Stock Code:3550

COPARTNER TECHNOLOGY CORPORATION
Parent Company Only Financial Statements
With Independent Auditors' Report
For the Years Ended December 31, 2023 and 2022

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Notice to Readers

The reader is advised that parent company only financial statements have been prepared originally in Chinese. In the event of a conflict between these financial statements and the original Chinese version or difference in interpretation between the two versions, the Chinese language financial statements shall prevail.

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INDEPENDENT AUDITORS' REPORT

To the Board of Directors of Copartner Technology Corporation:

Opinion

We have audited the accompanying financial statements of Copartner Technology Corporation, which comprise the parent company only balance sheets for the year ended December 31, 2023 and 2022, and the parent company only statements of comprehensive income for the year ended December 31, 2023 and 2022, the parent company only statements of changes in equity and cash flows for the years then ended, and the parent company only notes to the 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, Copartner Technology Corporation's parent company only financial position as of December 31, 2023 and 2022 and for the years then ended, and its parent company only financial performance and parent company only cash flows for the years then ended in conformity 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 auditing standards generally accepted in the Republic of China. Our responsibilities under those standards are further described in the Auditors, Responsibilities for the Audit of the Parent Company Only Financial Statements section of our report. We are independent of the Company in accordance with the Norm of Professional Ethics for Certified Public Accountant of the Republic of China and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

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

Key audit matters for the consolidated financial statements of the Company for the year ended December 31, 2023 are stated as follows:

As stated in Note 9 of the parent company only notes to the financial statements, the investment of a subsidiary of Copartner Technology Corporation using the equity method on December 31, 2023, was NT$ 3,459,796 thousand, accounting for 77% of the total assets. From January 1 to December 31, 2023, the share of the subsidiary's interest recognized using the equity method was NT$ 259,288 thousand, accounting for (91)% of the sales revenue. Therefore, the financial position and performance of the subsidiary company will have a significant impact on Copartner Technology Corporation. Because its revenue recognition is listed as a key audit matter, the explanation is as follows:

Revenue Recognition

1. Copartner Technology Corporation’s main source of income is R&D, manufacturing and sales of signal transmission wires and wire sets for information, communication and consumer electronics products, automobiles, medical equipment, industrial equipment, automation equipment and servers; R&D, manufacturing and sales of plastic products. This type of revenue recognition process is to recognize revenue when the customer controls the goods under trade terms.
2. The revenue of Copartner Technology Corporation and it’s subsidiary decline 13% compare to the previous year due to weak demand. However, some subsidiaries had a higher gross profit margin. Therefore, the accountant compared the sales revenue of these subsidiaries with the sales revenue in 2022 to identify any positive growth in sales to their customers compared to the overall sales trend. Subsequently, any differences were considered as potential sources of fraud risk. As a result, this assessment was deemed a critical auditing matter.
3. The accountant performs the following procedures for the above key audit matter:
   (1) Identify revenue recognition of Copartner Technology Corporation’s subsidiary, and perform relevant control tests.
   (2) Check the sales transactions where the subsidiary’s gross profit margin is higher than the consolidated before write-off, and review documents such as customer orders, customer receipts or freight receipts, and invoices to verify whether the transaction occurred, to identify whether the purchasers are consistent with the cash payers as well.

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 the Company' ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance (including members of the Audit Committee) are responsible for overseeing the Company' 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 auditing standards generally accepted in the Republic of China will always detect a material misstatement contained in the parent company only financial statements. Misstatements may be a result of fraud or error. 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 auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

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

2. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company' internal control.
3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
4. Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company' ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the parent company only financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.
5. Evaluate the overall presentation, structure and content of the parent company only financial statements, including the disclosures, and whether the parent company only financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
6. Obtained sufficient and appropriate audit evidence concerning the financial information of entities within the Company, to express an opinion on the Parent Company Only Financial Statements. We are responsible for guiding, supervising, and performing the audit and forming an audit opinion on the Company.

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

Deloitte & Touche

CPA: Tsai, Mei-Chen	CPA: Huang, Yu-Feng
Financial Supervisory Commission R.O.C. Approval Document No. Jin-Guan-Zheng-Shen-Zi No.1010028123	Securities and Futures Commission Approval Document No. Tai-Cai-Zheng-Liu-Zi No.0920123784

March 13, 2024

<u>*Notice to Readers*</u>

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

For the convenience of readers, the independent auditors' report and the accompanying parent company only financial statements have been translated into English from the original Chinese version prepared and used in the Republic of China. If there is any conflict between the English version and the original Chinese version or any difference in the interpretation of the two versions, the Chinese- language independent auditors' report and parent company only financial statements shall prevail.

COPARTNER TECHNOLOGY CORP.
PARENT COMPANY ONLY BALANCE SHEETS
DECEMBER 31, 2023 AND 2022

Unit: NT$ thousand

Code	Assets	December 31, 2023 Amount	%	December 31, 2022 Amount	%
	Current assets				
1100	Cash and cash equivalents (Notes IV&V)	$ 209,445	5	$ 107,191	3
1150	Notes receivable, net (Notes IV, V & VII)	4,000	-	1,436	-
1160	Notes receivable due from related parties (Notes IV, V & XXIII)	26	-	-	-
1170	Accounts receivable, net (Notes IV, V, VII & XVII)	56,143	1	41,790	1
1180	Accounts receivable due from related parties (Notes IV, V, XVII & XXIII)	1,338	-	816	-
1210	Other receivables - related parties (Notes IV & XXIII)	545,542	12	527,924	11
130X	Inventories (Notes IV & VIII)	1,589	-	7,732	-
1410	Advances to suppliers	7,706	-	9,590	-
1470	Other current assets (Note XIX)	848	-	1,067	-
11XX	Total current assets	826,637	18	697,546	15
	Non-current assets				
1550	Investments accounted for using equity method (Notes IV & IX)	3,459,796	77	3,821,776	80
1600	Property, plant and equipment (Notes IV, X & XXIV)	133,819	3	160,177	3
1755	Right-of-use assets (Notes IV & XI)	1,478	-	6,707	-
1840	Deferred income tax assets (Notes IV, V & XIX)	95,258	2	82,125	2
1920	Refundable deposits paid (Notes IV & XXIV)	1,241	-	1,939	-
15XX	Total non-current assets	3,691,592	82	4,072,724	85
1XXX	Total assets	$4,518,229	100	$4,770,270	100

Code	Liabilities and Equity	December 31, 2023 Amount	%	December 31, 2022 Amount	%
	Current liabilities				
2100	Short-term borrowings (Note XIII)	$ 924,185	21	$ 850,000	18
2110	Short-term notes payable (Note XIII)	-	-	40,000	1
2130	Contract liabilities (Note XVII)	4,553	-	6,470	-
2170	Accounts payable	4,618	-	5,865	-
2180	Accounts payable due from related parties (Note XXIII)	20,382	-	29,116	1
2220	Other payables - related parties (Note XXIII)	671,870	15	673,539	14
2230	Current income tax liabilities (Notes IV & XIX)	-	-	539	-
2280	Lease liabilities - current (Notes IV & XI)	1,054	-	3,993	-
2320	Long-term borrowings due within one year (Notes XIII & XXIV)	772,078	17	17,995	-
2399	Other current liabilities (Note XIV)	20,389	-	24,140	1
21XX	Total current liabilities	2,419,129	53	1,651,657	35
	Non-current liabilities				
2541	Long-term borrowings (Notes XIII & XXIV)	36,124	1	602,535	13
2580	Lease liabilities - non-current (Notes IV & XI)	445	-	2,818	-
2620	Other long-term payables - related parties (Note XXIII)	563,195	13	563,195	12
2640	Net defined benefit liability (Notes IV & XV)	17,160	-	19,302	-
2645	Guarantee deposits and margins received	760	-	739	-
25XX	Total non-current liabilities	617,684	14	1,188,589	25
2XXX	Total liabilities	3,036,813	67	2,840,246	60
	Equity (Notes IV & XVI)				
3110	Ordinary shares	875,500	19	875,500	18
3200	Capital surplus	380,455	8	424,230	9
	Retained earnings				
3310	Legal reserve	272,605	6	272,605	6
3320	Special reserve	253,342	6	298,718	6
3350	Unappropriated retained earnings	(5,036)	-	312,313	6
3300	Total retained earnings	520,911	12	883,636	18
3400	Other equity interests	(295,450)	(6)	(253,342)	(5)
3XXX	Total equity	1,481,416	33	1,930,024	40
	Total liabilities and equity	$4,518,229	100	$4,770,270	100

The accompanying notes are an integral part of the parent company only financial reports.

Chairman: Ho, Chun-Hsien　　Manager: Liao, Wen-Hung　　Chief accountant: Cheng, Shu-Ching

COPARTNER TECHNOLOGY CORP.

PARENT COMPANY ONLY STATEMENTS OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED DECEMBER 31, 2023 AND 2022

(Expressed in thousands of New Taiwan dollars, except for loss per share)

Code		2023 Amount	2023 %	2022 Amount	2022 %
4100	Sales of revenue (Notes IV, XVII & XXIII)	$ 283,389	100	$ 255,558	100
5110	Sales cost (Notes IV, VIII, XVIII & XXIII)	255,974	90	226,951	89
5900	Gross profit	27,415	10	28,607	11
5920	Realized gains with subsidiaries (Note IV)	-	-	315	-
5950	Realized gross profit	27,415	10	28,922	11
	Operating expenses (Notes XVIII & XXIII)				
6100	Selling expenses	38,520	13	41,200	16
6200	Administrative expenses	79,404	28	60,707	24
6300	R&D expenses	1,721	1	1,669	1
6450	Expected credit impairment loss (gain) (Notes IV & VII)	(324)	-	3,156	1
6000	Total operating expenses	119,321	42	106,732	42
6900	Net operating loss	(91,906)	(32)	(77,810)	(31)
	Non-operating income and expenses				
7100	Interest income (Note XVIII)	1,304	-	261	-
7010	Other income (Note XVIII)	4,800	2	7,554	3
7020	Other gains and losses (Notes IV & XVIII)	(1,197)	-	8,735	3
7050	Finance costs (Notes IV & XVIII)	(29,355)	(10)	(19,027)	(7)
7060	Share of profit on subsidiaries and associates accounted for using equity method (Notes IV & IX)	(259,288)	(91)	43,428	17
7000	Total non-operating income and expenses	(283,736)	(101)	40,951	16

(Carried forward)

(Brought forward)

Code		2023 Amount	2023 %	2022 Amount	2022 %
7900	Net loss before tax	($ 375,642)	(133)	($ 36,859)	(15)
7950	Tax income (Notes IV, V & XIX)	13,133	5	14,253	6
8200	Current net loss	(362,509)	(128)	(22,606)	(9)
	Other comprehensive income				
8310	Items not reclassified to profit or loss:				
8311	Remeasurement of defined benefit obligation (Notes IV & XV)	(347)	-	2,694	1
8330	Share of other comprehensive income of subsidiaries accounted for using equity method (Note IV)	131	-	(570)	-
8360	Components of other comprehensive income (loss) that will be reclassified to profit or loss:				
8361	Exchange differences on translation of foreign financial statements (Notes IV & XVI)	(42,108)	(15)	45,376	18
8300	Other comprehensive income for the current year	(42,324)	(15)	47,500	19
8500	Total comprehensive income for the current year	($ 404,833)	(143)	$ 24,894	10
	Loss per share (Note XX)				
9710	Basic	($ 4.14)		($ 0.26)	
9810	Diluted	($ 4.14)		($ 0.26)	

The accompanying notes are an integral part of the parent company only financial reports.

Chairman: Ho, Chun-Hsien Manager: Liao, Wen-Hung Chief accountant: Cheng, Shu-Ching

COPARTNER TECHNOLOGY CORP.

PARENT COMPANY ONLY STATEMENTS CHANGES IN EQUITY

FOR THE YEAR ENDED DECEMBER 31, 2023 AND 2022

Unit: NT$ thousand, unless otherwise specified

		Ordinary shares			Retained earnings			Other equity interests	
Code		Quantity (thousand shares)	Amount	Capital surplus	Legal reserve	Special reserve	Unappropriated retained earnings	Exchange differences on translation of foreign financial statements	Total equity
A1	Balance as of January 1, 2022	85,000	$ 850,000	$ 424,230	$ 264,470	$ 287,283	$ 403,365	($ 298,718)	$ 1,930,630
	2021 earnings distribution								
B1	Legal reserve	-	-	-	8,135	-	(8,135)	-	-
B3	Special reserve	-	-	-	-	11,435	(11,435)	-	-
B5	Cash dividends	-	-	-	-	-	(25,500)	-	(25,500)
B9	Stock dividend	2,550	25,500			-	(25,500)	-	-
D1	Net loss for the year ended December 31, 2022	-	-	-	-	-	(22,606)	-	(22,606)
D3	Other comprehensive income for the year ended December 31, 2022	-	-	-	-	-	2,124	45,376	47,500
D5	Total comprehensive income for the year ended December 31, 2022	-	-	-	-	-	(20,482)	45,376	24,894
Z1	Balance as of December 31, 2022	87,550	875,500	424,230	272,605	298,718	312,313	(253,342)	1,930,024
	2022 earnings distribution								
B17	Special reserve return	-	-			(45,376)	45,376		
		-	-						
C15	Other change in Capital surplus	-	-	-					
	Cash paid in capital			(43,775)	-	-	-	-	(43,775)
				-	-				
D1	Net loss for the year ended December 31, 2023	-	-	-	-	-	(362,509)	-	(362,509)
D3	Other comprehensive income for the year ended December 31, 2023	-	-	-	-	-	(216)	(42,108)	(42,324)
D5	Total comprehensive income for the year ended December 31, 2023	-	-	-	-	-	(362,725)	(42,108)	(404,833)
Z1	Balance as of December 31, 2023	87,550	$ 875,500	$ 380,455	$ 272,605	$ 253,342	($ 5,036)	($ 295,450)	$ 1,481,416

The accompanying notes are an integral part of the parent company only financial reports.

Chairman: Ho, Chun-Hsien | Manager: Liao, Wen-Hung | Chief accountant: Cheng, Shu-Ching

COPARTNER TECHNOLOGY CORP.

PARENT COMPANY ONLY STATEMENTS OF CASH FLOWS

FOR THE YEAR ENDED DECEMBER 31, 2023 AND 2022

Unit: NT$ thousand

Code		2023	2022
	Cash flows from operating activities		
A10000	Current net loss before tax	($ 375,642)	($ 36,859)
A20010	Adjustments to reconcile:		
A20100	Depreciation expense	12,204	14,815
A20200	Amortization expense	-	22
A20300	Expected credit impairment loss (gain)	(324)	3,156
A20900	Finance costs	29,355	19,027
A21200	Interest income	(1,304)	(261)
A22400	Share of profit and loss on subsidiaries and associates accounted for using equity method	259,288	(43,428)
A22500	Loss (gain) on disposal of property, plant and equipment	1,130	(365)
A24000	Realized gains with subsidiaries	-	(315)
A24100	Loss on foreign exchange, net	2,516	2,849
A29900	Lease modification actuarial gain	(63)	-
A30000	Net changes in operating assets and liabilities		
A31130	Note receivable	(2,444)	1,027
A31140	Notes receivable due from related parties	(26)	-
A31150	Accounts receivable	(16,190)	14,053
A31160	Accounts receivable due from related parties	(528)	1,929
A31200	Inventories	6,143	4,691
A31230	Advances to suppliers	1,884	(4,355)
A31240	Other current assets	370	597
A32125	Contract liabilities	(1,917)	3,638
A32150	Accounts payable	(1,136)	(2,339)
A32160	Accounts payable due from related parties	(7,547)	12,729
A32990	Accrued employees' compensation and directors' remuneration	-	(4,482)
A32230	Other current liabilities	(3,790)	2,285
A32240	Net defined benefit liabilities	(2,490)	(1,991)
A33000	Net cash outflow generated from operations	(100,511)	(13,577)
A33300	Interest paid	(28,930)	(19,631)
A33500	Income taxes paid	(539)	(1,323)
AAAA	Net Cash outflow from operating activities	(129,980)	(34,531)

(Carried forward)

(Brought forward)

Code		2023	2022
	Cash flows from investing activities		
B02700	Purchase of property, plant and equipment	($ 351)	($ 630)
B02800	Proceeds from disposal of property, plant and equipment	17,017	1,171
B03700	Increase in refundable deposits paid	698	(1,186)
B04300	Increase in other receivables - related parties	(22,777)	(32,526)
B07500	Interest received	1,150	237
B07600	Cash dividend received	60,715	-
BBBB	Net cash outflow from investing activities	56,452	(32,934)
	Cash flows from financing activities		
C00100	Increase in short-term borrowings	5,143,573	6,150,052
C00200	Decrease in short-term borrowings	(5,069,388)	(6,200,052)
C00500	Increase in short-term notes payable	80,000	-
C00600	Decrease in short-term notes payable	(120,000)	-
C01600	New long-term borrowings	738,864	1,112,880
C01700	Repay long-term borrowings	(551,492)	(751,500)
C01800	Decrease in long-term notes payable	-	(200,000)
C03000	Increase in guarantee deposits and margins received	21	18
C03700	Increase in other payables - related parties	4,382	25,464
C04020	Repayment of lease liabilities principal	(3,748)	(3,637)
C04500	Cash dividends paid	(43,775)	(25,500)
CCCC	Net cash inflow from financing activities	178,437	107,725
DDDD	Effect of exchange rate fluctuations on cash held	(2,655)	(304)
EEEE	Net increase (decrease) in cash and cash equivalents for the year	102,254	39,956
E00100	Cash and cash equivalents at beginning of the period	107,191	67,235
E00200	Cash and cash equivalents at end of the period	$ 209,445	$ 107,191

The accompanying notes are an integral part of the parent company only financial reports.

Chairman:	Manager:	Chief accountant:
Ho, Chun-Hsien	Liao, Wen-Hung	Cheng, Shu-Ching

COPARTNER TECHNOLOGY CORP.

NOTES TO PARENT COMPANY ONLY FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2023 AND 2022

(Unless otherwise stated, all amounts are in NTD)

I. Company history

Copartner Technology Corporation (the "Company") was established and registered in April 1987 in accordance with the Company Act and other relevant laws and regulations and started the business. The original name was Copartner Electric Wire Co., Ltd. The Ministry of Economic Affairs approved the change of the Company name to Copartner Technology Corporation on August 24, 2004. The Company's main operating items are R&D, manufacturing and sales of signal transmission wires and wire sets for information, communication and consumer electronics products, automobiles, medical equipment, industrial equipment, automation equipment and servers; R&D, manufacturing and sales of plastic products.

The Company's stock has been listed and traded on the Taiwan Stock Exchange since November 10, 2010.

The parent company only financial statements are presented in New Taiwan dollars, the Company's functional currency.

II. Dates and procedures for the financial statement approval

The parent company only financial statements were approved by the Company's Board of Directors on March 13, 2024.

III. Application of new and revised standards, amendments, and interpretations

(I) Initial application of the amendments to the Regulations Governing the Preparation of Financial Reports by Securities Issuers and the International Financial Reporting Standards (IFRS), International Accounting Standards (IAS), IFRIC Interpretations (IFRIC), and SIC Interpretations (SIC) (collectively, the "IFRSs") endorsed and issued into effect by the Financial Supervisory Commission (FSC)

The application of the amendments to the IFRSs endorsed and issued into effect by the FSC will not have a material impact on the accounting policies of the Company.

(II) IFRSs endorsed by FSC that are applicable from 2023 onwards

New, Revised or Amended Standards and Interpretations	Effective date by International Accounting Standards Board (IASB)
Amendments to IFRS 16 "Lease liability in a sale and leaseback"	January 1, 2024 (Note 2)
Amendments to IAS 1 "Classification of Liabilities as Current or Non-current"	January 1, 2024
Amendments to IAS 1 "Non-current liabilities with covenants"	January 1, 2024
Amendments to IAS 7 and IFRS 17 "Supplier financing arrangements"	January 1, 2024 (Note 3)

Note 1: Unless otherwise stated, the above new, revised or amended standards and interpretations shall take effect for annual reporting periods beginning on or after those dates.

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

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

1. Amendments to IAS 1 "Classification of Liabilities as Current or Non-current" (2020) and "Non-current Liabilities with covenants " (2022).

The amendment in 2020 clarifies that when determining whether a liability should be classified as non-current, an entity should assess whether it has the right to defer settlement of the liability for at least 12 months after the end of the reporting period. If the entity has this right as of the end of the reporting period, regardless of whether it intends to exercise that right, the liability is classified as non-current.

Additionally, the amendment 2020 specifies that if an entity is required to meet certain conditions to have the right to defer settlement of the liability, the entity must have met those conditions as of the end of the reporting period, even if the lender tests whether the entity has met those conditions at a later date. The amendment in 2022 further clarifies that only contractual terms existing as of the end of the reporting period affect the classification of liabilities. While contractual terms that must be met within 12 months after the reporting period do not affect the classification of liabilities, relevant information must be disclosed to enable users of the financial statements to understand the risk that the entity may be required to repay the liability within 12 months after the reporting period.

For the purpose of liability classification, the amendment in 2020 defines settlement as the transfer of cash, other financial assets, or the entity's own equity instruments to the counterparty to extinguish the liability. However, if the terms of the liability permit settlement by the transfer of the entity's own equity instruments at the counterparty's discretion, and if that right to choose is required to be separately recognized as equity under IAS 32 "Financial Instruments: Presentation," then those terms do not affect the classification of the liability.

Apart from the above-mentioned impacts, as of the date the individual financial statements were approved for release, the amendments to the above-mentioned standards and interpretations will not have a significant impact on the Company’s financial position and financial performance based on the assessment.

(III) IFRSs issued by IASB but not yet endorsed by the FSC

New, Revised or Amended Standards and Interpretations	Effective Date Issued by IASB (Note 1)
Amendments to IFRS 10 and IAS 28 “Sale or contribution of assets between an investor and its associate or joint venture”	To be determined by IASB
IFRS 17 “Insurance Contracts”	January 1, 2023
Amendments to IFRS 17	January 1, 2023
Amendments to IFRS 17 “Initial Application of IFRS 17 and IFRS 9- Comparative Information”	January 1, 2023
Amendments to IAS 21 “Lack of exchangeability”	January 1, 2025 (Note 2)

Note 1: Unless otherwise specified, the above-mentioned new/ revised/ amended standards or interpretations will take effect during the annual reporting period beginning on or after each date.

Note 2: Applicable to annual reporting periods beginning on or after January 1, 2025. When first applied, the effects shall be recognized in retained earnings as of the date of initial application. When the Company uses a non-functional currency as the reporting currency, the effects shall adjust the exchange differences of foreign operations under equity as of the date of initial application.

As of the date the parent company only financial reports were approved for release, the Company continued to assess the possible impact of the application of the above standards and interpretations on its financial position and financial performance, and will disclose the relevant impact when the assessment is completed.

IV. Summary of significant accounting policies

(I) Statement of compliance

The parent company only financial reports have been prepared in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers.

(II) Basis of preparation

The parent company only financial reports have been prepared on the historical cost basis except for the financial instruments at fair value and net defined benefit liabilities recognized from the present value of defined benefit obligation deducting defined benefit plans at fair value.

The fair value measurement is classified into three levels based on the observability and significance of relevant inputs:

1. Level 1 inputs: Quoted (unadjusted) prices in active markets for identical assets or liabilities on the measurement date.
2. Level 2 inputs: Inputs, other than quoted market prices within level 1 that are observable, either directly (i.e. prices) or indirectly (derived from prices) for assets or liabilities.
3. Level 3 inputs: Unobservable inputs for assets or liabilities.

When the Company prepared the parent company only financial reports, it adopted equity method to account for its investments in subsidiaries and associates. In order to enable the amounts of the profit or loss for the year, other comprehensive income, and equity for the year in the individual financial report to be the same as the ones attributable to the owners of the Company in its consolidated financial statements, regarding the differences arising from accounting treatments between the parent company only basis and the consolidation basis, adjustments were made to the investments accounted for using the equity method, the share of profit or loss on subsidiaries and associates using the equity method, the share of other comprehensive income of subsidiaries using the equity method, as well as relevant equity items, as appropriate, in the individual financial reports.

(III) Classification of current and non-current assets and liabilities

Current assets include:

1. Assets held primarily for the purpose of trading;
2. Assets expected to be realized within 12 months after the balance sheet date; and
3. Cash or cash equivalents (excluding assets restricted from being exchanged or used to settle a liability for at least 12 months after the balance sheet date).

Current liabilities include:

1. Liabilities held primarily for the purpose of trading;
2. Liabilities due to be settled within 12 months after the balance sheet date; and
3. Liabilities with a repayment deadline that cannot be unconditionally deferred for at least 12 months after the balance sheet date.

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

(IV) Foreign currencies

When the parent company only financial statements of the Company are prepared, transactions in currencies other than the Company's functional currency (i.e. foreign currencies) are recognized at the rates of exchange prevailing on the transaction dates.

At each balance sheet date, monetary items denominated in foreign currencies are translated at the rates prevailing on that date. Exchange differences on monetary items arising from settlement or translation are recognized in profit or loss for the year in which they arise.

Non-monetary items measured at fair value that are denominated in foreign currencies are translated at the rates prevailing on the date when the fair value was determined. The resulting exchange difference is recognized in profit or loss for the year. For items whose changes in fair value are recognized in other comprehensive income, the resulting exchange difference is recognized in other comprehensive income.

Non-monetary items measured at historical cost that are denominated in foreign currencies are translated at the rates of exchange prevailing on the transaction dates and are not retranslated.

When the individual financial reports are prepared, the assets and liabilities of the Company’s foreign operations (including subsidiaries that operate in countries or adopt the functional currencies different from the Company) are translated into New Taiwan dollars at the rates of exchange prevailing at the balance sheet date. Income and expense items are translated at the average exchange rates for the year. The resulting currency exchange differences are recognized in other comprehensive income.

(V) Inventories

Inventories include raw materials, goods-in-process, semi-finished goods, finished goods, and merchandise. The value of inventories is determined based on the cost or net realizable value, whichever is lower. The comparison of the cost and the realizable value is based on individual items except for inventories of the same category. The net realizable value is the estimated selling price in the ordinary course of business, less the estimated cost of completion and the estimated costs necessary to make the sale. The cost of inventories is calculated using the weighted average method.

(VI) Investment in subsidiaries

The Company adopts the equity method to treat its investment in subsidiaries.

Subsidiaries refer to entities controlled by the Company.

Under the equity method, investments in a subsidiary are initially recognized at cost and adjusted thereafter to recognize the Company’s share of the profit or loss and other comprehensive income of the subsidiary. In addition, the changes in other equity of the Company's subsidiaries are recognized according to the shareholding ratio.

Changes in the Company’s ownership interests in subsidiaries that do not result in the Company losing control over the subsidiaries are accounted for as equity transactions. Any difference between the carrying amount and the fair value of the consideration paid or received is recognized directly in equity.

When the Company’s share of the subsidiary’s losses equals or exceeds its equity in the subsidiary (including the carrying amount of the subsidiary under the equity method and other long-term equity that is substantially part of the

Company's net investment in the subsidiary), such loss shall continue to be recognized in proportion to its shareholding ratio.

When the Company assesses impairment, it considers the cash-generating unit as a whole based on the financial report and compares its recoverable amount with the carrying amount. If the recoverable amount of the asset increases later, the reversal of the impairment loss will be recognized as profit, but the carrying amount of the asset after the impairment loss reversal shall not exceed the amount of the asset that shall be deducted if no impairment loss is recognized. The carrying amount after amortization shall be listed. An impairment loss for goodwill is never reversed in a subsequent period.

If the Company loses control of the subsidiary, the Company measures its retained investment in the former subsidiary at its fair value on the date of losing control. The difference between the fair value of the retained investment and any disposal proceed and the carrying amount of the investment on the date of losing control is included in the current profit and loss. In addition, the Company shall account for all amounts recognized in other comprehensive income in relation to the subsidiary on the same basis as would be required if the Company had directly disposed of the related assets and liabilities.

The unrealized profit or loss on downstream transactions between the Company and its subsidiaries are eliminated in the parent company only financial reports. Profit or loss on downstream and lateral transactions between the Company and its subsidiaries is recognized in the individual financial reports only to the extent that it does not affect the Company’s interests in the subsidiaries.

(VII) Investments in associates

An associate is an entity on which the Company has significant influence and is not a subsidiary or joint venture.

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

Under the equity method, investments in an associate are initially recognized at cost and adjusted thereafter to recognize the Company’s share of the profit or loss and other comprehensive income of the associates. In addition, the changes in other equity of the associates are recognized according to the shareholding ratio.

The excess of the acquisition cost over the Company's share of the net fair value of the identifiable assets and liabilities of the associates on the acquisition date is listed as goodwill, which is included in the carrying amount of the investment and cannot be amortized.

When assessing impairment, the Company regards the overall carrying amount of the investment(including goodwill) as a single asset and compares the recoverable amount with the carrying amount for impairment testing. The recognized impairment loss is also part of the carrying amount of the investment. Any reversal of the impairment loss is recognized to the extent of subsequent increases in the recoverable amount of the investment.

Profit or loss on downstream, upstream, and lateral transactions between the Company and associates is recognized in the parent company only financial reports only to the extent that it does not affect the Company's interests in the associates.

(VIII) Property, plant and equipment

Except for self-owned land, which is not subject to depreciation, other property, plant and equipment are recognized at cost less accumulated depreciation and accumulated impairment loss.

Each significant component of the remaining property, plant and equipment is depreciated separately on a straight-line basis within their useful lives. The Company conducts at least one annual review at the end of each year to assess the estimated useful life, residual value, and depreciation methods, and applies the effect of changes in applicable accounting estimates prospectively.

When derecognizing property, plant and equipment, the difference between the net disposal proceeds and the carrying amount of the asset shall be recognized in the current profit and loss.

(IX) Intangible assets

1. Acquired separately

Intangible assets with finite useful lives that are acquired separately are initially measured at cost and subsequently measured at cost less accumulated amortization and impairment loss. Intangible assets are amortized on a straight-line basis within their useful lives. The Company conducts at least one annual review at the end of each year to assess the estimated useful life, residual value, and amortization methods, and applies the effect of changes in applicable accounting estimates prospectively.

2. Derecognition

When investment property is derecognized, the difference between the net disposal proceeds and the carrying amount of the asset is recognized in profit or loss.

(X) Impairment of property, plant and equipment, right-of-use assets, and intangible assets

The Company assesses if there are any signs of possible impairment in property, plant, and equipment as well as right-of-use and intangible assets at each balance sheet date. If there is any sign of impairment, an estimate is made of its recoverable amount. When it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

The recoverable amount is the fair value less cost of sales or its value in use, whichever is higher. If the recoverable amount of an individual asset or a CGU is lower than its carrying amount, the carrying amount is reduced to the recoverable amount, and the impairment loss is recognized in profit or loss.

When the impairment loss is subsequently reversed, the carrying amount of the asset or the CGU is increased to the revised recoverable amount, provided that the increased carrying amount shall not exceed the carrying amount (less amortization or depreciation) of the asset or the CGU, which was not recognized in impairment loss in prior years. The reversal of the impairment loss is recognized in profit or loss.

(XI) Financial instruments

Financial assets and financial liabilities shall be recognized in the parent company only balance sheet when the Company becomes a party to the contractual provisions of the instruments.

When initially recognizing financial assets and financial liabilities, if the financial assets or financial liabilities are not measured at fair value through profit or loss, but measured at fair value plus transaction costs directly attributable to the acquisition or issuance of financial assets or financial liabilities. The transaction costs directly attributable to the acquisition or issuance of financial assets or financial liabilities at fair value through profit or loss are immediately recognized in profit or loss.

1. Financial assets

Regular trading of financial assets shall be recognized and derecognized in accordance with trade date accounting.

(1) Measurement types

Financial assets held by the Company are those measured at amortized cost and investments in equity instruments measured at fair value through other comprehensive income (FVTOCI).

A. Financial assets measured at amortized cost

When the Company's investments in financial assets meet the following two conditions simultaneously, they are classified as financial assets measured at amortized cost:

(A) Held under a certain business model, of which the objective is to collect contractual cash flows by holding the financial assets; and

(B) The cash flows on specific dates specified in the contractual terms are solely payments of the principal and interest on the principal amount outstanding.

After initial recognition, such assets(including cash and cash equivalents, and notes receivable, accounts receivable at amortized cost, accounts receivable due from related parties, other receivables due from related parties, and refundable deposits) are measured at the amortized cost of the total carrying amount determined by the effective interest method less any impairment loss, and any foreign currency exchange gains or losses are recognized in profit or loss.

Except for the following two cases, interest revenue is calculated by multiplying the effective interest rate by the total carrying amount of financial assets:

(A) For purchased or originated credit-impaired financial asset, interest revenue is calculated by multiplying the credit-adjusted effective interest rate by the amortized cost of the financial asset.

(B) For a financial asset that is not purchased or originated credit-impaired but subsequently becomes credit impaired, interest income is calculated by multiplying the effective interest rate from the next reporting period after the credit impairment by the amortized cost of the financial asset.

Credit-impaired financial assets refer to a situation in which the issuer or debtor has experienced significant financial difficulties or defaulted, the debtor is likely to apply for bankruptcy or other financial restructuring, or the active market for such financial assets disappears due to financial difficulties.

Cash equivalents include time deposits that are highly liquid and readily convertible into a fixed amount of cash at any time within 3 months from the date of acquisition while featuring little risk of value changes, which are used to meet short-term cash commitments.

B. Investments in equity instruments at fair value through other comprehensive income

The Company may, upon initial recognition, make an irrevocable election to designate as at fair value through other comprehensive income the investments in equity instruments that are not held for trading and the ones that are not recognized by an acquirer in a business combination or with the contingent consideration.

Investments in an equity instrument measured at fair value through other comprehensive income are measured at fair value, and any subsequent fair value changes are recognized in other comprehensive income and accumulated in other equity. At the time of disposal of such investments, the accumulated gains and losses are directly reclassified to retained earnings and will not be reclassified to profit or loss.

Dividends of investments in equity instruments measured at fair value through other comprehensive income are recognized in profit or loss when the Company’s right to receive dividends is established unless such dividends clearly represent the recovery of a part of the investment cost.

(2) Impairment of financial assets

The Company assesses the impairment loss of financial assets measured at amortized cost (including accounts receivable and lease payments receivable) based on the expected credit loss at each balance sheet date.

Accounts receivable and lease payments receivable are both recognized in loss allowance based on the lifetime expected credit losses (ECLs). Other financial assets are first assessed based on whether the credit risk has increased significantly since the initial recognition. If there is no significant increase in the risk, a loss allowance is recognized at an amount equal to 12-month ECLs. If the risks have increased significantly, a loss allowance is recognized at an amount equal to lifetime ECLs.

The ECLs refer to the weighted average credit loss with the risk of default as the weight. The 12-month ECLs represent the ECLs from possible defaults of a financial instrument within 12 months after the reporting date. The lifetime ECLs represent the ECLs from all possible defaults in a financial instrument over the expected life of a financial instrument.

For the purpose of internal credit risk management, the Company, without considering the collateral held, determines that the following situations represent defaults in the financial assets:

A. Internal or external information indicates that it is impossible for the debtor to settle the debt.

B. It is overdue for more than 90 days, unless there is reasonable and corroborative information showing that a default date postponed is more appropriate.

Impairment losses of all financial assets are achieved by reducing their carrying amounts through the use of an allowance account.

(3) Derecognition of financial assets

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

On derecognition of a financial asset at amortized cost in its entirety, the difference between the asset's carrying amount and the consideration received is recognized in profit or loss. When derecognizing an investment in equity instrument at fair value through other comprehensive income in its entirety, the cumulative profit or loss is transferred directly to retained earnings and is not reclassified to profit or loss.

2. Equity instruments

Equity instruments issued by the Company are classified as equity in accordance with the substance of the contractual arrangements and the definitions of equity instruments.

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

The repurchase of the Company's own equity instruments is recognized in and deducted directly from equity. The purchase, sale, issuance, or cancellation of the Company's own equity instruments is not recognized in profit or loss.

3. Financial liabilities

(1) Subsequent measurement

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

(2) Derecognition of financial liabilities

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

(XII) Revenue recognition

After the performance obligations are identified in a customer contract, the Company allocates the transaction price to each performance obligation, and recognizes it in revenue when each performance obligation is satisfied.

<u>Sales revenue of goods</u>

The sales of goods revenue comes from the R&D, manufacturing and sales of signal transmission wires and wire sets for information, communication and consumer electronics products, automobiles, medical equipment, industrial equipment, automation equipment and servers; the R&D, manufacturing and sales of plastic products. When the products are delivered to the location designated by customers, customers have the right to determine the price and the way the products are used while bearing the main responsibility for resale and the risk of obsolescence, upon which revenue and account receivable are recognized by the Company.

When processing consigned material, the control of the ownership of the processed products has not been transferred, so revenue is not recognized when consigned material.

(XIII) Leases

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

1. The Company as lessor

   Where almost all the risks and rewards attached to the ownership of an asset are transferred to the lessee in lease terms, such leases are classified as finance leases. All other leases are classified as operating leases.

   Under operating leases, lease payments less lease incentives are recognized in income on a straight-line basis over the relevant lease terms. The original direct cost incurred in obtaining an operating lease is added to the carrying amount of the underlying asset and recognized in expenses on a straight-line basis over the lease term. Lease negotiations with the lessee are treated as new leases from the effective date of the lease modification.

2. The Company as lessee

   The Company recognizes all leases as right-of-use assets and lease liabilities on the commencement date of the lease, except for payment for low-value asset leases and short-term leases which are exempted from recognition and recognized as costs on a straight-line basis during the lease term.

   A right-of-use asset is initially measured at cost (including the initial measured amount of lease liabilities, the amount of lease payments made to the lessor less lease incentives received prior to the inception of a lease, initial direct costs, and the estimated costs of restoring underlying assets), and subsequently measured at cost less accumulated depreciation and accumulated impairment and adjusted for any re-measurement of the lease liabilities. Right-of-use assets are presented separately in the parent company only balance sheets.

Depreciation is withdrawn for right-of-use assets by using straight-line method from the commencement dates of lease to the earlier of the expiration of the service lives or lease terms.

The lease liability is initially measured at the present value of the lease payment. If the interest rate implicit in a lease can be easily determined, the lease payment is discounted at such an interest rate. If the interest rate cannot be easily determined, the lessee's incremental borrowing rate applies.

Subsequently, lease liabilities are measured at amortized cost using the effective interest method, with interest expense recognized over the lease terms. If changes in the lease term lead to changes in future lease payments, the Company remeasures the lease liabilities with a corresponding adjustment to the right-of-use assets. However, if the carrying amount of the right-of-use assets has been reduced to zero, the remaining re-measurement amount is recognized in profit or loss. Lease liabilities are presented on a separate line in the parent company only balance sheets.

(XIV) Borrowing costs

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

For specific borrowings, if the investment income earned by making a temporary investment before the capital expenditure that meets the requirements is incurred, it is deducted from the borrowing costs that meet the capitalization conditions.

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

(XV) Employee benefits

1. Short-term employee benefits

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

2. Post-employment benefits

For pension under the defined contribution plan, the amount of pension contributed is recognized in expenses during employees' service period.

The defined benefit cost under the defined benefit pension plan (including service cost, net interest, and re-measurement) is calculated based on the projected unit credit method. The service cost (including the service costs for the current period) and the net interest on the net defined benefit liabilities are recognized in employee benefit expenses as they occur. The re-measurement (including actuarial gains and losses, and the return on plan assets, net of interest) is recognized in other comprehensive income and listed in retained earnings when it occurs, and will not be reclassified to profit or loss subsequently.

The net defined benefit liabilities are the deficit of the defined benefit pension plan.

(XVI) Income tax

The income tax expense represents the sum of the current income tax and deferred tax.

1. Current income tax

The Company determines the income (loss) of the current year in accordance with the laws and regulations in domestic and calculates the income tax payable (recoverable) accordingly.

A surtax imposed on the undistributed earnings pursuant to the Income Tax Act of R.O.C. is recognized in the year in which it is resolved by the annual shareholders' meeting.

Adjustments to income tax payable from prior years are recognized in the income tax for the year.

2. Deferred income tax

Deferred income tax is calculated based on the temporary differences between the carrying amount of assets and liabilities and the corresponding tax bases used in the computation of taxable income.

Deferred tax liabilities are generally recognized for all taxable temporary differences, and deferred tax assets are recognized when there is likely to be taxable income to deduct temporary differences and the deduction of losses generate income tax credit.

All taxable temporary differences related to investment in subsidiaries and equity in associates are recognized as deferred tax liabilities, except where the Company is able to control the time of reversal of the temporary differences and it is very likely that such temporary differences will not be reversed in the foreseeable future. The deductible temporary differences related to said investments are recognized in deferred income tax only if it is probable that there will be sufficient taxable income against which to utilize the benefits of the temporary differences, and they are expected to be reversed in the foreseeable future.

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

Deferred tax assets and liabilities are measured at the tax rates of the current year in which the liabilities are expected to be settled or assets realized, based on tax rates and tax laws that have been enacted or substantively enacted at the balance sheet date. The measurement of deferred tax assets and liabilities reflects the tax consequences that would follow from the manner in which the Company expects, at the balance sheet date, to recover or settle the carrying amount of its assets and liabilities.

3. Current and deferred income tax

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

V. Major sources of uncertainty in significant accounting judgments, estimations, and assumptions

When the Company adopts accounting policies, the management must make relevant judgments, estimates, and assumptions based on historical experience and other relevant factors for those not easy to obtain relevant information from other sources. Actual results may differ from estimates.

When the Company develop an accounting estimate value, we will take the inflation and the interest rate volatility into consideration of major accounting estimates related to cash flow estimation, growth rate, discount rate, profitability, etc., and the management will continue to review the estimates and basic assumptions. If a change in an accounting estimate may affect the current, it shall be recognized in the current. If a change in an accounting estimate may affect the current and future period, it shall be recognized in the current and future period.

Major sources of uncertainty in estimations and assumptions

(I) Income tax

As of December 31, 2023 and 2022, the carrying amounts of deferred income tax assets related to unused tax losses were NT$ 95,258 thousand and NT$ 82,125 thousand, respectively. The realizability of deferred income tax assets mainly depends on whether there will be sufficient profits or taxable temporary differences in the future. If the actual profit generated in the future is less than expected, there may be a reversal of significant deferred income tax assets, and such reversals are recognized as profit or loss during the occurrence.

(II) Estimated impairment on receivables

The estimated impairment on notes and accounts receivable is based on the Company's assumptions about the default probability and the loss given default. The Company considers historical experience, current market conditions, and forward-looking information to formulate assumptions and select inputs for impairment assessments. Please refer to Note VII for important assumptions adopted and input values. If the actual cash flow in the future is less than the Company's expectation, significant impairment loss may occur.

VI. Cash and cash equivalents

	December 31, 2023	December 31, 2022
Checking accounts and demand deposits	$153,783	$107,069
Cash on hand and revolving funds	102	122
Cash equivalents (investment with original maturities within three months)		
Bank fixed deposits	55,560	-
	$209,445	$107,191

The interest rate range of bank deposits on the balance sheet date is as follows:

	December 31, 2023	December 31, 2022
Bank deposits	0%~5.30%	0%~1.05%

VII. Notes and accounts receivable, net

	December 31, 2023	December 31, 2022
Note receivable		
Measured at amortized cost		
Total carrying amount	$ 25,650	$ 23,319
Less: Loss allowances	(21,650)	(21,883)
	$ 4,000	$ 1,436
Accounts receivable		
Measured at amortized cost		
Total carrying amount	$ 63,145	$ 49,285
Less: Loss allowances	(7,002)	(7,495)
	$ 56,143	$ 41,790

Accounts receivable measured at amortized cost

The Company's average credit period for sales is 60 days to 120 days monthly settlement No interest will be accrued for accounts receivable. In order to mitigate credit risk, the management of the Company assigns a special team to be responsible for the determination of credit lines, credit approval, and other monitoring procedures to ensure that appropriate actions have been taken in the recovery of past-due accounts receivable. In addition, the Company will review the recoverable amounts of receivables one by one at the balance sheet date to ensure that the unrecoverable receivables have been properly recognized in impairment losses. Accordingly, the Company's management believes that its credit risk has been significantly reduced.

The Company recognizes the loss allowance for accounts receivable based on the lifetime ECLs. The lifetime ECLs are calculated using a provision matrix based on the consideration for customers' past default records, current financial position, and industrial economic situation. As the Company's historical experience in credit loss shows that there is no significant difference in the loss patterns among different customer groups, the customer groups are not further differentiated in the provision matrix, and only the ECLs based on the age of the accounts receivable are set.

If there is evidence that a counterparty is facing serious financial difficulties and the Company cannot reasonably expect to recover the amount, for instance, the counterparty is engaging in the settlement. The Company will directly write off the relevant accounts receivable but will continue to try to collect the receivable. The recovered amount is recognized in profit or loss.

The loss allowance for accounts receivable measured by the Company based on the provision matrix as follows:

December 31, 2023

	1 to 90 days	91 to 180 days	181 to 365 days	Over 365 days	Total
ECLs	-	1%	25%~75%	100%	
Total carrying amount	$ 51,759	$ 4,439	$ -	$ 6,947	$ 63,145
Allowance for losses (lifetime ECLs)	-	(55)	-	(6,947)	(7,002)
Amortized cost	$ 51,759	$ 4,384	$ -	$ -	$ 56,143

December 31, 2022

	1 to 90 days	91 to 180 days	181 to 365 days	Over 365 days	Total
ECLs	-	1%	25%~75%	100%	
Total carrying amount	$ 35,431	$ 6,246	$ 251	$ 7,357	$ 49,285
Allowance for losses (lifetime ECLs)	-	(63)	(75)	(7,357)	(7,495)
Amortized cost	$ 35,431	$ 6,183	$ 176	$ -	$ 41,790

The information on changes in the loss allowance for notes receivable is as follows:

	2023	2022
Balance at beginning of the year	$ 21,883	$ 19,708
Add: Impairment loss recognized for the year	-	2,175
Less: Impairment loss reversal for the year	(233)	-
Balance at end of the year	$ 21,650	$ 21,883

The information on changes in the loss allowance for accounts receivable is as follows:

	2023	2022
Balance at beginning of the year	$ 7,495	$ 6,514
Add: Impairment loss recognized for the year	-	981
Less: Impairment loss returned for the year	(91)	-

Less: Actual write-off for the year	(402)	-
Balance at end of the year	$ 7,002	$ 7,495

VIII. Inventories

	December 31, 2023	December 31, 2022
Goods	$ 1,589	$ 5,636
Raw material	-	1,188
Goods-in-process and semi-finished goods	-	734
Finished goods	-	174
	$ 1,589	$ 7,732

The components of operating costs related to inventories are as follows:

	2023	2022
Allowance for inventory valuation and obsolescence loss	($ 6,714)	$ 4,738
Unamortized production overheads	$ 15,017	$ 13,037
Operating costs	$255,974	$226,951

IX. Investments accounted for using equity method

	December 31, 2023	December 31, 2022
Investment in subsidiaries	$ 3,418,991	$ 3,778,965
Investments in associates	40,805	42,811
	$ 3,459,796	$ 3,821,776

(I) Investment in subsidiaries

	December 31, 2023	December 31, 2022
Not a listed or OTC Company		
Hotek Technology Corporation	$ 1,817,207	$ 2,056,425
Copartner Wire And Cable (ShenZhen) Co., Ltd.	1,254,460	1,354,007
Cablex Wire (ShenZhen) Mfg Co., Ltd.	347,324	368,533
Sunagaru International Inc. (Sunagaru)	-	-
	$ 3,418,991	$ 3,778,965

Name of subsidiary	Percentage of ownership interests and voting rights December 31, 2023	December 31, 2022	Description
Hotek Technology Corp.	100%	100%	-
Copartner Wire And Cable (ShenZhen) Co., Ltd.	100%	100%	-
Cablex Wire (ShenZhen) Mfg Co., Ltd.	100%	100%	-
Sunagaru International Inc.	-	-	Note

Note: Sunagaru Company has been liquidated in December 2022.

For details of investment in subsidiaries indirectly held by the Company, please refer to Note XXVII.

The Company's share of profit or loss and other comprehensive income of the subsidiaries under the equity method in 2023 and 2022 was recognized based on the subsidiaries' financial statements that have been audited by CPAs for the same period.

(II) Investments in associates

	December 31, 2023	December 31, 2022
Associates that are not individually material		
HPC Technology Inc.	$ 40,805	$ 42,811

Company Name	Percentage of ownership interests and voting rights December 31, 2023	December 31, 2022
HPC Technology Inc.	48.98%	48.98%

Aggregate information on associates that are not individually material as follows:

	2023	2022
The Company's share		
Current net income (loss)	($ 2,006)	$ 7,524

As of December 31, 2023 and 2022, the amount of goodwill generated by the Company's investment in HPC Technology Inc. was NT$ 14,462 thousand, including the cost of investing in associates.

The Company's share of profit or loss of the associates under the equity method in 2023 and 2022 was recognized based on the associates' financial statements that have been audited by CPAs for the same period.

X. Property, plant and equipment

	December 31, 2023	December 31, 2022
Owner-occupied	$120,638	$146,498
Operating lease rent	13,181	13,679
	$133,819	$160,177

(I) Owner-occupied

	Land	Property and building	Machinery and equipment	Instrument and equipment	Transport equipment	Office equipment	Other equipment	Total
Cost								
Balance as of January 1, 2023	$ 97,644	$ 63,122	$ 40,494	$ 6,936	$ 5,753	$ 23,348	$ 4,645	$ 241,942
Additions	-	-	-	-	-	351	-	351
Disposals	-	-	(40,036)	(6,936)	(618)	(1,554)	(2,578)	(51,722)
Balance as of December 31, 2023	$ 97,644	$ 63,122	$ 458	$ -	$ 5,135	$ 22,145	$ 2,067	$ 190,571
Accumulated depreciation and impairment								
Balance as of January 1, 2023	$ -	$ 41,078	$ 21,245	$ 3,738	$ 4,411	$ 21,513	$ 3,459	$ 95,444
Depreciation expense	-	821	4,783	819	613	674	354	8,064
Disposals	-	-	(25,735)	(4,557)	(275)	(1,181)	(1,827)	(33,575)
Balance as of December 31, 2023	$ -	$ 41,899	$ 293	$ -	$ 4,749	$ 21,006	$ 1,986	$ 69,933
Net amount as of December 31, 2023	$ 97,644	$ 21,223	$ 165	$ -	$ 386	$ 1,139	$ 81	$ 120,638
Cost								
Balance as of January 1, 2022	$ 97,644	$ 63,122	$ 40,308	$ 6,936	$ 7,248	$ 23,166	$ 4,648	$ 243,072
Additions	-	-	186	-	-	444	-	630
Disposals	-	-	-	-	(1,495)	(262)	(3)	(1,760)
Balance as of December 31, 2022	$ 97,644	$ 63,122	$ 40,494	$ 6,936	$ 5,753	$ 23,348	$ 4,645	$ 241,942
Accumulated depreciation and impairment								
Balance as of January 1, 2022	$ -	$ 40,249	$ 14,498	$ 2,582	$ 4,165	$ 21,049	$ 3,050	$ 85,593
Depreciation expense	-	829	6,747	1,156	952	710	411	10,805
Disposals	-	-	-	-	(706)	(246)	(2)	(954)
Balance as of December 31, 2022	$ -	$ 41,078	$ 21,245	$ 3,738	$ 4,411	$ 21,513	$ 3,459	$ 95,444
Net amount as of December 31, 2022	$ 97,644	$ 22,044	$ 19,249	$ 3,198	$ 1,342	$ 1,835	$ 1,186	$ 146,498

Depreciation expenses are recognized on a straight-line basis based on the number of useful lives below:

Property and building	
Office main buildings	50 years
Renovation projects and others	2-10 years
Machinery and equipment	5 years
Instrument and equipment	5 years
Transport equipment	5 years
Office equipment	3-10 years
Other equipment	2-8 years

For the amount of owner-occupied property, plant, and equipment pledged by the Company as collateral for borrowings, please refer to Note XXIV.

(II) Operating lease rent

	Property and building
Cost	
Balance for the year ended December 31, 2023	$ 25,446
Accumulated depreciation	
Balance as of January 1, 2023	$ 11,767
Depreciation expense	498
Balance as of December 31, 2023	$ 12,265
Net amount as of December 31, 2023	$ 13,181
Cost	
Balance for the year ended December 31, 2022	$ 25,446
Accumulated depreciation	
Balance as of January 1, 2022	$ 11,268
Depreciation expense	499
Balance as of December 31, 2022	$ 11,767
Net amount as of December 31, 2022	$ 13,679

The Company rents offices by operating lease of 2 to 3 years lease term. At the end of the lease term, the lessee will not have a bargain purchase option for the asset.

The total amount of lease payments that will be received in the future under operating leases is as follows:

	December 31, 2023	December 31, 2022
First year	$ 3,037	$ 1,985
Second year	293	1,279
	$ 3,330	$ 3,264

Depreciation expenses are recognized on a straight-line basis based on the number of useful lives below:

Property and building	50 years

XI. Lease arrangements

(I) Right-of-use assets

	December 31, 2023	December 31, 2022
Carrying amount of right-of-use assets		
Property and building	$ -	$ 4,187
Transport equipment	1,478	2,520
	$ 1,478	$ 6,707

	2023	2022
Additions to right-of-use assets	$ -	$ 4,652
Depreciation expenses of right-of-use assets		
Property and building	$ 2,600	$ 2,903
Transport equipment	1,042	608
	$ 3,642	$ 3,511

Except for the additions and recognition of depreciation expenses listed above, there was no significant sublease or impairment of the Company's right-of-use assets in 2023 and 2022.

(II) Lease liabilities

	December 31, 2023	December 31, 2022
Carrying amount of lease liabilities		
Current	$ 1,054	$ 3,993
Non-current	$ 445	$ 2,818

Range of discount rate for lease liabilities is as follows:

	December 31, 2023	December 31, 2022
Property and building	1.80%	1.80%
Transport equipment	1.80%	1.80%

(III) Material lease-in activities and terms

The Company leases several buildings for plants and offices for a 2 to 5 years lease term.

(IV) Other leasing information

	2023	2022
Expense on short-term lease	$ 466	$ 412
Lease expenses of low-value assets	$ -	$ -
Variable lease payments not included in the measurement of lease liabilities	$ -	$ -

	2023	2022
Total cash outflow from lease	($ 4,300)	($ 4,161)

The Company has leased certain office equipment which qualifies for short-term leases and transportation equipment which qualifies for low-value asset leases. The Group has elected to apply the recognition exemption for said equipment and, thus, did not recognize the right-of-use assets and lease liabilities of said leases.

XII. Intangible assets

	Computer software costs
Cost	
Balance for the year ended December 31, 2022	$ 87
Accumulated amortization	
Balance as of January 1, 2022	$ 65
Amortization expense	22
Balance as of December 31, 2022	$ 87
Net amount as of December 31, 2022	$ -

Amortization expenses are recognized on a straight-line basis based on the number of useful lives below:

Computer software costs 3 years

XIII. Borrowings

(I) Short-term borrowings

	December 31, 2023	December 31, 2022
Unsecured borrowings		
Credit borrowings - Interest rate: 1.85%~2.16% in 2023, due before the end of October 2024; 1.59%~2.01% in 2022, due before the end of June 2023	$924,185	$850,000

(II) Short-term notes payable

	December 31, 2023	December 31, 2022
Commercial paper payable	$ -	$ 40,000

The short-term bills payable that has not yet expired is as follows:

December 31, 2022

Guarantee / acceptance institution	Face value	Discount amount	Carrying amount	Interest rate range	Collateral item	Carrying amount of collateral
Commercial paper payable						
Mega Bills Finance Co., Ltd.	$ 40,000	$ -	$ 40,000	2.10%	—	$ -

(III) Long-term borrowings

	December 31, 2023	December 31, 2022
Secured borrowings (1)		
Joint credit loan - interest rate: 2.11%for 2023 and 1.80% for 2022	$160,000	$550,000
Syndication sponsor fee	(1,150)	(1,450)
Subtotal	158,850	548,550
Unsecured borrowings		
Credit borrowings-interest rate: 0.50%~2.10%in 2023, due before the end of December 2028; 0.48% in 2022, due before the end of January 2027.	49,352	71,980
Less: Current portion within one year	(172,078)	(17,995)
Long-term borrowings	$ 36,124	$602,535

1. In October 2022, the Company entered into joint credit agreements of NT$ 1 million thousand or equivalent US dollars with 6 banks such as Chang Hwa Bank Chilin Branch and Land Bank and Land Bank of Taiwan Chengdong Branch. The agreement period is 5 years, of which Item A-medium-term loans of NT$ 1,000,000 thousand; Item B - medium-term loans of NT$ 1,000,000 thousand equivalent in US dollars, and Item C - guaranteed-commercial paper issuance of NT$ 600,000 thousand, make all revolving loan facilities.

   Items A and B - The relevant terms, interest rate, and amount used on December 31, 2023, for the medium-term loans are as follows:

December 31, 2023

Line of credit	Amount used	Credit term	Interest rate	Repayment method
NT$ 1,000,000 thousand or equivalent in US dollars	$ 160,000	Five years from the date of first drawdown (revolving credit)	2.11%	The borrower shall pay off the outstanding principal balance of each usage in the currency of each usage on the due date of the usage

December 31, 2022

Line of credit	Amount used	Credit term	Interest rate	Repayment method
NT$ 1,000,000 thousand or equivalent in US dollars	$ 550,000	Five years from the date of first drawdown (revolving credit)	1.80%	The borrower shall pay off the outstanding principal balance of each usage in the currency of each usage on the due date of the usage

During the duration of agreements with the Chang Hwa Bank, a syndicated loan with a joint credit line, the current ratio, debt ratio, and EBIT in the Copartner Company's Q2 and annual consolidated financial statements should meet the requirements in the agreements. As of December 31, 2022 and June 30, 2022 all financial ratios of the Copartner Company were in compliance with the regulations, but As of December 31, 2023 and June 30, 2023, a portion of financial ratios of the Copartner Company were not in compliance with the regulations. Therefore, as of December 31, 2023, the borrowed and discounted funds of NT$758,850 million already utilized were reclassified as current liabilities due within one year. However, on November 14, 2023, the Company applied to six banks, including Chang Hwa Bank (the syndicated credit banks), for an exemption from reviewing the audited consolidated financial statements for the year ended December 31, 2023, for the financial covenant. Subsequently, on February 16, 2024, the majority of the syndicated credit banks provided written consent to exempt and revise the financial covenant ratios for the audited consolidated financial statements for the year ended December 31, 2023. This exemption and revision will not have a significant impact on the operations or finances of Copartner Company.

The above financial ratios and requirements should be based on the audited/ reviewed annual and semi-annual consolidated financial statements by the accountants. If the Company fails to meet the above financial ratios and requirements, it shall pay compensation fees monthly. However, if the next period's financial report, after being audited or reviewed by the accountants, meets all the financial ratios and covenant requirements, it shall not constitute a default under this agreement.

For the above long-term borrowings, the Company provided part of the land, houses, and buildings in Zhonghe District, New Taipei City as collateral for the loan (please refer to Note XXIV).

(IV) Long-term notes payable

	December 31, 2023	December 31, 2022
Joint credit agreement-guaranteed-commercial paper issuance		
Interest rate: 2.02% in 2023	$600,000	$ -
Minus: Classify a portion of long-term notes payable as current liabilities due within one year.	(600,000)	-
Long-term notes payable	$ -	$ -

The joint credit agreement as described in (3) is Item A-2 - line of guaranteed-commercial paper issuance.

XIV. Other current liabilities

	December 31, 2023	December 31, 2022
Salary and bonus payable	$ 12,629	$ 15,020
Service fee payable	1,395	1,375
Other	6,365	7,745
	$ 20,389	$ 24,140

XV. Post-employment benefits plans

(I) Determined appropriation plans

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

(II) Defined benefit plans

The pension system adopted by the Company in accordance with the Labor Standards Act of R.O.C. is a state-managed defined benefit pension plan. The payment for employee pensions is calculated based on the length of service and the average salary in the 6 months prior to the approved retirement date. The Company contributes pensions at 2% of the total monthly employee salaries, which are deposited by the Pension Fund Monitoring Committee in the pension account with the Bank of Taiwan in the name of the committee. Before the end of each year, if the balance in the pension account assessed is inadequate to pay for the retirement benefits for employees who meet the retirement requirements in the following year, the Company will contribute an amount to make up for the difference in a lump sum by the end of March of the following year. The pension account is managed by the Bureau of Labor Funds, Ministry of Labor; the Company has no right to influence the investment management strategy.

The amount of defined benefit plans listed in the parent company only balance sheet is as follows:

	December 31, 2023	December 31, 2022
Present value of defined benefit obligation	$ 31,733	$ 34,273
Fair value of plan assets	(14,573)	(14,971)
Net defined benefit liabilities	$ 17,160	$ 19,302

Changes in net defined benefit liabilities are as follows:

	Present value of defined benefit obligation	Fair value of plan assets	Net defined benefit liabilities
January 1, 2022	$ 35,743	($ 11,756)	$ 23,987
Service cost			
Current service cost	135	-	135
Interest (income) expense	179	(65)	114
Recognized in profit or loss	314	(65)	249
Remeasurement			
Return on plan asset (except for the amount included in the net interest)	$ -	($ 910)	($ 910)

Actuarial gains - changes in financial assumptions	(2,272)	-	(2,272)
Actuarial losses - experience adjustments	488	-	488
Recognized in other comprehensive income	(1,784)	(910)	(2,694)
Contributions from the employer	-	(2,240)	(2,240)
December 31, 2022	34,273	(14,971)	19,302
Service cost			
Current service cost	140	-	140
Interest (income) expense	471	(207)	264
Recognized in profit or loss	611	(207)	404
Remeasurement			
Return on plan asset (except for the amount included in the net interest)	-	(86)	(86)
Actuarial gains - changes in financial assumptions	263	-	263
Actuarial losses - experience adjustments	170	-	170
Recognized in other comprehensive income	433	(86)	347
Contributions from the employer	-	(2,893)	(2,893)
Paid for planning asset	(3,584)	3,584	-
December 31, 2023	$ 31,733	($ 14,573)	$ 17,160

Due to the pension plans under the Labor Standards Act, the Company is exposed to the following risks:

1. Investment risk: The Bureau invests labor pension funds in domestic (foreign) equity securities, debt securities, and bank deposits on its own use and through agencies entrusted. However, the income from the Company's amount allocated to plan assets is calculated based on the interest rate not lower than the local bank's interest rate for 2-year time deposits.

2. Interest risk: A decrease in the interest rate in the government bonds/ corporate bonds will increase the present value of the defined benefit obligation; however, the return on the debt investment through the plan assets will also increase, and the increases will partially offset the effect of the net defined benefit liability.
3. Salary risk: The present value of the defined benefit obligation is calculated with reference to the future salaries of the participants in the plan. As such, an increase in the salary of the participants in the plan will increase the present value of the defined benefit obligation.

The actuarial valuations of the present value of the defined benefit obligation of the Company were carried out by qualified actuaries. The critical assumptions made on the measurement date are as follows:

	December 31, 2023	December 31, 2022
Discount rate	1.25%	1.38%
Expected salary increase rate	2.00%	2.00%

If each of the critical actuarial assumptions is subject to reasonably possible changes, when all other assumptions remain unchanged, the amounts by which the present value of the defined benefit obligation would increase (decrease) are as follows:

	December 31, 2023	December 31, 2022
Discount rate		
Increase by 0.25%	($ 522)	($ 603)
Decrease by 0.25%	$ 538	$ 623
Expected salary increase rate		
Increase by 0.25%	$ 526	$ 610
Decrease by 0.25%	($ 513)	($ 593)

As actuarial assumptions may be correlated, it is unlikely that only a single assumption would occur in isolation of one another, so the sensitivity analysis above may not reflect the actual changes in the present value of the defined benefit obligation.

	December 31, 2023	December 31, 2022
The expected appropriate amount within 1 year	$ 197	$ 242
The weighted average duration of the defined benefit obligation	6.7 years	7.2 years

XVI. Equity

(I) Ordinary shares

	December 31, 2023	December 31, 2022
Authorized shares (in thousands)	120,000	120,000
Authorized share capital	$ 1,200,000	$ 1,200,000
Issued and paid shares (in thousands)	87,550	87,550
Issued share capital	$ 875,500	$ 875,500

The ordinary shares issued, with a par value of NT$10 per share, are entitled to one voting right per share and to the right to receive dividends.

The change in the Company's share capital is mainly due to the distribution of stock dividends.

(II) Capital surplus

	December 31, 2023	December 31, 2022
May be used to compensate losses, distribute cash, or replenish capital (1)		
Share premium	$366,770	$410,545
May only be used to compensate losses		
Recognition of changes in ownership interests of subsidiaries (2)	13,685	13,685
	$380,455	$424,230

1. This type of capital surplus attributed to the income derived from the issuance of new shares at a premium can be used to make up for losses, and can also be used to pay cash or to replenish capital when the Company does not suffer losses, but when capital is replenished, it is limited to a certain percentage of the paid-in capital each year.
2. This type of capital surplus is the amount of adjustments to capital surplus of subsidiaries recognized by the Company using the equity method.

(III) Retained earnings and dividends policy

According to the surplus distribution policy stipulated in the Company's Articles of Incorporation before the amendment, the Company's earnings after the annual final accounts, in addition to paying income tax according to law, shall first make up for previous year's losses, and then withdraw 10% of the balance as a legal reserve, and then follow relevant laws and regulations or the competent authority stipulates that the special reserves shall be appropriated or reversed. After adding up the undistributed surplus of the previous years, the board of directors will formulate a surplus distribution proposal and submit a resolution to the shareholders meeting to distribute dividends to shareholders. For the employee compensation and directors' remuneration distribution policy stipulated in the Company's Articles of Incorporation, please refer to Note XVIII(VII) regarding employee compensation and directors' remuneration.

On June 29, 2022, the Company's shareholders' meeting approved a resolution to amend the Articles of Incorporation, stipulating the distribution of dividends for shareholders and the distribution of legal reserve and capital surplus in cash. The board of directors is authorized, two-thirds of the board of directors shall attend, and more than half of the directors present agree, which shall be distributed after approval and reported to the shareholders' meeting.

The cash and stock combination method shall be adopted as the dividend distribution policy to improve the financial structure and protect the rights and interests of shareholders. Cash dividends shall not be less than 10% of the total dividends.

The legal reserve shall not be appropriated when its balance reaches the amount of the Company's total paid-in capital. The legal reserve may be used to make up for losses. When the Company does not suffer losses, the part of the legal reserve in excess of 25% of the total paid-in capital can be distributed in cash in addition to being used to replenish the capital.

The Copartner company's 2022 and 2021 earnings distribution proposals respectively as follows:

	2022	2021
Legal reserve	$ -	$ 8,135
Appropriate (reverse) special reserves	($ 45,376)	$ 11,435
Cash dividends	$ -	$ 25,500
Stock dividends	$ -	$ 25,500
Cash dividends per share (in dollars)	$ -	$ 0.3
Stock dividends per share (in dollars)	$ -	$ 0.3

In addition, the Company's board of directors, on March 29, 2023, proposed to distribute cash from capital surplus at NT$ 0.5 per share in cash, and the distribution amount is NT$ 43,775 thousand. Other distribution item were also approved at the shareholders' meetings held on June 30, 2023 and June 29, 2022, respectively.

The 2023 Deficit compensation proposal will be resolved by the board of director on March 13, 2024 and general shareholders' meeting held on June 14, 2024.

(IV) Special reserve

	2023	2022
Balance at beginning of the year	$298,718	$287,283
Appropriate (reverse) special reserves		
Less amount of appropriate (reverse) other equity items	(45,376)	11,435
Balance at end of the year	$253,342	$298,718

According to the regulations of the Financial Supervisory Commission (FSC), when the company distributes distributable profits, it shall include the net amount of other shareholders' equity deductions recorded for the current year, plus items other than the current year's post-tax net profit, in the amount of undistributed profits for the current year, and replenish the special surplus reserves from undistributed profits from previous periods. However, the amount of other shareholders' equity deductions accumulated in previous periods may not be distributed but must be replenished as special surplus reserves from undistributed profits. Subsequently, when there is a reversal of the amount of other shareholders' equity deductions, profits may be distributed for the reversed portion.

(V) Other equity interests

Exchange differences on translation of foreign financial statements

	2023	2022
Balance at beginning of the year	($253,342)	($298,718)
Generated in the current year		
Exchange differences of foreign financial statements	(42,108)	45,376
Balance at end of the year	($295,450)	($253,342)

XVII. Revenue

	2023	2022
Revenue from customer contracts		
Revenue from sale of goods	$283,389	$255,558

(I) Balance of contracts

	December 31, 2023	December 31, 2022	January 1, 2022
Accounts receivable (Note VII)	$ 56,143	$ 41,790	$ 57,612
Accounts receivable due from related parties (Note XXIII)	1,338	816	2,745
	$ 57,481	$ 42,606	$ 60,357
Contract liabilities			
Merchandise sales	$ 4,553	$ 6,470	$ 2,832

Changes in contract liabilities are primarily attributable to differences in the timing of satisfaction of contract obligations and the timing of payment by customers.

The amount of contract liabilities from the beginning of the year and performance obligations fulfilled in the previous period recognized in revenue in the current year is as follows:

	2023	2022
Contract liabilities from the beginning of the year		
Merchandise sales	$ 5,429	$ 2,652

(II) Breakdown of revenue from customer contracts

Segment by geographical location	2023	2022
Taiwan (Location of Company)	$ 68,957	$ 78,323
The Americas	124,803	107,077
Asia	55,941	35,712
Europe	24,306	23,944
Other	9,382	10,502
	$283,389	$255,558

XVIII. Net profit from continuing operations

Net profit from continuing operations includes the following items:

(I) Interest income

	2023	2022
Bank deposits	$ 1,304	$ 261

(II) Other income

	2023	2022
Rental income (operating lease)	$ 3,460	$ 3,310
Other	1,340	4,244
	$ 4,800	$ 7,554

(III) Other gains and losses

	2023	2022
Gain (loss) on foreign exchange, net	($ 1,123)	$ 8,446
Other	(74)	289
	($ 1,197)	$ 8,735

(IV) Finance costs

	2023	2022
Bank loans interest	$ 29,269	$ 18,915
Interest on lease liabilities	86	112
	$ 29,355	$ 19,027

(V) Depreciation and amortization

	2023	2022
Property, plant and equipment	$ 8,562	$ 11,304
Right-of-use assets	3,642	3,511
Intangible assets	-	22
	$ 12,204	$ 14,837
An analysis of depreciation expenses by function		
Operating costs	$ 7,913	$ 9,960
Operating expenses	4,291	4,855
	$ 12,204	$ 14,815
An analysis of amortization expenses by function		
Costs of sales	$ -	$ 6
Operating expenses	-	16
	$ -	$ 22

(VI) Employee benefits expenses

	2023	2022
Post-employment benefits		
Determined appropriation plans	$ 3,259	$ 2,531
Defined benefit plans (Note XV)	404	217

	3,663	2,748
Other employee benefits	85,630	69,941
	$ 89,293	$ 72,689
An analysis by function		
Operating costs	$ 8,997	$ 5,931
Operating expenses	80,296	66,758
	$ 89,293	$ 72,689

(VII) Remuneration to the employees and directors

The Company shall allocate no less than 1% and no more than 3% of the pre-tax income before the employee and directors' remunerations distributed are deducted for employee and directors' remuneration, respectively. The Company suffered net loss before tax in 2022 and 2023, so we did not estimate employee and directors' remunerations.

If there is a change in the amount after the annual parent company only financial reports are approved for release, it shall be treated as a change in accounting estimates and adjusted and accounted for in the next year.

There was no difference between the actual amount of employee compensation and directors' remuneration distributed for 2021 and the amount recognized in the 2021 parent company only financial reports.

For information on employee compensation and directors' remuneration decided by the Company's board of directors, please visit the Market Observatory Post System (MOPS) of Taiwan Stock Exchange.

XIX. Income tax

(I) Major components of income tax benefit recognized in profit or loss

	2023	2022
Current income tax		
Tax on undistributed surplus earnings	$ -	$ 539
Deferred income tax		
Incurred in the current year	(13,133)	(14,792)
Income tax benefit recognized in profit or loss	($ 13,133)	($ 14,253)

The reconciliation between the accounting income and the current income tax benefit is as follows:

	2023	2022
Net loss before tax	($375,642)	($ 36,859)
Income tax calculated based on statutory tax rate for net loss before tax	($ 75,128)	($ 7,372)
Non-deductible profit and loss	12,122	25
Tax on undistributed surplus earnings	-	539
Unrecognized loss carryforwards and deductible temporary differences	49,873	(7,445)
Income tax benefit recognized in profit or loss	($ 13,133)	($ 14,253)

(II) Current income tax assets and liabilities

	December 31, 2023	December 31, 2022
Current income tax assets		
Tax refund receivable	$ 88	$ 13
Current income tax liabilities		
Income tax payable	$ -	$ 539

(III) Deferred income tax assets

The changes in deferred tax assets are as follows:

2023

Deferred income tax	Balance at	Recognized in	Balance at end

assets	beginning of the year	profit or loss	of the year
Temporary differences	$ 570	($ 67)	$ 503
Loss carryforward	81,555	13,200	94,755
	$ 82,125	$ 13,133	$ 95,258

2022

Deferred income tax assets	Balance at beginning of the year	Recognized in profit or loss	Balance at end of the year
Temporary differences	$ 657	($ 87)	$ 570
Loss carryforward	66,676	14,879	81,555
	$ 67,333	$ 14,792	$ 82,125

(IV) Unused loss carryforwards relevant information

As of December 31, 2023, the relevant information of the loss carryforwards are as follows:

Legal basis	Deductible item	Deductible amount	Amount not yet deducted	The last year of carried forward
Income Tax Act	Loss carryforward	$ 39,037	$ 13,007	2024
		49,140	49,140	2026
		32,320	32,320	2028
		61,672	61,672	2029
		102,554	102,554	2030
		74,534	74,534	2031
		74,368	74,368	2032
		66,178	66,178	2033
		$499,803	$473,773	

(V) Income tax examination

The profit-seeking enterprise income tax returns filed by the Company up to 2021 have been approved by the tax collection authority.

XX. Loss per share

Unit: NT$ per share

	2023	2022
Loss per share - basic	($ 4.14)	($ 0.26)
Loss per share - diluted	($ 4.14)	($ 0.26)

The net earnings (net losses) and the weighted average number of ordinary shares adopted to calculate the earnings (losses) per share are as follows:

Current net loss

	2023	2022
Current net loss	($362,509)	($ 22,606)
Net loss used in the computation of the basic and diluted earnings (losses) per share	($362,509)	($ 22,606)

Number of shares

Unit: thousand shares

	2023	2022
Weighted average number of ordinary shares in computation of basic losses per share	87,550	87,550
Effect of potential dilutive common shares:		
Remuneration to employees	-	-
Weighted average number of ordinary shares used in the computation of diluted earnings (losses) per share	87,550	87,550

If the Company can settle the compensation to employees in cash or shares, the Group assumes the entire amount of the compensation would be settled in shares and the resulting potential shares are included in the weighted average number of shares outstanding used in the computation of diluted earnings per share if the effect is dilutive. Such a dilutive effect of the potential shares is included in the computation of diluted earnings per share until the shareholders resolve the number of shares to be distributed to employees at their meeting in the following year.

XXI. Capital risk management

The Company manages capital to ensure that it can maximize shareholder returns by optimizing the balance of debt and equity before continuing to operate. There has been no material change in the Company's overall strategy.

The Company's capital structure consists of net debt (ie, borrowings less cash and cash equivalents) and equity (ie, common stock, capital surplus, retained earnings and other interests).

The Company is not subject to other external capital requirements.

The Company’s main management reviews the capital structure regularly, the contents of review including considering the costs of various types of capital and relevant risks. Based on the recommendations of main management, the Company will balance its overall capital structure by paying dividends, issuing new shares, repurchasing shares, and issuing new debts or repaying old debts.

XXII. Financial instruments

(I) Fair value - financial instruments not at fair value

The Company's management believes that the carrying amount of financial assets and financial liabilities not measured at fair value approximates their fair value.

(II) Categories of financial instruments

	December 31, 2023	December 31, 2022
Financial assets		
Measured at amortized cost		
Cash and cash equivalents	$209,445	$107,191
Notes receivable, net	4,000	1,436
Notes receivable due from related parties	26	-
Accounts receivable, net	56,143	41,790
Accounts receivable due from related parties	1,338	816
Other receivables - related parties	545,542	527,924
Refundable deposits paid	1,241	1,939
Financial liabilities		
Measured at amortized cost		
Short-term borrowings	$924,185	$850,000
Short-term notes payable	-	40,000
Accounts payable	4,618	5,865
Accounts payable due from related parties	20,382	29,116
Long-term borrowings due within one year	772,078	17,995
Long-term borrowings	36,124	602,535
Other long-term payables - related parties	563,195	563,195

(III) Financial risk management objective and policies

The Company's main financial instruments include equity investments, Notes and accounts receivable, accounts payable, short-term notes payable, lease liabilities, and borrowings. The Company's financial management department provides services to various business units, coordinates the operations in the domestic and international financial markets, and supervises and manages the financial risks related to the Company's operations through the internal reports on risk exposure analyses based on the degree and breadth of risks. These risks include market risk (including exchange rate risk and interest rate risk), credit risk, and liquidity risk.

1. Market risk

The main financial risks borne by the Company due to its operating activities are the fluctuation of foreign exchange rate (refer to below (1)) and interest rate (refer to below (2)).

There has been no change to the Company's exposures to financial instrument market risk and the way it manages and measures these exposures.

(1) Exchange rate risk

Part of the Company's main operating activities are sales and purchases in foreign currencies, so there is a natural risk hedging effect; the Company's exchange rate risk management is for hedging, not profit. To avoid the value drop and future cash flow fluctuations caused by exchange rate changes, the Company has signed a foreign exchange hedging line with the bank and will consider the Company's foreign currency position at any time and take hedging measures in response to exchange rate fluctuations, to reduce the impact of exchange rate changes on the Company's operations.

Please refer to Note XXVI for the carrying amount of the Company’s monetary assets and monetary liabilities denominated in non-functional currencies at the balance sheet date.

<u>Sensitivity analysis</u>

The Company is mainly affected by fluctuations in the exchange rates of USD, HKD and RMB.

The sensitivity rate of 3% is used by the Company when reporting exchange rate risk to main management and also represents management's assessment of the range of reasonably possible changes in foreign currency exchange rates. Sensitivity analysis only includes monetary items in foreign currencies in circulation, and the year-end translation is adjusted by a 3% exchange rate change. The table below shows the amount of increase or decrease in net profit before tax when the functional currency appreciates/depreciates by 3% relative to the relevant currencies.

	Effect on USD		Effect on HKD		Effect on RMB	
	2023	2022	2023	2022	2023	2022
Gains (losses)	($ 3,980)	($ 2,231)	($ 919)	($ 1,042)	$ 1,615	$ 3,485

Management believes that the sensitivity analysis can not represent the risk inherent in exchange rates.

(2) Interest rate risk

Because the Company holds assets and borrowing capital by adopting fixed and floating interest rates at the same time, thus, interest rate risk exposure arises. The Company regularly evaluates hedging activities to make them consistent with interest rate views and existing risk preferences to ensure the most cost-effective hedging strategies are adopted.

The carrying amount of the Company's financial assets and financial liabilities exposed to the interest rate risk at the balance sheet date is as follows:

	December 31, 2023	December 31, 2022
Interest rate risk at fair value		
Financial assets	$ 55,560	$ -
Financial liabilities	601,499	46,811
Cash flow interest rate risk		
Financial assets	153,606	106,693
Financial liabilities	1,132,388	1,470,530

Sensitivity analysis

The sensitivity analysis below is based on the interest rate exposure of non-derivative instruments as of the balance sheet date. For floating rate assets and liabilities, the analysis method assumes that the amount of assets and liabilities outstanding on the balance sheet date is outstanding during the reporting period.

If the annual interest rate increased/ decreased by 1% and all other variables remain unchanged, the Company's net income before tax for 2023 and 2022 would have decreased/ increased by NT$ 9,788 thousand and NT$ 13,638 thousand, mainly because of the

Company’s assets and liabilities at floating interest rates exposed to the cash flow interest rate risk.

2. Credit risk

Credit risk refers to the risk that a counterpart will default on its contractual obligations resulting in financial losses to the Company. As of the balance sheet date, the Company's maximum credit risk exposure that may cause financial losses due to the counterparty's failure to perform its obligations mainly comes from the carrying amount of financial assets recognized in the parent company only balance sheet.

In order to mitigate credit risk, the management of the company assigns a dedicated team to be responsible for the determination of credit line, credit approval and other monitoring procedures to ensure that appropriate actions have been taken for the recovery of overdue receivables. In addition, the Company will review the recoverable amounts of receivables one by one at the balance sheet date to ensure that the unrecoverable receivables have been properly recognized in impairment losses. Accordingly, the Company’s management believes that its credit risk has been significantly reduced.

The Company continuously evaluates the financial situation of accounts receivable customers. Accounts receivable cover many customers and are not related to each other, so the concentration of credit risk is not high.

The Company does not hold any collateral or other credit to enhance the hedge the credit risk of financial assets.

3. Liquidity risk

The Company manages and maintains sufficient cash to support the Company's operations and mitigate the impact of cash flow fluctuations. The management of the Company supervises the use of bank financing lines and ensures compliance with the terms of the loan agreement.

(1) Table of liquidity and interest rate risks of non-derivative financial liabilities

The remaining contractual maturity analysis of non-derivative financial liabilities was based on the earliest date at which the Company might be required to repay and was compiled based on the undiscounted cash flows of financial liabilities. Therefore, the bank borrowings with repayment on demand clause were included in the earliest period in the table below for the Company, regardless of the probability of exercise of the right by banks. The maturity analysis of other non-derivative financial liabilities was compiled under the agreed repayment date.

December 31, 2023

	Demand immediate payment or less than 1 month	1-3 months	3 months-1 year	1-5 years	More than 5 years
Non-derivative financial liabilities					
Non-interest-bearing liabilities	$ 5,774	$ 5,797	$ 243	$ 14	$ -
Lease liabilities	89	179	804	447	-
Floating interest rate instruments	211,102	452,205	432,956	36,124	-
Fixed interest rate instruments	-	-	600,000	-	-
	$ 216,965	$ 458,181	$1,034,003	$ 36,585	$ -

December 31, 2022

	Demand immediate payment or less than 1 month	1-3 months	3 months-1 year	1-5 years	More than 5 years
Non-derivative financial liabilities					
Non-interest-bearing liabilities	$ 8,274	$ 4,933	$ 288	$ 10	$ -
Lease liabilities	340	680	3,062	2,845	-
Floating interest rate instruments	241,500	392,999	233,496	602,535	-
Fixed interest rate instruments	40,000	-	-	-	-
	$ 290,114	$ 398,612	$ 236,846	$ 605,390	$ -

The amount of floating interest rate instruments for the above non-derivative financial assets and liabilities will change due to the difference between the floating interest rate and the estimated rate on the balance sheet date.

XXIII. Related party transaction

Except for other disclosure on Notes, the transactions between the Company and related parties are as follows:

(I) Name of related parties and relationship

Name of related party	Relationship with the Company
Hotek Technology Corporation	Subsidiary
Sunagaru International Inc. (Sunagaru)	Subsidiary
Copartner Wire And Cable (ShenZhen) Co., Ltd.	Subsidiary

Copartner Wire & Cable Manufacturing Limited	Subsidiary
Cablex Wire (ShenZhen) Mfg Co., Ltd.	Subsidiary
Copartner Technology (ShenZhen) Co., Ltd.	Copartner Technology Corporation (Hong Kong) Subsidiary
Shin Ya Wire And Cable (ShenZhen) Co., Ltd.	Copartner Technology Corporation Subsidiary
ShenZhen Copartner Communication Co., Ltd.	Copartner Technology Corporation (ShenZhen) Subsidiary
Huisheng Plastic (ShenZhen) Co., Ltd.	Copartner Technology Corporation (Hong Kong) Subsidiary
Wanfu Plastic (ShenZhen) Co., Ltd.	Copartner Technology Corporation (Hong Kong) Subsidiary
Jia Xin Plastic(ShenZhen) Co., Ltd.	Copartner Technology Corporation Subsidiary
Copartner Wire And Cable (KunShan) Co., Ltd.	Copartner Technology Corporation (Hong Kong) Subsidiary
United Electric Wire (KunShan) Co., Ltd.	Copartner Technology Corporation (KunShan) Subsidiary
Cablex Wire And Cable (KunShan) Mfg.	Copartner Technology Corporation (KunShan) Subsidiary
Jia Xin New Materials (Anfu) CO., LTD.	Copartner Technology Corporation (ShenZhen) Subsidiary
COPARTNER TECHNOLOGY (Anfu) Co., Ltd.	Copartner Technology Corporation (KunShan) Subsidiary
Cablex Metal Tech (Anfu) Co., Ltd.	Copartner Technology Corporation (KunShan) Subsidiary
Copartner Technology (DongTai) Co., Ltd.	Copartner Technology Corporation (KunShan) Subsidiary
HPC Technology Inc.	Associate
Yingding Wire and Cable Co., Ltd.	Substantive related party

(II) Sales revenue

Related party category/name	2023	2022
Subsidiary		
Jia Xin Plastic(ShenZhen) Co., Ltd.	$ -	$ 1,520
Other	313	255
Associate	6,589	856

Substantive related party	20	-
	$ 6,922	$ 2,631

(III) Purchases

Related party category/name	2023	2022
Subsidiary		
Cablex Wire And Cable (KunShan) Mfg.	$136,503	$ 66,871
United Electric Wire (KunShan) Co., Ltd.	24,700	38,196
Copartner Technology (ShenZhen) Co., Ltd.	14,515	11,688
ShenZhen Copartner Communication Co., Ltd.	12,152	18,547
Other	1,149	986
Substantive related party	1,705	827
	$190,724	$137,115

The transaction price and conditions of sales and purchases between the Company and related parties are based on reference to cost and market prices, which are comparable to other non-related parties.

The Company has eliminated the operating income and costs recognized by related parties engaged in consigned material processing in accordance with relevant regulations.

(IV) Receivables from related parties

Account title	Related party category	December 31, 2023	December 31, 2022
Notes receivable due from related parties	Substantive related party	$ 26	$ -
Notes receivable due from related parties	Associate	$ 1,338	$ 816

The period for accounts receivable from related parties is equivalent to that of other non-related parties. The outstanding receivables from related parties are not guaranteed. No allowance for losses was provided for receivables from related parties.

(V) Other receivables from related parties

Related party category/name	December 31, 2023	December 31, 2022
Subsidiary		
Copartner Technology (ShenZhen) Co., Ltd.	$233,208	$234,700
Hotek Technology Corp.	232,953	228,878
Shin Ya Wire And Cable (ShenZhen) Co., Ltd.	63,390	64,346
Copartner Technology (DongTai) Co., Ltd.	15,991	-
	$545,542	$527,924

Other receivables from related parties are mainly payments for goods on behalf of subsidiaries, and the period for accounts receivable depends on the status of funds.

(VI) Payables from related parties

Related party category/name	December 31, 2023	December 31, 2022
Subsidiary		
Cablex Wire And Cable (KunShan) Mfg.	$ 13,462	$ 24,508
United Electric Wire (KunShan) Co., Ltd.	5,515	4,471
Substantive related party	1,405	137
	$ 20,382	$ 29,116

The payment period for related party accounts is equivalent to that of other non-related parties. The outstanding payables to related parties is not guaranteed.

(VII) Other payables from related parties

Related party category/name	December 31, 2023	December 31, 2022
Subsidiary		
Copartner Wire And Cable (ShenZhen) Co., Ltd.	$ 563,195	$ 563,195
Copartner Wire & Cable Manufacturing Limited	253,406	249,386
Huisheng Plastic (ShenZhen) Co., Ltd.	166,578	169,333
Cablex Wire (ShenZhen) Mfg Co., Ltd.	134,148	136,267
Jia Xin Plastic(ShenZhen) Co., Ltd.	109,288	111,926
Other	8,450	6,627
	$ 1,235,065	$ 1,236,734

Other payables to related parties are mainly to receive payments for goods on behalf of subsidiaries, and the payment period depends on the status of funds.

(VIII) Endorsements/guarantees

Related party category/name	December 31, 2023	December 31, 2022
Subsidiary		
Copartner Wire & Cable Manufacturing Limited	$ 85,250	$ 83,880
Copartner Technology (DongTai) Co., Ltd.	61,530	61,460
United Electric Wire (KunShan) Co., Ltd.	-	29,193
	$146,780	$174,533

(IX) Operating expenses

Related party category/name	December 31, 2023	December 31, 2022
Subsidiary		
Copartner Wire & Cable Manufacturing Limited	$ 477	$ 455

(X) Disposal of property, plant, and equipment

	Disposal proceeds		Gain/loss on disposal	
Related party category	2023	2022	2023	2022
Subsidiary				
Copartner Technology (DongTai) Co., Ltd.	$ 16,560	$ -	$	$ -

The transactions of property, plant, and equipment between the Company and related parties are conducted based on agreed prices between the parties.

(XI) Remuneration of key management personnel

	2023	2022
Short-term employee benefits	$ 15,984	$ 16,215
Post-employment benefits	829	843
	$ 16,813	$ 17,058

The remuneration to directors and other main management is determined by the Compensation Committee in accordance with individuals' performance and market trends.

XXIV. Pledged assets

The following assets of the Company have been provided as collateral for long-term borrowings from banks:

	December 31, 2023	December 31, 2022
Property, plant and equipment	$ 59,598	$ 60,177
Refundable deposits paid	1,241	1,939
	$ 60,839	$ 62,116

XXV. Significant subsequent events

On November 10, 2023, the board of directors resolved to establish a subsidiary in Thailand, "Copartner Technology (Thailand) Co., Ltd.," in collaboration with "Thai JE Technology Co., Ltd.," in response to customer demand and in alignment with the long-term development strategy of the group. The total investment amounts for this venture to USD 2.1 million, with our company contributing USD 1.68 million for an 80% stake, and "Thai JE Technology Co., Ltd." contributing USD 420 thousand for a 20% stake. The registration of the subsidiary was completed on January 3, 2024. The primary business activities of the subsidiary include research, development, manufacturing, and sales of wire harnesses for industrial control, medical, automotive, and consumer electronics sectors.

XXVI. Information on foreign currency assets and liabilities with significant impact

The information below is aggregated and presented in foreign currencies other than the Company's functional currency. The exchange rates disclosed refer to the exchange rates of such foreign currencies to the presentation currency. Information on foreign currency assets and liabilities with significant impact are as follows:

Unit: Thousands of foreign currencies

	December 31, 2023		December 31, 2022	
	Foreign currencies	Exchange rate	Foreign currencies	Exchange rate
Foreign currencies assets				
Monetary items				
USD	$ 5,344	30.76492	$ 3,753	30.72979
HKD	7,786	3.93632	8,813	3.94136
RMB	82,518	4.34367	68,784	4.41228
Non-monetary items				
RMB	79,961	4.34367	83,524	4.41228
Foreign currencies liabilities				
Monetary items				

USD	1,032	30.76492	1,333	30.72979
RMB	94,912	4.34367	95,110	4.41228

Unrealized foreign currency exchange gains (losses) with a significant impact are as follows:

	2023		2022	
Foreign currencies	Exchange rate	Net gains (losses) on foreign currency exchange	Exchange rate	Net gains (losses) on foreign currency exchange
EUR	34.13778 (EUR: NTD)	($ 33)	32.75194 (EUR: NTD)	$ 132
RMB	4.34367 (RMB: NTD)	790	4.41228 (RMB: NTD)	(2,703)
USD	30.76492 (USD: NTD)	(3,122)	30.72979 (USD: NTD)	(178)
HKD	3.93632 (HKD: NTD)	(151)	3.94136 (HKD: NTD)	(100)
		($ 2,516)		($ 2,849)

XXVII. Notes to disclosures

(I) Information on significant transactions and (II) Information on investees: nothing else is to disclose unless the matters below.

1. Loaning funds to others: Table 1.
2. Providing endorsements or guarantees for others: Table 2.
3. Marketable securities held at the end of period (excluding investment in subsidiaries and partial associates): Table 3.
4. The amount of purchases and sales with related parties reaching NT$100 million or 20% of paid-in capital or more: Table 4
5. Receivables from related parties reaching NT$100 million or 20% of paid-in capital or more: Table 5.
6. Information on investee: Table 6.

(III) Information on investment in Mainland China:

1. Information on any investee in mainland China, showing the name, principal business activities, paid-in capital, method of investment, inward and outward remittance of funds, ownership percentage, current income or loss and investment income or loss recognized, carrying amount of the investment at the end of the period, repatriations of investment income, and limit on the amount of investment in the mainland China area: Table 6.
2. Any of the following significant transactions with investees in mainland China, either directly or indirectly through a third party, and their prices, payment terms, and unrealized gains or losses: Note XXIII.
3. The Company's reinvestment in Cablex Wire (ShenZhen) Mfg Co., Ltd. and Copartner Wire And Cable (ShenZhen) Co., Ltd. is based on August

23, 1993, (1993) Tai-Cai (Liu) No. 01968 Letter Note 3, entrusted investment to investors in the mainland area, and the main contents of the entrusted contract should be disclosed as follows:

The Company entrusts Copartner Wire & Cable Manufacturing Limited to invest in Cablex Wire (ShenZhen) Mfg Co., Ltd. and Copartner Wire And Cable (ShenZhen) Co., Ltd. The two parties agree to abide by the terms as follows:

The Company uses a capital of USD 913 thousand (including USD 400 thousand in cash, machinery, equipment, and spare parts at a price of US$ 513 thousand) and capital of USD 2,324 thousand (including USD 512 thousand in cash, machinery, and equipment and spare parts at a price of US$ 764 thousand and raw materials at a price of US$ 1,048 thousand) designated Copartner Wire & Cable Manufacturing Limited to invest in Cablex Wire (ShenZhen) Mfg Co., Ltd. and Copartner Wire And Cable (ShenZhen) Co., Ltd., respectively.

(1) Agreement on the outflow method of investment funds:
Copartner Wire & Cable Manufacturing Limited applied to relevant parties in mainland China to invest in Copartner Wire & Cable Manufacturing Limited to invest in Cablex Wire (ShenZhen) Mfg Co., Ltd. and Copartner Wire And Cable (ShenZhen) Co., Ltd., all in the name of Copartner Wire & Cable Manufacturing Limited, and the funds were inflow from Hong Kong to mainland China by Copartner Wire & Cable Manufacturing Limited.

(2) Agreement on the method of repatriation of funds if the investee company distributes earnings or closes its business:
   A. Copartner Wire & Cable Manufacturing Limited shall transfer all interests from Cablex Wire (ShenZhen) Mfg Co., Ltd. and Copartner Wire And Cable (ShenZhen) Co., Ltd. to the Company after obtaining if they have income or interests distribution.
   B. If Cablex Wire (ShenZhen) Mfg Co., Ltd. and Copartner Wire And Cable (ShenZhen) Co., Ltd. must return the investment funds due to capital reduction, business closure, or other

reasons, Copartner Wire & Cable Manufacturing Limited shall transfer all the funds to the Company after obtaining the funds.

C. Based on the above reasons, Copartner Wire & Cable Manufacturing Limited shall notify the Company when transferring investment funds or interests and income, and the Company shall designate the payment method.

(3) The agreement on the ownership of the rights and obligations of the invested companies:

A. Based on this entrusted investment relationship, Copartner Wire & Cable Manufacturing Limited transfers the rights and obligations arising from Cablex Wire (ShenZhen) Mfg Co., Ltd. and Copartner Wire And Cable (ShenZhen) Co., Ltd. to the Company. Copartner Wire & Cable Manufacturing Limited does not guarantee its income and profit or loss.

B. Copartner Wire & Cable Manufacturing Limited shall handle responsibly and prudently and have full authority to handle matters such as investment, foreign exchange settlement, and receiving interests.

(IV) Information on major shareholders: List of all shareholders with ownership of 5 percent or greater showing the names and the number of shares and percentage of ownership held by each shareholder: Table 8.

COPARTNER TECHNOLOGY CORP.

LOANING FUNDS TO OTHERS

FOR THE YEAR ENDED DECEMBER 31, 2023

TABLE 1

Unit: NT$ thousand and foreign currency, unless otherwise specified

No.	Company that loaning funds	Borrower	Current account	A related party or not	Maximum balance for the current period (Note 5)	Ending balance (Note 4)	Amount drawn (Note 4)	Interest rate range	Loaning funds nature (Note 1)	Amount of trading	Reasons for the need for short-term financing	The appropriate amount of allowance for uncollectible accounts	Collateral		Prescribe limits on the amount of such loans permitted to a single borrower (Note 2)	Prescribe limits on the aggregate amount of such loans (Note 3)
													Name	Value		
1	Copartner Wire And Cable (ShenZhen) Co., Ltd.	Copartner Technology (ShenZhen) Co., Ltd.	Other receivables	Yes	$ 71,076 (RMB 16,000)	$ 69,499 (RMB 16,000)	$ 69,499 (RMB 16,000)	2.10%	2	$ -	For the Company's working capital	$ -	None	$ -	$ 1,254,460	$ 1,254,460
2	Copartner Wire And Cable (KunShan) Co., Ltd.	Wujiang City Wanfeng Plastic Limited Company	Other receivables	Yes	17,804 (RMB 4,000)	-	-	-	2	-	For the Company's working capital	-	None	-	149,480 (RMB 34,413)	298,961 (RMB 68,827)
		Copartner Technology (DongTai) Co., Ltd.	Other receivables	Yes	61,907 (RMB 13,700)	24,759 (RMB 5,700)	24,759 (RMB 5,700)	3.45%~ 4.35%	2	-	For the Company's working capital	-	None	-	747,401 (RMB 172,067)	747,401 (RMB 172,067)
3	ShenZhen Copartner Communication Co., Ltd.	Copartner Technology (ShenZhen) Co., Ltd.	Other receivables	Yes	144,600 (RMB 32,000)	138,997 (RMB 32,000)	138,997 (RMB 32,000)	2.10%	2	-	For the Company's working capital	-	None	-	589,667 (RMB 135,753)	589,667 (RMB 135,753)
		COPARTNER TECHNOLOGY (Anfu) Co., Ltd.	Other receivables	Yes	158,544 (RMB 36,500)	158,544 (RMB 36,500)	158,544 (RMB 36,500)	2.10%	2	-	For the Company's working capital	-	None	-	589,667 (RMB 135,753)	589,667 (RMB 135,753)
4	Cablex Wire (ShenZhen) Mfg Co., Ltd.	Cablex Metal Tech (Anfu) Co., Ltd.	Other receivables	Yes	211,378 (RMB 47,000)	156,372 (RMB 36,000)	156,372 (RMB 36,000)	2.10%	2	-	For the Company's working capital	-	None	-	347,325 (RMB 79,961)	347,325 (RMB 79,961)
5	Wanfu Plastic (ShenZhen) Co., Ltd.	Huisheng Plastic (ShenZhen) Co., Ltd.	Other receivables	Yes	36,150 (RMB 8,000)	-	-	-	2	-	For the Company's working capital	-	None	-	97,016 (RMB 22,335)	97,016 (RMB 22,335)
		Cablex Metal Tech (Anfu) Co., Ltd.	Other receivables	Yes	13,353 (RMB 3,000)	-	-	-	2	-	For the Company's working capital	-	None	-	97,016 (RMB 22,335)	97,016 (RMB 22,335)
		Copartner Technology (ShenZhen) Co., Ltd.	Other receivables	Yes	22,594 (RMB 5,000)	21,718 (RMB 5,000)	21,718 (RMB 5,000)	2.10%	2		For the Company's working capital				97,016 (RMB 22,335)	97,016 (RMB 22,335)
		Jia Xin New Material (Anfu) Co., Ltd.	Other receivables	Yes	30,406 (RMB 7,000)	30,406 (RMB 7,000)	30,406 (RMB 7,000)	2.10%	2		For the Company's working capital				97,016 (RMB 22,335)	97,016 (RMB 22,335)
6	United Electric Wire (KunShan) Co., Ltd.	Copartner Technology (DongTai) Co., Ltd.	Other receivables	Yes	60,811 (RMB 14,000)	60,811 (RMB 14,000)	60,811 (RMB 14,000)	3.45%~ 4.35%	2		For the Company's working capital				335,660 (RMB 77,276)	335,660 (RMB 77,276)

7	Cablex Wire And Cable (KunShan) Mfg.	Copartner Technology (DongTai) Co., Ltd.	Other receivables	Yes	9,038 (RMB 2,000)	8,687 (RMB 2,000)	8,687 (RMB 2,000)	3.45%	2	$ -	For the Company's working capital	$ -	None	$ -	49,200 (RMB 11,327)	98,400 (RMB 22,654)
8	Jia Xin Plastic (ShenZhen) Co., Ltd.	Jia Xin New Material (Anfu) Co., Ltd.	Other receivables	Yes	18,075 (RMB 4,000)	17,375 (RMB 4,000)	17,375 (RMB 4,000)	2.10%	2	-	For the Company's working capital	-	None	-	320,834 (RMB 73,862)	320,834 (RMB 73,862)

Note 1: 2 need for short-term financing.

Note 2: For a Group that needs short-term financing, the loan shall not exceed 20% of the loan Company's net worth. The Company's direct and indirect holding of 100% of the voting shares of foreign companies engaged in loaning funds shall not exceed the loan Company's net worth.

Note 3: Prescribe limits on the aggregate amount of such loans to others shall not exceed 40% of the loan Company's net worth. The Company's direct and indirect holding of 100% of the voting shares of foreign companies engaged in loaning funds shall not exceed the loan Company's net worth.

Note 4: Current exchange rate to NTD based on RMB$ 1=NT$ 4.34367 on December 31, 2023.

Note 5: Current exchange rate to NTD based on the end of the month with the highest balance in the current period.

COPARTNER TECHNOLOGY CORP.

PROVIDING ENDORSEMENTS OR GUARANTEES FOR OTHERS

FOR THE YEAR ENDED DECEMBER 31, 2023

TABLE 2

Unit: NT$ thousand and foreign currency, unless otherwise specified

No.	Company name of endorsement/ guarantee	Party endorsed/guaranteed		Limit of endorsement/ guarantee for single enterprise	Maximum endorsement/ guarantee balance for the year	Balance of endorsement/ guarantee at end of the year	Amount drawn	Amount of endorsements/ guarantees with assets pledged	Ratio of cumulative endorsements/ guarantees to net worth as in the latest financial statements (%)	Upper limit on endorsements/ guarantees	Parent company to subsidiary	Subsidiary to parent company	To entity in Mainland China
		Company name	Relation										
0	Copartner Technology Corp.	Copartner Wire & Cable Manufacturing Limited	A company in which the Company directly or indirectly holds more than fifty percent (50%) of the voting shares	$ 1,481,416 (Note1)	$ 85,250	$ 85,250 (Note4)	$ -	$ -	6	$ 2,222,124 (Note1)	Yes	—	—
		United Electric Wire (KunShan) Co., Ltd.	A company in which the Company directly or indirectly holds more than fifty percent (50%) of the voting shares	1,481,416 (Note1)	30,305 (USD 950) (Note7)	-	-	-	-	2,222,124 (Note1)	Yes	—	Yes
		Copartner Technology (DongTai) Co., Ltd.	A company in which the Company directly or indirectly holds more than fifty percent (50%) of the voting shares	1,481,416 (Note1)	64,870 (USD 2,000) (Note7)	61,530 (USD 2,000) (Note5)	-	-	4	2,222,124 (Note1)	Yes	—	Yes
1	United Electric Wire (KunShan) Co., Ltd.	Copartner Technology (DongTai) Co., Ltd.	A company in which the Company directly or indirectly holds more than fifty percent (50%) of the voting shares	335,660 (Note2)	135,563 (RMB 30,000) (Note7)	130,310 (RMB 30,000) (Note6)	7,294 (RMB 1,679) (Note6)	-	39	335,660 (Note2)	Yes	—	Yes
2	Copartner Wire And Cable (KunShan) Co., Ltd.	Copartner Technology (DongTai) Co., Ltd.	A company in which the Company directly or indirectly holds more than fifty percent (50%) of the voting shares	747,401 (Note3)	244,013 (RMB 54,000) (Note7)	234,558 (RMB 54,000) (Note6)	61,680 (RMB 14,200) (Note6)	234,558 (RMB 54,000) (Note6)	31	747,401 (Note2)			

Note 1: The accumulated total external endorsements/guarantees responsibilities provided by the Company are limited to no more than 150% of the Company’s net worth at the end of the period, and the total endorsements/guarantees provided to a single enterprise is limited to no more than 100% of the Company’s net worth at the end of the period.

Note 2: United Electric Wire (KunShan) Co., Ltd. has a total cumulative endorsement guarantee liability to external parties, limited to not exceeding 100% of the company's net worth. The endorsement guarantee limit for a single enterprise shall not exceed 100% of the company's net worth.

Note 3: Copartner Wire And Cable (KunShan) Co., Ltd. has a total cumulative endorsement guarantee liability to external parties, limited to not exceeding 100% of the company's net worth. The endorsement guarantee limit for a single enterprise shall not exceed 100% of the company's net worth.

Note 4: The ending balance also includes the endorsement/ guarantee of NT$ 85,250 thousand shared by the Company and Copartner Wire & Cable Manufacturing Limited.

Note 5: Current exchange rate to NTD according to US$ 1=NT$ 30.76492 on December 31, 2023.

Note 6: Current exchange rate to NTD according to RMB$ 1=NT$ 4.34367 on December 31, 2023.

Note 7: Current exchange rate to NTD based on the end of the month with the highest balance in the current period.

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COPARTNER TECHNOLOGY CORP.

HOLDING OF MARKETABLE SECURITIES AT THE END OF THE PERIOD

DECEMBER 31, 2023

TABLE 3

Unit: NT$ thousand, unless otherwise specified

Holds of the Company	Type and name of marketable securities	Marketable securities relationship with securities issuer	Account title	End of period				Remark
				Quantity (thousand shares)	Carrying amount	Ratio of shareholding (%)	Fair value	
Copartner Technology Corp.	A Point Technology Co., Ltd.	Investees at fair value	Financial assets at fair value through other comprehensive income - non-current	4,160	$ -	19	$ -	Note 1
Copartner Technology (ShenZhen) Co., Ltd.	Yisite Precision Instrument (Dongguan) Co., Ltd.	Investees at fair value	Financial assets at fair value through other comprehensive income - non-current	-	3,041	19	3,041	—

Note 1: According to the assessment of recoverable value, impairment loss has been appropriated.

Note 2: At the end of December 2023, the securities listed above did not provide guarantees, pledged loans, or other restricted users as agreed

COPARTNER TECHNOLOGY CORP. AND SUBSIDIARIES

THE AMOUNT OF PURCHASES AND SALES WITH RELATED PARTIES REACHING NT$100 MILLION OR 20% OF PAID-IN CAPITAL OR MORE

FOR THE YEAR ENDED DECEMBER 31, 2023

TABLE 4

Unit: NT$ thousand, unless otherwise specified

Company	Name of Transaction	Relation	Transaction situation				Situations and reasons where the trading conditions differ from regular transactions.		Accounts receivable (payable)		Note
			Sales and purchases	Amounts	The ratio of sales (purchases) to total sales (purchases). (Note 3)	Credit period	Unit price	Credit period	Balance（Note 2）	The ratio of accounts receivable (payable) to total accounts receivable (payable)（Note 3）	
Copartner Technology Corp.	Cablex Wire And Cable (KunShan) Mfg.	Indirectly held subsidiary	purchases	$ 136,503	60%	Net 100 days	Note 1	Note 1	($13,609)	39%	—

Note 1：The accounts receivable (payable) period is similar to that of other unrelated parties.

Note 2：Calculated based on the total amount before write-off.

Note 3：Calculated based on the total sales (purchases) amount of the trading company or the total accounts receivable (payable) amount.

COPARTNER TECHNOLOGY CORP.

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

DECEMBER 31, 2023

TABLE 5

Unit: NT$ thousand

Company under the account of receivables	Counterparty	Relation	Balance of receivables from related parties (Note 1)	Turnover	Overdue receivables from related parties		Amount of receivables from related parties recovered after the balance sheet date	The appropriate amount of allowance for uncollectible accounts
					Amount	Handling method		
Recognized other receivables from related parties								
Copartner Wire And Cable (ShenZhen) Co., Ltd.	Copartner Technology Corp.	Parent company	$ 563,195	Note 2	$ -	—	$ -	$ -
Huisheng Plastic (ShenZhen) Co., Ltd.	Copartner Technology Corp.	Ultimate parent company	166,578	Note 2	-	—	-	-
Copartner Wire & Cable Manufacturing Limited	Copartner Technology Corp.	Ultimate parent company	253,406	Note 2	-	—	-	-
Jia Xin Plastic(ShenZhen) Co., Ltd.	Copartner Technology Corp.	Ultimate parent company	109,192	Note 2	-	—	-	-
Cablex Wire (ShenZhen) Mfg Co., Ltd.	Copartner Technology Corp.	Parent company	134,148	Note 2	-	—	-	-
Cablex Wire (ShenZhen) Mfg Co., Ltd.	Cablex Metal Tech (Anfu) Co., Ltd.	Same with ultimate parent company	159,277	Note 2	-	—	-	-
ShenZhen Copartner Communication Co., Ltd.	Copartner Technology (ShenZhen) Co., Ltd.	Same with ultimate parent company	139,087	Note 2	-	—	-	-
ShenZhen Copartner Communication Co., Ltd.	Copartner Technology (Anfu) Co., Ltd.	Same with ultimate parent company	175,425	Note 2				
Copartner Technology Corp.	Copartner Technology (ShenZhen) Co., Ltd.	Indirectly holds of the subsidiaries	236,119	Note 2	-	—	-	-
Copartner Technology Corp.	Hotek Technology Corporation	Directly holds of the subsidiaries	232,953	Note 2	-	—	-	-

Note 1: Calculated based on the total amount before write-off.

Note 2: Other receivables (payments) from related parties are mainly payment or receiving payments for goods on behalf of subsidiaries, and the receivables (payments) period depends on the status of funds.

COPARTNER TECHNOLOGY CORP.

INFORMATION ON INVESTEE

FOR THE YEAR ENDED DECEMBER 31, 2023

TABLE 6

Unit: NT$ thousand and foreign currency, unless otherwise specified

Investment company	Invested company	Location	Main business activities	Initial investment amount		Holding at the end of the period			Invested company's profit and/or loss this term (Note 1)	Profit and/or loss recognized this term (Note 1)	Remark
				End of the current period	End of last year	Quantity (thousand shares)	Percentage (%)	Carrying amount			
Copartner Technology Corp.	Hotek Technology Corporation	SAMOA	Investment	$ 615,298 (USD 20,000) (Note 2)	$ 615,298 (USD 20,000) (Note 2)	20,000	100	$ 1,817,207	($ 151,024)	($ 151,024)	Subsidiary
	HPC Technology Inc.	New Taipei City	Manufacture, wholesale and retail of wires, cables, wired and wireless communication machinery and equipment, electronic components, etc.	30,600	30,600	2,057	48.98	40,805	(4,094)	(2,006)	Pricing investees accounted for using equity method
Hotek Technology Corporation	Copartner Wire & Cable Manufacturing Limited	Hong Kong	General international trade and general investment business	527,065 (USD 17,132) (Note 2)	527,065 (USD 17,132) (Note 2)	-	100	2,066,996	(147,341)	(147,341)	Indirectly holds of the subsidiaries

Note 1: The recognized profit and loss for the year are calculated based on the financial statements audited by accountants for the same period.

Note 2: Current exchange rate to NTD according to US$ 1=NT$ 30.76492 on December 31, 2023.

Note 3: Please refer to Table 7 for relevant information on investees in Mainland China.

COPARTNER TECHNOLOGY CORP.
INFORMATION ON INVESTMENT IN MAINLAND CHINA
FOR THE YEAR ENDED DECEMBER 31, 2023

TABLE 7

Unit: NT$ thousand and foreign currency, unless otherwise specified

Name of investee	Main business activities	Paid-in shares capital	Investment Method	Accumulated outflow of investment from Taiwan as of January 1, 2022 (Note 1)	Investment flows		Accumulated outflow of investment from Taiwan as of December 31, 2022	Invested company's profit and/or loss this term	The Company's direct or indirect holding percentage (%)	Profit and/or loss recognized this term (Note 2)	Carrying amount of investments as of December 31, 2022 (Note 2)	Cumulative amount of investment income repatriated to Taiwan as of the current period
					Outflow	Inflow						
Cablex Wire (ShenZhen) Mfg Co., Ltd.	Production and sales of copper wires	$ 56,019 (Note 6)	The mainland company entrusted to invest by the Company	$ 12,306 (USD 400)	$ -	$ -	$ 12,306 (USD 400)	($ 15,765)	100	($ 15,765)	$ 347,324	$ -
Copartner Wire And Cable (ShenZhen) Co., Ltd.	Investment	63,900	The mainland company entrusted to invest by the Company	15,752 (USD 512)	-	-	15,752 (USD 512)	(90,493)	100	(90,493)	1,254,460	204,781 (USD1,461& RMB 36,000) (Note 5&7)
United Electric Wire (KunShan) Co., Ltd.	Production and sales of wires, cables, and computer cables	56,806 (Note 6)	Indirect investment in mainland companies through third-region investment established companies	-	-	-	-	(1,186)	100	(1,266)	334,698	-
Copartner Wire And Cable (KunShan) Co., Ltd.	Investment	194,123 (Note 6)	Indirect investment in mainland companies through third-region investment established companies	12,306 (USD 400)	-	-	12,306 (USD 400)	(14,145)	100	(14,145)	747,401	-
Cablex Wire And Cable (KunShan) Mfg.	Production and sales of wires, cables, and computer wire harness	64,750 (Note 6)	Indirect investment in mainland companies through third-region investment established companies	-	-	-	-	45,768	100	45,838	245,666	59,724 (RMB13,500) (Note 7)
Copartner Technology (DongTai) Co., Ltd.	R&D, production, and sales of high-end communication signal transmission cables and copper conductors	175,909 (Note 6)	Indirect investment in mainland companies through third-region investment established companies	-	-	-	-	(15,147)	100	(15,147)	164,203	-

Wanfu Plastic (ShenZhen) Co., Ltd.	Production and sales of plastic pellets	72,495 (Note 6)	Indirect investment in mainland companies through third-region investment established companies	-	-	-	-	(7,006)	100	(7,006)	97,016	-
Huisheng Plastic (ShenZhen) Co., Ltd.	Production and sales of plastic pellets	80,821 (Note 6)	Indirect investment in mainland companies through third-region investment established companies	-	-	-	-	(24,141)	100	(23,363)	299,402	-
Copartner Technology (ShenZhen) Co., Ltd.	Production and sales of wires, cables, and computer cables	306,602 (Note 6)	Indirect investment in mainland companies through third-region investment established companies	-	-	-	-	(60,691)	100	(60,691)	281,698	-
ShenZhen Copartner Communication Co., Ltd.	Production and sales of wires, cables, and computer cables	254,499 (Note 6)	Indirect investment in mainland companies through third-region investment established companies	-	-	-	-	(103,361)	100	(105,647)	587,380	-
Shin Ya Wire And Cable (ShenZhen) Co., Ltd.	Production and sales of wires, cables, and computer cables	$ 36,178 (Note 6)	Indirect investment in mainland companies through third-region investment established companies	$ -	$ -	$ -	$ -	$ 3,997	100	$ 3,997	$ 139,186	$ -
Wujiang City Wanfeng Plastic Limited Company	Production and sales of plastic pellets	27,148 (Note 6)	Indirect investment in mainland companies through third-region investment established companies	-	-	-	-	(558)	82.4	(460)	45,523	-
Jia Xin Plastic (ShenZhen) Co., Ltd.	Production and sales of plastic pellets	29,884 (Note 6)	Indirect investment in mainland companies through third-region investment established companies	-	-	-	-	(4,466)	100	(4,219)	320,834	-

Jia Xin New Materials (Anfu) CO., LTD.	Production and sales of plastic pellets	168,568 (Note 6)	Indirect investment in mainland companies through third-region investment established companies	-	-	-	-	(9,613)	100	(9,613)	157,391	-
Cablex Metal Tech (Anfu) Co., Ltd.	Production and sales of copper wires	42,207 (Note 6)	Indirect investment in mainland companies through third-region investment established companies	-	-	-	-	9,132	100	8,806	59,866	-
COPARTNER TECHNOLOGY (Anfu) Co., Ltd.	Production and sales of wires, cables, and computer cables	175,340 (Note 6)	Indirect investment in mainland companies through third-region investment established companies	-	-	-	-	(60,699)	100	(60,109)	87,690	-

Accumulated investment in Mainland China as of December 31, 2022	Investment amounts authorized by Investment Commission, MOEA	Limit on Investments in Mainland China imposed by the Investment Commission
$ 40,364 (Note 1) (USD 1,312 thousand)	$ 492,285 (Note 1) (USD 16,021 thousand) (Note 3)	$ 894,550 (Note 4)

Note 1: Current exchange rate to NTD according to the exchange rate of US$ 1=NT$ 30.76492 on December 31, 2023.

Note 2: The recognized investment gains and losses for the current period are calculated based on the financial statements audited by accountants during the same period.

Note 3: It includes the approved amount of direct investment of subsidiaries.

Note 4: It is calculated based on the higher of the net value or 60% of the combined net value in accordance with the amendment proposal for the Regulations Governing the Examination of Investment or Technical Cooperation in Mainland by the Investment Commission of the Ministry of Economic Affairs on December 30, 2020.

Note 5: Current exchange rate to NTD according to the 2023 average exchange rate US$ 1=NT$ 31.15480.

Note 6: Current exchange rate to NTD according to the exchange rate RMB$ 1=NT$ 4.34367 on December 31, 2023.

Note 7: Current exchange rate to NTD based on the 2023 average exchange rate RMB$ 1=NT$ 4.42400

COPARTNER TECHNOLOGY CORP.

INFORMATION FOR MAIN SHAREHOLDERS

FOR THE YEAR ENDED DECEMBER 31, 2023

Table 8

Name for main shareholders	Shares	
	Amount	Portion
Chen, Chin-Hung	4,715,079	5.38%
Ou, Shu-Ching	4,558,000	5.20%

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COPARTNER TECHNOLOGY CORPORATION

STATEMENT OF CASH AND CASH EQUIVALENTS

DECEMBER 31, 2023

STATEMENT 1 (Expressed in Thousands of New Taiwan Dollars, Unless Specified Otherwise)

Item	Description	Amount
Cash on hand and revolving funds		$ 102
Cash in banks		
Checking accounts and demand deposits		42,847
Checking accounts and demand deposits in foreign currency	USD 2,194 In Thousands Exchange rate: 30.76492 HKD 508 In Thousands Exchange rate: 3.93632 SGD 2 In Thousands Exchange rate: 23.35000、 EUR 129 In Thousands Exchange rate: 34.13778、 PLN 1 In Thousands Exchange rate: 7.86513 CNY 8,516 In Thousands Exchange rate: 4.34367	110,936
Time deposit in foreign currency	USD 1,100 In Thousands Exchange rate: 30.76492 CNY 5,000 In Thousands Exchange rate: 4.34367	55,560
Total		$209,445

COPARTNER TECHNOLOGY CORPORATION

STATEMENT OF NOTES RECEIVABLE

DECEMBER 31, 2023

STATEMENT 2 (Expressed in Thousands of New Taiwan Dollars)

Client Name	Amount
Wiretek International Investment Ltd.	$ 21,650
Wealthy Industrial Co., Ltd.	1,349
Others（Notes）	2,651
Total	25,650
Loss allowance	(21,650)
Net Total	$ 4,000

Notes: The account of individual client in others does not exceed 5% of the account balance.

COPARTNER TECHNOLOGY CORPORATION

STATEMENT OF ACCOUNTS RECEIVABLE

DECEMBER 31, 2023

STATEMENT 3 (Expressed in Thousands of New Taiwan Dollars)

Client Name	Amount
Kinball Electronics - Mexico, Inc.	$ 22,397
Wiretek International Investment Ltd.	6,947
Wistron Medical Technology Corporation	5,864
Nortech Systems, Inc.	3,338
Kimball Electronics Poland Sp. z o.o.	2,881
Others（Notes）	21,718
Total	63,145
Loss allowance	(7,002)
Net Total	$ 56,143

Notes: The account of individual client in others does not exceed 5% of the account balance.

COPARTNER TECHNOLOGY CORPORATION

STATEMENT OF INVENTORIES

DECEMBER 31, 2023

STATEMENT 4 (Expressed in Thousands of New Taiwan Dollars)

Item	Amount	
	Cost	Net Realizable Value
Goods	$ 3,029	$ 1,589
Less: Allowance for valuation and obsolescence loss	(1,440)	-
Total	$ 1,589	$ 1,589

COPARTNER TECHNOLOGY CORPORATION

STATEMENT OF CHANGES IN INVESTMENTS ACCOUNTED FOR UNDER THE EQUITY METHOD

FOR THE YEAR ENDED DECEMBER 31, 2023

STATEMENT 5

(Expressed in Thousands of New Taiwan Dollars, Unless Specified Otherwise)

Investee company	Beginning balance		Share of profit on subsidiaries and associates accounted for using equity method (Notes 2)	Share of other comprehensive income on subsidiaries and associates accounted for using equity method (Notes 2)	Realized (Unrealized) losses (Notes 1)	Exchange difference on translation of foreign financial statements	Ending balance			Net assets value (Note 2)
	Shares (In Thousands)	Amount					Shares (In Thousands)	%	Amount	
Hotek Technology Corporation	20,000	$ 2,056,425	($ 151,024)	$ 131	($ 60,715)	($ 27,610)	20,000	100	$ 1,817,207	$ 1,817,207
Copartner Wire And Cable (ShenZhen) Co.,Ltd.	-	1,354,007	(90,493)	-	-	(9,054)	-	100	1,254,460	1,254,460
Cablex Wire (ShenZhen) Mfg Co.,Ltd.	-	368,533	(15,765)	-	-	(5,444)	-	100	347,324	347,324
HPC Technology Inc.	2,057	42,811	(2,006)	-	-	-	2,057	48.98	40,805	26,343
		$ 3,821,776	($ 259,288)	$ 131	($ 60,715)	($ 42,108)			$ 3,459,796	$ 3,445,334

Notes 1：The decrease for this period is due to the cash dividend of $60,715 thousand paid from Hotek Technology Corporation.

Notes 2：Investee company is calculated based on the financial statements audited by the same period.

Notes 3：The above-mentioned securities are not pledged or guaranteed.

COPARTNER TECHNOLOGY CORPORATION

STATEMENT OF CHANGES IN RIGHT-OF-USE ASSETS

FOR THE YEAR ENDED DECEMBER 31, 2023

STATEMENT 6 (Expressed in Thousands of New Taiwan Dollars)

	Transport equipment	Property and building
Cost		
As of January 1, 2023	$ 3,128	$ 15,075
Additions	-	(15,075)
As of December 31, 2023	3,128	-
Accumulated Depreciation		
As of January 1, 2023	608	10,888
Depreciation	1,042	2,600
Additions	-	(13,488)
As of December 31, 2023	1,650	-
Balance as of December 31, 2023	$ 1,478	$ -

COPARTNER TECHNOLOGY CORPORATION

STATEMENT OF ACCOUNTS PAYABLE

DECEMBER 31, 2023

STATEMENT 7 (Expressed in Thousands of New Taiwan Dollars)

Vendor Name	Amount
Zhongshan Sihui Electronic Technology Co., Ltd.	$ 2,362
Der An Electric Wire & Cable Co., Ltd.	1,088
LTK International Limited	438
Y In Chyuan Technology Co., Ltd.	334
Others（Notes）	396
Total	$ 4,618

Notes: The account of individual client in others does not exceed 5% of the account balance.

COPARTNER TECHNOLOGY CORPORATION

STATEMENT OF LONG-TERM BORROWINGS

DECEMBER 31, 2023

STATEMENT 8 (Expressed in Thousands of New Taiwan Dollars)

Bank	Summary	Amount	Duration and repayment team	Interest rate(%)	Collateral
Chang Hwa Bank and other five participating banks	syndicated loan case	$ 160,000	2023.12.08~ 2027.11.21	2.11	Note 1
	syndicated loan case	600,000	2023.12.13~ 2027.11.21	2.02	Note 1
Syndicated fee		(1,150)			
		758,850			
Hua Nan Commercial Bank	Post-covid revitalization	24,667	2023.11.10~ 2028.12.05	0.50	None
Mega Commercial Bank	Medium term Loans	24,685	2020.01.09~ 2027.01.09	2.10	None
		808,202			
Current amount expired within one year		(772,078)			
		$ 36,124			

Notes 1 ： Land $44,277 in thousand & Property and building $15,321 in thousand.

Notes 2 : Recurring use of credit line within the credit period, the borrower shall pay off the outstanding principal balance of each usage in the currency of each usage on the due date of the usage.

COPARTNER TECHNOLOGY CORPORATION

STATEMENT OF SALES REVENUES

FOR THE YEAR ENDED DECEMBER 31, 2023

STATEMENT 9 (Expressed in Thousands of New Taiwan Dollars)

Item	Quantity	Amount
signal transmission wires and wire sets	Note	$283,754
Sales Returns and Allowances		(365)
Net sales		$283,389

Note: Combined representation because of diversification.

COPARTNER TECHNOLOGY CORPORATION

STATEMENT OF COST OF GOOD SOLD

FOR THE YEAR ENDED DECEMBER 31, 2023

STATEMENT 10 (Expressed in Thousands of New Taiwan Dollars)

Item	Amount
Cost of goods purchased	
Goods, beginning of year	$ 9,765
Add：Goods purchase	222,476
Less：Goods, end of year	(3,029)
Others	(83)
	229,129
raw material, beginning of year	3,587
Add：raw material purchased	9,029
Less：raw material, end of year	-
Transferred to expense	(2,161)
Direct material used	10,455
Direct labor	926
Factory overheads	5,107
Manufacturing cost	16,488
Add：Goods-in-process and semi-finished goods, beginning of year	1,103
Less：Goods-in-process and semi-finished goods, end of year	-
Transferred to expense	(458)
Cost of finished goods	17,133
Add：finished goods, beginning of year	1,431
Less：finished goods, end of year	-
Expense transfer in	(1,152)
Cost of production and sales	17,412
Allowance for inventory valuation and obsolescence loss	(6,714)
Unamortized production overheads	15,017
Losses on disposition in property, plant and equipment	1,130
Costs of goods sold	$255,974

COPARTNER TECHNOLOGY CORPORATION

STATEMENT OF OPERATING EXPENSES

FOR THE YEAR ENDED DECEMBER 31, 2023

STATEMENT 11 (Expressed in Thousands of New Taiwan Dollars)

Item	Selling expense	General and administrative expense	Research and development expense
Payroll expense	$ 23,185	$ 44,512	$ -
Insurance expense	2,102	4,864	-
Depreciation	1,244	2,979	68
Professional service fee	4	8,155	-
Sample fee	-	-	909
Certification fee	-	-	722
Others（Notes）	11,985	18,894	22
Total	$ 38,520	$ 79,404	$ 1,721

Notes: The account of individual client in others does not exceed 5% of the account balance.

COPARTNER TECHNOLOGY CORPORATION

STATEMENT OF LABOR, DEPRECIATION AND AMORIZATION BY FUNCTION

FOR THE YEAR 2023 AND 2022

STATEMENT 12 (Expressed in Thousands of New Taiwan Dollars)

	2023			2022		
	Operating Costs	Operating Expense	Total	Operating Costs	Operating Expense	Total
Employee benefits expense						
Payroll expense	$ 7,372	$63,663	$71,035	$ 4,828	$53,000	$57,828
Pension	282	3,381	3,663	195	2,553	2,748
Insurance expense	804	6,699	7,503	571	5,219	5,790
Remuneration of directors	-	4,034	4,034	-	4,058	4,058
Other employee benefits expenses	539	2,519	3,058	337	1,928	2,265
Total	$ 8,997	$80,296	$89,293	$ 5,931	$66,758	$72,689
Depreciation expenses	$ 7,913	$ 4,291	$12,204	$ 9,960	$ 4,855	$14,815
Amortized expenses	$ -	$ -	$ -	$ -	$ 22	$ 22

1. The number of the company’s employees were 91 and 69, both including 5 and 4 non-employee directors as of December 31, 2023 and 2022. The basis of calculation is the same as employee benefits expense.
2. The company's average employee benefits expenses were $991 thousand and $1,056 thousand for the years ended December 31, 2023 and 2022, respectively.
3. The company's average payroll expenses were $826 thousand and $890 thousand for the years ended December 31, 2023 and 2022, respectively.
4. The change of the average salary and wages expense was (7%.)
5. The company has no supervisor.
6. The remuneration policy for directors, managers and employees is determined by the compensation committee based on individual performance and trends.