations</u>	<u>Effective Date Published by IASB (Note 1)</u>
Amendment to IFRS 16 "Lease Liabilities Arising from Sale and Leaseback Transactions"	January 1, 2024 (Note 2)
Amendment to IAS 1 "Classification of	January 1, 2024

<u>Applicability of newly issued / revised / amended standards and interpretations</u>	<u>Effective Date Published by IASB (Note 1)</u>
Liabilities as Current or Non-Current"	
Amendment to IAS 1 "Non-Current Liabilities with Contractual Maturities"	January 1, 2024
Amendment to IAS 7 and IFRS 7 "Supplier Finance Arrangements"	January 1, 2024 (Note 3)

Note 1: Unless otherwise stated, the above new/revised standards or interpretations are effective for annual reporting periods beginning on or after the respective dates.

Note 2: The seller and lessee should retrospectively apply the amendments to IFRS 16 for sale and leaseback transactions entered into after the initial application of IFRS 16.

Note 3: Exemption from certain disclosure requirements upon initial application of this amendment.

As of the date of issuance of this individual financial report, the Company has assessed that any other amendments or interpretations of standards would not have a significant impact on the financial position and financial performance.

- (3) IFRS Accounting Standard issued by the IASB but not yet approved and effective by FSC

<u>Applicability of newly issued / revised / amended standards and interpretations</u>	<u>Effective Date Published by IASB (Note 1)</u>
Amendment to IFRS 10 and IAS 28 "Sales or Contributions of Assets between an Investor and its Associates or Joint Ventures"	Undecided
IFRS 17 "Insurance Contracts"	January 1, 2023
Amendment to IFRS 17	January 1, 2023
Amendment to IFRS 17 "Initial Application of IFRS 17 and IFRS 9 - Comparative Information"	January 1, 2023
Amendment to IAS 21 "Lack of Exchangeability"	January 1, 2025 (Note 2)

Note 1: Unless otherwise stated, the above new/revised standards or interpretations are effective for annual reporting periods beginning on or after the respective dates.

Note 2: Applicable for annual reporting periods beginning on or after January 1, 2025. Upon initial application of this amendment, the impact on the figures shall be recognized in retained earnings as of the date of initial application. When a consolidated company uses a non-functional currency as its presentation currency in consolidated financial statements, adjustments shall be made to the translation differences of foreign operations under equity at the date of initial application.

As of the date of issuance of these individual financial statements, the Company is still assessing the impact of the above standards and the amendments to the interpretations thereof on the financial position and financial performance, and will disclose the relevant impact when the assessment is completed.

4. Summary of Significant Accounting Policies

(1) Compliance Statement

This parent company only financial report is prepared in accordance with Regulations Governing Preparation of Financial Reports by Securities Issuers.

(2) Preparation Foundation

Except for financial instruments measured at fair value, the individual financial statements of the entity are prepared on a historical cost basis.

Fair value measurement is classified into Level 1 to Level 3 according to the observability and significance of relevant inputs:

1. The input values of the first level refer to the quoted prices for identical assets or liabilities in active markets on the measurement date (without adjustment).
2. Level 2 input value: the observable input value of an asset or liability, either directly (that is, price) or indirectly (that is, derived from price), other than a Level 1 offered price.
3. Level 3 input value: the unobservable input value of an asset or liability.

The Company applies the equity method in accounting for investments in subsidiaries or joint ventures when preparing its individual financial statements. To ensure that the profit or loss, other comprehensive income and equity for the current year presented in the individual financial statements are the same as those presented in the consolidated financial statements attributed to the owners of the Company, certain accounting treatment differences between the individual basis and consolidated basis are adjusted for "investments accounted for using the equity method," "share of profit or loss from subsidiaries, associated enterprises, and joint ventures accounted for using the equity method," "other comprehensive income from subsidiaries, associated enterprises, and joint ventures accounted for using the equity method" and related equity items.

(3) Classification of Assets and Liabilities as Current or Non-current.

Current assets include:

1. Assets held primarily for trading purposes;
2. Assets expected to be realized within 12 months after the balance sheet date; and
3. Cash (excluding that which is restricted for exchange or settlement of liabilities beyond 12 months after the balance sheet date).

Current Liability includes:

1. Primarily held for the purpose of trading;
2. Liabilities due for settlement within 12 months after the balance sheet date.
3. Liabilities that cannot be unconditionally postponed beyond 12 months after the balance sheet date.

Non-current assets or liabilities are classified as such if they do not meet the criteria for current assets or liabilities mentioned above.

(4) Foreign Currency

When the Company conducts transactions in currencies other than its functional currency, the transactions are recorded in the functional currency using the exchange rate on the transaction date.

Foreign currency monetary items are translated into the functional currency using the closing exchange rate on each balance sheet date. Exchange differences arising from settlement of foreign currency monetary items or translation of foreign currency monetary items are recognized in profit or loss in the year in which they arise.

Foreign currency non-monetary items that are measured at fair value are translated into the functional currency using the exchange rate on the date when the fair value was determined. The exchange differences arising from this translation are recognized in profit or loss in the year in which they arise, except for those recognized in other comprehensive income as part of the fair value gain or loss.

Foreign currency non-monetary items that are measured at historical cost are translated into the functional currency using the exchange rate on the transaction date and are not re-measured.

In preparing the financial statements of the individual entity, the assets and liabilities of foreign operating entities (including subsidiaries operating in countries or using currencies different from the Company) are translated into New Taiwan Dollars at the exchange rates on each balance sheet date. The items of revenue and expenses are translated at the average exchange rates for the year, and the resulting exchange differences are recorded in other comprehensive income (allocated to the Company's owners and non-controlling interests separately).

(5) Inventories

Inventories consist of merchandise inventory. Inventories are measured at the lower of cost and net realizable value. When comparing cost and net realizable value, individual items are assessed, and net realizable value refers to the estimated selling price under normal conditions, less the estimated cost of completion and the estimated costs necessary to make the sale. The cost of inventories is determined using the weighted average method.

(6) Investment in Subsidiaries

The Company adopts the equity method to account for investments in subsidiaries.

A subsidiary is an individual controlled by the Company.

Under the Equity Method, the original cost recognition invested in shall be based on the profit and loss of the subsidiaries and other comprehensive income shares and profit distribution enjoyed by the Company. In addition, changes in the Company's other subsidiary interests are recognized according to the shareholding ratio.

Where the change of ownership interest of the Company in the subsidiary does not result in the loss of control, it is treated as an equity transaction. The difference between the carrying amount of the investment and the fair value of the consideration paid or received shall be directly recognized as equity.

When the Company's share of losses in a subsidiary equals or exceeds its equity investment, the losses are continued to be recognized based on the proportion of shareholding.

If the cost of investment exceeds the identifiable net assets' fair value of the subsidiary attributable to the business acquired by the Company at the acquisition date, the excess amount is recognized as goodwill. This goodwill is included in the investment's carrying amount and is not amortized. If the identifiable net assets' fair value exceeds the cost of investment, the excess amount is recognized as income for the current year.

When assessing impairment, the Company considers the overall financial report and compares the cash generating units' recoverable amount with their carrying amount. Subsequently, if the recoverable amount of an asset increases, the recovery of the impairment loss shall be recognized as an advantage, provided that the carrying amount of the asset recovered from the impairment loss shall not exceed the carrying amount of the asset to be amortized if the impairment loss is not recognized. Impairment loss attributable to goodwill may not be reversed during subsequent periods.

When control over a subsidiary is lost, the remaining investment in the former subsidiary is premeasured at its fair value at the date when control is lost, and any difference between the fair value of the remaining investment and the carrying amount of the investment on the date control is lost, as well as any proceeds from the disposal of the investment, is recognized in the income statement for the current period. Furthermore, any amounts recognized in other comprehensive income related to the subsidiary are accounted for on the same basis as required for the disposal of assets or liabilities directly related to the Company.

The unrealized gain or loss of the downstream transactions between the Company and its subsidiaries are eliminated in the individual financial reports. The gains and losses arising from the countercurrent and side current transactions between the Company and its subsidiaries shall be recognized in the individual financial report only to the extent not related to the Company's equity in the subsidiaries.

(7) Investments in Associates and Joint Ventures

Associates refer to enterprises in which the Company has significant influence but are not subsidiaries or joint ventures. Joint ventures refer to agreements between the Company and other parties for the joint control of net assets.

The Company uses the equity method for investments in associates and joint ventures.

Under the equity method, investments in associates and joint ventures are initially recognized at cost, and subsequently adjusted for the Company's share of gains and losses, as well as other comprehensive income and profit distributions from the associates and joint ventures. Furthermore, changes in the equity of associated companies and joint ventures are recognized based on the percentage of ownership.

When the acquisition cost exceeds the identifiable net assets of associated companies and joint ventures, the excess is recognized as goodwill, which is included in the carrying amount of the investment and cannot be

amortized. If the identifiable net assets of associated companies and joint ventures exceed the acquisition cost, the excess is recognized in the current period's profit or loss.

If the company does not subscribe to newly issued shares of associated companies and joint ventures based on its percentage of ownership, resulting in a change in ownership interest and a corresponding change in the carrying amount of the investment, the change is adjusted against the capital reserve, the change in ownership interest, and the investment accounted for using the equity method. However, if the company does not subscribe to or acquire shares based on its percentage of ownership, resulting in a reduction in its ownership interest in associated companies and joint ventures, the amount recognized in other comprehensive income related to the associated companies and joint ventures is reclassified based on the decrease in proportion. The accounting treatment is based on the same principles as when associated companies and joint ventures directly dispose of related assets or liabilities. If the adjustment requires a debit to the capital reserve and the balance of the capital reserve resulting from the investment accounted for using the equity method is insufficient, the difference is debited to retained earnings.

When the company's share of losses in an associated company or joint venture equals or exceeds its equity (including the carrying amount of investments in associated companies or joint ventures under the equity method and other long-term equity components that essentially form part of the company's net investment in the associated company or joint venture), no further losses shall be recognized. The company recognizes additional losses and liabilities only within the scope of statutory obligations, presumed obligations, or payments made on behalf of associated companies or joint ventures.

When assessing impairment, the company regards the entire carrying amount of the investment (including goodwill) as a single asset and compares the recoverable amount to the carrying amount in conducting an

impairment test. Any impairment loss recognized is not allocated to any asset forming part of the carrying amount of the investment, including goodwill. Any reversal of the impairment loss shall be recognized within the subsequent increase in the recoverable amount of the investment.

From the date when the company no longer applies the equity method to an associated company or joint venture, the company measures any remaining interest in the associated company or joint venture at fair value, and the difference between the fair value and the carrying amount of the investment as of the date when the equity method is no longer applied, as well as the disposal proceeds, is recognized in profit or loss for the current period. In addition, the basis for accounting for all amounts related to associated companies or joint ventures recognized in other comprehensive income is the same as the basis that must be followed when directly disposing of assets or liabilities related to associated companies or joint ventures. If the investment in an associate becomes an investment in a joint venture or vice versa, the Company will continue to apply the equity method and will not reassess the carrying amount of the retained interest.

The gains and losses arising from upstream, downstream, and lateral transactions between the Company and its associates and joint ventures will only be recognized in the individual financial statements to the extent that they are not related to the Company's interests in the associates and joint ventures.

(8) Real Estate, Plant and Equipment

Property, plant, and equipment are recognized at cost and subsequently measured at cost less accumulated depreciation and accumulated impairment losses.

Depreciation is recognized on a straight-line basis over the estimated useful lives of the assets, except for freehold land, and is allocated to each significant part of an asset separately. The Company shall, at least on the terminal date of each fiscal year, examine the estimated useful life, residual cost and depreciation method and defer the impact of changes in the applicable accounting estimates.

When real estate, factories, and equipment are disposed of, the difference between the net proceeds and the book value of the asset shall be recognized in the income statement.

(9) Investment Real Estate

Investment properties are real estate (including right-of-use assets that meet the definition of investment properties) held for the purpose of earning rental income or capital appreciation, or both. Investment properties also include land held for future use, the intended use of which has not yet been determined.

Investment properties owned by the company are initially measured at cost (including transaction costs) and subsequently measured at cost less accumulated depreciation and accumulated impairment losses.

Depreciation for investment properties is calculated on a straight-line basis.

Real estate that was previously classified as property, plant and equipment or as right-of-use assets are transferred to investment properties at the carrying amount when it ceases to be used by the company.

When investment properties are disposed of, the difference between the net proceeds and the carrying amount of the asset shall be recognized in the income statement.

(10) Intangible Assets

1. Individually acquired

Intangible assets with limited useful lives acquired individually are initially measured at cost, and subsequently measured at cost less accumulated amortization and accumulated impairment losses.

Intangible assets are amortized on a straight-line basis over their useful lives, the Company shall, at least on the terminal date of each fiscal year, examine the estimated useful life, residual cost and amortization method and defer the impact of changes in the applicable accounting estimates.

2. Disposal

When intangible assets are disposed of, the difference between the net disposal proceeds and the carrying amount of the assets is recognized in profit or loss for the year.

(11) Impairment of Property, Plant and Equipment, Investment Property and Intangible Assets

The Company assesses at each reporting date whether there is any indication that property, plant and equipment, investment property, and intangible assets may be impaired. If any indicator of impairment exists, then the recoverable amount of the asset is estimated. Where it is impossible 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.

The recoverable amount is the higher of the fair value less costs to sell and its use value. If the recoverable amount of an individual asset or cash generating unit is lower than its carrying amount, the carrying amount of the asset or cash generating unit shall be reduced to its recoverable amount, and the impairment loss shall be recognized as gain or loss.

When an impairment loss is reversed in a subsequent period, the carrying amount of the asset or cash-generating unit is increased to its revised recoverable amount, but not exceeding the carrying amount that would have been determined, net of depreciation or amortization, if no impairment loss had been recognized in previous years. The reversal of impairment loss is recognized in the statement of income.

(12) Non-Current Assets Held for Sale

Non-current assets are classified as held for sale when their carrying amount will be recovered principally through a sale transaction rather than through continuing use. Assets classified as held for sale must be available for immediate sale in their current condition, and the sale must be highly probable. When the appropriate level of management commits to a plan to sell the asset, and the sale is expected to be completed within one year from the date of classification, it is considered highly probable.

When the committed sale plan involves disposing of all or part of an investment in an associate or joint venture, only the equity interests that meet the criteria for classification as held for sale are reclassified as held for sale, and the equity method is discontinued for that portion.

Non-current assets classified as held for sale are measured at the lower of carrying amount and fair value less costs to sell.

(13) Financial Instrument

Financial assets and financial liabilities are recognized on the individual balance sheet when the Company becomes a party to the terms of the instrument.

In the initial recognition of financial assets and financial liabilities, if the financial assets or financial liabilities are not measured at fair value through gain or loss, they are directly attributable to the transaction cost measurement of acquiring or issuing financial assets or financial liabilities at fair value. The transaction cost of a financial asset or financial liability that is directly attributable to the acquisition or issuance of a financial asset or financial liability at fair value through profit or loss is immediately recognized as gain or loss.

1. Financial Assets

The customary transactions of financial assets are recognized and derecognized on the accounting date of the transaction.

(1) Measurement Type

The types of financial assets held by the Company include financial assets measured at fair value through profit or loss,

financial assets measured at amortized cost, debt instrument investments measured at fair value through other comprehensive income, and equity instrument investments measured at fair value through other comprehensive income.

A. Financial Assets at Fair Value Through Profit or Loss

Financial assets at fair value through profit or loss include financial assets at fair value through profit or loss on a mandatory basis and financial assets designated as at fair value through profit or loss. Financial assets subject to mandatory fair value measurement through profit and loss include equity instrument investments not designated to be measured at fair value through other comprehensive income, and debt instrument investments not subject to classification as measured at amortized cost or to be measured at fair value through other comprehensive income.

Financial assets measured at fair value through profit or loss are measured at fair value. For the determination of the fair value, please refer to Note 26.

B. Financial Assets Measured at Amortized Cost

If the Company's investment financial assets meet the following two conditions simultaneously, they are classified as financial assets measured by amortized cost:

- a. It is held under a business model whose objective is to hold the financial asset in order to collect contractual cash flows; and
- b. The terms of the contract generate a cash flow on a specified date that is solely for the payment of interest on the principal and the amount of principal outstanding.

After initial recognition, financial assets measured at amortized cost (including cash, receivables measured at amortized cost, and other receivables (including related parties))

are measured at the amortized cost using the effective interest method less any impairment losses. Any foreign exchange gains or losses are recognized in profit or loss.

Except for the following two situations, interest income is calculated as the product of the effective interest rate and the total carrying amount of financial assets:

- a. For the purchased or originated credit-impaired financial asset, the interest income is calculated by multiplying the credit-adjusted effective interest rate by the cost of amortization of financial assets.
- b. For financial assets that are not purchased or originated with credit impairments, but subsequently become credit-impaired, interest income shall be calculated by multiplying the amortized cost of the financial asset by the effective interest rate from the next reporting period after the credit impairment.

Credit-impaired financial assets refer to financial assets whose issuers or debtors have experienced significant financial difficulties, default, are likely to file for bankruptcy or other financial restructuring, or whose active market for financial assets has disappeared due to financial difficulties.

- C. Debt instruments measured at fair value through other comprehensive income in the financial statements.

If the company's debt instrument investments meet the following two conditions at the same time, they shall be classified as financial assets measured at fair value through other comprehensive income:

- a. The financial assets are held under a business model where the objective is to generate cash flows from collecting contractual cash flows and selling the financial assets; and

b. The terms of the contract generate a cash flow on a specified date that is solely for the payment of interest on the principal and the amount of principal outstanding.

Investments in debt instruments measured at fair value through other comprehensive income are measured at fair value, and changes in their carrying amount including interest income computed using the effective interest method, foreign exchange gains or losses, impairment losses or reversals thereof, are recognized in profit or loss, while other changes are recognized in other comprehensive income. Upon disposal of the investments, amounts previously recognized in other comprehensive income are reclassified to profit or loss.

D. Measured at Fair Value Through Other Comprehensive Income for the Equity Instrument Investment

At the time of the original recognition, the Company may make an irrevocable choice to invest in an equity instrument that is not held for trading and is not recognized as a consideration by a business combination acquirer, specifying that it be measured at fair value through other comprehensive income.

The equity instrument investment measured by other comprehensive income at fair value is measured by fair value, and subsequent changes in fair value are reported to other comprehensive income and accumulated in other equities. In the case of investment disposal, accumulated gains and losses are transferred directly to retained earnings and are not reclassified as gains and losses.

A share invested in an equity instrument at fair value through other comprehensive income shall be recognized in the gains or losses at the time of establishment of the right to collect

money of the Company, unless the dividend clearly represents a recovery of part of the investment cost.

(2) Impairment of Financial Assets

The Company recognizes impairment losses on financial assets (including accounts receivable) measured at amortized cost and debt instruments measured at fair value through other comprehensive income based on expected credit losses evaluated at each balance sheet date.

Allowance for impairment losses is recognized on accounts receivable based on the expected credit losses over their respective periods of existence. For other financial assets, the Company first assesses whether there has been a significant increase in credit risk since initial recognition. If there has not been a significant increase, the Company recognizes allowance for impairment losses based on 12-month expected credit losses. If there has been a significant increase, the Company recognizes allowance for impairment losses based on the expected credit losses over the respective periods of existence.

Expected credit losses are weighted average credit losses based on the risk of default. 12-month expected credit losses are the expected credit losses arising from the default of the financial instrument within 12 months after the reporting date. The expected credit losses during the term of duration represents the expected credit losses caused by all possible defaults of the financial instrument during the period of the expected duration.

For the purpose of internal credit risk management, and without considering the collateral held, the Company determines that a financial asset has defaulted under the following circumstances:

- A. There is internal or external information indicating that the debtor is unlikely to repay the debt.

B. The debt is overdue by more than one year, unless there is reasonable and verifiable information indicating that the criteria for delayed default are more appropriate.

The impairment loss for all financial assets is reduced by adjusting their carrying amount through the provision account. However, the provision for impairment loss on debt instrument investments measured at fair value through other comprehensive income is recognized in other comprehensive income and does not reduce their carrying amount.

(3) Disposal of Financial Assets

The Company only derecognizes financial assets when the rights to receive cash flows from the financial asset have expired or the Company has transferred the financial asset and has transferred substantially all risks and rewards of ownership to another entity.

When financial assets measured at amortized cost are derecognized as a whole, any difference between the carrying amount and the consideration received is recognized in profit or loss. When equity investments measured at fair value through other comprehensive income are derecognized as a whole, any difference between the carrying amount and the consideration received, plus any cumulative gain or loss previously recognized in other comprehensive income, is recognized in profit or loss.

2. Equity Instruments

Debt and equity instruments issued by the Company are classified as financial liabilities or equity instruments in accordance with the substance of the contractual agreement and the definitions of financial liabilities and equity instruments.

The equity instruments issued by the Company shall be recognized on the basis of the proceeds obtained after deducting the direct distribution cost.

Treasury shares held by the Company are recognized in equity and deducted from equity, and their carrying amount is calculated on a weighted average basis by type of share. Purchase, sale, issuance, or cancellation of the Company's own equity instruments are not recognized in the income statement.

3. Financial Liabilities

(1) Subsequent Measure

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

(2) Derecognition of Financial Liabilities

When financial liabilities are derecognized, the difference between the carrying amount and the consideration paid (including any non-cash assets transferred or liabilities assumed) is recognized in the income statement.

(14) Liabilities for provisions

The amount recognized as a liability reserve is the best estimate of the expenditure required to meet the obligation at the balance sheet date, taking into account the risk and uncertainty of the settlement obligation. Liability reserve is measured by the discounted present value of the estimated cash flow of the settlement obligation.

The warranty obligation for guaranteed products that meet the agreed specifications is recognized at the time of revenue recognition based on the best estimate of the expenditure required to settle the Company's obligations.

(15) Revenue Recognition

After identifying the performance obligation of the customer contract, the Company will allocate the transaction price to each performance obligation, and recognize the revenue when each performance obligation is met.

Sale Income

Revenue from sales of goods is generated from the sale of products. As the customer has established a price and the right to use the product upon

delivery to the specified location, and bears the primary responsibility of resale and the risk of obsolescence, the company recognizes revenue and accounts receivable at that point in time.

(16) Leases

At the contract inception date, the Company evaluates whether the contract is or contains a lease.

1. The Company is a Lessor

If a lease transfers substantially all of the risks and rewards of ownership of an asset to the lessee, it is classified as a finance lease. All other leases are classified as operating leases. All other leases are classified as operating leases.

The initial direct costs incurred to acquire an operating lease are capitalized to the carrying amount of the underlying asset and recognized as expenses on a straight-line basis over the lease term. The direct incremental costs incurred in obtaining an operating lease are added to the carrying amount of the leased asset, and recognized as expenses on a straight-line basis over the lease term.

2. The Company as a lessee

Lease payments for leases of low-value assets and short-term leases that qualify for recognition exemptions are recognized as expenses on a straight-line basis over the lease term.

(17) Government Grants

Government grants are recognized only when there is reasonable assurance that the Company will comply with the conditions attached to them and the grants will be received.

Government grants related to revenue are recognized as other income on a systematic basis over the periods in which the related costs for which the grant is intended to compensate are recognized as expenses. °

If a government grant is used to compensate for expenses or losses that have already occurred or to provide immediate financial assistance to the

Company without any future related costs, it should be recognized in the period in which it is receivable in the income statement.

(18) Employee Benefits

1. Short-Term Employee Benefits

The related liabilities for short-term employee benefits are measured at the non-discounted amount expected to be paid in exchange for employee services.

2. Benefits After Retirement

The determined amount of retirement benefits to be provided under the retirement plan should be recognized as expenses during the period in which the employees provide services.

(19) Income Taxes

Income tax expense is the sum of current income tax and deferred income tax.

1. Current Income Tax

The company determines current income based on tax regulations and calculates the income tax payable accordingly.

The income tax surcharge calculated in accordance with the Taiwan Income Tax Act on the undistributed earnings is recognized annually upon resolution by the shareholders' meeting.

Adjustment for prior-year income tax payable has been included in the current year income tax.

2. Deferred income tax

Deferred income tax is calculated based on the temporary differences between the carrying amounts of assets and liabilities and the tax bases used for calculating taxable income.

Deferred income tax liabilities are generally recognized for all temporary differences that are taxable, while deferred income tax assets are recognized when it is probable that there will be taxable income available against which the temporary differences and tax loss can be offset.

Taxable temporary differences relating to investment subsidiaries are recognized as deferred income tax liabilities, except where the Company can control the point at which the temporary difference reverses and where it is likely that the temporary difference will not reverse in the foreseeable future. The deductible temporary difference relating to such investment shall be recognized as a deferred income tax asset only to the extent that it is likely to have sufficient taxable income to realize the temporary difference and to the extent that it is expected to reverse in the foreseeable future.

The carrying amount of the deferred income tax assets shall be re-examined on each balance sheet date and reduced in respect of those assets for which there is no longer likely to be sufficient tax to recover all or part of the assets. Where deferred income tax assets are not previously recognized as assets, they are also re-examined on each balance sheet date and there is a high probability of future taxation to allow them to recover all or part of their assets and to increase their carrying amounts.

Deferred income tax assets and liabilities are measured by the tax rate of expected settlement of liabilities or realization of assets in the current period. The tax rate is based on the tax rate and tax law enacted or substantially enacted on the balance sheet date. The deferred income tax liabilities and assets measurement is to reflect the tax consequences of the way the Company is expected to recover or repay the carrying amount of its assets and liabilities on the balance sheet date.

3. Current and Deferred Income Taxes

Current and deferred income tax are recognized in profit or loss, except for items related to current and deferred income tax that are recognized in other comprehensive income or directly in equity, in which case the current and deferred income tax are separately recognized in other comprehensive income or directly in equity.

5. Critical accounting judgments, estimates and key sources of assumption uncertainty

When adopting accounting policies, the management of the Company must make judgments, estimates and assumptions based on historical experience and other relevant factors for items that are not readily obtainable from other sources. Actual results may differ from these estimates.

Management reviews estimates and underlying assumptions on an ongoing basis as the Company develops critical accounting estimates.

6. Cash

	December 31, 2023	December 31, 2022
Cash in Treasury	\$ 200	\$ 200
Bank checks and demand deposits.	<u>86,184</u>	<u>78,962</u>
	<u>\$ 86,384</u>	<u>\$ 79,162</u>

Interest rate range of bank deposits as of the balance sheet date:

	December 31, 2023	December 31, 2022
Bank deposit	0.51%-1.45%	0.385%-1.05%

7. Financial Instruments at Fair Value Through Profit or Loss

	December 31, 2023	December 31, 2022
<u>Financial Assets - Non-Current</u> Equity Instruments Mandatorily Measured at Fair Value Through Profit or Loss		
Other Financial Assets	<u>\$ 30,710</u>	<u>\$ -</u>

When the Company acquires a financial asset containing stock options, the Company recognizes the contract in its entirety as a financial asset at fair value through profit or loss at the time of original recognition.

8. Financial Assets Measured at Fair Value Through Other Consolidated Profit or Loss

	December 31, 2023	December 31, 2022
<u>Non-Current</u>		
Investment of Equity Instrument	\$ 245,680	\$ -
Debt Securities Investment	<u>9,681</u>	<u>3,043</u>
	<u>\$ 255,361</u>	<u>\$ 3,043</u>

(1) Investment of Equity Instrument

	December 31, 2023	December 31, 2022
<u>Non-Current</u>		
Foreign TWSE-Listed (OTC-Listed) Stocks	\$ 257,862	\$ -
Valuation Adjustment	<u>(12,182)</u>	<u>-</u>
	<u>\$ 245,680</u>	<u>\$ -</u>

The Company invests in the above investments in foreign equity instruments for medium- to long-term strategic purposes and expects to realize profits from these investments over the long term. In the opinion of the management of the Company, if the short-term fair value fluctuations of the investment are included in the gain or loss, it is not consistent with the foregoing permanent investment plan. Therefore, the management of the merged company chooses to designate the investment as measured by the fair value through other comprehensive income.

(2) Debt Securities Investment

	December 31, 2023	December 31, 2022
<u>Non-Current</u>		
Foreign Investments		
Ford Motor Company Bonds (1)	\$ 3,522	\$ 3,043
Pfizer Inc. Bonds (2)	<u>6,159</u>	<u>-</u>
	<u>\$ 9,681</u>	<u>\$ 3,043</u>

- In February 2021, the Company purchased 26-year corporate bonds issued by Ford Motor Company with a face value interest rate of 5.291% and a yield rate of 4.70%.

2. In August 2023, the Company purchased 10-year corporate bonds issued by Pfizer Inc. with a face value interest rate of 4.75% and a yield rate of 4.63%.

9. Financial assets measured at amortized cost

	December 31, 2023	December 31, 2022
<u>Current</u>		
Pledged Demand Deposit	\$ 180,045	\$ 207,191
Pledged Time Deposit	133,388	151,417
Pledged Bonds with Repurchase	20,000	-
	<u>\$ 333,433</u>	<u>\$ 358,608</u>

Information on financial assets pledged at amortized cost is disclosed in Note 28.

10. Net Accounts Receivable

	December 31, 2023	December 31, 2022
<u>Accounts Receivable</u>		
Measured at Amortized Cost		
Total Carrying Amount	\$ 967,389	\$ 873,525
Loss Allowance	-	(284)
	<u>\$ 967,389</u>	<u>\$ 873,241</u>

To mitigate credit risk, the management of the Company has assigned a dedicated team to make decisions on credit limits, credit approvals, and other monitoring procedures to ensure that appropriate actions have been taken for the recovery of overdue receivables. In addition, as of the balance sheet date, the Company has conducted a review of the recoverable amount of each receivable to ensure that adequate impairment losses have been provided for any unrecoverable receivables. Based on this, the management of the Company believes that the credit risk of the Company has significantly decreased.

The Company recognizes the provision for credit losses on accounts receivable based on the expected credit losses over the life of the receivables. The expected credit losses over the life of the receivables are determined by considering the customer's past default history and current financial condition,

as well as the industry and economic situation. Since the Company's historical credit loss experience shows no significant difference in loss patterns among different customer groups, the Company did not further classify customer groups and only determined the expected credit loss rate based on the number of days the accounts receivable is past due.

If there is evidence that the counterparty is facing severe financial difficulties and the Company is unable to reasonably estimate the recoverable amount, the Company will fully provide for the allowance for doubtful accounts, but will continue its collection efforts, and the amount recovered will be recognized in profit or loss.

The aging analysis of accounts receivable is as follows:

	December 31, 2023	December 31, 2022
	<u> </u>	<u> </u>
Within 30 days	\$ 943,749	\$ 865,962
31-120 days	18,874	5,286
121-240 days	4,206	1,993
241-360 days	560	-
Over 360 days	<u>-</u>	<u>284</u>
	<u>\$ 967,389</u>	<u>\$ 873,525</u>

The above is an aging analysis based on overdue days.

Changes in the allowance for loss for accounts receivables:

	<u>Year 2023</u>	<u>Year 2022</u>
Year Beginning Balance	\$ 284	\$ 284
Expected credit turnover benefits.	(315)	-
Foreign Currency Translation	<u>31</u>	<u>-</u>
Year End Balance	<u>\$ -</u>	<u>\$ 284</u>

Please refer to Note 26(5) for information on the amounts and terms of the company's sold and assigned receivables.

The company has also pledged some of its receivables as collateral for borrowings, please refer to Note 28.

11. Non-Current Assets Held for Sale - Net Amount

	<u>December 31, 2023</u>	<u>December 31, 2022</u>
Non-Current Assets Held for Sale	<u>\$ 13,020</u>	<u>\$ -</u>

The Company's investment in Ability Enterprise CO LTD is in an unlisted company with low liquidity of its stock. On December 27, 2023, the Company entered into a share purchase agreement with other shareholders (the buyer) of the company, agreeing to repurchase 2,000,000 shares of Ability Technology CO LTD held by the Company and complete the delivery by June 2024. Therefore, the investment accounted for using the equity method is reclassified as non-current assets held for sale.

12. Inventory - Net Amount

	<u>December 31, 2023</u>	<u>December 31, 2022</u>
Commodities	<u>\$ 5,357</u>	<u>\$ 14,727</u>

The nature of cost of goods sold is as follows:

	<u>Year 2023</u>	<u>Year 2022</u>
Operating Costs Related to Inventory	<u>\$ 3,477,289</u>	<u>\$ 4,603,923</u>

13. Investments Accounted for Using Equity Method

	December 31, 2023	December 31, 2022
Investments in Subsidiaries	<u>\$ 1,836,113</u>	<u>\$ 1,246,137</u>
Investment in associates and joint ventures.	<u>-</u>	<u>14,968</u>
	<u>\$ 1,836,113</u>	<u>\$ 1,261,105</u>

(1) Investment in subsidiaries

	December 31, 2023	December 31, 2022
Tech. Pioneer, Ltd.	<u>\$ 833,322</u>	<u>\$ 863,735</u>
Ampacs International Company Limited	<u>1,002,791</u>	<u>382,402</u>
	<u>\$ 1,836,113</u>	<u>\$ 1,246,137</u>

	Percentage of Ownership Interests and V o t i n g R i g h t s	
	December 31, 2023	December 31, 2022
<u>S u b s i d i a r y N a m e</u>		
Tech. Pioneer, Ltd. (1)	100%	100%
Ampacs International Company Limited (1) & (2)	100%	100%

1. The share of profit or loss and other comprehensive income of subsidiaries accounted for using the equity method for the years 2023 and 2022 are recognized based on the audited financial reports of those companies for the same periods.
2. The Board of Directors of the Company resolved on December 29, 2022, to increase the capital of its subsidiary, AMP New International Limited, by USD 20,000 thousand. The Company increased its investment in proportion to its ownership of 100%. As of December 31, 2023, the Company has paid the capital increase amounting to USD 20,000 thousand.

(2) Individually insignificant associated companies and joint ventures

	December 31, 2023	December 31, 2022
Individually insignificant associated companies and joint ventures		

Ability Technology CO LTD	\$ -	\$ 14,968
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Individually insignificant associated companies and joint ventures as follows:

Company Name	Nature of Business	Primary business v e n u e	Ownership equity and voting percentage	
			December 31, 2023	December 31, 2022
Ability Technology CO LTD	Manufacturing and trading of computer peripherals, photographic equipment, and electronic components	New Taipei City	-	40%

In April 2022, the Company signed an agreement with Canon Inc. to establish a joint venture named Ability Technology CO LTD with a 40% equity interest by investing cash of NT\$20,000 thousand. The Company does not have substantive control over the joint venture.

The Company reclassified its investment in Ability Technology CO LTD, accounted for using the equity method, as non-current assets held for sale as of December 31, 2023. Please refer to Note 11 for details.

The investments accounted for using the equity method, and the Company's share of their profit or loss and other comprehensive income are recognized based on the audited financial statements for the same period.

Summary Information on Individually Immaterial Affiliated Companies and Joint Ventures

	December 31, 2023	December 31, 2022
Share Enjoyed by the Company		
Net Loss for the Current Year	(2,383)	(4,442)
Other Comprehensive Profit and Loss	435	(590)
Total Comprehensive Profit and Loss	(\$ 1,948)	(\$ 5,032)

14. Property, Plant and Equipment - Net Amount

	L a n d	Buildings a n d S t r u c t u r e s	O f f i c e E q u i p m e n t	M a c h i n e r y E q u i p m e n t	T e s t E q u i p m e n t	O t h e r E q u i p m e n t	T o t a l
<u>Cost</u>							
Balance as of January 1, 2022	\$ 1,206,525	\$ 149,562	\$ 13,506	\$ 446	\$ 52,154	\$ 11,791	\$ 1,433,984
Add	-	-	-	-	650	497	1,147
Reclassify	-	(61,321)	-	-	-	-	(61,321)
Balance as of December 31, 2022	<u>\$ 1,206,525</u>	<u>\$ 88,241</u>	<u>\$ 13,506</u>	<u>\$ 446</u>	<u>\$ 52,804</u>	<u>\$ 12,288</u>	<u>\$ 1,373,810</u>
<u>Accumulated</u>							
<u>Depreciation</u>							
Balance as of January 1, 2022	\$ -	\$ 5,375	\$ 9,389	\$ 328	\$ 15,473	\$ 6,464	\$ 37,029
Depreciation Expenses	-	1,968	2,055	37	9,127	1,999	15,186
Reclassify	-	(1,173)	-	-	-	-	(1,173)
Balance as of December 31, 2022	<u>\$ -</u>	<u>\$ 6,170</u>	<u>\$ 11,444</u>	<u>\$ 365</u>	<u>\$ 24,600</u>	<u>\$ 8,463</u>	<u>\$ 51,042</u>
Net at December 31, 2022	<u>\$ 1,206,525</u>	<u>\$ 82,071</u>	<u>\$ 2,062</u>	<u>\$ 81</u>	<u>\$ 28,204</u>	<u>\$ 3,825</u>	<u>\$ 1,322,768</u>
<u>Cost</u>							
Balance as of January 1, 2023	\$ 1,206,525	\$ 88,241	\$ 13,506	\$ 446	\$ 52,804	\$ 12,288	\$ 1,373,810
Add	-	-	47	-	-	102	149
Disposal	-	-	(1,414)	-	-	(90)	(1,504)
December 31, 2023 Balance	<u>\$ 1,206,525</u>	<u>\$ 88,241</u>	<u>\$ 12,139</u>	<u>\$ 446</u>	<u>\$ 52,804</u>	<u>\$ 12,300</u>	<u>\$ 1,372,455</u>
<u>Accumulated</u>							
<u>Depreciation</u>							
Balance as of January 1, 2023	\$ -	\$ 6,170	\$ 11,444	\$ 365	\$ 24,600	\$ 8,463	\$ 51,042
Depreciation Expenses	-	1,764	1,575	37	8,570	1,604	13,550
Disposal	-	-	(1,414)	-	-	(90)	(1,504)
December 31, 2023 Balance	<u>\$ -</u>	<u>\$ 7,934</u>	<u>\$ 11,605</u>	<u>\$ 402</u>	<u>\$ 33,170</u>	<u>\$ 9,977</u>	<u>\$ 63,088</u>
Net Amount as of December 31, 2023	<u>\$ 1,206,525</u>	<u>\$ 80,307</u>	<u>\$ 534</u>	<u>\$ 44</u>	<u>\$ 19,634</u>	<u>\$ 2,323</u>	<u>\$ 1,309,367</u>

Depreciation expenses are recognized on a straight-line basis over the following useful lives:

Buildings and Structures	50 years
Office Equipment	3 - 6 years
Machinery Equipment	3 - 5 years
Test Equipment	3 - 10 years
Other Equipment	2 to 5 Years

Refer to Note 28 for the amount of real estate, plant, and equipment set as collateral for borrowings.

15. Investment Real Estate

	<u>Investment Real Estate</u>
<u>Cost</u>	
Balance as of January 1, 2023	\$ 61,321
Add	<u>-</u>
December 31, 2023 Balance	<u>\$ 61,321</u>
<u>Accumulated Depreciation</u>	
Balance as of January 1, 2023	\$ 2,196
Depreciation Expenses	<u>1,227</u>
December 31, 2023 Balance	<u>\$ 3,423</u>
Net Amount as of December 31, 2023	<u>\$ 57,898</u>
<u>Cost</u>	
Balance as of January 1, 2022	\$ -
From Property plant, and equipment	<u>61,321</u>
Balance as of December 31, 2022	<u>\$ 61,321</u>
<u>Accumulated Depreciation</u>	
Balance as of January 1, 2022	\$ -
Depreciation Expenses	1,023
From Property Plant, and Equipment	<u>1,173</u>
Balance as of December 31, 2022	<u>\$ 2,196</u>
Net at December 31, 2022	<u>\$ 59,125</u>

The investment properties are depreciated on a straight-line basis over their estimated useful lives as follows:

Buildings	50 years
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The fair value of investment properties located in the Taipei area that the Company holds has not been assessed by independent appraisers. The assessment of their fair values is based on market evidence of transactions for similar properties and is provided by the management of the Company. The fair values obtained are as follows:

	December 31, 2023	December 31, 2022
Fair Value	<u>\$432,045</u>	<u>\$432,295</u>

Note 28 of the financial statements contains the amount of investment properties that have been designated as collateral for borrowings.

16. Intangible Assets - Net Amount

	<u>P a t e n t</u>	<u>Trademarks</u>	<u>C o s t o f c o m p u t e r s o f t w a r e</u>	<u>T o t a l</u>
<u>Cost</u>				
Balance as of January 1, 2022	\$ 2,326	\$ 520	\$ 21,217	\$ 24,063
Acquisition	<u>-</u>	<u>-</u>	<u>970</u>	<u>970</u>
Balance as of December 31, 2022	<u>\$ 2,326</u>	<u>\$ 520</u>	<u>\$ 22,187</u>	<u>\$ 25,033</u>
<u>Accumulated Amortization</u>				
Balance as of January 1, 2022	\$ 1,580	\$ 433	\$ 13,804	\$ 15,817
Amortization	<u>55</u>	<u>33</u>	<u>3,565</u>	<u>3,653</u>
Balance as of December 31, 2022	<u>\$ 1,635</u>	<u>\$ 466</u>	<u>\$ 17,369</u>	<u>\$ 19,470</u>
Net at December 31, 2022	<u>\$ 691</u>	<u>\$ 54</u>	<u>\$ 4,818</u>	<u>\$ 5,563</u>
<u>Cost</u>				
Balance as of January 1, 2023	\$ 2,326	\$ 520	\$ 22,187	\$ 25,033
Acquisition	-	-	1,419	1,419
Disposal	<u>(1,441)</u>	<u>(193)</u>	<u>(5,404)</u>	<u>(7,038)</u>
December 31, 2023	<u>\$ 885</u>	<u>\$ 327</u>	<u>\$ 18,202</u>	<u>\$ 19,414</u>
<u>Accumulated Amortization</u>				
Balance as of January 1, 2023	\$ 1,635	\$ 466	\$ 17,369	\$ 19,470
Amortization	56	24	2,972	3,052
Disposal	<u>(1,441)</u>	<u>(193)</u>	<u>(5,404)</u>	<u>(7,038)</u>
December 31, 2023	<u>\$ 250</u>	<u>\$ 297</u>	<u>\$ 14,937</u>	<u>\$ 15,484</u>
Net Amount as of December 31, 2023	<u>\$ 635</u>	<u>\$ 30</u>	<u>\$ 3,265</u>	<u>\$ 3,930</u>

Depreciation expenses are recognized on a straight-line basis and calculated based on the following estimated useful lives:

Patent	1 to 19 Years
Trademarks	10 Years

Cost of Computer Software

2 to 10 Years

Amortization expenses are aggregated by function:

	<u>Year 2023</u>	<u>Year 2022</u>
Research and Development Expenses	\$ 2,809	\$ 3,582
Administration Expenses	<u>243</u>	<u>71</u>
	<u>\$ 3,052</u>	<u>\$ 3,653</u>

17. Loans

(1) Short-Term Loan

	<u>December 31, 2023</u>	<u>December 31, 2022</u>
Secured Loans (Note 28)		
Bank Warranty Loan	\$ 1,211,664	\$ 969,817
Receivables-Backed Loans	<u>445,314</u>	<u>504,995</u>
	<u>1,656,978</u>	<u>1,474,812</u>
<u>Unsecured Loans</u>		
Bank Loans	<u>462,433</u>	<u>267,536</u>
	<u>\$ 2,119,411</u>	<u>\$ 1,742,348</u>
Interest Rate Collars	<u>2.00%~7.30%</u>	<u>1.718%~6.818%</u>

(2) Short-Term Notes Payable

	<u>December 31, 2023</u>	<u>December 31, 2022</u>
Commercial Paper Payable	<u>\$ 250,000</u>	<u>\$ 100,000</u>
Interest Rate Collars	<u>1.558%~2.733%</u>	<u>2.258%</u>

(3) Long-term borrowings

	<u>December 31, 2023</u>	<u>December 31, 2022</u>
Secured Loans (Note 28)		
Bank Warranty Loan	\$ 743,813	\$ 951,138
Less: Portion due within 1 year	(<u>61,484</u>)	(<u>210,993</u>)
	<u>682,329</u>	<u>740,145</u>
<u>Unsecured Loans</u>		
Credit Loan	37,500	60,000
Less: Portion due within 1 year	(<u>30,000</u>)	(<u>30,000</u>)

year	<u>7,500</u>	<u>30,000</u>
	<u>\$ 689,829</u>	<u>\$ 770,145</u>
Interest Rate Collars	<u>2.050%~2.350%</u>	<u>1.925%~2.224%</u>

18. Other Payables

	December 31, 2023	December 31, 2022
Accrued Salaries and Bonuses	\$ 20,913	\$ 23,331
Interest Payable	12,468	8,406
Labor Fees Payable	3,563	3,211
Others (Note)	<u>8,333</u>	<u>14,647</u>
	<u>\$ 45,277</u>	<u>\$ 49,595</u>

Note: Other expenses are mainly sample fees, miscellaneous purchase and transportation costs.

19. Benefits After Retirement Plan

The retirement scheme adopted by the Company is governed by the Labor Retirement Pension Act, which is a government-managed defined contribution retirement plan. Retirement funds are allocated at a rate of 6% of employees' monthly salaries and deposited into individual accounts with the Labor Insurance Bureau.

20. Equity

(1) Capital Stock

Common Stock

	December 31, 2023	December 31, 2022
Authorized Stock Number (1,000 shares)	<u>500,000</u>	<u>500,000</u>
Authorized Capital Stock	<u>\$ 5,000,000</u>	<u>\$ 5,000,000</u>
Number of Shares Issued and Fully Paid (1,000 shares)	<u>150,000</u>	<u>150,000</u>
Issued Capital	<u>\$ 1,500,000</u>	<u>\$ 1,500,000</u>

(2) Capital Surplus

December 31, 2023	December 31, 2022
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May be used to cover losses, release cash or replenish share capital (1)		
Share issuance premium	\$ 1,039,175	\$ 1,092,275
Differences between actual acquisition or disposal price of subsidiary shares and their book values.	2,481	2,481
Repurchase Stock Trading	<u>801</u>	<u>801</u>
	<u>1,042,457</u>	<u>1,095,557</u>
<u>It Can Only Be Used to Cover Losses</u>		
Number of Changes in Ownership Interests Recognized in Subsidiaries (2)	<u>2,380</u>	<u>2,380</u>
	<u>\$ 1,044,837</u>	<u>\$ 1,097,937</u>

1. Such capital surplus may be used to offset losses and, when the company has no losses, it may be used for cash distribution or capitalization, subject to a certain percentage of the paid-up capital when capitalizing.
2. The impact of equity transactions related to changes in subsidiary equity is recognized in this capital surplus when the Company does not actually acquire or dispose of subsidiary equity.

(3) Retained Earnings and Dividend Policy

In accordance with the Company's articles of incorporation, when there is a surplus in the annual financial statements, an estimate should be made for the provision of taxes and donations, offsetting losses as required by law, allocation to legal reserve funds, and the allocation or reversal of special reserve funds according to relevant laws and regulations. For the distribution of surplus in cash, it shall be determined by the Board of Directors. When distribution is made through the issuance of new shares, it shall be resolved by the shareholders' meeting as stipulated.

For the Company's policies on employee and director remuneration distribution, please refer to Note 22(6) Employee and Director Remuneration Explanation.

The appropriated as legal capital reserve shall be set aside until the balance reaches the total paid-up capital stock of the company. The appropriated as legal capital reserve may be used to cover deficiencies. When the legal reserve fund exceeds 25% of the total paid-up capital and there are no losses, the excess amount may be distributed in cash in addition to capitalization.

When allocating to the special reserve fund from the net balance of other accumulated comprehensive income in previous periods, if the undistributed earnings from previous periods are insufficient for allocation, the amount will be allocated from the current year's retained earnings, including items other than the current year's net profit after tax, into the undistributed earnings of the current period.

The Company may distribute dividends in the form of cash dividends or stock dividends, but this decision must take into account factors such as the current and future investment environment, capital requirements, domestic and international competitive conditions, and capital budgeting. The Company also considers shareholder interests, balance dividends, and long-term financial and business planning. Each year, at least 10% of distributable profits may be allocated for shareholder dividends. However,

dividends may not be distributed if the accumulated distributable profits are less than 10% of the issued share capital. If the Company decides to distribute dividends to shareholders, the proportion of cash dividends distributed should not be less than 10% of the total dividend amount.

Earnings Distribution for the Years 2022 and 2021:

	Earnings Distribution Plan		Dividends Per Share (NT\$)	
	Year 2022	Year 2021	Year 2022	Year 2021
Legal Surplus				
Reserve	\$ 7,333	\$ -	\$ -	\$ -
(Reversal)				
Appropriation to Special Retained Earnings	(47,710)	17,314	-	-
Cash Dividends	20,650	10,325	0.14	0.07
Stock Dividends	-	-	-	-
Capital Surplus				
Distribution				
Cash				
Dividends	53,100	63,425	0.36	0.43
Capital Surplus				
Distribution				
Stock				
Dividends	-	-	-	-

The cash dividends mentioned above were distributed on April 27, 2023, and April 28, 2022, respectively, as resolved by the Board of Directors. The remaining earnings distribution items were also resolved by the Shareholders' Meeting on June 16, 2023, and June 14, 2022.

As of the date of this Individual financial report, the Board of Directors has not yet proposed the earnings distribution plan for the year 2023.

(4) Special Surplus Reserve

	Year 2023	Year 2022
Year Beginning Balance	\$ 191,736	\$ 174,422
(Reversal) Appropriation to	(47,710)	17,314

Special Retained Earnings		
Year End Balance	<u>\$ 144,026</u>	<u>\$ 191,736</u>

(5) Other Equity Items

1. Exchange Differences on Conversion of the Financial Statements of Foreign Operation

	<u>Year 2023</u>	<u>Year 2022</u>
Year Beginning Balance	(<u>\$ 115,816</u>)	(<u>\$ 165,115</u>)
Produced in the Current Year		
Conversion Difference of Foreign Operations	(57,385)	49,889
Share of Associates and Joint Ventures Accounted for Using the Equity Method	435	(590)
Reclassification Adjustment		
Reclassification Related to Equity Directly Associated With Non-current Assets Held for Sale	<u>155</u>	<u>-</u>
Other consolidated gains and losses for the year	(<u>56,795</u>)	<u>49,299</u>
Year End Balance	(<u>\$ 172,611</u>)	(<u>\$ 115,816</u>)

2. Unrealized Gains (Losses) of Financial Assets Are Measured at Fair Value Through Other Comprehensive Income

	<u>Year 2023</u>	<u>Year 2022</u>
Year Beginning Balance	(<u>\$ 28,210</u>)	(<u>\$ 26,621</u>)
Produced in the Current Year		
Unrealized Gains and Losses		
Debt Securities Investment	<u>338</u>	(<u>1,589</u>)

Other Consolidated Gains and Losses for the Year	<u>338</u>	<u>(1,589)</u>
Year End Balance	<u>(\$ 27,872)</u>	<u>(\$ 28,210)</u>

3. Equities Directly Related to the Non-Current Assets Held for Sale

	<u>Year 2023</u>	<u>Year 2022</u>
Year Beginning Balance	\$ -	\$ -
Exchange Differences on Conversion of the Financial Statements of Foreign Operation Reclassification	<u>(155)</u>	<u>-</u>
Year End Balance	<u>(\$ 155)</u>	<u>\$ -</u>

(6) Treasury Stock

	<u>Year 2023</u>	<u>Year 2022</u>
Year Beginning and the End Number of Shares (1000 Shares)	<u>2,500</u>	<u>2,500</u>

In August 2021, the company's Board of Directors approved the repurchase of treasury shares for the purpose of transferring them to employees.

The treasury shares held by the company are subject to regulations under the Securities and Exchange Act, which prohibit pledging and restrict the rights to receive dividends and exercise voting rights.

21. Income

	<u>Year 2023</u>	<u>Year 2022</u>
Customer contract revenue		
Consumer Electronics Products	\$ 3,523,530	\$ 4,643,508
Plastic Components	<u>250,894</u>	<u>285,481</u>
	<u>\$ 3,774,424</u>	<u>\$ 4,928,989</u>

22. Net Profit (Loss)

(1) Other Income

	<u>Year 2023</u>	<u>Year 2022</u>
Interest Revenue	\$ 5,605	\$ 1,741
Rental Revenue	<u>15,591</u>	<u>14,830</u>
	<u>\$ 21,196</u>	<u>\$ 16,571</u>
 (2) Other Profits and Losses		
	<u>Year 2023</u>	<u>Year 2022</u>
Net Foreign Exchange Profit	\$ 35,652	\$ 208,004
Depreciation Expense of Investment Properties	(1,227)	(1,023)
Others	<u>(1,206)</u>	<u>(9,933)</u>
	<u>\$ 33,219</u>	<u>\$ 197,048</u>
 (3) Finance costs		
	<u>Year 2023</u>	<u>Year 2022</u>
Interest expenses of bank borrowings	\$ 117,305	\$ 76,628
Pledge Receivables Handling Fee	<u>3,968</u>	<u>5,192</u>
	<u>\$ 121,273</u>	<u>\$ 81,820</u>
 (4) Depreciation and Amortization		
	<u>Year 2023</u>	<u>Year 2022</u>
Depreciation Expenses Are Summarized by Function		
Operating Expenses	\$ 13,550	\$ 15,186
Other Profits and Losses	<u>1,227</u>	<u>1,023</u>
	<u>\$ 14,777</u>	<u>\$ 16,209</u>
Amortization Expenses Summarized by Functional Category in Operating Expenses		
Operating Expenses	<u>\$ 3,052</u>	<u>\$ 3,653</u>
 (5) Employee Benefits Expenses		
	<u>Year 2023</u>	<u>Year 2022</u>
Short-Term Employee Benefits	\$ 164,659	\$ 174,251
Benefits After Retirement Defined Contribution Plan	6,862	7,091

Other Employee Benefits	<u>2,221</u>	<u>3,037</u>
Total Employee Benefits Expenses	<u>\$ 173,742</u>	<u>\$ 184,379</u>
Functional Consolidation: Operating Expenses	<u>\$ 173,742</u>	<u>\$ 184,379</u>

(6) Employee and Director Remuneration

In accordance with the company's articles of incorporation, the company is required to allocate a portion of the pre-tax income, excluding employee and director compensation, for the payment of employee compensation, which shall not be less than 1%, and director compensation, which shall not exceed 3%. However, in the event of accumulated losses, they shall be offset first.

Due to a net loss in the fiscal year 2023, no provision was made for employee compensation and director remuneration. The employee compensation and director remuneration for the fiscal year 2022 were resolved by the Board of Directors on March 22, 2023, as follows:

Itemize Ratio

	<u>Year 2023</u>	<u>Year 2022</u>
Employee Consideration	-	1%
Director Consideration	-	1%

Amount

	<u>Year 2023</u>		<u>Year 2022</u>	
	<u>C a s h</u>	<u>S t o c k s</u>	<u>C a s h</u>	<u>S t o c k s</u>
Employee Consideration	\$ -	\$ -	\$ 1,090	\$ -
Director Consideration	-	-	1,090	-

If there is any change in the amount after the publication of the annual individual financial report, it shall be treated according to the change of accounting estimation and be recorded in the next year.

The actual amount of employee and director compensation distributed in the year 2022 was consistent with the recognized amount in the individual financial statements for the same period.

For information on employee remuneration and directors' remuneration resolved by the Board of Directors of the Company, please visit the Taiwan Stock Exchange Public Information Observatory.

23. Income Tax

(1) The main components of income tax expense recognized in profit or loss

	<u>Year 2023</u>	<u>Year 2022</u>
Current Income Tax		
Generated During the		
Year	\$ -	\$ 36,167
Surtax on		
Undistributed Retained		
Earnings	4,575	-
Income Tax		
Adjustments for Previous		
Years	5,081	(7,388)
Deferred Income Tax		
Generated During the		
Year	(<u>4,334</u>)	<u>4,743</u>
Income Tax Expenses		
Recognized in Gain or		
Loss	<u>\$ 5,322</u>	<u>\$ 33,522</u>

The adjustment between profit (loss) before tax and income tax expense is as follows:

	<u>Year 2023</u>	<u>Year 2022</u>
Net Profit (Loss) Before Tax	(<u>\$ 1,495</u>)	<u>\$ 106,852</u>
Income Tax (Interest)		
Expense Calculated at		
Statutory Tax Rate for Net		
Profit Before Tax	(\$ 299)	\$ 21,370
Surtax on Undistributed		
Retained Earnings	4,575	-
Temporary differences may		
be deducted if not		
recognized	(4,035)	19,540
Income Tax Adjustments for		
Previous Years	<u>5,081</u>	(<u>7,388</u>)
Income Tax Expenses	<u>\$ 5,322</u>	<u>\$ 33,522</u>

Recognized in Gain or
Loss

(2) Deferred Tax Assets and Liabilities

Changes in deferred tax assets and liabilities are as follows:

Year 2023

	Y e a r B e g i n n i n g B a l a n c e	Recognized i n P r o f i t o r L o s s	Recognized i n O t h e r C o n s o l i d a t e d P r o f i t o r L o s s	Y e a r E n d B a l a n c e
<u>Deferred Income Tax Assets</u>				
Temporary Differences				
Unrealized Exchange Loss	\$ 725	\$ 449	\$ -	\$ 1,174
Provision for short-term liabilities for warranty	3,162	1,898	-	5,060
Investments Accounted for Using the Equity Method	34,928	-	-	34,928
Asset Impairment Losses	22	-	-	22
Non-Leave Bonus	<u>314</u>	<u>-</u>	<u>-</u>	<u>314</u>
	39,151	2,347	-	41,498
Deficiency Deduction	<u>-</u>	<u>1,987</u>	<u>-</u>	<u>1,987</u>
	<u>\$ 39,151</u>	<u>\$ 4,334</u>	<u>\$ -</u>	<u>\$ 43,485</u>

Year 2022

	Y e a r B e g i n n i n g B a l a n c e	Recognized i n P r o f i t o r L o s s	Recognized i n O t h e r C o n s o l i d a t e d P r o f i t o r L o s s	Y e a r E n d B a l a n c e
<u>Deferred Income Tax Assets</u>				
Temporary Differences				
Unrealized Exchange Loss	\$ 5,612	(\$ 4,887)	\$ -	\$ 725
Provision for short-term liabilities for warranty	3,018	144	-	3,162
Investments Accounted for Using the Equity Method	39,310	-	(4,382)	34,928
Asset Impairment Losses	22	-	-	22
Non-Leave Bonus	<u>314</u>	<u>-</u>	<u>-</u>	<u>314</u>
	<u>\$ 48,276</u>	<u>(\$ 4,743)</u>	<u>(\$ 4,382)</u>	<u>\$ 39,151</u>

(3) Information on Unused Loss Carryforwards

Information on the utilization of accumulated losses as of December 31, 2023, is as follows:

<u>R e m a i n i n g</u> <u>Balance of Loss</u> <u>Carryforwards</u>	<u>L a s t Y e a r o f</u> <u>U t i l i z a t i o n</u>
<u>\$ 9,935</u>	<u>122 Years</u>

(4) Income Tax Assessment

The corporate income tax for the Company's profit-making business has been assessed by the tax authorities for cases up to the fiscal year ended 2021.

24. Earnings (Loss) Per Share

	Unit: NT\$ Per Share	
	<u>Year 2023</u>	<u>Year 2022</u>
Basic Earnings (Loss) Per Share	(<u>\$ 0.05</u>)	<u>\$ 0.50</u>
Dilution Earnings (Loss) Per Share	(<u>\$ 0.05</u>)	<u>\$ 0.50</u>

The earnings (loss) and weighted average number of ordinary shares used to compute earnings (loss) per share are as follows:

Net Profit (Loss)

	<u>Year 2023</u>	<u>Year 2022</u>
The Net (Loss) Profit Used to Calculate Basic and Diluted Earnings (Loss) Per Share	(<u>\$ 6,817</u>)	<u>\$ 73,330</u>

Number of Shares Unit: 1000 shares

	<u>Year 2023</u>	<u>Year 2022</u>
Is used to calculate the weighted average number of ordinary shares of basic earnings per share.	147,500	147,500
The impact of potential ordinary shares with dilutive effect:		
Employee Consideration	<u>-</u>	<u>30</u>
The weighted average number of common shares used to calculate Diluted earnings	<u>147,500</u>	<u>147,530</u>

per share

If the Company may choose to pay its employees in stock or cash, when calculating the diluted earnings per share, it is assumed that the employee bonus will be paid in stock, and the weighted average number of outstanding shares in circulation will be included when the potential ordinary shares have dilutive effect, so as to calculate the diluted earnings per share. The dilutive effect of these ordinary common shares will also be taken into account in the calculation of earnings per diluted share prior to the resolution of employee bonus in the following year. However, for the calculation of diluted loss per share for the year 2023, the potential common shares related to employee compensation are not included as they would have an anti-dilutive effect.

25. Capital Risk Management

The Company conducts capital management to ensure that the Company is able to make commitments prior to continuing operations by maximizing shareholder returns by optimizing debt and equity balances. There have been no material changes to the Company's overall strategy.

The Company is required to maintain capital to meet the needs of upgrading equipment. Therefore, the Company's capital management is to ensure that the necessary financial resources and operating plans are in place to meet the working capital, capital expenditure, research and development expenses, debt repayment and dividend expenses required for the next 12 months.

26. Financial Instrument

(1) Measure the fair value of financial instruments at amortized cost

The Company's management considers that the carrying amount of financial assets and financial liabilities measured at amortized cost in these financial statements is approaching their fair value.

(2) Fair Value Information - Financial instruments measured at fair value on a repetitive basis

1. Fair Value Hierarchy

December 31, 2023

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>T o t a l</u>
<u>Financial Assets at Fair Value Through Profit or Loss</u>				
Other Financial Assets	\$ -	\$ -	\$ 30,710	\$ 30,710
<u>Financial Assets Measured at Fair Value Through Other Consolidated Profit or Loss</u>				
Foreign TWSE-Listed (OTC-Listed) Stocks	\$ -	\$ -	\$ 245,680	\$ 245,680
Debt Securities Investment	9,681	-	-	9,681
Total	<u>\$ 9,681</u>	<u>\$ -</u>	<u>\$ 245,680</u>	<u>\$ 255,361</u>

December 31, 2022

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>T o t a l</u>
<u>Financial Assets Measured at Fair Value Through Other Consolidated Profit or Loss</u>				
Debt Securities Investment	\$ 3,043	\$ -	\$ -	\$ 3,043

There were no transfers between Level 1 and Level 2 fair value measurements during the periods from January 1 to December 31 in 2023 and 2022.

2. Adjustment for financial instruments measured at Level 3 fair value.

Year 2023

<u>Financial Assets</u>	<u>Measured at Fair Value Through Gain or Loss</u>	<u>Financial Assets Measured at Fair Value Through Other Consolidated Profit or Loss</u>	<u>T o t a l</u>
<u>Equity Instrument</u>	<u>Equity Instrument</u>		
Year Beginning			
Balance	\$ -	\$ -	\$ -
Increase This Year	32,017	257,862	289,879
Recognized in Profit or Loss (Other Gains and Losses)	(<u>1,307</u>)	(<u>12,182</u>)	(<u>13,489</u>)

Year End Balance	<u>\$ 30,710</u>	<u>\$ 245,680</u>	<u>\$ 276,390</u>
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(3) Categories of Financial Instrument

	December 31, 2023	December 31, 2022
<u>Financial Assets</u>		
Mandatorily Measured at Fair Value Through Gain or Loss	\$ 30,710	\$ -
Financial Assets Measured at Fair Value Through Other Consolidated Profit or Loss	255,361	3,043
Measured at Amortized Cost (Note 1)	1,838,828	1,826,710
<u>Financial Liabilities</u>		
Measured at Amortized Cost (Note 2)	3,521,719	3,147,476

Note 1: The balance includes cash, financial assets measured at amortized cost (including related parties), accounts receivable (including related parties), other receivables (including related parties), and deposits paid measured at amortized cost.

Note 2: The balance includes short-term borrowings, accounts payable (including related parties), other payables, long-term borrowings (including the portion due within one year), and deposits received measured at amortized cost.

(4) Valuation techniques and input values for Level 3 fair value measurement

The fair value estimation of unlisted equity instruments is based on recent transaction prices of comparable companies and valuation multiples, rather than assumptions supported by observable market prices or rates. The remaining financial assets are evaluated based on counterparty quotations as valuation techniques and significant unobservable inputs to calculate expected returns that may be obtained from the investments.

(5) Financial Risk Management Objectives and Policies

The Company's primary financial instruments include accounts receivable, short-term notes payable, accounts payable, and long- and short-term borrowings. The financial management department of the Company provides services to the business units, coordinates the operation of the domestic and international financial market, and supervises and manages the financial risks related to the operation of the Company by analyzing the internal risk reports of the risks according to the degree and breadth of risks. These risks include market risk (including foreign exchange risk, interest rate risk, and other price risks), credit risk, and liquidity risk.

1. Market Risk

The main financial risks that the company is exposed to as a result of its operations are foreign exchange rate risk (as described in (1) below) and interest rate risk (as described in (2) below).

There have been no changes in the Company's exposure to market risk for financial instruments and how it manages and measures such exposure.

(1) Exchange Rate Risk

The company engages in sales and purchases denominated in foreign currencies, thereby exposing the company to foreign exchange rate fluctuations. The company's management regularly monitors foreign exchange risk, and necessary measures will be considered to address significant exchange rate risks and manage the risks arising from foreign exchange fluctuations.

The amounts of monetary assets and monetary liabilities denominated in non-functional currencies as of the balance sheet date are disclosed in Note 29.

Sensitivity Analysis

The company is primarily affected by fluctuations in the USD exchange rate.

The following table provides a detailed sensitivity analysis of the company's response to a 1% increase or decrease in the

exchange rate between the New Taiwan Dollar (functional currency) and the US Dollar. The sensitivity analysis includes only foreign currency monetary items, financial assets measured at fair value through profit or loss, equity and debt investment instruments measured at fair value through other comprehensive income. Positive figures in the table indicate the amount by which pretax profit will increase when the US dollar strengthens by 1% against the New Taiwan Dollar; negative figures represent the impact on pretax profit when the US dollar depreciates by 1% against the New Taiwan Dollar, with the impact being of the same magnitude.

	<u>Year 2023</u>	<u>Year 2022</u>
profit (loss)	<u>\$ 13,630</u>	<u>\$ 18,343</u>

(2) Interest Rate Risk

Due to the company's borrowing of funds at floating interest rates, interest rate exposure arises. The company manages interest rate risk by maintaining an appropriate portfolio of floating interest rates.

As of the balance sheet date, the financial assets and financial liabilities subject to interest rate exposure are as follows:

	December 31, 2023	December 31, 2022
Fair value interest rate risk		
Financial Assets	\$ 153,387	\$ 151,417
Financial Liabilities	250,000	100,000
Fair value with cash flow rate risk - financial assets		
Financial Assets	266,097	286,020
Financial Liabilities	2,900,724	2,753,486

Sensitivity Analysis

The following sensitivity analyses are based on the interest rate exposures of derivative and non-derivative instruments at the balance sheet date. For floating rate liabilities, the analysis assumes that the outstanding liabilities on the balance sheet date remain outstanding throughout the reporting period. The management reports on interest rates to the key management personnel using a rate fluctuation of ± 100 basis points, which represents the assessed reasonable range of interest rate fluctuations by the management.

If the interest rates increase by 100 basis points, with all other variables held constant, the company's pre-tax income for the years 2023 and 2022 would decrease by NT\$26,346 thousand and NT\$24,675 thousand, respectively. Conversely, if the interest rates decrease by 100 basis points, the impact on pre-tax income would be the same amount but in negative. This is primarily due to the company's floating rate bank deposits and borrowings.

(3) Other price risks.

The Company experiences equity price risk due to its investments in equity securities. The equity investments are held for strategic purposes rather than for trading, and the Company does not actively trade these investments.

If equity prices were to rise/fall by 10%, the pre-tax other comprehensive income for the year 2023 would increase/decrease by NT\$24,568 thousand due to the increase/decrease in the fair value of financial assets measured at fair value through other comprehensive income.

The company is exposed to price risk of debt instruments due to its investments in debt instruments. The primary objective of the company is to collect cash flows from bond instruments and evaluate their potential sale when necessary.

2. Credit Risk

Credit risk refers to the risk of the counterparty defaulting on contractual obligations, resulting in financial losses for the Company. As of the balance sheet date, the maximum credit risk exposure arising from counterparties' non-performance of obligations is primarily derived from the carrying amount of financial assets recognized on the balance sheet.

The Company's accounts receivable primarily consists of sales of wireless earphones, gaming earphones, and plastic products to various geographic regions. The Company continuously evaluates the financial condition of accounts receivable customers. The credit risk specific to different regions is primarily concentrated in the Americas and Asia.

3. Liquidity Risk

The company manages and maintains sufficient cash positions to support its operations and mitigate the impact of cash flow fluctuations. The management oversees the utilization of bank financing facilities and ensures compliance with loan agreement terms.

Bank loans are an important source of liquidity of the Company. See (2) below for a description of the Company unused financing as of 31 December 2023 and 2022.

(1) Liquidity and Interest Rate Risk of Non-Derivative Financial Liabilities Table

The analysis of the remaining contractual maturities of non-derivative financial liabilities is prepared based on the earliest possible repayment date for the Company, using undiscounted cash flows of financial liabilities (including principal and estimated interest). Therefore, bank borrowings that may be required to be repaid immediately are listed within the earliest period in the table, without considering the probability of the bank exercising that right immediately. Other non-derivative financial liabilities are analyzed based on their contractual repayment dates.

The undiscounted interest amounts for interest cash flows paid at floating interest rates are derived based on the yield curve at the balance sheet date.

December 31, 2023

	<u>W i t h i n</u> <u>Y e a r</u>	<u>1 - 5 years</u>	<u>Over 5 Years</u>
<u>Non-Derivative</u> <u>Financial</u> <u>Liabilities</u>			
Non-Interest-Bearing Liabilities	\$ 355,756	\$ -	\$ -
Fixed Interest Rates instrument	250,000	-	-
Floating rate instruments	<u>2,233,759</u>	<u>295,595</u>	<u>447,718</u>
	<u>\$ 2,839,515</u>	<u>\$ 295,595</u>	<u>\$ 447,718</u>

December 31, 2022

	<u>W i t h i n</u> <u>Y e a r</u>	<u>1 - 5 years</u>	<u>Over 5 Years</u>
<u>Non-Derivative</u>			

<u>Financial</u>			
<u>Liabilities</u>			
Non-Interest-Bearing Liabilities	\$ 282,010	\$ -	\$ -
Fixed Interest Rates instrument	100,000	-	-
Floating Interest Rate Instrument	<u>2,002,857</u>	<u>342,528</u>	<u>490,208</u>
	<u>\$ 2,384,867</u>	<u>\$ 342,528</u>	<u>\$ 490,208</u>

The amounts of non-derivative financial assets and liabilities relating to floating-rate instruments mentioned above may vary due to differences between the floating interest rates and the estimated rates on the balance sheet date.

(2) Credit limit

	<u>December 31,</u> <u>2023</u>	<u>December 31,</u> <u>2022</u>
Unsecured bank borrowing lines		
- Amount spent	\$ 499,933	\$ 327,536
- Unspent amount	<u>274,652</u>	<u>342,404</u>
	<u>\$ 774,585</u>	<u>\$ 669,940</u>
Secured Bank Loan Line		
- Utilized Amount	\$ 2,650,791	\$ 2,525,950
- Unutilized Amount	<u>2,275,542</u>	<u>2,323,904</u>
	<u>\$ 4,926,333</u>	<u>\$ 4,849,854</u>

(6) Information on the Transfer of Financial Assets

The company entered into agreements with banks at the end of 2023 and 2022 to sell uncollected receivables, with amounts of NT\$512,266 thousand and NT\$569,835 thousand, respectively. The company also received related liabilities from the banks in the amounts of NT\$445,314 thousand and NT\$504,995 thousand. According to the contract, if the receivables cannot be collected upon maturity, the banks have the right to request the company to pay the outstanding balance. Therefore, the company has not transferred the significant risks and rewards associated with these receivables. The company

continues to recognize all receivables and uses the transferred receivables as collateral for borrowings. Please refer to Note 28 for further details.

27. Related Party Transaction

Except as disclosed in other notes, the transactions between the Company and related parties are as follows:

(1) Related Party Names and Relationships

<u>N a m e o f R e l a t e d P a r t i e s</u>	<u>R e l a t i o n s h i p s w i t h t h e C o m p a n y</u>
Ampacs International Company Limited	Subsidiary
Brilliance Investment Development Ltd.	Subsidiary
Richmake International Limited	Subsidiary
Fortune Channel Universal Limited	Subsidiary
Dong Guan Yi Xin Electronics CO LTD	Subsidiary
Tech. Pioneer, Ltd.	Subsidiary
Dong Guan Han Lei Electronics Co., Ltd	Subsidiary

(2) Operating Income

<u>R e l a t e d P e r s o n C a t e g o r y / N a m e</u>	<u>Y e a r 2 0 2 3</u>	<u>Y e a r 2 0 2 2</u>
Subsidiary		
Tech. Pioneer, Ltd.	\$ 263,744	\$ 217,686
Ampacs International Company Limited	1,063	-
	<u>\$ 264,807</u>	<u>\$ 217,686</u>

(3) Purchase

<u>R e l a t e d P e r s o n C a t e g o r y / N a m e</u>	<u>Y e a r 2 0 2 3</u>	<u>Y e a r 2 0 2 2</u>
Subsidiary		
Ampacs International Company Limited	\$ 2,923,055	\$ 3,093,200
Richmake International Limited	488,247	1,216,982
Fortune Channel Universal Limited	239,254	265,024
	<u>\$ 3,650,556</u>	<u>\$ 4,575,206</u>

The purchasing terms with related parties are determined through mutual negotiations, as there are no comparable transactions available for reference.

(4) Accounts Receivable

<u>Related Person Category / Name</u>	<u>December 31, 2023</u>	<u>December 31, 2022</u>
Subsidiary		
Tech. Pioneer, Ltd.	<u>\$ 64,857</u>	<u>\$ 37,008</u>

Outstanding receivables from related parties are not guaranteed. No allowance for doubtful accounts has been recognized for receivables from related parties for the years 2023 and 2022.

(5) Accounts payable

<u>Related Person Category / Name</u>	<u>December 31, 2023</u>	<u>December 31, 2022</u>
Subsidiary		
Fortune Channel Universal Limited	<u>\$ 118,153</u>	<u>\$ 10,529</u>

The balance of the amount payable to related parties in circulation is not guaranteed.

(6) Other receivables (excluding loans to related parties)

<u>Related Person Category / Name</u>	<u>December 31, 2023</u>	<u>December 31, 2022</u>
Subsidiary		
Ampacs International Company Limited	\$ 378,047	\$ 478,299
Richmake International Limited	<u>8,645</u>	<u>-</u>
	<u>\$ 386,692</u>	<u>\$ 478,299</u>

Other receivables are mainly purchases and advances on behalf of related parties.

(7) Prepayments for purchases

<u>Related Person Category / Name</u>	<u>December 31, 2023</u>	<u>December 31, 2022</u>
Subsidiary		
Ampacs International	\$ 823,780	\$ 1,519,365

Company Limited		
Richmake International		
Limited	78,979	-
Others	-	17,004
	<u>\$ 902,759</u>	<u>\$ 1,536,369</u>

(8) Advance receipts (accounting for other current liabilities)

<u>R e l a t e d P e r s o n</u> <u>C a t e g o r y / N a m e</u>	<u>December 31,</u> <u>2023</u>	<u>December 31,</u> <u>2022</u>
Subsidiary		
Brilliance Investment		
Development Ltd.	\$ 299	\$ 299
Fortune Channel Universal		
Limited	4,382	-
	<u>\$ 4,681</u>	<u>\$ 299</u>

The advance payment is mainly the advance payment received from the related party for the purchase.

(9) Remuneration of key management

	<u>Year 2023</u>	<u>Year 2022</u>
Short-Term Employee		
Benefits	\$ 19,582	\$ 25,006
Benefits After Retirement	322	322
	<u>\$ 19,904</u>	<u>\$ 25,328</u>

The remuneration of directors and other key management levels shall be determined with individual performance and market trend.

28. Collateralized Asset

	<u>December 31,</u> <u>2023</u>	<u>December 31,</u> <u>2022</u>
Accounts Receivable	\$ 512,266	\$ 569,835
Real Estate, Plant, and		
Equipment	1,286,832	1,288,596
Pledged Bank Deposits		
(Financial Assets Measured		
at Amortized Cost)	313,433	358,608
Investment Real Estate	57,898	59,125
Pledged Bonds with		
Repurchase (Financial		
Assets Measured at		
Amortized Cost)	<u>20,000</u>	<u>-</u>

\$ 2,190,429

\$ 2,276,164

29. Information on Foreign Currency Assets and Liabilities with Significant Influence

The following information is presented in summary form for foreign currencies other than the Company's functional currency, and the exchange rates disclosed represent the rates at which such foreign currencies are translated into the functional currency. Foreign Currency Assets with Significant Influence Areas and Liabilities Follows:

December 31, 2023

	<u>F o r e i g n</u>		<u>C a r r y i n g</u>	
	<u>C u r r e n c y</u>	<u>E x c h a n g e</u>	<u>R a t e</u>	<u>A m o u n t</u>
<u>F o r e i g n</u>				
<u>C u r r e n c y</u>				
<u>A s s e t s</u>				
<u>Monetary Items</u>				
USD	\$ 82,511	30.71 (USD:NTD)		<u>\$ 2,533,912</u>
<u>Non-Monetary</u>				
<u>Items</u>				
Investments				
Using Equity				
Method				
USD	27,135	30.71 (USD:NTD)		\$ 833,322
Vietnam	805,454,697	0.0012 (VND:NTD)		1,002,791
Non Derivative				
instruments				
USD	9,315	30.71 (USD:NTD)		<u>286,071</u>
				<u>\$ 2,122,184</u>
<u>F o r e i g n</u>				
<u>c u r r e n c y</u>				
<u>l i a b i l i t i e s</u>				
<u>Monetary Items</u>				
USD	47,444	30.71 (USD:NTD)		<u>\$ 1,457,009</u>

December 31, 2022

	<u>F o r e i g n</u>	<u>E x c h a n g e</u>	<u>R a t e</u>	<u>C a r r y i n g</u>
	<u>C u r r e n c y</u>			<u>A m o u n t</u>
<u>F o r e i g n</u>				
<u>C u r r e n c y</u>				
<u>A s s e t s</u>				
<u>Monetary Items</u>				
USD	\$ 107,427	30.71	(USD:NTD)	<u>\$ 3,299,091</u>
<u>Non-Monetary</u>				
<u>Items</u>				
Investments				
Using Equity				
Method				
USD	28,126	30.71	(USD:NTD)	\$ 863,735
Vietnam	297,589,278	0.0013	(VND:NTD)	382,402
Non Derivative				
Instruments				
USD	99	30.71	(USD:NTD)	<u>3,043</u>
				<u>\$ 1,249,180</u>
<u>F o r e i g n</u>				
<u>C u r r e n c y</u>				
<u>L i a b i l i t i e s</u>				
<u>Monetary Items</u>				
USD	47,797	30.71	(USD:NTD)	<u>\$ 1,467,853</u>

In the fiscal year 2023, the Company recorded foreign exchange gains (realized and unrealized) of NT\$35,652 thousand, while in the fiscal year 2022, the foreign exchange gains amounted to NT\$208,004 thousand.

30. Additional Disclosure Items

(1) Information on material transactions and (2) reinvestment companies:

1. Funds to be lent to others: Schedule 1.
2. Endorsement Warranties for Others: Schedule 2.
3. Summary of held marketable securities (excluding investments in subsidiaries and affiliated enterprises): Refer to Schedule 3.
4. Cumulative purchases or sales of the same marketable securities amount to NT\$ 300 million or more than 20% of paid-in capital: Schedule 4.
5. Acquisition of real estate amounting to NT\$300 million or more, or exceeding 20% of the paid-in capital: None.

6. Disposal of real estate amounting to NT\$300 million or more, or exceeding 20% of the paid-in capital: None.
7. The amount of import and sales reaches NTD 100 million or more than 20% of paid-up capital with the affiliates: Schedule 5.
8. Amounts due from related parties amounting to NT\$100 million or more, or exceeding 20% of the paid-in capital: Refer to Schedule 6.
9. Engagement in derivative instrument transactions: None.
10. Information on invested companies: Refer to Schedule 7.

(3) Investment information on Mainland China:

1. Mainland China Invested Companies - Includes the names of the mainland China invested companies, their main business activities, paid-in capital, investment methods, fund inflow/outflow status, ownership percentages, investment gains/losses, year-end investment book values, repatriated investment gains/losses, and investment limits in mainland China: Schedule 8.
2. Significant Transactions with Mainland China Invested Companies - Includes significant transactions with mainland China invested companies, whether directly or indirectly through a third region, along with their prices, payment terms, and unrealized gains/losses: Schedule 1, 2, 5, and 6.

(4) Information on major shareholders: Names of shareholders with an equity interest of 5% or more, number and percentage of shares held: Schedule 9.

Ampacs Corporation and its investment holding companies

Capital Loan to Others

From January 1 to December 31, 2023

Schedule I

Unit: Unless otherwise specified, for
NTD and Foreign Currency Thousand

Number (Note 1)	Company Providing the Loan	Loan Object	Transaction Items	A Related Party or Not	Current Maximum Balance (Note 5)	Ending Balance (Note 5)	Actual Dealing Amount	Interest Rate Collars	Capital Loan and Total Ceiling Nature	Business Dealings Amount	Reasons for Short-term Loan	Itemized Allowance Amount for Bad Debts Amount of bad debts	Collaterals		Capital Loan and Ceiling to Each Individual Funding Limit for Loans	Capital Loan and Total Ceiling	Note
													Name	Value			
1	Brilliance Investment Development Ltd.	Richmake International Limited	Other Accounts Receivable Related Parties	Yes	\$ 270,248 (USD 8,800)	\$ 270,248 (USD 8,800)	\$ 246,794 (USD 8,036)	-	Short-Term Financing Capital	\$ -	Operating Turnover	\$ -	-	\$ -	\$ 316,127 (USD 10,293)	\$ 316,127 (USD 10,293)	Note 3
2	Dong Guan Yi Zhuo Electronics Co., Ltd	Brilliance Investment Development Ltd.	Other Accounts Receivable Related Parties	Yes	154,778 (USD 5,040)	154,778 (USD 5,040)	112,629 (USD 3,668)	-	Short-Term Financing Capital	-	Operating Turnover	-	-	-	151,500 (CNY 34,988)	151,500 (CNY 34,988)	Note 4:

Note 1: The numbering columns are described below: Invested companies are numbered sequentially by company type, starting from Arabic numeral 1.

Note 2: The foreign currency amounts mentioned above are converted based on the exchange rates of US\$1 = \$30.71 and CNY\$1 = \$4.33 as of the end of the year 2023.

Note 3: The total amount of funds lent to others is limited to 120% of the audited net worth at the end of the most recent financial statements of Hui Lian Investment Development Corporation. The limit for a single entity is 120% of its audited net worth at the end of the reporting period.

Note 4: The total amount of funds lent to others is limited to 120% of the audited net worth at the end of the most recent financial statements of Dongguan YiZhuo Electronic Technology CO LTD The limit for a single entity is 120% of its audited net worth at the end of the reporting period.

Note 5: The highest balance and the ending balance for the period are determined by the board of directors of the lending company as approved "credit limits."

Ampacs Corporation and its investment holding companies

Endorsement for Others

From January 1 to December 31, 2023

Schedule 2

Unit: Unless otherwise specified, for
NTD and Foreign Currency Thousand

Number	Name of the Endorser	The Subject of Endorsement		Endorsement Guarantee Ceiling for a Single Enterprise (Note 3): Endorsement Guarantee Ceiling (Note 2)	The Maximum Endorsement Guarantee Balance for the Current Period (Note 4): Guaranteed Balance (Note 3)	The Endorsement Guarantee Balance at the End of the Period (Note 3): Guaranteed Balance (Note 3)	Actual Dealing Amount (Note 3)	The Amount of Endorsement Secured by Assets Endorsement Guarantee Amount (Note 3)	The Ratio (%) of the Cumulative Endorsement Amount to the Net Value of the Most Recent Financial Statement	Endorsement Guarantee Ceiling (Note 2)	Endorsement Guarantee Provided by the Parent Company to Its Subsidiaries	Endorsement Guarantee Provided by Subsidiaries to the Parent Company	Endorsement Guarantee Related to Mainland China	Note
		Company Name	Relationship (Note 1)											
1	MODERN PIONEER(KUNSHAN)CO.,LTD	Ampacs Corporation	2	\$ 237,193 (CNY 54,779)	\$ 199,615 (USD 6,500)	\$ 199,615 (USD 6,500)	\$ 184,260 (USD 6,000)	\$ 26,035 (CNY 6,017)	7.50%	\$ 237,193 (CNY 54,779)	N	Y	N	

Note 1: The relationship between the endorser and the endorsed party is as follows:

1. Companies with business relationships.
2. Companies in which more than 50% of the company's voting shares are held directly or indirectly.
3. Companies in which more than 50% of the voting shares are held directly or indirectly.

Note 2: 1. According to the "Procedure for Handling Capital Loans and Endorsement Guarantees" established by the Company, the total amount of endorsement guarantees and the limit of endorsement guarantees to a single enterprise shall not exceed 100% of the Company's net worth as stated in the most recent annual financial statements.

2. The aforementioned net worth is based on the most recent audited financial statements prepared by the accountant.

Note 3: Calculated based on the exchange rates of US\$1 = \$30.71 and CNY\$1 = \$4.33 as of the end of December 2023.

Ampacs Corporation and its investment holding companies

End-of-Period Securities Holdings Statement.

As of December 31, 2023

Schedule 3

Unit: NTD and foreign currency thousand

Held Companies	Type and Name of Marketable Securities	Relationship with the Marketable Securities Issuer	Accounting Subjects	Ending				Note
				Number of Shares / Units (Note 2)	Carrying Amount	Shareholding Percentage %	Fair Value	
Ampacs Corporation	<u>Bond</u> Ford Motor Company Bonds	—	Financial Assets Measured at Fair Value Through Other Comprehensive Income - Non-Current	USD 130	\$ 3,522	-	\$ 3,522	
	Pfizer Inc. Bonds	—	Financial Assets Measured at Fair Value Through Other Comprehensive Income - Non-Current	USD 200	6,159	-	6,159	
	Government Bonds	—	Financial Assets Measured at Amortized Cost	\$ 20,000	20,000	-	20,000	
	<u>Other Financial Assets</u> 4EST INC.	—	Financial Assets at Fair Value Through Profit or Loss - Non-Current	-	30,710	-	30,710	
	Substrate Manufacturing Corporation	—	Financial Assets Measured at Fair Value Through Other Comprehensive Income - Non-Current	2,247	245,680	-	245,680	
Richmake International Limited	<u>Stock</u> Iota Communications, Inc.	—	Financial Assets Measured at Fair Value Through Other Comprehensive Income - Non-Current	2,478,000	-	1.26%	-	Note 1

Note 1: After assessment, unrealized losses on financial assets will be fully provisioned for.

Note 2: The unit of measurement for bonds is their face value.

Ampacs Corporation and its investment holding companies

Cumulative purchases or sales of the same marketable securities amount to NT\$ 300 million or more than 20% of paid-in capital.

From January 1 to December 31, 2023

Schedule 4

Unit: Unless otherwise specified, amounts are in NT\$ 1,000.

Purchase/Sale Companies	Type and Name of Marketable Securities Types and names	Accounting Subjects	Counterparty	Relationship	Year Beginning		P u r c h a s e		S a l e				Year End	
					S h a r e s	A m o u n t	S h a r e s	A m o u n t	S h a r e s	Selling Price	Book Cost	Profit/Loss Disposal	S h a r e s	A m o u n t
Ampacs Corporation	Ampacs International Company Limited	Investments Accounted for Using Equity Method	Ampacs International Company Limited (Note 1)	Subsidiary	-	\$ 382,402	-	\$ 624,803	-	\$ -	\$ -	\$ -	-	\$ 1,002,791

Note 1: This refers to capital injections by the Company into its wholly-owned subsidiary, amounting to 100%.

Ampacs Corporation and its investment holding companies

The amount of import and sales of NT\$ 100 million or more than 20% of paid-up capital with the affiliates.

From January 1 to December 31, 2023

Schedule 5

Unit: NT\$1,000

Company Engaged in the Sale (Purchase) of Goods	Counterparty	Relationship	Transaction Status				Situations and Reasons Where the Trading Conditions Differ from Normal Transactions		Accounts and Notes Receivable (Payable)		Note
			Goods Sold (Purchased)	Amount	The Ratio (%) of Total Goods Sold (Purchased)	Credit Period	Unit Price	Credit Period	Balance	The Ratio of Bills and Accounts Receivable (Payable)	
Ampacs Corporation	Ampacs International Company Limited	Subsidiary	Purchase	(\$ 2,923,055)	(84%)	Approx. 120 days	At the Agreed Price	No Material Difference	\$ -	-	
	Richmake International Limited	Subsidiary	Purchase	(488,247)	(7%)	Approx. 120 days	At the Agreed Price	No Material Difference	-	-	
	Fortune Channel Universal Limited	Subsidiary	Purchase	(239,254)	(7%)	Approx. 120 days	At the Agreed Price	No Material Difference	(118,153)	(37%)	
Tech. Pioneer, Ltd.	Ampacs Corporation	The Company	Purchase	(263,744)	(100%)	Approx. 120 days	At the Agreed Price	No Material Difference	(64,857)	(100%)	
Richmake International Limited	Dong Guan Yi Xin Electronics CO LTD	Subsidiary	Purchase	(527,987)	(100%)	Approx. 180 days	At the Agreed Price	No Material Difference	(21,023)	(31%)	
Fortune Channel Universal Limited	MODERN PIONEER(KUNSHAN)CO.,LTD	Subsidiary	Purchase	(239,254)	(100%)	Approx. 180 days	At the Agreed Price	No Material Difference	(148,440)	(100%)	
Ampacs International Company Limited	Dong Guan Yi Xin Electronics CO LTD	Subsidiary	Purchase	(133,683)	(5%)	Approx. 180 days	At the Agreed Price	No Material Difference	(195,499)	(7%)	
Ampacs International Company Limited	Ampacs Corporation	The Company	Sale	2,923,055	99%	Approx. 120 days	At the Agreed Price	No Material Difference	-	-	
Richmake International Limited	Ampacs Corporation	The Company	Sale	488,247	95%	Approx. 120 days	At the Agreed Price	No Material Difference	-	-	
Fortune Channel Universal	Ampacs Corporation	The	Sale	239,254	100%	Approx. 120	At the	No Material	118,153	100%	

Limited		Company				days	Agreed Price	Difference			
Ampacs Corporation	Tech. Pioneer, Ltd.	Subsidiary	Sale	263,744	7%	Approx. 120 days	At the Agreed Price	No Material Difference	64,857	6%	
MODERN PIONEER(KUNSHAN) CO.,LTD	Fortune Channel Universal Limited	Subsidiary	Sale	239,254	85%	Approx. 120 days	At the Agreed Price	No Material Difference	148,440	93%	
Dong Guan Yi Xin Electronics CO LTD	Richmake International Limited	Subsidiary	Sale	527,987	80%	Approx. 180 days	At the Agreed Price	No Material Difference	21,023	10%	
	Ampacs International Company Limited	Intercompany	Sale	133,683	20%	Approx. 180 days	At the Agreed Price	No Material Difference	195,499	29%	

Ampacs Corporation and its investment holding companies
Receivables from affiliates amount to NT\$ 100 million or more than 20% of paid-in capital.

As of December 31, 2023

Table 6

Unit: Unless otherwise specified,
amounts are in NT\$ 1,000.

Companies That Account for Receivables	Name of Transaction Object	Relationship	Balance of Accounts Receivable from Related Parties Remaining Balance	Other Receivables from Related Parties Remaining Balance	Turnover Rate	Overdue Receivables from Related Parties		Amount to Be Collected After the Period of Receivables from Related Parties	Itemized Allowance Amount for Bad Debts Loss amount
						Amount	Handling Method		
Dong Guan Yi Xin Electronics CO LTD	Ampacs International Company Limited	Intercompany	\$ 195,499	\$ -	0.63	-	—	\$ 30,710	-
Dong Guan Yi Zhuo Electronics Co., Ltd	Brilliance Investment Development Ltd.	Intercompany	-	112,629	Note 2	-	—	-	-
Ampacs Corporation	Ampacs International Company Limited	Subsidiary	-	378,047	Note 1	-	—	176,356	-
Brilliance Investment Development Ltd.	Richmake International Limited	Intercompany	-	246,794	Note 2	-	—	-	-
MODERN PIONEER(KUNSHAN)CO.,LTD	Fortune Channel Universal Limited	Subsidiary	148,440	-	2.27	-	—	30,710	-
Fortune Channel Universal Limited	Ampacs Corporation	Parent Company	118,153	-	3.69	-	—	30,710	-

Note 1: This other receivable is for the purchase of raw materials.

Note 2: It was a loan of funds.

Ampacs Corporation and its investment holding companies

Information on investees, location, etc.

From January 1 to December 31, 2023

Schedule 7

Unit: Unless otherwise specified, for
NTD and Foreign Currency Thousand

Name of Investment C o m p a n y	Name of Investee C o m p a n y	Location	Main Business I t e m s	Original Investment Amount		End-of-Period Holdings			Investee's Net Income/(Loss) for the Period	Investment Gain (Loss) Recognized in this Period	N o t e	
				E n d i n g	B e g i n n i n g	Number of Shares (1000 S h a r e s)	Percenta g e	C a r r y i n g A m o u n t				
Ampacs Corporation	Tech. Pioneer, Ltd.	Samoa	General Investment Business	USD 21,780	USD 21,780	23,003	100.00	\$ 833,322	(\$ 18,280)	(\$ 18,280)	Subsidiary	
	Ampacs International Company Limited	Vietnam	Manufacturing and Trading of Plastic Products and Consumer Electronics	HKD 9,500	HKD 9,500	-	100.00	1,002,791	(USD -587)	40,838	40,838	Subsidiary
				USD 50,000	USD 30,000				(VND 31,780,420)			
	Ability Technology CO LTD	Taipei	Manufacturing and Trading of Computer Peripherals, Photographic Equipment, and Electronic Components	TWD -	TWD 20,000	2,000	40.00	-	(5,959)	(2,383)	Note 2	
Tech. Pioneer, Ltd.	Brilliance Investment Development Ltd.	Samoa	General Investment Industry and Sale of Plastic Products	USD 1,050	USD 1,050	1,050	100.00	263,440	(751) (USD -24)	(751)	Subsidiary	
	Eversunny Marine Technology CO LTD	Samoa	General Investment Business	USD 850	USD 850	850	100.00	62,036	7,587 (USD 244)	7,587	Subsidiary	

Richmake International Limited	Samoa	General Investment and Consumer Electronics Trading	HKD 9,500	HKD 9,500	1,224	100.00	125,351	(26,149)	(26,149)	Subsidiary
Fortune Channel Universal Limited	Seychelles	General Investment Industry and Sale of Plastic Products	USD 16,000	USD 16,000	16,000	100.00	385,951	3,813	3,813	Subsidiary

Note 1: For mainland investment information, please refer to Schedule 8.

Note 2: At December 31, 2023, the Company has reclassified Ability Technology CO LTD as a non-current asset held for sale.

Ampacs Corporation and its subsidiaries
Investment Information on Mainland China
From January 1 to December 31, 2023

Schedule VIII

Unit: NTD and foreign currency thousand

Investee Company Name in Mainland China	Main Business Items	Paid-Up Capital (Note 3)	Investment Method	Remit the Accumulated Investment Amount From Taiwan at the Beginning of Current Period (Note 3)	Amount of Investment Remitted or Recovered in the Current Period		Aggregate Amount at the End the Remitted from Taiwan (Note 3)	Investee's Net Income/(Loss) for the Period Income or Loss for the Period (Note 4)	Shareholding Ratio of the Consolidated Company's Direct or Indirect Investments	Investment Profit and Loss Recognized in Current Period (Note 4)	Ending Book Value of Investments (Note 3)	Investment Income Remitted to Taiwan as of the Current Period Repatriated Income from Investment
					Remitted	Recovered						
Dong Guan Yi Zhuo Electronics Co., Ltd	Manufacture and trading of plastic products	\$ 32,246 (USD 1,050)	Note 1	\$ 32,246 (USD 1,050)	\$ -	\$ -	\$ 32,246 (USD 1,050)	(\$ 39,630) (CNY -9,015)	100%	(\$ 39,630) (USD -1,272)	\$ 126,184 (USD 4,019)	\$ -
Dong Guan Han Lei Electronics Co., Ltd	Manufacturing and Trading of Plastic Products and Consumer Electronics	26,104 (USD 850)	Note 1	26,104 (USD 850)	-	-	26,104 (USD 850)	7,619 (CNY 1,733)	100%	7,619 (USD 245)	60,578 (USD 1,973)	-
Dong Guan Yi Xin Electronics CO LTD	Manufacturing and Trading of Plastic Products and Consumer Electronics	37,326 (HKD 9,500)	Note 1	37,326 (HKD 9,500)	-	-	37,326 (HKD 9,500)	(34,798) (CNY -7,916)	100%	(34,798) (USD -1,117)	193,307 (USD 6,295)	-
MODERN PIONEER(KUNSHAN)CO.,LTD	Manufacture and trading of plastic products	414,585 (USD 13,500)	Note 1	414,585 (USD 13,500)	-	-	414,585 (USD 13,500)	11,003 (CNY 2,503)	100%	3,890 (USD 125)	397,936 (USD 12,958)	-
Dongguan Qijun Electronics Technology Co., Ltd	Manufacture and Trading of Earphone Cables	8,660 (CNY 2,000)	Note 2	Note 2	-	-	Note 2	(2,886) (CNY -657)	51%	(1,472) (CNY -335)	10,953 (CNY 2,529)	-

End-of-period cumulative amount of investment remitted from Taiwan to Mainland China (Note 3)	Investment amount approved by the Investment Commission, Ministry of Economic Affairs (Note 3)	Investment limit for investment in Mainland China as regulated by the Investment Commission, Ministry of Economic Affairs
\$ 510,261 (USD 15,400) (HKD 9,500)	\$ 510,261 (USD 15,400) (HKD 9,500)	\$1,603,842 (Note 5)

Note 1: Investment in Mainland China made through establishing companies in third-party regions and further investing in Mainland China companies.

Note 2: The capital of Dongguan Hongjun Electronic Technology CO LTD is remitted from the self-owned funds of Dong Guan Han Lei Electronics CO LTD

Note 3: As of December 31, 2023, the exchange rates used for conversion were US\$1 = \$30.71, HKD\$1 = \$3.929, and CNY\$1 = \$4.33.

Note 4: The average exchange rates used for conversion in the year 2023 were US\$1 = \$31.155, HKD\$1 = \$3.98, and CNY\$1 = \$4.396.

Note 5: The calculation is based on 60% of the consolidated net worth of the Company.

Ampacs Corporation
Major Shareholder Information

As of December 31, 2023

Schedule 9

M a j o r S h a r e h o l d e r N a m e	S h a r e s	
	Number of Shares H e l d	Shareholding Percentage (%)
Huang, Chang-qing	27,671,900	18.44%
Long An Investment CO LTD	11,907,304	7.93%
Chang An Investment CO LTD	11,681,569	7.78%
Xiao, Xiu-ru	9,562,545	6.37%

Note 1: The major shareholders' information in this table is calculated based on the shareholders' ownership of 5% or more of the company's common shares and preferred shares that have completed the delivery of in-kind registration (including treasury shares) as of the last business day of the quarter-end of the current quarter. The recorded share capital in the company's financial report may differ due to variations in calculation bases or other factors impacting the completion of non-physical registration transfers.

Note 2: If the above information belongs to the shareholders who have entrusted their shares to the trust, it is revealed by the trustor who opened a special trust account with the trustee. Regarding shareholders who hold more than 10% of the shares and are required to declare their equity holdings under securities laws and regulations, their holdings include personal holdings and shares held through entrusted custody, with decision-making power over the trust property. For information on the declaration of equity holdings by insiders, please refer to the Public Information Observation System.

§Detailed Table of Important Accounting Items§

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Ampacs Corporation

Cash statement

December 31, 2023

Table 1

Unit: Unless otherwise specified,
, NT\$ 1,000.

<u>N a m e</u>	<u>A m o u n t</u>
Cash in Treasury	\$ 200
Bank Deposit	
Checking Deposit	133
Demand Deposit (Note 1 & 2)	<u>86,051</u>
Total	<u>\$ 86,384</u>

Note 1: Including US\$2,380 thousand and HK\$2,000.

Note 2: The above foreign currencies were translated at the exchange rates of
US\$1=NT\$30.71 and HK\$1=NT\$3.93, respectively.

Ampacs Corporation
Statement of Accounts Receivable
As of December 31, 2023

Table 2

Unit: NT\$1,000

C u s t o m e r N a m e	A m o u n t
Company A	\$ 300,259
Company B	170,960
Company C	85,075
Company D	71,273
Company E	59,745
Company F	58,587
Company G	50,905
Others (Note 1)	<u>170,585</u>
	967,389
Minus: Loss Allowance	<u> -</u>
Net Amount	<u><u>\$ 967,389</u></u>

Note 1: None of the customer balances exceeded 5% of the balance of this account.

Ampacs Corporation
Statement of Inventories
As of December 31, 2023

Table 3

Unit: Unless otherwise specified,
amounts are in NT\$ 1,000

I n v e n t o r y	A m o u n t C o s t	N e t R e a l i z a b l e V a l u e
Commodities	\$ 5,357	\$ 5,686
Allowance for Inventory Write-Down Losses	-	-
Total	<u>\$ 5,357</u>	<u>\$ 5,686</u>

Ampacs Corporation
Schedule of Prepayments
As of December 31, 2023

Table 4

Unit: NT\$1,000

<u>M a n u f a c t u r e r ' s n a m e .</u>	<u>A m o u n t</u>
Related Party	
Ampacs International Company Limited	\$ 823,780
Richmake International Limited	<u>78,979</u>
	902,759
Non-related party:	
Others (Note)	<u>23,141</u>
Total	<u>\$ 925,900</u>

Note: The balance of each vendor did not exceed 5% of the balance of this item.

Ampacs Corporation
Statement of Changes in Investment Property Accounted for Using the Equity Method
From January 1 to December 31, 2023

Table 5

Unit: Unless otherwise specified,
, NT\$ 1,000.

	Year Beginning Balance		Increase This Year		Decrease This Year		Share of (Loss) Income of Subsidiaries Recognized Under the Equity Method	Difference of Conversion of Financial Statements of Foreign Operating Institutions	Realized Sales Benefits Among Affiliate Companies	Share of Other Comprehensive Loss of Subsidiaries Accounted for Using Equity Method	Year End Balance			Net Equity Value	Pledge Status	
	Number of Shares (1000 Shares)		Number of Shares (1000 Shares)		Number of Shares (1000 Shares)						Number of Shares (1000 Shares)	% shareholding	Amount			
		A m o u n t		A m o u n t		A m o u n t										
Tech. Pioneer, Ltd.	23,003	\$ 863,735	-	\$ -	-	\$ -	(\$ 18,280)	(\$ 12,133)	\$ -	\$ -	23,003	100%	\$ 833,322	\$ 833,322	None	
Ampacs International Company Limited	-	382,402	-	624,803	-	-	40,838	(45,252)	-	-	-	100%	1,002,791	1,002,791	None	
Ability Technology CO LTD (Note)	2,000	14,968	-	-	2,000	13,020	(2,383)	-	-	435	-	-	-	-	None	
Total		<u>\$ 1,261,105</u>		<u>\$ 624,803</u>		<u>\$ 13,020</u>	<u>\$ 20,175</u>	<u>(\$ 57,385)</u>	<u>\$ -</u>	<u>\$ 435</u>			<u>\$ 1,836,113</u>	<u>\$ 1,836,113</u>		

Note: At December 31, 2023, the Company has listed Ability Technology CO LTD as a non-current asset held for sale.

Ampacs Corporation
Statement of Short-Term Loans
From January 1 to December 31, 2023

Table 6

Unit: NTD and foreign currency thousand

	<u>Contract period</u>	<u>Annual interest rate. (%)</u>	<u>Year End Balance</u>	<u>Financing Credit</u>	<u>Mortgage or Collateral</u>
E.SUN Bank	2023.10.4-2024.10.4	7.05%~7.29%	\$ 319,513	USD 48,000	Receivables-Backed Loans
E.SUN Bank	2023.10.4-2024.10.4	2.40%	60,000	NTD 60,000	Unsecured Loans
CTBC Bank	2023.11.30-2024.11.30	6.84%	18,994	USD 6,000	Receivables-Backed Loans
CTBC Bank	2023.11.30-2024.11.30	6.84%	184,260	USD 6,000	Bank Warranty Loan
CTBC Bank	2023.11.30-2024.11.30	6.998%~7.051%	85,026	USD 6,000	Unsecured Loans
CTBC Bank	2023.11.30-2024.11.30	2.53%	40,000	NTD 50,000	Unsecured Loans
Mega Bank	2023.2.14-2024.2.13	7%-7.3%	152,455	USD 5,000	Bank Warranty Loan
Bank of Taiwan	2023.6.5-2024.6.5	2.11%	80,000	NTD 80,000	Bank Warranty Loan
DBS Bank	2023.9.25-2024.6.30	6.55%-6.59%	49,097	USD 2,000	Bank Warranty Loan
DBS Bank	2023.9.25-2024.6.30	2.9%	150,000	NTD 150,000	Bank Warranty Loan
Chang Hwa Bank	2023.6.1-2024.4.30	2.1%	24,583	NTD 73,750	Bank Warranty Loan
Hua Nan Bank	2023.5.4-2024.5.4	2.4%	80,000	NTD 80,000	Bank Warranty Loan
Taipei Fubon Bank	2023.8.2-2024.2.25	2.25%	50,000	NTD 50,000	Bank Warranty Loan
Entie Commercial Bank	2023.4.26-2024.4.26	6.8%	8,666	USD 1,667	Bank Warranty Loan
Entie Commercial Bank	2023.4.26-2024.4.26	2.36%	100,000	NTD 100,000	Bank Warranty Loan

Shin Kong Commercial Bank	2023.3.24-2024.3.24	6.3%-6.33%	55,603	USD 2,167	Bank Loan	Warranty
Shin Kong Commercial Bank	2023.3.24-2024.3.24	6.3%-6.33%	35,000	NTD 35,000	Bank Loan	Warranty
Taichung Bank	2023.6.19-2024.6.19	6.8%-7.1%	50,000	NTD 100,000	Unsecured Loans	
Taichung Bank	2023.6.19-2024.6.19	2.32%	44,284	USD 2,000	Unsecured Loans	
BANK SINO PAC	2023.9.20-2024.3.31	2.38%	106,807	USD 9,000	Receivables-Backed Loans	
BANK SINO PAC	2023.9.20-2024.9.30	6.69-6.91%	45,040	USD 3,000	Unsecured Loans	
BANK SINO PAC	2023.9.22-2024.9.30	6.83%-7.1%	63,083	USD 2,500	Unsecured Loans	

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	<u>Contract period</u>	<u>Annual interest rate. (%)</u>	<u>Year End Balance</u>	<u>Financing Credit</u>	<u>Mortgage or Collateral</u>
BANK SINOPAC	2023.9.20-2024.9.30	2.1%	\$ 117,000	NTD 117,000	Bank Warranty Loan
BANK SINOPAC	2023.9.20-2024.9.30	2.1%-2.114%	85,000	NTD 85,000	Bank Warranty Loan
BANK SINOPAC	2023.9.20-2024.9.30	2.11%	75,000	NTD 75,000	Unsecured Loans
Taishin International Bank	2023.7.7-2024.6.30	2.66%	<u>40,000</u>	NTD 40,000	Bank Warranty Loan
Total			<u>\$ 2,119,411</u>		

Ampacs Corporation
Statement of Accounts Receivable
As of December 31, 2023

Table 7

Unit: NT\$1,000

C u s t o m e r N a m e	A m o u n t
Related Party	
Fortune Channel Universal Limited	\$ <u>118,153</u>
	<u>118,153</u>
Non-related party:	
Supplier A	33,648
Supplier B	26,824
Supplier C	24,359
Supplier D	15,535
Supplier E	14,374
Supplier F	11,086
Others (Note 1)	<u>78,968</u>
	<u>204,794</u>
 Total	 <u>\$ 322,947</u>

Note 1: None of the items have a balance exceeding 5% of the balance of this account.

Ampacs Corporation
Statement of Long-Term Loans
As of December 31, 2023

Table 8

Unit: NT\$1,000

<u>Debenture Banks</u>	<u>Borrowing Amount</u>	<u>Method of Repayment</u>	<u>Contract Period</u>	<u>Annual Interest Rate</u>	<u>Mortgage Collateral</u>
Warranty Loan					
BANK SINOPAC	\$ 191,980	Repayment of principal and interest will be made in equal installments starting from the month in which the loan is made.	2017.7-2024.7	2.13%	Note 1
BANK SINOPAC	455,408	Repayment of principal and interest will be made in equal installments starting from the month in which the loan is made.	2021.6-2028.6	2.05%	Note 1
CTBC Bank	96,425	Repayment of principal and interest will be made in equal installments starting from the month in which the loan is made.	2022.11-2028.1 1	2.35%	Note 1
Minus: Part Due within 1 year	(<u>61,484</u>)				
	682,329				
Unsecured Loans					
CTBC Bank	<u>37,500</u>	Repayment of principal and interest will be made in equal installments of three months from the date of loan.	2022.11-2026.1 1	2.33%	None
Minus: Part Due within 1 year	(<u>30,000</u>)				
Total	<u>\$ 689,829</u>				

Note 1: Provision of own land, buildings and parking spaces as collateral.

Ampacs Corporation
Statement of Operating Revenue
Year 2023

Table 9

Unit: NT\$1,000

<u>I</u> <u>t</u> <u>e</u> <u>m</u>	<u>A</u> <u>m</u> <u>o</u> <u>u</u> <u>n</u> <u>t</u>
Operating Income	
Consumer Electronics Products	\$ 3,523,530
Plastic Components	<u> 250,894</u>
Operating Income Net Amount	<u><u>\$ 3,774,424</u></u>

Ampacs Corporation
Statement of Operating Costs
Year 2023

Table 10

Unit: NT\$1,000

I t e m	A m o u n t
Operating Cost	
Plus: Year Beginning Commodities	\$ 14,727
Purchases During the Year	3,466,648
Minus: Year End Commodities	(5,357)
Rendered Operating Expenses	(491)
Repair and Maintenance Costs	<u>1,762</u>
Total	<u>\$ 3,477,289</u>

Ampacs Corporation
Statements of Operating Expenses
From January 1 to December 31, 2023

Statement 11

Unit: Unless otherwise specified,
, NT\$ 1,000.

	S a l e s E x p e n s e s	Administrati on Expenses	Research and Development E x p e n s e s	Expected C r e d i t T u r n o v e r B e n e f i t s	T o t a l
Salary Expenses	\$ 31,146	\$ 53,725	\$ 73,966	\$ -	\$ 158,837
Depreciation	151	3,452	9,947	-	13,550
Insurance Expenses	3,754	4,815	5,973	-	14,542
Travel Expenses	5,987	2,772	4,270	-	13,029
Others (Note)	<u>8,002</u>	<u>22,459</u>	<u>21,843</u>	(<u>315</u>)	<u>51,989</u>
	<u>\$ 49,040</u>	<u>\$ 87,223</u>	<u>\$ 115,999</u>	(<u>\$ 315</u>)	<u>\$ 251,947</u>

Ampacs Corporation
Summary of Employee Benefits, Depreciation, and Amortization Expenses
Year 2023 and Year 2022

Table 12

Unit: NT\$1,000

	Year 2023			Year 2022		
	Operating C o s t	Operating E x p e n s e s	T o t a l	Operating C o s t	Operating E x p e n s e s	T o t a l
Employee Benefits Expenses						
Salary Expenses	\$ -	\$144,885	\$144,885	\$ -	\$154,808	\$154,808
Labor and Health Insurance Expenses	-	12,684	12,684	-	12,626	12,626
Pension Expenses	-	6,862	6,862	-	7,091	7,091
Director Consideration	-	7,090	7,090	-	6,817	6,817
Other Employee Benefits	-	2,221	2,221	-	3,037	3,037
	<u>\$ -</u>	<u>\$173,742</u>	<u>\$173,742</u>	<u>\$ -</u>	<u>\$184,379</u>	<u>\$184,379</u>
Depreciation Expenses	<u>\$ -</u>	<u>\$ 13,550</u>	<u>\$ 13,550</u>	<u>\$ -</u>	<u>\$ 15,186</u>	<u>\$ 15,186</u>
Amortization Expenses	<u>\$ -</u>	<u>\$ 3,052</u>	<u>\$ 3,052</u>	<u>\$ -</u>	<u>\$ 3,653</u>	<u>\$ 3,653</u>

Note:

1. The number of employees for the years 2023 and 2022 were 142 and 147 respectively, with the number of non-executive directors who are not concurrently employees being 6 for both years.
2. A company whose shares are listed on a stock exchange or traded over-the-counter at Taipei Exchange shall disclose the following additional information:
 - (1) The average employee benefit expense for the current year is NT\$1,225 thousand. The average employee benefit cost in the previous year was NT\$1,259 thousand.
 - (2) For the year ended December 31, 2011, the average employee payroll cost was NT\$1,065 thousand. The average employee payroll cost for the previous year was NT\$1,098 thousand.
 - (3) Change in average staff salary cost adjustment (3.01%).
3. The company has adopted an Audit Committee to replace the supervisory board system.
4. The company's remuneration policy for directors, executives, and employees is as follows:
 - (1) Directors: Based on the company's articles of incorporation, the Compensation Committee considers the overall performance of the board of directors, company's operational performance, and future operations. It then proposes a distribution plan to the board of directors, taking into account the

individual directors' level of involvement and contribution to the company.

- (2) Managers: Based on industry salary levels, the remuneration of executives is determined by their level of involvement and contribution to the company, as well as their performance. The remuneration proposal is reviewed by the Compensation Committee and then presented to the board of directors for approval.
- (3) Employees: The company is committed to providing employees with salaries and benefits above the industry average. The amount allocated to each employee is determined based on their position, contribution, and performance. The proposed remuneration is presented by the highest-level executive unit and approved by the Chairman of the Board.