

IRON FORCE INDUSTRIAL CO., LTD.
PARENT COMPANY ONLY FINANCIAL
STATEMENTS AND INDEPENDENT AUDITORS’
REPORT
DECEMBER 31, 2023 AND 2022

For the convenience of readers and for information purpose only, the auditors’ report and the accompanying financial statements have been translated into English from the original Chinese version prepared and used in the Republic of China. In the event of any discrepancy between the English version and the original Chinese version or any differences in the interpretation of the two versions, the Chinese-language auditors’ report and financial statements shall prevail.

INDEPENDENT AUDITORS' REPORT TRANSLATED FROM CHINESE

To the Board of Directors and Shareholders of Iron Force Industrial Co., Ltd.

Opinion

We have audited the accompanying parent company only balance sheets of Iron Force Industrial Co., Ltd. as at December 31, 2023 and 2022, and the related parent company only statements of comprehensive income, of changes in equity and of cash flows for the years then ended, and notes to the parent company only financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying parent company only financial statements present fairly, in all material respects, the financial position of Iron Force Industrial Co., Ltd. as at December 31, 2023 and 2022, and its financial performance and its cash flows for the years then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers.

Basis for opinion

We conducted our audits in accordance with the Regulations Governing Auditing and Attestation of Financial Statements by Certified Public Accountants and 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 parent company only financial statements* section of our report. We are independent of Iron Force Industrial Co., Ltd. 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 Iron Force Industrial Co., Ltd.'s 2023 parent company only financial statements. 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, we do not provide a separate opinion on these matters.

Key audit matters for Iron Force Industrial Co., Ltd.'s 2023 parent company only financial statements are stated as follows:

Appropriateness of cut-off of warehouse operating revenue

Description

Refer to Note 4(27) for accounting policies on revenue recognition.

To meet the needs of some customers, the Auto Parts Division of Iron Force Industrial Co., Ltd. and its subsidiary, Huzhou Iron Force Metal Product Co., Ltd., store certain inventories in the customers' distribution warehouses. The warehouse custodians are responsible for checking and accepting as well as custody of the inventories, and regularly send the requisition reports to the authorised personnel of Iron Force Industrial Co., Ltd. and its subsidiary, Huzhou Iron Force Metal Product Co., Ltd., for checking inventory quantities. In accordance with the principle of revenue recognition, sales are recognised as revenue when the inventories are actually requested and used by the customer. Iron Force Industrial Co., Ltd. and its subsidiary, Huzhou Iron Force Metal Product Co., Ltd., recognises revenue based on the requisition reports provided by the warehouse custodians of Iron Force Industrial Co., Ltd. and the customers and verified by authorised personnel of Iron Force Industrial Co., Ltd. and its subsidiary, Huzhou Iron Force Metal Product Co., Ltd.

The distribution warehouses are located in the United States, Germany and China, contents of requisition reports provided by custodians are different and the process of revenue recognition involves manual verification. Thus, in consideration of the appropriateness of the timing of revenue recognition from warehouse sales, we considered the cut-off of warehouse operating revenue as a key audit matter for this year's audit.

How our audit addressed the matter

We performed the following audit procedures on the above key audit matter:

1. For the above revenue transactions, obtained an understanding of the sales transactions, amount and terms of mutual agreements, and selected samples and tested the reconciliation of sales records between both parties.
2. Obtained the requisition reports provided by the warehouse custodians during a certain period before and after the balance sheet date and verified the reports against the relevant invoices issued and the sales revenue on the accounting records.

3. Performed confirmation procedures based on the balance of inventory quantities at the end of the year.

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 parent company only financial statements in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and for such internal control as management determines is necessary to enable the preparation of parent company only financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the parent company only financial statements, management is responsible for assessing Iron Force Industrial Co., Ltd.'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 Iron Force Industrial Co., Ltd. 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 Iron Force Industrial Co., Ltd.'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 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 Iron Force Industrial Co., Ltd.'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 Iron Force Industrial Co., Ltd.'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 Iron Force Industrial Co., Ltd. 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 appropriate audit evidence regarding the financial information of the entities or business activities within Iron Force Industrial Co., Ltd. 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 of the current period 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.

Chen, Ching Chang

Lin, Yi-Fan

For and on behalf of PricewaterhouseCoopers, Taiwan

March 7, 2024

The accompanying parent company only financial statements are not intended to present the financial position and results of operations and cash flows in accordance with accounting principles generally accepted in countries and jurisdictions other than the Republic of China. The standards, procedures and practices in the Republic of China governing the audit of such financial statements may differ from those generally accepted in countries and jurisdictions other than the Republic of China. Accordingly, the accompanying parent company only financial statements and independent auditors' report are not intended for use by those who are not informed about the accounting principles or auditing standards generally accepted in the Republic of China, and their applications in practice.

As the financial statements are the responsibility of the management, PricewaterhouseCoopers cannot accept any liability for the use of, or reliance on, the English translation or for any errors or misunderstandings that may derive from the translation.

IRON FORCE INDUSTRIAL CO., LTD.
PARENT COMPANY ONLY BALANCE SHEETS
DECEMBER 31, 2023 AND 2022
(Expressed in thousands of New Taiwan dollars)

Assets		Notes	December 31, 2023		December 31, 2022	
			AMOUNT	%	AMOUNT	%
Current assets						
1100	Cash and cash equivalents	6(1)	\$ 258,884	4	\$ 161,073	3
1110	Financial assets at fair value through profit or loss – current	6(2)	528	-	280	-
1170	Accounts receivable, net	6(3)	311,792	5	224,003	4
1200	Other receivables		13,681	-	12,833	-
1210	Other receivables - related parties	7	42,896	1	17,626	-
130X	Inventories	6(4)	393,575	6	439,075	8
1470	Other current assets		3,394	-	24,471	-
11XX	Total current assets		1,024,750	16	879,361	15
Non-current assets						
1550	Investments accounted for under equity method	6(5)	4,764,918	75	4,308,285	76
1600	Property, plant and equipment	6(6)	405,999	7	388,036	7
1780	Intangible assets		19,837	-	11,772	-
1840	Deferred income tax assets	6(18)	69,239	1	63,073	1
1900	Other non-current assets		70,667	1	68,331	1
15XX	Total non-current assets		5,330,660	84	4,839,497	85
1XXX	Total assets		\$ 6,355,410	100	\$ 5,718,858	100

(Continued)

IRON FORCE INDUSTRIAL CO., LTD.
PARENT COMPANY ONLY BALANCE SHEETS
DECEMBER 31, 2023 AND 2022
(Expressed in thousands of New Taiwan dollars)

Liabilities and Equity			December 31, 2023		December 31, 2022					
			Notes	AMOUNT	%	AMOUNT	%			
Current liabilities										
2100	Short-term borrowings	6(8)	\$	382,000	6	\$	484,000	9		
2120	Current financial liabilities at fair value through profit or loss	6(2)		7,600	-		-	-		
2130	Current contract liabilities	6(14)		1,977	-		892	-		
2170	Accounts payable			136,806	2		124,643	2		
2200	Other payables	6(7)		166,046	2		127,349	2		
2220	Other payables - related parties	7		698,841	11		17,514	-		
2230	Current income tax liabilities			42,057	1		39,749	1		
2320	Long-term liabilities, current portion	6(9)		-	-		299,371	5		
2399	Other current liabilities			4,712	-		12,042	-		
21XX	Total current liabilities			1,440,039	22		1,105,560	19		
Non-current liabilities										
2570	Deferred income tax liabilities	6(18)		516,244	8		420,851	7		
2600	Other non-current liabilities	6(10)		35,557	1		28,661	1		
25XX	Total non-current liabilities			551,801	9		449,512	8		
2XXX	Total liabilities			1,991,840	31		1,555,072	27		
Equity										
	Share capital	6(11)								
3110	Common stock			757,803	12		757,803	13		
	Capital surplus	6(12)								
3200	Capital surplus			813,473	13		813,473	14		
	Retained earnings	6(13)								
3310	Legal reserve			714,295	11		668,091	12		
3320	Special reserve			325,899	5		383,506	7		
3350	Unappropriated retained earnings			2,083,825	33		1,866,812	33		
	Other equity									
3400	Other equity interest		(331,725)	(5)	(325,899)	(6)
3XXX	Total equity			4,363,570	69		4,163,786	73		
	Significant contingent liabilities and unrecognised contract commitments	9								
	Significant events after the balance sheet date	11								
3X2X	Total liabilities and equity		\$	6,355,410	100	\$	5,718,858	100		

The accompanying notes are an integral part of these parent company only financial statements.

IRON FORCE INDUSTRIAL CO., LTD.
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
YEARS ENDED DECEMBER 31, 2023 AND 2022
(Expressed in thousands of New Taiwan dollars)

			Year ended December 31			
			2023		2022	
Items	Notes		AMOUNT	%	AMOUNT	%
4000	Sales revenue	6(14)	\$ 1,788,823	100	\$ 1,636,262	100
5000	Operating costs	6(4)(17)	(1,437,606)	(81)	(1,261,967)	(77)
5900	Gross profit		<u>351,217</u>	<u>19</u>	<u>374,295</u>	<u>23</u>
	Operating expenses	6(17)				
6100	Selling expenses		(52,926)	(3)	(88,253)	(5)
6200	General and administrative expenses		(143,254)	(8)	(131,829)	(8)
6300	Research and development expenses		(45,652)	(2)	(41,234)	(3)
6450	Reversal of impairment loss determined in accordance with IFRS 9 (Expected credit impairment loss)		<u>5,378</u>	<u>-</u>	<u>(8,411)</u>	<u>-</u>
6000	Total operating expenses		<u>(236,454)</u>	<u>(13)</u>	<u>(269,727)</u>	<u>(16)</u>
6900	Operating profit		<u>114,763</u>	<u>6</u>	<u>104,568</u>	<u>7</u>
	Non-operating income and expenses					
7100	Interest income	7	5,218	-	3,504	-
7010	Other income	6(15) and 7	55,684	3	52,229	3
7020	Other gains and losses	6(16)	11,191	1	37,026	2
7050	Finance costs		(9,452)	-	(7,790)	-
7070	Share of profit of subsidiaries, associates and joint ventures accounted for using equity method	6(5)	<u>472,601</u>	<u>26</u>	<u>376,986</u>	<u>23</u>
7000	Total non-operating income and expenses		<u>535,242</u>	<u>30</u>	<u>461,955</u>	<u>28</u>
7900	Profit before tax		650,005	36	566,523	35
7950	Income tax expense	6(18)	(136,188)	(7)	(113,933)	(7)
8200	Profit for the year		<u>\$ 513,817</u>	<u>29</u>	<u>\$ 452,590</u>	<u>28</u>
Other comprehensive income						
Components of other comprehensive income that will not be reclassified to profit or loss						
8311	(Losses) Gains on remeasurements of defined benefit plan	6(10)	(\$ 6,358)	-	\$ 11,818	1
8349	Income tax related to components of other comprehensive income that will not be reclassified to profit or loss	6(18)	<u>1,272</u>	<u>-</u>	<u>(2,364)</u>	<u>-</u>
Components of other comprehensive income that will be reclassified to profit or loss						
8361	Financial statements translation differences of foreign operations		(7,283)	(1)	72,009	4
8399	Income tax relating to the components of other comprehensive income	6(18)	<u>1,457</u>	<u>-</u>	<u>(14,403)</u>	<u>(1)</u>
8300	Other comprehensive income (loss) for the year		<u>(\$ 10,912)</u>	<u>(1)</u>	<u>\$ 67,060</u>	<u>4</u>
8500	Total comprehensive income for the year		<u>\$ 502,905</u>	<u>28</u>	<u>\$ 519,650</u>	<u>32</u>
	Earnings per share (in dollars)	6(19)				
9750	Basic earnings per share		<u>\$ 6.78</u>		<u>\$ 5.97</u>	
9850	Diluted earnings per share		<u>\$ 6.77</u>		<u>\$ 5.76</u>	

The accompanying notes are an integral part of these parent company only financial statements.

IRON FORCE INDUSTRIAL CO., LTD.
PARENT COMPANY ONLY STATEMENTS OF CHANGES IN EQUITY
YEARS ENDED DECEMBER 31, 2023 AND 2022

(Expressed in thousands of New Taiwan dollars, except as otherwise indicated)

		Retained Earnings				Financial statements translation differences of foreign operations	Total equity	
Notes	Share capital - common stock	Total capital surplus, additional paid- in capital	Legal reserve	Special reserve	Unappropriated retained earnings			
<u>Year ended December 31, 2022</u>								
Balance at January 1, 2022		\$ 757,803	\$ 813,473	\$ 644,117	\$ 337,333	\$ 1,626,476	(\$ 383,505)	\$ 3,795,697
Profit for the year		-	-	-	-	452,590	-	452,590
Other comprehensive income for the year		-	-	-	-	9,454	57,606	67,060
Total comprehensive income		-	-	-	-	462,044	57,606	519,650
Appropriations of 2021 earnings	6(13)							
Legal reserve		-	-	23,974	-	(23,974)	-	-
Special reserve		-	-	-	46,173	(46,173)	-	-
Cash dividends		-	-	-	-	(151,561)	-	(151,561)
Balance at December 31, 2022		\$ 757,803	\$ 813,473	\$ 668,091	\$ 383,506	\$ 1,866,812	(\$ 325,899)	\$ 4,163,786
<u>Year ended December 31, 2023</u>								
Balance at January 1, 2023		\$ 757,803	\$ 813,473	\$ 668,091	\$ 383,506	\$ 1,866,812	(\$ 325,899)	\$ 4,163,786
Profit for the year		-	-	-	-	513,817	-	513,817
Other comprehensive loss for the year		-	-	-	-	(5,086)	(5,826)	(10,912)
Total comprehensive income (loss)		-	-	-	-	508,731	(5,826)	502,905
Appropriations of 2022 earnings	6(13)							
Legal reserve		-	-	46,204	-	(46,204)	-	-
Special reserve		-	-	-	(57,607)	57,607	-	-
Cash dividends		-	-	-	-	(303,121)	-	(303,121)
Balance at December 31, 2023		\$ 757,803	\$ 813,473	\$ 714,295	\$ 325,899	\$ 2,083,825	(\$ 331,725)	\$ 4,363,570

The accompanying notes are an integral part of these parent company only financial statements.

IRON FORCE INDUSTRIAL CO., LTD.
PARENT COMPANY ONLY STATEMENTS OF CASH FLOWS
YEARS ENDED DECEMBER 31, 2023 AND 2022
(Expressed in thousands of New Taiwan dollars)

		Year ended December 31	
	Notes	2023	2022
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before tax		\$ 650,005	\$ 566,523
Adjustments			
Adjustments to reconcile profit (loss)			
Unrealized profit from intercompany sales		25,019	16,334
Realized gain from intercompany sales	(	16,334)	(22,457)
Expected credit impairment (gain)loss	(	5,378)	(8,411)
Depreciation	6(6)(17)	47,605	44,098
Gain on disposal of property, plant and equipment	(	411)	(166)
Amortization	6(17)	12,735	8,501
Interest income	(	5,218)	(3,504)
Loss (gain) on financial assets and liabilities at fair value through profit or loss	6(2)(16)	12,490	(1,709)
Interest expense		9,452	7,790
Share of profit of subsidiaries, associates and joint ventures accounted for under equity method	6(5)	(472,601)	(376,986)
Changes in operating assets and liabilities			
Changes in operating assets			
Accounts receivable	(	82,411)	(70,040)
Other receivables	(	848)	(953)
Other receivables - related parties	(	25,270)	(7,481)
Inventories		45,500	(132,115)
Other current assets		21,082	8,573
Changes in operating liabilities			
Financial liabilities at fair value through profit or loss	(	5,138)	-
Accounts payable		12,163	75,218
Other current liabilities	(	307,329)	(1,933)
Other payables		41,398	(5,240)
Other payables - related parties		681,327	1,742
Current contract liabilities		1,085	(1,177)
Other non-current liabilities		538	469
Cash inflow generated from operations		639,461	128,860
Interest received		5,218	3,504
Income tax paid	(	41,929)	(8,791)
Interest paid	(	8,823)	(4,145)
Net cash flows from operating activities		593,927	119,428
CASH FLOWS FROM INVESTING ACTIVITIES			
Acquisition of property, plant and equipment	6(20)	(74,839)	(79,262)
Proceeds from disposal of property, plant and equipment		619	999
Increase in other non-current assets	(	16,775)	(15,217)
Net cash flows used in investing activities	(	90,995)	(93,480)
CASH FLOWS FROM FINANCING ACTIVITIES			
(Decrease) increase in short-term loan	6(21)	(102,000)	84,000
Payments of cash dividends	6(13)	(303,121)	(151,561)
Net cash flows used in financing activities	(	405,121)	(67,561)
Net increase in cash and cash equivalents		97,811	(41,613)
Cash and cash equivalents at beginning of year		161,073	202,686
Cash and cash equivalents at end of year		\$ 258,884	\$ 161,073

The accompanying notes are an integral part of these parent company only financial statements.

IRON FORCE INDUSTRIAL CO., LTD.
NOTES TO THE PARENT COMPANY ONLY FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2023 AND 2022

(Expressed in thousands of New Taiwan dollars, except as otherwise indicated)

1. History and Organisation

Iron Force Industrial Co., Ltd. (the “Company”) was incorporated in April 1977 as a company limited by shares under the provisions of the Company Act of the Republic of China (R.O.C.) and listed on the Taiwan Stock Exchange on November 25, 2013. The Company is primarily engaged in manufacturing and trading of airbag inflators for automotive safety systems and high precision metal tubes for seatbelt retractor/pretensioner systems, and trading of display fixtures and other metal parts.

2. The Date of Authorisation for Issuance of the Financial Statements and Procedures for Authorisation

These parent company only financial statements were authorised for issuance by the Board of Directors on March 7, 2024.

3. Application of New Standards, Amendments and Interpretations

(1) Effect of the adoption of new issuances of or amendments to International Financial Reporting Standards (“IFRS”) Accounting Standards that came into effect as endorsed by the Financial Supervisory Commission (“FSC”)

New standards, interpretations and amendments endorsed by the FSC and became effective from 2023 are as follows:

<u>New Standards, Interpretations and Amendments</u>	<u>Effective date by International Accounting Standards Board</u>
Amendments to IAS 1, ‘Disclosure of accounting policies’	January 1, 2023
Amendments to IAS 8, ‘Definition of accounting estimates’	January 1, 2023
Amendments to IAS 12, ‘Deferred tax related to assets and liabilities arising from a single transaction’	January 1, 2023
Amendments to IAS 12, ‘International tax reform - pillar two model rules’	May 23, 2023

The above standards and interpretations have no significant impact to the Company’s financial condition and financial performance based on the Company’s assessment.

(2) Effect of new issuances of or amendments to IFRS Accounting Standards as endorsed by the FSC but not yet adopted by the Company

New standards, interpretations and amendments endorsed by the FSC effective from 2024 are as follows:

New Standards, Interpretations and Amendments	Effective date by International Accounting Standards Board
Amendments to IFRS 16, 'Lease liability in a sale and leaseback'	January 1, 2024
Amendments to IAS 1, 'Classification of liabilities as current or non-current'	January 1, 2024
Amendments to IAS 1, 'Non-current liabilities with covenants'	January 1, 2024
Amendments to IAS 7 and IFRS 7, 'Supplier finance arrangements'	January 1, 2024

The above standards and interpretations have no significant impact to the Company's financial condition and financial performance based on the Company's assessment.

(3) IFRS Accounting Standards issued by IASB but not yet endorsed by the FSC

New standards, interpretations and amendments issued by IASB but not yet included in the IFRS Accounting Standards as endorsed by the FSC are as follows:

New Standards, Interpretations and Amendments	Effective date by International Accounting Standards Board
Amendments to IFRS 10 and IAS 28, 'Sale or contribution of assets between an investor and its associate or joint venture'	To be determined by International Accounting Standards Board
IFRS 17, 'Insurance contracts'	January 1, 2023
Amendments to IFRS 17, 'Insurance contracts'	January 1, 2023
Amendment to IFRS 17, 'Initial application of IFRS 17 and IFRS 9 - comparative information'	January 1, 2023
Amendments to IAS 21, 'Lack of exchangeability'	January 1, 2025

The above standards and interpretations have no significant impact to the Company's financial condition and financial performance based on the Company's assessment.

4. Summary of Significant Accounting Policies

The principal accounting policies applied in the preparation of these parent company only financial statements are set out below. These policies have been consistently applied to all the periods presented, unless otherwise stated.

(1) Compliance statement

The parent company only financial statements of the Company have been prepared in accordance

with the Regulations Governing the Preparation of Financial Reports by Securities Issuers.

(2) Basis of preparation

- A. Except for the following items, the parent company only financial statements have been prepared under the historical cost convention:
 - (a) Financial assets and financial liabilities (including derivative instruments) at fair value through profit or loss.
 - (b) Defined benefit liabilities recognised based on the net amount of pension fund assets less present value of defined benefit obligation.
- B. The preparation of financial statements in conformity with International Financial Reporting Standards, International Accounting Standards, IFRIC Interpretations, and SIC Interpretations as endorsed by the FSC (collectively referred herein as the “IFRSs”) requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Company’s accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the parent company only financial statements are disclosed in Note 5.

(3) Foreign currency translation

Items included in the parent company only financial statements are measured using the currency of the primary economic environment (the “functional currency”). The parent company only financial statements are presented in NTD, which is the Company’s functional and presentation currency.

A. Foreign currency transactions and balances

- (a) Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions or valuation where items are remeasured. Foreign exchange gains and losses resulting from the settlement of such transactions are recognised in profit or loss in the period in which they arise.
- (b) Monetary assets and liabilities denominated in foreign currencies at the period end are re-translated at the exchange rates prevailing at the balance sheet date. Exchange differences arising upon re-translation at the balance sheet date are recognised in profit or loss.
- (c) Non-monetary assets and liabilities denominated in foreign currencies held at fair value through profit or loss are re-translated at the exchange rates prevailing at the balance sheet date; their translation differences are recognised in profit or loss. Non-monetary assets and liabilities denominated in foreign currencies held at fair value through other comprehensive income are re-translated at the exchange rates prevailing at the balance sheet date; their translation differences are recognised in other comprehensive income. However, non-monetary assets and liabilities denominated in foreign currencies that are not measured at fair value are translated using the historical exchange rates at the dates of the initial transactions.
- (d) All foreign exchange gains and losses are presented in the statement of comprehensive income within ‘other gains and losses’.

B. Translation of foreign operations

The operating results and financial position of all the group entities that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- (a) Assets and liabilities for each balance sheet presented are translated at the closing exchange rate at the date of that balance sheet;
- (b) Income and expenses for each statement of comprehensive income are translated at average exchange rates of that period; and
- (c) All resulting exchange differences are recognised in other comprehensive income.

(4) Classification of current and non-current items

A. Assets that meet one of the following criteria are classified as current assets; otherwise they are classified as non-current assets:

- (a) Assets arising from operating activities that are expected to be realised, or are intended to be sold or consumed within the normal operating cycle;
- (b) Assets held mainly for trading purposes;
- (c) Assets that are expected to be realised within twelve months from the balance sheet date;
- (d) Cash and cash equivalents, excluding restricted cash and cash equivalents and those that are to be exchanged or used to settle liabilities more than twelve months after the balance sheet date.

B. Liabilities that meet one of the following criteria are classified as current liabilities; otherwise they are classified as non-current liabilities:

- (a) Liabilities that are expected to be settled within the normal operating cycle;
- (b) Liabilities arising mainly from trading activities;
- (c) Liabilities that are to be settled within twelve months from the balance sheet date;
- (d) Liabilities for which the repayment date cannot be extended unconditionally to more than twelve months after the balance sheet date. Terms of a liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification.

(5) Cash equivalents

Cash equivalents refer to short-term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value. Time deposits that meet the definition above and are held for the purpose of meeting short-term cash commitments in operations are classified as cash equivalents.

(6) Financial assets at fair value through profit or loss

- A. Financial assets at fair value through profit or loss are financial assets that are not measured at amortised cost or fair value through other comprehensive income.
- B. On a regular way purchase or sale basis, financial assets at fair value through profit or loss are recognised and derecognised using trade date accounting.
- C. At initial recognition, the Company measures the financial assets at fair value and recognises the transaction costs in profit or loss. The Company subsequently measures the financial assets at fair value, and recognises the gain or loss in profit or loss.

(7) Accounts receivable

- A. Accounts receivable entitle the Company a legal right to receive consideration in exchange for transferred goods or rendered services.
- B. The short-term accounts receivable without bearing interest are subsequently measured at initial invoice amount as the effect of discounting is immaterial.

(8) Impairment of financial assets

For financial assets at amortised cost including accounts receivable, at each reporting date, the Company recognises the impairment provision for 12 months expected credit losses if there has not been a significant increase in credit risk since initial recognition or recognises the impairment provision for the lifetime expected credit losses (ECLs) if such credit risk has increased since initial recognition after taking into consideration all reasonable and verifiable information that includes forecasts. On the other hand, for accounts receivable that do not contain a significant financing component, the Company recognises the impairment provision for lifetime ECLs.

(9) Derecognition of financial assets

The Company derecognises a financial asset when the contractual rights to receive the cash flows from the financial asset expire.

(10) Inventories

Inventories are stated at the lower of cost and net realisable value. Cost is determined using the weighted-average method. The cost of finished goods and work in progress comprises raw materials, direct labour, other direct costs and related production overheads (allocated based on normal operating capacity). It excludes borrowing costs. The item by item approach is used in applying the lower of cost and net realisable value. Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and applicable variable selling expenses.

(11) Investments accounted for using equity method / subsidiaries

- A. Subsidiaries are all entities (including structured entities) controlled by the Company. The Company controls an entity when the Company is exposed, or has rights, to variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity.
- B. Inter-company transactions, balances and unrealised gains or losses on transactions between companies within the Company are eliminated. Accounting policies of subsidiaries have been adjusted where necessary to ensure consistency with the policies adopted by the Company.
- C. The Company's share of its subsidiaries' post-acquisition profits or losses is recognised in profit or loss, and its share of post-acquisition movements in other comprehensive income is recognised in other comprehensive income. When the Company's share of losses in a subsidiary equals or exceeds its interest in the subsidiary, the Company continues to recognise losses proportionate to its ownership.
- D. Pursuant to the Regulations Governing the Preparation of Financial Reports by Securities Issuers, profit (loss) and other comprehensive income of the current period in the parent company only financial statements shall equal to the amount attributable to owners of the parent in the consolidated financial statements. Owners' equity in the parent company only financial statements shall equal to equity attributable to owners of the parent in the consolidated financial statements.

(12) Property, plant and equipment

- A. Property, plant and equipment are initially recorded at cost. Borrowing costs incurred during the construction period are capitalised.
- B. Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognised. All other repairs and maintenance are charged to profit or loss during the financial period in which they are incurred.
- C. Land is not depreciated. Other property, plant and equipment apply cost model and are depreciated using the straight-line method to allocate their cost over their estimated useful lives. Each part of an item of property, plant, and equipment with a cost that is significant in relation to the total cost of the item must be depreciated separately.
- D. The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted if appropriate, at each financial year-end. If expectations for the assets' residual values and useful lives differ from previous estimates or the patterns of consumption of the assets' future economic benefits embodied in the assets have changed significantly, any change is accounted for as a change in estimate under IAS 8, 'Accounting Policies, Changes in Accounting Estimates and

Errors', from the date of the change. The estimated useful lives of property, plant and equipment are as follows:

Buildings and structures	51~56 years
Machinery and equipment	2~ 6 years
Office equipment	6 years
Others	1~20 years

(13) Leasing arrangements (lessee)

Leases are recognised as a right-of-use asset and a corresponding lease liability at the date at which the leased asset is available for use by the Company. For short-term leases or leases of low-value assets, lease payments are recognised as an expense on a straight-line basis over the lease term.

(14) Intangible assets

Computer software is stated at cost and amortised on a straight-line basis over its estimated useful life of 1~3 years.

(15) Impairment of non-financial assets

The Company assesses at each balance sheet date the recoverable amounts of those assets where there is an indication that they are impaired. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell or value in use. When the circumstances or reasons for recognising impairment loss for an asset in prior years no longer exist or diminish, the impairment loss is reversed. The increased carrying amount due to reversal should not be more than what the depreciated or amortised historical cost would have been if the impairment had not been recognised.

(16) Borrowings

Borrowings comprise short-term bank borrowings. Borrowings are recognised initially at fair value, net of transaction costs incurred. Borrowings are subsequently stated at amortised cost; any difference between the proceeds (net of transaction costs) and the redemption value is recognised in profit or loss over the period of the borrowings using the effective interest method.

(17) Notes and accounts payable

- A. Accounts payable are liabilities for purchases of raw materials, goods or services and notes payable are those resulting from operating and non-operating activities.
- B. The short-term notes and accounts payable without bearing interest are subsequently measured at initial invoice amount as the effect of discounting is immaterial.

(18) Financial liabilities at fair value through profit or loss

- A. Financial liabilities are classified in this category of held for trading if acquired principally for the purpose of repurchasing in the short-term.
- B. At initial recognition, the Company measures the financial liabilities at fair value. All related transaction costs are recognised in profit or loss. The Company subsequently measures these financial liabilities at fair value with any gain or loss recognised in profit or loss.

(19) Convertible bonds payable

Convertible bonds issued by the Company contain conversion options (that is, the bondholders have the right to convert the bonds into the Company's common shares by exchanging a fixed amount of cash for a fixed number of common shares) and call options. The Company classifies the bonds payable upon issuance as a financial asset or an equity instrument in accordance with the contract terms. They are accounted for as follows:

- A. The embedded call options are recognised initially at net fair value as 'financial assets at fair value through profit or loss'. They are subsequently remeasured and stated at fair value on the balance sheet date; the gain or loss is recognised as 'gain or loss on valuation of financial assets at fair value through profit or loss'.
- B. The host contracts of bonds are initially recognised at fair value. Any difference between the initial recognition and the redemption value is accounted for as the premium or discount on bonds payable and subsequently is amortised in profit or loss as an adjustment to 'finance costs' over the period of circulation using the effective interest method.
- C. The embedded conversion options which meet the definition of an equity instrument are initially recognised in 'capital surplus—share options' at the residual amount of total issue price less the amount of financial assets at fair value through profit or loss and bonds payable as stated above. Conversion options are not subsequently remeasured.
- D. Any transaction costs directly attributable to the issuance are allocated to each liability or equity component in proportion to the initial carrying amount of each abovementioned item.
- E. When bondholders exercise conversion options, the liability component of the bonds (including bonds payable and 'financial assets at fair value through profit or loss') shall be remeasured on the conversion date. The issuance cost of converted common shares is the total book value of the abovementioned liability component and 'capital surplus—share options'.

(20) Derecognition of financial liabilities

A financial liability is derecognised when the obligation specified in the contract is either discharged or cancelled or expires.

(21) Non-hedging derivatives

- A. Non-hedging derivatives are initially recognised at fair value on the date a derivative contract is

entered into and recorded as financial assets or financial liabilities at fair value through profit or loss. They are subsequently remeasured at fair value and the gains or losses are recognised in profit or loss.

- B. Under the financial assets, the hybrid contracts embedded with derivatives are initially recognised as financial assets at fair value through profit or loss.

(22) Provisions

Provisions (including onerous contracts) are recognised when the Company has a present legal or constructive obligation as a result of past events, and it is probable that an outflow of economic resources will be required to settle the obligation and the amount of the obligation can be reliably estimated. Provisions are measured at the present value of the expenditures expected to be required to settle the obligation on the balance sheet date, which is discounted using a pre-tax discount rate that reflects the current market assessments of the time value of money and the risks specific to the obligation. When discounting is used, the increase in the provision due to passage of time is recognised as interest expense. Provisions are not recognised for future operating losses.

(23) Employee benefits

A. Short-term employee benefits

Short-term employee benefits are measured at the undiscounted amount of the benefits expected to be paid in respect of service rendered by employees in a period and should be recognised as expense in that period when the employees render service.

B. Pensions

(a) Defined contribution plan

For defined contribution plan, the contributions are recognised as pension expense when they are due on an accrual basis. Prepaid contributions are recognised as an asset to the extent of a cash refund or a reduction in the future payments.

(b) Defined benefit plan

- i. Net obligation under a defined benefit plan is defined as the present value of an amount of pension benefits that employees will receive on retirement for their services with the Company in current period or prior periods. The liability recognised in the balance sheet in respect of defined benefit pension plan is the present value of the defined benefit obligation at the balance sheet date less the fair value of plan assets. The net defined benefit obligation is calculated annually by independent actuaries using the projected unit credit method. The rate used to discount is determined by using interest rates of government bonds (at the balance sheet date).
- ii. Remeasurements arising on defined benefit plan are recognised in other comprehensive income in the period in which they arise and are recorded as retained earnings.
- iii. Past service costs are recognised immediately in profit or loss

C. Termination benefits

Termination benefits are employee benefits provided in exchange for the termination of employment as a result from either the Company's decision to terminate an employee's employment before the normal retirement date, or an employee's decision to accept an offer of redundancy benefits in exchange for the termination of employment. The Company recognises expense when it can no longer withdraw an offer of termination benefits or when it recognises related restructuring costs, whichever is earlier. Benefits that are expected to be due more than 12 months after the balance sheet date shall be discounted to their present value.

D. Employees' compensation and directors' remuneration

Employees' compensation and directors' remuneration are recognised as expense and liability, provided that such recognition is required under legal or constructive obligation and those amounts can be reliably estimated. Any difference between the resolved amounts at the shareholders' meeting and the subsequently actual distributed amounts is accounted for as changes in estimates. If employee compensation is paid by shares, the Company calculates the number of shares based on the closing price at the previous day of the board meeting resolution.

(24) Income tax

- A. The tax expense for the period comprises current and deferred tax. Tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or items recognised directly in equity, in which cases the tax is recognised in other comprehensive income or equity.
- B. The current income tax expense is calculated on the basis of the tax laws enacted or substantively enacted at the balance sheet date in the countries where the Company operates and generates taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in accordance with applicable tax regulations. It establishes provisions where appropriate based on the amounts expected to be paid to the tax authorities. An additional tax is levied on the unappropriated retained earnings and is recorded as income tax expense in the year the stockholders resolve to retain the earnings.
- C. Deferred tax is recognised, using the balance sheet liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the parent company only balance sheet. However, the deferred tax is not accounted for if it arises from initial recognition of goodwill or of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss. Deferred tax is provided on temporary differences arising on investments in subsidiaries, except where the timing of the reversal of the temporary difference is controlled by the Company and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the balance sheet date and are expected to apply when the related deferred tax asset is realised or the deferred tax liability is settled.

- D. Deferred tax assets are recognised only to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised. At each balance sheet date, unrecognised and recognised deferred tax assets are reassessed.

(25) Share capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares or stock options are shown in equity as a deduction, net of tax, from the proceeds.

(26) Dividends

Dividends are recorded in the Company's financial statements in the period in which they are resolved by the Company's shareholders. Cash dividends are recorded as liabilities; stock dividends are recorded as stock dividends to be distributed and are reclassified to ordinary shares on the effective date of new shares issuance.

(27) Revenue recognition

Sales of goods

- A. The Company manufactures and sells automotive safety components, display fixtures and other metal parts. Sales are recognised when control of the products has transferred, being when the products are delivered to the customer, the customer has full discretion over the channel and price to sell the products, and there is no unfulfilled obligation that could affect the customer's acceptance of the products. Delivery occurs when the products have been shipped to the specific location, the risks of obsolescence and loss have been transferred to the customer, and either the customer has accepted the products in accordance with the sales contract, or the Company has objective evidence that all criteria for acceptance have been satisfied.
- B. Revenue from sales of automotive safety components, display fixtures and other metal parts is recognised based on the price specified in the contract, net of sales returns, volume discounts and sales discounts. The sales usually are made with a credit term of 90 days. As the time interval between the transfer of committed goods or services and the payment of customer does not exceed one year, the Company does not adjust the transaction price to reflect the time value of money.
- C. A receivable is recognised when the goods are delivered as this is the point in time that the consideration is unconditional because only the passage of time is required before the payment is due.

(28) Government grants

Government grants are recognised at their fair value only when there is reasonable assurance that the Company will comply with any conditions attached to the grants and the grants will be received. Government grants are recognised in profit or loss on a systematic basis over the periods in which the Company recognises expenses for the related costs for which the grants are intended to compensate. Government grants related to property, plant and equipment are recognised as non-

current liabilities and are amortised to profit or loss over the estimated useful lives of the related assets using the straight-line method.

5. Critical Accounting Judgements, Estimates and Key Sources of Assumption Uncertainty

The preparation of these parent company only financial statements requires management to make critical judgements in applying the Company's accounting policies and make critical assumptions and estimates concerning future events. Assumptions and estimates may differ from the actual results and are continually evaluated and adjusted based on historical experience and other factors. Such assumptions and estimates have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year; and the related information is addressed below:

(1) Critical judgements in applying the Company's accounting policies

None.

(2) Critical accounting estimates and assumptions

None.

6. Details of Significant Accounts

(1) Cash and cash equivalents

	<u>December 31, 2023</u>	<u>December 31, 2022</u>
Petty cash and cash on hand	\$ 150	\$ 150
Checking accounts and demand deposits	41,292	60,021
Time deposits	134,098	-
Short-term notes and bills	83,344	100,902
	<u>\$ 258,884</u>	<u>\$ 161,073</u>

- A. As of December 31, 2023 and 2022, the annual interest rate of cash equivalents was 1.12%~4.08% and 0.83%, respectively, and the cash equivalents were highly liquid investments expiring within three months such as time deposits and short-term notes and bills.
- B. The Company transacts with a variety of financial institutions all with high credit quality to disperse credit risk, so it expects that the probability of counterparty default is remote.
- C. The Company has no cash and cash equivalents pledged to others.

(2) Financial assets at fair value through profit or loss

<u>Items</u>	<u>December 31, 2023</u>	<u>December 31, 2022</u>
Current items:		
Financial assets mandatorily measured at fair value through profit or loss		
Unlisted stocks	\$ 12,000	\$ 12,000
Valuation adjustment	(11,472)	(10,720)
	<u>\$ 528</u>	<u>\$ 280</u>

Current items:

Financial liabilities mandatorily measured at fair value through profit or loss

Forward foreign exchange contracts	<u>\$ 7,600</u>	<u>\$ -</u>
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A. Amounts recognised in profit or loss in relation to financial assets / liabilities at fair value through profit or loss are listed below:

	<u>Year ended December 31</u>	
	<u>2023</u>	<u>2022</u>
Financial assets/ liabilities mandatorily measured at fair value through profit or loss		
Equity instruments	\$ 248	(\$ 1,004)
Forward foreign exchange contracts	(12,738)	2,713
	<u>(\$ 12,490)</u>	<u>\$ 1,709</u>

B. Details of the transactions and contract information in respect of the Company's derivative financial assets / liabilities which were not accounted for under hedge accounting are as follows:

	<u>December 31, 2023</u>	
	Contract amount (notional principal)	
<u>Financial instruments</u>	<u>(in dollars)</u>	<u>Contract period</u>
Forward foreign exchange contracts - pre-sale	EUR4,000,000	2023/7/25~2024/7/18
Forward foreign exchange contracts - pre-sale	EUR7,600,000	2023/7/25~2024/7/18
Forward foreign exchange contracts - pre-sale	EUR8,400,000	2023/7/25~2024/7/18

There was no such situation for the year ended December 31, 2022.

The Company entered into forward foreign exchange contracts to hedge exchange rate risk of export proceeds. However, these forward foreign exchange contracts are not accounted for under hedge accounting.

- C. Information relating to credit risk of financial assets / liabilities at fair value through profit or loss is provided in Note 12(2).

(3) Accounts receivable

	<u>December 31, 2023</u>	<u>December 31, 2022</u>
Accounts receivable	\$ 315,825	\$ 233,414
Less: Allowance for uncollectible accounts	(4,033)	(9,411)
	<u>\$ 311,792</u>	<u>\$ 224,003</u>

- A. The ageing analysis of accounts receivable that were past due but not impaired is as follows:

	<u>December 31, 2023</u>	<u>December 31, 2022</u>
Not past due	\$ 266,146	\$ 158,285
Up to 30 days	32,804	34,614
31 to 90 days	16,875	32,274
91 to 180 days	-	8,241
	<u>\$ 315,825</u>	<u>\$ 233,414</u>

The above ageing analysis was based on past due date.

- B. As of December 31, 2023, December 31, 2022 and January 1, 2022, the balances of accounts receivable from contracts with customers amounted to \$315,825, \$233,414, and \$163,374, respectively.
- C. Information relating to credit risk of accounts receivable is provided in Note 12(2).

(4) Inventories

December 31, 2023			
	Cost	Allowance for valuation loss	Book value
Raw materials	\$ 168,074	(\$ 1,650)	\$ 166,424
Work in progress	22,394	(2,158)	20,236
Finished goods	209,546	(3,028)	206,518
Merchandise	10,885	(10,488)	397
	<u>\$ 410,899</u>	<u>(\$ 17,324)</u>	<u>\$ 393,575</u>
December 31, 2022			
	Cost	Allowance for valuation loss	Book value
Raw materials	\$ 182,776	(\$ 1,338)	\$ 181,438
Work in progress	28,900	(1,898)	27,002
Finished goods	230,965	(949)	230,016
Merchandise	12,980	(12,361)	619
	<u>\$ 455,621</u>	<u>(\$ 16,546)</u>	<u>\$ 439,075</u>

The cost of inventories recognised as expense for the years ended December 31, 2023 and 2022 was \$1,437,606 and \$1,261,967, including the amount of \$778 and \$7,632, respectively, that the Company recognised an increase in cost of goods sold for movements in net realisable value.

(5) Investments accounted for using equity method

	<u>December 31, 2023</u>	<u>December 31, 2022</u>
Subsidiaries:		
Transtat Investment Ltd.	\$ 3,898,595	\$ 3,539,738
Cortec GmbH	325,496	277,417
Iron Force Poland Sp. z o.o.	540,827	491,130
	<u>\$ 4,764,918</u>	<u>\$ 4,308,285</u>

A. Share of profit of subsidiaries accounted for using equity method is as follows:

	<u>Year ended December 31</u>	
	<u>2023</u>	<u>2022</u>
Subsidiaries:		
Transtat Investment Ltd.	\$ 441,526	\$ 381,594
Cortec GmbH	37,212	7,995
Iron Force Poland Sp. z o.o.	(6,137)	(12,603)
	<u>\$ 472,601</u>	<u>\$ 376,986</u>

B. Details of the Company's subsidiaries are provided in Note 4(3) of the Company's consolidated financial statements as of and for the year ended December 31, 2023.

C. The above investments accounted for using equity method and investment income were evaluated based on the financial statements audited by independent auditors for the corresponding period.

(6) Property, plant and equipment

	<u>Land</u>	<u>Buildings and structures</u>	<u>Machinery and equipment</u>	<u>Office equipment</u>	<u>Others</u>	<u>Total</u>
<u>At January 1, 2023</u>						
Cost	\$ 94,514	\$ 234,787	\$ 251,531	\$ 134	\$ 21,382	\$ 602,348
Accumulated depreciation	-	(77,451)	(127,216)	(92)	(9,553)	(214,312)
	<u>\$ 94,514</u>	<u>\$ 157,336</u>	<u>\$ 124,315</u>	<u>\$ 42</u>	<u>\$ 11,829</u>	<u>\$ 388,036</u>
<u>2023</u>						
Opening net book amount as at January 1	\$ 94,514	\$ 157,336	\$ 124,315	\$ 42	\$ 11,829	\$ 388,036
Additions	-	500	64,574	310	392	65,776
Disposals	-	-	(208)	-	-	(208)
Depreciation charge	-	(4,689)	(38,915)	(39)	(3,962)	(47,605)
Closing net book amount as at December 31	<u>\$ 94,514</u>	<u>\$ 153,147</u>	<u>\$ 149,766</u>	<u>\$ 313</u>	<u>\$ 8,259</u>	<u>\$ 405,999</u>
<u>At December 31, 2023</u>						
Cost	\$ 94,514	\$ 235,287	\$ 261,529	\$ 444	\$ 19,350	611,124
Accumulated depreciation	-	(82,140)	(111,763)	(131)	(11,091)	(205,125)
	<u>\$ 94,514</u>	<u>\$ 153,147</u>	<u>\$ 149,766</u>	<u>\$ 313</u>	<u>\$ 8,259</u>	<u>\$ 405,999</u>

	<u>Land</u>	<u>Buildings and structures</u>	<u>Machinery and equipment</u>	<u>Office equipment</u>	<u>Others</u>	<u>Total</u>
<u>At January 1, 2022</u>						
Cost	\$ 94,514	\$ 233,965	\$ 243,044	\$ 134	\$ 16,152	\$ 587,809
Accumulated depreciation	<u>-</u>	<u>(72,780)</u>	<u>(145,510)</u>	<u>(68)</u>	<u>(9,423)</u>	<u>(227,781)</u>
	<u>\$ 94,514</u>	<u>\$ 161,185</u>	<u>\$ 97,534</u>	<u>\$ 66</u>	<u>\$ 6,729</u>	<u>\$ 360,028</u>
<u>2022</u>						
Opening net book amount as at January 1	\$ 94,514	\$ 161,185	\$ 97,534	\$ 66	\$ 6,729	\$ 360,028
Additions	-	822	63,822	-	8,295	72,939
Disposals	-	-	(833)	-	-	(833)
Depreciation charge	<u>-</u>	<u>(4,671)</u>	<u>(36,208)</u>	<u>(24)</u>	<u>(3,195)</u>	<u>(44,098)</u>
Closing net book amount as at December 31	<u>\$ 94,514</u>	<u>\$ 157,336</u>	<u>\$ 124,315</u>	<u>\$ 42</u>	<u>\$ 11,829</u>	<u>\$ 388,036</u>
<u>At December 31, 2022</u>						
Cost	\$ 94,514	\$ 234,787	\$ 251,531	\$ 134	\$ 21,382	\$ 602,348
Accumulated depreciation	<u>-</u>	<u>(77,451)</u>	<u>(127,216)</u>	<u>(92)</u>	<u>(9,553)</u>	<u>(214,312)</u>
	<u>\$ 94,514</u>	<u>\$ 157,336</u>	<u>\$ 124,315</u>	<u>\$ 42</u>	<u>\$ 11,829</u>	<u>\$ 388,036</u>

Information about the property, plant and equipment that were pledged to others as collateral is provided in Note 8.

(7) Other payables

	<u>December 31, 2023</u>	<u>December 31, 2022</u>
Wages and salaries payable	\$ 82,567	\$ 79,314
Payable on purchasing materials on behalf of others (Note)	35,755	-
Processing fees payable	11,978	10,480
Import / export expenses payable	5,167	6,129
Payable on machinery and equipment	8,862	11,564
Others	<u>21,717</u>	<u>19,862</u>
	<u>\$ 166,046</u>	<u>\$ 127,349</u>

Note: Pertains to purchases of raw materials on behalf of second-tier subsidiaries.

(8) Short-term borrowings

<u>Type of borrowings</u>	<u>December 31, 2023</u>	<u>Interest rate range</u>	<u>Collateral</u>
Bank borrowings			
Unsecured borrowings	<u>\$ 382,000</u>	1.53%	None
<u>Type of borrowings</u>	<u>December 31, 2022</u>	<u>Interest rate range</u>	<u>Collateral</u>
Bank borrowings			
Unsecured borrowings	<u>\$ 484,000</u>	1.32~1.375%	None

Interest expense recognised in profit or loss amounted to \$5,934 and \$4,140 for the years ended December 31, 2023 and 2022, respectively.

(9) Bonds payable

	<u>December 31, 2023</u>	<u>December 31, 2022</u>
Bonds payable	\$ -	\$ 300,000
Less: Discount on bonds payable	-	(629)
Current portion or exercise of put options		(299,371)
	<u>\$ -</u>	<u>\$ -</u>

A. The terms of the second domestic unsecured convertible bonds issued by the Company in March 2020 are as follows:

	<u>Second unsecured convertible bonds</u>
Total issuance amount	\$300,000
Coupon rate	- %
Effective rate	1.23%
Issuance period	3 years
Expiry date	March 9, 2023
Collateral	None
Put option	None
Call option	(a) Redemption at maturity: The principal is payable upon maturity. (b) Redemption in advance: The Company may repurchase the bonds outstanding in cash at the bonds' face value within 30 consecutive trading days when the closing price of the Company's common shares is above the then conversion price by 30% (including 30%) for 30 consecutive trading days during the period from the date after three months of the bonds issue to 40 days before the maturity date; or the Company may repurchase all the bonds outstanding in cash at the bonds' face value at any time when the outstanding balance of the bonds is less than 10% of total initial issue amount during the period from the date after three months of the bonds issue to 40 days before the maturity date.
Conversion price (in dollars per share)	95.95
Conversion period	Starting from the date after three months of the issuance to the maturity date
Converted amount	\$ -
Repurchased amount	\$ -

B. Regarding the issuance of convertible bonds, the equity conversion options amounting to \$27,655 was separated from the liability component and was recognised in 'capital surplus—share options' in accordance with IAS 32. The call options embedded in bonds payable were separated from their

host contracts and were recognised in ‘financial assets at fair value through profit or loss’ in accordance with IFRS 9 because the economic characteristics and risks of the embedded derivatives were not closely related to those of the host contracts.

(10) Pensions

A. (a) The Company has a defined benefit pension plan in accordance with the Labor Standards Act, covering all regular employees’ service years prior to the enforcement of the Labor Pension Act on July 1, 2005 and service years thereafter of employees who chose to continue to be subject to the pension mechanism under the Labor Standards Act. Under the defined benefit pension plan, two units are accrued for each year of service for the first 15 years and one unit for each additional year thereafter, subject to a maximum of 45 units. Pension benefits are based on the number of units accrued and the average monthly salaries and wages of the last 6 months prior to retirement. The Company contributes monthly an amount equal to 3.5% of the employees’ monthly salaries and wages to the retirement fund deposited with Bank of Taiwan, the trustee, under the name of the independent retirement fund committee. Also, the Company would assess the balance in the aforementioned labor pension reserve account by December 31, every year. If the account balance is insufficient to pay the pension calculated by the aforementioned method to the employees expected to qualify for retirement in the following year, the Company will make contributions for the deficit by next March.

(b) The amounts recognised in the balance sheet are as follows:

	<u>December 31, 2023</u>	<u>December 31, 2022</u>
Present value of defined benefit obligations	\$ 57,027	\$ 51,967
Fair value of plan assets	(21,510)	(23,347)
Net defined benefit liability		
(shown as ‘other non-current liabilities’)	<u>\$ 35,517</u>	<u>\$ 28,620</u>

(c) Movements in net defined benefit liabilities are as follows:

	Present value of defined benefit obligations	Fair value of plan assets	Net defined benefit liability
<u>2023</u>			
At January 1	\$ 51,967	(\$ 23,347)	\$ 28,620
Current service cost	250	-	250
Interest expense (income)	<u>707</u>	<u>(317)</u>	<u>390</u>
	<u>52,924</u>	<u>(23,664)</u>	<u>29,260</u>
Remeasurements:			
Return on plan assets (excluding amounts included in interest income or expense)	-	(103)	(103)
Change in demographic assumptions	489	-	489
Change in financial assumptions	5,591	-	5,591
Experience adjustments	<u>381</u>	<u>-</u>	<u>381</u>
	<u>6,461</u>	<u>(103)</u>	<u>6,358</u>
Pension fund contribution	-	(101)	(101)
Paid pension	<u>(2,358)</u>	<u>2,358</u>	<u>-</u>
At December 31	<u>\$ 57,027</u>	<u>(\$ 21,510)</u>	<u>\$ 35,517</u>

	Present value of defined benefit obligations	Fair value of plan assets	Net defined benefit liability
<u>2022</u>			
At January 1	\$ 65,181	(\$ 25,211)	\$ 39,970
Current service cost	277	-	277
Interest expense (income)	476	(184)	292
	<u>65,934</u>	<u>(25,395)</u>	<u>40,539</u>
Remeasurements:			
Return on plan assets (excluding amounts included in interest income or expense)	-	(1,907)	(1,907)
Change in demographic assumptions	307	-	307
Change in financial assumptions	(9,028)	-	(9,028)
Experience adjustments	<u>(1,190)</u>	<u>-</u>	<u>(1,190)</u>
	<u>(9,911)</u>	<u>(1,907)</u>	<u>(11,818)</u>
Pension fund contribution	-	(101)	(101)
Paid pension	<u>(4,056)</u>	<u>4,056</u>	<u>-</u>
At December 31	<u>\$ 51,967</u>	<u>(\$ 23,347)</u>	<u>\$ 28,620</u>

- (d) The Bank of Taiwan was commissioned to manage the Fund of the Company's defined benefit pension plan in accordance with the Fund's annual investment and utilisation plan and the "Regulations for Revenues, Expenditures, Safeguard and Utilisation of the Labor Retirement Fund" (Article 6: The scope of utilisation for the Fund includes deposit in domestic or foreign financial institutions, investment in domestic or foreign listed, over-the-counter, or private placement equity securities, investment in domestic or foreign real estate securitisation products, etc.). With regard to the utilisation of the Fund, its minimum earnings in the annual distributions on the final financial statements shall be no less than the earnings attainable from the amounts accrued from two-year time deposits with the interest rates offered by local banks. If the earnings is less than aforementioned rates, government shall make payment for the deficit after being authorised by the Regulator. The Company has no right to participate in managing and operating that fund and hence the Company is unable to disclose the classification of plan assets fair value in accordance with IAS 19 paragraph 142. The composition of fair value of plan assets as of December 31, 2023 and 2022 is given in the Annual Labor Retirement Fund Utilisation Report announced by the government.

(e) The principal actuarial assumptions used were as follows:

	Year ended December 31	
	2023	2022
Discount rate	1.24%	1.36%
Future salary increases	3.03%	2.19%

Assumptions regarding future mortality experience are set based on actuarial advice in accordance with published statistics and experience in each territory.

Because the main actuarial assumption changed, the present value of defined benefit obligation is affected. The analysis was as follows:

	Discount rate		Future salary increases	
	Increase 0.5%	Decrease 0.5%	Increase 0.5%	Decrease 0.5%
<u>December 31, 2023</u>				
Effect on present value of defined benefit obligation	(\$ 3,079)	\$ 3,353	\$ 3,276	(\$ 3,042)
<u>December 31, 2022</u>				
Effect on present value of defined benefit obligation	(\$ 2,747)	\$ 3,166	\$ 3,123	(\$ 2,742)

The sensitivity analysis above is based on one assumption which changed while the other conditions remain unchanged. In practice, more than one assumption may change all at once. The method of analysing sensitivity and the method of calculating net pension liability in the balance sheet are the same.

The methods and types of assumptions used in preparing the sensitivity analysis did not change compared to the previous period.

(f) Expected contributions to the defined benefit pension plans of the Company for the year ending December 31, 2024 amount to \$100.

(g) As of December 31, 2023, the weighted average duration of the retirement plan is 11 years.

The analysis of timing of the future pension payment was as follows:

Within 1 year	\$	36,137
1-2 year(s)		6,847
2-5 years		5,194
Over 5 years		1,862
	\$	<u>50,040</u>

- B. (a) Effective July 1, 2005, the Company has established a defined contribution pension plan (the “New Plan”) under the Labor Pension Act (the “Act”), covering all regular employees with R.O.C. nationality. Under the New Plan, the Company contributes monthly an amount based on not lower than 6% of the employees’ monthly salaries and wages to the employees’ individual pension accounts at the Bureau of Labor Insurance. The benefits accrued are paid monthly or in lump sum upon termination of employment.
- (b) The pension costs under the defined contribution pension plan of the Company for the years ended December 31, 2023 and 2022 were \$12,470 and \$12,258, respectively.

(11) Share capital

- A. As of December 31, 2023, the Company’s authorised capital was \$1,300,000, consisting of 130,000 thousand shares of ordinary stock, and the paid-in capital was \$757,803 with a par value of \$10 (in dollars) per share. All proceeds from shares issued have been collected.
- B. Movements in the number of the Company’s ordinary shares outstanding are as follows:

	<u>2023</u>	<u>2022</u>
At January 1 (at December 31)	<u>75,780 thousand shares</u>	<u>75,780 thousand shares</u>

(12) Capital surplus

Pursuant to the R.O.C. Company Act, capital surplus arising from paid-in capital in excess of par value on issuance of common stocks can be used to cover accumulated deficit or to issue new stocks or cash to shareholders in proportion to their share ownership, provided that the Company has no accumulated deficit. Further, the R.O.C. Securities and Exchange Act requires that the amount of capital surplus to be capitalised mentioned above should not exceed 10% of the paid-in capital each year. However, capital surplus should not be used to cover accumulated deficit unless the legal reserve is insufficient.

(13) Retained earnings/ events after the balance date

- A. Under the Company’s Articles of Incorporation, the current year’s profit shall first be used to pay all taxes and offset prior years’ operating losses and then 10% of the remaining amount shall be set aside as legal reserve, if any, to be retained or to be appropriated which shall be resolved by the stockholders at the stockholders’ meeting.
- B. The Company distributes dividends taking into consideration the Company’s economic environment, growth phases, future demands for funds, long-term financial planning and the cash flow needs of stockholders. Dividends distribution shall be resolved by the shareholders based on current year’s profit and capital position.

- C. Except for covering accumulated deficit or issuing new stocks or cash to shareholders in proportion to their share ownership, the legal reserve shall not be used for any other purpose. The use of legal reserve for the issuance of stocks or cash to shareholders in proportion to their share ownership is permitted, provided that the distribution of the reserve is limited to the portion in excess of 25% of the Company's paid-in capital.
- D. The appropriations of 2022 and 2021 earnings as resolved at the shareholders' meeting on June 21, 2023 and on June 24, 2022, respectively, are as follows:

	Year ended December 31,			
	2022		2021	
	Amount	Dividends per share (in dollars)	Amount	Dividends per share (in dollars)
Legal reserve	\$ 46,204		\$ 23,974	
Special reserve	(57,607)		46,173	
Cash dividends	303,121	\$ 4.00	151,561	\$ 2.00
	<u>\$ 291,718</u>		<u>\$ 221,708</u>	

- E. Events after the balance sheet date:

The appropriations of earnings for the year ended December 31, 2023 as proposed by the Board of Directors on March 7, 2024 is as follows:

	Year ended December 31, 2023	
	Amount	Dividends per share (in dollars)
Legal reserve	\$ 50,873	
Special reserve	5,826	
Cash dividends	378,901	\$ 5.00
	<u>\$ 435,600</u>	

(14) Operating revenue

	Year ended December 31	
	2023	2022
Revenue from contracts with customers	<u>\$ 1,788,823</u>	<u>\$ 1,636,262</u>

- A. The Company has recognised the following contract liabilities of revenue from contracts with customers as a result of advance sales receipts:

	<u>December 31, 2023</u>	<u>December 31, 2022</u>
Contract liabilities	<u>\$ 1,977</u>	<u>\$ 892</u>

- B. The contract liabilities at the beginning of the year which were recognised in revenue for the years ended December 31, 2023 and 2022 amounted to \$892 and \$2,069, respectively.

(15) Other income

	Year ended December 31	
	2023	2022
Rent income	\$ 336	\$ 336
Other income-others (note)	55,348	51,893
	<u>\$ 55,684</u>	<u>\$ 52,229</u>

Note: Refer to Note 7(2) B.

(16) Other gains and losses

	Year ended December 31	
	2023	2022
Net currency exchange gains	\$ 594	\$ 36,033
Net (loss) gains on financial instruments at fair value through profit or loss	(12,490)	1,709
Litigation compensation loss (note)	-	(8,429)
Miscellaneous income (disbursements)	23,087	7,713
	<u>\$ 11,191</u>	<u>\$ 37,026</u>

Note: It is loss from litigation compensation. The Company had assessed the loss and liability provision in 2022 and had received the first-instance judgment in April 2023. This case had been concluded.

(17) Expenses by nature/ events after the balance date

	Year ended December 31, 2023		
	Classified as operating costs	Classified as operating expenses	Total
Employee benefit expense			
Wages and salaries	\$ 187,029	\$ 130,717	\$ 317,746
Labour and health insurance fees	21,191	9,958	31,149
Pension costs	7,048	6,062	13,110
Directors' remuneration	-	2,782	2,782
Other personnel expenses	2,657	6,066	8,723
Depreciation charge	41,474	6,131	47,605
Amortisation charge	256	12,479	12,735

	Year ended December 31, 2022		
	Classified as operating costs	Classified as operating expenses	Total
Employee benefit expense			
Wages and salaries	\$ 173,457	\$ 125,727	\$ 299,184
Labour and health insurance fees	19,089	9,742	28,830
Pension costs	6,861	5,966	12,827
Directors' remuneration	-	1,465	1,465
Other personnel expenses	2,737	5,374	8,111
Depreciation charge	36,356	7,743	44,098
Amortisation charge	83	8,418	8,501

Note 1: As of December 31, 2023 and 2022, the Company had 459 and 442 employees, respectively. There were 6 non-employee directors for both years.

Note 2: For the years ended December 31, 2023 and 2022, the average employee benefit expenses were \$818 and \$800, respectively, the average salary expenses were \$701 and \$686, respectively, and the adjustment of average employee salaries was 2.2%.

Note 3: The remuneration policies of the Company's directors, managers and employees are as follows:

(a) Remuneration policy of directors and managers:

- i. For general directors' remuneration, in accordance with Article 20 of Incorporation of the Company, if the Company has any profit for the current year, the Company shall distribute no more than 5% as directors' remuneration as resolved by the Board of Directors. The Board of Directors is authorised to determine the remuneration according to the degree of their participation and contribution to the Company's operations and by reference to the general pay levels in the industry.

ii. Directors' and managers' remuneration for their services rendered are determined by taking into account the general pay levels in the same industry, individual performance assessment results, the time spent by the individual, their responsibilities, the extent of goal achievement, their performance in other positions, and the compensation paid to employees holding equivalent positions in recent years. Also, the Company evaluates the reasonableness of the correlation between the individual's performance and the Company's operational performance and future risk exposure, with respect to the achievement of short-term and long-term business goals and the financial position of the Company. The remuneration shall be proposed by the remuneration committee and then submitted to the Board of Directors for discussion and resolution. Employees' compensation is determined by their positions and their contributions, and employees are encouraged to focus on long-term contributions and share the results of the Company's operations.

(b) Employee compensation policy:

i. Compliance with laws and regulations:

Provide employee compensation and benefits in compliance with applicable laws and regulations, including minimum basic salary, overtime pay, day off, and benefits under the laws and regulations.

ii. Continue to promote the performance-oriented salary and welfare system to give fair and reasonable feedback to employees for their contributions:

(i). Internally, take a job inspection to fairly reflect the contribution to the organisation of relative work value of each position.

(ii). Externally, the position grades are determined based on the sum of the various knowledge, skills, and experience required for each position, the difficulty of solving problems, the authority of the scope of responsibility, and the level of communication skills. Also, refer to the price of living index and external salary survey data to determine the salary range of the position, and expecting the payment of salary is better than the average salary level of the same external industry to meet the competitiveness of the market.

(iii). Based on the employee's work performance, assessment and reward and punishment records as a reference for annual salary adjustment.

iii. Incentives:

(i). Based on the employee's work performance, assessment and reward and punishment records as a reference for annual salary adjustment.

(ii). Incentivize organisation's revenue and growth of profit:

Through the achievement of financial indicators and balanced scorecard indicators, performance bonuses are issued to stimulate the employees' potential and break personal normal work performance, and promote the growth of the Company's revenue and profits.

iv. Better than statutory benefits items:

The Company provides better than statutory benefits items, including year-end bonus, bonus system, annual salary adjustment, holiday bonus, birthday gift certificate, wedding and funeral subsidies, annual health examination, domestic and foreign employee travel held by the welfare committee, free lunch and overtime dinner, employee education grant, senior employee recognition, special group insurance, uniforms (for employees in Nantou), free car and motorcycle parking (for employees in Nantou), year-end gathering, etc. Days off and statutory benefits are also provided.

- A. In accordance with the Articles of Incorporation of the Company, if the Company has distributable profit of the current year, the Company shall distribute at not lower than 0.5% as employees' compensation in the form of shares or in cash as resolved by the Board of Directors. The Company shall distribute directors' remuneration at no more than 5% of the total distributable amount as resolved by the Board of Directors. The appropriation of employees' compensation and directors' remuneration shall be submitted to the shareholders during their meeting.
- B. For the years ended December 31, 2023 and 2022, employees' compensation and directors' remuneration were accrued as follows:

	Year ended December 31	
	2023	2022
Directors' remuneration	\$ 1,500	\$ 1,500
Employees' compensation	9,511	8,947
	<u>\$ 11,011</u>	<u>\$ 10,447</u>

The aforementioned amounts were recognised in salary expenses and were accrued based on the distributable profit for the year ended December 31, 2023 and the Company's Articles of Incorporation.

- C. The directors' remuneration and employees' compensation for 2023 resolved by the Board of Directors on March 7, 2024 amounted to \$1,590 and \$3,700, respectively. The difference between the amounts resolved by the Board of Directors and the directors' remuneration of \$1,500 and employees' compensation of \$9,511 recognised in the 2023 financial statements was regarded as changes in accounting estimates and recognised in profit or loss for 2024.

- D. The directors' remuneration and employees' compensation for 2022 resolved by the Board of Directors on March 17, 2023 amounted to \$1,468 and \$3,000, respectively. The difference between the amounts resolved by the Board of Directors and the directors' remuneration of \$1,500 and employees' compensation of \$8,947 recognised in the 2022 financial statements was regarded as changes in accounting estimates and recognised in the profit or loss for 2023.
- E. Information about employees' compensation and directors' remuneration of the Company as resolved by the Board of Directors will be posted in the "Market Observation Post System" at the website of the Taiwan Stock Exchange.

(18) Income tax

A. Income tax expense

(a) Components of income tax expense:

	Year ended December 31	
	2023	2022
Current tax:		
Current tax on profits for the year	\$ 38,031	\$ 40,077
Tax on undistributed surplus earnings	4,492	-
Prior year income tax under estimation	1,709	1,315
Total current tax	44,232	41,392
Deferred tax:		
Origination and reversal of temporary differences	91,956	72,541
Income tax expense	<u>\$ 136,188</u>	<u>\$ 113,933</u>

(b) The income tax (charge)/credit relating to components of other comprehensive income is as follows:

	Year ended December 31	
	2023	2022
Currency translation differences	\$ 1,457	(\$ 14,403)
Remeasurement of defined benefit asset	1,272	(2,364)

B. Reconciliation between income tax expense and accounting profit

	Year ended December 31	
	2023	2022
Tax calculated based on profit before tax and statutory tax rate	\$ 130,001	\$ 113,305
Tax effects disallowed by tax regulation	276	883
Tax exempt income by tax regulation	(290)	(1,631)
Change in assessment of realisation of deferred tax assets	-	61
Tax on undistributed surplus earnings	4,492	-
Prior year income tax underestimation	1,709	1,315
Income tax expense	<u>\$ 136,188</u>	<u>\$ 113,933</u>

C. Amounts of deferred tax assets or liabilities as a result of temporary differences are as follows:

	2023			
	January 1	Recognised in profit or loss	Recognised in comprehensive income	December 31
Temporary differences:				
–Deferred tax assets:				
Loss on inventory	\$ 3,308	\$ 157	\$ -	\$ 3,465
Unrealised gain on inter-affiliate accounts	3,267	1,737	-	5,004
Unrealised gain or loss on financial assets	729	1,436	-	2,165
Unused compensated absences	2,002	-	-	2,002
Unrealised appropriation of pension expenses	5,651	107	1,272	7,030
Currency translation differences	<u>48,116</u>	<u>-</u>	<u>1,457</u>	<u>49,573</u>
	<u>63,073</u>	<u>3,437</u>	<u>2,729</u>	<u>69,239</u>
–Deferred tax liabilities:				
Profit or loss of investments accounted for using equity method	(420,333)	(94,520)	-	(514,853)
Unrealised exchange gain	<u>(518)</u>	<u>(873)</u>	<u>-</u>	<u>(1,391)</u>
	<u>(420,851)</u>	<u>(95,393)</u>	<u>-</u>	<u>(516,244)</u>
	<u>(\$ 357,778)</u>	<u>(\$ 91,956)</u>	<u>\$ 2,729</u>	<u>(\$ 447,005)</u>

2022				
	January 1	Recognised in profit or loss	Recognised in other comprehensive income	December 31
Temporary differences:				
–Deferred tax assets:				
Loss on inventory	\$ 1,783	\$ 1,525	\$ -	\$ 3,308
Unrealised gain on inter-affiliate accounts	4,491	(1,224)	-	3,267
Unrealised gain or loss on financial assets	-	729	-	729
Unused compensated absences	781	1,221	-	2,002
Unrealised appropriation of pension expenses	7,921	94	(2,364)	5,651
Currency translation differences	<u>62,519</u>	<u>-</u>	<u>(14,403)</u>	<u>48,116</u>
	<u>77,495</u>	<u>2,345</u>	<u>(16,767)</u>	<u>63,073</u>
–Deferred tax liabilities:				
Profit or loss of investments accounted for using equity method	(344,936)	(75,397)	-	(420,333)
Unrealised gain on valuation of financial assets	(710)	710	-	-
Unrealised exchange gain	<u>(319)</u>	<u>(199)</u>	<u>-</u>	<u>(518)</u>
	<u>(345,965)</u>	<u>(74,886)</u>	<u>-</u>	<u>(420,851)</u>
	<u>(\$ 268,470)</u>	<u>(\$ 72,541)</u>	<u>(\$ 16,767)</u>	<u>(\$ 357,778)</u>

D. The Company's income tax returns through 2020 have been assessed and approved by the Tax Authority.

(19) Earnings per share

Year ended December 31, 2023		
	Weighted average number of ordinary shares outstanding (shares in thousands)	Earnings per share (in dollars)
<u>Basic earnings per share</u>		
Profit for the year	<u>\$ 513,817</u>	<u>\$ 6.78</u>
<u>Diluted earnings per share</u>		
Assumed conversion of all dilutive potential ordinary shares		
Employees' compensation	<u>\$ -</u>	<u>127</u>
Profit plus all dilutive potential ordinary shares	<u>\$ 513,817</u>	<u>\$ 6.77</u>

	Year ended December 31, 2022		
	Amount after tax	Weighted average number of ordinary shares outstanding (shares in thousands)	Earnings per share (in dollars)
<u>Basic earnings per share</u>			
Profit for the year	\$ 452,590	75,780	\$ 5.97
<u>Diluted earnings per share</u>			
Assumed conversion of all dilutive potential ordinary shares			
Domestic convertible bonds (the second)	\$ 2,916	3,127	
Employees' compensation	-	150	
Profit plus all dilutive potential ordinary shares	\$ 455,506	79,057	\$ 5.76

(20) Supplemental cash flow information

Investing activities with partial cash payments:

	2023	2022
Purchase of property, plant and equipment	\$ 65,776	\$ 72,939
Add: Opening balance of payable on equipment	11,564	6,101
Less: Ending balance of payable on equipment	(8,862)	(11,564)
Add: Changes in prepayments for business facilities	6,361	11,786
Cash paid during the year	\$ 74,839	\$ 79,262

(21) Changes in liabilities from financing activities

	Short-term borrowings	Bonds payable	Other payables – related parties	Total
January 1, 2023	\$ 484,000	\$ 299,371	\$ 17,514	\$ 800,885
Changes in cash flow from financing activities	(102,000)	(300,000)	(681,327)	279,327
Changes in other non-cash items	-	629	-	629
December 31, 2023	\$ 382,000	\$ -	\$ 698,841	\$ 1,080,841

	Short-term borrowings	Bonds payable	Other payables– related parties	Total
January 1, 2022	\$ 400,000	\$ 295,726	\$ 15,772	\$ 711,498
Changes in cash flow from financing activities	84,000	-	1,742	85,742
Changes in other non-cash items	-	3,645	-	3,645
December 31, 2022	\$ 484,000	\$ 299,371	\$ 17,514	\$ 800,885

7. Related Party Transactions

(1) Names of related parties and relationship

<u>Names of related parties</u>	<u>Relationship with the Company</u>
Transtat Investment Ltd.	Subsidiary
Cortec GmbH	Subsidiary
Iron Force Poland Sp. z o.o.	Subsidiary
Huzhou Iron Force Metal Products Co., Ltd.	Second-tier subsidiary
Zhejiang Iron Force Metal Products Co., Ltd.	Second-tier subsidiary
Hyphen Industrial Corp.	The chairman of the Company and the chairman of the entity are relatives within the second degree

(2) Significant related party transactions

A. Other receivables

	<u>December 31, 2023</u>	<u>December 31, 2022</u>
Other receivables due from related parties:		
Huzhou Iron Force Metal Products Co., Ltd.	\$ 42,824	\$ 17,626
Iron Force Poland Sp. z o.o.	72	-
	<u>\$ 42,896</u>	<u>\$ 17,626</u>

Other receivables arise mainly from payments on behalf of second-tier subsidiaries for purchasing raw materials and suppliers.

B. Rent income and other income

	<u>Year ended December 31</u>	
	<u>2023</u>	<u>2022</u>
Huzhou Iron Force Metal Products Co., Ltd.	\$ 55,348	\$ 51,893
Other related parties	1,046	1,046
	<u>\$ 56,394</u>	<u>\$ 52,939</u>

The Company's other income to second-tier subsidiaries arise mainly from the fee expenses from purchasing raw materials on behalf of second-tier subsidiaries and technical service revenue, etc; and to other related parties arise mainly from income from managerial services and rental income.

C. Related party financing:

Loans from related parties:

(a) Outstanding balance

	Year ended December 31	
	2023	2022
Transtat Investment Ltd.	\$ 17,490	\$ 17,514
Huzhou Iron Force Metal Products Co., Ltd.	\$ 681,351	\$ -

(b) Interest expense

	2023	2022
Huzhou Iron Force Metal Products Co., Ltd.	\$ 2,889	\$ -

The interest is recognized at 0.65% and 0% respectively for the loans from Huzhou Iron Force Metal Products Co., Ltd. and Transtat Investment Ltd..

D. Endorsements and guarantees provided to related parties:

	December 31, 2023	December 31, 2022
Second-tier subsidiaries	\$ 214,795	\$ 215,075

(3) Key management compensation

	Years ended December 31	
	2023	2022
Short-term employee benefits	\$ 24,929	\$ 21,236
Post-employment benefits	535	526
	\$ 25,464	\$ 21,762

8. Pledged Assets

None.

9. Significant Contingent Liabilities and Unrecognised Contract Commitments

(1) Contingencies

None.

(2) Commitments

Capital expenditure contracted for at the balance sheet date but not yet incurred is as follows:

	<u>December 31, 2023</u>	<u>December 31, 2022</u>
Property, plant and equipment	\$ 4,838	\$ 7,552
Consultation service contract	15,860	16,350
	<u>\$ 20,698</u>	<u>\$ 23,902</u>

10. Significant Disaster Loss

None.

11. Significant Events after the Balance Sheet Date

Refer to Notes 6(13) and 6(17).

12. Others

(1) Capital management

The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern in order to provide returns for shareholders and to maintain an optimal capital structure to reduce the cost of capital. In order to maintain or adjust the capital structure, the Company may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

(2) Financial instruments

A. Financial instruments by category

	<u>December 31, 2023</u>	<u>December 31, 2022</u>
<u>Financial assets</u>		
Financial assets at fair value through profit or loss		
Financial assets mandatorily measured at fair value through profit or loss	\$ <u>528</u>	\$ <u>280</u>
Financial assets at amortised cost		
Cash and cash equivalents	\$ 258,884	\$ 161,073
Accounts receivable	311,792	224,003
Other receivables (including related parties)	56,577	30,459
Guarantee deposits paid (shown as other non-current assets)	<u>94</u>	<u>48</u>
	<u>\$ 627,347</u>	<u>\$ 415,583</u>
 <u>Financial liabilities</u>		
Financial liabilities at fair value through profit or loss		
Financial liabilities mandatorily measured at fair value through profit or loss	\$ <u>7,600</u>	\$ <u>-</u>

Financial liabilities at amortised cost			
Short-term borrowings	\$	382,000	\$ 484,000
Accounts payable		136,806	124,643
Other payables (including related parties)		864,887	144,863
Bonds payable (including due within one year)		-	299,371
	\$	<u>1,383,693</u>	<u>\$ 1,052,877</u>

B. Financial risk management policies

- (a) The Company's activities expose it to a variety of financial risks: market risk (including foreign exchange risk, interest rate risk and price risk), credit risk and liquidity risk. To minimise any adverse effects on the financial performance of the Company, derivative financial instruments, such as foreign exchange forward contracts is used to hedge certain exchange rate risk.
- (b) Risk management is carried out by a central treasury department (Company treasury) under policies approved by the Board of Directors. Company treasury identifies, evaluates and hedges financial risks in close cooperation with the Company's operating units.

C. Significant financial risks and degrees of financial risks

(a) Market risk

Foreign exchange risk

- i. The Company's foreign exchange rate risk arises from future commercial transactions, recognised assets and liabilities and net investments in foreign operations.
- ii. Management has set up a policy to manage the foreign exchange risk against the functional currency. The Company treasury uses forward foreign exchange contracts to manage the foreign exchange risk arising from future commercial transactions and recognised assets and liabilities. Foreign exchange risk arises when future commercial transactions or recognised assets or liabilities are denominated in a currency that is not the entity's functional currency.
- iii. The Company has certain investments in foreign operations, whose net assets are exposed to foreign currency translation risk.

- iv. The Company's businesses involve some non-functional currency operations (the Company's functional currency: NTD). The information on assets and liabilities denominated in foreign currencies whose values would be materially affected by the exchange rate fluctuations is as follows:

(Foreign currency: functional currency)	December 31, 2023		
	Foreign currency amount <u>(in thousands)</u>	<u>Exchange rate</u>	Book value (in thousands of NTD) <u>NTD)</u>
<u>Financial assets</u>			
<u>Monetary items</u>			
USD:NTD	\$ 5,959	30.69	\$ 182,852
EUR:NTD	7,380	33.97	250,699
RMB:NTD	21,664	4.33	93,718
<u>Non-monetary items</u>			
USD:NTD	127,052	30.69	\$ 3,898,595
EUR:NTD	9,582	33.97	325,496
PLN:NTD	69,352	7.798	540,827
<u>Financial liabilities</u>			
<u>Monetary items</u>			
USD:NTD	\$ 649	30.69	\$ 19,915
EUR:NTD	23,715	33.97	805,599

		December 31, 2022		
(Foreign currency: functional currency)		Foreign currency amount (in thousands)	Exchange rate	Book value (in thousands of NTD)
Financial assets				
Monetary items				
USD:NTD	\$	4,628	30.73	\$ 142,204
EUR:NTD		3,029	32.71	99,094
RMB:NTD		15,342	4.41	67,675
Non-monetary items				
USD:NTD		115,207	30.73	3,539,738
EUR:NTD		8,481	32.71	277,417
PLN:NTD		70,174	6.999	491,130
Financial liabilities				
Monetary items				
USD:NTD	\$	809	30.73	\$ 24,848
EUR:NTD		2,290	32.71	74,911

- v. Analysis of foreign currency market risk arising from significant foreign exchange variation:

	Year ended December 31, 2023			
(Foreign currency: functional currency)	Sensitivity analysis			
	Degree of variation	Effect on profit or loss	Effect on other comprehensive income	
<u>Financial assets</u>				
<u>Monetary items</u>				
USD:NTD	1%	\$	1,829	\$ -
EUR:NTD	1%		2,507	-
RMB:NTD	1%		937	-
<u>Non-monetary items</u>				
USD:NTD	1%		-	38,986
EUR:NTD	1%		-	3,255
PLN:NTD	1%		-	5,408
<u>Financial liabilities</u>				
<u>Monetary items</u>				
USD:NTD	1%	\$	199	\$ -
EUR:NTD	1%		8,056	-

(Foreign currency: functional currency)	Year ended December 31, 2022		
	Sensitivity analysis		
	Degree of variation	Effect on profit or loss	Effect on other comprehensive income
<u>Financial assets</u>			
<u>Monetary items</u>			
USD:NTD	1%	\$ 1,422	\$ -
EUR:NTD	1%	991	-
RMB:NTD	1%	677	-
<u>Non-monetary items</u>			
USD:NTD	1%	-	35,397
EUR:NTD	1%	-	2,774
PLN:NTD	1%	-	4,911
<u>Financial liabilities</u>			
<u>Monetary items</u>			
USD:NTD	1%	\$ 248	\$ -
EUR:NTD	1%	749	-

The total exchange gain (loss), including realised and unrealised, arising from significant foreign exchange variation on the monetary items held by the Company for the years ended December 31, 2023 and 2022, amounted to \$594 and \$36,033, respectively.

(b) Credit risk

- i. Credit risk refers to the risk of financial loss to the Company arising from default by the clients or counterparties of financial instruments on the contract obligations. The main factor is that counterparties could not repay in full the accounts receivable based on the agreed terms.
- ii. The Company manages its credit risk taking into consideration the entire company's concern. According to the Company's credit policy, the Company is responsible for managing and analysing the credit risk for each of their new clients before standard payment and delivery terms and conditions are offered. Internal risk control assesses the credit quality of the customers, taking into account their financial position, past experience and other factors. Individual risk limits are set based on internal or external ratings in accordance with limits set by the Board of Directors. The utilisation of credit limits is regularly monitored.
- iii. The Company adopts the assumptions under IFRS 9, that is, the default occurs when the contract payments are past due over 90 days.

- iv. The Company adopts the following assumption under IFRS 9 to assess whether there has been a significant increase in credit risk on that instrument since initial recognition: If the contract payments were past due over 30 days based on the terms, there has been a significant increase in credit risk on that instrument since initial recognition.
- v. The Company classifies customer's accounts receivable in accordance with credit rating of customer and customer types. The Company applies the modified approach using a provision matrix to estimate the expected credit loss.
- vi. The Company used the forecastability to adjust historical and timely information to assess the default possibility of accounts receivable. On December 31, 2023 and 2022, the provision matrix is as follows:

	<u>Not past due</u>	<u>Up to 30 days past due</u>	<u>31 ~90 days past due</u>	<u>Over 90 days past due</u>	<u>Total</u>
<u>December 31, 2023</u>					
Expected loss rate	0.16%~2.91%	0.52%~8.50%	1.3%~8.50%	100%	
Total book value	\$ 266,146	\$ 32,804	\$ 16,875	\$ -	\$ 315,825
Loss allowance	1,031	1,763	1,239	-	4,033
	<u>Not past due</u>	<u>Up to 30 days past due</u>	<u>31 ~90 days past due</u>	<u>Over 90 days past due</u>	<u>Total</u>
<u>December 31, 2022</u>					
Expected loss rate	0.12%~0.16%	0.52%~1.26%	1.3%~1.93%	100%	
Total book value	\$ 158,285	\$ 34,614	\$32,274	\$ 8,241	\$ 233,414
Loss allowance	206	378	586	8,241	9,411

- vii. Movements in relation to the Company applying the modified approach to provide loss allowance for accounts receivable are as follows:

	<u>2023</u>
At January 1	\$ 9,411
Reversal of impairment loss	(5,378)
At December 31	<u>\$ 4,033</u>
	<u>2022</u>
At January 1	\$ 1,000
Provision for impairment	<u>8,411</u>
At December 31	<u>\$ 9,411</u>

(c) Liquidity risk

- i. The cash flow forecast is prepared by the Company treasury. Company treasury monitors rolling forecasts of the Company's liquidity requirements to ensure it has sufficient cash to meet operational needs while maintaining sufficient headroom on its undrawn committed borrowing facilities at all times so that the Company does not breach borrowing limits or covenants (where applicable) on any of its borrowing facilities.

- ii. As of December 31, 2023 and 2022, the cash flows within 1 year of short-term borrowings, notes payable, accounts payable and other payables all are past due within 1 year and discounted, and are in agreement with the balance of each account in the balance sheets.
- iii. The table below analyses the Company's derivative financial liabilities into relevant maturity groupings based on the remaining period at the balance sheet date to the contractual maturity date for non-derivative financial liabilities. The amounts disclosed in the table are the contractual undiscounted cash flows. There is no such situation as of December 31, 2023.

	Less than 3 months	Between 3 months and 1 year	Between 1 and 2 years	Between 2 and 5 years	Over 5 years
December 31, 2022					
<u>Non-derivative financial liabilities:</u>					
Bonds payable	\$ 300,000	\$ -	\$ -	\$ -	\$ -

(3) Fair value information

- A. The different levels that the inputs to valuation techniques are used to measure fair value of financial and non-financial instruments have been defined as follows:

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date. A market is regarded as active where a market in which transactions for the asset or liability take place with sufficient frequency and volume to provide pricing information on an ongoing basis. The fair value of the Company's investment stocks in open market is included in Level 1.

Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly. The fair value of the Company's investment in forward foreign exchange contracts and corporate bonds payable - call option is included in Level 2.

Level 3: Unobservable inputs for the asset or liability. The fair value of the Company's investment in equity investment without active market is included in Level 3.

B. Financial instruments not measured at fair value

The carrying amounts of the Company's financial instruments not measured at fair value including cash and cash equivalents, accounts receivable, other receivables (including related parties), guarantee deposits paid, short-term borrowings, notes payable, accounts payable and other payables (including related parties) are approximate to their fair values.

C. The related information on financial and non-financial instruments measured at fair value by level on the basis of the nature, characteristics and risks of the assets and liabilities at December 31, 2023 and 2022 is as follows:

(a) The related information on the nature of the assets and liabilities is as follows:

December 31, 2023	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Assets				
<u>Recurring fair value measurements</u>				
Financial assets at fair value through profit or loss				
Equity securities	\$ -	\$ -	\$ 528	\$ 528
Liabilities				
<u>Recurring fair value measurements</u>				
Financial liabilities at fair value through profit or loss				
Forward foreign exchange contracts	\$ -	\$ 7,600	\$ -	\$ 7,600
December 31, 2022	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Assets				
<u>Recurring fair value measurements</u>				
Financial assets at fair value through profit or loss				
Equity securities	\$ -	\$ -	\$ 280	\$ 280

(b) The methods and assumptions the Company used to measure fair value are as follows:

- i. The fair value of financial instruments traded in active markets is based on quoted market prices at the balance sheet date. A market is regarded as active if quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing service, or regulatory agency, and those prices represent actual and regularly occurring market transactions on an arm's length basis. The quoted market price used for financial assets held by the Company is the closing price. These instruments are included in level 1.
- ii. The estimated fair value of forward foreign exchange contracts and corporate bonds

payable – call option is all included in level 2, which is evaluated based on the current forward exchange rate and yield.

- iii. If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3.

D. The following is the qualitative information of significant unobservable inputs and sensitivity analysis of changes in significant unobservable inputs to valuation model used in Level 3 fair value measurement:

	<u>Fair value at December 31, 2023</u>	<u>Valuation technique</u>	<u>Significant unobservable input</u>	<u>Range (weighted average)</u>	<u>Relationship of inputs to fair value</u>
Non- derivative equity instrument:					
Unlisted shares	\$ 528	Market comparable companies	Discount for lack of marketability	0.26	The higher the discount for lack of marketability, the lower the fair value

	<u>Fair value at December 31, 2022</u>	<u>Valuation technique</u>	<u>Significant unobservable input</u>	<u>Range (weighted average)</u>	<u>Relationship of inputs to fair value</u>
Non- derivative equity instrument:					
Unlisted shares	\$ 280	Market comparable companies	Discount for lack of marketability	0.30	The higher the discount for lack of marketability, the lower the fair value

E. The Company has carefully assessed the valuation models and assumptions used to measure fair value. However, use of different valuation assumptions may result in different measurement. The following is the effect on profit or loss or on other comprehensive income from financial assets categorised within Level 3 if the inputs used to valuation models have changed:

			December 31, 2023			
			Recognised in profit or loss		Recognised in other comprehensive income	
	Input	Change	Favourable change	Unfavourable change	Favourable change	Unfavourable change
Financial assets						
Equity instrument	Discount on liquidity	±5%	\$ 5	(\$ 5)	\$ -	\$ -

			December 31, 2022			
			Recognised in profit or loss		Recognised in other comprehensive income	
	Input	Change	Favourable change	Unfavourable change	Favourable change	Unfavourable change
Financial assets						
Equity instrument	Discount on liquidity	±5%	\$ 6	(\$ 6)	\$ -	\$ -

13. Supplementary Disclosures

(1) Significant transactions information

- A. Loans to others: Refer to table 1.
- B. Provision of endorsements and guarantees to others: Refer to table 2.
- C. Holding of marketable securities at the end of the period (not including subsidiaries, associates and joint ventures): Refer to table 3.
- D. Acquisition or sale of the same security with the accumulated cost exceeding \$300 million or 20% of the Company's paid-in capital: Refer to table 4.
- E. Acquisition of real estate reaching NT\$300 million or 20% of paid-in capital or more: None.
- F. Disposal of real estate reaching NT\$300 million or 20% of paid-in capital or more: None.
- G. Purchases or sales of goods from or to related parties reaching NT\$100 million or 20% of paid-in capital or more: None.

H. Receivables from related parties reaching NT\$100 million or 20% of paid-in capital or more: Refer to table 5.

I. Trading in derivative instruments undertaken during the reporting periods: Refer to Note 6(2).

J. Significant inter-company transactions during the reporting periods: None.

(2) Information on investees

Names, locations and other information of investee companies (not including investees in Mainland China) : Refer to table 6.

(3) Information on investments in Mainland China

A. Basic information: Refer to table 7.

B. Significant transactions, either directly or indirectly through a third area, with investee companies in the Mainland Area: Refer to Note 13(1) H.

(4) Major shareholders information

Major shareholders information: Refer to table 8.

14. Segment Information

Not applicable.

Iron Force Industrial Corporation

Loans to others

Year ended December 31, 2023

Table 1

Expressed in thousands of NTD

(Except as otherwise indicated)

No. (Note 1)	Creditor	Borrower	General ledger account (Note 2)	Is a related party	Maximum outstanding balance during the year ended December 31, 2023	Balance at December 31, 2023	Actual amount drawn down	Interest rate	Nature of loan (Note 3)	Amount of transactions with the borrower (Note 4)	Reason for short-term financing (Note 5)	Collateral		Limit on loans granted to a single party (Note 6)	Ceiling on total loans granted (Note 6)	Footnote
												Allowance for doubtful accounts	Item Value			
0	Iron Force Industrial Co., Ltd.	Iron Force Poland Sp. z o.o.	Other receivables due from related parties	Y	\$ 104,160	\$ 101,910	\$ -	EURIBOR 12 months	2	\$ -	Working capital	\$ -	None -	\$ 436,357	\$ 1,745,428	
1	Huzhou Iron Force Metal Products Co., Ltd	Zhejiang Iron Force Metal Products Co., Ltd	Other receivables due from related parties	Y	133,320	129,780	30,282	4.75%	2	-	Working capital	-	None -	1,879,590	3,759,181	
1	Huzhou Iron Force Metal Products Co., Ltd	Iron Force Industrial Co., Ltd.	Other receivables due from related parties	Y	1,041,600	1,019,100	679,400	0.65%	2	-	Working capital	-	None -	1,879,590	3,759,181	
1	Huzhou Iron Force Metal Products Co., Ltd	Iron Force Poland Sp. z o.o.	Other receivables due from related parties	Y	69,440	67,940	33,970	0.65%	2	-	Working capital	-	None -	1,879,590	3,759,181	
2	Cortec GmbH	Cortec Kunststoff Technik GmbH & Co. KG	Other receivables due from related parties	Y	121,520	118,895	74,734	EURIBOR 12 months	2	-	Working capital	-	None -	161,269	322,537	
3	Transtat Investment Ltd.	Iron Force Industrial Co., Ltd.	Other receivables due from related parties	Y	18,485	17,490	17,490	0.00%	2	-	Working capital	-	None -	1,955,383	3,910,767	

Note 1: The numbers filled in for the loans provided by the Company or subsidiaries are as follows:

(1)The Company is '0'.

(2)The subsidiaries are numbered in order starting from '1'.

Note 2: Fill in the name of account in which the loans are recognised, such as receivables related parties, current account with stockholders, prepayments, temporary payments, etc.

Note 3: Fill in the nature of the loan as follows:

(1) Fill in 1 for business transactions.

(2) Fill in 2 for short-term financing.

Note 4: Fill in the amount of business transactions when nature of the loan is related to business transactions, which is the amount of business transactions occurred between the creditor and borrower in the current year.

Note 5: Fill in purpose of loan when nature of loan is for short-term financing, for example, repayment of loan, acquisition of equipment, working capital, etc.

Note 6 : The calculation method for limit on loans is as follow:

(1)The ceiling on total loans granted by the Company to others shall not exceed 40% of the Company's net assets. For the companies having business relationship with the Company, ceiling on total loans granted shall not exceed 10% of the Company's net assets; where the Board of Directors deems the need for short-term financing, ceiling on total loans granted shall not exceed 30% of the Company's net assets.

(2)The limit on loans granted by the Company to a single party who has business relationship with the Company shall not exceed the higher of 30% of the business transaction amount between the borrower and the Company in the most recent year or 120% of the business transaction amount in the most recent three months, and shall not exceed 10% of the Company's net assets; where the Board of Directors deems the need for short-term financing, limit on total loans granted to a single party shall not exceed 10% of the Company's net assets.

(3) For loans granted between foreign companies whose voting rights are 100% held directly and indirectly by the Company or granted to the borrower by the foreign company whose voting rights are 100% held directly and indirectly by the Company, the ceiling on total loans granted shall not exceed 100% of the creditor's net assets; limit on loans granted to a single party shall not exceed 50% of the creditor's net assets. The financing period depends on the borrower's capital needs, but it shall not exceed five years.

(4) The limit on loans to a single party by the subsidiary is 50% of its net assets, and ceiling on total loans granted is 100% of its net assets.

Iron Force Industrial Corporation
Provision of endorsements and guarantees to others
Year ended December 31, 2023

Table 2

Expressed in thousands of NTD
(Except as otherwise indicated)

No.	Endorser/guarantor	Party being endorsed/ guaranteed	Relationship	Limit on endorsements/ guarantees provided for a single party	Maximum outstanding endorsement/ guarantee amount as of December 31, 2023 (Note 4)	Outstanding endorsement/ guarantee amount at December 31, 2023 (Note 5)	Actual amount drawn down (Note 6)	Amount of endorsements /guarantees secured with collateral	Ratio of accumulated endorsement/ guarantee amount to net asset value of the endorser/guarantor	Ceiling on total amount of endorsements/ guarantees provided (Note 3)	Provision of endorsements/ guarantees by parent company to subsidiary (Note 7)	Provision of endorsements/ guarantees by subsidiary to parent company (Note 7)	Provision of endorsements/ guarantees to the party in Mainland China (Note 7)	Footnote
(Note 1)		Company name	(Note 2)	(Note 3)	(Note 4)	(Note 5)	(Note 6)				(Note 7)	(Note 7)	(Note 7)	
0	Iron Force Industrial Co., Ltd.	Huzhou Iron Force Metal Products Co., Ltd	2	\$ 1,090,893	\$ 227,010	\$ 214,795	\$ -	\$ -	5%	\$ 2,181,785	Y	N	Y	Notes 3(1) and (2)
1	Cortec GmbH	Cortec Kunststoff Technik GmbH & Co. KG	4	161,269	58,218	56,961	32,698	-	1%	322,537	N	N	N	Note 3(3)
2	Huzhou Iron Force Metal Products Co., Ltd	Iron Force Industrial Co., Ltd.	2	1,879,590	888,800	865,200	-	-	20%	3,759,181	N	Y	N	Note 3(3)

Note 1: The numbers filled in for the endorsements/guarantees provided by the Company or subsidiaries are as follows:

- (1)The Company is '0'.
- (2)The subsidiaries are numbered in order starting from '1'.

Note 2: Relationship between the endorser/guarantor and the party being endorsed/guaranteed is classified into the following seven categories; fill in the number of category each case belongs to:

- (1)Having business relationship.
- (2) The endorser/guarantor parent company owns directly and indirectly more than 50% voting shares of the endorsed/guaranteed subsidiary.
- (3) The endorsed/guaranteed company owns directly and indirectly more than 50% voting shares of the endorser/guarantor parent company.
- (4)The endorser/guarantor parent company owns directly and indirectly more than 90% voting shares of the endorsed/guaranteed company.
- (5)Mutual guarantee of the trade made by the endorsed/guaranteed company or joint contractor as required under the construction contract.
- (6)Due to joint venture, all shareholders provide endorsements/guarantees to the endorsed/guaranteed company in proportion to its ownership.
- (7) Joint guarantee of the performance guarantee for pre-sold home sales contract as required under the Consumer Protection Act.

Note 3: Limit on endorsements/guarantees provided for a single party and ceiling on total amount of endorsements/guarantees provided as prescribed in the endorser/guarantor the Group's Procedures for Provision of Endorsements and Guarantees are as follows.

- (1) The ceiling on total amount of endorsements/guarantees shall not exceed 50% of the Company's net assets.
- (2) The limit on endorsements and guarantees provided for a single party shall not exceed 25% of the Company's net assets:
 - (2.1) For the companies having business relationship with the Company and thus being provided endorsements/guarantees, the limit on accumulated endorsement/guarantee amount is the total value of purchases, sales and other business transactions during the most recent year and shall not exceed 10% of the Company's net assets.
 - (2.2) For the companies having parent-subsidiary relationship with the Company and thus being provided endorsements/guarantees, the limit on accumulated endorsement/guarantee amount shall not exceed 10% of the Company's net assets. However, for the companies which the Company holds 100% of the voting rights directly or indirectly, endorsements and guarantees is not limited.
- (3) The limit on endorsements and guarantees provided to a single party by the subsidiary is 50% of its net assets, and ceiling on total endorsements and guarantees provided is 100% of its net assets.

Note 4: Fill in the year-to-date maximum outstanding balance of endorsements/guarantees provided as of the reporting period.

Note 5: Fill in the amount approved by the Board of Directors or the chairman if the chairman has been authorised by the Board of Directors based on subparagraph 8, Article 12 of the Regulations Governing Loaning of Funds and Making of Endorsements/Guarantees by Public Companies.

Note 6: Fill in the actual amount of endorsements/guarantees used by the endorsed/guaranteed company.

Note 7: Fill in 'Y' for those cases of provision of endorsements/guarantees by listed parent company to subsidiary and provision by subsidiary to listed parent company, and provision to the party in Mainland China.

Iron Force Industrial Corporation

Holding of marketable securities at the end of the period (not including subsidiaries, associates and joint ventures)

December 31, 2023

Table 3

Expressed in thousands of NTD

(Except as otherwise indicated)

Securities held by	Marketable securities (Note 1)	Relationship with the securities issuer (Note 2)	General ledger account	As of December 31, 2023				Footnote (Note 4)
				Number of shares	Book value (Note 3)	Ownership (%)	Fair value	
Iron Force Industrial Co., Ltd.	Stock / MKD Technology Inc	-	Financial assets at fair value through profit or loss - current	400,000	\$ 528	1%	\$ 528	-
Huzhou Iron Force Metal Products Co., Ltd	Beneficiary certificates	-	Financial assets at fair value through profit or loss - current	-	259,943	-	259,943	-

Note 1: Marketable securities in the table refer to stocks, bonds, beneficiary certificates and other related derivative securities.

Note 2: Leave the column blank if the issuer of marketable securities is non-related party.

Note 3: Fill in the amount after adjusted at fair value and deducted by accumulated impairment for the marketable securities measured at fair value; fill in the acquisition cost or amortised cost deducted by accumulated impairment for the marketable securities not measured at fair value.

Note 4: The number of shares of securities and their amounts pledged as security or pledged for loans and their restrictions on use under some agreements should be stated in the footnote if the securities presented herein have such conditions.

Iron Force Industrial Corporation

Acquisition or sale of the same security with the accumulated cost exceeding \$300 million or 20% of the Company's paid-in capital

Year ended December 31, 2023

Table 4

Expressed in thousands of NTD

(Except as otherwise indicated)

Investor	Marketable securities (Note 1)	General ledger account	Counterparty (Note 2)	Relationship with the investor (Note 2)	Balance as at January 1, 2023		Addition (Note 3)		Disposal (Notes 3 and 5)				Balance as at December 31, 2023	
					Number of shares	Amount	Number of shares	Amount	Number of shares	Selling price	Book value	Gain (loss) on disposal (Note 6)	Number of shares	Amount
Huzhou Iron Force Metal Products Co., Ltd	RMB Structured deposits	Financial assets at fair value through profit or loss - current	-	-	-	\$ 667,161	-	\$ 1,551,003	-	\$ 2,218,164	\$ 2,218,164	\$ -	-	\$ -

Note 1: Marketable securities in the table refer to stocks, bonds, beneficiary certificates and other related derivative securities.

Note 2: Fill in the columns the counterparty and relationship if securities are accounted for under the equity method; otherwise leave the columns blank.

Note 3: Aggregate purchases and sales amounts should be calculated separately at their market values to verify whether they individually reach NT\$300 million or 20% of paid-in capital or more.

Note 4: Paid-in capital referred to herein is the paid-in capital of parent company. In the case that shares were issued with no par value or a par value other than NT\$10 per share, the 20 % of paid-in capital shall be replaced by 10% of equity attributable to owners of the parent in the calculation.

Note 5: The difference between sales price and book value plus gain (loss) on disposal is the transaction fee and tax.

Note 6: The investment is recorded under financial assets at fair value through profit or loss, and gains (losses) on valuation are recognised quarterly.

Note 7: The amount at the beginning of the period includes gains (losses) on valuation of the previous period, the addition in the current period is the amount of purchase cost, and the amount at the end of the period includes gains (losses) on valuation in the current period.

Iron Force Industrial Corporation
Receivables from related parties reaching NT\$100 million or 20% of paid-in capital or more ‘
Year ended December 31, 2023

Table 5

Expressed in thousands of NTD
(Except as otherwise indicated)

						Overdue receivables			
Creditor	Counterparty	Relationship with the counterparty	Balance as at December 31, 2023		Turnover rate	Amoun	Action taken	Amount collected subsequent to the balance sheet date	Allowance for doubtful accounts
Huzhou Iron Force Metal Products Co., Ltd	Iron Force Industrial Co., Ltd.	Parent company	Other receivables	\$ 681,351	N/A	\$ -	-	\$ -	\$ -

Iron Force Industrial Corporation

Information on investees

Year ended December 31, 2023

Table 6

Expressed in thousands of NTD

(Except as otherwise indicated)

Investor	Investee (Notes 1 and 2)	Location	Main business activities	Initial investment amount		Shares held as at December 31, 2023			Net profit (loss) of the investee for the year ended December 31, 2023 (Note 2(2))	Investment income (loss) recognised by the Company for the year ended December 31, 2023 (Note 2(3))	Footnote
				Balance as at December 31, 2023	Balance as at December 31, 2022	Number of shares (in thousands)	Ownership (%)	Book value			
Iron Force Industrial Co., Ltd.	Transtat Investment Ltd.	Hong Kong	Holding company	\$ 873,960	\$ 873,960	25,997	100%	\$ 3,898,595	\$ 441,526	\$ 441,526	
Iron Force Industrial Co., Ltd.	Cortec GmbH	Germany	Sales and purchases of hangers and display fixtures	27,104	27,104	750	100%	325,496	37,212	37,212	
Iron Force Industrial Co., Ltd.	Iron Force Poland Sp. z o.o.	Poland	Producing and sales of automotive safety components	658,901	658,901	1,600	100%	540,827	(6,137)	(6,137)	
Cortec GmbH	Cortec Kunststoff Technik GmbH & Co. KG	Germany	Producing and sales and purchases of hangers and display fixtures	889	889	-	100%	(5,871)	22,510	22,510	
Cortec GmbH	Cortec Verwaltungs GmbH	Germany	Management consulting company	881	881	-	100%	914	16	16	

Note 1: If a public company is equipped with an overseas holding company and takes parent company only financial report as the main financial report according to the local law rules, it can only disclose the information of the overseas holding company about the disclosure of related overseas investee information.

Note 2: If situation does not belong to Note 1, fill in the columns according to the following regulations:

- (1) The columns of 'Investee', 'Location', 'Main business activities', 'Initial investment amount' and 'Shares held as at December 31, 2023' should fill orderly in the Company's (public company's) information on investees and every directly or indirectly controlled investee's investment information, and note the relationship between the Company (public company) and its investee each (ex. direct subsidiary or indirect subsidiary) in the 'footnote' column.
- (2) The 'Net profit (loss) of the investee for the year ended December 31, 2023' column should fill in amount of net profit (loss) of the investee for this period.
- (3) The 'Investment income (loss) recognised by the Company for the year ended December 31, 2023' column should fill in the Company (public company) recognised investment income (loss) of its direct subsidiary and recognised investment income (loss) of its investee accounted for under the equity method for this period. When filling in recognised investment income (loss) of its direct subsidiary, the Company (public company) should confirm that direct subsidiary's net profit (loss) for this period has included its investment income (loss) which shall be recognised by regulations.

Iron Force Industrial Corporation

Information on investments in Mainland China

Year ended December 31, 2023

Expressed in thousands of NTD

(Except as otherwise indicated)

Table 7

Investee in Mainland China	Main business activities	Paid-in capital (Note 4)	Investment method (Note 1)	Taiwan to Mainland China/ Amount remitted back			Accumulated amount of remittance from Taiwan to Mainland China as of January 1, 2023	Remitted to Mainland China	Remitted back to Taiwan	Accumulated amount of remittance from Taiwan to Mainland China as of December 31, 2023	Net income of investee for the year ended December 31, 2023	Ownership held by the Company (direct or indirect)	Investment income (loss) recognised by the Company for the year ended December 31, 2023 (Note 2)	Book value of investments in Mainland China as of December 31, 2023	Accumulated amount of investment income remitted back to Taiwan as of December 31, 2023	Footnote
Zhejiang Iron Force Metal Products Co., Ltd.	Producing and sales of hangers, display fixtures and metal fixture	\$ 153,425	(2)	\$ 143,346	\$ -	\$ -	\$ 143,346			\$ 143,346	\$ 17,067	100%	\$ 17,067	\$ 134,141	\$ -	
Huzhou Iron Force Metal Products Co., Ltd.	Producing and sales of automotive safety components	1,321,296	(2)	703,149	-	-	703,149			703,149	415,807	100%	415,807	3,759,181	266,036	(Note 5)

Company name	Accumulated amount of remittance from Taiwan to Mainland China as of December 31, 2023	Investment amount approved by the Investment Commission of the Ministry of Economic Affairs (MOEA)	Ceiling on investments in Mainland China imposed by the Investment Commission of MOEA
Iron Force Industrial Co., Ltd.	\$ 846,495	\$ 846,495	\$ 2,618,142

Note 1: Investment methods are classified into the following three categories; fill in the number of category each case belongs to:

- (1) Directly invest in a company in Mainland China..
- (2) Investing through Transtat Investment Ltd., an existing company in the third area, which then invested in the investee in Mainland China.
- (3) Others

Note 2: Investment income (loss) was recognised based on the financial reports audited by the parent company's CPA.

Note 3: The numbers in this table are expressed in New Taiwan Dollars.

Note 4: (1) The differences between the paid-in capital of Zhejiang Iron Force Metal Products Co., Ltd. amounting to US\$5,000 thousand and the accumulated amount of remittance from Taiwan amounting to US\$4,734 thousand is US\$266 thousand. This resulted from using dividends distribution of Huzhou Iron Force Metal Products Co., Ltd. amounting to US\$400 thousand as the capital contribution to invest in Zhejiang Iron Force Metal Products Co., Ltd. and purchasing shares from the related parties at a premium price of US\$ 134 thousand.

- (2) The differences between the paid-in capital of Huzhou Iron Force Metal Products Co., Ltd. amounting to US\$43,060 thousand and the accumulated amount of remittance from Taiwan amounting to US\$22,200 thousand is US\$20,860 thousand. This resulted from purchasing shares from the related parties at a premium price of US\$1,140 thousand and the capital increase out of earnings of Huzhou Iron Force Metal Products Co., Ltd. in 2019 and 2021 in the amount of US\$22,000 thousand.

Note 5: As of December 31, 2022, the accumulated amount of investment income remitted back to Taiwan by Huzhou Iron Force Metal Products Co., Ltd. amounted to US\$8,625 thousand.

Iron Force Industrial Corporation
Major shareholders information
December 31, 2023

Table 8

Name of major shareholders	Shares	
	Name of shares held	Ownership (%)
MengChing Investment Co., Ltd.	19,386,486	25.58%
Zhengyu Investment Co., Ltd.	4,942,980	6.52%

IRON FORCE INDUSTRIAL CO., LTD.
DETAILS OF CASH AND CASH EQUIVALENTS
DECEMBER 31, 2023

(Expressed in thousands of New Taiwan dollars, except as otherwise indicated)

Statement 1

Item	Description	Amount
Petty cash and cash on hand		\$ 150
Demand deposits – NTD		17,942
– USD	USD 334 thousand, an exchange rate of 30.69	10,251
– EUR	EUR 83 thousand, an exchange rate of 33.97	2,810
– JPY	JPY 45,639 thousand, an exchange rate of 0.22	9,917
– others		372
Cash equivalents		
–Time deposits	Annual rate of 3.83% - 4.08%, all expiring within three months	134,098
–Short-term notes	Annual rate of 1.12% - 1.25%, all expiring within three months	83,344
		<u>\$ 258,884</u>

IRON FORCE INDUSTRIAL CO., LTD.
DETAILS OF ACCOUNTS RECEIVABLE
DECEMBER 31, 2023

(Expressed in thousands of New Taiwan dollars, except as otherwise indicated)

Statement 2

Client Name	Amount	Note
A52	\$ 89,025	
A48	51,620	
A63	21,960	
A54	20,859	
A49	18,807	
Others	97,080	Balance of each client has not exceeded 5% of total account balance
	315,825	
Less: Allowance for uncollectible accounts	(4,033)	
	<u>\$ 311,792</u>	

IRON FORCE INDUSTRIAL CO., LTD.

DETAILS OF INVENTORIES

DECEMBER 31, 2023

(Expressed in thousands of New Taiwan dollars, except as otherwise indicated)

Statement 3

<u>Item</u>	<u>Amount</u>		<u>Note</u>
	<u>Cost</u>	<u>Net Realizable Value</u>	
Raw materials	\$ 168,074	\$ 162,125	
Work in progress	22,394	38,454	
Finished goods	209,546	261,849	
Merchandise	<u>10,885</u>	710	
	410,899		
Less: Allowance for valuation (	<u>17,324)</u>		
	<u>\$ 393,575</u>		

IRON FORCE INDUSTRIAL CO., LTD.
STATEMENT OF CHANGES IN INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD
FOR THE YEAR ENDED DECEMBER 31, 2023
(Expressed in thousands of New Taiwan dollars, except as otherwise indicated)

Statement 4

Investment										Market Value or				
Beginning Balance			Addition/ Decrease		Income (Loss)		Ending Balance			Net Assets Value				
Name	No. of Shares (In Thousands)	Amount	No. of Shares (In Thousands)	Amount (Note)	Amount	Cumulative Translation Adjustment Amount	Changes in Deferred Credits	No. of Shares (In Thousands)	Ownership (%)	Amount	Unit price	Total Amount	Guarantee or collateral	Note
Transtat Investment Ltd.	25,997	\$ 3,539,739	-	\$ -	\$ 441,526	(\$ 73,985)	(\$ 8,685)	25,997	100%	\$ 3,898,595	-	\$ 3,898,595	None	
Cortec GmbH	750	277,416	-	-	37,212	10,868	-	750	100%	325,496	-	325,496	"	
Iron Force Poland Sp. z o.o.	1,600	491,130	-	-	(6,137)	55,834	-	1,600	100%	540,827	-	540,827	"	
		<u>\$ 4,308,285</u>		<u>\$ -</u>	<u>\$ 472,601</u>	<u>(\$ 7,283)</u>	<u>(\$ 8,685)</u>			<u>\$ 4,764,918</u>		<u>\$ 4,764,918</u>		

IRON FORCE INDUSTRIAL CO., LTD.
DETAILS OF ACCOUNTS PAYABLE
DECEMBER 31, 2023

(Expressed in thousands of New Taiwan dollars, except as otherwise indicated)

Statement 5

<u>Supplier Name</u>	<u>Amount</u>	<u>Note</u>
A10	\$ 67,331	
A86	11,927	
A05	10,661	
A76	8,569	
A71	8,316	
		Balance of each supplier has not exceeded 5% of total account
Others	<u>30,002</u>	balance
	<u>\$ 136,806</u>	

IRON FORCE INDUSTRIAL CO., LTD.
SUMMARY OF OPERATING REVENUE
FOR THE YEAR ENDED DECEMBER 31, 2023

(Expressed in thousands of New Taiwan dollars, except as otherwise indicated)

Statement 6

Item	Volume	Amount	Note
Auto Parts Division	35,592thousand	\$ 1,640,658	
Display Fixtures and Housewares Division	1,785 thousand	<u>181,925</u>	
		1,822,583	
Less: Sales returns		(692)	
Sales discounts and allowances		(<u>33,068</u>)	
Operating revenue, net		<u>\$ 1,788,823</u>	

IRON FORCE INDUSTRIAL CO., LTD.
SUMMARY OF OPERATING COST
FOR THE YEAR ENDED DECEMBER 31, 2023

(Expressed in thousands of New Taiwan dollars, except as otherwise indicated)

Statement 7

Item	Description	Amount	Note
Cost of sales :(for merchandising businesses)			
Beginning inventories	\$	12,980	
Add: Purchases during the year (net amount)		142,944	
Less: Ending inventories	(	10,885)	
Others	(	17)	
Cost of purchase (for merchandising businesses)		<u>145,022</u>	
Cost of goods sold (for manufacturing business)			
Beginning raw materials		174,447	
Add: Raw materials purchased (net amount)		705,530	
Less: Ending raw materials	(	160,024)	
Transferred to expenses	(	2,204)	
Others		<u>4</u>	
Consumption of raw materials		<u>717,753</u>	
Beginning supplies		8,329	
Add: Supplies purchased (net amount)		56,444	
Less: Ending supplies	(	8,050)	
Transferred to expenses	(	34,403)	
Others	(	<u>18</u>)	
Consumption of supplies		<u>22,302</u>	
Direct labor		107,290	
Manufacturing expense		<u>295,940</u>	
Manufacturing cost		1,143,285	
Add: Beginning work in progress		28,900	
Purchases of work-in-progress (net)		131,926	
Less: Ending work in progress	(	22,394)	
Transferred to expenses	(	<u>7,821</u>)	
Cost of finished goods		1,273,266	
Add: Beginning finished goods		230,965	
Less: Ending finished goods	(	209,546)	
Transferred to expenses	(	<u>1,361</u>)	
Cost of goods manufactured and sold (for manufacturing business)		1,438,346	
Add: Loss on slow-moving inventories and valuation loss		778	
Inventory obsolescence loss		587	
Inventory loss		17	
Others		1,863	
Less: Income from sale of scraps	(	<u>3,985</u>)	
	\$	<u><u>1,437,606</u></u>	

IRON FORCE INDUSTRIAL CO., LTD.
SUMMARY OF MANUFACTURING EXPENSE
FOR THE YEAR ENDED DECEMBER 31, 2023

(Expressed in thousands of New Taiwan dollars, except as otherwise indicated)

Statement 8

Item	Amount	Note
Wages and salaries	\$ 95,188	
Processing expenses	68,016	
Depreciation charge	38,789	
Utilities expense	28,618	
		None of the amount of each item is greater than 5% of this account total amount.
Other expenses	<u>65,329</u>	
	<u>\$ 295,940</u>	

IRON FORCE INDUSTRIAL CO., LTD.
SUMMARY OF OPERATING EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2023

(Expressed in thousands of New Taiwan dollars, except as otherwise indicated)

Statement 9

Items	Selling expense	Administrative Expense	Research and Development Expense	Total	Note
Wages and salaries	\$ 18,248	\$ 85,269	\$ 27,199	\$ 130,716	
Import/export (customs) expense	25,337	-	243	25,580	
Others	<u>9,341</u>	<u>57,985</u>	<u>18,210</u>	<u>85,536</u>	Note
	<u>\$ 52,926</u>	<u>\$ 143,254</u>	<u>\$ 45,652</u>	<u>\$ 241,832</u>	

Note: None of the amount of each item is greater than 5% of this account total amount.

IRON FORCE INDUSTRIAL CO., LTD.
STATEMENT OF FINANCE COST
FOR THE YEAR ENDED DECEMBER 31, 2023

(Expressed in thousands of New Taiwan dollars, except as otherwise indicated)

Statement 10

Item	Amount	Note
Finance costs		
Corporate bond	\$ 629	
Bank borrowings	5,934	
Others	2,889	
	<u>\$ 9,452</u>	