Stock Code:3550

COPARTNER TECHNOLOGY CORPORATION

Annual Report of 2023
(Translation)

The Company's annual report is available on http://mops.twse.com.tw
The Company's website: http://www.copartner.com.tw

Published on May 15, 2024

I. Names, job titles, contact numbers, and emails of spokesperson and acting spokesperson:
   (I) Name of spokesperson: Cheng, Shu-Ching
       Job title: Director of the Finance Division
       Tel: (02) 8226- 5658
       Email: carol@copartner.com.tw
   (II) Acting Spokesperson: Cheng, Li-Tzu
       Job title: Manager of the Finance Department, Finance Division
       Tel: (02) 8226- 5658
       Email: lez@copartner.com.tw

II. Headquarters, branches, and factories:
    Address of headquarters: 4F, No. 16, Jianba Rd., Zhonghe Dist., New Taipei City (235)
    Tel. of headquarters: (02) 8226-5658

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IV. Independent auditor:
    Names of CPAs: Tsai, Mei-Chen and Huang, Yu-Feng
    Name of accounting firm: Deloitte & Touche
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    Website: http://www.deloitte.com.tw
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V. Name of any exchange where the Company's securities are traded offshore, and the method by which to access information on said offshore securities: N/A.

VI. Company website: http://www.copartner.com.tw

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Chapter I Letter to Shareholders

Dear Shareholders,

In 2023, the global economy continued to face severe challenges, including the Russia-Ukraine conflict, inflation threats, geopolitical risks, the direction of the Chinese economy, US-China tensions, and uncertainties such as climate change. Many industries were constrained by weak end-market demand and adjustments in industrial inventories, resulting in sluggish economic growth and less than ideal performance. Consequently, revenue for the year decreased compared to the previous year ,and net losses has widened . In the future, our company aims to strengthen its core capabilities, develop diversified products, and provide high-quality customer service to elevate the overall operational performance of the group.

I. 2023 Business Operating Results

(I) For 2023, the Company’s consolidated revenue totaled NT$3,642.58 million, a 13% decrease from NT$4,166.65 million for 2022; net loss after tax was NT$36.26 million and loss per share was NT$4.14, both of which decreased from the net income after tax of NT$24.63 million and losses per share of NT$0.26 for 2022, respectively. The global economy in 2023 continued to be affected by the Russia-Ukraine war, and high inflation, the excess inventory of customers has not yet been sold. In addition, most countries were trying to curb inflation and expected to continue to take measures to raise interest rates, which will make the global economic outlook turn bleak. Though the economy in China recovered due to the relaxation of containment measures, the recover was modest, and the domestic market showed signs of deflation, affecting the Company's production costs and inventory management. Faced with these severe challenges, the Company undertook the consolidation of factory in 2023 to stabilize its competitiveness in the market. This resulted in significant one-time relocation and layoff-related expenses, leading to a considerable decline in profits compared to the previous year.

(II) Budget implementation status

Not applicable because the Company has not disclosed a financial forecast for 2023 according to the current laws and regulations.

(III) Financial income, expenditure, and profitability analysis (based on consolidated financial statements)

Unit: NT$ thousand

Type	Item	2023	2022
Financial income & expenditure	Net operating revenue	3,642,580	4,166,649
	Net loss after tax	(362,607)	(24,634)
Profitability	Return on assets (%)	(7.48)	0.08
	Return on equity (%)	(21.14)	(1.27)
	Net loss margin (%)	(9.95)	(0.59)
	Loss per share	(4.14)	(0.26)

2. R&D Status

The Company’s R&D expenses in 2023 were NT$146.02 million, which accounted for about 4% of the annual revenue. The R&D strategy primarily aimed to meet clients’ new product design demands, optimize the existing products and processes, and develop high-end products in various application fields. We will continue to develop related cables and cable groups for automobiles, industrial automation, medical, servers, high-end industrial cameras, etc., to increase the breadth of the company’s product applications and expand our product and market shares.

II. Impact of the external competitive environment, regulatory environment, and overall business environment

The company's main production sites are located in Taiwan and mainland China. Therefore, either changes in Taiwan’s or China’s government policies or laws or changes in the international situation will affect the Company’s operating costs. In 2024, the issue of debt under the economic boom in the United States is poised to face the challenge of high interest rates. The lack of confidence in the Chinese real estate market may continue to stagnate. Both major economies are troubled by adverse factors affecting consumption and investment. Although other major economies such as Europe are expected to show signs of recovery, the economic performance of emerging markets and developing economies in Southeast Asia, South Asia, Africa, and Latin America is better than in 2023, but still insufficient to support the sluggish situation in the US and China, leading to a third consecutive year of global economic growth decline. Overall, the lagging effects of rising interest rates restrict global economic activity in 2024. Therefore, major international forecasting agencies believe that the global economy and trade growth rate during 2024 will slow down compared with 2023. This may cause an impact on the Company’s production costs and inventory management. Facing this daunting challenge, the Company, to stabilize our competitiveness in the market, will continue to disperse production sites, integrate resources, control inventories, change order acceptance strategies, develop more product lines, and expand applications, thereby increasing our overall profit.

The 2024 business plan and future development strategies

Looking ahead to 2024, though global inflation is easing and the tightening cycles of central banks are gradually nearing completion, the global economic recovery still appears somewhat uncertain. However, demand for electronic-related products is picking up, driven by emerging technologies such as HPC and AI. The Company is closely monitoring these developments, actively investing and consolidating factories and enhancing manufacturing competitiveness that keep pace with the times, to lay a solid foundation for our basic skills to root down. Meanwhile, the Company will continue to develop the applications in the fields of high-value-added products to increase the proportion of our niche products. All of this aims to lay a solid foundation for the Company's sustainable development and profitability.

Over the past 30 years, the Company has continued to advance, but our core values, namely technological innovation, client first, integrity and pragmatism, and sustainable development, have remained unchanged. The Company promises to all our shareholders with great trust in us that we will strive to develop innovative products, optimize business models, enhance production technology, and improve the cost structure in the future; as such, the Company can continue to maintain our competitive advantages in the industry and ensure stable growth in profitability.

Finally, I, on behalf of all employees of the Company, would like to thank all our shareholders for your support and motivation over the years. I believe that the Company, with all employees' collective endeavors, will create a new chapter and cope with various challenges in the future. I hope that you will continue to support and provide your precious guidance to the Company.

I wish all of you

good health and all the best!

Copartner Technology Corp.
Chairman: Ho, Chun-Hsien

Chapter II Company Profile

I. Date of Establishment: April 30, 1987

II. Company history

April 1987	Founded Copartner Electric Wire Corp. Had paid-in capital of NT$15 million; engaged in the manufacturing of electronic wires
March 1991	Obtained the U.S. UL Certification
September 1992	Obtain Canadian CSA Certification
August 1993	Established subsidiary, Copartner Wire And Cable ShenZhen Co., Ltd.
September 1995	Subsidiaries in Taiwan and Shenzhen, China, obtained Japan Quality Assurance- (JQA-) F Certification
November 1996	Conducted a cash capital increase by NT$29 million, with the paid-in capital increasing to NT$44 million
December 1996	Established subsidiary, Cablex Wire ShenZhen Mfg Co., Ltd.
February 1998	Invested in Copartner Wire And Cable (KunShan) Co., Ltd.
January 1999	Shenzhen subsidiary obtained UL ISO9002 Certification
March 1999	Kunshan subsidiary obtained UL ISO9002 Certification
August 1999	Conducted a cash capital increase by NT$14 million, with the paid-in capital increasing to NT$58 million
September 1999	Purchased and moved into an office (where the Company is currently located) in Zhonghe District, New Taipei City (formerly known as Zhonghe City, Taipei County)
June 2001	Conducted a cash capital increase by NT$42 million, with the paid-in capital increasing to NT$100 million
September 2001	Copartner Wire And Cable (ShenZhen) Co., Ltd. invested in subsidiary, ShenZhen Copartner Communication Co., Ltd.
April 2002	Kunshan subsidiary obtained UL ISO9001: 2000 Certification
May 2002	Copartner Wire And Cable (KunShan) Co., Ltd. invested in subsidiary, United Electric Wire (KunShan) Co., Ltd.
October 2002	Copartner Wire And Cable (ShenZhen) Co., Ltd. passed U.S. UL's ISO9001: 2000 quality management system certification
November 2002	Copartner Wire And Cable (ShenZhen) Co., Ltd. passed Sony's Green Partner (GP) certification
July 2003	Established subsidiary, Sunagaru International Inc. (SAMOA)
October 2003	Conducted a cash capital increase by NT$200 million, with the paid-in capital increasing to NT$300 million
November 2003	Established subsidiary, Copartner Wire & Cable Manufacturing Limited, in Hong Kong
December 2003	December 2003 Copartner Wire And Cable (KunShan) Co., Ltd. passed Sony's GP certification
February 2004	Copartner Wire And Cable (ShenZhen) Co., Ltd. passed U.S. Ul'sISO: 14001: 2004 environmental management system certification
April 2004	Copartner Wire And Cable (KunShan) Co., Ltd. invested in its subsidiary, Cablex Wire And Cable (KunShan) Mfg.
July 2004	Conducted a cash capital increase by NT$50 million, with the paid-in capital increasing to NT$350 million

August 2004	Approved for being renamed Copartner Technology Corporation in the business registration
November 2004	Established subsidiary, Hotek Technology Corporation (SAMOA) by exchanging shares with Copartner Wire & Cable Manufacturing Limited
November 2004	Copartner Wire & Cable Manufacturing Limited invested in its subsidiaries, Huisheng Plastic (ShenZhen) Co., Ltd. and Wanfu Plastic (ShenZhen) Co., Ltd.
January 2005	Copartner Wire & Cable Manufacturing Limited invested in its subsidiary, Copartner Technology (ShenZhen) Co., Ltd.
January 2005	Copartner Wire And Cable (KunShan) Co., Ltd. and United Electric Wire (KunShan) Co., Ltd. passed TUV QS9000 certification
January 2005	Copartner Technology (ShenZhen) Co., Ltd. invested in its subsidiary, Cablex Wire And Cable (ShenZhen) Mfg.
July 2005	Shut down Huilian Plastic Hardware Factory (ShenZhen) and had Huisheng Plastic (ShenZhen) Co., Ltd. take over its facilities and business
August 2005	Conducted a cash capital increase by NT$68 million and capitalization of earnings to increase the capital by NT$21 million with the paid-in capital increasing to NT$439 million
December 2005	Copartner Technology (ShenZhen) Co., Ltd. invested in its subsidiary, Cablex Wire And Cable (WuJiang) Mfg.
December 2005	Copartner Wire And Cable (ShenZhen) Co., Ltd. invested in its subsidiary, Shin Ya Wire And Cable (ShenZhen) Co., Ltd.
June 2006	Shut down Dongguan Mingdian Electronics Factory, a processing factory, and had Cablex Wire And Cable (ShenZhen) Mfg. take over its facilities and business
June 2006	Cablex Wire And Cable (KunShan) Mfg., United Electric Wire (KunShan) Co., Ltd., and Cablex Wire And Cable (KunShan) Mfg. passed WIT Assessment's ISO 14001: 2004 certification
September 2006	Conducted a cash capital increase by NT$101 million and capitalization of earnings to increase the capital by NT$60 million with the paid-in capital increasing to NT$600 million
December 2006	Launched the initial public offering
June 2007	Copartner Technology Corporation conducted a cash capital increase in Hotek Technology Corporation (SAMOA) and Sunagaru International Inc. (SAMOA)
July 2007	Conducted capitalization of earnings to increase the capital by NT$136 million with the paid-in capital increasing to NT$736 million
September 2007	Approved by Taipei Exchange to be listed on the emerging stock market for trading
June 2008	Conducted capitalization of earnings to increase the capital by NT$44.8 million with the paid-in capital increasing to NT$780.8 million
December 2009	Copartner Wire And Cable (ShenZhen) Co., Ltd. held 74% equity in Shin Ya Wire And Cable (ShenZhen) Co., Ltd. and sold 69% to Copartner Technology (ShenZhen) Co., Ltd. And 5% to Copartner Wire & Cable Manufacturing Limited

November 2010	Conducted a cash capital increase by NT$99.2 million before the stock was listed on Taiwan Stock Exchange for trading with the paid-in capital increasing to NT$880 million; had the stock listed on Taiwan Stock Exchange for trading
January 2011	Copartner Technology (ShenZhen) Co., Ltd. invested in its subsidiary, Wujiang Wanfeng Plastic Cement Co., Ltd.
September 2011	Copartner Technology (ShenZhen) Co., Ltd. . invested in its subsidiary, Jia Xin Plastic (ShenZhen) Co., Ltd.
December 2011	Repurchased and canceled treasury shares of NT$30 million and completed the registration of capital reduction, with the paid-in capital reduced to NT$850 million
July 2012	Copartner Technology (ShenZhen) Co., Ltd. invested in its subsidiary, Shenzhen Qingying Precision Components Co., Ltd.
January 2015	Renamed Shenzhen Qingying Precision Components Co., Ltd. Shenzhen Xiechang Trading Co., Ltd.
January 2015	Obtained IEC 60332 certification
July 2015	Shut down Cablex Wire And Cable (WuJiang) Mfg.
January 2016	Shut down Cablex Wire And Cable (ShenZhen) Mfg.
June 2017	Established the Poland Office
January 2019	Copartner Wire And Cable (KunShan) Co., Ltd. invested in its subsidiary, Copartner Technology (DongTai) Co., Ltd.
February 2019	Copartner Technology (ShenZhen) Co., Ltd. obtained UL 9990 Certification
May 2019	Established the Shulin Plant in Taipei
May 2020	Shut down Shenzhen Xiechang Trading Co., Ltd.
October 2020	Copartner Wire And Cable (ShenZhen) Co., Ltd. invested in its subsidiary, Jia Xin New Materials (Anfu) CO., LTD.
January 2021	Copartner Wire And Cable (KunShan) Co., Ltd. invested in its subsidiary, Cablex Metal Tech (Anfu) Co., Ltd.
January 2021	Copartner Wire And Cable (KunShan) Co., Ltd. invested in its subsidiary, Copartner Technology (Anfu) Co., Ltd.
April 2021	Copartner Technology Corp. obtained HDMI 2.1 certification
August 2022	Conducted capitalization of retained earnings to increase the capital by NT$25.5 million with the paid-in capital increasing to NT$875.5 million
December 2022	Liquidated and canceled the business registration of subsidiary, Sunagaru International Inc. (SAMOA)
November 2023	Shut down the Shulin Plant in Taipei
January 2024	Established Joint venture subsidiary, Copartner Technology (Thailand) Co., Ltd.

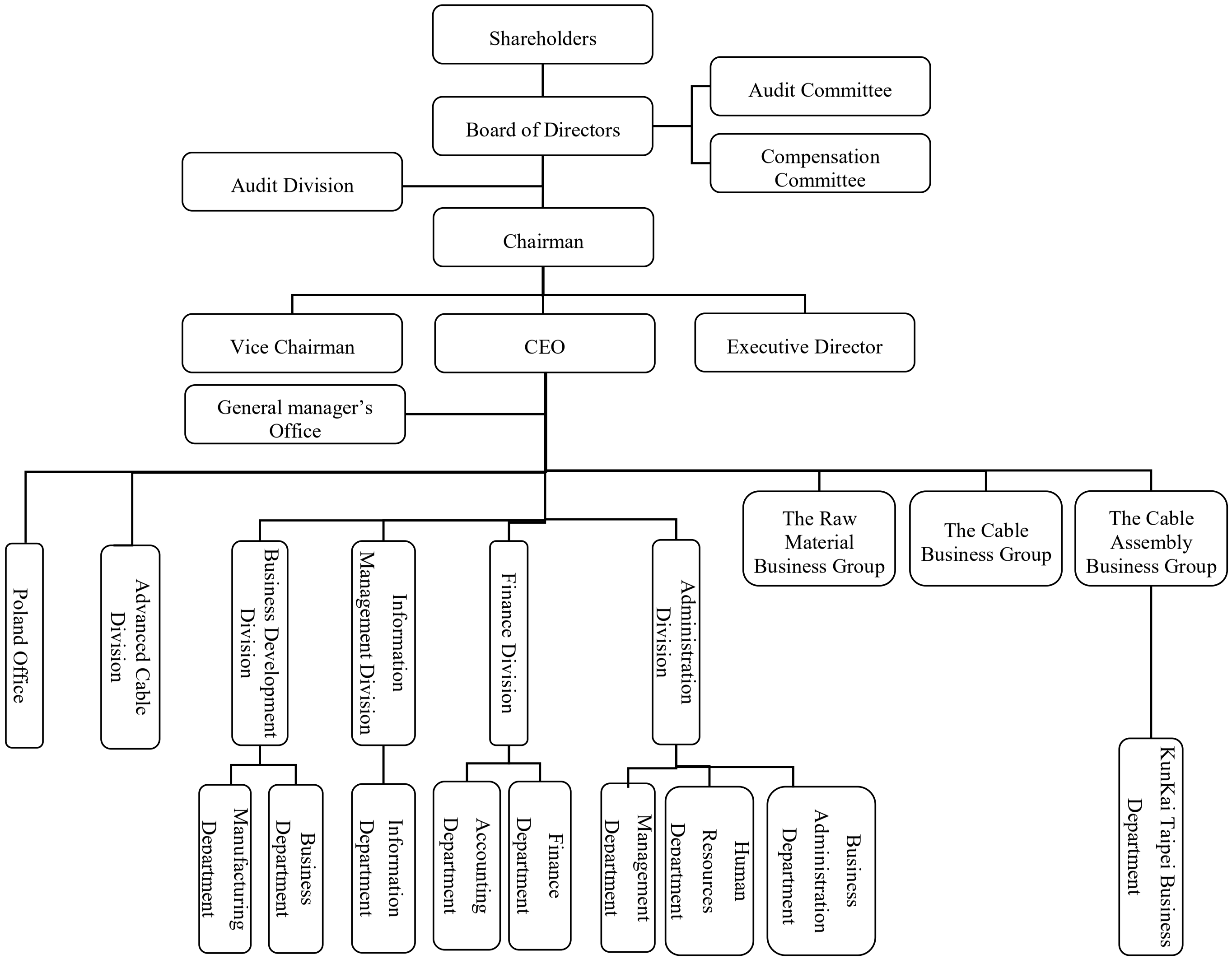
Chapter III Corporate Governance

I. Organizational structure

(I) Organization

Copartner Technology Corp.
Organizational chart

Effective date: December 01, 2023



(II) Main business by each major department

Department	Business affairs
CEO and General manager's Office	Formulating business strategies, business plans, and business goals and policies; managing business performance; managing the Company's various business administration systems; planning, evaluating, and executing the establishment of investment business; planning and implementation of coordination of production and sales; launching various corporate social responsibility initiatives.
Audit Division	Auditing and evaluating the correctness, reliability, efficiency, and effectiveness of the Company's operating records and internal management control; in turn, providing improvement suggestions to ensure the security of the Company's operations, thereby reducing risks and malpractice and ensuring the effective implementation of internal control; evaluating and auditing the management system; drawing up internal audit plans.
The Cable Assembly Business Group	Planning and executing business objectives; planning and managing market development, customer service, product sales, and receivables collection; surveying global clients and markets and collecting and analyzing business information; executing product marketing plans and developing major overseas sales markets; researching and developing (R&D) and designing new products, technologies, and new manufacturing processes; handling product problems and client complaints; planning and implementing the quality audit and certification business and providing after-sales services.
The Cable Business Group	Responsible for market development, client credit investigation, product marketing; providing client service and handling customer complaints; setting goals, implementing plans, and surveying and analyzing markets; transferring orders to other supply chains and collecting overdue receivables; offering quotes; formulating product specifications; R&D and designing new products and new processes; planning and implementing the quality audit and certification business.
The Raw Material Business Group	Responsible for market development as well as planning and execution of business goals; surveying markets and collecting and analyzing business information; executing product marketing plans and developing sales markets; planning and implementing the quality audit and certification business; planning and managing client service, product sales, and receivable collection; handling product problems and client complaints and providing after-sales services.
Administration Division	Establishing and implementing human resources, personnel, benefit, education, and general affairs management systems, policies, and procedures. Establishing and implementing administrative and general affairs systems; handling public relations, safety, health, environmental protection, and legal affairs; purchasing and managing major goods, equipment, and general items; collecting overdue receivables and handling triangular trade affairs.

Department	Business affairs
Finance Division	Planning and managing budgets as well as accounting, finance, taxation, and stock affairs; managing funds and capital movements; drawing up and executing financing and fundraising plans; handling accounting business and financial reports; planning the operations of shareholders' meetings and board meetings and executing the plans.
Information Management Division	Planning, establishing, and operating the Company's management information systems; planning, establishing, and operating the ERP system, data warehousing centers, OA, VPN, and LAN environments; purchasing, using, and maintaining hardware and system software.
Business Development Division	Responsible for the Company's new business launch and implementation as well as client support and services.
Advanced Cable Division	Responsible for developing domestic and overseas high-end wire (QSFP, CMP, CL2P, etc.) clients.
Poland Office	Responsible for promoting business in Europe.

II. Data of Directors, President, Vice President, Assistant Manager, and heads of various departments and branches

(I) Director

1. Information on directors

April 16, 2024 Unit: shares

Title	Nationality and Registry	Name	Gender/ Age	Date elected	Term	Date first elected	Shares at Election		Current number of shares held		Shareholdings of spouse and minor children		Shares held in the names of others		Major career (academic) achievements	Current duties in the Company and in other companies	Spouse or relatives of second degree or closer acting as department heads, directors or supervisor			Remark
							Quantity	Ratio of Shareholding	Quantity	Ratio of Shareholding	Quantity	Ratio of Shareholding	Quantity	Ratio of Shareholding			Title	Name	Relation	
Chairman	Republic of China	Ho, Chun-Hsien	Male 61-70 years old	June 30, 2023	3 years	April 15, 1987	3,827,443	4.37%	3,827,443	4.37%	–	–	–	–	National Chushan Senior High School Director of Copartner Wire & Cable Manufacturing Limited	The Chairman, Directors, and Executive Directors of affiliated companies of Copartner Technology Corp.	–	–	–	–
Director	Republic of China	Wang, Shih-Tsung	Male 61-70 years old	June 30, 2023	3 years	April 15, 1987	3,712,811	4.24%	3,712,811	4.24%	883,147	1.01%	–	–	Forestry High School (non-completion) Director of Copartner Wire & Cable Manufacturing Limited	The Directors and General Manager of affiliated companies of Copartner Technology Corp.				
Director	Republic of China	Chen, Hung-Yao	Male 61-70 years old	June 30, 2023	3 years	September 3, 1990	2,965,107	3.39%	2,965,107	3.39%	1,315,213	1.50%	–	–	Three-year program of Shih Hsin University Director of Copartner Wire & Cable Manufacturing Limited	Executive Director of Copartner Technology Corp. The Vice Chairman and Directors of affiliated companies of Copartner Technology Corp. Supervisor of HPC Technology Inc.				
Director	Republic of China	Cheng, Chin-Hung	Male 61-70 years old	June 30, 2023 (Note1)	3 years	June 30, 2023	4,715,079	5.39%	4,715,079	5.39%	–	–	–	–	Master of Business Administration, Soochow University	Chairman of Belle Plus International Co., Ltd. Chairman of Hongting Architecture Co., Ltd. Chairman of Lishan Construction Co., Ltd..	–	–	–	–
Independent Director	Republic of China	Wu, Li-Ching	Female 61-70 years old	June 30, 2023 (Note2)	3 years	June 30, 2023	–	–	–	–	–	–	–	–	Bachelor of Business Administration, National Cheng Kung University Vice President of Finance division of Copartner Technology Corp.	None	–	–	–	–

Title	Nationality and Registry	Name	Gender / Age	Date elected	Term	Date first elected	Shares at Election		Current number of shares held		Shareholdings of spouse and minor children		Shares held in the names of others		Major career (academic) achievements	Current duties in the Company and in other companies	Spouse or relatives of second degree or closer acting as department heads, directors or supervisor			Remark
							Quantity	Ratio of Shareholding	Quantity	Ratio of Shareholding	Quantity	Ratio of Shareholding	Quantity	Ratio of Shareholding			Title	Name	Relation	
Independent Director	Republic of China	Li, Chien-Jan	Male 61-70 years old	June 30, 2023	3 years	August 22, 2007 (Note3)	–	–	–	–	–	–	–	–	Ph.D. in Accounting, National Chengchi University	Professor, Department of Accountancy, National Taipei University Independent Director of Voltronic Power Technology Corp. Independent Director of L&K Engineering Co., Ltd.	–	–	–	–
Independent Director	Republic of China	Hsu, Yung-Chen	Male 51-60 years old	June 30, 2023	3 years	November 27, 2009 (Note4)	–	–	–	–	–	–	–	–	Ph.D. in Electrical Engineering, National Tsin Hua University	Professor of the Department of Electrical Engineering and Institute of Electronics Engineering, National Tsin Hua University	–	–	–	–

Note 1: Mr. Cheng, Chin-Hung was appointed as a director after the shareholders' meeting on June 30, 2023. and Mr. Liao, Wen-Hong, the CEO, resigned as a director after the shareholders' meeting on June 30, 2023.

Note 2: Mrs. Wu, Li-Ching was appointed as an independent director after the shareholders' meeting on June 30, 2023. and Mr. Chang, Chung-Chiu resigned as an independent director after the shareholders' meeting on June 30, 2023.

Note 3: Professor Li, Chien-Jan was appointed as an independent director on August 22, 2007 and resigned from the position on June 9, 2009. Later, he was re-elected as an independent director after the shareholders' meeting on June 22, 2017 and resigned from the position of the independent director on March 1, 2024, due to personal reasons.

Note 4: Professor Hsu, Yung-Chen was appointed as an independent director on November 27, 2009 and resigned from the position on July 15, 2011. Later, he was re-elected as an independent director after the shareholders' meeting on June 24, 2020. and serve as this position now.

2. Major shareholders of institutional shareholders: None.

3. Major shareholders of institutional shareholders who are juridical persons: None.

4. Information on directors

Qualification / Name		Professional qualification and experience	Independence criteria (Note 1)	Number of positions as an Independent Director in other public listed companies
Chairman	Ho, Chun-Hsien	1. Has experience in founding and operating publicly listed companies and the ability to manage multinational companies; is familiar with business development and has industry knowledge; possesses leadership, decision-making ability, and the ability to formulate business strategies. See the above table: Information on directors. 2. Does not meet any descriptions stated in Article 30 of the Company Act.	(1), (4), (5), (6), (8), (9), (10), (11)	-
Director	Wang, Shih-Tsung	1. Has experience in founding and operating publicly listed companies and the ability to manage multinational companies, has the knowledge of the industry's upstream, midstream, and downstream business, and possesses expertise in finance, business operations, and governance. See the above table: Information on directors. 2. Does not meet any descriptions stated in Article 30 of the Company Act.	(5), (6), (8), (9), (10), (11)	-
Director	Chen, Hung-Yao	1. Has experience in founding and operating publicly listed companies and the ability to manage multinational companies; is familiar with the international market business, marketing, and industry technology. See the above table: Information on directors. 2. Does not meet any descriptions stated in Article 30 of the Company Act.	(5), (6), (8), (9), (10), (11)	-

Qualification / Name		Professional qualification and experience	Independence criteria (Note 1)	Number of positions as an Independent Director in other public listed companies
Director	Cheng, Chin-Hung	1. Has experience in business administration; can provide timely advice on operations to diversify the Company's strategic thinking in business. See the above table: Information on directors. 2. Does not meet any descriptions stated in Article 30 of the Company Act.	(1) ,(2), (3), (4), (6), (7), (9), (10), (11)	-
Independent Director	Wu, Li-Ching	1. Has expertise in financial accounting and governance; can improve the quality of the governance by the Board of Directors and the supervisory function of the Audit Committee. See the above table: Information on directors. 2. Does not meet any descriptions stated in Article 30 of the Company Act.	(1), (2), (3), (4), (5), (6), (7), (8), (9), (10), (11)	-
Independent Director	Li, Chien-Jan	1. Has expertise in financial accounting and governance; can improve the quality of the governance by the Board of Directors and the supervisory function of the Audit Committee. See the above table: Information on directors. 2. Does not meet any descriptions stated in Article 30 of the Company Act.	(1), (2), (3), (4), (5), (6), (7), (8), (9), (10), (11)	2
Independent Director	Hsu, Yung-Chen	1. Has relevant knowledge of industry technology and expertise in industry application development; can improve the quality of the governance by the Board of Directors and the supervisory function of the Audit Committee. See the above table: Information on directors. 2. Does not meet any descriptions stated in Article 30 of the Company Act.	(1), (2), (3), (4), (5), (6), (7), (8), (9), (10), (11)	-

Note 1: Each director who has met the independence criteria during the two years before the election and during the term of office is disclosed in the above table:

(1) Not an employee of the Company or any of its affiliates.

(2) Not a director or supervisor of the company or any of its affiliates. The same does not apply, however, in case where the person is an independent director of the company, its parent company or any subsidiary, as appointed in accordance with the laws of Taiwan or with the laws of the country of the parent company or subsidiary.

(3) Not a natural-person shareholder who holds shares, together with those held by the person's spouse, minor children or held by the person under others' names, in an aggregate amount of 1% or more of the total number of issued shares of the company or ranks as one of its top ten shareholders.

(4) Not a manager of (1) or spouse, relative within the second degree of kinship, or lineal relative within the third degree of kinship, of any of (2) or (3).

(5) Not a director, supervisor or employee of an institutional shareholder that directly holds 5% or more of the total number of issued shares of the Company or ranks as one of its top five shareholders or was appointed pursuant to Article 27, paragraph 1 or 2 of the Company Act. (The same does not apply, however, in case where the person is an independent director of the company, its parent company, or any subsidiary, as appointed in accordance with the laws of Taiwan or with the laws of the country of the parent company or subsidiary.)

(6) Not a director, supervisor, or employee of another company where a majority of the Company's directorships or voting shares and those of another company are controlled by the same person (except for an independent director engaged concurrently by the Company, its parent company, and its subsidiary or a subsidiary under the same parent company in accordance with the Act or local laws and regulations).

(7) Not the same person as the Company's Chairman, President or person with equivalent position or the director (managing director), supervisor or employee of company or institution of the spouse thereof. (The same does not apply, however, in cases where the person is an independent director of the company, its parent company, or any subsidiary as appointed in accordance with the laws of Taiwan or with the laws of the country of the parent company or subsidiary.)

(8) Not a director (managing director), supervisor, manager, or shareholder holding 5% or more of the shares of a specific company or institution which has a financial or business relationship with the Company (except for a specific company or institution holding more than 20% and no more than 50% of the total issued shares of the Company and for an independent director engaged concurrently by the Company, its parent company, and its subsidiary or a subsidiary under the same parent company in accordance with the Act or local laws and regulations).

(9) Not a professional individual who or an owner, partner, director (managing director), supervisor or officer of a sole proprietorship, partnership, company or institution that, provides commercial, legal, financial, accounting services or consultation to the Company or to any affiliate of the Company in the most recent 2 years with an accumulated service compensation of less than NT$500 thousand or a spouse thereof. This restriction does not apply to any member of the Compensation Committee, public tender offers Audit Committee or mergers and acquisition special committee, who exercises powers pursuant to relative regulations of the Securities and Exchange Act and Business Mergers and Acquisitions Act.

(10) Not having a marital relationship or a relative within the second degree of kinship to any other director of the Company.

(11) Not a governmental, juridical person or its representative as defined in Article 27 of the Company Act.

(II) Information on the President, Vice Presidents, Directors, and the heads of various departments and branches

April 16, 2024 Unit: shares

Title	Nationality	Name	Gender	Date taking office	Shareholding		Shareholdings of spouse and minor children		Shares held in the names of others		Major career (academic) achievements	Current positions in the company and other companies	Spouse or relatives of second degree or closer acting as managers			Remark
					Quantity	Ratio of Shareholding	Quantity	Ratio of Shareholding	Quantity	Ratio of Shareholding			Title	Name	Relation	
CEO	Republic of China	Liao, Wen-Hung	Male	January 1, 2012	650,960	0.74%	–	–	–	–	MBA, Wharton School of the University of Pennsylvania, U.S. Vice President of H&Q Asia Pacific	Representative of director, HPC Technology Inc. Director of Sunfun Info Co., Ltd. Independent Director of Jochu Technology Co., Ltd.	–	–	–	–
President of the Cable Business Group (Note 1)	Republic of China	Wang, Shih-Tsung	Male	December 1, 1987	3,712,811	4.24%	883,147	1.01%	–	–	Forestry High School (non-completion) Director of Copartner Wire & Cable Manufacturing Limited	The Directors and General Manager of affiliated companies of Copartner Technology Corp.	–	–	–	–
Executive Director	Republic of China	Chen, Hung-Yao	Male	February 1, 2020	2,965,107	3.39%	1,315,213	1.50%	–	–	Three-year program of Shih Hsin University Director of Copartner Wire & Cable Manufacturing Limited	The Vice Chairman and Directors of affiliated companies of Copartner Technology Corp. Supervisor of HPC Technology Inc.	–	–	–	–
President of the Raw Material Business Group	Republic of China	Li, Yi-Ta	Male	August 1, 2017	–	–	–	–	–	–	Department of Chemical Engineering, Taipei City University of Science and Technology	The General Manager and Operating Manager of affiliated companies of Copartner Technology Corp.	–	–	–	–
Vice President of the Business Development Division	Republic of China	Su, Chun-Hsiung	Male	March 1, 2010	93,730	0.11%	–	–	–	–	Master of Business Administration, National Taipei University	-	–	–	–	–
Director of the Product Development Division (Note 2)	Republic of China	Chen, Chiu-Hsiung	Male	April 18, 2022	1,297	–	–	–	–	–	New Taipei Private Tamkang High School Manager of Wonderful Hi-tech Co., Ltd.	-	–	–	–	–
Director of the Finance Division	Republic of China	Cheng, Shu-Ching	Female	May 11, 2022	–	–	–	–	–	–	Master of Accounting, Soochow University	-	–	–	–	–

Note1: Mr. Wang, Shih-Tsung, President of the Cable Business Group, resigned on January 1,2024.

Note2: Mr,. Chen, Chiu-Hsiung ,Director of the Product Development Division, resigned on October 31, 2023.

Remuneration payment to directors, president, and vice president in the last year

1. Remuneration for directors and independent directors

Unit: NT$ thousand/ May 15, 2024

Title	Name	Remuneration to Directors								Sum of A, B, C, and D and as a % of the net income (loss)after tax (Note 11)		Remuneration as an employee								Sum of A, B, C, D, E, F, and G and as a % of the net income (loss) after tax (Note 11)		Remuneration received from the invested companies other than the subsidiaries and the parent company
		Remuneration (A) (Note 5)		Pension (B)		Remuneration to directors (C) (Note 6)		Fees for services rendered (D) (Note 7)				Salaries, bonuses, special allowances etc. (E) (Note 8)		Pension (F)		Remuneration to employees (G) (Note 9)						
		The Company	All companies shown in the financial report (Note 10)	The Company	All companies shown in the financial report (Note 10)	The Company	All companies shown in the financial report (Note 10)	The Company	All companies shown in the financial report (Note 10)	The Company	All companies shown in the financial report (Note 10)	The Company	All companies shown in the financial report (Note 10)	The Company	All companies shown in the financial report (Note 10)	The Company		All companies shown in the financial report (Note 10)		The Company	All companies shown in the financial report (Note 10)	
																Cash amount	Stock amount	Cash amount	Stock amount			
Chairman	Ho, Chun-Hsien	2,545	4,382	193	334	–	–	30	30	2,768 -0.76%	4,746 -1.30%	–	–	–	–	–	–	–	–	2,768 -0.76%	4,746 -1.30%	None
Director	Wang, Shih-Tsung	–	–	–	–	–	–	30	30	30 -0.01%	30 -0.01%	2,322	4,118	176	314	–	–	–	–	2,528 -0.70%	4,462 -1.23%	None
Director	Chen, Hung-Yao	–	–	–	–	–	–	30	30	30 -0.01%	30 -0.01%	2,225	3,309	108	108	–	–	–	–	2,363 -0.65%	3,447 -0.95%	None
Director	Liao, Wen-Hung (Note 1)	–	–	–	–	–	–	15	15	15 -0.00%	15 -0.00%	1,397	1,397	54	54	–	–	–	–	1,466 -0.40%	1,466 -0.40%	None
Director	Cheng, Chin-Hung (Note 2)	–	–	–	–	–	–	20	20	20 -0.01%	20 -0.01%	–	–	–	–	–	–	–	–	20 -0.01%	20 -0.01%	None
Independent Director	Chang, Chung-Chiu (Note 3)	180	180	–	–	–	–	10	10	190 -0.05%	190 -0.05%	–	–	–	–	–	–	–	–	190 -0.05%	190 -0.05%	None
Independent Director	Li, Chien-Jan	360	360	–	–	–	–	30	30	390 -0.11%	390 -0.11%	–	–	–	–	–	–	–	–	390 -0.11%	390 -0.11%	None
Independent Director	Hsu, Yung-Chen	360	360	–	–	–	–	30	30	390 -0.11%	390 -0.11%	–	–	–	–	–	–	–	–	390 -0.11%	390 -0.11%	None
Independent Director	Wu, Li-Ching (Note 4)	181	181	–	–	–	–	20	20	201 -0.06%	201 -0.06%	–	–	–	–	–	–	–	–	201 -0.06%	201 -0.06%	None

1. Please describe the remuneration policy, system, standard and structure of independent directors, and describe the linkage to the remuneration amount according to the responsibilities, risks, time, and other factors:
   The remuneration paid to our independent directors is evaluated in accordance with Article 16 of the Articles of Incorporation and the Compensation Committee Charter, determined based on their individual responsibilities, contribution values, performance, risks, and the general standard in the industry, and paid in a fixed amount regardless of the Company's profit or loss. Except for the receipt of fixed monthly remuneration and honoraria for attendance at each board meeting, they are not entitled to the distribution of the annual director remuneration, severance pay, and executive differential pay. The payment standard and structure of independent directors' remuneration shall be submitted to the Board of Directors for resolution after being approved by the Compensation Committee. The remuneration to independent directors is regularly evaluated according to the results of the evaluation by Board of Directors per year.
2. Except as disclosed in the above table, the remuneration received by the Company's directors for providing services (such as serving as a consultant in a non-employee capacity at the parent company/all companies in the financial statements/investees) in the last year: None.

Note 1: Liao, Wen-Hung resigned as a director on June 30, 2023.

Note 2: Cheng, Chin-Hung was appointed as a director on June 30, 2023.

Note 3: Chang, Chung-Chiu resigned as an independent director on June 30, 2023.

Note 4: Wu, Li-Ching was appointed as an independent director on June 30, 2023.

Note 5: Refers to the directors' remuneration for 2023 (including director salary, executive differential pay, severance pay, various bonuses, and incentives).

Note 6: The Board of Directors passed the 2023 directors' remuneration of NT$0 on March 13, 2024.
The 2023 remuneration to subsidiaries' directors and supervisors is not included as it is a performance bonus for concurrently serving as directors at subsidiaries and is disclosed in directors remuneration and salary for concurrently serving as employees.

Note 7: It refers to the directors' professional service fees for 2023 (including honoraria, special allowance, and various allowances).

Note 8: It refers to the salary, executive differential pay, severance pay, various bonuses, incentives, honoraria, special allowance, and various allowances received by directors who concurrently serve as employees (including the President, Vice Presidents, other managers, and employees) for 2023.

Note 9: It refers to directors who have received employee remuneration (including stock and cash) for 2023 for serving as employees concurrently (including the President, Vice Presidents, other managers, and employees).

Note 10: It is the total amount of remuneration paid to the directors of the Company by all companies (including the Company) in the consolidated financial statements.

Note 11: After-tax net income (loss) refers to the after-tax net income (loss) of individual financial reports in 2023.

2. Presidents' and Vice Presidents' remuneration

Unit: NT$ thousand / May 15, 2024

Title	Name	Salary (A) (Note 1)		Pension (B)		Bonuses and allowances etc. (C) (Note 2)		Remuneration to employees (D) (Note 3)				Sum of A, B, C, and D and as a % of the net income (loss) after tax (Note 5)		Remuneration received from the invested companies other than the subsidiaries and the parent company
		The Company	All companies shown in the financial report (Note 4)	The Company	All companies shown in the financial report (Note 4)	The Company	All companies shown in the financial report (Note 4)	The Company		All companies shown in the financial report (Note 4)		The Company	All companies shown in the financial report (Note 4)	
								Cash Amount	Stock Amount	Cash Amount	Stock Amount			
CEO	Liao, Wen-Hung	2,603	2,603	108	108	210	210	—	—	—	—	2,921 -0.81%	2,921 -0.81%	None
President of the Cable Business Group	Wang, Shih-Tsung	2,146	3,804	176	314	176	314	—	—	—	—	2,498 -0.69%	4,432 -1.22%	None
Executive Director	Chen, Hung-Yao	2,057	3,058	108	108	168	251	—	—	—	—	2,333 -0.64%	3,417 -0.94%	None
President of the Raw Material Business Group	Li, Yi-Ta	—	2,230	—	33	—	183	—	—	—	—	—	2,446 -0.68%	None
Vice President of the Business Development Division	Su, Chun-Hsiung	1,832	1,832	107	107	325	325	—	—	—	—	2,264 -0.62%	2,264 -0.62%	None

Note 1: It refers to the President's and Vice Presidents' 2023 salary and executive differential pay.
Also, the 2023 remuneration to subsidiaries' directors and supervisors is disclosed in salary and wages as it is a performance bonus for concurrently serving as directors at subsidiaries.

Note 2: It refers to the President's and Vice Presidents' various bonuses, incentives, honoraria, special allowance, various allowances, and other remuneration for 2023.

Note 3: It refers to the amount of employee remuneration (including stock and cash) for 2023 approved by the Board of Directors and paid out to the President and Vice Presidents.

Note 4: The total amount of remuneration paid to the President and Vice Presidents of the Company by all companies (including the Company) in the consolidated financial statements shall be disclosed.

Note 5: After-tax net income (loss) refers to the after-tax net income (loss) of individual financial reports in 2023

3. Remuneration to the top five managers with the highest remuneration

Unit: NT$ thousand/ May 15, 2024

Title	Name	Salary (A) (Note 1)		Pension (B)		Bonuses and allowances etc. (C) (Note 2)		Remuneration to employees (D) (Note 3)				Sum of A, B, C, and D and as a % of the net income (loss) after tax (Note 5)		Remuneration received from the invested companies other than the subsidiaries and the parent company
		The Company	All companies shown in the financial report (Note 4)	The Company	All companies shown in the financial report (Note 4)	The Company	All companies shown in the financial report (Note 4)	The Company		All companies shown in the financial report (Note 4)		The Company	All companies shown in the financial report (Note 4)	
								Cash amount	Stock amount	Cash amount	Stock amount			
CEO	Liao, Wen-Hung	2,603	2,603	108	108	210	210	—	—	—	—	2,921 -0.81%	2,921 -0.81%	None
President of the Cable Business Group	Wang, Shih-Tsung	2,146	3,804	176	314	176	314	—	—	—	—	2,498 -0.69%	4,432 -1.22%	None
Executive Director	Chen, Hung-Yao	2,057	3,058	108	108	168	251	—	—	—	—	2,333 -0.64%	3,417 -0.94%	None
President of the Raw Material Business Group	Li, Yi-Ta	—	2,230	—	33	—	183	—	—	—	—	—	2,446 -0.68%	None
Vice President of the Business Development	Su, Chun-Hsiung	1,832	1,832	107	107	325	325	—	—	—	—	2,264 -0.62%	2,264 -0.62%	None

Note 1: It refers to the 2023 salary and executive differential pay received by the top five managers with the highest remuneration.
Also, the 2023 remuneration to subsidiaries' directors and supervisors is disclosed in salary and wages as it is a performance bonus for concurrently serving as directors at subsidiaries.

Note 2: It refers to the various bonuses, incentives, honoraria, special allowance, various allowances, and other remuneration received by the top five managers with the highest remuneration for 2023.

Note 3: It refers to the amount of employee remuneration (including stock and cash) approved by the Board of Directors and paid out to the top five managers with the highest remuneration for 2023.

Note 4: The total amount of remuneration paid to the Company's the top five managers with the highest remuneration by all companies (including the Company) in the consolidated financial statements shall be disclosed.

Note 5: After-tax net profit (loss) refers to the after-tax net profit (loss) of individual financial reports in 2023

4. Name of the managers received remuneration and the distribution of remuneration

Unit: NT$ thousand / May 15, 2024

	Title	Name	Stock amount	Cash amount (Note 1)	Total	As a percentage of net profit after tax (Note 2)
Manager	CEO	Liao, Wen-Hung	-	-	-	-
	President of the Cable Business Group	Wang, Shih-Tsung				
	Executive Director	Chen, Hung-Yao				
	President of the Raw Material Business Group	Li, Yi-Ta				
	Vice President of the Business Development Division	Su, Chun-Hsiung				
	Director of the Product Development Division	Chen, Chiu-Hsiung(Note 3)				
	Director of the Finance Division	Cheng, Shu-Ching				

Note 1:It refers to the amount of the 2023 employee remuneration approved by the Board of Directors and paid out to the managers.
Note 2:It is a net loss after tax as per the 2023 parent company-only financial statements, so the percentage was not calculated.
Note 3:Director of the Product Development Division Chen, Chiu-Hsiung resigned on October 31, 2023.

(III) An analysis of the total remuneration paid to the Company's directors, the President, and Vice Presidents by the Company and all companies in the consolidated financial statements as a percentage of the net income after tax in the parent company-only financial statements for the last two years, and a description of the remuneration policy, standard, and package, the procedure for determining the remuneration, and the association between business performance and future risks.

1. Remuneration payment to the directors, the President, and Vice Presidents of the Company as a % of the net income (loss) after tax for 2022 and 2023:

Title	Remuneration as a % of the net income (loss) after tax			
	2022		2023	
	The Company	All companies shown in the financial report	The Company	All companies shown in the financial report
Director	-52.27%	-73.91%	-2.85%	-4.22%
Presidents and the Vice Presidents	-44.48%	-68.73%	-2.76%	-4.27%

2. Remuneration policy, standard, and package, the procedure for determining the remuneration, and the association between business performance and future risks:

(1) Remuneration to Directors

The Company has established a Compensation Committee in accordance with the competent authority's regulations. Directors' remuneration is distributed in accordance with Article 19 of the Articles of Incorporation. The Compensation Committee refers to the general payment standard in the industry in accordance with the law and evaluates each director's participation in and contribution to the Company's operations, and the reasonability of the association between the Company's business performance and future risks. After the individual board member performance evaluation results have come out, the committee will submit remuneration suggestions to the Board of Directors for discussion and approval.

(2) President's、Vice Presidents and managers' remuneration

The Company has established a Compensation Committee in accordance with the competent authority's regulations. The remuneration to the President and Vice Presidents (including salary and pay raise) is handled in accordance with the Human Resources Management Regulations formulated by the Company, and the committee submits its suggestions to the Board of Directors for discussion and approval. The salary and remuneration package includes three parts: base salary, year-end bonus, and performance bonus/employee remuneration, among which the salary is determined according to the general standards for the positions held in the market; the year-end bonus is based on the Company's annual policy; the performance bonus/employee remuneration is determined based on the Company's profitability and individual performance.

The Company will review the remuneration system at all times depending on the operating performance and applicable laws and regulations, to achieve a balance between the Company's sustainable development and risk control.

III. Corporate governance

(I) Facts about performance by the board of directors:

The Board of Directors held six (A) meetings during 2023, and directors' attendance is as follows:

Title	Name	Actual attendance (B)	Proxy Attendance	Actual attendance (%) (B/A)	Remark
Chairman	Ho, Chun-Hsien	6	0	100	
Director	Wang, Shih-Tsung	6	0	100	
Director	Chen, Hung-Yao	6	0	100	
Director	Liao, Wen-Hung	2	0	100	Note 1
Director	Cheng, Chin-Hung	4	0	100	Note 2
Independent Director	Chang, Chung-Chiu	2	0	100	Note 3
Independent Director	Wu, Li-Ching	4	0	100	Note 4
Independent Director	Li, Chien-Jan	6	0	100	Note 5
Independent Director	Hsu, Yung-Chen	6	0	100	

Note 1: Mr. Liao, Wen-Hung resigned as a director after the shareholders' meeting on June 30, 2023.

Note 2: Mr. Cheng, Chin-Hung was appointed as a director after the shareholders' meeting on June 30, 2023.

Note 3: Mr. Chang, Chung-Chiu resigned as an independent director after the shareholders' meeting on June 30, 2023.

Note 4: Mrs. Wu, Li-Ching was appointed as an independent director after the shareholders' meeting on June 30, 2023.

Note 5: Mr. Li, Chien-Jan resigned from the position of independent director on March 1, 2024 due to personal reasons.

Other remarks:

I. For the operation of the Board of Directors in any of the following circumstances, please specify the date, session, the contents of the proposals, the opinions of all independent directors, and the process of the opinions proposed by the independent directors:

(I) Issues required under Article 14-3 of the Securities and Exchange Act:

Date of board meeting	Discussion	Independent Directors' opinions	Response to independent directors' opinions
March 29, 2023	Proposal for the Company's 2022 employee remuneration and directors' remuneration	Approved as proposed without objection	Not applicable
March 29, 2023	Proposal to issue the Company's 2022 Statement of the Internal Control System	Approved as proposed without objection	Not applicable
March 29, 2023	Amend to the Company's "Procedures for the Selection and Appointment of Directors"	Approved as proposed without objection	Not applicable
March 29,	Amend to the Company's "Code of	Approved as	Not applicable

2023	Conduct for Financial Business among Relationships”	proposed without objection	
March 29, 2023	Amend to the Company’s “Code of Practice on Sustainable Development”	Approved as proposed without objection	Not applicable
March 29, 2023	Amend to the Company’s “Code of Practice on Corporate Governance”	Approved as proposed without objection	Not applicable
March 29, 2023	Amend to the Company‘s "Standard Operating Procedure for Handling Directors' Requests”	Approved as proposed without objection	Not applicable
March 29, 2023	Amend to the Company‘s "Implementation Points for Director Training”	Approved as proposed without objection	Not applicable
March 29, 2023	Amend to the Company‘s "Scope of Responsibility Rule for Independent Directors”	Approved as proposed without objection	Not applicable
March 29, 2023	Proposal for the Company’s 2022 annual business report and financial report	Approved as proposed without objection	Not applicable
March 29, 2023	Proposal for the Company’s 2022 earnings distribution	Approved as proposed without objection	Not applicable
March 29, 2023	Proposal for the Company‘s cash distribution from capital surplus	Approved as proposed without objection	Not applicable
March 29, 2023	Proposal to evaluate the independence, fitness assessment and compensation of the Company’s certified CPA	Approved as proposed without objection	Not applicable
March 29, 2023	Proposal to general reelect the directors and independent directors	Approved as proposed without objection	Not applicable
March 29, 2023	Proposal to remove the non-compete restrictions for the new director of the Company	Approved as proposed without objection	Not applicable
March 29, 2023	Proposal to nominate director candidates and candidature examination by the Board of Directors of the Company	Approved as proposed without objection	Not applicable
May 10, 2023	The 1% shareholder nomination director nominee examination and director candidate list confirmation	Approved as proposed without objection	Not applicable
May 10, 2023	The company's 2022 director and manager remuneration assessment proposal	Approved as proposed without objection	Not applicable
August 9, 2023	Proposal to apply to the First Commercial Bank for credit line renewal and guarantee business based	Approved as proposed without objection	Not applicable

	on operational needs		
November 10, 2023	Proposal to amend the Company's Internal Control System	Approved as proposed without objection	Not applicable
November 10, 2023	Proposal to Establish Joint venture subsidiary in Thailand	Approved as proposed without objection	Not applicable
November 10, 2023	Proposal to Establish subsidiary in Vietnam	Approved as proposed without objection	Not applicable
December 19, 2023	Proposal to purchase directors liability insurance	Approved as proposed without objection	Not applicable
December 19, 2023	Proposal for the Company's 2024 Business Plan and consolidated financial budget	Approved as proposed without objection	Not applicable

(II) Other than the aforementioned issues, the issue objected by an independent director or where an independent director maintain a qualified opinion with record or documented declaration in a decision resolved by the Board of Directors: None.

II. With respect to the avoidance of conflicting interest agendas, describe the names of directors, details of the relevant agendas, reasons for avoiding conflicting interest, and the voting decisions: None

III. Details of the implementation of board evaluation:

Evaluation cycle	Evaluation period	Evaluation scope	Evaluation method	Evaluation content
Evaluation performed once a year	January 1, 2023 - December 31, 2023	Board of Directors	1. Internal board self-evaluation 2. Peer evaluation	Performance aspect and weighting factor: 1. Level of participation in the Company's operations:28% 2. Improvement of the quality of the board of directors' decision making: 28% 3. Composition and structure of the board of directors: 16% 4. Election and continuing education of the directors: 14% 5. Internal control: 14%
Evaluation performed once a year	January 1, 2023 - December 31, 2023	Individual board members	Board member self-evaluation	Performance aspect and weighting factor: 1. Alignment of the company's goals and mission: 14% 2. Awareness of responsibilities as a director: 14% 3. Level of participation in the Company's operations:34% 4. Internal relations management

				and communication: 10% 5. Director' s professional and continuing education: 14% 6. Internal control: 14%
Evaluation performed once a year	January 1, 2023 - December 31, 2023	Functional committees	Audit Committee's self-evaluation	Performance aspect and weighting factor: 1. Level of participation in the Company's operations:18% 2. Awareness of responsibilities as a functional committee member: 22% 3. Improvement to the quality of the functional committee's decision-making: 32% 4. The composition and election of functional committee members: 14% 5. Internal control: 14%
			Compensation Committee's self-evaluation	Performance aspect and weighting factor: 1. Level of participation in the Company's operations:22% 2. Awareness of responsibilities as a functional committee member: 22% 3. Improvement to the quality of the functional committee's decision-making: 39% 4. The composition and election of functional committee members: 17%

IV. Targets for strengthening of the functions of the board during the current and immediately preceding fiscal years

(I) The objectives of enhancing the functions of the Board of Directors

The Company has established the Rules of the Procedure for Board of Directors Meetings, and the board meetings thereafter are all handled in accordance with the rules. The Company arranges for the board members, during their term of office, to attend the courses on corporate governance offered the institutions designated under the Directions for the Implementation of Continuing Education for Directors and Supervisors of TWSE Listed and TPEx Listed Companies or appoint instructors to offer training at the Company to reinforce their expertise in corporate governance. A total of seven directors received a total of 54 hours of training during 2023. In addition, the Company established the Compensation Committee on December 16, 2011 and the Audit Committee on June 20, 2014. Each of the two functional committees is formed by three independent directors to assist he board in fulfilling its supervisory duties, and they submit their proposals to the board to duly implement corporate governance. Our independent directors' attendance at board meetings are in good condition, and they provide useful suggestions to the board about the implementation of the Company's internal control system, business, finance, among other relevant proposals using their industry knowledge, accounting and financial analysis, and other professional skills. To enhance the board functions and the effectiveness of the committees, the Company established the Board of Directors Self-evaluation or Peer Evaluation Procedure on August 12, 2019, and the Board of Directors approved the amendments to the Board of Directors Self-evaluation or Peer Evaluation Procedure on May 10, 2021 and renamed it Rules of the Performance Evaluation of the Board of Directors. The 2023 board, board members, Audit Committee, and Compensation Committee performance results were all positive and reported to the Board of Directors on March 13, 2024. The performance evaluation results will be adopted as a reference for determining the remuneration of individual directors or members of functional committees and nominating candidates for directors.

(II) Improve information transparency

The Company's financial statements are regularly audited by Deloitte & Touche, and we timely and accurately disclose all information required by laws and regulations to be disclosed on the Market Observation Post System (MOPS). The Company has also designated personnel to be dedicated to collecting and disclosing company information and established a spokesperson system to ensure that all material information can be disclosed in a timely and appropriate manner for the reference of shareholders and stakeholders.

(III) Proactively engage with stakeholders:

The Company has a spokesperson and an acting spokesperson in place. Stakeholders can use this as a means of communication with us or ask questions and make suggestions online through the Stakeholders section of our official website. The Company accepts shareholder proposals before the annual shareholders' meeting is held according to the schedule. Shareholders who have the right to make proposals can submit applications to the Company during the acceptance period, and the Company will convene a board meeting to review such applications in accordance with rules. Moreover, the Company regularly holds investor conferences to disclose the Company's operating performance and our views on future industry prospects to our investors in a timely manner, thereby increasing the means for investors to communicate with the Company.

(II) Operations of the Audit Committee

1. Composition of the Audit Committee and scope of duties

   Three independent directors are elected at the Annual Shareholders Meeting, and they, in turn, form the Audit Committee, which meets at least once per quarter and is responsible for reviewing the Company's financial statements, appointing (dismissing) CPAs, evaluating their independence and performance, ensuring the effective implementation of the Company's internal control, and reviewing the Company's compliance with applicable laws and regulations. Its main duties are as follows:

   (1) Establishing or modifying the internal control system in accordance with Article 14-1 of the Securities and Exchange Act.
   (2) Assessing the effectiveness of the internal control system.
   (3) Formulating or amending the procedures for handling material financial or business activities, such as asset acquisition and disposal, derivative trading, loans to others, and provision of endorsements/guarantees to others as per Article 36-1 of the Securities and Exchange Act.
   (4) Handling matters involving directors' personal interest.
   (5) Handling material asset or derivative trading.
   (6) Handling material loans to others or provision of endorsements/guarantees to others.
   (7) Handling matters related to the offering, issuance, or private placement of equity securities.
   (8) Appointing or dismissing CPAs or determining their remuneration.
   (9) Appointing or dismissing financial supervisor, chief accountant, or chief internal auditor.
   (10) Reviewing the annual financial statements signed or sealed by the Chairman, manager, and chief accountant, and the financial statements for Q2 that should be audited by a CPA.
   (11) Handling other major matters stipulated by the Company or competent authorities.

2. Major tasks during 2023

   (1) Completed the assessment of the effectiveness of the internal control system.
   (2) Modified the internal control system, including the Audit Committee Charter, in accordance with Article 14-1 of the Securities and Exchange Act.
   (3) Reviewed the matters involving directors' personal interest submitted to the committee in accordance with the law.
   (4) Reviewed the major guarantees provided.
   (5) Appointed 2023 CPAs and reviewed audit fees.
   (6) Reviewed the 2022 Business Report and financial statements.
   (7) Obtained the statement of independence issued by the accounting firm appointed as the basis for the assessment of the independent of CPAs.
   (8) Handling other major matters stipulated by the Company or competent authorities.

The Audit Committee held five (A) meetings during 2023, and the independent directors' attendance is as follows:

Title	Name	Actual attendance (B)	Proxy Attendance	Actual attendance (%) (B/A)	Remark
Independent Director	Chang, Chung-Chiu	2	0	100	Note 1
Independent Director	Wu, Li-Ching	3	0	100	Note 2
Independent Director	Li, Chien-Jan	5	0	100	Note 3
Independent Director	Hsu, Yung-Chen	5	0	100	

Note 1:Mr. Chang, Chung-Chiu resigned as an independent director after annual shareholders' meeting on June 30, 2023.
Note 2: Mrs. Wu, Li-Ching was appointed as an independent director after annual shareholders' meeting on June 30, 2023.
Note 3: Mr. Li, Chien-Jan resigned as an independent director on March 1, 2024, due to personal factor.

Other remarks:

I. If the operations of the Audit Committee fall under any of the circumstances below, the date of the Audit Committee meeting, the session, the content of the proposal, any objection, reservation, or major suggestion made by independent directors, the committee's resolution results, and the Company's response to the committee's opinions shall be specified:

(I) Issues required under Article 14-5 of the Securities and Exchange Act:

Date of Audit Committee meeting	Discussion	Audit Committee's resolution results	Response to independent directors' opinions
March 29, 2023	Proposal for the Company's 2022 employee remuneration and directors' remuneration	Approved as proposed without objection	Not applicable
March 29, 2023	Proposal to issue the Company's 2022 Statement of the Internal Control System	Approved as proposed without objection	Not applicable
March 29, 2023	Amend to the Company's "Code of Conduct for Financial Business among Relationships"	Approved as proposed without objection	Not applicable
March 29, 2023	Amend to the Company's "Code of Practice on Sustainable Development"	Approved as proposed without objection	Not applicable
March 29, 2023	Amend to the Company's "Code of Practice on Corporate Governance"	Approved as proposed without objection	Not applicable
March 29, 2023	Proposal for the Company's 2022 annual business report and financial report	Approved as proposed without objection	Not applicable
March 29, 2023	Proposal for the Company's 2022 earnings distribution	Approved as proposed without	Not applicable

		objection	
March 29, 2023	Proposal for the Company's cash distribution from capital surplus	Approved as proposed without objection	Not applicable
March 29, 2023	Proposal to evaluate the independence, fitness assessment and compensation of the Company's certified CPA	Approved as proposed without objection	Not applicable
March 29, 2023	Proposal to general re-elect the directors and independent directors	Approved as proposed without objection	Not applicable
March 29, 2023	Proposal to remove the non-compete restrictions for the new director of the Company	Approved as proposed without objection	Not applicable
May 10, 2023	The company's 2022 director and manager remuneration assessment proposal	Approved as proposed without objection	Not applicable
August 9, 2023	The appointment of Deloitte Taiwan as the provider of non-assurance services	Approved as proposed without objection	Not applicable
August 9, 2023	Proposal to apply to the First Commercial Bank for credit line renewal and guarantee business based on operational needs	Approved as proposed without objection	Not applicable
November 10, 2023	Proposal to Establish Joint venture subsidiary in Thailand	Approved as proposed without objection	Not applicable
November 10, 2023	Proposal to Establish subsidiary in Vietnam	Approved as proposed without objection	Not applicable
November 10, 2023	Proposal to amend the Company's Internal Control System	Approved as proposed without objection	Not applicable
December 19, 2023	Proposal to purchase directors liability insurance	Approved as proposed without objection	Not applicable
December 19, 2023	Proposal for the Company's 2024 Business Plan and consolidated financial budget	Approved as proposed without objection	Not applicable

(II) Except the aforementioned issue, other issue not yet resolved in the Audit Committee but has been duly resolved by two-thirds majority of the total number of director seats: None

II. With respect to the avoidance of conflicting interest agendas, describe the names of independent directors, details of the relevant agendas, reasons for avoiding conflicting interest, and the voting decisions: None

III. Communication between independent directors and the chief internal auditor/CPAs:
There are means for independent directors to directly communicate with the chief internal auditor/CPAs, and the communication is smooth.

(I) The Company regularly emails an audit report on the previous month or a follow-up report to independent directors for review, and independent directors provide feedback or opinions as necessary. The chief internal auditor regularly participates in the Audit Committee meeting convened quarterly and reports to the independent directors on the audits performed and the audit results. The communication between the independent directors and the chief internal auditor during 2023 is briefly stated below:

Date	Communication method	Matters communicated, independent directors' opinions, and subsequent response
March 29, 2023	16th meeting of the 3rd Audit Committee	The chief internal auditor reported on the items audited, results, and improvement follow-up, while issuing the Company's 2022 Statement of the Internal Control System and stating the risk and internal control self-assessment results. None of the independent directors expressed objection.
May 10, 2023	17th meeting of the 3rd Audit Committee	The chief internal auditor reported on the items audited, results, and improvement follow-up, and the independent directors agreed with the content of the report.
August 9, 2023	1st meeting of the 4th Audit Committee	The chief internal auditor reported on the items audited, results, and improvement follow-up, and the independent directors agreed with the content of the report.
November 10, 2023	2nd meeting of the 4th Audit Committee	The chief internal auditor reported on the items audited, results, and improvement follow-up, and the independent directors agreed with the content of the report.
November 10, 2023	Symposium (alone)	The chief internal auditor communicated the internal audit business with the independent directors, who expressed their awareness of the content without making other suggestions.
December 19, 2023	3th meeting of the 4th Audit Committee	The chief internal auditor reported on the items audited, results, and improvement follow-up, and submitted the 2024 audit plan. The independent directors agreed with the content of the report.

(II) In addition to reporting to the independent directors on the audit or review of the financial statements, the CPAs appointed by the Company held at least one event to raise awareness of laws in the Company per year to update our employees' knowledge of financial and tax laws and countermeasures against relevant impacts. Independent directors and CPAs usually communicate with each other by email or phone at any time when necessary. Their communication during 2023 is briefly stated below:

Date	Communication method	Matters communicated	Result
March 29, 2023	16th meeting of the 3rd Audit Committee	CPAs' 2022 audit report The 2023 audit plan and update of laws and regulations	Understood
May 10, 2023	17th meeting of the 3rd Audit Committee	CPAs' review report on the financial statements for 2023 Q1 and update of laws and regulations	Understood
August 9, 2023	1st meeting of the4th Audit Committee	CPAs' review report on the financial statements for 2023 Q2 and update of laws and regulations	Understood
November 10, 2023	2nd meeting of the 4th Audit Committee	CPAs' review report on the financial statements for 2023 Q3 and update of laws and regulations	Understood
November 10, 2023	Symposium (alone)	The independent directors communicated the audit work with the CPAs, and the independent directors expressed their awareness of the content without making other suggestions.	Understood
December 19, 2023	3th meeting of the 4th Audit Committee	The 2023 audit plan report and update of laws and regulations	Understood

(III) The operations of corporate governance and the deviation from the Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies and the reasons therefor

Assessment Items	Actual governance			Deviation and causes of deviation from the Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies
	Yes	No	Summary description	
I. Will the Company based on the Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies set up and disclose the Company's corporate governance best-practice principles?	✓		The Company has formulated the Corporate Governance Best Practice Principles as per the Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies and published it on the Corporate Governance section of our official website and the MOPS for reference of stakeholders.	None
II. Shareholding structure and shareholders' equity				None
(I) Will the Company have the internal procedures regulated to handle shareholders' proposals, doubts, disputes, and litigation matters; also, have the procedures implemented accordingly?	✓		The Company has set up a spokesperson and acting spokesperson mechanism to communicate with external parties and set up a section dedicated to stakeholders on our official website, so we can properly handle shareholders' suggestions, questions, and disputes, thereby ensuring their rights and interest. In addition, we have appointed a professional shareholder service agency, which sends shareholder service personnel to deal with relevant rights and interest issues.	
(II) Will the Company possess the list of the Company's major shareholders and the list of the ultimate controllers of the major shareholders?	✓		Our insiders (directors, managers, and major shareholders, each holding at least 10% of the total issued shares) report the changes in their shareholdings to the Company in accordance with regulations per month. The Company also appoints a professional shareholder service agency to handle stock affairs as per law; as such, we can effectively keep abreast of major shareholders' shareholdings and disclose them in accordance with the regulations.	

Assessment Items	Actual governance			Deviation and causes of deviation from the Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies
	Yes	No	Summary description	
(III) Will the Company establish and implement the risk control and firewall mechanisms with the related parties?	✓		The Company has established the Subsidiary Monitoring and Management Operating Procedures in the internal control system as per laws and regulations, and each subsidiary's assets, finance, and business operate independently. We have established an appropriate risk control mechanism and firewall , and our auditors regularly monitor the operation.	
(IV) Will the Company set up internal norms to prohibit insiders from utilizing the undisclosed information to trade securities?	✓		The Company has formulated the Procedures for Handling Material Inside Information and proceed in accordance with Article 157-1 of the Securities and Exchange Act. We prohibit company insiders from using undisclosed information on the market to trade stocks, and the Company also passes out the publicly listed company insiders' trading of equity FAQ brochure to new directors and managers when they take office for them to follow applicable rules. We also send emails to raise their awareness of applicable laws and regulations from time to time. Furthermore, we added "Stock trading control measures for insiders from the day they learn about the Company's financial statements or relevant performance information include the restriction that directors must not trade their shares during the closed periods of 30 days prior to the publication of the annual financial statements and 15 days prior to the publication of quarterly financial statement." to Article 15 of the Procedures for Ethical Management and Guidelines for Conduct.	

Assessment Items	Actual governance			Deviation and causes of deviation from the Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies
	Yes	No	Summary description	
III. The constitution and obligations of the board of directors (I) Has the Board of Directors formulated a diversity policy and specific management objectives and implemented them accordingly?	✓		The Company has specified the diversity policy for the composition of the Board of Directors in the Corporate Governance Best Practice Principles. the Company have considered the issue of diversity for the board members and elected outstanding talents who have the knowledge, skills, and competencies required to perform duties based on the Company's business model and development needs. Therefore, among the seven board members, four directors are outstanding talents in the industry; of the three independent directors, there are a professor at the Department of Accountancy of the National Taipei University, a professor at the Department of Electrical Engineering and Institute of Electronics Engineering of the National Tsin Hua University, and former CFO of Copartner Technology Co., Ltd. with professional backgrounds and industry experience. (See Note 1 and Information on directors on pages 10-16 of this annual report). The Company still pays attention to gender equality in the composition of the Board of Directors. We have already added one female director in 2023 annual shareholders' meeting. Also under consideration that the gender ratio of directors at the next board election reaches 1/3. Also, directors who are also employees account for 28% of all directors, independent directors of account for 43% of all directors, directors under the age of sixty account for 14%, and independent directors with the length of service of fewer than nine years is 100%, to duly implement the Company's diversity policy for the composition of the Board of Directors. The Company has already disclosed the diversity policy for the board members on the official website.	None

Assessment Items	Actual governance			Deviation and causes of deviation from the Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies
	Yes	No	Summary description	
(II) Will the Company, in addition to setting the Compensation Committee and Audit Committee lawfully, have other functional committee set up voluntarily?	✓		The Company has established the Compensation Committee and the Audit Committee, both of which are formed by all independent directors, and has established operating procedures for them to follow. The Company has also established a Business Administration Committee, which is formed by three directors and CEO. It regularly analyzes and discusses materials issues, such as company strategies, operations, and organization, as a reference for the Board of Directors and execution units to make decisions and implement plans. In the future, we will assess if there is a need to set up other functional committees.	
(III) Does the company establish a method to evaluate board performance and evaluate board performance every year? Are the performance evaluation results reported to the board and used as a reference for the remuneration and nomination for re-election of directors?	✓		At present, the Compensation Committee formulates and regularly reviews the director performance evaluation and remuneration policies, systems, standards, and structures and submits its suggestions to the Board of Directors for discussion. To improve the corporate governance system, the Company established the Board of Directors Self-evaluation or Peer Evaluation Procedure on August 12, 2019 and amended and renamed it Rules of the Performance Evaluation of the Board of Directors on May 10, 2021. We conduct internal performance self-evaluation after the end of each year and distribute questionnaires to board members, directors, as well as the Audit Committee and Compensation Committee members. After compiling the survey results, we submit them to the Board of Directors for review and improvement and also adopt the results as a reference for determining individual directors' remuneration and nominating candidates for directors. The Company completed the 2023 internal board, directors, and functional committee members performance self-evaluation in February 2024 and	

<table>
<tr><th rowspan="2">Assessment Items</th><th colspan="3">Actual governance</th><th rowspan="2">Deviation and causes of deviation from the Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies</th></tr>
<tr><th>Yes</th><th>No</th><th>Summary description</th></tr>
<tr><td></td><td></td><td></td><td>submitted the results to the Board of Directors on March 13, 2024, while disclosing them on our official website and annual report. As per the self-evaluation results, the overall operations of the Board of Directors and each functional committee were considered to be in good condition, and the directors had positive reviews of the efficiency and effectiveness of various indicators, thereby effectively enhancing the board functions and safeguarding shareholders’ rights and interest.</td><td></td></tr>
<tr><td>(IV) Will the Company have the independence of the public accountant evaluated regularly?</td><td>✓</td><td></td><td>To duly implement corporate governance, the Company evaluates the independence of each CPA before signing the annual appointment contract with each of them. The Company has confirmed that Deloitte & Touche is not involved in other financial and business relations with the Company except for the financial statements and taxation audit cases. The CPAs have met the Company’s independence criteria (see Note 2) and are eligible to serve as the Company’s CPAs for 2023. The Company also requires CPAs to provide a statement of independence, and their family members have also met the independence criteria. The Company also compiled the two CPAs’ statements of independence and the audit quality indicators (AQI) (Please refer to details of Note 2) provided by Deloitte & Touche and submitted them to the Audit Committee and the Board of Directors as a reference for evaluating their independence. We appointed them for 2024 after they were approved by the Audit Committee on March 13, 2024 and by the resolution of the Board of Directors on the same day. In addition, the CPAs go through job rotation in accordance with the regulations and adhere to the impartiality, rigor, integrity, and independence principles.</td><td></td></tr>
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<tr><td>IV. Has the Company has appointed an appropriate number of competent corporate governance personnel and designated a corporate governance officer to be responsible for corporate governance affairs (including but not limited to providing directors and supervisors with the materials required for performance of their duties, assisting directors and supervisors with compliance, handling matters related to board meetings and the shareholders' meetings, and preparing minutes of board meetings and shareholders' meetings)?</td><td>✓</td><td></td><td>The Company appointed Cheng, Shu-Ching, Director of the Finance Division, as the corporate governance officer on December 23, 2022, and the Board of Directors, on March 29, 2023, resolved a decision to amend the Standard Operating Procedures for Handling Directors' Requests and designated the Finance Division to handle directors' requests and corporate governance matters and to appointed the Registrar and Transfer Agency Department of Mega Securities to handle the shareholder service business.
The tasks completed during 2023 are as follows:
1. Notified the directors to convene a board meeting seven days before a board meeting agenda was set out, provided meeting materials, reminded directors to recuse themselves from certain proposals in advance, if any, and sent the minutes of the board meetings to the directors within 20 days after the conclusion of each board meeting.
2. Evaluated and purchased directors liability insurance for directors.
3. Provided board members with the information on training courses, allowing all board members to complete at least six hours of training courses.
4. Provided the Company's business or financial information to directors upon their request, maintained smooth communication between directors and various managers, and provided board members with the information on new or amended laws related to their duties, corporate governance, or business administration from time to time.
5. Convened at least a communication meeting between independent directors and CPAs/auditors/financial supervisor per quarter.
6. Completed the registration of the date of a</td><td>None</td></tr>
</table>

Assessment Items	Actual governance			Deviation and causes of deviation from the Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies
	Yes	No	Summary description	
			shareholders' meeting beforehand according to law, prepared meeting notices, a meeting handbook, and meeting minutes prior to a deadline stipulated in law, and completed the change registration after the Articles of Incorporation were amended or new directors were elected. 7. Held an investor conference on business performance per year to establish a variety of means for communication with investors. 8. Reviewed the achievement of corporate governance evaluation indicators one by one per year and discussed the indicators, for which the Company failed to obtain scores.	
V. Has the Company established a communication channel with the stakeholders (including but not limited to the shareholders, employees, customers, and suppliers), set up a stakeholder section on the Company's website, and responded appropriately to the important corporate social responsibilities concerned by the stakeholders?	✓		1. The Company instructs the President's Office to communicate with stakeholders depending on the situation and has a spokesperson and an acting spokesperson in place to communicate with external parties. 2. The Company has set up a section dedicated to stakeholders on our official website (www.copartner.com.tw) and clearly state the detailed contact information (phone number and email), to provide stakeholders a means to communicate with the Company depending on their needs. 3. Various stakeholders' issues and the methods of the Company's response and communication are as follows: (1) Shareholders: Departments to respond: Finance Division and the spokesperson. Issues of concern: Company operating performance, dividend distribution, corporate governance, and R&D direction. Communication means, frequency, and response: We hold a shareholders' meeting per	None

Assessment Items	Actual governance			Deviation and causes of deviation from the Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies
	Yes	No	Summary description	
			year, and shareholders can fully exercise their voting rights by electronic means. The Company also holds an investor conference per year, publishes the annual report for the shareholders' meeting, and discloses monthly revenue among other information, to keep shareholders informed of the Company's operating performance. (2) Employees: Departments to respond: Human Resources Department and Employee Welfare Committee. Issues of concern: Workplace safety, employee benefits, labor-management relations, and opinion expression methods. Communication means, frequency, and response: We can communicate the issues of workplace safety, employee benefits, and labor-management relations with employees through quarterly labor-management meetings. (3) Suppliers: Departments to respond: Management Department and procurement units. Issue of concern: Supplier management evaluation. Communication means, frequency, and response: The Company lives up to the spirit of sustainable development and abide by the principle of fair trade, require suppliers to comply with applicable laws and regulations on safety and environmental protection. Our procurement contact points communicate relevant requirements with suppliers from time to time. Suppliers can also ask questions at any time to	

Assessment Items	Actual governance			Deviation and causes of deviation from the Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies
	Yes	No	Summary description	
			strive to achieve the goal of information symmetry. (4) Clients Departments to respond: Management Department and procurement units. Issue of concern: Supplier management evaluation. Communication means, frequency, and response: We visit clients and participate in exhibitions to respond to issues of product quality and sales services that clients emphasize. In addition, we have set up a section on the official website for clients to ask questions about each product, and there are personnel dedicated to responding to their questions in a timely manner.	
VI. Has the Company commissioned a professional stock service agent to handle shareholders affairs?	✓		The Company has appointed the Registrar and Transfer Agency Department of Mega Securities to handle various shareholder services.	None
VII. Disclosure of information (I) Does the Company have a website setup and the financial business and corporate governance information disclosed? (II) Has the Company adopted other information disclosure methods (such as, establishing an English website, designating a	✓ ✓		The Company has set up an official website (http://www.copartner.com.tw) to disclose various financial business and corporate governance information, while reporting and disclosing it on the MOPS at the same time according to law. The official website is in both Chinese and English languages, and the Company has designated personnel to be responsible for collecting company information and publishing and disclosing material information, and there are a spokesperson and an acting spokesperson in place to respond to investors' questions. The company also hold	None

Assessment Items	Actual governance			Deviation and causes of deviation from the Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies
	Yes	No	Summary description	
responsible person for collecting and disclosing information of the Company, substantiating the spokesman system, placing the juristic person seminar program on the Company's website, etc.)? (III) Does the company announce and report its financial statements within two months after the end of a fiscal year, and publish and declare in advance the financial statements of Q1, Q2 and Q3 as well as status of monthly operations?		 ✓	an investor conference at least once a year, and disclose the time, information and the conference recording on the official website or the MOPS. The Company announces and discloses the annual financial statements, quarterly financial statements, and monthly operating performance on the MOPS before the deadline required by law and on the Company's website simultaneously.	
VIII. Are there any other important information (including but not limited to the interests of employees, employee care, investor relations, supplier relations, the rights of stakeholders, the advanced study of directors and supervisors, the implementation of risk management	✓		1. Employee rights and employee care: The Company believes that human capital is one of our precious assets and have been committed to providing them with a safe and comfortable work environment with reasonable rewards, while constantly planning various employee benefits. In addition to safeguard employees' legitimate rights and interest in accordance with the Labor Standards Act, we provide domestic and overseas travel and health examination subsidies and hold Labor Day activities. 2. Investors' and stakeholders' rights and interest: The Company has a spokesperson and an	None

Assessment Items	Actual governance			Deviation and causes of deviation from the Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies
	Yes	No	Summary description	
policies and risk measurement standards, the execution of customer policy, the purchase of liability insurance for the Company's directors and supervisors) that are helpful in understanding the corporate governance operation of the Company?			acting spokesperson in place to maintain investor relations. In addition, we appoint a professional shareholder service agency to handle issues related to shareholders' rights and interest. 3. Implementation of supplier relations and client policies: The Company has long maintained stable and positive relations with clients and suppliers with adequate bilateral communication and has personnel dedicated to responding to clients' complaints. 4. Directors' training: Our directors not only have professional industry expertise and practical experience in business administration but also receive training per year depending on their individual needs. 5. Directors liability insurance: The company annually purchases director's liability insurance and reports to the Board of Directors after signing a new insurance policy per year. Recent BOD resolution:19/12/2023 Recent BOD report:13/03/2024 Insurance coverage: Insured: All directors Insurance Company: MSIG Co., Ltd. Coverage Amount: USD 10,000,000 Insurance Period: 26/12/2023-26/12/2024 6. Functional committees established and board meetings convened: (1) The Company holds at least a board meeting per quarter, and all directors' attendance at the board meetings is in good condition, thereby duly monitoring the Company's operations and managing relevant risks. Six board meetings were held in 2023 (2) The Company has three independent directorships in place and have established the Audit Committee and	

<table>
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<tr><th>Yes</th><th>No</th><th>Summary description</th></tr>
<tr><td></td><td></td><td></td><td>the Compensation Committee.

7. Implementation of the risk management policy and the risk measurement standards: The Company has formulated internal rules and regulations according to law and conduct various risk management and assessments accordingly.</td><td></td></tr>
<tr><td colspan="5">IX. Please describe the improvement performed according to the corporate governance evaluation results published by the Governance Center of Taiwan Stock Exchange in last year, and propose the matters with priority for improvement and the respective measures and Corporate:

(I) The Company reviews the corporate governance evaluation results and the corporate governance evaluation indicators, for which the Company failed to obtain scores, released in the last year one by one per year. The indicators, for which we have completed the improvements, are as follows:
1. The English version of an annual report is uploaded 16 days before an Annual Shareholders Meeting is held.
2. The English version of the annual financial reports is disclosed.
3. The board of directors include at least one female member.
4. The company’s information security risk management framework is disclosed on the official website, and an information security policy and specific management plans are formulated.
5. Disclosing Succession planning for members of the board of directors and key management on the official website.
6. Recording shareholders’ questions and company responses on minutes of the annual shareholders' meeting, and disclose the full video recording of the shareholders' meeting .

(II) Prioritized indicators to improve and improvement measures:
1. Evaluation of Establishing Functional Committees Beyond Statutory Committees.
2. External evaluation for board performance.</td></tr>
</table>

Note 1: The implementation of the diversity policy for each board member is as follows.

Name of director	Gender	Nationality	Core diversity indicator								
			60 years old or above	Current positions in our company	Business management ability	Leadership and decision making	Knowledge of the industry	Crisis management	An international market perspective	Finance and accounting	The independent directors' length of service is fewer than nine years
Chairman: Ho, Chun-Hsien	Male	Republic of China	✓		✓	✓	✓	✓	✓		
Director: Wang, Shih-Tsung	Male	Republic of China	✓	✓	✓	✓	✓	✓	✓		
Director: Chen, Hung-Yao	Male	Republic of China	✓	✓	✓	✓	✓	✓	✓		
Director: Cheng, Chin-Hung	Male	Republic of China	✓		✓	✓	✓	✓	✓		
Independent Director: Wu, Li-Ching	Female	Republic of China	✓		✓	✓	✓	✓	✓	✓	✓
Independent Director: Li, Chien-Jan	Male	Republic of China	✓			✓	✓	✓	✓	✓	✓
Independent Director: Hsu, Yung-Chen	Male	Republic of China				✓	✓	✓	✓		✓

Note 2: Standards for assessing the independence of CPA and Audit Quality Index (AQI) evaluation procedure

Standards for assessing the independence:

Assessment Items	Assessment Result	Qualify for Independence
Has the CPA or spouse or a dependent relative thereof is involved in direct or significant indirect financial interest with the Company?	No	Yes
Has the CPA or spouse or a dependent relative thereof is involved in any commercial relations with the Company's directors and managers that affects the independence?	No	Yes
Is the CPA or spouse or a dependent relative thereof the Company's director, manager, or a position with a direct and significant impact on the audit work during the audit period?	No	Yes
Is the CPA the spouse, lineal relative by blood, direct relative by marriage, or relative within second degree of kinship of any of the Company's directors or managers?	No	Yes
Has the CPA has provided this service for more than seven years?	Yes	Yes

Audit Quality Index (AQI) evaluation procedure:
The accounting year of the firm was non-calendar year, so the information period was 2022 (from June 1, 2022 to May 31, 2023).

Aspect 1: Professional Index
With 10 years of checking experience, certified CPA performed well in checking experience, training hours, turnover rate and professional support. The turnover rate index 7.9% was much lower than the industry average 13.2%.

Aspect 2: Quality Control Index
Maintain a certain level with CPA load, check input, Case Quality Control Review (EQCR) situation and quality control support capability.

Aspect 3: Independence
The proportion of non-audit services at public expense is low, accounting for only 12-16% in the past two years, which did not affect the professional judgment and independence of accountants. In addition, although the company and DELOITTE & TOUCHE had visaed annual financial reports for 17 years, the internal certified CPA of the firm made regular internal transfer to prevent independence from being affected by the long audit service period for the same visa client.

Aspect 4: Supervision
As for the performance of missing external check of the firm, the punishment index and competent authorities issue letters for improvement sent by the competent authority were within the range of the same industry, the firm had checked that the company had no competent authority to issue a letter of improvement.

Aspect 5: Innovation Ability
The firm had planned to introduce audit innovation tools, expand the audit support center, import to the cloud audit platform and application of digital technology in order to improve audit quality.

The results of the latest annual evaluation were discussed and approved by the Audit Committee on March 13, 2024, and then submitted to the Board of Directors on March 13, 2024 for the approval of the independence and suitability evaluation of CPA.

(IV) The composition, responsibility, and operations of the Compensation Committee: (provided by Human Resources personnel)

The Company has set up the Compensation Committee on December 16, 2011, formed by all independent directors, in accordance with the Securities and Exchange Act, and it operates in accordance with the Company's Compensation Committee Charter. The committee holds at least two meetings per year and held four meetings during 2023.

1. Information on the members of the Compensation Committee:

May 15, 2024

Identity	Qualification / Name	Professional qualification and experience	Compliance of independence (Note 1)	Number of other public companies where the members are also the members of the Compensation Committee of these companies.
Independent Director (Convener, Resign on 23/06/2023)	Chang, Chung-Chiu	See Information on directors, Data of Directors, President, Vice President, Assistant Manager, and heads of various departments and branches (I), Chapter III. Corporate Governance (II) (pages 10-14 of this annual report).		-
Independent Director (Convener, Re-election and be appointed as a convener on 09/08/2023, Resign on 01/03/2024)	Li, Chien-Jan			2
Independent Director (Re-election)	Hsu, Yung-Chen			-
Independent Director (Newly appointed on 09/08/2023, and be appointed as a convener on 13/03/2024)	Wu, Li-Ching			-

2. Responsibility of the Compensation Committee:
The Compensation Committee shall fulfill its duty of care as a good manager, faithfully perform the following responsibilities, and submit suggestions to the Board of Directors for discussion:
(1) Establish and regularly review the directors and managers' performance evaluation standards, annual and long-term performance targets, and remuneration policies, systems, standards, and structures, as well as disclose the performance evaluation standards in the annual report.
(2) Regularly evaluate the achievement of the performance goals of the Company's directors and managers, and determine the content and amount of individual remuneration based on the evaluation obtained from the performance evaluation standards.
The individual board and manager performance evaluation results, the content of individual remuneration, the association between the amount of remuneration and evaluation results, and the reasonability shall be disclosed in the annual report and reported to the shareholders' meeting.

3. Operations of the Compensation Committee:
   (1) The Compensation Committee consists of three members. The term of office of the committee members is from August 9, 2023 through June 29, 2026.
   (2) The Compensation Committee held four meetings (A) during the last year. The qualifications and attendance of the members are as follows:

Title	Name	Actual attendance (B)	Proxy Attendance	Actual attendance (%) (B/A) (Note)	Remark
Convener	Chang, Chung-Chiu	2	0	100%	Resign on 23/06/2023
Convener	Li, Chien-Jan	4	0	100%	Convener, Re-election and be appointed Convener on 09/08/2023
Committee	Hsu, Yung-Chen	4	0	100%	Re-election
Committee	Wu, Li-Ching	2	0	100%	Newly appointed on 09/08/2023

Other remarks:

I. Where the board of directors does not adopt or amend the proposal(s) posed by the Compensation Committee: The Company shall expressly elaborate on the date, session while the board of directors meeting was convened, contents of the issues, outcome of decisions resolved in the board of directors and the Company's response to the opinions posed by the Compensation Committee(For instance, if the salary pay resolved by the board of directors is higher than that proposed by the Compensation Committee, the Company should elaborate on the fact of differential gap and the cause thereof): None.

II. Where a decision resolved in the Compensation Committee is found in contravention of rules or in qualified opinion as verified with records or documented declaration, the Company shall expressly elaborate on the date, sessions of the meeting convened by the Compensation Committee, contents of agenda, opinions of all members and acts taken in response to such opinions: None.

Note: The attendance (%) is calculated with the number of meetings attended by each member divided by the number of committee meetings held during their term of office.

4. The dates of the committee meetings during 2023, the contents of the proposals, resolution results, and the Company's response to the committee members' opinions:

Date of meeting	Discussion	Resolution result	Response to independent directors' opinions
March 29, 2023	1. Proposal for the Company's 2022 employee remuneration and directors' remuneration	Approved as proposed without objection.	Submitted to the Board of Directors and approved by all directors present.
May 10, 2023	1. Proposal to adjust managers' remuneration. 2. Proposal to distribute the Company's 2022 managers' remuneration and performance bonus. 3. Proposal to evaluation the Company's 2022 directors' and managers' remuneration. 4. Proposal to regularly review the board performance evaluation indicators and make suggestions.	Approved as proposed without objection.	Submitted to the Board of Directors and approved by all directors present.
August 9, 2023	1. The remuneration, compensation, and attendance fees for new directors, independent directors and members of functional committees of the company remain the original system. 2. Nomination of the convener of the fifth Compensation committee of the company	Approved as proposed without objection.	Execute by Compensation Committee result
November 10, 2023	1. Proposal to Recognize Severance Pay for the manager	Approved as proposed without objection.	Submitted to the Board of Directors and approved by all directors present.

(V) Implementation of the promotion of sustainable development and the deviation and causes of deviation from the Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies

<table>
<tr><th rowspan="2">Item</th><th colspan="3">Implementation</th><th rowspan="2">Deviation and causes of deviation from the Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies</th></tr>
<tr><th>Yes</th><th>No</th><th>Summary description</th></tr>
<tr><td>I. Does the Company have a specific (or part-time) unit set up to promote the sustainable development governance framework, and the Board of Directors authorizing the management to handle matters and report the supervision results to the Board of Directors?</td><td>✓</td><td></td><td>To fulfill our corporate social responsibility and facilitate economic, environmental, and social progress to achieve sustainable development, we amended the Sustainable Development Best Practice Principles with the approval of the Board of Directors in March 2022. The General managers’ Office is responsible for putting forth and implementing sustainable development policies, systems or relevant management approaches, and specific implementation plans, while reporting to the Board of Directors. The Board of Directors and senior management should supervise the relevant units responsible for promoting sustainable development at any time and pay attention to the development of relevant domestic and overseas sustainable development guidelines and changes in the business environment, with a view to reviewing and improving our sustainable development system. We disclose the above rules on our official website to enhance the effectiveness of our sustainable development endeavors.</td><td>None</td></tr>
<tr><td>II. Does the company assess the risk of environmental, social, and governance (ESG) issues in relation to corporate operations based on the materiality principles and establish policies or strategies in relation to risk management?</td><td>✓</td><td></td><td>Based on the materiality principle under corporate social responsibility, the Company conducts relevant risk assessments of critical issues and have formulated relevant risk management policies based on the risks assessed. The details are as follows:
<table>
<tr><th>Material issue</th><th>Risk assessment indicator</th><th>Risk management policy</th></tr>
<tr><td>Environmental</td><td>Waste Management
Water Resources
Energy Management</td><td>As a citizen on Earth, the Company is deeply aware of the importance of environmental sustainability and strive to minimizes the risk of environmental violations by adopting waste</td></tr>
</table></td><td>None</td></tr>
</table>

Item	Implementation			Deviation and causes of deviation from the Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies
	Yes	No	Summary description	
			gas collection systems and water circulation systems, while proactively implementing energy-saving and carbon reduction projects in a long term to increase employee' awareness of environmental protection, to increase the resource use efficiency.	
			Social — labor-management relation: The company regularly holds labor-management meetings and establishes a employee welfare committee to promote interaction and communication among all employees. The Company complies with the Labor Standards Act and applicable laws and regulations to formulate various salary and benefit measures for employees, provide a leave of absence and flextime system that are better than legal requirements, various insurance, and subsidies, and proactively implement diverse employee activities to attract and retain outstanding employees.	
			Social — Workplace safety: The Company's office entrances and exits are equipped with an access control, monitoring, and security control system to ensure employee security. We appoint a professional	

Item	Implementation			Deviation and causes of deviation from the Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies
	Yes	No	Summary description	

		company inspect public security and have obtained the building public security independent inspection certificate of approval. We regularly appoint professional companies to repair or maintain various mechanical and electrical or firefighting equipment,air condition and Water dispenser. Office are strictly smoke-free as per regulations to prevent the occurrence of fire incidents. No occupational accidents occurred in 2023.
	Customer privacy	The company implements a privacy policy and protection mechanism to ensure the protection of customer privacy. Any suspected incidents or issues regarding customer data security will be promptly reported to minimize the risks associated with such occurrences.
Governance	Anti-corruption	The Company has formulated the Ethical Corporate Management Best Practice Principles, the Procedures for Ethical Management and Guidelines for Conduct, an internal control system, a delegation system, division of labor, and other anti-fraud measures; carry out internal audits and internal control

Item	Implementation				Deviation and causes of deviation from the Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies
	Yes	No	Summary description		
				self-assessments; and provides channels for reporting violations of business ethics to duly implement anti-corruption measures.	
			Information security	The Company keeps trade secrets strictly confidential. Employees are not allowed to inquire about or collect suppliers' and clients' trade secrets, trademarks, patents, and other intellectual property rights not related to their jobs. We signed the non-disclosure agreements (NDA) to protect their trade secrets. Information security measures adopted include anti-virus software installed on personal computers used by all employees, and anti-virus software used to detect viruses in external storage media, and the latest version of virus patterns automatically updated, and emails and attached files thereto scanned to confirm virus-free before being sent or received by the Company's email server, all illegal intrusions into the Company's network detected and blocked around the clock, as well as a defense mechanism adjusted in a timely manner.	
			Socioeconomic compliance	The Company complies with laws and regulations,	

Item	Implementation: Yes	Implementation: No	Implementation: Summary description	Deviation and causes of deviation from the Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies
			such as the trade laws in Taiwan and China and international standards, to ensure that our business operations are eco-friendly and in alignment with ethical conduct.	
III. Environmental issues (I) Does the company have an appropriate environmental management system established in accordance with its industrial characteristics?	✓		The environmental management of the Company's domestic and overseas plants is handled in accordance with local government laws and regulations. United Electric Wire (KunShan) Co., Ltd., Cablex Wire And Cable (KunShan) Mfg., Copartner Technology (ShenZhen) Co., Ltd., and ShenZhen Copartner Communication Co., Ltd. in China have all obtained ISO 14001 environmental management system certification to effectively prevent and control environmental pollution and improve the resource and energy efficiency, while we adopt RoHS as our production target in line with clients' requirements and the international environmental protection trends. The latest certificate of United Electric Wire (KunShan) Co., Ltd. is valid from November 25, 2021 through November 24, 2024, that of Copartner Technology (ShenZhen) Co., Ltd. is valid from February 22, 2022 through March 23, 2025, and that of ShenZhen Copartner Communication Co., Ltd. is valid from January 13, 2022 through January 23, 2025. and that of Cablex Wire And Cable (KunShan) Mfg. is valid from February 14, 2022 through February 13, 2025.Relevant information is available on our official website: http://www.copartner.com.tw/front/bin/ptlist.phtml?Category=101774	None
(II) Is the company committed to	✓		In recent years, energy shortages and global carbonization have exacerbated. To respond to and	

Item	Implementation			Deviation and causes of deviation from the Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies
	Yes	No	Summary description	
enhancing the power efficiency and using renewable materials that are with low impact on the environmental impacts?			reduce the impact of environmental changes, we continue to implement energy conservation and carbon reduction measures. Such measures are stated below: 1. Adopting energy-saving equipment in offices We have adopted energy-saving energy-efficiency LED lights in our offices in compliance with the energy-saving and carbon reduction policy. 2. Raising awareness of energy conservation and carbon reduction Putting up energy-saving slogans at lighting and air-conditioning switches and continuing to hold activities to raise awareness of greenhouse gas reduction. 3. Resource use and recycling We recycle copper and PVC pellets, print paper, and water, to increase the resource use rate and reduce our impact on the environment, thereby enabling the sustainable use of resources on Earth.	
(III) Has the Company assessed its current and future potential risks and opportunities of climate change and taken countermeasures against climate-related issues?	✓		The Company is a manufacturer. In response to climate change issues, we recycle and reuse materials and have VOCs treatment facilities in place, so that the waste gas from the PVC pellet production process can be collected and treated to meet the emission standards, to greatly reduce the emissions. In addition, we have taken measures to update equipment, replace old lamps with LED ones, save water, turn off lights, and controlling the air conditioning temperature to cope with climate change issues. The Company also continues to assess the potential risks and opportunities caused by climate change to ensure the stability of our operations and maintain our competitiveness.	
(IV) Has the Company counted the greenhouse gas emissions, water consumption, and total weight of waste over the past	✓		Due to the characteristics of the industry, the Company only uses a small amount of water to cool the wires during the manufacturing process and have a water circulation system in place to recycle water. In addition, no gas is generated from the wire manufacturing process, and our PVC pellet plant is equipped with VOCs treatment facilities collect and treat the waste gas	

Item	Implementation			Deviation and causes of deviation from the Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies
	Yes	No	Summary description	
two years and formulated policies on greenhouse gas reduction, water consumption reduction, or other waste management?			from the production process and discharge it only after meeting the emission standards. With the facilities, the discharge volume can be reduced by up to 65%. We are committed to minimizing the impact of operations on the environment. In addition, we adopt energy-saving and carbon reduction measures, implement energy-saving management plans for offices, factories, and public areas, adopt energy-saving lamps comprehensively, and raise employees' awareness of saving water, turning off lights when necessary, controlling the air-conditioning temperature, taking the stairs more and the elevator less, as well as recycling print paper and copper and other materials, to reduce the impact of our operations on the environment.	
IV. Social issues (I) Does the Company have the relevant management policies and procedures stipulated in accordance with the relevant laws and regulations and international conventions on human rights?	✓		The Company has established an internal control system and formulated human resources management rules in accordance with Labor Standards Act, Employment Services Act, Gender Equality in Employment Act, and other applicable laws and the International Bill of Human Rights to ensure that employees are not treated differently due to race, gender, age, or religion, or party affiliation in the recruitment, assessment, and promotion process. The company prohibits workplace bullying and provides channels for complaints, ensuring that each employee is treated with due respect and fairness.	None
(II) Has the company established and implemented reasonable employee welfare measures (including remuneration, leave, and other benefits) and appropriately reflected business performance and	✓		The company regularly holds labor-management meetings and establishes a employee welfare committee to promote interaction and communication among all employees. The company complies with the Labor Standards Act and applicable laws and regulations to formulate various salary and benefit measures for employees, provide a leave of absence and flextime system that are better than legal requirements, various insurance, and subsidies, and proactively implement diverse employee activities to attract and retain outstanding employees. Our excellent talents are from	

Item	Implementation			Deviation and causes of deviation from the Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies
	Yes	No	Summary description	
achievements in the remuneration for employees?			diverse backgrounds. As of May 15, 2024, 88.89% of our employees have a bachelor's degree or above; female employees account for 42.86% of the total employees; and female managers account for 33.33% of all managers. The Company upholds the principle of profit sharing and raises employees' salary appropriately and distributes employee remuneration through employee evaluations and annual operating results, to reflect our operating performance in employee remuneration.	
(III) Does the Company provide employees with a safe and healthy work environment, and provide safety and health education to employees regularly?	✓		The Company's office entrances and exits are equipped with an access control, monitoring, and security control system to ensure employee security. We appoint a professional company inspect public security every two years and have obtained the building public security independent inspection certificate of approval. We regularly appoint professional companies to repair or maintain various mechanical and electrical or firefighting equipment and report to the competent authority. We regularly repair or maintain the air-conditioning equipment per year; the water dispenser equipment every two months. We conduct self-defense fire exercises every six months and prohibit smoking at business premises in accordance with laws. We hire cleaners to clean the office environment every day to ensure a clean and healthy work environment. We provide hygiene products, such as alcohol and masks, to employees in the offices, organize health examination for employees per year, and continue to care for employees' physical and psychological health. We hold labor-management meetings every three months to reinforce labor-employment collaboration. We prohibits workplace bullying and have the regulations for establishing Measures of Prevention, Correction, Complaint and Punishment of Sexual Harassment at Workplace in place to protect employees' rights, ensuring that each employee is treated with respect and fairness. We organize health examination for employees	

Item	Implementation			Deviation and causes of deviation from the Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies
	Yes	No	Summary description	
			and provide subsidies per year; have full-time health administrators in place to provide health consultation service and advice. Each office has an emergency response contact point to provide effective emergency response guidance in case of any emergency. We invite doctors to the Company to provide medical consultation services on-site and hold relevant health seminars from time to time to enhance employees' medical knowledge. We have blood pressure monitors set up at designated locations in each workplace to ensure employees' health. In addition to alleviating employees' concern at work, we pay equal attention to their family members and provide them and their family members with health examination discounts. We purchase group insurance for each employee and travel insurance additionally for those on a business trip. We also purchase commercial fire insurance, plus theft insurance, for offices and plants, to provide employees with a safe and healthy work environment. The company has no fire incidents in 2023.	
(IV) Does the Company have an effective career capacity development training program established for the employees?	✓		The company has internal job rotation and arranges training programs according to organizational needs, employees' daily performance, personality traits, and career aspirations to enrich job content. These enable employees to acquire new knowledge and skills, thereby enhancing their professional standards. Additionally, we encourage employees to cultivate a spirit of self-learning and continuous improvement to achieve personal growth goals and increase competitiveness in future careers.	
(V) Does the company comply with the related laws and regulations and international standards regarding the customer health	✓		The Company's products are not directly sold to consumers. We attach great importance to clients' opinions. In addition to visiting them, we provide them with means to ask questions, file complaints, or make suggestions on the Company's website. Based on the principle of good faith, we properly respond and give feedback to protect their rights.	

Item	Implementation			Deviation and causes of deviation from the Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies
	Yes	No	Summary description	
and safety, customer privacy, marking communication, and labeling of its products and services and establish policies to protect the rights and interests of customers and procedures for grievances?				
(VI) Has the company established policies for management to request suppliers to comply with the relevant laws and regulations of environmental protection, occupational safety and health, and labor human rights? Does the company keep track on the implementation of such policies?	✓		The Company has the Supplier Evaluation Management Regulations in place, attach great importance to the protection of the environment and society, and select honest suppliers, and visit suppliers from time to time to assess their suitability. All suppliers should live up to the same philosophy as the Company, and should not be involved in violations of environmental protection, occupational safety and health, and labor rights. In the case of a violation, the Company will terminate and cancel the contract at any time and blacklist the supplier.	None
V. Has the Company referred to the internationally accepted reporting standards or guidelines to prepare reports, such as ESG reports that discloses the Company's non-financial		✓	The Company has not yet prepared an ESG Report, but to achieve sustainable development, the Company has formulated the Sustainable Development Best Practice Principles and implemented relevant policies, strategies, and measures in accordance with the principles. In the future, we will implement measures accordingly and fulfill our corporate social responsibility.	At present, the company does not need tio prepare an ESG report yet

Item	Implementation			Deviation and causes of deviation from the Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies
	Yes	No	Summary description	
information? Did the Company apply for assurance or guarantee of such reports to a third-party certification body?				

VI. If the Company has established the corporate social responsibility principles based on "the Corporate Social Responsibility Best-Practice Principles for TWSE/TPEx Listed Companies," please describe any discrepancy between the principles and their implementation:
The Company has formulated the Sustainable Development Best Practice Principles to fulfill our various social responsibilities. There is no major difference between our implementation and the principles.

VII. Other important information for the implementation of sustainable development:

(I) Social charity: Fulfilling corporate social responsibility and promoting sustainable development is the Group's commitment to maximizing the values for shareholders. Recently, we have held social charity activities such as serving as environmental volunteers at the Wugu Wetland Ecological Park magazine, donating materials to child asylums, cleaning the environment, working with social welfare groups to recruit visually impaired masseurs to provide massage services to all employees at the company and participating in the Mother's Day Cake Fundraising Project organized by the Children Are Us Foundation and donated Mother's Day cakes to contribute our share and give back to disadvantaged groups.
After the COVID-19 pandemic, life returns to normal in 2023, the company encourages employees to actively participate in social welfare activities. At the end of November, we organized a beach cleaning event in Waimushan, Keelung. Through this beach cleaning activity, we realized the importance of reducing plastic usage and environmental protection, contributing our efforts to maintaining a clean environment.

(II) Stakeholders: The Company attaches great importance to stakeholders' rights and interest and have set up the Stakeholders section on our official website as a communication platform, thereby learning about stakeholders' reasonable expectations and needs, either economically or environmentally, complaints, or suggestions. The Company upholds the principle of good faith to properly respond and provide feedback or improvement plans to facilitate effective communication.

VI. Climate-related information for listed and over-the-counter companies

1. Implementation status of climate-related information

<table>
<tr><th>Items</th><th>Execution status</th></tr>
<tr><td>I. Describe the board of directors and management oversee and govern climate-related risks and opportunities through several mechanisms:</td><td>The governance of climate-related risks and opportunities is a sustainability-related issue, overseen by the General Manager's Office of the company, responsible for proposing and implementing relevant policies, systems, management guidelines, and specific action plans. It is anticipated that an annual report will be submitted to the Board of Directors. The board of directors serves as the highest decision-making body for climate change risk management. The board of directors, along with senior management, should continuously supervise the relevant units responsible for implementation and pay attention to the impact of domestic and international climate-related risks on the company's operations.</td></tr>
<tr><td>II. Describe how identified climate risks and opportunities impact the business, strategies, and finances of the company (short-term, medium-term, long-term).</td><td>
<table>
<tr><th>Risk issues for climate change</th><th>Risk level</th><th>Terms</th></tr>
<tr><td>Enhanced emission disclosure</td><td>Medium</td><td>short-term</td></tr>
<tr><td>Increased severity of extreme weather events</td><td>Medium</td><td>short-term, medium-term, long-term</td></tr>
<tr><td>Rising raw material costs</td><td>High</td><td>short-term, medium-term, long-term</td></tr>
<tr><td>Changes in customer behavior</td><td>Medium</td><td>short-term, medium-term,</td></tr>
<tr><td>Transition costs for low-carbon technologies</td><td>Medium</td><td>short-term, medium-term,</td></tr>
</table>
<table>
<tr><th>Opportunity issues for climate change</th><th>Opportunity level</th><th>Terms</th></tr>
<tr><td>Reduce water usage and consumption</td><td>Low</td><td>short-term, medium-term, long-term</td></tr>
<tr><td>Optimize production</td><td>Medium</td><td>medium-term, long-term</td></tr>
<tr><td>Use low-carbon energy</td><td>Medium</td><td>medium-term, long-term</td></tr>
<tr><td>Participate in carbon trading markets</td><td>Medium</td><td>long-term</td></tr>
</table>
Terms scope explanation: Short-term refers to 1-3 years, medium-term refers to 3-10 years, and long-term refers to 10 years or more.</td></tr>
<tr><td>III. Describe the financial impact of extreme weather events and transition actions.</td><td>Due to the increasing frequency of extreme weather events caused by global warming, and as our company's main production facilities are located in mainland China, there is a higher occurrence of typhoons, heavy rain, and even snowstorms. This may lead to operational disruptions such as flooding, snow accumulation, and inability of personnel to report to work, which could result in financial losses upon assessment. Our company's response measures include routine maintenance of drainage systems in the facilities and establishment of emergency response plans for heavy rainfall to mitigate risks. Each facility is equipped with waterproofing engineering and natural disaster insurance, hence the impact of such risks on overall operations is relatively minor.
Furthermore, in response to climate change and to facilitate transition, our</td></tr>
</table>

Items	Execution status
	company is actively implementing measures. Due to the nature of our industry, water usage in our production process is minimal, and we have installed water recycling systems to reuse water efficiently. Through employee energy-saving advocacy, we promote water conservation. We also reduce energy usage through equipment upgrades, replacement of LED lighting, energy management in public areas, and recycling of materials in production. Facility optimization plans are underway to provide the best production configuration, and we are evaluating participation in carbon trading markets. These transition measures currently have minimal impact on the company's finances and operations.
IV. Describe how the identification, assessment, and management processes of climate risks are integrated into the overall risk management system.	Our company's process for identifying and assessing climate-related risks and opportunities is as follows: 1. Collection of climate-related risk and opportunity issues Collecting climate-related risk and opportunity issues generated by the industries to which our company belongs. 2. Inventory and analysis of risk items. Analyze based on the time interval of risk occurrence, likelihood of occurrence, and degree of impact. 3. Inventory and analysis of opportunity items Assess based on the time interval of opportunity occurrence and likelihood of occurrence. 4. Assessment of financial impacts of risks and opportunities. Assess the potential financial impact and extent of risk/opportunity based on the likelihood of occurrence and the level of operational impact. 5. Assessment and discussion by senior management. The relevant plans and identifications proposed by the General Manager's Office are evaluated and discussed by senior management. 6. Planning and reporting of response strategies. Assess and plan response strategies based on risks and opportunities, considering financial impacts
V. If using scenario analysis to assess resilience to climate change risks, it should describe the scenarios, parameters, assumptions, analytical factors, and major financial impacts involved.	The company has not yet employed scenario analysis to further assess the resilience to climate change risks. We plan to develop considerations based on legal requirements or the extent of climate change impact on the company when deemed necessary.

Items	Execution status
VI. If there is a transformation plan to address and manage climate-related risks, describe the content of the plan, as well as the indicators and objectives used to identify and manage physical risks and transition risks.	The company has not yet established a transition plan for managing climate-related risks. We anticipate developing relevant standards based on legal requirements and referencing recommendations from the Task Force on Climate-related Financial Disclosures (TCFD) as well as considering climate change-related financial disclosures.
VII. If using internal carbon pricing as a planning tool, the basis for price determination should be explained.	The company has not yet utilized internal carbon pricing as a planning tool. We plan to establish relevant standards based on legal requirements and reference recommendations from the Task Force on Climate-related Financial Disclosures (TCFD) regarding climate change-related financial disclosures.
VIII.If climate-related targets are set, the covered activities, scope of greenhouse gas emissions, planning timeframe, annual progress, etc., should be specified. If carbon offsetting or Renewable Energy Certificates (RECs) are used to achieve the targets, the source and quantity of offset carbon credits or the number of RECs should be explained.	The company has not yet established climate-related goals. In the future, we will conduct research and deliberation on developing relevant plans focusing on comprehensive climate risk and opportunity considerations.
IX. Inventory and assurance of greenhouse gas emissions, along with reduction targets, strategies, and specific action plans (to be filled in sections 1-1 and 1-2)	The company has not conducted a greenhouse gas inventory. We plan to comply with legal requirements and complete the inventory and verification by December 2028.

(VII) Performance in ethical corporate management inconsistency with the "Ethical Corporate Management Best Practice Principles for TWSE/TPEx Listed Companies"

Assessment Items	Actual governance			Variation from the Ethical Corporate Management Best Practice Principles for TWSE/TPEx -Listed Companies and the reasons
	Yes	No	Summary description	
I. Business Integrity Policy and action plans (I) Has the Company established policies for ethical corporate management approved by the board of directors and stated such policies and practices in its regulations and external documents and in the commitment made by the board of directors and senior management to actively implement such policies?	✓		The Company has formulated the Ethical Corporate Management Best Practice Principles as approved by the Board of Directors, which then approved the amendments thereto according to the latest law in 2019. In December 2022, the Board of Directors resolved a decision to formulate the Procedures for Ethical Management and Guidelines for Conduct, which is disclosed on our official website as a statement of our ethical management policy and practice, while the Company required our directors and senior managers to issue a statement of ethical management to declare their commitment to actively implementing the ethical management policy.	None
(II) Has the Company established an assessment mechanism of risk from unethical behavior to regularly analyze and assess business activities with higher risk of involvement in unethical behavior and preventive programs for unethical behaviors containing at least the preventive measures stated in Paragraph 2, Article 7 of the "Ethical Corporate Management Best Practice Principles for TWSE/TPEx-Listed Companies"?	✓		The Company has the code of ethical conduct for directors and managers and a code of ethical conduct for employees in place to guide our directors, managers at all levels, and all employees to comply with the ethical standards and allow our stakeholders to better understand our ethical standards. The code can also be adopted as a code of conduct followed by all our employees. In addition to incorporating the code into the training materials for new employees, we require managers at all levels to lead by example and put it into practice in daily management. We have formulated prevention plans, analyzed business activities with a higher risks of unethical conduct, and strengthened relevant preventive measures.	

Assessment Items	Actual governance			Variation from the Ethical Corporate Management Best Practice Principles for TWSE/TPEx -Listed Companies and the reasons
	Yes	No	Summary description	
(III) Has the Company established in the preventive programs the operating procedures for unethical behavior prevention, penalties and grievance systems of breaching the guidelines for conduct, and implemented and periodically review them?	✓		Under the framework of the Ethical Corporate Management Best Practice Principles, the code of ethical conduct for directors and managers, and the code of ethical conduct for employees, the Company has clearly formulated the Procedures for Ethical Management and Guidelines for Conduct to specifically regulate our personnel when performing duties at work, including specifying the operating procedures and guidelines for conduct, a punishment and complaint system for violations, and the scope of application that applies to the Company, our subsidiaries, and other organizations or juridical persons with substantive control over the Company. We increase new employees' awareness and put such regulations into practice. Our internal audit department also plays a crucial role in ensuring compliance with professional ethics and laws and regulations. To ensure that our employees' behavior is in compliance with applicable rules and regulations, standards, procedures, and laws, our internal audit department performs various audits in accordance with the annual audit plan approved by the Board of Directors and reports the relevant audit results and improvement plan follow-up to the Board of Directors and the management team, to ensure the implementation of various management rules to prevent unethical conduct. At the end of each year, when the Board of Directors submits an annual report on the implementation of ethical corporate management to reexamine if the Company's Ethical Corporate Management Best Practice Principles need to be amended.	

Assessment Items	Actual governance			Variation from the Ethical Corporate Management Best Practice Principles for TWSE/TPEx -Listed Companies and the reasons
	Yes	No	Summary description	
II. Proper enforcement of business integrity (I) Does the Company have the integrity of the trade counterparty assessed and with the code of integrity expressed in the contract signed?	✓		Before forming a business tie with another party, the Company will first evaluate its legitimacy, ethical management policy, and if it has ever been involved in unethical conduct, to ensure that its business operations are fair and transparent and will not require, provide, or accept bribe.	None
(II) Has the Company established a dedicated (concurrent) unit to implement ethical corporate management under Board of Directors and report regularly (at least once a year) to BOD the status of implementation and supervision of ethical management policy and preventive programs of unethical behavior?	✓		The Company has designated the General managers' Office as a unit dedicated to promoting ethical corporate management, including ethical management policy awareness raising, the formulation, implementation, and monitoring of the implementation of the ethical management policy and preventive measures, to ensure proper implementation of the Ethical Corporate Management Best Practice Principles. The Company regularly reports to the Board of Directors per year on the ethical management policy and the monitoring of the prevention of unethical conduct during the prior year and assist the Board of Directors in evaluating if our ethical management prevention measures are effective. The implementation during 2023 is as follows: 1. We sent an email irregularly to raise employees' awareness of the type of insider shareholding change reporting in violation of the Securities and Exchange Act. 2. We sent an email to all employees regarding the Company's rules of ethical management and professional ethics. 3. We sent an email to inform employees of the self-regulatory regulations on M&A information disclosures and the laws and regulations on the procedures for	

<table>
<tr><th rowspan="2">Assessment Items</th><th colspan="3">Actual governance</th><th rowspan="2">Variation from the Ethical Corporate Management Best Practice Principles for TWSE/TPEx -Listed Companies and the reasons</th></tr>
<tr><th>Yes</th><th>No</th><th>Summary description</th></tr>
<tr><td></td><td></td><td></td><td>handling material inside information.
4. We reiterated the relevant rules that prohibit insiders, such as directors or employees, from profiting using the undisclosed information in the market in the Stakeholders section on our official website.
5. We have disclosed the whistleblowing channels in the Stakeholders section on our official website, including phone number and email, to help stakeholder identify issues and increase their communication means.</td><td></td></tr>
<tr><td>(III) Does the Company have developed policies to prevent conflicts of interest, provided adequate channel for communication, and substantiated the policies?</td><td>✓</td><td></td><td>The Company’s Ethical Corporate Management Best Practice Principles, Procedures for Ethical Management and Guidelines for Conduct, the code of ethical conduct for directors and managers, and the code of ethical conduct for employees have clearly defined a policy to prevent conflicts of interest, and we have required all units to follow accordingly. Moreover, our personnel present at the board meetings who have personal interest involved in the proposals listed on the board meeting agenda proceeded in accordance with Article 16 of the company’s Rules of the Procedure for Board of Directors Meetings on directors’ recusal due to conflicts of interest. Also, the contact numbers and emails on the official website are available for internal and external personnel to report unethical conduct or misconduct.</td><td></td></tr>
<tr><td>(IV) Has the Company established an effective accounting system and an internal control system for the internal audit unit to establish related audit programs based on the results</td><td>✓</td><td></td><td>The Company has established and followed an effective accounting system and an internal control system, and our internal auditors regularly check on the compliance with the accounting system, the internal control system, and relevant rules and report</td><td></td></tr>
</table>

Assessment Items	Actual governance			Variation from the Ethical Corporate Management Best Practice Principles for TWSE/TPEx -Listed Companies and the reasons
	Yes	No	Summary description	
of risk assessment of involvement in unethical behavior to audit and prevent the compliance with the preventive programs of unethical behavior or hire a CPA to perform the audit? (V) Has the Company organized corporate management internal and external education and training programs on a regular basis?	 ✓		the audit results to the Board of Directors at each board meeting. Moreover, the Company conducts the annual internal control self-assessment per year, each of our departments should examine its internal control system to ensure the effectiveness of the system design and implementation. The Company discloses the Ethical Corporate Management Best Practice Principles and the Procedures for Ethical Management and Guidelines for Conduct in the Corporate Governance section on the official website and informs all employees, directors, or insiders of the applicable regulations on ethical management by email from time to time, while raising their awareness of ethical management through education and training and managers' meetings.	
III. The operations of the Company's Report System (I) Does the Company have a specific report and reward system stipulated, a convenient report channel established and a responsible staff designated to handle the individual being reported?	 ✓		 As per the regulations on the whistleblowing system under Article 23 of the Ethical Corporate Management Best Practice Principles, Article 21 of the Procedures for Ethical Management and Guidelines for Conduct, Article 13 of the code of ethical conduct for directors and managers, and Article 24 of the code of ethical conduct for employees, any violation of the ethical conduct rules in the Group should be reported to independent directors, immediate managers, the President, the human resources officer, the chief internal auditor, or other appropriate personnel. In addition, there is a channel for reporting violations of professional ethics by relevant personnel disclosed on the official website. During 2023, no major violation was reported by internal or external personnel. After	None

Assessment Items	Actual governance			Variation from the Ethical Corporate Management Best Practice Principles for TWSE/TPEx -Listed Companies and the reasons
	Yes	No	Summary description	
			investigation and confirmation, internal whistleblowers will be rewarded as appropriate in accordance with the human resources management regulations.	
(II) Has the Company established standard operating procedures for investigating reported events, follow-up measures to be taken after the investigation was completed, and related confidentiality mechanisms?	✓		As per Article 23 of the Ethical Corporate Management Best Practice Principles and Article 21 of the Procedures for Ethical Management and Guidelines for Conduct, report acceptance and investigation process and results should be recorded and stored, and relevant personnel should issue a written statement to keep whistleblowers' identity and the content of the reports confidential. If it is confirmed that the person being reported has violated the applicable laws or the Company's ethical management policy and regulations, we will immediately ask the violator to stop the relevant conduct and handle it appropriately, while reporting the handling method and subsequent review and improvement measures to the Board of Directors. No such a thing occurred during 2023.	
(III) Has the Company taken proper measures to protect the whistle-blowers from suffering any consequence of reporting an incident?	✓		As per Article 23 of the Ethical Corporate Management Best Practice Principles and Article 21 of the Procedures for Ethical Management and Guidelines for Conduct, the relevant personnel handling whistleblowing should issue a written statement to keep whistleblowers' identity and the content of the reports confidential and promise to protect whistleblowers from being improperly treated due to whistleblowing.	
IV. Enhanced information disclosure Does the Company have the contents of corporate management and its	✓		The Company has disclosed the principles and related information on the official website, the MOPS, and annual reports in	None

<table>
<tr><th rowspan="2">Assessment Items</th><th colspan="3">Actual governance</th><th rowspan="2">Variation from the Ethical Corporate Management Best Practice Principles for TWSE/TPEx -Listed Companies and the reasons</th></tr>
<tr><th>Yes</th><th>No</th><th>Summary description</th></tr>
<tr><td>implementation disclosed on the website and MOPS?</td><td></td><td></td><td>accordance with Article 25 of the Ethical Corporate Management Best Practice Principles. We have the Corporate Governance section on the official website to discloses the Procedures for Ethical Management and Guidelines for Conduct, the code of ethical conduct for directors and managers, and the code of ethical conduct for employees, as well as the internal awareness-raising events held during the year.</td><td></td></tr>
<tr><td colspan="5">V. If the Company has formulated its own Ethical Corporate Management Best Practice Principles as per the Ethical Corporate Management Best Practice Principles for TWSE/TPEx Listed Companies, please specify the difference between its operation and the principles: The Company has formulated the Ethical Corporate Management Best Practice Principles to establish and develop a corporate culture of ethical management. There is no difference between the implementation and the principles.</td></tr>
<tr><td colspan="5">VI. Other important information that facilitates the understanding of the Company’s ethical management (e.g., reviewing and amending the Company’s corporate governance best practice principles): The amendments to the Company’s Procedures for Ethical Management and Guidelines for Conduct have been approved by the Board of Directors on December 23, 2022 in response to the amended law. Moreover, the Company timely arranges for directors and managers to receive corporate governance education and training and conveys the importance of integrity to them, thereby improving the effectiveness of corporate governance and duly implementing ethical management.</td></tr>
</table>

(VIII) If the Company has formulated the corporate governance best practice principles or relevant regulations, it shall disclose where to access it: The Company has the Corporate Governance section in place under the Investors section under the Stakeholders section for investors to check rules and regulations on corporate governance.

(IX) Other important information that may facilitate the understanding of the operation of corporate governance: The information on the operation of corporate governance is available in the Investors section on the official website.

Directors continuing education during 2023:

Title	Name	Training date	Organizer	Course name	Training hours
Director	Ho, Chun-Hsien; Wang, Shih-Tsung; Chen, Hung-Yao; Cheng, Chin-Hung; Hsu, Yung-Chen; Li, Chien-Jan Wu, Li-Ching	09/08/2023	Securities and Futures Institute	Corporate governance and management-BI&OKR	3 hours
Director	Ho, Chun-Hsien; Wang, Shih-Tsung; Chen, Hung-Yao; Cheng, Chin-Hung; Hsu, Yung-Chen; Li, Chien-Jan Wu, Li-Ching	09/08/2023	Securities and Futures Institute	Response to the new global situation	3 hours
Director	Wu, Li-Ching	04/09/2023	Financial Supervisory Commission	14th Taipei Corporate Governance Forum	6 hours
Director	Cheng, Chin-Hung	12/09/2023	Corporate Governance Association in Taiwan	Corporate growth strategy and external innovation	3 hours
Director	Cheng, Chin-Hung	24/10/2023	Corporate Governance Association in Taiwan	Applications, Law, and Audit of AI	3 hours

Managers’ continuing education during 2023:

Title	Name	Training date	Organizer	Course name	Training hours
CEO; Corporate Governance officer	Liao, Wen-Hung Cheng, Shu-Ching	09/08/2023	Securities and Futures Institute	Corporate governance and management-BI&OKR	3 hours
CEO; Corporate Governance officer	Liao, Wen-Hung Cheng, Shu-Ching	09/08/2023	Securities and Futures Institute	Response to the new global situation	3 hours
Corporate Governance officer	Cheng, Shu-Ching	27/04/2023	TWSE	Sustainable Development Action Plans for TWSE- and TPEx-Listed Companies (2023)	3 hours

Title	Name	Training date	Organizer	Course name	Training hours
Corporate Governance officer	Cheng, Shu-Ching	26/05/2023	Ministry of Environment, Executive Yuan	Green Chemistry Co-creating Sustainability	3 hours
Corporate Governance officer	Cheng, Shu-Ching	04/07/2023	TWSE	2023 CATHAY Sustainable Finance and Climate Change Summit	3 hours
Corporate Governance officer	Cheng, Shu-Ching	22/11/2023	Securities and Futures Institute	Internal Personnel Stock Ownership Transaction Legal Compliance Advocacy Seminar	3 hours
Corporate Governance officer	Cheng, Shu-Ching	From 16/03/2023 to 24/03/2023	Accounting Research and Development Foundation	The inaugural training program for the accounting supervisors	30 hours

(X) Implementation of the internal control system

1. Declaration of Internal Control Policies

Copartner Technology Corp.

Declaration of Internal Control Policies

Date: March 13, 2024

The following declaration is based on the 2023 self-audit over the Company's internal control policies:

I. The Company is aware that the establishment, execution, and maintenance of its internal control policies are the responsibilities the Company's board of directors and managers. These policies were implemented throughout the Company. The purpose is to provide a reasonable assurance on the achievement of the goals, including the effectiveness and efficiency of operations (including profitability, performance and security of assets, etc.) and the report with effectiveness, timeliness, transparency, and compliance with the relevant requirements and regulations and laws.

II. Internal control policies are prone to limitations. No matter how robustly designed, effective internal control policies merely provide reasonable assurance to the achievements of the three goals above. Furthermore, environmental and situational changes may affect the effectiveness of internal control policies. However, self-supervision measures were implemented within The Company's internal control policies to facilitate immediate rectification once procedural flaws have been identified.

III. Pursuant to the "Regulations Governing the Establishment of Internal Control Systems by Listed Company" (hereinafter referred to as "Governing Regulations"), the Company should study and judge whether the Company's internal control system is effective in design and implementation. The criteria introduced by "The Governing Principles" consisted of five major elements, each representing a different stage of internal control: 1. Control environment, 2. Risk evaluation and response, 3. Procedural control, 4. Information and communication, 5. Supervision. Each element further contains several items. Please refer to "The Governing Principles" for details.

IV. The Company has adopted the aforementioned judgment items for the internal control system to evaluate the effectiveness of the Company's internal control system in both design and implementation.

V. On the grounds of the outcome of evaluation mentioned in the preceding Paragraph, the Company firmly holds that the Company's internal control system as of December 31, 2023 (including supervisory control and management over subsidiaries), notably the effect of the business operation, extent of accomplishment of the target where the report proves trustworthy, transparent in real time, the design and implementation of the Company's internal control system proves effective, capable of assuring accomplishment of the aforementioned targets.

VI. This declaration forms part of the main contents of the Company's annual report and prospectus, and shall be disclosed to the public. Any illegal misrepresentation or non-disclosure relating to the public statement above are subject to the legal consequences under Articles 20, 32, 171, and 174 of the Securities and Exchange Act.

VII. The present Internal Control Statement was approved in the Board of Directors meeting convened on March 13, 2024 which was attended by all directors among whom 0 director objected. All present directors unanimously responded with consent to the contents of the Statement. This is another point duly clarified herewith.

Copartner Tech Corp.

Chairman: Ho, Chun-Hsien

CEO: Liao, Wen-Hung

2. For those who appointed a CPA to conduct an ad-hoc review of the internal control system, the CPA's review report shall be disclosed: The Company did not appoint a CPA to conduct an ad-hoc review of the internal control system, so no review report is available.

(XI) If there has been any legal penalty against the Company and its internal personnel, or any disciplinary penalty by the Company against its internal personnel for violation of the internal control system, during the last year and up to the publication date of this annual report, where the result of such penalty could have a material effect on shareholders' equity or securities prices, the penalty, the main defects, and the improvements made shall be disclosed: None.

(XII) The important resolutions by the shareholders' meeting and the Board of Directors adopted and implementation during 2023 and up to May 15, 2024:

Date of shareholders' meeting	Important resolution	Implementation
June 30, 2023 Annual Shareholders Meeting	Ratified the proposal for the Company's 2022 Business Report and financial Report	Announced prior to the deadline
	Ratified the Company's 2022 earnings distribution Table proposal	Announced prior to the deadline
	Proposal for general re-election of directors and independent directors.	Re-election 7 directors: Including 4 general directors and 3 independent directors
	Proposal to amend the "Rules of Procedure for Shareholders Meetings"	Uploaded and reported
	Approved the proposal to remove the non-compete restrictions for the company's new directors	Announced prior to the deadline

Date of board meeting	Important resolution	Implementation
March 29, 2023 Board meetings (1st 2023)	Approved the proposal for the Company's 2022 employee remuneration and directors' remuneration	Reported to the 2023 Annual Shareholders Meeting.
	Approved the proposal to issue the Company's 2022 Statement of the Internal Control System	Proceeded as approved
	Approve the Company's "Procedures for the Selection and Appointment of Directors"	Submitted to the 2023 Annual Shareholders Meeting for resolution
	Approve the Company's "Code of Conduct for Financial Business among Relationships"	Proceeded as approved
	Approve the Company's "Code of Practice on Sustainable Development"	Reported to the 2023 Annual Shareholders Meeting.
	Approve the Company's "Code of Practice on Corporate Governance"	Proceeded as approved
	Approve the Company's "Standard Operating Procedure for Handling Directors' Requests"	Proceeded as approved
	Approve the Company's "Implementation Points for Director Training"	Proceeded as approved
	Approve the Company's "Scope of Responsibility Rule for Independent Directors"	Proceeded as approved
	Approved the proposal for the Company's 2022 annual business report and financial report	Submitted to the 2023 Annual Shareholders Meeting for ratification
	Approved the proposal for the Company's 2022 earnings distribution	Earnings distribution table is submitted to the 2023 Annual Shareholders Meeting for ratification
	Approve the Company's cash distribution from capital surplus	Reported to the 2023 Annual Shareholders Meeting
	Approve the proposal to evaluate the independence, fitness assessment and compensation of the Company's certified CPA	Proceeded as approved
	Approve the proposal to general reelect the directors and independent directors	Already awaiting submission for the election at the 2023 Annual Shareholders Meeting.
	Approved the proposal to remove the non-compete restrictions for the Company's managers	Proceeded as approved
	Approve the proposal to remove the non-compete restrictions for the new director of the Company	Submitted to the 2023 Annual Shareholders Meeting for resolution
	Approved the proposal to convene the Company's 2023 Annual Shareholders Meeting	Convened the 2023 Annual Shareholders Meeting as per law
	Approved the proposal to accept shareholder proposals and handle related matters	Proceeded as approved

Date of board meeting	Important resolution	Implementation
	Approve the proposal to accept shareholder director nominations related to the operational issues	Proceeded as approved
	Approve the proposal to nominate director candidates and candidature examination by the Board of Directors of the Company	Proceeded as approved
May 10, 2023 Board meetings (2nd 2023)	Approved the 1% shareholder nomination director nominee examination and director candidate list confirmation	Has already elected of the 2023 Annual Shareholders Meeting for election
	Approved the proposal for the Company's financial statements for 2023Q1	Proceeded as approved
	Approved the proposal to regularly review the board performance evaluation indicators and make suggestions.	Proceeded as approved
	Approved the proposal for the remuneration adjustment to managers.	Proceeded as approved
	Approved the proposal to distribute the Company's 2022 managers' performance bonus.	Proceeded as approved
	Approved the company's 2022 director and manager remuneration assessment proposal	Proceeded as approved
June 30,2023 Board meetings (extraordinary meeting) (3rd 2023)	Approved the proposal for the Company's chairman election	Ho, Chun-Hsien was elected (Re-election)
August 9, 2023 Board meetings (4th 2023)	Approved the proposal for the Company's financial statements for 2023 Q2	Proceeded as approved
	Appointment of Compensation Committee Members	Proceeded as approved
	Approved the proposal to apply to the First Commercial Bank for credit line renewal and guarantee business based on operational needs	Proceeded as approved
November 10, 2023 Board meetings (5th 2023)	Approved the proposal for the Company's financial statements for 2023 Q3	Proceeded as approved
	Approved the proposal to Establish Joint venture subsidiary in Thailand	Proceeded as approved
	Approved the proposal to Establish subsidiary in Vietnam	Proceeded as approved
	Approve the Company's "Internal Control System"	Proceeded as approved
December 19, 2023 Board meetings (6th 2023)	Approved the proposal for the Company's 2024 annual audit plan	Proceeded as approved
	Approved the proposal to purchase directors liability insurance	Proceeded as approved

Date of board meeting	Important resolution	Implementation
	Approved the proposal for the Company’s 2024 Business Plan and 2024 consolidated financial budget	Proceeded as approved
March 13, 2024 Board meetings (1st 2024)	Approved the proposal for the Company’s 2023 employee remuneration and directors’ remuneration	Pending a report to the 2024 Annual Shareholders Meeting
	Approved the proposal to issue the Company’s 2023 Statement of the Internal Control System	Proceeded as approved
	Approve to amend the Company's “Rules of the Procedure for Board of Directors Meetings”	Pending a report to the 2024 Annual Shareholders Meeting
	Approve to amendment to the ”Rules of Procedure for Shareholders Meetings”	Pending application of the 2024 Annual Shareholders Meeting for resolution
	Approved the proposal for the Company’s 2023 annual business report and financial report	Pending application of 2024 Annual Shareholders Meeting for ratification
	Approved the proposal for the Company’s 2023 Deficit compensation proposal	Deficit compensation Table is pending application of 2023 Annual Shareholders Meeting for ratification
	Approve the proposal to evaluate the independence, fitness assessment and compensation of the Company’s certified CPA	Proceeded as approved
	Approve the proposal for by-election of Independent Director	Pending application of the 2024 Annual Shareholders Meeting for election
	Approved the proposal to remove the non-compete restrictions for the Company’s managers	Proceeded as approved
	Approve the proposal to remove the non-compete restrictions for the new director of the Company	Pending application of the 2024 Annual Shareholders Meeting for resolution
	Approved the proposal to convene the Company’s 2024 Annual Shareholders Meeting	Pending convening of the 2024 Annual Shareholders Meeting in accordance with the law
	Approved the proposal to accept shareholder proposals and handle related matters	Proceeded as approved
	Approve the proposal to accept shareholder director nominations related to the operational issues	Proceeded as approved
	Approve the proposal to nominate independent director candidates and candidature examination by the Board of Directors of the Company	Proceeded as approved
May 14, 2024 Board meetings (2nd 2024)	Appointment of Compensation Committee Members	Proceeded as approved
	Approved the proposal for the Company’s	Proceeded as approved

Date of board meeting	Important resolution	Implementation
	financial statements for 2024 Q1	
	Approve to amendment to the ” Authorization table”	Proceeded as approved
	Approved the proposal to distribute the Company’s 2023 managers’ performance bonus.	Proceeded as approved
	Approved the company's 2023 director and manager remuneration assessment proposal	Proceeded as approved
	Approved the proposal to regularly review the board performance evaluation indicators and make suggestions.	Proceeded as approved

(XIII) During the last year and up to the publication date of this annual report, if the directors had different opinions on important resolutions approved by the Board of Directors with records or written statements, the main content of the opinions: None.

(XIV) In the last year and up to the publication date of the annual report, the assembled information of discharge or resignation by the Company for the Company’s Chairman, President, chief accountant, financial supervisor, internal audit officer, governance officer and research & development officer: None.

IV. Information in public fees of the Certified Public Accountant Association

Ranges of CPAs’ audit fees

Unit: NT$ thousand

Auditor’s firm	Name of CPA	CPA auditing period	Audit remuneration	Non-audit remuneration (Note)	Total	Remark
Deloitte & Touche	Tsai, Mei-Chen	January 1, 2023-December 31, 2023	6,800	689	7,189	None
	Huang, Yu-Feng					

Note: The non-audit fees included NT$180 thousand for a transfer pricing report; NT$128 thousand for filing a report to the Investment Commission; NT$65 thousand for the audit service for a dual-status business entity applying the direct deduction method; and NT$16 thousand for business registration.

(I) Where the non-audit fees paid to the CPAs, the accounting firm at which the CPAs work, and the accounting firm’s affiliates account for 25% or more of the audit fees, the amount of audit and non-audit fees and the content of non-audit services shall be disclosed: The non-audit fees paid by the Company to the CPAs and the accounting firm, to which the CPAs belong, do not reach 25% of the audit fee.

(II) Where the accounting firm is replaced and the audit fees paid during the year in which the replacement occurs are less than those paid in the prior year, the amount of the decrease in the audit fees and the reason thereof shall be disclosed: None.

(III) Where the audit fees paid for the year are lower than those paid for the prior year by 10%

or more, the amount and percentage of the decrease and the reason therefor shall be disclosed: None.

V. Information on the replacement of CPAs during the last two years and the period thereafter: Tsai, Mei-Chen and Chen, Ming Hui, CPAs at Deloitte & Touche, were responsible for auditing the Company’s financial statements. Due to the accounting firm’s internal job adjustment, the CPAS, Tsai, Mei-Chen and Huang, Yu-Feng have been responsible for the audit work since 2022.

(I) Former CPAs

<table>
<tr><td>Date of replacement</td><td colspan="3">January 1, 2022</td></tr>
<tr><td>Reason for replacement</td><td colspan="3">To cooperate the accounting firm’s internal job adjustment</td></tr>
<tr><td rowspan="3">Client’s termination of or CPA’s refusal to the appointment</td><td>Participants
Situation</td><td>CPA</td><td>Client</td></tr>
<tr><td>Termination of the appointment</td><td></td><td></td></tr>
<tr><td>Refusal to the (continuous) appointment</td><td></td><td></td></tr>
<tr><td>The opinion of the audit report other than the unqualified opinion issued within the latest two years and the reasons</td><td colspan="3">None</td></tr>
<tr><td rowspan="7">Different opinions from the issuer’s</td><td rowspan="5">Yes</td><td></td><td>Accounting principles or practices</td></tr>
<tr><td></td><td>Disclosures in financial statements</td></tr>
<tr><td></td><td>Auditing scope or steps</td></tr>
<tr><td></td><td>Other</td></tr>
<tr><td></td><td></td></tr>
<tr><td>None</td><td colspan="2">✓</td></tr>
<tr><td colspan="3">Description</td></tr>
<tr><td>Other disclosures (matters that should be disclosed under Article 10, subparagraph 6, items 1-4 - 1-7 of the Regulations)</td><td colspan="3">None</td></tr>
</table>

(II) Successors

CPA firm	Deloitte & Touche
Name of CPA	Tsai, Mei-Chen; Huang, Yu-Feng
Date of appointment	January 1, 2022
Consultation regarding accounting treatment methods or accounting principles for specific transactions and possible opinions issued for financial statements and results before appointment	Not applicable
Successors' different written opinions from the predecessors'	Not applicable

(III) Reply from the former CPAs to the matters under Article 10, subparagraph 6, items 1 and 2-3 of the Regulations: None.

VI. Where the Chairman, the President, chief financial officer, or chief accounting officer has been employed by the accounting firm or its affiliates during the most recent year, the name, job title, and period of working at the firm or affiliate shall be disclosed: There is no such a situation, so it is not applicable.

VII. In the last year and up to the publication date of the annual report, the fact regarding transfer or pledge stock equity by the Company's directors, managerial officers and key shareholders holding over 10% in shareholding

(I) The status of changes that directors, supervisors and major shareholders had transferred and pledged their shares

Unit: shares

Title	Name	2023		2024 up to May 15, 2024	
		Increase (decrease) in shares held	Increase (decrease) in shares collateralized	Increase (decrease) in shares held	Increase (decrease) in shares collateralized
Chairman	Ho, Chun-Hsien				
Director-cum- President of the Cable Business Group	Wang, Shih-Tsung (Note 1)				
Director-cum-Executive Director	Chen, Hung-Yao				
Director	Cheng, Ching-Hung (Note 2)				
Independent Director	Chang, Chung-Chiu (Note 3)				
Independent Director	Wu, Li-Ching (Note 4)				
Independent Director	Li, Chien-Jan (Note 5)				
Independent Director	Hsu, Yung-Chen				
CEO	Liao, Wen-Hung (Note 6)				
President of the Raw Material Business Group	Li, Yi-Ta				
Vice President of the Business Development Division	Su, Chun-Hsiung				
Director of the Product Development Division	Chen,Chiu-Hsiu ng (Note 7)				
Director of the Finance Division	Cheng, Shu-Ching				

Note 1: Wang, Shih-Tsung resigned the President of the Cable Business Group on January 1,2024

Note 2:Cheng, Chin-Hung was appointed as a director after the shareholders' meeting on June 30, 2023.

Note 3:Chang, Chung-Chiu resigned as an independent director after the shareholders' meeting on June 30, 2023.

Note 4: Wu, Li-Ching was appointed as an independent director after the shareholders' meeting on June 30, 2023.

Note 5: Li, Chien-Jan resigned from the position of independent director on March 1, 2024, due to personal reasons.

Note 6: Liao, Wen-Hong, the CEO, resigned as a director after the shareholders' meeting on June 30, 2023.

Note 7: Chen, Chiu-Hsiung ,Director of the Product Development Division, resigned on October 31, 2023.

(II) Information on the counterparty, to which the equity is transferred by directors, managers, or shareholders, each holding more than 10% of the total shares issued by the Company: None.

(III) Information on the counterparty, for whom equity is pledged by directors, managers, or shareholders, each holding more than 10% of the total shares issued by the Company: None.

VIII. Relationship information, if among the company's 10 largest shareholders any one is a related party or a relative within the second degree of kinship of another

April 16, 2024

Name	Shares held in own name		Shareholdings of spouse and minor children		Shares held in the names of others		The name and relationship information, if among the 10 largest shareholders any one is a related party, or is the spouse or a relative within the second degree of kinship of another.		Remark
	Quantity	Ratio of Shareholding	Quantity	Ratio of Shareholding	Quantity	Ratio of Shareholding	Name	Relation	-
Ou, Shu-Ching	5,774,000	6.60%	-	-	-	-	None	None	-
Cheng, Chin-Hung	4,715,079	5.39%	-	-	-	-	None	None	-
Ho, Chun-Hsien	3,827,443	4.37%	-	-	-	-	None	None	-
Wang, Shih-Tsung	3,712,811	4.24%	883,147	1.01%	-	-	Wang, Ying-Kai	Relative within the first degree of kinship	-
Chen, Hung-Yao	2,965,107	3.39%	1,315,213	1.50%	-	-	Lai, Chiu-Lan Chen, In-Wen	Spouse and Relative within the first degrees of kinship	-
Lin, Gao-Huang	2,768,000	3.16%	-	-	-	-	None	None	-
Yeh, Fang-Yu	1,766,193	2.02%	-	-	-	-	None	None	-

Lai, Chiu-Lan	1,315,213	1.50%	2,965,107	3.39%	-	-	Chen, Hung-Yao Chen, In-Wen	Spouse and Relative within the first degrees of kinship	-
Wang, Ying-Kai	1,272,359	1.45%	-	-	-	-	Wang, Shih-Tsung	Relative within the first degrees of kinship	-
Chen, In-Wen	1,188,987	1.36%	-	-	-	-	Chen, Hung-Yao Lai, Chiu-Lan	Relative within the first degrees of kinship	-

IX. The total number of shares held and the consolidated shareholdings in any single investee by the Company, its directors, managers, or any companies controlled either directly or indirectly by the Company

Unit: thousand shares; %

Investees (Note)	Invested by the Company		Investment held by directors, managers, and directly or indirectly controlled enterprises		Aggregate investment	
	Quantity	Ratio of Shareholding	Quantity	Ratio of Shareholding	Quantity	Ratio of Shareholding
Copartner Wire And Cable (ShenZhen) Co., Ltd.	--	100%	--	--	--	100%
Cablex Wire (ShenZhen) Mfg Co., Ltd.	--	100%	--	--	--	100%
Hotek Technology Corporation	20,000	100%	--	--	20,000	100%
HPC Technology Inc.	2,057	48.98%	--	--	2,057	48.98%

Note: It is a long-term investment made by the Company using the equity method.

Chapter IV Capitals and Shares

I. Capital and shares

(I) Sources of share capital

1. Share category

May 15, 2024

Share category	Authorized capital			Remark
	Outstanding shares (Note)	Unissued shares	Total	
Registered common stock	87,550 thousand shares	32,450 thousand shares	120,000 thousand shares	The Company's stock is listed on Taiwan Stock Exchange for trading.

Note: The Company's stock has been listed on Taiwan Stock Exchange since November 10, 2010 and traded at securities firms.

2. Share capital formation process

May 15, 2024

Year/ month	Issue price (NTD)	Authorized capital		Paid-up capital		Remark		
		Number of shares (in millions of shares)	Amount (in NT$ million)	Number of shares (in millions of shares)	Amount (in NT$ million)	Sources of share capital	Paid in properties other than cash	Other
1987.04	10	1.5	15	1.5	15	Founding capital of 15 million	None	Note 1
1996.11	10	4.4	44	4.4	44	A cash capital increase by 29 million	None	Note 2
1999.08	10	5.8	58	5.8	58	A cash capital increase by 14 million	None	Note 3
2001.07	10	20	200	10	100	A cash capital increase by 42 million	None	Note 4
2003.11	10	30	300	30	300	A cash capital increase by 200 million	None	Note 5
2004.08	12	50	500	35	350	A cash capital increase by 50 million	None	Note 6
2005.10	24	50	500	43.9	439	A cash capital increase by 68 million Capitalization of earnings to increase the capital by 21 million	None	Note 7
2006.10	30	70	700	60	600	A cash capital increase by 101 million Capitalization of earnings to increase the capital by 60 million	None	Note 8

2007.08	10	80	800	73.6	736	Capitalization of earnings to increase the capital by 136 million	None	Note 9
2008.07	10	120	1,200	78.08	780.8	Capitalization of earnings to increase the capital by 44.8 million	None	Note 10
2010.11	10	120	1,200	88	880	A cash capital increase by 99.2 million before the stock was listed on Taiwan Stock Exchange	None	Note 11
2012.01	10	120	1,200	85	850	Repurchase and cancellation of treasury shares to reduce capital	None	Note 12
2022.09	10	120	1,200	87.55	875.5	Capitalization of earnings to increase the capital by 25.5 million	None	Note 13

Note 1: Per Letter Jian-III No. 173699 dated April 30, 1987.
Note 2: Per Letter 1996-Jian-III-C No. 705972 dated November 2, 1996.
Note 3: Per Letter Jing-(1999)-Zhong No. 657914 dated August 4, 1999.
Note 4: Per Letter 2001-Shang No. 09001270970, July 18, 2001.
Note 5: Per Letter Jing-Shou-Zhong No. 09232948350 dated November 13, 2003.
Note 6: Per Letter Jing-Shou-Zhong No. 09332617840 dated August 24, 2004.
Note 7: Per Letter Jing-Shou-Zhong No. 09432920840 dated October 4, 2005.
Note 8: Per Letter Jing-Shou-Shang No. 09501236890 dated October 23, 2006.
Note 9: Per Letter Jing-Shou-Shang No. 09601199250 dated August 16, 2007.
Note 10: Per Letter Jing-Shou-Shang No. 09701163250 dated July 10, 2008.
Note 11: Per Letter Jing-Shou-Shang No. 09901263140 dated November 25, 2010.
Note 12: Per Letter Jing-Shou-Shang No. 10101003320 dated January 10, 2012.
Note 13: Per Letter Jing-Shou-Shang No. 11101170840 dated September 2, 2022.

(II) Shareholders structure

April 16, 2024

Shareholders structure / Quantities	Government institutions	Financial institutions	Other corporations	Individuals	Foreign institutions and foreigners	Total
Number of people (person)	-	3	165	26,322	30	26,520
Number of shares held	-	26,000	1,308,925	85,261,052	954,023	87,550,000
Shareholding ratio (%)	-	0.03	1.50	97.39	1.09	100.00

Note: The Company dost not belong to a primary listing on TWSE or TPEx of Republic of China nor is not listed on the emerging stock market.

(III) Equity dispersion (NT$10 per share)

April 16, 2024

Class of Shareholding	Number of shareholders (person)	Number of shares held	Shareholding ratio (%)
1 to 999	21,413	146,482	0.17
1,000 to 5,000	3,389	6,545,784	7.48
5,001 to 10,000	762	4,891,004	5.59
10,001 to 15,000	383	4,315,042	4.93
15,001 to 20,000	116	1,984,436	2.27
20,001 to 30,000	152	3,528,327	4.03
30,001 to 40,000	73	2,456,352	2.81
40,001 to 50,000	45	1,992,834	2.28
50,001 to 100,000	108	7,041,609	8.04
100,001 to 200,000	31	4,253,079	4.86
200,001 to 400,000	13	3,678,903	4.20
400,001 to 600,000	12	6,074,296	6.94
600,001 to 800,000	5	3,527,760	4.03
800,001 to 1,000,000	5	4,441,838	5.07
1,000,001 or more	13	32,672,254	37.30
Total	26,520	87,550,000	100.00

(IV) List of major shareholders

April 16, 2024

Shares / Name of major shareholders	Number of shares held	Shareholding ratio (%)
Ou, Shu-Ching	5,774,000	6.60%
Cheng, Chin-Hung	4,715,079	5.39%
Ho, Chun-Hsien	3,827,443	4.37%
Wang, Shih-Tsung	3,712,811	4.24%
Chen, Hung-Yao	2,965,107	3.39%
Lin, Gao-Huang	2,768,000	3.16%
Yeh, Fang-Yu	1,766,193	2.02%
Lai, Chiu-Lan	1,315,213	1.50%
Wang, Ying-Kai	1,272,359	1.45%
Chen, In-Wen	1,188,987	1.36%

(V) Market price and net asset value per share, earnings, dividends, and relevant information in the last two years and up to the publication date of this annual report

Unit: NT$

Item			2022	2023	2024 up to May 15, 2024 (Note 8)
Market price per share (Note 1)	Highest		19.4	17.5	16.4
	Lowest		12.65	13.65	14.3
	Average		15.97	15.53	15.12
Net worth per share (note 2)	Before dividend distribution		22.04	16.92	17.97
	After dividend distribution		21.54	16.92	-
Earnings per share	Weighted average outstanding shares		87,588,693 shares	87,550,000 shares	87,550,000 shares
	Earnings per share (Note 3)	Before retrospective adjustment	(0.26)	(4.14)	(0.19)
		After retrospective adjustment	(0.26)	(4.14)	-
Dividends per share	Cash dividends		-	-	-
	Stock dividends	From earnings	-	-	-
		From capital reserves	-	-	-
	Cumulative undistributed dividends (Note 4)		-	-	--
Analysis of investment returns	P/E ratio (Note 5)		(58)	(59)	-
	Price to dividends ratio (Note 6)		-	-	-
	Cash dividend yield (Note 7)		-	-	-

Note 1: The highest and lowest market prices of ordinary shares in each year shall be listed, and the average market price for each year calculated as per the transaction value and volume for each year.

Note 2: The number of issued shares at the end of each year shall prevail, and fill out the table as per the resolutions adopted by board meetings or the shareholders' meeting in the following year.

Note 3: If retrospective adjustment is required due to stock dividends paid out, the earnings per share before and after the adjustment shall be listed.

Note 4: If the undistributed dividends for a year may be accumulated and not be distributed until a year with earnings available as stipulated in the equity securities regulations, the cumulative unpaid dividends up to the current year shall be disclosed separately.

Note 5: P/E ratio = Average closing price per share for the year / earnings per share.

Note 6: Price to dividend ratio = Average closing price per share for the year / cash dividends per share.

Note 7: Cash dividend yield = Cash dividend per share / average closing price per share for the current year.

Note 8: The book value per share and earnings per share audited (reviewed) by the CPAs up to the most recent quarter prior to the publication date of this annual report shall be entered; the information for other fields up to the year, in which this annual report is published, shall be entered.

(VI) The Company's dividend policy and fact of implementation thereof.

1. Dividend policy under the Articles of Incorporation

   Where the Company makes a profit for a fiscal year, the profit shall be first used for offsetting a cumulative deficit, providing 10% of the remaining profit as a legal reserve unless it has reached the total amount of the Company's paid-in capital, providing an amount for or reversing a special reserve in accordance with the laws and regulations or the competent authority's rules, and then any remaining profit, together with any undistributed retained earnings from the prior year, shall be adopted by the Company's Board of Directors as the basis for making a distribution proposal. The proposal shall then be resolved at the shareholders' meeting for the distribution of shareholder dividends.

   If the preceding shareholders dividend, statutory surplus reserve, and capital surplus are distributed in cash; the proposal shall be authorized by a board of directors meeting with over two-thirds of the entire board members attending and approved by over half of those present at the meeting, and then reported the case to a 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.

2. The distribution of dividends proposed at this shareholders' meeting

   The 2023 deficit compensation table as per the resolution by the Board of Directors on March 13, 2024 are as follows:

Copartner Technology Corp.
2023 Deficit compensation Table

Unit: NT$

Item	Amount	
Unappropriated retained earnings at the beginning of the term		357,689,496
Current net income	(362,508,940)	
Retained earnings due to investment adjustments using the equity method	131,024	
Actuarial (loss) gains are included in retained earnings	(347,614)	
Plus: Current period net profit		(362,725,530)
Distributable surplus for the current period		(5,036,034)
Ending made up for the losses		(5,036,034)

(VII) The influence of the stock dividend proposed at this shareholders' meeting on the Company's operating performance and earnings per share: The Company did not disclose the financial forecast for 2024, so it is not applicable.

(VIII) Remuneration to the employees and directors

1. The percentage of the profit for or scope of employee remuneration and directors' remuneration as stated in the Company's Articles of Incorporation:

   As per Article 19 of the Articles of Incorporation, the Company shall provide no lower than 1% and no more higher than 3% of its annual pre-tax income (before employee remuneration and director's remuneration are deducted) for employee remuneration and director's remuneration.

2. The basis for the estimation of employee remuneration and directors' remuneration for this period, basis for the calculation of the number of shares for stock dividends to employees, and accounting treatment if the amount paid out is different from the estimated amount:

   The Company suffered net loss after tax for 2023, so we did not estimate employee remuneration and directors' and supervisors' remuneration.

3. Remuneration to be distributed as resolved in the board of directors:

   (1) Where there is a difference between the estimated amounts of employee remuneration and directors' remuneration paid out in cash or stock and the amounts recognized, the amount of difference, reason, and accounting treatment shall be disclosed: None.

   (2) The amount of employee remuneration paid out in stock and as a % of the sum of the total after-tax net income in the year's parent company-only financial statements and the total amount of employee remuneration: There is no such a situation, so it is not applicable.

4. In the case of the distribution of employee remuneration and directors' remuneration for the prior year (including the number of shares paid out, amount, and stock price), where there is any difference between the amounts of employee remuneration and directors' remuneration and the recognized amounts, the difference, reason, and accounting treatment shall be disclosed:

   There was no difference between the amounts of 2022 employee remuneration and directors' remuneration paid out and the proposed amounts approved by the Board of Directors.

(IX) The repurchase of the Company' shares: None.

II. Corporate bond application: None.
III. Issuance of preference shares: None.
IV. Issuance of depository receipts: None.
V. Issuance of employee stock warrants: None.
VI. Issuance of restricted stock awards: None.
VII. Issuance of new shares due to M&A or transfer of shares of another company: None.
VIII. Progress on the use of funds: None.

Chapter V Business performance

I. Content of business

(I) Scope of business operation

1. Details of the Company's main business scope
   - (1) CC01020 Electric Wires and Cables Manufacturing.
   - (2) CC01060 Wired Communication Mechanical Equipment Manufacturing.
   - (3) CC01080 Electronics Components Manufacturing.
   - (4) CD01030 Motor Vehicles and Parts Manufacturing.
   - (5) F113020 Wholesale of Electrical Appliances.
   - (6) F113030 Wholesale of Precision Instruments.
   - (7) F113060 Wholesale of Measuring Instruments.
   - (8) F114030 Wholesale of Motor Vehicle Parts and Motorcycle Parts, Accessories.
   - (9) F119010 Wholesale of Electronic Materials
   - (10) F213010 Retail Sale of Electrical Appliances.
   - (11) F219010 Retail Sale of Electronic Materials.
   - (12) F401010 International Trade.
   - (13) I 301030 Electronic Information Supply Services.
   - (14) ZZ99999 All business activities that are not prohibited or restricted by law, except those that are subject to special approval.

2. Proportion (as per the consolidated statements)

Unit: NT$ thousand

Product category	2022		2023	
	Revenue	Proportion of business (%)	Revenue	Proportion of business (%)
Signal transmission line and wire harness	2,628,930	63.09	2,141,349	58.79
Plastic pellets	768,180	18.44	593,186	16.28
Other	769,539	18.47	908,045	24.93
Total	4,166,649	100.00	3,642,580	100.00

Note: Others refer to products, such as raw materials, PVC powder, copper materials, as well as machine parts and accessories.

3. The Company's existing products

Since the Company was established, we have mainly sold signal transmission lines and wire harness. Signal transmission lines and wire harness are channels for exchange of information between various equipment. As their prices are lower and transmission quality is more stable and faster than wireless transmission, they occupy a critical position in the market. The main existing products are as follows:

Computer peripheral wires, low-voltage computer wires, audio-visual signal cables, high-resolution high-fax multimedia interface cables, PC power cables, communication cables, integrated wiring system wires, automotive cables, industrial control transmission cables, transmission cables for the medical industry, communication network transmission cables, AR, VR, UAV lines, automotive foam PP 50 Ohm RF coaxial cables, nitrogen foam PTFE RF coaxial cables, and photoelectric composite cables.

4. New products planned to be developed
   (1) Wireharness for charging pile of electric vehicle
   (2) Wireharness for medical equipment testing equipments
   (3) Photoelectric composite cables for 8K high-definition equipment
   (4) Photoelectric composite cables for industrial vision systems
   (5) Storage data transmission server cables
   (6) Ethernet cables for autonomous cars
   (7) In-car audio and video device automotive transmission cables
   (8) Industrial automation and industrial control cable drag chains
   (9) High-frequency data cables for aviation

(II) Industrial profiles:

1. The status quo and development of the industry

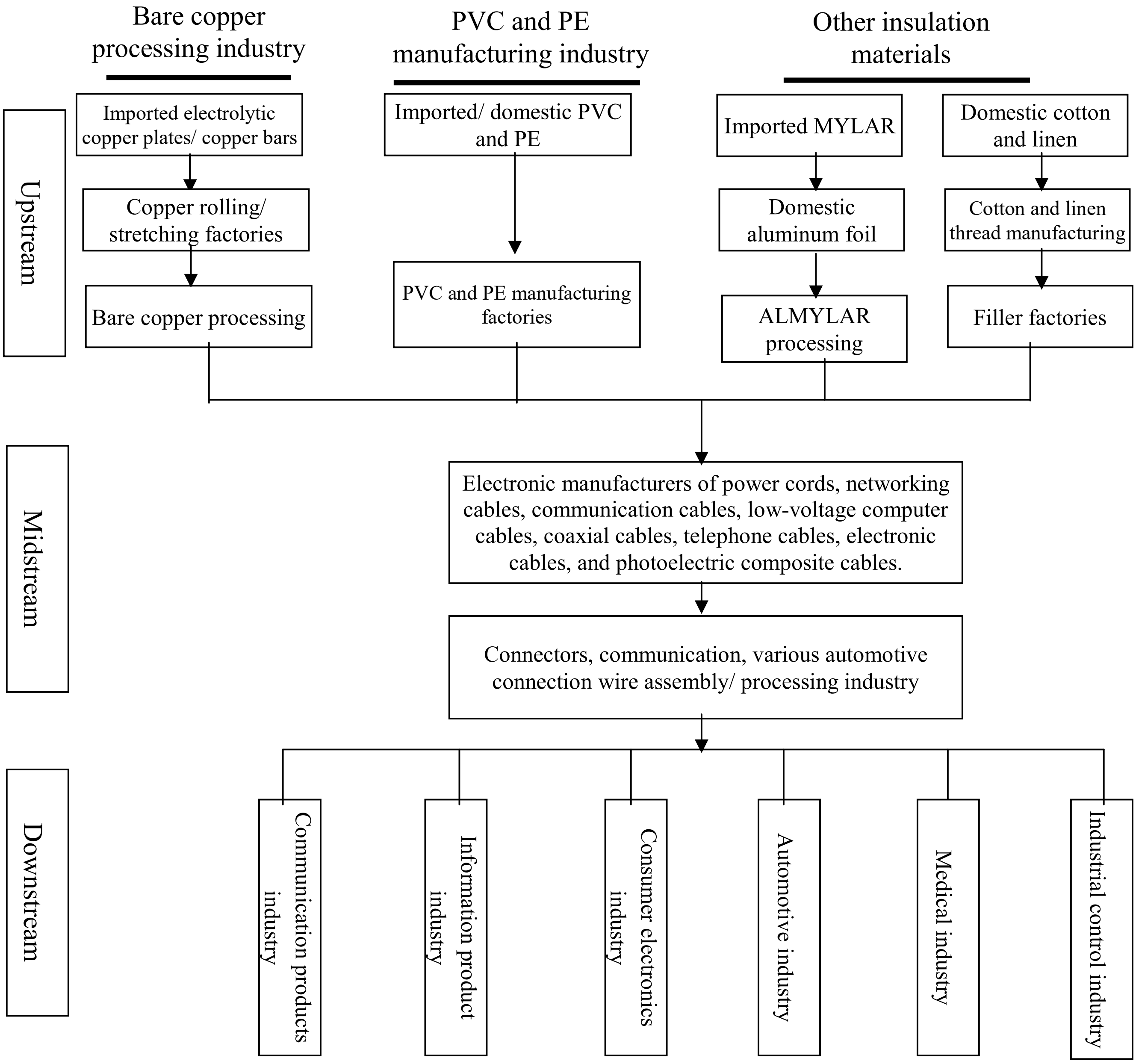
According to the industry value chain platform and relevant materials, we analyzed the trend of Taiwan’s electronic connector (wire) manufacturing industry. In 2023, although the prices of international raw materials remain stable. Despite the stabilization of international raw material prices and the gradual return to normal life in most countries in 2023, the inventory surplus from the peak demand during the pandemic has not been completely cleared. The cycle of the largest volume consumer connector industry remains at a peak, as demand for consumer electronics such as laptops (NB) has yet to recover. This slowdown in demand for consumer electronics (PCs, NBs, smartphones) has affected the sales momentum of Taiwan's 3C connector (cable) products, despite the increasing penetration of USB Type-C ports and Intel's new server platforms since 2021.

Additionally, the post-Covid 19 pandemic recovery in China has been slower than expected, affecting the speed of consumption and leading Chinese automakers to engage in price wars to attract customers, sacrificing product margins. The progress of the 14th Five-Year Plan's new infrastructure policy has also been slower than anticipated, delaying significant demand for local new energy vehicles, industrial automation, 5G infrastructure, and thus slowing down the sales momentum of Taiwan's high-speed, high-frequency, miniaturized connector components.

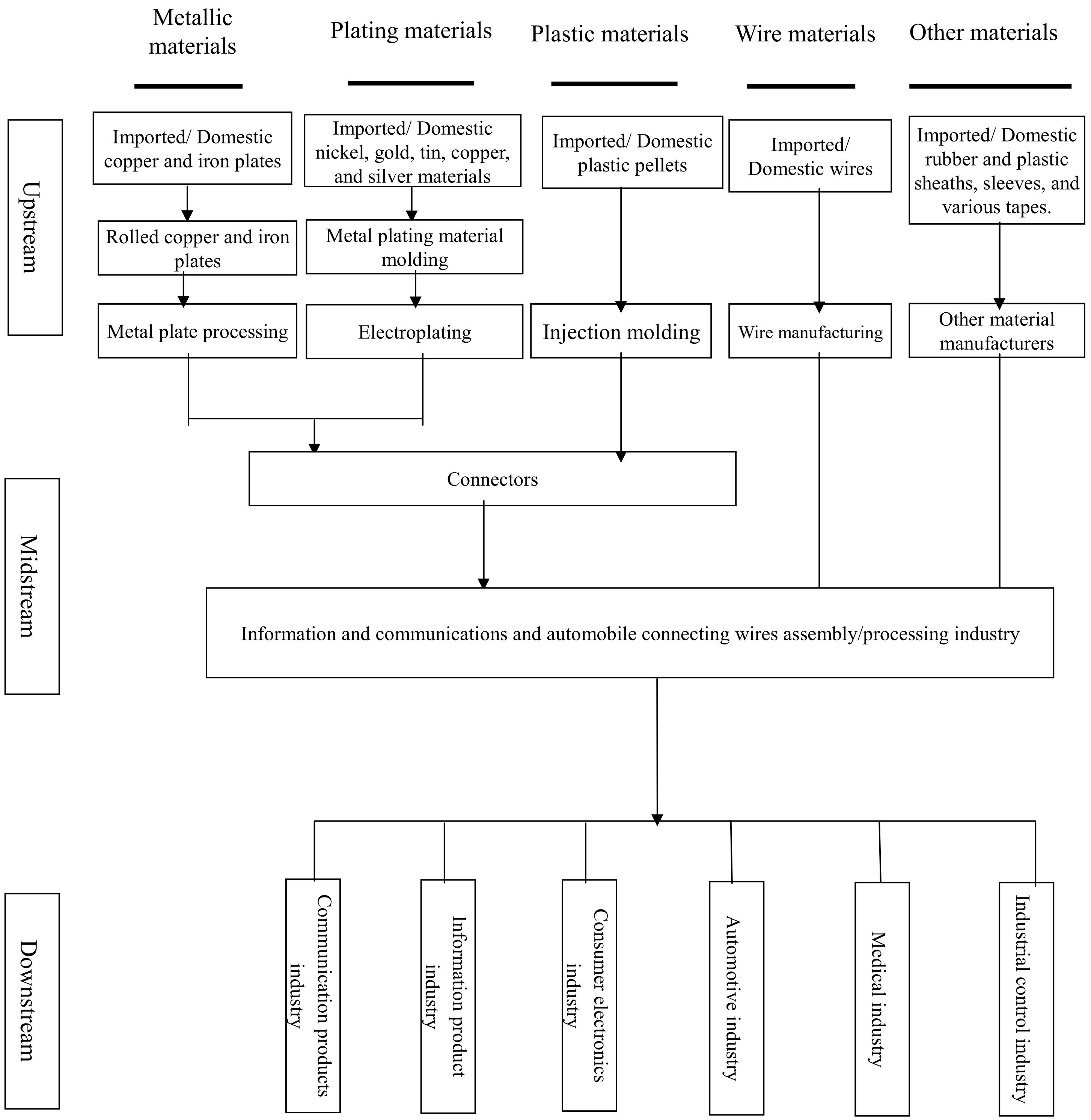
However, in the first half of 2024, with international copper prices stabilizing and consumer electronics starting a new wave of demand after a year of clearance, China's local economy is gradually returning to normal, driving increased demand for domestically produced high-value-added products in areas such as domestic network communications (e.g., servers, data centers), automotive electronics (e.g., advanced driver-assistance systems ADAS, electric vehicles), industrial applications (e.g., semiconductor equipment), green energy (e.g., solar energy), and medical care (e.g., telemedicine). The adoption of USB Type-C ports in Apple's new iPhones this year has made Type-C cables mainstream, and this year's focus on AI explosive growth is expected to drive a new wave of AI PC upgrades. As laptops continue to trend towards slimming down and reducing port slots, there is a surge in demand for peripheral expansion bases and docking stations, thereby boosting global demand for high-speed, high-frequency, miniaturized 3C connector (cable) products and CPU sockets. Moreover, Taiwan's manufacturers that continue to actively enter niche applications such as electric vehicles and automotive electronics, 5G infrastructure, industrial control and smart manufacturing, green energy, and medical care are expected to benefit significantly from the "contactless" and "energy-saving" opportunities, leading to an anticipated recovery of the electronics connector (cable) manufacturing industry in Taiwan in the first half of 2024.

2. Association among the up-, mid- and down streams

(1) Signal transmission cables



(2) Signal transmission cable set



3. Product Development Trends and Market Competition

(1) Various product development trends

As the Company's products are mainly used in consumer electronics, communications, transportation, industrial, and medical industries, they need to be adjusted with different product development trends of clients in various industries.

A. The make-to-order model will be more common

Although there are standard international electrical specifications for signal transmission cables, the related manufacturing processes, such as twisting, twining, wrapping, coating, coloring, and printing, and the connector manufacturers entrusted vary depending on each manufacturer's needs. There are not many electrical specifications, it is impossible to produce a certain type of product in large quantities as the industry mainly operates under the make-to-order production model. With the emergence of various transmission specifications and the development of different application fields, the client-oriented trend will become more obvious.

B. Continuous launch of new high-frequency cables

In response to the need for higher transmission speed, higher-speed transmission cables are launched constantly.

(2) Product competition

A. Clients' request for a wider range of services

The signal transmission cables and wire harness are diverse in variety, and there are many requirements for specifications, and clients are increasingly requiring outsourcers to provide a wider range of services, including product design, manufacturing, quality control, and after-sales service. Therefore, only outsourcers who can provide comprehensive services can stand out.

The Company's signal transmission cables and wire harness are high-quality, complete in variety, and fast in sample providing, which can meet clients' urgent needs for orders or various needs and the need for timely delivery for large orders. Thus, the Company has been trusted and recognized by clients. Meanwhile, the Company has established partnerships with major international manufacturers in Taiwan, Japan, Europe, and the United States, to obtain new product sources and support, improve our product technology, and produce different products to meet market needs, all of which are our biggest competitive advantages compared with our competitors.

B. Fierce competition in the industry

As the life cycle of electronic products has become shorter, the competition between existing and new competitors in the industry has intensified, and the pressure on product prices is increasing day by day. Under the pressure of such fierce market competition, we need to constantly adjust the production process and maintain the product quality.

Due to the pressure of competition from our competitors in recent years, the prices of some information and communication signal transmission cables and wire harness have been reduced. The Company actively adjusts the business strategy to respond to market changes and provides clients with technical support and consulting services as a professional manufacturer and marketer, to fully keep abreast of the market development trends and meet clients' orders for different products in small quantities and their planned production schedules, thereby shortening the delivery time to meet their needs. Particularly in terms of new products with higher unit prices, we stay up-to-date with the know-how of various products, to maintain the Company's corporate image that our information and communication signal transmission cables and wire harness are high-quality, high-efficiency, and satisfactory for clients.

(III) Technology & know-how and research & development in summary:

1. R&D expenses spent during the last year and up to the publication date of this annual report

Unit: NT$ thousand

Item \ Year	2023	2024 up to May 15, 2024
R&D expenses	146,019	35,710

2. Successfully developed technology or product

Year	R&D achievements
2007	VGA cables, LCD TV internal cables, HDMI 1.3 miniaturized cables, automotive wiring harness (automotive transmission cables and transmission bases), and micro USB wiring harness, which passed high-standard EMI tests
2008	HDMI 1.3a (inner sheath), USB3.0, halogen-free RF cables, and mini displayport cables
2009	HDMI 1.4 , E-SATA cables, and flame retardant halogen-free wires
2010	Mini HDMI raw cables & HDMI A to D type assembly (with Ethernet) that passed the association’s test and USB flat cables
2011	Low-capacitance HDMI cables, low-impedance HDMI cables (used with IC), ultra-thin USB3.0 cables, and micro-HDMI cables (38#, 40#, and 42#)
2012	Charge cables (charging cables for i-phone), wiring harness for reducing exhaust emissions, sports device wiring harness (whole machine), which passed the certification of UL 1581 Section 1200 for anti-UV PVC outdoor cables, USB 3.0 AM to BM, which passed the association’s certification, MHL cables, and SFP cables
2014-2016	Research and development of a full range of USB 3.1 and TYPE-C products
2017-2018	USB 3.1, which passed the association’s certification, industrial camera USB 3.0, camera link cables, HDMI photoelectric composite cables, inspection camera cables, vehicle camera harness, robot arm cables, among other customized products
2019	Vibration cables, 50 Ohm RF coaxial cables: XL-PE, RG174, CSL-100; Nitrogen foam PE: CSL-195, CSL200, CSL-240, and 50 Ohm nitrogen foam PTFE RF coaxial cables
2020	Smart track crossing cables, AOC USB AM to Mirco-B, AOC HDMI 2.0 cables, industrial network cables, cable drag chain servo motor power cables and encoder cables, HSD cables, HDMI 2.1 cables, electric control cabinet wire harness, and brain tumor wire harness

2021	HD video recorders, AR, VR, UAV industrial control equipment HDMI 2.1 and TYPE C coaxial cables, robot vision system industrial cables, multi-axis robot arm cables, automotive audio and video transmission cables, medical equipment display audio and video signal transmission cables, and medical blood oxygen signal transmission cables
2022	Automotive 4P+8C composite cables, AOC HDMI 2.1 and 3.1, CMP HDMI, industrial control camera wire harness, USB 4.0 40G, consumer electronics cables: USB 4 and DP 2.1, industrial camera cables, TC-ER photovoltaic energy storage cables, industrial cable drag chain network cables, automotive autohold cables, and RF signal cables
2023	Medical endoscope handles and physiological monitoring equipment cables, new energy charging pile cables, electric cabinet cables, automotive RG174-6G and SAE automotive Ethernet, SAE power cords, DVI HD data transmission cables, underwater robot power cords, and data transmission cables.

(IV) Long- and short-term business development programs

1. Short-term business development programs

(1) Marketing strategy

A. Consolidate the partnerships with existing long-term clients and then work with new well-known domestic and overseas clients.

B. Reinforce communication with clients through the internet to fully keep abreast of clients' needs and provide them with global services in real time.

C. Improve the quality image by passing world-class institutions' certification

D. Proactively participate in major exhibitions at home and abroad to increase brand exposure and enhance the international image.

E. Set up overseas offices to develop local markets in-depth.

(2) Production strategy

A. The Company's production strategy is mainly based on the make-to-order production model. The Company usually does not keep an full inventory of products. However, we may have an appropriate quantity of materials in stock for our long-term clients with stable orders to shorten the delivery time to them, but the safety and reliability are still our top concerns.

B. Continue to implement the ISO 9002 quality system and train quality control personnel to improve the quality of our and our subsidiaries' products.

2. Long-term business development programs

(1) Consolidate the position as a leading manufacturer of computer and communication products and actively expand cable and wire products in other industrial chains
Expand into medical, cloud server, automotive industry, industrial control, and communication network transmission cables and wire harness in addition to developing a variety of audio-visual transmission and information and communication-related connection wires; strive to strengthen the vertical integration of upstream and downstream industries within the Group, with a view to becoming a leading manufacturer in the industry.

(2) Expand the business scale and reduce operational risk
Strengthen international division of labor, diversify production sites, and expand production scale, to obtain long-term competitive advantages and achieve

economies of scale; plan to expand sites in other parts of the world in addition to the existing production sites in China to reinforce the operating foundation.

(3) Enhance personnel training and establish a corporate culture

Continue to train international talents to meet the Company's future goal of business diversification; cultivate employees' identification with our corporate culture to ensure future continuous growth, thereby ensuring everyone is on the same page; develop a learning-based organization to enhance the Company's international competitiveness, thereby achieving our vision of sustainable development.

II. Markets, production and marketing in summary

(I) Market analyses

1. Regions where the main products are sold

The company's client group's can be divided into:

(1) Direct client base (Asia-Pacific region, Europe, and the Americas): Mainland China, Taiwan, Hong Kong, Korea, Vietnam, India, Thailand, Germany, Poland, Norway, France, Switzerland, Mexico, Honduras, and the United States.
(2) Indirect client base (other regions): Oceania and Africa.

The regions where the main products are sold are show in the table below:

Unit: NT$ thousand

Region	2022	2023
Domestic sales	$ 97,685	$ 85,918
Export		
Asia	3,834,299	3,340,511
The Americas	107,077	124,824
Europe	117,086	81,946
Middle East and Near East	8,844	9,256
Africa	1,621	-
Oceania	37	125
	$ 4,166,649	$ 3,642,580

2. Market share

The Company has been operating the business of signal transmission cables and wire harness for 30 years or so and are highly recognized in the industry. The Company's consolidated revenue dropped slightly from NT$4.17 billion for 2022 to NT$3.64 billion for 2023, The global economic situation in 2023 continued to be impacted by the Ukraine-Russia conflict and high inflation, with high customer inventory levels yet to be cleared. Additionally, with most countries expected to implement interest rate hikes to curb inflation expectations, the global economic outlook has become subdued. While the Chinese economy rebounded due to relaxed control measures, the rebound was limited, and there was a contraction in domestic demand, affecting the company's production costs and inventory management. In the future, the company will strengthen its product supply capabilities to introduce products into the market more quickly and with higher quality, aiming to expand revenue and market share continuously.

3. The future market supply and demand and growth potential

As the demand for end products has decrease due to the rise of handheld devices and the innovation of cloud-based products, the demand for signal transmission cables for consumer information and communication purposes has been continuously reduced. However, the rise of industrial and cloud-based products and 5G technology has caused the transmission cables to be applied in areas with a higher technical threshold. With this market change, the product differentiation and technical threshold will be further raised. Therefore, the opportunities for developing new products arising from this the will have a positive effect on the Company's future development and profits.

4. Competitive niche

(1) Excellent R&D capabilities to stay ahead in product development in line with market trends
Due to the rapid development of the electronic industry (4C), the Company has attached great importance to the development of new products since the Company was established. To meet downstream clients' needs, the Company has launched products constantly. With many years of R&D experience and excellent R&D talents, and the Company strategically works with downstream clients at home and abroad in the product development stage to fully understand their needs and market trends. Therefore, we launch products before competitors in the industry. Also, the Company adopts high-tech, high-frequency instruments testing instruments with high transmission efficiency, such as a computer automated signal cable measurement system, an optical time domain reflectometer, an impedance gain-phase analyzer, and fatigue testing machine, to strengthen our R&D capabilities.

(2) Good quality control and stable product quality
The Company has very strict requirements for product quality. In addition to improving quality through automated production equipment, the Company has electrical testing laboratories and physical testing laboratories to ensure that the quality of our products is stable during the production process. In addition, the Company adopts various quality control tools (such as SPC methods) to improve product quality to meet or even exceed clients' requirements.

(3) Diverse products with high added values
The Company's products include consumer market wires, transportation cables, industrial control cables, communication transmission cables, and medical wires. To meet market demand, the Company continues to develop high-end, high-value-added products. The wide variety of products will contribute to the flexibility of the Company's operations and enhance our response to business headwinds.

(4) A global layout
By establishing sites around the world, we will stay closer to the market and clients.

5. Advantages and disadvantages of development and countermeasures

(1) Advantages

A. Continuously expanding scope of application of connectors (wires)
The scope of application of connectors (wires) covers many fields, such as consumer electronic products, communication networks, automotive industry, industrial solutions, medical care, cloud servers, and peripherals thereof, and market opportunities can be anticipated.

B. An excellent management team

The Company has been manufacturing signal transmission cables and wire harness for 30 years or so. Our management team and R&D Department have many years of experience, which contributes to the promotion of the Company's business and product applications.

C. Close collaboration with major international businesses

With the solid R&D and service foundation, we are deeply trusted by international major businesses and work with them to jointly develop new products, which is conducive to increasing the Company's visibility in the international market.

(2) Disadvantages and countermeasures

A. The structure of raw material costs is mainly dominated by copper and plasticized raw materials, which are commodity. The raw material costs fluctuate with the prices in the international market, making it difficult to predict.

Countermeasures: Keep abreast of the future development trend of commodity, sign long-term supply contracts with upstream suppliers in a timely manner to stabilize material supply sources and purchase prices, and seek new sources of supplies near where production lines are located.

B. Fierce competition in the electronics and information industries with product prices under great pressure

Countermeasures: Develop differentiated, high-value-added application products to raise the technical threshold and promote them to European and American markets to avoid low price competition.

C. Upward pressure of the minimum wages in China and increase in operating costs

Countermeasures: Improve production efficiency, reduce idle working hours, while developing high value-added products to ensure that there are more abundant resources to cope with the movements in operating costs.

(II) Manufacturing process and key purposes of our principal products

1. Key purposes of our principal products:

(1) Signal transmission cables

The Company's main products are SFP cables, waterproof cables, EV cables, LVDS cables, anti-winding cables, HDMI cables, display port cables, SATA cables, IEEE-1394 cables, Lan cables, DVI cables, VGA cables, USB cables, RF cables, DC power cables, camera link cables, HDMI 2.1 cables, HSD cables, low-loss high-frequency coaxial cables, smart rail transit cables, among other signal cables, in the fields of cloud servers, ships, electric vehicles, automotive, industrial control, medical care, solar energy, communication, and consumer electronics. The main functions:

A. Consumer electronic products: Monitors, LCD displays, FDD/HDD, printers, DVD players, TV games, digital TVs (HDTV), digital cameras, digital video cameras (HDV), digital audio-visual systems, and video game consoles.

B. Communication network products: Local area network (LAN), telephone switching systems, and set-top boxes.

C. Automotive industry products: Automotive navigation systems (GPS), surround-view camera systems, in-vehicle data transmission systems, and in-vehicle infotainment systems.

D. Others: Medical care, cloud servers, and peripherals, electric vehicles, marine and outdoor applications, and robot arms.

Main products	Important functions
Display Port Cable, VGA Cable, DVI Cable	Monitors and LCD displays
SATA Cable	FDD/HDD
SFP Cable	Cloud servers and peripherals
USB Cable(USB 4), IEEE-1394 Cable	Printers, keyboards, mouses, digital cameras, digital camcorders, mobile phones, game consoles, tablets, and hard disk drives
DC Power Cable	Solar energy
Lan Cable	LAN, switching systems, and set-top boxes
RF cables and 50 Ohm RF coaxial cables: XL-PE, RG174, CSL-100; nitrogen foam PE: CSL-195, CSL200, CSL-240, and 50 Ohm nitrogen foam PTFE RF coaxial cables	Automotive navigation systems (GPS), small 5G base station antenna, underground pipeline locator coaxial cables, and in-vehicle electronic 5G high-frequency coaxial cables
HDMI Cable	Digital TV (HDTV), CD players, digital camcorders (HDV), TV game consoles, mobile phones, and tablets
EV Cable	Electric vehicles
LVDS Cable	Rear parking assist system
USB HOLDER, RTK-031/Fakra, HSD	Automotive autohold cables and RF signal cables
Waterproof cables	Ships and outdoor applications
Flex cables	Robot arms
Industrial camera USB3.0 and camera link cables AOC CAMERA LINK CABLE	High-end industrial cameras (resistant to cable drag chains)
Inspection camera cables Inspection Camera Cable	Pipeline inspection instruments, vision cables for robots, or industrial endoscope cables for other special environment
Vibration Cable	Fence cables
Intelligent rail cables	Metro ticket vending machine
Industrial network cables, cable drag chain servo motor power cables, and encoder cables	Industrial automation equipment, such as surface mount systems and robotic arms.
AOC HDMI 2.0/2.1 /3.1 Cable	4K HD devices, such as 4K TVs, 4K monitors, and 4K projectors
AOC USB AM to Mirco-B	Industrial vision systems, such as industrial cameras, and high-definition cameras
Medical blood oxygen signal cables and audio and video signal transmission cables	Medical devices and medical device displays
TC-ER solar energy storage cables	Cables for solar power supply, instrumentation, and control cabinets.
Multi-mode fiber floating cables	underwater robot power cords, and data transmission cables.

(2) Signal transmission cable set

The Company's main products are transmitter wire harness, signal and DC power cables, in the fields of consumer electronics, communications, automotive, cloud, medical care, and industrial control

According to the places where cables are used, there are the categories below:

A. Video transmission wire harness, such as display port cables, DVI cables, and HDMI cables.

B. Network communication transmission cables, such as Lan cables.

C. Internal transmission cables include cable harness and wire harness.

D. Other types of transmission cables, such as USB cables, Type C, SFP cables, medical device cables, and wire harness.

The main functions are shown in the table below (classified based on how products are used):

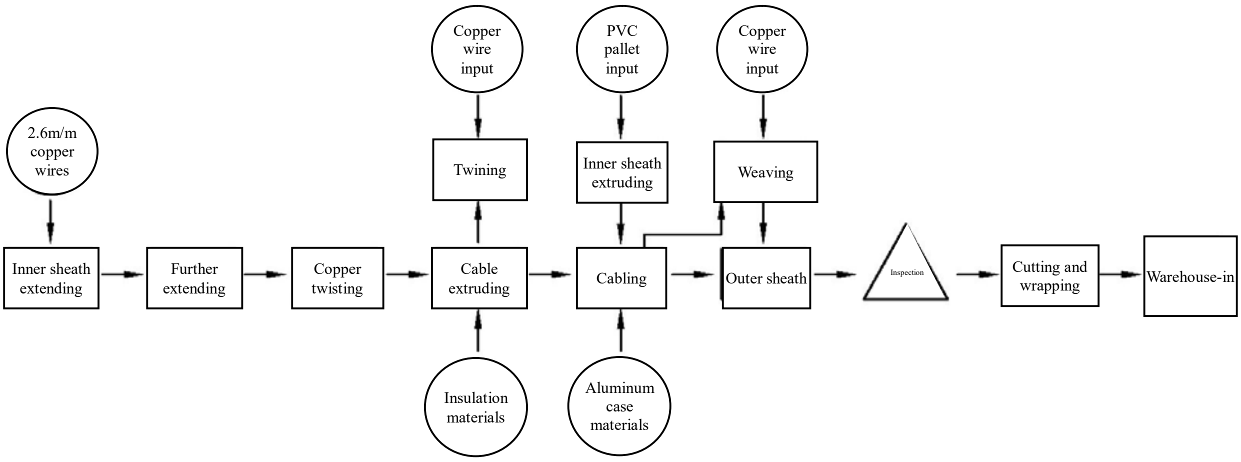
Category	Main products	Important functions
Consumer electronic products	Cable harness (LVDS cables)	Monitors and internal computer cables
	DVI Cable	Monitors and LCD displays
	Display Port Cable	LCD displays
	HDMI Cable	Digital TV, digital camcorders, digital audio-visual systems, and video game consoles
	USB Cable	Printers, keyboards, mouses, digital cameras, digital camcorders, and monitors
	AOC HDMI 2.0 /2.1 /3.1 Cable	4K HD equipment
	HDMI 2.1, Type C	HD camcorders, AR, VR, and UAV industrial control equipment
Communication products	LAN Cable	LAN communication switching systems, computer network jumpers, and game consoles
Automotive cables	Automotive electronic connection cables New energy electric control cabinet wiring harness	Automotive audio-video systems, automotive electronic 5G transmission, automotive mobile phone chargers, satellite navigation, parking sensors, extended audio-video peripherals, adapters, and car lights, New energy charging pile cable.
Server products	SFP Cable, SAS Cable	Cloud servers and peripherals
Medical products	Wire harness, medical device cables, and cable for Endoscope handle,brain tumor and Neuroelectrophysiological detection equipment	Medical device and electronic equipment
Industrial control	Wire Harness, Electric control cabinet wiring harness	Industrial control (resistant to cable drag chains) and gambling or machine tool control centers
Industrial cameras	USB 3.0, Camera Link Cable, AOC USB AM to	High-end industrial cameras (resistant to cable drag chains), Yamaha high-speed

Category	Main products	Important functions
	Mirco-B AOC Camera link cable	motion camera wire harness, and industrial vision systems

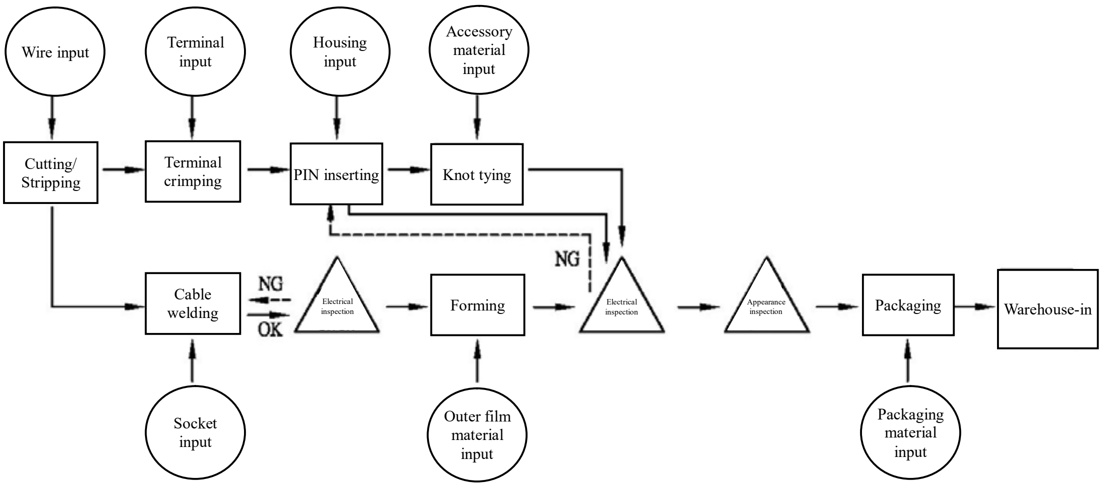
The manufacturing process of key products:

Transmission cables and transmission wire harness manufacturing process

A. Information and communication transmission cables



B. Information and communication signal transmission wire harness



(III) Supply status of major raw materials

Copper materials, PVC powder, plasticizer, aluminum foil, and PE are the main raw materials of the Company (including subsidiaries). Our raw material suppliers are domestic and overseas agents or manufacturers. The main copper material suppliers are Sci Copper (Guangzhou) Co., Ltd., Rongxing High Conductivity Technology (Jiangsu) Co., Ltd., and Jiangxi Copper Corp.; PVC powder suppliers include Taizhou Union; plasticizer suppliers include Zhongshan Union. As the supply of main raw materials changes with the international market trends, the Company uses the main raw materials timely and appropriately at affordable prices and keep abreast of the sources of the most stable suppliers' supply. Due to long-term close partnerships, their supply is quite stable.

(IV) The names of suppliers (clients) with purchases (sales) accounting for at least 10% of the total in any of the last two years, the amount and percentage of the purchases (sales), and reason for increase/ decrease

1. Information on major suppliers in the last two years (based on the consolidated financial statements)

Unit: NT$ thousand

	Item	Name (Note 1)	Amount	Ratio to net purchases During the period (%)	Relationship to the issuer
Year 2022	1	A	809,194	30.89	None
	2	Other	1,810,076	69.11	
	3	Net purchase	2,619,270	100.00	
Year 2023	1	A	765,916	32.69	None
	2	Other	1,577,076	67.31	
	3	Net purchase	2,342,992	100.00	
2024 up to March 31, 2024 (Note 2)	1	A	124,969	22.68	None
	2	Other	426,122	77.32	
	3	Net purchase	551,091	100.00	

Note 1: If the name of a supplier cannot be disclosed due to the contractual agreement or as a transaction counterparty is an individual and not a related party, it may be indicated with a code.

Note 2: The consolidated financial statements for 2024 Q1 were reviewed by CPA.

2. Major clients in the last two years (based on the consolidated financial statements)

Unit: NT$ thousand

	Item	Name	Amount	Ratio to net sale During the period (%)	Relationship to the issuer
Year 2022	1	None			
		Other	4,166,649	100	
		Net sales	4,166,649	100	
Year 2023	1	None			
		Other	3,642,580	100	
		Net sales	3,642,580	100	
2024 up to March 31, 2024 (Note)	1	None			
		Other	751,232	100	
		Net sales	751,232	100	

Note: The consolidated financial statements for 2024 Q1 were reviewed by CPA.

(V) Production value for the last two years

Unit: In thousands of pieces/ NT$ thousand

Year / Production value / Key Products	Unit	2022			2023		
		Capacity	Output	Output value	Capacity	Output	Output value
Information and communication transmission cables	M	335,509	176,367	1,751,370	282,761	136,734	1,420,086
Information and communication signal transmission wire harness	PCS	5,653	4,900	297,981	6,381	5,010	287,325
Plastic pellets	KG	36,357	28,855	849,920	34,004	25,519	417,390
Other			3,444	713,586		7,686	912,481
Total				3,612,857			3,037,282

Note: Others refer to products, such as raw materials, PVC powder, copper materials, as well as machine parts and accessories.

(VI) Sales in the last two years

Unit: In thousands of pieces/ NT$ thousand

Sales volume and value / Year / Key Products	Unit	2022				2023			
		Domestic sales		Export		Domestic sales		Export	
		Volume	Value	Volume	Value	Volume	Value	Volume	Value
Information and communication transmission cables	M	2,676	38,293	187,921	2,047,066	2,383	24,397	180,272	1,606,509
Information and communication signal transmission wire harness	PCS	1,639	53,095	5,322	490,476	2,384	59,973	4,086	450,470
Plastic pellets	KG	786	6,297	27,618	761,883	159	1,548	28,197	591,638
Other				3,372	769,539			7,559	908,045
Total			97,685		4,068,964		85,918		3,556,662

Note: Others refer to products, such as raw materials, PVC powder, copper materials, as well as machine parts and accessories.

III. Information on employees during the last two years and up to the publication date of this annual report (provided by the Human Resources Department)

May 15, 2024; unit: person

Year		2022	2023	As of May 15, 2024
Number of employees (Note)	General employees (including team leaders)	36	21	19
	Managers at the section manager level	10	8	8
	Managers at the assistant Manager level or above	44	37	36
	Total	90	66	63
Average age		43.82	47.37	48.08
Average years of service		10.01	12.72	13.29
Academic qualification (%)	Doctoral Degree	0	0	0
	Master's Degree	7.78	9.09	9.52
	Bachelor's Degree	71.11	80.30	79.37
	High school	18.89	7.58	7.94
	Below high school	2.22	3.03	3.17

Note: The number of employees includes Taiwanese managers.

IV. Environmental Spending

Any losses (including compensation and environmental protection audit results in violation of environmental laws and regulations; the date of penalty, penalty document number, applicable law violated, content of the law, and content of penalty shall be disclosed) incurred due to environmental pollution during the last year and up to the publication date of this annual report, the currently estimated amount and future potential amount, and future countermeasures. If such amounts cannot be reasonably estimated, the fact that they cannot be estimated shall be explained: None.

V. Employee-employer relationship:

(I) The Company's various employee benefit measures, continuing education, training, pension system, and implementation thereof, as well as labor-management agreements and various employee rights protection measures: Great

1. Employee benefits

(1) The Company has established the Employee Welfare Committee since January 1, 2005 and allocates funds to it on a monthly basis to regularly organize employee welfare events and activities. It draws up detailed benefit plans and prepares a budget per year.

(2) Year-end bonus and remuneration payout regulations.

(3) Wedding and funeral cash gifts and condolence money.

(4) Labor health insurance and group insurance.

(5) Domestic and overseas travel subsidies.

(6) Cash gifts and gifts upon major holidays.

(7) Birthday cash gifts and parties.

(8) Year-end and spring parties.

(9) Regular health examination.

2. Training system

(1) Pre-employment training: It is to enable new recruits to have a comprehensive understanding of the Company's organizational structure, business approaches, entrepreneurship, and systems and rules on their first day of work.

(2) On-the-job training: It is to improve employees' work skills, professional knowledge, and familiarity with new laws and regulations.

3. The certificates and licenses designated by competent authorities obtained our personnel related to financial transparency are as follows:

Certificates and licenses	Number of people
Certified internal auditor (CIA)	2

4. The code of conduct and ethics for employees:

(1) The Company's Human Resources Management Regulations require that employees help each other wholeheartedly and be modest and diligent; the code of ethical conduct for employees regulates that employees should abide by professional ethics standards, to gain the trust of the public and enhance the corporate image.

(2) Employees should respect the Company's reputation and must not deceive others or use their powers to seek personal gain or be involved in fraud in the name of the Company; that they should be modest in interacting external parties and must not be arrogant and insulting them to tarnish the Company's reputation; that they must not accept gifts from clients, competitors, or suppliers or borrow money from the above parties; that they should not use or spend the Company's funds for purposes not related to work.

(3) Employees should be dedicated to their duties and not disclose all the secrets of the Company's business and production technology to the outside world; unless specifically approved, they should not concurrently hold positions outside the Company or be involved in affairs other than work in the name of the Company.

5. Work environment and personal safety protection measures:

(1) Employee safety protection is regarded as the top priority for the Company's office environment. Each entrance and exit is equipped with an access control system, with a strict around-the-clock access control monitoring system installed to ensure employees' personal safety.

(2) The entrance and exit of the Company's office building are controlled by security personnel at night and on holidays to maintain the public security of the building.

(3) The Company entrusts a professional company to inspect public security every two years in accordance with the building public security inspection certification and reporting regulations and obtains the building public security independent management inspection mark.

(4) The Company's various electromechanical or fire-fighting equipment (such as fire alarms or fire extinguishers) are in accordance with the Fire Services Act; the Company outsources the repair or maintenance work to a professional agency from April to June per year and report to the competent authority, while inspecting and maintaining the air-conditioning equipment between June and August per year and water dispensers every two months and organizing fire exercises every six months.

(5) The Company prohibits smoking at all our business premises in accordance with regulations and hire cleaning personnel to clean the office environment every day to ensure that the work environment is clean and hygienic.

(6) The Company provides hygiene products, such as alcohol and masks, to employees at the offices. If employees have cold symptoms, they need to wear a mask to prevent other colleagues from being infected with a cold.

(7) The Company regards safety and health as the management team's most important responsibility and firmly believe that employees are the Company's most valuable assets. We organize employee health examination per year and continue to care for employees' physical and psychological health, to build a healthy enterprise full of vitality.

(8) The Company attaches great importance to the harmony and growth of labor-management relations and hold a labor-management meeting every three months to enhance labor-employment collaboration.

(9) The Company has formulated the Regulations for Establishing Measures of Prevention, Correction, Complaint and Punishment of Sexual Harassment at Workplace to protect employees' rights.

(10) In addition to purchasing labor and health insurance according to the law, the Company purchases group insurance for each employee. If employees are on a business trip, we also purchase additional travel insurance to protect them.

(11) The Company also purchases commercial fire insurance, plus theft insurance for the Company's offices and plants.

6. Pension system: It is handled as per the Labor Standards Act and the Labor Pension Act.

(1) Those who retire under the Labor Standards Act:

A. The Company makes a monthly contribution, equal to 2% of all employees' total monthly salaries, and has established a Supervisory Committee of Labor Retirement Reserve.

Each employee is granted two base points for each full year of work according to the number of working years. However, those who have worked for 15 years or above will be granted a base point for each full year of work, and the maximum total number of the base points is 45. The length of work less than half a year is counted as half a year; half a year or above is counted as one year.

B. For those who retire mandatorily with their physical and psychological disabilities caused during the performance of duties, an additional 20% of the pension shall be paid in accordance with the provisions of the preceding paragraph.

C. The standard for the pension amount is subject to the average monthly salary when the retirement is approved.

(2) Those who retire under the Labor Pension Act:

A. The Company makes monthly contributions, equal to 6% of the total monthly salaries of employees, to their pension accounts with the Bureau of Labor Insurance.

B. Employees who have reached the age of 60 and have worked for 15 years or above may apply for the monthly pension scheme. However, those who have worked for fewer than 15 years shall only apply for pension in a lump sum.

C. The number of years of work in the preceding paragraph shall be based on the number of years of contribution to the pension funds. If there is an interruption in the number of years of work, the number of years of work before and after the interruption shall be counted together.

Employees who have adopted the pension scheme under the Labor Standards Act before the implementation of the Labor Pension Act, still served at the same business after the Labor Pension Act took effect, and chose to adopt the pension scheme under the Labor Pension Act, the number of years of their work before said act took effect, should be retained.

7. Labor-management agreements and various employee rights protection measures: Positive.

(1) We regularly hold labor-management meetings to establish a labor-management negotiation mechanism.

(2) We have an employee grievance system in place to improve labor-management relations and gender equality at work.

(3) We have the work rules and the Human Resources Management Regulations in place to clearly define both employer and employees' rights, obligations, and management tasks, to enable employees to fully understand and protect their rights and interest.

(II) Any losses (including labor inspection results in violation of the Labor Standards Act; the date of penalty, penalty document number, applicable law violated, content of the law, and content of penalty shall be disclosed) incurred due to labor disputes during the last year and up to the publication date of this annual report, the currently estimated amount and future potential amount, and future countermeasures. If such amounts cannot be reasonably estimated, the fact that they cannot be estimated shall be explained:

Since the Company was established, the labor-management relations have been harmonious, and no loss has be incurred due to labor disputes. It is estimated that the possibility of losses due to labor disputes in the future is extremely low.

VI. ICT security management

(I) Describe the ICT security risk management framework, the ICT security policy, specific management plan and the resources invested in the ICT security management, etc.

(1) Cyber security risk management framework

The Company's information security unit is the Information Management Division, which is equipped with an information security supervisor and dedicated personnelis and be responsible for formulating the Company's information security system, establishing a secure and reliable business operating environment, and ensuring the security of data, systems, and network environments. Additionally, they regularly review the company's information security management framework and policies to ensure appropriateness and report to the CEO.
The Audit Division is an information security supervisory unit and conducts annual audits and assessments to ensure its suitability and security.

(2) Cyber security policy

A. The login account and password are required to use the Company's system resources within the scope of access permissions to maintain system security and controllability.

B. User passwords can be updated at any time. The Information Department regularly reminds users of changing their passwords and the information security policy and rules.

C. Various network services are handled in accordance with the information security policy, and different departments are given different access permissions based on their attributes.

D. We regularly review the settings of firewalls and email gateways and timely reinforce their security mechanisms to ensure the security of the Company's network environment and email delivery.

E. We carry out the virus detection and scanning tasks in real time automatically for the operating systems, network environments, and emails.

F. We regularly update the anti-virus software version and update the latest virus pattern at any time.

G. We back up system data automatically per day.

H. The Information Management Division stores the external storage media for important backups in the security boxes of public or private banks with good reputation and updates the above media at least once per week.

I. We have established a remote backup mechanism for important system data and store the data in a remote backup service provider's IDC.

J. The ICT supervisors and employees receive training related to information security.

K. Join a cybersecurity information sharing organization to obtain cybersecurity threat intelligence, cybersecurity threats, and vulnerability information.

(3) Specific management plans

A. Hardware equipment and data center management

a. Without information personnel's permission, it is not allowed to move or disassemble computers, hosts, monitors, among other computer peripherals.

b. It is not allowed to change the relevant settings of the computer system without consent, and if necessary, it should be handled with information personnel's assistance.

c. The data center is equipped with an independent air-conditioning and a backup air-conditioning, a security surveillance, an access control, and uninterruptible power supply systems, and firefighting equipment; we regularly repair or maintain the equipment, to allow the center to continue to operate normally and securely.

d. When a person enters and leaves the data center, they should be escorted by the Company's information personnel and need to fill out the data center access control form.

e. When a service provider is to maintain software or hardware, they should be escorted and supervised by the Company's information personnel.

B. Software version management

a. Any software system not obtained through legal procedures is strictly prohibited in the Company.

b. Software that has not been confirmed by the information unit, regardless of whether it is legal or not, may not be installed on the Company's computers.

c. Public software and documents are stored in a safe place of the Information Management Division and properly kept.

C. Virus and illegal intrusion and email management

a. The personal computers and servers used by all our employees are equipped with anti-virus software, and anti-virus software is also used to detect viruses in external storage media. The latest version of the virus pattern is automatically updated. The Company has an anti-spam system in place, and each email sent or received through our email server and files attached thereto will be sent or received after being scanned.

b. We detect and block all illegal intrusion into the Company's network around the clock and adjust the defense mechanism in a timely manner.

D. Major disaster emergency response and recovery plan management

In response to unexpected accidents that cause a system to fail to operate normally, the Company has formulated a disaster emergency response and recovery plan, tests the plan with simulated scenarios, records the test procedures and results, and analyzes the improvement procedures to minimize the impact of disasters on the Company's information operations.

(4) Resources put in information security management

A. We prepare a budget for information operations per year to maintain and reinforce information security protection, such as renewal of software and hardware repair and maintenance contracts and replacement of relevant data center equipment.

B. The company has two dedicated personnel for ICT, including one supervisor and one specialist.

C. Supervisor and specialist have 5 discussion for ICT security management in 2023.

(II) List the losses, possible impacts, and countermeasures from major ICT security incidents in the last year and up to the publication date of the annual report. If a reasonable estimate cannot be made, an explanation of the facts of why it cannot be made shall be provided:

The Company did not encounter any major information security incidents that would affect the operations during 2023.

VII. Important contract

Contract nature	Participants	Contract start and end dates	Main contents	Restrictive clauses
Loan contract	Chang Hwa Bank and other five participating banks	November 21, 2022-November 21, 2027 Five years from the date of first drawdown (revolving credit)	A syndicated loan of NT$ 1 billion or equivalent in USD	During the duration of the syndicated loan case, the current ratio, debt ratio, and interest coverage ratio in the Company's Q2 and annual consolidated financial statements should meet the requirements in the loan contract.

Chapter VI Financial status

I. Condensed balance sheet, statement of comprehensive income, names and audit opinions of the CPAs for the last five years

(I) Condensed balance sheet and statement of comprehensive income

Condensed balance sheet

Unit: NT$ thousand

Item \ Year		Financial information for the last 5 years					Financial data for 2024 up to March 31, 2024 (Note)
		2019	2020	2021	2022	2023	
Current assets		3,207,729	3,440,796	3,325,198	3,193,018	2,736,368	2,777,741
Property, plant and equipment		446,243	414,498	570,804	701,327	964,076	1,029,818
Intangible assets		5,718	4,566	4,446	5,067	4,950	5,281
Other assets		242,953	245,284	494,229	549,812	530,889	493,018
Total assets		3,902,643	4,105,144	4,394,677	4,449,224	4,236,283	4,305,858
Current liabilities	Before dividend distribution	1,539,091	1,647,160	1,684,735	1,585,921	2,341,467	1,540,010
	After dividend distribution	1,581,591	1,689,660	1,710,235	1,629,696	2,341,467	1,540,010
Non-current liabilities		527,151	543,393	767,720	923,530	403,899	1,169,435
Total liabilities	Before dividend distribution	2,066,242	2,190,553	2,452,455	2,509,451	2,745,366	2,709,445
	After dividend distribution	2,108,742	2,233,053	2,477,955	2,553,226	2,745,366	2,709,445
Equity attributable to owners of the parent company		1,822,712	1,903,215	1,930,630	1,930,024	1,481,416	1,573,645
Share capital		850,000	850,000	850,000	875,500	875,500	875,500
Capital surplus	Before dividend distribution	423,087	424,230	424,230	424,230	380,455	380,455
	After dividend distribution	423,087	424,230	424,230	380,455	380,455	380,455
Retained earnings	Before dividend distribution	878,201	916,268	955,118	883,636	520,911	503,855
	After dividend distribution	835,701	873,768	929,618	883,636	520,911	503,855
Other equity interests		(328,576)	(287,283)	(298,718)	(253,342)	(290,450)	(186,165)
Treasury stock		-	-	-	-	-	-
Non-controlling interests		13,689	11,376	11,592	9,749	9,501	22,768
Total equity	Before dividend distribution	1,836,401	1,914,591	1,942,222	1,939,773	1,490,917	1,596,413
	After dividend distribution	1,793,901	1,872,091	1,916,722	1,895,998	1,490,917	1,596,413

Note : The consolidated financial statements for 2024 Q1 were reviewed by a CPA.

Condensed consolidated statements of comprehensive income

Unit: NT$ thousand

Item \ Year	Financial information for the last 5 years					Financial data for 2024 up to March 31, 2024 (Note 1)
	2019	2020	2021	2022	2023	
Revenue	3,529,149	3,597,629	4,849,634	4,166,649	3,642,580	751,232
Gross profit (Note 2)	658,122	714,789	799,868	617,607	363,559	102,368
Operating income (loss)	93,375	122,233	127,465	(54,321)	(360,820)	(39,959)
Non-operating income and expenses	12,929	19,045	14,435	38,448	5,882	24,883
Net income (loss) before tax	106,304	141,278	141,900	(15,873)	(354,938)	(15,076)
Current net income from continuous operations	51,106	81,408	82,084	(24,634)	(362,607)	(17,174)
Gain(loss) from discontinued operations	-	-	-	-	-	-
Current net income (loss)	51,106	81,408	82,084	(24,634)	(362,907)	(17,174)
Other comprehensive income in the current period (net amount after tax)	(115,509)	42,188	(11,953)	47,685	(42,474)	109,654
Total comprehensive income	(64,403)	123,596	70,131	23,051	(405,081)	92,480
Net income (loss) attributable to parent owner	49,211	79,942	81,823	(22,606)	(362,509)	(17,056)
Net income (loss) attributable to non-controlling interests	1,895	1,466	261	(2,028)	(98)	(118)
Total comprehensive income attributable to owners of the parent company	(65,694)	121,860	69,915	24,894	(404,833)	92,229
Total comprehensive income attributable to non-controlling interests	1,291	1,736	216	(1,843)	(248)	251
Earnings (loss) per share (NTD) (NT$) (Note 3)	0.58	0.94	0.93	(0.26)	(4.14)	(0.19)

Note 1: The consolidated financial statements for 2024 Q1 were reviewed by a CPA.
Note 2: It includes the profit on sales that have been (un)realized.
Note 3: It is the earnings per share adjusted based on the weighted average number of ordinary shares.

(II) Condensed parent company-only balance sheets and parent company-only statement of comprehensive income - IFRS

Condensed Parent Company-Only Balance Sheet - IFRS

Unit: NT$ thousand

Item \ Year		Financial information for the last 5 years				
		2019	2020	2021	2022	2023
Current assets		641,162	666,143	639,840	697,546	826,637
Property, plant and equipment		187,423	177,868	171,657	160,177	133,819
Intangible assets		80	51	22	-	-
Other assets		3,421,971	3,667,765	3,807,024	3.912.547	3,557,773
Total assets		4,249,636	4,511,827	4,618,521	4,770,270	4,518,229
Current liabilities	Before dividend distribution	1,429,962	1,562,850	1,636,996	1,651,657	2,419,129
	After dividend distribution	1,472,462	1,065,350	1,662,496	1,695,432	2,419,129
Non-current liabilities		996,962	1,045,762	1,050,895	1,188,589	617,684
Total liabilities	Before dividend distribution	2,426,924	2,608,612	2,687,891	2,840,246	3,036,813
	After dividend distribution	2,469,424	2,651,112	2,713,391	2,884,021	3,036,813
Equity attributable to owners of the parent company		-	-	-	-	-
Share capital		850,000	850,000	850,000	875,500	875,500
Capital surplus	Before dividend distribution	423,087	424,230	424,230	424,230	380,455
	After dividend distribution	423,087	424,230	424,230	380,455	380,455
Retained earnings	Before dividend distribution	878,201	916,268	955,118	883,636	520,911
	After dividend distribution	835,701	873,768	929,618	883,636	520,911
Other equity interests		(328,576)	(287,283)	(298,718)	(253,342)	(295,450)
Treasury stock		-	-	-	-	-
Non-controlling interests		-	-	-	-	-
Total equity	Before dividend distribution	1,822,712	1,903,215	1,930,630	1,930,024	1,481,416
	After dividend distribution	1,780,212	1,860,715	1,905,130	1,886,249	1,481,416

Condensed Parent Company-Only Statement of Comprehensive Income - IFRS

Unit: NT$ thousand

Item \ Year	Financial information for the last 5 years				
	2019	2020	2021	2022	2023
Revenue	410,598	305,892	310,027	255,558	283,389
Gross profit (Note 1)	53,308	27,094	42,004	28,922	27,415
Operating income (loss)	(60,195)	(111,844)	(60,660)	(77,810)	(91,906)
Non-operating income and expenses	96,646	171,071	129,654	40,951	(283,736)
Net income (loss) before tax	36,451	59,227	68,994	(36,859)	(375,642)
Current net income from continuous operations	49,211	79,942	81,823	(22,606)	(362,509)
Gain(loss) from discontinued operations	-	-	-	-	-
Current net income (loss)	49,211	79,942	81,823	(22,606)	(362,509)
Other comprehensive income in the current period (net amount after tax)	(114,905)	41,918	(11,908)	47,500	(42,324)
Total comprehensive income	(65,694)	121,860	69,915	24,894	(404,833)
Net income attributable to owners of the parent company	-	-	-	-	-
Net income attributable to non-controlling interests	-	-	-	-	-
Total comprehensive income attributable to owners of the parent company	-	-	-	-	-
Total comprehensive income attributable to non-controlling interests	-	-	-	-	-
Earnings (loss) per share (NTD) (Note 2)	0.58	0.94	0.93	(0.26)	(4.14)

Note 1: It includes the profit on sales that have been (un)realized.

Note 2: It is the earnings per share adjusted based on the weighted average number of ordinary shares.

(III) Names and audit opinions of the CPAs for the last five years

Year	Auditor's firm	CPA	Opinion
2019	Deloitte & Touche	Tsai, Mei-Chen; Chen, Ming-Hui	Unqualified opinion
2020	Deloitte & Touche	Tsai, Mei-Chen; Chen, Ming-Hui	Unqualified opinion
2021	Deloitte & Touche	Tsai, Mei-Chen; Chen, Ming-Hui	Unqualified opinion
2022	Deloitte & Touche	Tsai, Mei-Chen; Huang, Yu-Feng	Unqualified opinion
2023	Deloitte & Touche	Tsai, Mei-Chen; Huang, Yu-Feng	Unqualified opinion

II. Financial analysis for the last 5 years

(I) Consolidation Financial Analysis - IFRS

Analysis item (Note 2) \ Year		Financial analysis for the last 5 years					2024 up to March 31, 2024 (Note 1)
		2019	2020	2021	2022	2023	
Financial structure (%)	Debt to assets ratio	52.94	53.36	55.81	56.40	64.81	62.92
	Ratio of long-term capital to property, plant and equipment	529.66	593.00	474.76	408.27	196.54	268.58
Solvency (%)	Current ratio	208.42	208.89	197.37	201.34	116.87	180.37
	Liquid ratio	182.49	179.35	164.44	173.50	98.38	150.46
	Interest coverage ratio	5.82	8.12	7.25	0.56	(6.54)	(0.19)
Operating ability	Turnover rate of accounts receivable (times)	2.17	2.19	2.65	2.45	2.71	2.35
	Number of days in average cashing.	168	167	138	149	135	155
	Rate of stock turnover (times)	9.32	8.69	10.10	9.29	10.86	7.92
	Rate of payable turnover (times)	10.07	8.78	13.24	14.18	15.13	11.32
	Average number of days in sales.	39	42	36	39	33.61	46
	Rate of real estate, plant buildings and equipment (times)	7.93	8.36	9.84	6.55	4.37	3.19
	Rate of turnover rate for total assets (times)	0.91	0.90	1.14	0.94	0.84	0.68
Profitability	Return on assets (%)	1.78	2.43	2.36	0.09	(7.48)	(0.16)
	Return on equity (%)	2.67	4.34	4.26	(1.27)	(21.14)	(0.98)
	Ratio of net income (loss) before tax to the paid-in capital (%) (Note7)	12.51	16.62	16.69	(1.81)	(40.54)	-
	Net income (loss) rate (%)	1.45	2.26	1.69	(0.59)	(9.95)	(2.29)
	Earnings (loss) per share (NTD)	0.58	0.94	0.96	(0.26)	(4.14)	(0.19)
Cash flow	Cash flow ratio (%)	21.11	-	-	42.26	3.07	(0.48)
	Cash flow adequacy ratio (%)	113.40	83.65	50.02	102.88	74.13	54.74
	Cash reinvestment ratio (%)	8.39	-	-	20.27	1.36	(0.24)

Leverage	Business operation leverage	9.20	6.91	7.77	(14.22)	(1.39)	-
	Financial leverage	1.31	1.19	1.22	0.60	0.88	-

Please specify the reasons for the movements in various financial ratios in the last two years (if the movement does not reach 20%, an analysis is not required)

1. Ratio of long-term capital to property, plant and equipment 、Current ratio, Liquid ratio: The classification of long-term borrowings for 2023 syndicated loan as current liabilities resulted in a decrease in the ratio..
2. Interest coverage ratio: The increase in pre-tax losses for 2023 fiscal year compared to the 2022 led to a decrease in the interest coverage ratio..
3. Turnover of real estate, plant and equipment: The decrease in real estate, plant and equipment turnover is mainly due to lower revenue in 2023 compared to 2022.
4. Profitability: All ratios decreased primarily due to the increase in after-tax losses for the fiscal year 2023 compared to 2022.
5. Cash flow: All ratios decreased mainly due to increase in capital expenditure in Jiangxi and Dongtai area.

Note 1: The consolidated financial statements for 2024Q1 were reviewed by a CPA.

Note 2: The calculation formulas are as follows:

1. Financial structure
   (1) The ratio of total liabilities to total assets = Total liabilities / Total assets
   (2) Ratio of long-term capital to property, plant and equipment = (Total equities + noncurrent liabilities) / Property, plant and equipment.
2. Solvency
   (1) Current ratio = Current assets / Current liabilities.
   (2) Quick ratio = (Current assets - Inventories - Prepaid expense) / current liabilities.
   (3) Interest coverage ratio = Net profit before interest and tax / Interest expenses for the current period.
3. Operating ability
   (1) Accounts receivable turnover (including accounts receivable and notes receivable from operating activities) = Net sales / Balance of average accounts receivable in each period (including accounts receivable and notes receivable from operating activities).
   (2) Number of days in averaged cashing = 365 / Turnover rate of account receivable.
   (3) Inventory turnover rate = Sales cost / Averaged inventory amount.
   (4) Turnover rate of the payables (Including accounts payable and the notes payable incurred by business operation) = Sales cost / Balance of the payables averaged in various term (Including accounts payable and the notes payable incurred by business operation).
   (5) Number of days on averaged sales = 365 / Inventory turnover rate.
   (6) Turnover rate of real estate, plants and equipment = Net amount of sales / Averaged net amount for the real estate, plants and equipment.
   (7) Overall asset turnover rate = Net amount of sales / Total of average assets.
4. Profitability
   (1) Return on assets = (After tax net profit + Interest expenses x (1- tax rate)) / Average asset balance.
   (2) Return on shareholders' equity = After tax net profit / Total average equity.
   (3) Profit margin = Profit or loss after tax / Net sales.
   (4) Earnings per share = (Profits or loss attributable to owners of the parent company - Preferred stock dividend) / Weighted average stock shares issued.
5. Cash flow
   (1) Cash flow ratio = Net cash flow from operating activities / current liabilities.
   (2) Cash flow adequacy ratio= Net cash flow from operating activities within five years / (Capital expenditure + Inventory increase + Cash dividend) within five

years.

(3) Cash re-investment ratio= (Net cash flow from operating activity - Cash dividend) / gross property, Plant, and equipment + Long-term investment + Other non-current assets + Working capital).

6. Leverage:

(1) Operation leverage = (Net amount of operating revenues - Variable operating costs and expenses) / Operating profit.

(2) Financial leverage = Operating profit / (Operating profit - Interest expenses).

(II) Parent Company-Only Financial Analysis - IFRS

Analysis item (Note 2) \ Year(Note 1)		Financial analysis for the last 5 years				
		2019	2020	2021	2022	2023
Financial structure (%)	Debt to assets ratio	57.11	57.82	58.20	59.54	67.21
	Ratio of long-term capital to property, plant and equipment	1,504.44	1,657.96	1,736.91	1,946.98	1,568.61
Solvency (%)	Current ratio	44.84	42.62	39.09	42.23	34.17
	Liquid ratio	44.43	41.92	37.91	41.12	33.75
	Interest coverage ratio	3.76	5.31	6.30	-	-
Operating ability	Turnover rate of accounts receivable (times)	2.98	3.01	4.46	4.68	5.37
	Number of days in average cashing.	122	121	82	78	68
	Rate of stock turnover (times)	629.95	203.74	36.35	22.52	54.92
	Rate of payable turnover (times)	9.05	7.49	8.54	7.49	8.54
	Average number of days in sales.	1	2	10	16	7
	Rate of real estate, plant buildings and equipment (times)	2.45	1.67	1.77	1.54	1.93
	Rate of turnover rate for total assets (times)	0.10	0.07	0.07	0.05	0.06
Profitability	Return on assets (%)	1.40	2.08	2.02	(0.16)	(7.30)
	Return on equity (%)	2.59	4.29	4.27	(1.17)	(21.25)
	Ratio of net income (loss) before tax to the paid-in capital (%) (Note6)	4.29	6.97	8.12	(4.21)	(42.91)
	Net income (loss) rate (%)	11.99	26.13	26.39	(8.85)	(127.92)
	Earnings (loss) per share (NTD)	0.58	0.94	0.96	(0.26)	(4.14)
Cash flow	Cash flow ratio (%)	-	-	-	-	-
	Cash flow adequacy ratio (%)	4.93	3.16	3.26	3.96	-
	Cash reinvestment ratio (%)	-	-	-	-	-
Leverage	Business operation leverage	-	-	-	-	-
	Financial leverage	-	-	-	-	-

Please specify the reasons for the movements in various financial ratios in the last two years (if the movement does not reach 20%, an analysis is not required) 1. Inventory turnover ratio, average days of sales: The closure of the Sulin plant in October 2023 resulted in reduced inventory. 2. Rate of real estate, plant buildings and equipment: The increase in this ratio is mainly due to higher revenue in 2023 compared to 2022. 3. Profitability:A ll ratios decreased primarily due to the increase in after-tax losses for the fiscal year 2023 compared to 2022.

Note 1: The above financial data from 2019 through 2023 has been certified by CPAs.
Note 2: The formulas in this table are the same at those in the above consolidated financial analysis.

III. Audit Committee's Review Report on the Last Year's Financial Statements

Auditing Committee's audit report

The Board of directors of the company delivers the 2023 business report, financial statements and consolidated financial statements and surplus distribution, etc., the financial statements and consolidated financial statements have been DELOITTE & TOUCHE and issued an unreserved opinion audit report.

The above-mentioned business report, financial statements and consolidated financial statements and surplus distribution has been audited by the board and found to be correct, therefore, report according to Section 14-4 of the Securities Trading Act and section 219 of the Companies Act.

Copartner Technology Corp.

Convener of Audit Committee: Yung-Jane, Hsu

March 13, 2024

IV. The last year’s financial statements and tables

The affiliates that are required to be included in the Company’s consolidated financial statements as of and for the year ended December 31, 2023, under the Criteria Governing the Preparation of Affiliation Reports, Consolidated Business Reports and Consolidated Financial Statements of Affiliated Enterprises are the same as those included in the consolidated financial statements prepared in conformity with the IFRS 10. In addition, the information required to be disclosed in the combined financial statements of affiliates is included in said consolidated financial statements. Consequently, a separate set of combined financial statements of affiliates will not be prepared.
It is hereby declared that the above information is true and correct.

Name of company: Copartner Technology Corp.

Person in charge: Ho, Chun-Hsien

March 13, 2024

INDEPENDENT AUDITORS' REPORT

To the Board of Directors of Copartner Technology Corporation:

Opinion

We have audited the accompanying financial statements of Copartner Technology Corporation and its subsidiaries, which comprise the consolidated balance sheets for the year ended December 31, 2023 and 2022, and the consolidated statements of comprehensive income for the year ended December 31, 2023 and 2022, the consolidated statements of changes in equity and cash flows for the years then ended, and the consolidated notes to the financial statements (including a summary of significant accounting policies).

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Company and its subsidiaries as of December 31, 2023 and 2022, and its consolidated financial performance and its consolidated cash flows for the years then ended in accordance with 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) endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China.

Basis for Opinion

We conducted our audits in accordance with the Regulations Governing Auditing and Attestation of Financial Statements by Certified Public Accountants and 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 Consolidated Financial Statements section of our report. We are independent of the Company and its subsidiaries in accordance with the Norm of Professional Ethics for Certified Public Accountant of the Republic of China and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

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

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

Revenue Recognition

1. Copartner Technology Corporation and its subsidiaries' 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. Net revenue in 2023 is NT$3,642,580 thousands, please refer to Note IV,XIII and XX in the financial statements for policies related to revenue recognition.
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 CPA 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 the sales to customers show a positive growth compared to the previous year's sales and exhibit differences from the overall sales trend, 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.

Other Matters

We have also audited the parent company only financial statements of Copartner Technology Corporation as year of and for the years ended December 31, 2023 and 2022 on which we have issued an unmodified opinion.

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

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and the IFRS, IAS, IFRIC, and SIC endorsed and issued into effect by the

Financial Supervisory Commission of the Republic of China, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Company and its subsidiaries' 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 and its subsidiaries 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 and its subsidiaries' financial reporting process.

Auditors' Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the auditing standards generally accepted in the Republic of China will always detect a material misstatement contained in the consolidated 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 consolidated 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 consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
2. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company and its subsidiaries' 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 and its subsidiaries' ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Company and its subsidiaries to cease to continue as a going concern.
5. Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
6. Obtain sufficient and appropriate audit evidences concerning the financial information of the entities in the Company and its subsidiaries, to express opinions on the Consolidated Financial Statements. We are responsible for guiding, supervising, and performing the audit and forming an audit opinion on the Company and its subsidiaries.

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the Company and its subsidiaries 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-Zai-Zheng-Liu-Zi No.0920123784

March 13, 2024

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

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

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

COPARTNER TECHNOLOGY CORP. AND SUBSIDIARIES
CONSOLIDATED 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)	$1,075,676	26	$1,264,821	28
1150	Notes receivable, net (Notes IV, V & VIII)	161,091	4	161,021	4
1160	Notes receivable due from related parties, net (Notes IV, V, & XXVI)	26	-	-	-
1170	Accounts receivable, net (Notes IV, V, VIII & XX)	1,052,736	25	1,312,657	30
1180	Accounts receivable due from related parties, net (Notes IV, V, XX & XXVI)	1,338	-	816	-
1200	Other receivables, net (Notes IV & VIII)	12,583	-	12,237	-
130X	Inventories (Notes IV, V & VX)	269,450	6	334,179	8
1410	Advances to suppliers	155,405	4	94,474	2
1470	Other current assets (Notes XXII)	8,063	-	12,813	-
11XX	Total current assets	2,736,368	65	3,193,018	72
					-
	Non-current assets				1
1517	Financial assets at fair value through other comprehensive income - non-current (Notes IV & VII)	3,041	-	3,089	-
1550	Investments accounted for using equity method (Notes IV & XI)	40,805	1	42,811	1
1600	Property, plant and equipment (Notes IV, XII & XXVIII)	964,076	23	701,327	16
1755	Right-of-use assets (Notes IV & XIII)	372,134	9	399,418	9
1805	Goodwill (Notes IV & XIV)	4,256	-	4,294	-
1821	Intangible assets (Notes IV & XV)	694	-	773	-
1840	Deferred income tax assets (Notes IV, V & XXII)	95,258	2	82,125	2
1920	Refundable deposits paid (Notes IV & XXVII)	19,651	-	20,632	-
1990	Other non-current assets	-	-	1,737	-
15XX	Total non-current assets	1,499,915	35	1,256,206	28
1XXX	Total assets	$4,236,283	100	$4,449,224	100

Code	Liabilities and Equity	December 31, 2023 Amount	%	December 31, 2022 Amount	%
	Current liabilities				
2100	Short-term borrowings (Note XVI)	$ 931,479	22	$ 850,000	19
2110	Short-term notes payable (Note XVI)	-	-	40,000	1
2130	Current contract liabilities (Note XX)	7,552	-	7,966	-
2170	Accounts payable	194,141	5	237,862	5
2180	Accounts payable due from related parties (Note XXVI)	1,405	-	137	-
2230	Current income tax liabilities (Notes IV & XXII)	11,625	-	28,752	1
2280	Lease liabilities - current (Notes IV & XIII)	59,816	1	67,508	1
2320	Long-term borrowings due within one year (Notes XVI & XXVII)	772,078	18	17,995	-
2399	Other current liabilities (Note XVII)	363,371	9	335,701	8
21XX	Total current liabilities	2,341,467	55	1,585,921	35
	Non-current liabilities				
2541	Long-term borrowings (Notes XVI & XXVII)	97,804	2	604,072	14
2580	Lease liabilities - non-current (Notes IV & XIII)	268,940	7	281,518	6
2640	Net defined benefit liability (Notes IV & XVIII)	31,076	1	34,694	1
2645	Guarantee deposits and margins received	6,079	-	3,246	-
25XX	Total non-current liabilities	403,899	10	923,530	21
2XXX	Total liabilities	2,745,366	65	2,509,451	56
	Equity attributable to owners of the parent company (Notes IV & XIX)				
3110	Ordinary shares	875,500	21	875,500	20
3200	Capital surplus	380,455	9	424,230	10
	Retained earnings				
3310	Legal reserve	272,605	6	272,605	6
3320	Special reserve	253,342	6	298,718	7
3350	(Made up for the losses) Unappropriated retained earnings	(5,036)	-	312,313	7
3300	Total retained earnings	520,911	12	883,636	20
3400	Other equity interests	(295,450)	(7)	(253,342)	(6)
31XX	Total equity of owners of the parent company	1,481,416	35	1,930,024	44
36XX	Non-controlling interests	9,501	-	9,749	-
3XXX	Total equity	1,490,917	35	1,939,773	44
	Total liabilities and equity	$4,236,283	100	$4,449,224	100

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

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

COPARTNER TECHNOLOGY CORP. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED DECEMBER 31, 2023 AND 2022

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

		2023		2022	
Code		Amount	%	Amount	%
4100	Sales of revenue (Notes IV, XX & XXVI)	$ 3,642,580	100	$ 4,166,649	100
5110	Sales cost (Notes IV, IX, XXI & XXVI)	3,279,021	90	3,549,042	85
5900	Gross profit	363,559	10	617,607	15
	Operating expenses				
6100	Selling expenses (Note XXI)	205,669	6	206,790	5
6200	Administrative expenses (Note XXI)	365,970	10	295,179	7
6300	R&D expenses (Note XXI)	146,019	4	150,540	4
6450	Expected credit impairment loss (Notes IV & VIII)	6,721	-	19,419	-
6000	Total operating expenses	724,379	20	671,928	16
6900	Net operating loss	(360,820)	(10)	(54,321)	(1)
	Non-operating income and expenses				
7100	Interest income (Note XXI)	16,894	-	14,628	-
7010	Other income (Note XXI)	37,346	1	36,853	1
7020	Other gains and losses (Notes IV & XXI)	702	-	15,411	1
7050	Finance costs (Notes IV & XXI)	(47,054)	(1)	(35,968)	(1)
7060	Share of profit on associates accounted for using equity method (Notes IV & XI)	(2,006)	-	7,524	-
7000	Total non-operating income and expenses	5,882	-	38,448	1

(Carried forward)

(Brought forward)

Code		2023 Amount	%	2022 Amount	%
7900	Net loss before tax	($ 354,938)	(10)	($ 15,873)	-
7950	Income tax expenses (Notes IV, V & XXII)	7,669	-	8,761	-
8200	Current net loss	(362,607)	(10)	(24,634)	-
	Other comprehensive income				
8310	Items not reclassified to profit or loss:				
8311	Remeasurement of defined benefit obligation (Notes IV & XVIII)	(216)	-	2,124	-
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 & XIX)	(42,258)	(1)	45,561	1
8300	Other comprehensive income for the current year	(42,474)	(1)	47,685	1
8500	Total comprehensive income for the current year	($ 405,081)	(11)	$ 23,051	1
	Current net income (loss) attributable to:				
8610	Owners of the parent company	($ 362,509)	(10)	($ 22,606)	-
8620	Non-controlling interests	(98)	-	(2,028)	-
8600		($ 362,607)	(10)	($ 24,634)	-
	Total comprehensive income for the year attributable to:				
8710	Owners of the parent company	($ 404,833)	(11)	$ 24,894	1
8720	Non-controlling interests	(248)	-	(1,843)	-
8700		($ 405,081)	(11)	$ 23,051	1
	Loss per share (Note XXIII)				
9710	Basic	($ 4.14)		($ 0.26)	
9810	Diluted	($ 4.14)		($ 0.26)	

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

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

COPARTNER TECHNOLOGY CORP. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
FOR THE YEAR ENDED DECEMBER 31, 2023 AND 2022

Unit: NT$ thousand, unless otherwise specified

		Equity attributable to owners of the parent company									
		Ordinary shares			Retained earnings						
Code		Quantity (thousand shares)	Amount	Capital surplus	Legal reserve	Special reserve	Unappropriated retained earnings	Other equity exchange differences on translation of foreign financial statements	Total	Non-controlling interests	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	$ 11,592	$ 1,942,222
	2021 earnings distribution										
B1	Legal reserve	-	-	-	8,135	-	(8,135)	-	-	-	-
B3	Special reserve	-	-	-	-	11,435	(11,435)	-	-	-	-
B5	Cash dividends	-	-	-	-	-	(25,500)	-	(25,500)	-	(25,500)
B9	Stock dividends	2,550	25,500				(25,500)				
D1	Net loss for the year ended December 31, 2022	-	-	-	-	-	(22,606)	-	(22,606)	(2,028)	(24,634)
D3	Other comprehensive income for the year ended December 31, 2022	-	-	-	-	-	2,124	45,376	47,500	185	47,685
D5	Total comprehensive income for the year ended December 31, 2022	-	-	-	-	-	(20,482)	45,376	24,894	(1,843)	23,051
Z1	Balance as of December 31, 2022	87,550	875,500	424,230	272,605	298,718	312,313	(253,342)	1,930,024	9,749	1,939,773
	2022 earnings distribution										
B17	Special reserve return	-	-	-	-	(45,376)	45,376	-	-	-	-
	Other change in Capital surplus										
C15	Cash paid in capital	-	-	(43,775)	-	-	-	-	(43,775)	-	(43,775)
D1	Net loss for the year ended December 31, 2023	-	-	-	-	-	(362,509)	-	(362,509)	(98)	(362,607)
D3	Other comprehensive income for the year ended December 31, 2023	-	-	-	-	-	(216)	(42,108)	(42,324)	(150)	(42,474)
D5	Total comprehensive income for the year ended December 31, 2023	-	-	-	-	-	(362,725)	(42,108)	(404,833)	(248)	(405,081)
Z1	Balance as of December 31, 2023	87,550	$ 875,500	$ 380,455	$ 272,605	$ 253,342	($ 5,036)	($ 295,450)	$ 1,481,416	$ 9,501	$ 1,490,917

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

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

COPARTNER TECHNOLOGY CORP. AND SUBSIDIARIES

CONSOLIDATED 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	($ 354,938)	($ 15,873)
A20000	Adjustments to reconcile:		
A20100	Depreciation expense	174,261	187,843
A20200	Amortization expense	327	132
A20300	Expected credit impairment loss	6,721	19,419
A20900	Finance costs	47,054	35,968
A21200	Interest income	(16,894)	(14,628)
A22300	Share of profit or loss on associates accounted for using equity method	2,006	(7,524)
A22500	Net gains from disposal of property, plant and equipment	23,863	(2,743)
A23700	Impairment losses on property, plant and equipment	18,102	-
A24100	(Gain) Loss on foreign exchange, net	18,117	(1,752)
A29900	Lease modification actuarial losses	(314)	(571)
A30000	Net changes in operating assets and liabilities		
A31130	Note receivable	50	35,396
A31140	Note receivable due from related parties	(26)	-
A31150	Accounts receivable	252,361	397,925
A31160	Accounts receivable due from related parties	(522)	1,929
A31180	Other receivables	802	(1,315)
A31200	Inventories	64,729	95,672
A31230	Advances to suppliers	(38,434)	18,052
A31240	Other current assets	4,750	(311)
A32125	Contract liabilities	(413)	585
A32150	Accounts payable	(43,609)	(24,340)
A32160	Accounts payable due from related parties	1,268	(130)
A32990	Accrued employees' compensation and directors' remuneration	-	(4,482)
A32230	Other current liabilities	815	21,056
A32240	Net defined benefit liabilities	(3,834)	(1,935)
A33000	Net cash inflow generated from operations	156,242	738,373
A33300	Interest paid	(46,415)	(36,761)

(Carried forward)

(Brought forward)

Code		2023	2022
A33500	Income taxes paid	($ 37,929)	($ 31,341)
AAAA	Net cash inflow from operating activities	71,898	670,271
	Cash flows from investing activities		
B02700	Purchase of property, plant and equipment	(401,763)	(249,436)
B02800	Proceeds from disposal of property, plant and equipment	6,977	4,117
B03700	Increase in refundable deposits paid	981	(1,975)
B04500	Purchase of intangible assets	(258)	(717)
B06700	Decrease (increase) in other non-current assets	1,737	411
B07500	Interest received	15,736	14,531
BBBB	Net cash outflow from investing activities	(376,590)	(233,069)
	Cash flows from financing activities		
C00100	Increase in short-term borrowings	5,150,867	6,150,052
C00200	Decrease in short-term borrowings	(5,069,388)	(6,227,732)
C00500	Increase in short-term notes payable	80,000	-
C00600	Decrease in short-term notes payable	(120,000)	-
C01600	New long-term borrowings	846,680	1,114,463
C01700	Repay long-term borrowings	(599,187)	(751,500)
C01800	Decrease in long-term notes payable	-	(200,000)
C03000	Increase in guarantee deposits and margins received	2,833	1,134
C04020	Repayment of lease liabilities principal	(86,519)	(105,612)
C04500	Cash dividends paid	(43,775)	(25,500)
CCCC	Net cash outflow from financing activities	161,511	(44,695)
DDDD	Effect of exchange rate fluctuations on cash held	(45,964)	42,533
EEEE	Net increase (decrease) in cash and cash equivalents for the year	(189,145)	435,040
E00100	Cash and cash equivalents at beginning of the period	1,264,821	829,781
E00200	Cash and cash equivalents at end of the period	$ 1,075,676	$ 1,264,821

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

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

COPARTNER TECHNOLOGY CORP. AND SUBSIDIARIES
NOTES TO CONSOLIDATED 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 “Copartner 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 Copartner 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 Copartner Company's stock has been listed and traded on the Taiwan Stock Exchange since November 10, 2010.

The consolidated financial statements are presented in New Taiwan dollars, Copartner Technology Corp.’s functional currency.

II. Dates and procedures for the financial statement approval

The consolidated 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 Copartner Company and its subsidiaries (the “Company”).

(II) IFRSs endorsed by FSC that are applicable from 2024 onwards

New, Revised or Amended Standards and Interpretations	Effective date by International Accounting Standards Board (IASB) (Note 1)
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 7 “Supplier finace 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 revised) and "Non-current Liabilities with covenants " (2022 revised).

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

(II) Basis of preparation

The consolidated 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.

(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) Consolidation basis

The consolidated financial statements incorporate the financial statements of the Copartner Company and the entities (subsidiaries) controlled by the Copartner Company. Income and expenses of subsidiaries acquired or disposed of during the period are included in the consolidated statements of comprehensive income from the effective dates of acquisition up to the effective dates of disposal. The financial statements of subsidiaries have been adjusted to ensure consistency between their accounting policies and the Copartner Company's. All intra-group transactions, balances, income, and expenses are eliminated in full upon consolidation. Total comprehensive income of subsidiaries is attributed to the owners of the Copartner Company and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

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. The carrying amounts of the Company and non-controlling interests have been adjusted to reflect the changes in its relative interests in the subsidiaries. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognized directly in equity and attributed to the owners of the Copartner Company.

See Note X and Tables 6 and 7 for the detailed information on subsidiaries (including the percentage of ownership and main business).

(V) Foreign currencies

When the financial statements of each individual entity in the Group are prepared, transactions in currencies other than the entity'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 consolidated financial statements 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 Copartner 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 (and attributed to the owners of the Copartner Company and non-controlling interests).

(VI) 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.

(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 and lateral transactions between the Company and its subsidiaries is recognized in the consolidated financial reports only to the extent that it does not affect the Company's interests in the subsidiaries.

(VIII) Property, plant and equipment

Except for private 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) Goodwill

The cost of goodwill from business combination is the amount of goodwill recognized at the acquisition date. It is subsequently measured at cost less accumulated impairment loss.

To measure impairment, goodwill is allocated to the Company among cash generating units (the "CGUs") or a group of CGUs, which are expected to benefit from the synergy.

The carrying amount and recoverable amount of the CGUs to which goodwill is allocated will be compared every year (and whenever there are signs of impairment) as impairment testing on the units. If the goodwill allocated to the CGUs was obtained through business combination during the year, the CGUs shall undergo the impairment testing before the end of the year. If the recoverable amount of CGUs to which goodwill is allocated is lower than its carrying amount, the impairment loss is first deducted from the carrying amount of the goodwill of said CGUs. Next, the carrying amount of other assets within said CGUs is deducted from the carrying amount of the goodwill of said CGUs in proportion to the carrying amount of each asset. Any impairment loss is recognized in loss for the year. Impairment loss of goodwill shall not be reversed subsequently.

(X) 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.

(XI) Impairment of property, plant and equipment, right-of-use assets, and intangible assets (excluding goodwill)

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 (excluding goodwill) 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.

(XII) Financial instruments

Financial assets and financial liabilities shall be recognized in the consolidated 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, refundable deposits, and refundable fixed 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.

(XIII) 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.

(XIV) 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.

   While subleasing right-of-use assets, our company classifies the sublease based on the right-of-use asset (rather than the underlying asset). However, if the head lease qualifies as a short-term lease for which our company applies the exemption from recognition, the sublease is classified as an operating lease.

   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 consolidated 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 consolidated balance sheets.

(XV) 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.

(XVI) 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.

(XVII)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 each jurisdiction for income tax declaration, 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.

The company take the inflation, the volatility of interest and exchange rate 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 and future period, it shall be recognized in the current and future period.

Significant accounting judgments

Lease term

When determining the lease term of the leased asset, the Company considers all relevant facts and circumstances that will create economic incentives to exercise (or not exercise) the option, including the expected change of all facts and circumstances from the lease commencement date to the option exercise date. Key factors considered include the terms and conditions of the contract for the period covered by the option, significant leasehold improvements made during the contract period, and the importance of the underlying asset to the lessee's operations. Reevaluate the lease term when changes occur in substantial matters or circumstances within the control scope of the Company.

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. Due to the unpredictability of future profits, the Company had tax losses of NT$ 284,850 thousand and NT$ 293,547 thousand as of December 31, 2023 and 2022, respectively, which have not been recognized as deferred income tax assets. 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 VIII 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.

(III) Impairment on inventories

The inventories net realizable value is the estimated selling price in the normal operations, less the estimated cost of completion and the estimated costs necessary to make the sale. These estimates are based on the current market conditions and the historical sales experience assessment of similar products, and the changes in market conditions may significantly impact these estimates.

VI. Cash and cash equivalents

	December 31, 2023	December 31, 2022
Checking accounts and demand deposits	$ 809,729	$ 823,375
Cash on hand and revolving funds	453	829
Cash equivalents (investment with original maturities within three months)		
Bank fixed deposits	265,494	440,617
	$ 1,075,676	$ 1,264,821

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%~2.10%

VII. Financial assets at fair value through other comprehensive income

	December 31, 2023	December 31, 2022
Non-current		
Foreign investment		
Unlisted stocks		
Ordinary shares of Yisite Precision Instrument (Dongguan) Co., Ltd.	$ 3,041	$ 3,089

The Company has invested ordinary shares of the above company according to the long-term strategy purpose and expects profits through long-term investment. The Company's management believes that, if the short-term fluctuations in the fair value of these investments are recognized as profits or losses, it would be inconsistent with the aforementioned long-term investment plan, so these investments are measured at fair value through other comprehensive income as designated.

VIII. Notes receivable, accounts receivable, and other receivable, net

	December 31, 2023	December 31, 2022
Note receivable		
Measured at amortized cost		
Total carrying amount	$ 182,741	$ 182,904
Less: Loss allowances	(21,650)	(21,883)
	$ 161,091	$ 161,021
Accounts receivable		
Measured at amortized cost		
Total carrying amount	$ 1,102,852	$ 1,365,258
Less: Loss allowances	(50,116)	(52,601)
	$ 1,052,736	$ 1,312,657
Other receivables		
Measured at amortized cost		
Total carrying amount	$ 12,583	$ 12,237
Less: Loss allowances	-	-
	$ 12,583	$ 12,237

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	$ 752,608	$ 294,781	$ 12,384	$ 43,079	$ 1,102,852
Allowance for losses (lifetime ECLs)	-	(2,732)	(4,305)	(43,079)	(50,116)
Amortized cost	$ 752,608	$ 292,049	$ 8,079	$ -	$ 1,052,736

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	$ 963,111	$ 341,694	$ 21,266	$ 39,187	$ 1,365,258
Allowance for losses (lifetime ECLs)	-	(3,459)	(9,955)	(39,187)	(52,601)
Amortized cost	$ 963,111	$ 338,235	$ 11,311	$ -	$ 1,312,657

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	$ 52,601	$ 35,279
Add: Impairment loss recognized for the year	6,954	17,244
Less: Actual write-off for the year	(8,761)	(272)
Foreign currency translation difference	(678)	350
Balance at end of the year	$ 50,116	$ 52,601

IX. Inventories

	December 31, 2023	December 31, 2022
Finished goods	$ 76,691	$ 86,238
Goods-in-process and semi-finished goods	68,644	88,165
Raw material	122,543	154,015
Goods	1,572	5,761
	$269,450	$334,179

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

	2023	2022
(Reversal) Allowance for inventory valuation and obsolescence loss	($ 2,563)	$ 6,457
Unamortized production overheads	$ 74,984	$ 70,189
Revenue from scrap	$ 18,015	$ 21,563
Costs of sales	$ 3,279,021	$ 3,549,042

X. Subsidiary

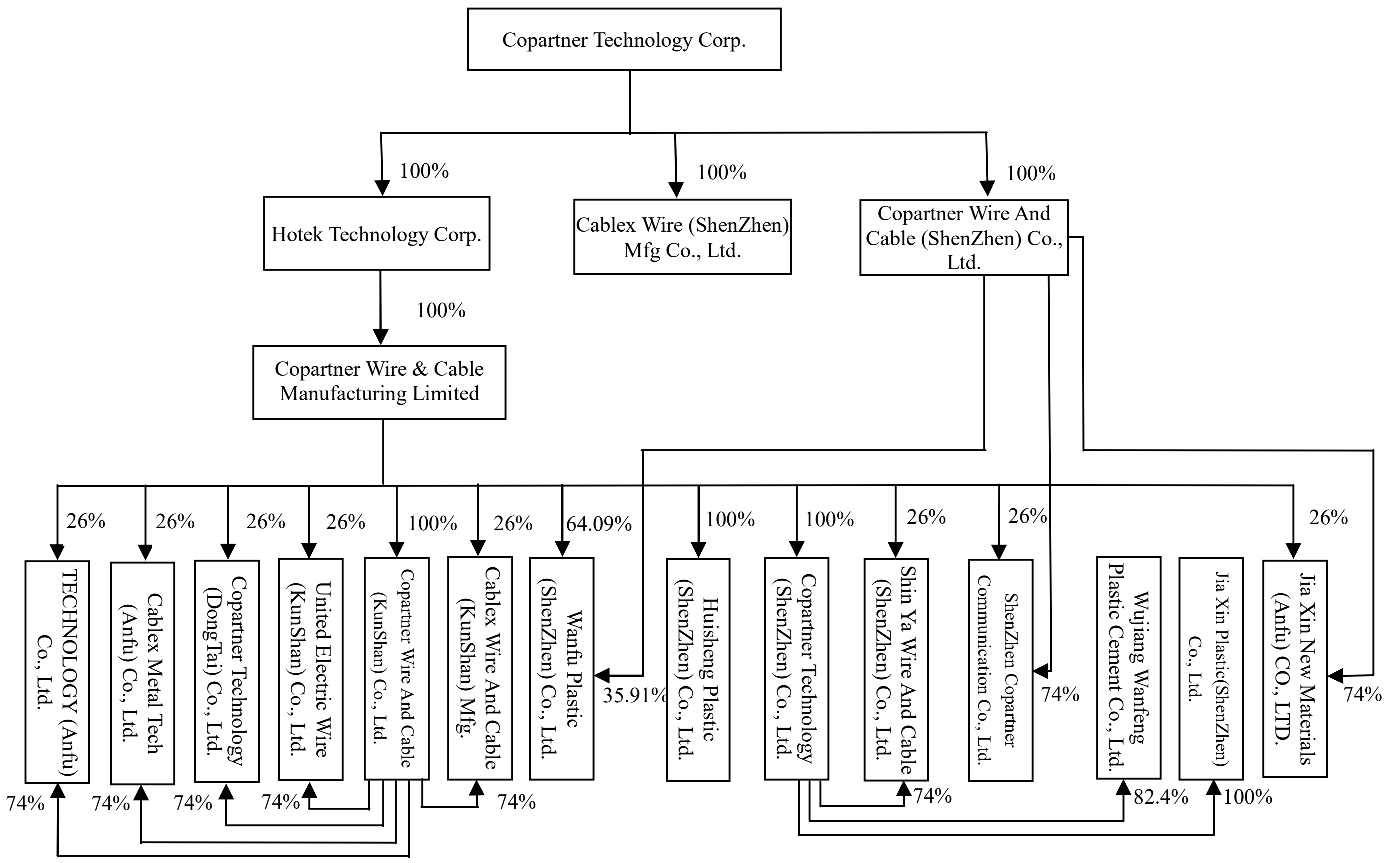
The main entities in the consolidated financial statements are as follows:

Investment company	Name of subsidiary	Nature of business	Ownership (%) December 31, 2023	Ownership (%) December 31, 2022	Description
Copartner Technology Corp.	Hotek Technology Corporation	Investment	100%	100%	-
	Copartner Wire And Cable (ShenZhen) Co., Ltd.	Investment	100%	100%	-
	Cablex Wire (ShenZhen) Mfg Co., Ltd.	Production and sales of copper wires	100%	100%	-
	Sunagaru International Inc. (Sunagaru)	General international trade business	-	100%	Note
Hotek Technology Corp.	Copartner Wire & Cable Manufacturing Limited	General international trade and general investment business	100%	100%	-
Copartner Wire & Cable Manufacturing Limited	Huisheng Plastic (ShenZhen) Co., Ltd.	Production and sales of plastic pellets	100%	100%	-
	Copartner Technology (ShenZhen) Co., Ltd.	Production and sales of wires, cables, and computer cables	100%	100%	-
	Copartner Wire And Cable (KunShan) Co., Ltd.	Investment	100%	100%	-
	Wanfu Plastic (ShenZhen) Co., Ltd.	Production and sales of plastic pellets	64.09%	64.09%	-
	Shin Ya Wire And Cable (ShenZhen) Co., Ltd.	Production and sales of wires, cables, and computer cables	26%	26%	-
	United Electric Wire (KunShan) Co., Ltd.	Production and sales of wires, cables, and computer cables	26%	26%	-
	Cablex Wire And Cable (KunShan) Mfg.	Production and sales of wires, cables, and computer wire harness	26%	26%	-
	ShenZhen Copartner Communication Co., Ltd.	Production and sales of wires, cables, and computer cables	26%	26%	-
	Copartner Technology (DongTai) Co., Ltd.	R&D, production, and sales of high-end communication signal transmission cables and copper conductors	26%	26%	-
	Jia Xin New Materials (Anfu) CO., LTD.	Production and sales of plastic pellets	26%	26%	-
	Cablex Metal Tech (Anfu) Co., Ltd.	Production and sales of copper wires	26%	26%	

	COPARTNER TECHNOLOGY (Anfu) Co., Ltd.	Production and sales of wires, cables, and computer cables	26%	26%	
Copartner Wire And Cable (KunShan) Co., Ltd.	United Electric Wire (KunShan) Co., Ltd.	Production and sales of wires, cables, and computer cables	74%	74%	-
	Cablex Wire And Cable (KunShan) Mfg.	Production and sales of wires, cables, and computer wire harness	74%	74%	-
	Copartner Technology (DongTai) Co., Ltd.	R&D, production, and sales of high-end communication signal transmission cables and copper conductors	74%	74%	-
	Cablex Metal Tech (Anfu) Co., Ltd.	Production and sales of copper wires	74%	74%	
	COPARTNER TECHNOLOGY (Anfu) Co., Ltd.	Production and sales of wires, cables, and computer cables	74%	74%	
Copartner Technology (ShenZhen) Co., Ltd.	Shin Ya Wire And Cable (ShenZhen) Co., Ltd.	Production and sales of wires, cables, and computer cables	74%	74%	-
	Wujiang Wanfeng Plastic Cement Co., Ltd.	Production and sales of plastic pellets	82.4%	82.4%	-
	Jia Xin Plastic(ShenZhen) Co., Ltd.	Production and sales of plastic pellets	100%	100%	-
Copartner Wire And Cable (ShenZhen) Co., Ltd.	ShenZhen Copartner Communication Co., Ltd.	Production and sales of wires, cables, and computer cables	74%	74%	-
	Wanfu Plastic (ShenZhen) Co., Ltd.	Production and sales of plastic pellets	35.91%	35.91%	-
	Jia Xin New Materials (Anfu) CO., LTD.	Production and sales of plastic pellets	74%	74%	-

Note : Sunagaru Company has been liquidated in December 2022.

As of the end of December 2023, the Company's investment relation and ownership percentage are as follows chats:



XI. Investments accounted for using equity method

	December 31, 2023	December 31, 2022
Investments in associates		
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.

Please refer to Table 6 Information on Investee for the information on the above associates' business nature, the main place of business, and country of company registration.

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.

XII. Property, plant and equipment

	December 31, 2023	December 31, 2022
Owner-occupied	$950,895	$687,648
Operating lease rent	13,181	13,679
	$964,076	$701,327

(I) Owner-occupied

	Land	Property and building	Machinery and equipment	Instrument and equipment	Transport equipment	Office equipment	Other equipment	Property under construction	Total
Cost									
Balance as of January 1, 2023	$ 97,644	$ 186,396	$ 690,484	$ 87,424	$ 46,996	$ 54,563	$ 60,045	$ 280,566	$ 1,504,118
Additions	-	-	44,889	3,150	10,945	6,223	8,150	349,381	422,738
Disposals	-	(300)	(225,564)	(24,270)	(16,565)	(18,749)	(17,349)	-	(302,797)
Reclassification	-	295,995	1,125	-	-	-	542	(297,662)	-
Foreign currency translation difference	-	(7,286)	(6,733)	(920)	(551)	(273)	(751)	(5,302)	(21,816)
Balance as of December 31, 2023	$ 97,644	$ 474,805	$ 504,201	$ 65,384	$ 40,825	$ 41,764	$ 50,637	$ 326,983	$ 1,602,243
Accumulated depreciation and impairment									
Balance as of January 1, 2023	$ -	$ 141,358	$ 496,573	$ 61,784	$ 30,131	$ 44,853	$ 41,771	$ -	$ 816,470
Depreciation expense	-	5,004	65,012	8,225	7,471	3,462	7,509	-	96,683
Impairment loss	-	-	18,102	-	-	-	-	-	18,102

Disposals	-	(297)	(206,142)	(21,607)	(12,598)	(15,574)	(15,739)	-	(271,957)
Foreign currency translation difference	-	(1,630)	(4,746)	(653)	(301)	(147)	(473)	-	(7,950)
Balance as of December 31, 2023	$ -	$ 144,435	$ 368,799	$ 47,749	$ 24,703	$ 32,594	$ 33,068	$ -	$ 651,348
Net amount as of December 31, 2023	$ 97,644	$ 330,370	$ 135,402	$ 17,635	$ 16,122	$ 9,170	$ 17,569	$ 326,983	$ 950,895
Cost									
Balance as of January 1, 2022	$ 97,644	$ 184,574	$ 656,648	$ 75,488	$ 49,019	$ 53,625	$ 51,991	$ 123,798	$ 1,292,787
Additions	-	-	55,720	13,739	1,278	1,450	8,111	155,698	235,996
Disposals	-	-	(30,716)	(2,776)	(3,934)	(961)	(729)	-	(39,116)
Foreign currency translation difference	-	1,822	8,832	973	633	449	672	1,070	14,451
Balance as of December 31, 2022	$ 97,644	$ 186,396	$ 690,484	$ 87,424	$ 46,996	$ 54,563	$ 60,045	$ 280,566	$ 1,504,118
Accumulated depreciation and impairment									
Balance as of January 1, 2022	$ -	$ 135,119	$ 445,661	$ 53,583	$ 24,561	$ 41,982	$ 35,255	$ -	$ 736,161
Depreciation expense	-	4,837	75,188	10,213	8,377	3,479	6,754	-	108,848
Disposals	-	-	(30,311)	(2,745)	(3,088)	(906)	(692)	-	(37,742)
Foreign currency translation difference	-	1,402	6,035	733	281	298	454	-	9,203
Balance as of December 31, 2022	$ -	$ 141,358	$ 496,573	$ 61,784	$ 30,131	$ 44,853	$ 41,771	$ -	$ 816,470
Net amount as of December 31, 2022	$ 97,644	$ 45,038	$ 193,911	$ 25,640	$ 16,865	$ 9,710	$ 18,274	$ 280,566	$ 687,648

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	2-10 years
Instrument and equipment	3-10 years
Transport equipment	3-10 years
Office equipment	3-15 years
Other equipment	2-10 years

The Company recognized an impairment loss of NT$18,102 thousands for machinery and equipment expected to generate reduced future cash inflows, resulting in the recoverable amount being less than the carrying amount (using the value in use) in 2023. This impairment loss has been included in the cost of goods sold in the consolidated statement of comprehensive income.

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

(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

XIII. Lease arrangements

(I) Right-of-use assets

	December 31, 2023	December 31, 2022
Carrying amount of right-of-use assets		
Land	$ 55,820	$ 57,986
Property and building	314,836	338,912
Transport equipment	1,478	2,520
	$372,134	$399,418

	2023	2022
Additions to right-of-use assets	$ 60,332	$ 98,877
Depreciation expenses of right-of-use assets		
Land	$ 1,288	$ 903
Property and building	74,750	76,985
Transport equipment	1,042	608
	$ 77,080	$ 78,496
Revenue from subleasing of operating lease assets (recognized as other income)	($ 1,325)	$ -

(II) Lease liabilities

	December 31, 2023	December 31, 2022
Carrying amount of lease liabilities		
Current	$ 59,816	$ 67,508
Non-current	$268,940	$281,518

Range of discount rate for lease liabilities is as follows:

	December 31, 2022	December 31, 2021
Property and building	1.8%~4.9%	1.8%~4.9%
Transport equipment	1.8%	1.8%

(III) Material lease-in activities and terms

The Company leases several buildings for plants, offices, and dormitories for a 2 to 9 years lease term.

The Company also leases a certificate of the right of land use of the mainland for 50 years lease term.

(IV) Subleasing

Apart from the disclosures made in Note XII, the company has the following subleasing transactions:

The company subleased the right to use a building under an operating lease for 2 years.

The total future lease payments to be received from the subleasing of the operating lease are as follows:

	December 31, 2023	December 31, 2022
First year	$ 15,904	$ -
Second year	11,928	-
	$ 27,832	$ -

(V) Other leasing information

	2023	2022
Expense on short-term lease	$ 20,325	$ 16,560
Lease expenses of low-value assets	$ -	$ -
Variable lease payments not included in the measurement of lease liabilities	$ -	$ -
Total cash outflow from lease	($123,611)	($138,088)

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.

XIV. Goodwill

	December 31, 2023	December 31, 2022
Cost		
Balance at beginning of the year	$ 4,294	$ 4,258
Foreign currency translation difference	(38)	36
Balance at end of the year	$ 4,256	$ 4,294

XV. Intangible assets

	Computer software costs
Cost	
Balance as of January 1, 2023	$ 4,525
Additions	258
Net exchange differences	(73)
Balance as of December 31, 2023	$ 4,710
Accumulated amortization	
Balance as of January 1, 2023	$ 3,752
Amortization expense	327
Net exchange differences	(63)
Balance as of December 31, 2023	$ 4,016
Net amount as of December 31, 2023	$ 694
Cost	
Balance as of January 1, 2022	$ 3,756
Additions	717
Net exchange differences	52
Balance as of December 31, 2022	$ 4,525
Accumulated amortization	
Balance as of January 1, 2022	$ 3,568
Amortization expense	132
Net exchange differences	52
Balance as of December 31, 2022	$ 3,752
Net amount as of December 31, 2022	$ 773

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

Computer software costs	3 years

XVI. Borrowings

(I) Short-term borrowings

	December 31, 2023	December 31, 2022
Unsecured borrowings		
Credit borrowings		
- Interest rate: 1.85%~3.60% in 2023, due before the end of December 2024; 1.59%~2.10% in 2022, due before the end of June 2023	$931,479	$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 and1.80% for 2022	$160,000	$550,000
Syndication sponsor fee	(1,150)	(1,450)
Mortgage Loan - interest rate: 4.20% for 2023	61,680	-
Subtotal	220,530	548,550
Unsecured borrowings		
Credit borrowings-interest rate: 0.50%~ 2.10% in 2023, due before the end of December 2028 ; 0.48%~6.70% in 2022, due before the end of January 2027	49,352	73,517
Less: Current portion within one year	(172,078)	(17,995)
Long-term borrowings	$ 97,804	$604,072

1. In October 2022, the Copartner Company entered into joint credit agreements of NT$ 1,000,000 thousand or equivalent US dollars with 6 banks such as Chang Hwa Bank Chilin Branch 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 - The relevant terms, interest rate, and amount used on 2023 and December 31, 2022 , 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 Copartner Company provided part of the land, houses, and buildings in Zhonghe District, New Taipei City as collateral for the loan (please refer to Note XXVII).

(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)	-
	$ -	$ -

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

XVII. Other current liabilities

	December 31, 2023	December 31, 2022
Salary and bonus payable	$ 81,070	$ 95,412
Payables to equipment suppliers	6,053	19,168
Payables to engineering	56,587	-
Other	219,661	221,121
	$363,371	$335,701

XVIII. Post-employment benefits plans

(I) Determined appropriation plans

The Copartner Company and Hotek Technology Corporation 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. The rest of the mainland subsidiaries listed in the consolidated financial report are the basic pension insurance premiums paid to the pension plan managed by the mainland government recognized as current-year expenses when appropriated.

(II) Defined benefit plans

The pension system adopted by Copartner Company and Hotek Technology Corporation in the Group 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 Copartner Company and Hotek Technology Corporation 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 consolidated balance sheet is as follows:

	December 31, 2023	December 31, 2022
Present value of defined benefit obligation	$ 45,649	$ 49,665
Fair value of plan assets	(14,573)	(14,971)
Net defined benefit liabilities	$ 31,076	$ 34,694

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	$ 50,509	($ 11,756)	$ 38,753

Service cost			
Current service cost	136	-	136
Interest (income) expense	234	(65)	169
Recognized in profit or loss	370	(65)	305
Remeasurement			
Return on plan asset (except for the amount included in the net interest)	-	(910)	(910)
Actuarial gains - changes in financial assumptions	(2,774)	-	(2,774)
Actuarial losses - experience adjustments	1,560	-	1,560
Recognized in other comprehensive income	(1,214)	(910)	(2,124)
Contributions from the employer	-	(2,240)	(2,240)
December 31, 2022	49,665	(14,971)	34,694
Service cost			
Current service cost	$ 140	$ -	$ 140
Interest (income) expense	644	(207)	437
Recognized in profit or loss	784	(207)	577
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	39	-	39
Recognized in other comprehensive income	302	(86)	216
Contributions from the employer	-	(2,893)	(2,893)
Paid for planning asset	(3,584)	3,584	-
Paid for Company	(1,518)	-	(1,518)
December 31, 2023	$ 45,649	($ 14,573)	$ 31,076

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	1.125%~1.25%	1.125%~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%	($ 647)	($ 764)
Decrease by 0.25%	$ 665	$ 787
Expected salary increase rate		
Increase by 0.25%	$ 651	$ 771
Decrease by 0.25%	($ 637)	($ 752)

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	3.7~6.7 Year	4.2~7.2 Year

XIX. 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 Copartner Company's Articles of Incorporation before the amendment, the Copartner 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 Copartner Company's Articles of Incorporation, please refer to Note XXII(VII) regarding employee compensation and directors' remuneration.

On June 29, 2022, the Copartner 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 Copartner 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 Annual 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 distributing distributable profits, the Company shall include in the current undistributed earnings the net amount of reductions in other shareholders' equity recorded during the current year, in addition to the net profit after tax for the period plus items other than net profit after tax for the period. These amounts are then added to the current undistributed earnings and the appropriation of from retained earnings of previous years. The accumulated amount of reductions in other shareholders' equity from previous periods cannot be distributed and must be appropriated to the special reserve from retained earnings of previous years.

However, if there is a reversal in the amount of reductions in other shareholders' equity, the Company may distribute profits based on 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 on translation of foreign financial statements	(42,108)	45,376
Balance at end of the year	($295,450)	($253,342)

(VI) Non-controlling interests

	2023	2022
Balance at beginning of the year	$ 9,749	$ 11,592
Current net loss	(98)	(2,028)
Other comprehensive income for the current year		
Exchange differences on translation of foreign financial statements	(150)	185
Balance at end of the year	$ 9,501	$ 9,749

XX. Revenue

	2023	2022
Revenue from customer contracts		
Revenue from sale of goods	$ 3,642,580	$ 4,166,649

(I) Balance of contracts

	December 31, 2023	December 31, 2022	January 1, 2022
Accounts receivable (Note VIII)	$ 1,052,736	$ 1,312,657	$ 1,728,276
Accounts receivable due from related parties (Note XXVI)	1,338	816	2,745
	$ 1,054,074	$ 1,313,473	$ 1,731,021
Contract liabilities	$ 7,552	$ 7,966	$ 7,381

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 period is as follows:

	2023	2022
Contract liabilities from the beginning of the year		
Merchandise sales	$ 7,363	$ 6,203

(II) Breakdown of revenue from customer contracts

Segment by geographical location	2023	2022
Taiwan (Location of Company)	$ 85,918	$ 97,685
Asia	3,340,511	3,834,299
Europe	124,824	107,077
The Americas	81,946	117,086
Other	9,381	10,502
	$ 3,642,580	$ 4,166,649

XXI. Net loss from continuing operations

Net loss from continuing operations includes the following items:

(I) Interest income

	2023	2022
Bank deposits	$ 16,894	$ 14,628

(II) Other income

	2023	2022
Rental income (operating lease)	$ 20,375	$ 14,335
Other	16,971	22,518
	$ 37,346	$ 36,853

(III) Other gains and losses

	2023	2022
Gain on foreign exchange, net	$ 2,222	$ 17,280
Lease modification actuarial gains	314	571
Other	(1,834)	(2,440)
	$ 702	$ 15,411

(IV) Finance costs

	2023	2022
Bank loans interest	$ 30,287	$ 20,052
Interest on lease liabilities	16,767	15,916
	$ 47,054	$ 35,968

(V) Depreciation and amortization

	2023	2022
Property, plant and equipment	$ 97,181	$109,347
Right-of-use assets	77,080	78,496
Intangible assets	327	132
	$174,588	$187,975
An analysis of depreciation expenses by function		
Costs of sales	$119,587	$133,813
Operating expenses	54,674	54,030
	$174,261	$187,843
An analysis of amortization expenses by function		
Selling expenses	$ -	$ 6
Administrative expenses	68	57
R&D expenses	259	69
	$ 327	$ 132

(VI) Employee benefits expenses

	2023	2022
Post-employment benefits		
Determined appropriation plans	$ 32,665	$ 34,353
Defined benefit plans (Note XVIII)	577	305
	33,242	34,658
Other employee benefits	653,427	604,256
	$686,669	$638,914
An analysis by function		
Costs of sales	$337,309	$327,479
Operating expenses	349,360	311,435
	$686,669	$638,914

(VII) Remuneration to the employees and directors

The Copartner 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 consolidated financial statements 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 consolidated financial reports.

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

XXII. Income tax

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

	2023	2022
Current income tax		
Incurred in the current year	$ 14,056	$ 23,014
Withholding earning	6,746	-
Tax on undistributed surplus earnings	-	539
Deferred income tax		

	2023	2022
Incurred in the current year	(13,133)	(14,792)
Income tax expense recognized in profit or loss	$ 7,669	$ 8,761

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

	2023	2022
Net loss before tax	($354,938)	($ 15,873)
Income tax expenses calculated based on statutory tax rate of each country for pre-tax income	($ 72,247)	($ 1,132)
Non-deductible expenses	57,093	3,145
Tax on undistributed surplus earnings	16,077	6,209
Withholding earning	6,746	-
Unrecognized loss carryforwards and deductible temporary differences	-	539
Income tax expense recognized in profit or loss	$ 7,669	$ 8,761

(II) Current income tax assets and liabilities

	December 31, 2023	December 31, 2022
Current income tax assets		
Tax refund receivable	$ 547	$ 13
Current income tax liabilities		
Income tax payable	$ 11,625	$ 28,752

(III) Deferred income tax assets

The changes in deferred tax assets are as follows:

2023

Deferred income tax assets	Balance at beginning of the year	Recognized in profit or loss	Balance at end 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) Deductible temporary differences and unused loss carryforward from deferred tax assets not recognized in the consolidated balance sheet

	December 31, 2023	December 31, 2022
Loss carryforward		
Due to 2023	$ -	$ 81,183
Due to 2024	30,714	30,714
Due to 2025	7,531	7,531
Due to 2026	66,305	66,305
Due to 2027	45,826	45,826
Due to 2028	76,738	-
	$227,114	$231,559
Deductible temporary differences	$ 57,736	$ 61,988

(V) Unused loss carryforwards relevant information

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

Balance has not been carried forward	The last year of carried forward
$ 43,721	2024
7,531	2025
115,445	2026
45,826	2027
109,058	2028
61,672	2029
102,554	2030
74,534	2031
74,368	2032
66,178	2033
$700,887	

(VI) Income tax examination

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

XXIII. Earnings (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
Net loss attributable to owners of the parent company	($362,509)	($ 22,606)
Net loss used in the computation of the basic and diluted losses per share	($362,509)	($ 22,606)

Quantity

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 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.

XXIV. Capital risk management

The Company manages capital to ensure enterprises within the Company 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, other equity, and other non-controlling interests).

The Company is not subject to other external capital requirements.

The Company’s main management reviews its capital structure quarterly, including considering the costs of various types of capital and relevant risks while investing in financial products to increase the Company’s income and manage the capital structure. 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.

XXV. 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) Fair value - financial instruments at fair value on a recurring basis

1. Fair value hierarchy

December 31, 2023

	Level 1	Level 2	Level 3	Total
Financial assets at fair value through other comprehensive income				
Investment in equity instruments				
- Foreign unlisted stocks	$ -	$ -	$ 3,041	$ 3,041

December 31, 2022

	Level 1	Level 2	Level 3	Total
Financial assets at fair value through other comprehensive income				
Investment in equity instruments				
- Foreign unlisted stocks	$ -	$ -	$ 3,089	$ 3,089

No transfer between Level 1 and Level 2 fair values in 2023 and 2022.

2. Valuation techniques and inputs applied for Level 3 fair value measurement

Foreign unlisted equity investment adopts the asset-based approach to evaluate the total value of individual assets and individual liabilities covered by the target to reflect the overall value of the enterprise or business. If the liquidity discount of significant unobservable input value decreases, the fair value of these investments will increase.

(III) Categories of financial instruments

	December 31, 2023	December 31, 2022
Financial assets		
Financial assets measured at amortized cost		
Cash and cash equivalents	$ 1,075,676	$ 1,264,821
Notes receivable, net	161,091	161,021
Notes receivable due from related parties, net	26	-
Accounts receivable, net	1,052,736	1,312,657
Accounts receivable due from related parties, net	1,338	816
Other receivables, net	12,583	12,237
Refundable deposits	19,651	20,632
Investments in equity instruments of financial assets at fair value through other comprehensive income	3,041	3,089
Financial liabilities		
Measured at amortized cost		
Short-term borrowings	931,479	850,000
Short-term notes payable	-	40,000
Accounts payable	194,141	237,862
Accounts payable due from related parties	1,405	137
Long-term borrowings due within one year	772,078	17,995
Long-term borrowings	97,804	604,072
Deposits received	6,079	3,246

(IV) 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.

   For the carrying amount of the Company's monetary assets and monetary liabilities denominated in non-functional currencies at the balance sheet date (including monetary items denominated in non-functional currencies that have been written off in the consolidated financial statements), please refer to Note XXIX.

   <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 each 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)	($ 5,279)	($ 6,629)	($ 1,106)	($ 1,666)	$ 41	$ 1,908

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

(2) Interest rate risk

The Company's entities 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	$ 265,494	$ 440,617
Financial liabilities	928,756	389,026
Cash flow interest rate risk		
Financial assets	809,415	822,265
Financial liabilities	1,201,361	1,472,067

<u>Sensitivity analysis</u>

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 interest rate increased by 1% and all other variables remain unchanged, the Company’s net income for 2023 and 2022 would have decreased by NT$ 3,919 thousand and increased by NT$ 6,498 thousand respectively, mainly because of the Company’s deposits and borrowings 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 consolidated 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	$ 171,203	$ 109,536	$ 94,003	$ 67,675	$ 1,499
Lease liabilities	9,324	11,832	53,201	216,651	90,924
Floating interest rate instruments	211,102	452,205	440,250	36,124	61,680
Fixed interest rate instruments	-	-	600,000	-	-
	$ 391,629	$ 573,573	$1,187,454	$ 320,450	$ 154,103

Further information of maturity analysis on the lease liability is as follows:

	Within 1 year	1-5 years	5-10 years	10-15 years	15-20 years
Lease liabilities	$ 74,357	$216,651	$ 90,924	$ -	$ -

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	$ 193,371	$ 136,750	$ 29,233	$ 48,095	$ 2,757
Lease liabilities	7,017	13,919	61,857	222,265	100,561
Floating interest rate instruments	241,500	392,999	233,496	604,072	-
Fixed interest rate instruments	40,000	-	-	-	-
	$ 481,888	$ 543,668	$ 324,586	$ 874,432	$ 103,318

Further information of maturity analysis on the lease liability is as follows:

	Within 1 year	1-5 years	5-10 years	10-15 years	15-20 years
Lease liabilities	$ 82,793	$222,265	$100,561	$ -	$ -

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.

XXVI. Related party transaction

The transactions, account balances, as well as income and expenses between Copartner Technology Corp. and its subsidiaries (which are related parties of Copartner Technology Corp.) are all eliminated upon consolidation, so they are not disclosed in this note. The transactions between the Company and other related parties are as follows.

(I) Name of related parties and relationship

Name of related party	Relationship with the Company
HPC Technology Inc.	Associate
Yingding Wire and Cable Co., Ltd.	Substantive related party

(II) Sales revenue

Related party category	2023	2022
Associate	$ 6,589	$ 856
Substantive related party	20	-
	$ 6,609	$ 856

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

(III) Purchases

Related party category	2023	2022
Substantive related party	$ 1,705	$ 827

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

(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 accounts from related parties.

(V) Payables from related parties

Account title	Related party category	December 31, 2023	December 31, 2022
Accounts payable due from related parties	Substantive related party	$ 1,405	$ 137

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.

(VI) Remuneration of key management personnel

	2023	2022
Short-term employee benefits	$ 23,114	$ 25,658
Post-employment benefits	1,141	1,150
	$ 24,255	$ 26,808

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

XXVII. Pledged assets

The following assets of the Company have been provided as collateral for long-term borrowings from banks, lines, issuance letters for guarantee, operating leases, and customs duties on raw materials imported:

	December 31, 2023	December 31, 2022
Property, plant and equipment	$313,147	$ 60,177
Refundable deposits paid	19,651	20,632
Right-of-use assets	1,874	-
	$334,672	$ 80,809

XXVIII. 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 for this venture amounts 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.

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

The information below is aggregated and presented in foreign currencies other than the functional currency of each entity of the Company. 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				
NTD	$ 213	0.23022	$ 6,238	0.22664
USD	7,311	30.76492	8,639	30.72979
HKD	9,469	3.93632	14,196	3.94136
RMB	105,186	4.34367	91,059	4.41228
Foreign currencies liabilities				
Monetary items				
NTD	-	0.23022	22,434	0.22664
USD	1,591	30.76492	1,448	30.72979
HKD	105	3.93632	105	3.94136
RMB	105,501	4.34367	105,470	4.41228

The Company mainly bears foreign currency exchange rate risks for NTD, USD, HKD, and RMB. The information below is aggregated and presented in the functional currencies of the entities holding foreign currencies, and the exchange rates disclosed refer to the exchange rates of these functional currencies to the presentation currency. The foreign currency exchange gains (losses) (realized and unrealized) with a significant impact are as follows:

	2023			2022		
Functional currency	Functional currency to presentation currency		Net gains (losses) on foreign currency exchange	Functional currency to presentation currency		Net gains (losses) on foreign currency exchange
NTD	1	(NTD: NTD)	($ 2,062)	1	(NTD: NTD)	$ 9,841
RMB	4.4240	(RMB: NTD)	4,284	4.4347	(RMB: NTD)	7,439
			$ 2,222			$ 17,280

XXX. Notes to disclosures

(I) Information on significant transactions and (II) Information on investees: nothing else is to disclose unless the matters below. All parent companies and subsidiaries' transactions and balances are eliminated in full upon consolidation.

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 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, investment income or loss, 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 7.
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: Table 7.
3. The Copartner 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 Copartner 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 Copartner 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 Copartner 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 Copartner Company after obtaining the funds.

C. Based on the above reasons, Copartner Wire & Cable Manufacturing Limited shall notify the Copartner Company when transferring investment funds or interests and income, and the Copartner 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 Copartner 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) The business relationship between the parent and the subsidiaries and between each subsidiary, and the circumstances and amounts of any significant transactions between them: Table 8.

(V) 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 9.

XXX. Department information

The information used by the Company's chief operating decision-maker to allocate resources and evaluate departmental performance focuses on the type of product or labor service. The measurement basis for this financial report information is the same as this consolidated financial report. The reportable segments of the Company are the production and sales of signal transmission wires and wire sets, the production and sales of plastic pellets, and others.

(I) Segment revenue and operating results

The analysis of the revenue and operating results response to the reportable segment of the Company's continuing operations is as follows:

	Segment revenue		Segment income	
	2023	2022	2023	2022
Production and sales segment of signal transmission wires and wire sets	$ 2,141,349	$ 2,628,930	($ 286,244)	($ 33,667)
Production and sales segment of plastic pellets	593,186	768,180	(53,136)	(5,511)
Other	908,045	769,539	(21,440)	(15,143)
Total from continuing operations	$ 3,642,580	$ 4,166,649	(360,820)	(54,321)
Unamortized amount				
Non-operating income and expenses			5,882	38,448
Net income (loss) before tax			($ 354,938)	($ 15,873)

The above reportable revenue generates from transactions between external customers.

Segment profit (loss) refers to the profit earned by each segment, excluding unamortized non-operating income and expenditures. The amounts measured are provided to the chief operating decision maker to allocate resources to the segment and measure its performance.

(II) Segment total assets and liabilities

The measure amounts of assets and liabilities are not provided to the Company's operation decision-makers, thus, the measure amounts of segments assets are zero.

(III) Revenue from main products

The analysis of the revenue main products of the Company's continuing operations is as follows:

	2023	2022
Signal transmission line and wire harness	$ 3,049,394	$ 3,398,469
Plastic pellets	593,186	768,180
	$ 3,642,580	$ 4,166,649

(IV) Segment by geographical location

The Company operates mainly in two regions - China and Taiwan.

The information on the revenue from the Company's continuing operations from external customers based on operating location and the location where non-current assets are located is listed below:

	Income from external customers		Non-current assets	
	2023	2022	December 31, 2023	December 31, 2022
Taiwan	$ 283,076	$ 253,784	$ 135,297	$ 166,884
China	3,359,504	3,912,865	1,205,863	938,928
	$ 3,642,580	$ 4,166,649	$ 1,341,160	$ 1,105,812

Non-current assets exclude financial assets at fair value through other comprehensive income, investments accounted for using equity method, deferred income tax assets, refundable deposits paid, and other non-current assets.

(V) Major customer information

No individual customer contributes to at least 10% of the Company's total revenue in 2023 and 2022.

COPARTNER TECHNOLOGY CORP. AND SUBSIDIARIES
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)	558,667 (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)	558,667 (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		None		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		None		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		None		335,660 (RMB 77,276)	335,660 (RMB 77,276)

7	Cablex Wire And Cable (KunShan) Mfg.	Wujiang City Wanfeng Plastic Limited Company	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. AND SUBSIDIARIES

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 (90%) 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
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)	Yes	—	Yes

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.

COPARTNER TECHNOLOGY CORP. AND SUBSIDIARIES

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. AND SUBSIDIARIES

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. AND SUBSIDIARIES
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. AND SUBSIDIARIES
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 and RMB 36,000) (Notes 5 and 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 (RMB 13,500) (Notes 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)	$ 492,885 (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. AND SUBSIDIARIES

THE BUSINESS RELATIONSHIP BETWEEN THE PARENT AND THE SUBSIDIARIES AND BETWEEN EACH SUBSIDIARY, AND THE CIRCUMSTANCES AND AMOUNTS OF ANY SIGNIFICANT TRANSACTIONS BETWEEN THEM

2023

TABLE 7

Unit: NT$ thousand

No.	Company Name	Counterparty	Relationship with the Company (Note 4)	Transaction			
				Financial Statement Account	Amount (Note 5)	Transaction Condition	As a Percentage of Consolidated Total Operating Revenues or Total Assets
0	Copartner Technology Corp.	Copartner Technology (Shenzhen) Co., Ltd.	2	Purchase	$ 12,152	Note 1	-
			2	Accounts payable	2,908	Note 3	-
			1	Other receivables from related parties	236,119	Note 2	6%
			2	Other payables from related parties	3	Note 2	-
		ShenZhen Copartner Communication Co.,Ltd..	2	Purchase	14,515	Note 1	-
			2	Accounts payable	6,101	Note 3	-
			2	Other payables from related parties	1,963	Note 2	-
		HOTEK TECHNOLOGY CORP.	1	Other receivables from related parties	232,953	Note 2	5%
		Shin Ya Wire And Cable (ShenZhen) Co.,Ltd.	2	Purchase	746	Note 1	-
			2	Accounts payable	213	Note 3	-
			1	Other receivables from related parties	63,603	Note 2	2%
		Cablex Wire And Cable(KunShan) Mfg.	2	Purchase	136,503	Note 1	4%
			2	Accounts payable	13,609	Note 3	-
			1	Revenue	313	Note 1	-
			1	Accounts receivable	146	Note 3	-
		Cablex Wire (ShenZhen) Mfg Co.,Ltd.	2	Other payables from related parties	134,148	Note 2	3%
		Copartner Wire & Cable Manufacturing Limited	2	Sales management expenses	477	Note 1	-
			2	Other payables from related parties	253,406	Note 2	6%
		Huisheng Plastic (ShenZhen) Co.,Ltd.	2	Other payables from related parties	166,578	Note 2	4%
		Copartner Wire And Cable (ShenZhen) Co.,Ltd.	2	Other payables from related parties	563,195	Note 2	13%

No.	Company Name	Counterparty	Relationship with the Company (Note 4)	Transaction			
				Financial Statement Account	Amount (Note 5)	Transaction Condition	As a Percentage of Consolidated Total Operating Revenues or Total Assets
		Wanfu Plastic (ShenZhen) Co.,Ltd.	2	Other payables from related parties	$ 386	Note 2	-
		United Electric Wire (KunShan) Co.,Ltd..	2	Purchase	24,700	Note 1	1%
			2	Accounts payable	5,515	Note 3	-
		Jia Xin Plastic(ShenZhen) Co.,Ltd.	2	Purchase	403	Note 1	-
			2	Accounts payable	96	Note 3	-
			2	Other payables from related parties	109,192	Note 2	3%
		Copartner Technology (DongTai) Co.,Ltd.	1	Other receivables from related parties	15,991	Note 2	-
			1	Sales fixed assets	16,751	Note 2	-
1	ShenZhen Copartner Communication Co.,Ltd..	Copartner Technology (Shenzhen) Co., Ltd.	3	Other receivables from related parties	139,087	Note 2	3%
			3	Interest revenue	2,957	Note 1	-
			3	Purchase	144	Note 1	-
		United Electric Wire (KunShan) Co.,Ltd..	3	Revenue	1,105	Note 1	-
			3	Accounts receivable	1,196	Note 3	-
			3	Purchase	154	Note 1	-
		Jia Xin Plastic(ShenZhen) Co.,Ltd.	3	Purchase	1,641	Note 1	-
			3	Accounts payable	290	Note 3	-
		Cablex Wire And Cable(KunShan) Mfg.	3	Revenue	1,006	Note 1	-
			3	Accounts receivable	553	Note 3	-
		Cablex Wire (ShenZhen) Mfg Co.,Ltd.	3	Purchase	5,638	Note 1	-
			3	Accounts payable	212	Note 3	-

(Carried forward)

(Brought forward)

No.	Company Name	Counterparty	Relationship with the Company (Note 4)	Transaction			
				Financial Statement Account	Amount (Note 5)	Transaction Condition	As a Percentage of Consolidated Total Operating Revenues or Total Assets
1	ShenZhen Copartner Communication Co., Ltd.	Huisheng Plastic (ShenZhen) Co.,Ltd.	3	Purchase	24,491	Note 1	1%
			3	Accounts payable	2,980	Note 3	-
		COPARTNER TECHNOLOGY (Anfu) Co.,Ltd.	3	Revenue	49,992	Note 1	1%
			3	Accounts receivable	55,465	Note 3	1%
			3	Purchase	42,331	Note 1	1%
			3	Accounts payable	43,641	Note 3	1%
			3	Interest revenue	1,047	Note 1	-
			3	Other receivables from related parties	175,425	Note 2	4%
			3	Sales fixed assets	17,090	Note 2	-
2	Shin Ya Wire And Cable (ShenZhen) Co., Ltd.	Cablex Wire (ShenZhen) Mfg Co.,Ltd.	3	Purchase	4,248	Note 1	-
			3	Accounts payable	360	Note 3	-
		Cablex Wire And Cable(KunShan) Mfg.	3	Revenue	291	Note 1	-
			3	Accounts receivable	42	Note 3	-
		United Electric Wire (KunShan) Co.,Ltd..	3	Revenue	9	Note 1	-
			3	Purchase	5	Note 1	-
		Huisheng Plastic (ShenZhen) Co.,Ltd.	3	Purchase	4,981	Note 1	-
			3	Accounts payable	577	Note 3	-
		Copartner Technology (Shenzhen) Co., Ltd.	3	Purchase	139	Note 1	-
			3	Accounts payable	14	Note 3	-
			3	Other payables from related parties	268	Note 2	-
			3	Other receivables from related parties	139	Note 2	-
			3	Rental income	1,496	Note 1	-
			3	Sales fixed assets	44	Note 2	-

(Carried forward)

(Brought forward)

No.	Company Name	Counterparty	Relationship with the Company (Note 4)	Transaction			
				Financial Statement Account	Amount (Note 5)	Transaction Condition	As a Percentage of Consolidated Total Operating Revenues or Total Assets
		Cablex Metal Tech (Anfu) Co.,Ltd.	3	Purchase	$ 154	Note 1	-
			3	Accounts payable	171	Note 3	-
3	Cablex Wire (ShenZhen) Mfg Co.,Ltd.	Copartner Technology (Shenzhen) Co., Ltd.	3	Revenue	6,845	Note 1	-
			3	Accounts receivable	1,968	Note 3	-
			3	Rental income	1,295	Note 1	-
			3	Other receivables from related parties	120	Note 2	-
		Cablex Metal Tech (Anfu) Co.,Ltd.	3	Revenue	32,055	Note 1	1%
			3	Accounts receivable	18,312	Note 3	-
			3	Purchase	13,120	Note 1	-
			3	Interest revenue	3,624	Note 1	-
			3	Other receivables from related parties	159,277	Note 2	4%
			3	Sales fixed assets	2,856	Note 2	-
4	Copartner Wire And Cable (KunShan) Co.,Ltd.	Cablex Wire And Cable(KunShan) Mfg.	3	Rental income	3,510	Note 1	-
			3	Other receivables from related parties	302	Note 2	-
		United Electric Wire (KunShan) Co.,Ltd..	3	Rental income	8,008	Note 1	-
			3	Other receivables from related parties	9	Note 2	-
		Wujiang Wanfeng Plastic Cement Co.,Ltd.	3	Interest revenue	266	Note 1	-
		Copartner Technology (DongTai) Co.,Ltd.	3	Interest revenue	1,691	Note 1	-
			3	Other receivables from related parties	24,786	Note 2	1%
5	Copartner Wire And Cable (ShenZhen) Co.,Ltd.	Copartner Technology (Shenzhen) Co., Ltd.	3	Interest revenue	1,346	Note 1	-
			3	Other receivables from related parties	69,543	Note 2	2%

(Carried forward)

(Brought forward)

No.	Company Name	Counterparty	Relationship with the Company (Note 4)	Transaction			
				Financial Statement Account	Amount (Note 5)	Transaction Condition	As a Percentage of Consolidated Total Operating Revenues or Total Assets
6	United Electric Wire (KunShan) Co.,Ltd..	Cablex Wire And Cable(KunShan) Mfg.	3	Revenue	$ 20,298	Note 1	1%
			3	Accounts receivable	5,849	Note 3	-
			3	Other receivables from related parties	105	Note 2	-
		Wujiang Wanfeng Plastic Cement Co.,Ltd.	3	Purchase	14,162	Note 1	-
			3	Accounts payable	3,944	Note 3	-
		COPARTNER TECHNOLOGY (Anfu) Co.,Ltd.	3	Purchase	533	Note 1	-
		Copartner Technology (DongTai) Co.,Ltd.	3	Interest revenue	1,242	Note 1	-
			3	Other receivables from related parties	61,605	Note 2	1%
			3	Revenue	22,311	Note 1	1%
			3	Accounts receivable	9,491	Note 3	-
			3	Sales fixed assets	2,233	Note 2	-
7	Huisheng Plastic (ShenZhen) Co.,Ltd.	Copartner Technology (Shenzhen) Co., Ltd.	3	Revenue	17,148	Note 1	-
		Wanfu Plastic (ShenZhen) Co.,Ltd.	3	Purchase	10,683	Note 1	-
			3	Sales management expenses	4,701	Note 1	-
			3	Interest expenses	647	Note 1	-
		Jia Xin Plastic(ShenZhen) Co.,Ltd.	3	Revenue	8,738	Note 1	-
			3	Accounts receivable	2,263	Note 3	-
			3	Purchase	3,730	Note 1	-
			3	Accounts payable	764	Note 3	-
			3	Sales fixed assets	34	Note 2	-
		Jia Xin New Materials (Anfu) CO., LTD.	3	Sales fixed assets	542	Note 2	-
		COPARTNER TECHNOLOGY (Anfu) Co.,Ltd.	3	Revenue	2,924	Note 1	-
			3	Accounts receivable	618	Note 3	-
		United Electric Wire (KunShan) Co.,Ltd..	3	Revenue	22	Note 1	-
8	Copartner Technology (Shenzhen) Co., Ltd.	Jia Xin Plastic(ShenZhen) Co.,Ltd.	3	Purchase	4,694	Note 1	-
			3	Accounts payable	2,633	Note 3	-
		Cablex Wire And Cable(KunShan) Mfg.	3	Revenue	377	Note 1	-
		Wanfu Plastic (ShenZhen) Co.,Ltd.	3	Other payables from related parties	21,732	Note 2	1%
			3	Interest expenses	289	Note 1	-

(Carried forward)

(Brought forward)

No.	Company Name	Counterparty	Relationship with the Company (Note 4)	Transaction			
				Financial Statement Account	Amount (Note 5)	Transaction Condition	As a Percentage of Consolidated Total Operating Revenues or Total Assets
		Cablex Metal Tech (Anfu) Co.,Ltd.	3	Purchase	$ 85,107	Note 1	2%
			3	Accounts payable	7,988	Note 3	-
		COPARTNER TECHNOLOGY (Anfu) Co.,Ltd.	3	Purchase	20,257	Note 1	1%
			3	Accounts payable	6,829	Note 3	-
			3	Revenue	137	Note 1	-
9	Jia Xin Plastic(ShenZhen) Co.,Ltd.	Cablex Wire And Cable(KunShan) Mfg.	3	Revenue	56	Note 1	-
			3	Accounts receivable	28	Note 3	-
		Jia Xin New Materials (Anfu) CO., LTD.	3	Revenue	47,296	Note 1	1%
			3	Accounts receivable	52,474	Note 3	1%
			3	Interest revenue	87	Note 1	-
			3	Sales fixed assets	113	Note 2	-
		COPARTNER TECHNOLOGY (Anfu) Co.,Ltd.	3	Revenue	773	Note 1	-
			3	Accounts receivable	9	Note 3	-
		Wanfu Plastic (ShenZhen) Co.,Ltd.	3	Purchase fixed assets	19	Note 2	-
10	Cablex Wire And Cable(KunShan) Mfg.	Wujiang Wanfeng Plastic Cement Co.,Ltd.	3	Purchase	46	Note 1	-
			3	Accounts payable	9	Note 3	-
			3	Interest revenue	58	Note 1	-
			3	Other receivables from related parties	8,696	Note 2	-
		COPARTNER TECHNOLOGY (Anfu) Co.,Ltd.	3	Purchase	14	Note 1	-
11	Cablex Metal Tech (Anfu) Co.,Ltd.	Wanfu Plastic (ShenZhen) Co.,Ltd.	3	Interest expenses	103	Note 1	-
		United Electric Wire (KunShan) Co.,Ltd..	3	Revenue	4,075	Note 1	-
			3	Accounts receivable	1,736	Note 3	-
		COPARTNER TECHNOLOGY (Anfu) Co.,Ltd.	3	Revenue	49,900	Note 1	1%
			3	Accounts receivable	13,208	Note 3	-
			3	Other receivables from related parties	46	Note 2	-

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(Brought forward)

No.	Company Name	Counterparty	Relationship with the Company (Note 4)	Transaction			
				Financial Statement Account	Amount (Note 5)	Transaction Condition	As a Percentage of Consolidated Total Operating Revenues or Total Assets
12	Jia Xin New Materials (Anfu) CO., LTD.	Wanfu Plastic (ShenZhen) Co.,Ltd.	3	Interest expenses	$ 114	Note 1	-
			3	Other payables from related parties	30,425	Note 2	1%
			3	Purchase fixed assets	371	Note 2	-
		COPARTNER TECHNOLOGY (Anfu) Co.,Ltd.	3	Revenue	6,030	Note 1	-
			3	Accounts receivable	6,690	Note 3	-
			3	Purchase	89	Note 1	-
		Copartner Technology (Shenzhen) Co., Ltd.	3	Revenue	4,244	Note 1	-
			3	Accounts receivable	4,709	Note 3	-
		Shin Ya Wire And Cable (ShenZhen) Co.,Ltd.	3	Revenue	882	Note 1	-
			3	Accounts receivable	979	Note 3	-
		ShenZhen Copartner Communication Co.,Ltd..	3	Revenue	1,691	Note 1	-
			3	Accounts receivable	1,877	Note 3	-

Note 1: It refers to the costs and market prices determined by both parties.

Note 2: The method of receivable and payable depends on the funds.

Note 3: The period for accounts receivable and payable is equivalent to related parties.

Note 4: 1 represents transactions from parent to subsidiary; 2 represents transactions from subsidiary to parent; 3 represents transactions from subsidiary to subsidiary.

Note 5: It is listed based on the amount of processing consigned material that has been deducted. Receivables (payables) and other receivables (payables) due from related parties are presented in total.

COPARTNER TECHNOLOGY CORP.

INFORMATION FOR MAIN SHAREHOLDERS

FOR THE YEAR ENDED DECEMBER 31, 2023

Table 9

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

V. The company's individual financial report of the most recent year verified by CPA, but does not contain a detailed statement of important accounting items

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:

<u>Revenue Recognition</u>

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)

		2023		2022	
Code		Amount	%	Amount	%
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: Ho, Chun-Hsien Manager: Liao, Wen-Hung Chief accountant: 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

<u>Sensitivity analysis</u>

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.

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%

VI. If the Company and its affiliates have financial turnover difficulties in the most recent year and up to the date of publication of the annual report, they shall list that they have no impact on the financial status of the Company: None.

Chapter VII Financial status and performance review analysis and risks

I. Financial status:

(I) Main reasons and impacts of major movements in assets, liabilities, and equity during the last two years

Unit: NT$ thousand

Year / Analysis item	2023	2022	Difference	
			Amount	%
Current assets	2,736,368	3,193,018	(456,650)	(14.30)
Long-term investment	40,805	42,811	(2,006)	(4.69)
Property, plant and equipment	964,076	701,327	262,749	37.46
Other assets	495,034	512,068	(17,034)	(3.33)
Total assets	4,236,283	4,449,224	(212,941)	(4.79)
Current liabilities	2,341,467	1,585,921	755,546	47.64
Long-term liabilities	97,804	604,072	(506,268)	(83.81)
Other liabilities	306,095	319,458	(13,363)	(4.18)
Total liabilities	2,745,366	2,509,451	235,915	9.40
Share capital	875,500	875,500	-	-
Capital surplus	380,455	424,230	(43,775)	(10.32)
Retained earnings	520,911	883,636	(362,725)	(41.05)
Other equity interests	(295,450)	(253,342)	(42,108)	(16.62)
Non-controlling interests	9,501	9,749	(248)	(2.54)
Total amount of shareholder’s equity	1,490,917	1,939,773	(448,856)	(23.14)

Please state the reason for the movements during the last years (if the movement (increase or decrease) does not reach 20%, an analysis is not required)

1. Property, plant and equipment increase:Mainly caused by the construction of the two plants in Jiangxi and Dongtai, China in 2023.
2. Increase in current liabilities, decrease in long-term liabilities: The classification of long-term borrowings for 2023 syndicated loan as current liabilities.
3. Decrease in retained earnings:The main reason for the pre-tax loss in 2023, and the significant one-time relocation and severance expenses incurred due to the ongoing consolidation of production bases across various subsidiaries within the group, resulting in a considerable decline in profits compared to the previous fiscal year.

(II) Impacts of major movements in assets, liabilities, and equity during the last two years: There is no significant impact on the Company’s financial position.

(III) Future response plan: N/A.

II. Financial performance:

(I) Main reasons for major movements in operating revenue, operating income, and net income before tax in the last two years

Unit: NT$ thousand

Item / Year	2023	2022	Increase/ Decrease in amount	Change percentage (%)
Operating revenue - net	3,642,580	4,166,649	(524,069)	(12.58)
Operating costs	3,279,021	3,549,042	(270,021)	(7.61)
Gross profit	363,559	617,607	(254,048)	(41.13)
Operating expenses	724,379	671,928	52,451	7.81
Net operating income (loss)	(360,820)	(54,321)	(306,499)	(564.24)
Non-operating income and expenses	5,882	38,448	(32,566)	(84.70)
Net income (loss) before tax	(354,938)	(15,873)	(339,065)	(2,136.11)
Income tax expenses	7,669	8,761	(1,092)	(12.46)
Net income (loss) after tax	(362,607)	(24,634)	(337,973)	(1,371.98)

Please state the reason for the movements during the last years (if the movement (increase or decrease) does not reach 20%, an analysis is not required)

1. Increase in operating net loss: Mainly due to the impact of the war between Ukraine and Russia and high inflation in 2023, Despite the gradual stabilization of raw material prices, high customer inventories remained uncleared, leading to a slowdown in demand. Additionally, significant one-time relocation and severance expenses were incurred due to the ongoing consolidation of production bases across various subsidiaries within the group, resulting in a significant increase in losses compared to the previous year.
2. Decrease in non-operating income and expenses: Mainly due to the borrowings increase in 2023, Financial cost increased compared to 2022. The smaller appreciation of the US dollar exchange rate this year compared to last year led to lower foreign exchange gains.

(II) Estimated sales and the basis: The Company did not prepare and publish financial forecasts, so it does not apply.

(III) Potential impact on the Company’s future financial business and response plans: No significant impact was caused on finance and business.

III. Cash flow: An analysis of cash flow movements in the last year, an improvement plan for insufficient liquidity, and a liquidity analysis for the coming year

(I) An analysis of movements in consolidated cash flows during 2023:

Unit: NT$ thousand

Opening cash balance (1)	Net cash flow from operating activities in the year (2)	Cash outflow throughout the year (3)	Cash surplus (deficit) (1)+(2)-(3)	Countermeasure for cash deficits	
				Investment plans	Wealth management plans
1,264,821	71,898	261,043	1,075,676	-	-

1. Net cash inflow from operating activities in 2023 is NT$ 71,898 thousand, mainly due to decrease in accounts receivable and revenue.
2. Net cash outflow from investment activities in 2023 is NT$ 376,590 thousand, mainly due to the acquisition of property, plant and equipment.
3. Net cash inflow from financing activities in 2023 is NT$ 161,511 thousand, mainly due to the increase in short-term and long-term borrowings.
4. The impact of exchange rate changes on cash in 2023 is NT$ (45,964) thousand.

(II) Remedial measures for cash flow deficit and liquidity analysis: There was no cash flow deficit occurring.

(III) A liquidity analysis for the coming year:

Opening cash balance (1)	Net cash flow from operating activities in the year (2)	Cash outflow throughout the year (3)	Cash surplus (deficit) (1)+(2)-(3)	Countermeasure for cash deficits	
				Investment plans	Wealth management plans
1,075,676	199,066	96,354	1,178,388	-	-

1. The net cash inflow of operating activities, mainly due to the increased demand for consumer electronics and automotive, medical, industrial control and other lines in 2024, the substantial growth of revenue and profit, resulting in the net cash inflow of operating activities.
2. Net cash outflow from investing activities, mainly due to the acquisition of real estate, plant and equipment, etc.
3. Net cash inflow from financing activities, mainly due to the estimated borrowings of loans.

IV. The impact of the significant capital expenditure in the last year upon the financial performance: None.

V. The outward investment policies in the last year. The key reasons leading to the profit or loss, the corrective plans and the investment plan in one year ahead: None.

(I) The outward investment policies in the latest year: We mainly invested in upstream and downstream industries in line with the Company's long-term development plan to reduce production costs and increasing profits.

(II) The main reason for reinvestment loss: NT$ 2,006 thousand in loss in 2023. The main reason for the decline in revenue and profits compared to previous year is due to the impact of the COVID-19 pandemic, which has led to lockdowns affecting market demand and delays in the depletion of customer inventories, particularly among our invested companies' European and American customers.

(III) The investment plan in one year ahead: To meet the needs for continuous development, the Company will carry out investment plans in the following year depending on the business operations and the development situation.

VI. An analysis and evaluation of risks in the last year and up to the publication date of this annual report

(I) The impact incurred by change in interest rate, exchange rate, inflation upon the Company's profit and/or loss and the future countermeasures

Changes in interest rates: The interest expense and interest income of the Company and our subsidiaries accounted for 1.29% and 0.46% of the Group's consolidated revenue for 2023, respectively. The percentages are not large, and the Company has obtained short-term loans with preferential terms and medium- and long-term syndicated loans to support our operations and Capital movement, and we have obtained a loan under the Action Plan for Post-pandemic recovery project in Taiwan. It was estimated that changes in interest rates would not have a significant impact on the Company.

Changes in exchange rates: Part of the main sales and purchases by the Company and our subsidiaries is in foreign currencies. By offsetting foreign-currency assets and liabilities, the exchange rate risks have been greatly reduced. Exchange gain for 2023 accounted for 0.06% of the consolidated revenue, which is not a large percentage, so the impact of exchange rate fluctuations on the Company was limited. The Company and our subsidiaries will pay close attention to information on exchange rate fluctuations and keep abreast of the exchange rate trends in real time to avoid the risk of exchange rate changes depending on the global macro economy, exchange rates, and future capital needs, thereby alleviating the impact of exchange rate changes on the Company's and subsidiaries' profit or loss.

Inflation: The Company pays attention to market price fluctuations at any time and maintains positive interactive relations with suppliers and clients to avoid major impacts of inflation on the Company.

(II) The major causes for engaging in high-risk, high-leverage investment, lending of funds to others, endorsements/guarantees and derivative financial instruments, the profits or loss and the future countermeasures.

Risk	Implementation	Policy and countermeasures
High-risk and highly leveraged investment	Our investments are mainly made to establish domestic and overseas production sites, most of which are wholly owned and are not highly leveraged or high-risk investments.	The Company focuses on the core business and does not engage in high-risk or highly leveraged investments.
Loaning Funds to Others	As of the publication date, except for loans between affiliates in the Group, we do not lend loans to external entities.	If the Company needs to engage in financing due to business needs in the future, the Operating Procedures for Loaning of Funds to Others formulated by the Company will apply, and we will accurately announce the information on the loans to others in real time in accordance with laws and regulations.
Endorsements /guarantees	The Company has endorsed guarantees of NT$85,250 thousand for its subsidiaries Copartner Wire & Cable Manufacturing Limited and NT$ 61,530 thousand for Copartner Technology (Dongtai) Co., Ltd., as of December 31, 2023. The maximum value of the endorsement guarantee is NT$ 2,709,272 thousand. The Company has endorsed guarantees of NT$ 85,250 thousand for its subsidiaries Copartner Wire & Cable Manufacturing Limited and NT$ 65,160 thousand for Copartner Technology (Dongtai) Co., Ltd., as of April 30, 2024. The maximum value of the endorsement guarantee is NT$2,222,124 thousand.We handle all endorsements/guarantees in accordance with the Operating Procedures for Endorsements and Guarantees formulated by the Company.	If there is a need to provide endorsements/guarantees to others in the future, we will handle it in accordance with the Operating Procedures for Endorsements and Guarantees formulated by the Company and will accurately announce the information on the endorsements/guarantees provided to others in real time in accordance with laws and regulations.
Derivatives Trading	The Company did not engage in derivatives trading during the last year and up to the publication date of this annual report.	If there is a need to engage in derivatives trading due to business needs in the future, we will handle it in accordance with the Procedures for Asset Acquisition and Disposal formulated by the Company and will accurately announce the information on trading in real time in accordance with laws and regulations.

(III) The future research & development plans and the expenses anticipated to be invested into research & development

The Company's R&D projects in recent years have focused the attention on the development of cables and wire harness with high added values, and we will still focus on this and meet clients' new product design needs in our future R&D projects. The Company's R&D aims to proactively develop low-loss coaxial cables for 5G base stations and relevant cables and wire harness for automobiles, industrial automation, and medical care. It is estimated that the Group will invest more than 3% of its annual revenue in R&D in the future. Please refer to (4) R&D Status under Report to Shareholders on page 1 of this annual report for more information.

(IV) The possible impacts by government policies and laws at home and abroad upon the Company's financial conditions and the Company's countermeasures

In the countries or regions where the Company operates business, if the existing tax laws and regulations are amended or new tax laws take effect, it may have an adverse impact on the Company's profits. Our main operations and manufacturing activities are in Taiwan and mainland China, so the Company is mainly regulated by the tax laws of the Republic of China and China's tax laws. Any adverse changes in tax laws and regulations will have an adverse impact on the Company's operating performance. To control this tax risk, the Company always pays close attention to any important domestic and overseas policy development and changes in laws and regulations that may affect the Company's finance, consults attorneys and accountants about the impacts, and collects relevant information as a reference for the management team to make decisions to adjust the Company's business strategies.

Furthermore, as the Company's revenue mainly comes from sales outside of Taiwan, changes in various regional economies' trade policies may directly or indirectly affect the sales of the Company or our clients, thereby affecting the Company's operating performance. Therefore, the Company continues to pay attention to the recent development of trade policies of relevant major economies and will take countermeasures accordingly.

(V) The impact of technological changes and industrial changes on the Company's financial performance and countermeasures

The Company pays close attention to technological changes and technological development in the industry, in which the business is operated, continues to improve product quality and manufacturing processes, quickly keeps abreast of industry trends and competitors' information, and adopts a stable financial management strategy to maintain our market competitiveness. In the future, the Company will continue to pay attention to the technological changes in the industry, in which the business is operated, evaluates such an impact on the operations, and makes corresponding adjustments to improve the business development and financial position. Therefore, technological changes and industrial changes currently cause no significant impact on the Company.

(VI) The impacts created by a change in corporate image upon the management over crisis, and the Company's countermeasures

Since the Company was established, we have adhered to the principles of integrity and professionalism, proactively reinforced internal management, improved management quality and efficiency, attached importance to corporate image and risk control, and complied with applicable laws and regulations. So far, there has been no incident occurring that would affect our corporate image. In the future, while maximizing shareholders' equity, the Company will fulfill our corporate social responsibility.

(VII) Estimated benefits and potential risks of M&A and countermeasures: So far, the Company has no M&A plan in place, so this does not apply.

(VIII) The risks anticipated from the expansion of the plant buildings, and the Company's countermeasures:

The Company carefully plans the capital expenditure for the expansion of production capacity and plants depending on the industrial development and market needs to increase production capacity and revenue. As the expansion of production capacity and plants will result in an increase in operating costs, and when the business cycle in the industry is not as expected, idle production capacity will occur. The Company will pay close attention to market changes and work closely with clients to adjust expansion plans in a timely manner to reduce and avoid risks.

(IX) The risks anticipated from the centralized input or output undertakings and the Company's countermeasures

The Company's clients are located in different places around the world. The top ten clients for 2023 accounted for lower than 10% of the Company's net operating revenue, without a risk of client concentration. Also, most of our other raw material suppliers are companies with great quality reputation in the industry and have been worked with the Company stably for many years, so there should be no risk of supplier concentration to the Company.

(X) The impacts and risks anticipated from the massive transfer of shareholding by directors or key shareholders who hold more than 10% in shareholding and the Company's countermeasures: None.

(XI) The impacts and risks anticipated from the change in the managerial powers and the

Company's countermeasures:

The Company did not have a change in the management right during the last year and up to the publication date of this annual report, so this does not apply.

(XII) In the case of a court case or a non-contentious case, specify the Company or the Company's directors, President, de facto responsible person, or shareholders, each holding more than 10% of all company shares, with final ruling made or still in major legal proceedings, non-contentious matters, or administrative disputes, and where the result thereof may significantly affect shareholders' equity or stock price, the fact of the contentions, the amount involved, the commencement date of the proceedings, the major litigants in the proceedings, and the status as of the publication date of this report shall be disclosed: None.

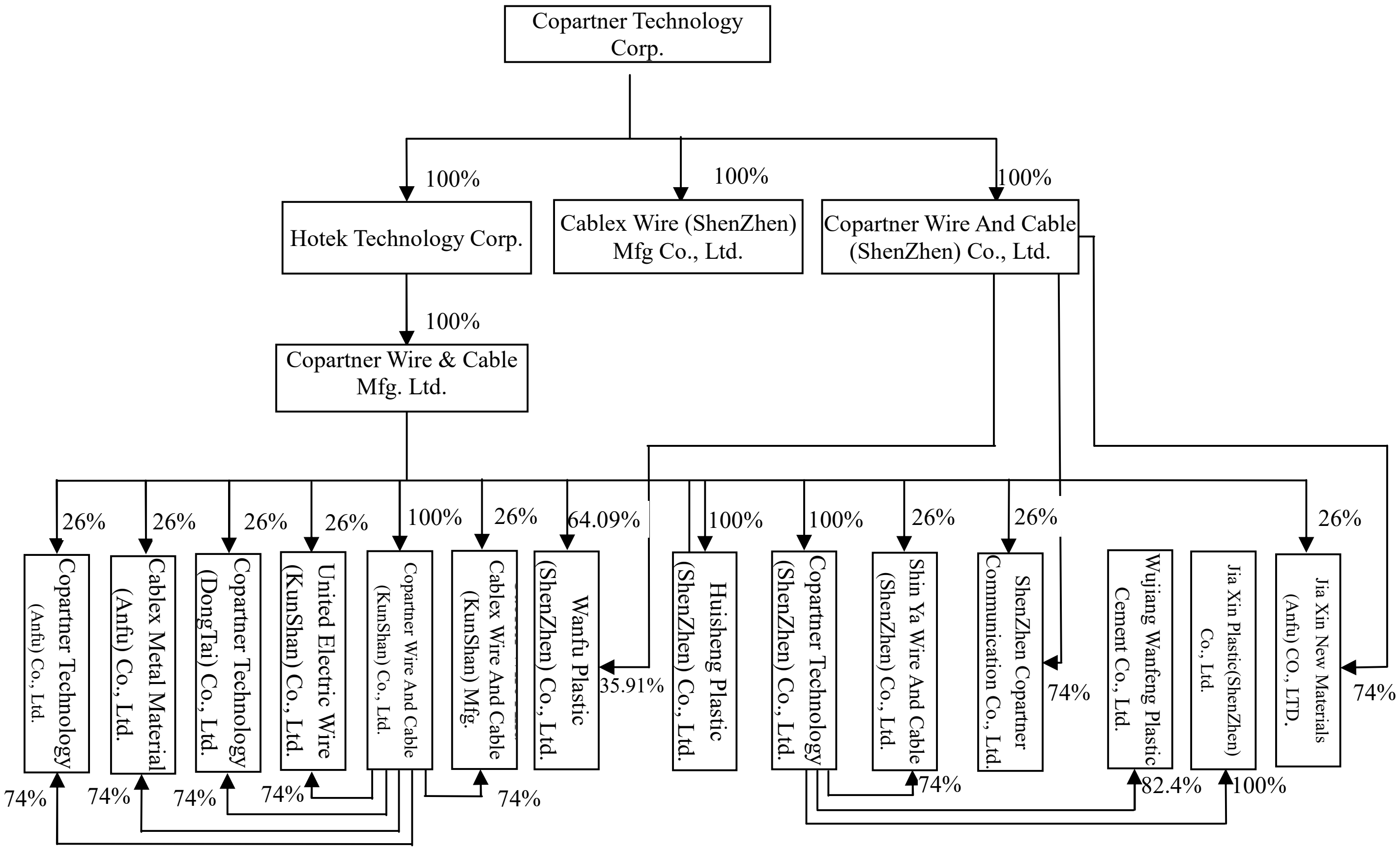
VII. Other important disclosures: None.

Chapter VIII Special disclosure

I. Relevant information of affiliated enterprises

(I) Consolidated business reports teaming up with affiliated enterprises

1. Organizational chart of affiliates



Note: The names of the companies in the organizational chart is abbreviated. For the full names, please refer to 2. Fundamental particulars of affiliated enterprises below.

2. Fundamental particulars of affiliated enterprises: OK

Name of enterprise	Establishment Date	Address	Paid-in shares Capital	Main business items
Hotek Technology Corporation	July 8, 2003	P.O.Box 1225,Apia,Samoa.	615,298	Investment
Copartner Wire & Cable Mfg. Ltd.	September 10, 1992	A3, 3F, Block A, Hongli Industrial Center, 6 Wang Guan Road, Kowloon Bay, Kowloon, Hong Kong	331,443	General international trade and general investment business
Cablex Wire (ShenZhen) Mfg Co., Ltd.	September 3, 1997	1F-B, No. 52-5 and No. 52-6, Fengtang Boulevard, Xintian Community, Fuyong Street, Bao’an District, Shenzhen, Guangdong, China	56,019	Production and sales of copper wires
Copartner Wire And Cable (ShenZhen) Co., Ltd.	August 19, 1997	No.52-7, 52-9, Fengtang Avenue , Xintian Village, Fuyong Town, Bao’an District, Shenzhen, Guangdong, China	63,900	Investment
United Electric Wire (KunShan) Co., Ltd.	February 20, 2003	No.168, Bin jiang South Road, Zhangpu Town, Kunshan City, Jiangsu, China	56,806	Production and sales of wires, cables, and computer cables
Copartner Wire And Cable (KunShan) Co., Ltd.	February 4, 1998	No.168, Bin jiang South Road, Zhangpu Town, Kunshan City, Jiangsu, China	194,123	Investment
Cablex Wire And Cable (KunShan) Mfg.	November 26, 2004	No.168, Bin jiang South Road, Zhangpu Town, Kunshan City, Jiangsu, China	64,750	Production and sales of wires, cables, and computer wire harness
Wanfu Plastic (ShenZhen) Co., Ltd.	February 20, 2003	South side of the first floor, No. 9, Jiujiu Industrial Road, West Industrial Park, Shatou community, Shajing street, Bao’an District, Shenzhen, Guangdong, China	72,495	Production and sales of plastic pellets
Huisheng Plastic (ShenZhen) Co., Ltd.	November 26, 2004	1 & 2F., No.2, Ninety-nine Industrial Area Minzhu Village, Shajing Town, Baoan District, Shenzhen, Guangdong, China	80,821	Production and sales of plastic pellets

Name of enterprise	Establishment Date	Address	Paid-in shares Capital	Main business items
Copartner Technology (ShenZhen) Co., Ltd.	November 26, 2004	No.52-7, 52-9, Fengtang Avenue , Xintian Village, Fuyong Town, Bao'an District, Shenzhen, Guangdong, China	306,602	Production and sales of wires, cables, and computer cables
ShenZhen Copartner Communication Co., Ltd.	February 20, 2003	No.8-9, Dayangtian Industrial Area, Wanfeng Village, Shajing Town, Baoan District, Shenzhen, Guangdong, China	254,499	Production and sales of wires, cables, and computer cables
Shin Ya Wire And Cable (ShenZhen) Co., Ltd.	December 16, 2005	2F., No.52-5,Fengtang Avenue , Xintian Village, Fuyong Town, Baoan District, Shenzhen, Guangdong, China	36,178	Production and sales of wires, cables, and computer cables
Wujiang Wanfeng Plastic Cement Co., Ltd.	April 26, 2010	No.44 Tongxin East Road, Wan jiang District, Songling Town, Wujiang District, Suzhou, Jiangsu, China	27,148	Production and sales of plastic pellets
Jia Xin Plastic(ShenZhen) Co., Ltd.	September 16, 1993	3TH industrial zone, Bitou Village, Songgang Town, Baoan District, Shenzhen, Guangdong, China	29,884	Production and sales of plastic pellets
Copartner Technology (DongTai) Co., Ltd.	January 7, 2019	North Side of Haiyang West Road, Precision Machinery Manufacturing Industrial Park, Dongtai City	175,909	R&D, production, and sales of high-end communication signal transmission cables and copper conductors
Jia Xin New Materials (Anfu) CO., LTD.	October 9, 2020	Next to Electromechanical Avenue, High-tech Industrial Park, Anfu County, Ji'an City, Jiangxi Province, China	168,568	Production and sales of plastic pellets
Cablex Metal Material (Anfu) Co., Ltd.	January 25, 2021	Advanced Equipment Manufacturing Industrial Park, High-tech Industrial Park, Anfu County, Ji'an City, Jiangxi Province, China	42,207	Production and sales of copper wires
Copartner Technology (Anfu) Co., Ltd.	January 25, 2021	Advanced Equipment Manufacturing Industrial Park, High-tech Industrial Park, Anfu County, Ji'an City, Jiangxi Province, China	175,340	Production and sales of wires, cables, and computer cables

2. Information on the shareholders presumed to have a relationship of control and subordination: None.

3. Industries to which the affiliates belong: See (2) for details.

4. Information and to data of directors and supervisors, general managers of affiliated enterprises:

Name of enterprise	Title	Name or the representative person	Shareholding	
			Quantity	Ratio of Shareholding
Hotek Technology Corporation	Director Director Director	Ho, Chun-Hsien Wang, Shih-Tsung Chen, Hung-Yao	— — —	— — —
Copartner Wire & Cable Mfg. Ltd.	Director Director Director	Ho, Chun-Hsien Wang, Shih-Tsung Chen, Hung-Yao	— — —	— — —
Cablex Wire (ShenZhen) Mfg Co., Ltd.	Chairman Director Director President	Ho, Chun-Hsien Wang, Shih-Tsung Chen, Hung-Yao Wang, Shih-Tsung	— — — —	— — — —
Copartner Wire And Cable (ShenZhen) Co., Ltd.	Chairman President	Ho, Chun-Hsien Wang, Shih-Tsung	— —	— —
United Electric Wire (KunShan) Co., Ltd.	Chairman Director Director Supervisor President	Ho, Chun-Hsien Wang, Shih-Tsung Chen, Hung-Yao Ho, Po-Kai Shih, Hsiao-Kuang	— — — — —	— — — — —
Copartner Wire And Cable (KunShan) Co., Ltd.	Chairman Director Director Supervisor President	Ho, Chun-Hsien Wang, Shih-Tsung Chen, Hung-Yao Ho, Po-Kai Wang, Shih-Tsung	— — — — —	— — — — —
Cablex Wire And Cable (KunShan) Mfg.	Chairman Director Director Supervisor President	Ho, Chun-Hsien Wang, Shih-Tsung Chen, Hung-Yao Ho, Po-Kai Ho, Chun-Hsien	— — — —	— — — —
Wanfu Plastic (ShenZhen) Co., Ltd.	Chairman Vice Chairman Director Supervisor President	Ho, Chun-Hsien Chen, Hung-Yao Wang, Shih-Tsung Ho, Po-Kai Kuo, Shao-Ping	— — — — —	— — — — —
Huisheng Plastic (ShenZhen) Co., Ltd.	Chairman Director Director	Ho, Chun-Hsien Wang, Shih-Tsung Chen, Hung-Yao	— — —	— — —

Name of enterprise	Title	Name or the representative person	Shareholding	
			Quantity	Ratio of Shareholding
Copartner Technology (ShenZhen) Co., Ltd.	Chairman Director Director President	Ho, Chun-Hsien Wang, Shih-Tsung Chen, Hung-Yao Yen, Chia-Fa	— — — —	— — — —
ShenZhen Copartner Communication Co., Ltd.	Chairman Vice Chairman Director President	Ho, Chun-Hsien Chen, Hung-Yao Wang, Shih-Tsung Li, Hsiao-Lien	— — — —	— — — —
Shin Ya Wire And Cable (ShenZhen) Co., Ltd.	Chairman Director Director Supervisor President	Ho, Chun-Hsien Wang, Shih-Tsung Chen, Hung-Yao Ho, Po-Kai Yen, Chia-Chun	— — — — —	— — — — —
Wujiang Wanfeng Plastic Cement Co., Ltd.	Executive Director Supervisor President	Ho, Chun-Hsien Chen, Hung-Yao Yi, Chien-Chun	— — —	— — 9.6%
Jia Xin Plastic(ShenZhen) Co., Ltd.	Executive Director Director Director Supervisor President	Ho, Chun-Hsien Wang, Shih-Tsung Chen, Hung-Yao Ho, Po-Kai Li, Yi-Ta	— — — — —	— — — — —
Copartner Technology (DongTai) Co., Ltd.	Chairman Director Director Supervisor	Ho, Chun-Hsien Wang, Shih-Tsung Chen, Hung-Yao Ho, Po-Kai	— — — —	— — — —
Jia Xin New Materials (Anfu) CO., LTD.	Chairman Director Director Supervisor President	Ho, Chun-Hsien Wang, Shih-Tsung Chen, Hung-Yao Ho, Po-Kai Li, Yi-Ta	— — — — —	— — — — —
Cablex Metal Material (Anfu) Co., Ltd.	Chairman Director Director Supervisor President	Ho, Chun-Hsien Wang, Shih-Tsung Chen, Hung-Yao Ho, Po-Kai Chen, Chun-Mei	— — — — —	— — — — —
Copartner Technology (Anfu) Co., Ltd.	Chairman Director Director Supervisor President	Ho, Chun-Hsien Wang, Shih-Tsung Chen, Hung-Yao Ho, Po-Kai Chou, Kuo-Chun	— — — — —	— — — — —

5. Affiliates' business operations:

December 31, 2023

Unit: NT$ thousand, unless otherwise specified

Company Name	Paid-in shares Capital	Total assets	Total liabilities	Net worth (loss)	Current operating Revenue	Current operating income (loss)	Current profit (loss)	Earnings (loss) per share (NTD)
Copartner Technology Corp.	875,500	4,518,229	3,036,813	1,481,416	283,389	(91,906)	(362,509)	(4.14)
Hotek Technology Corporation	615,298	2,067,030	249,823	1,817,207	-	(3,731)	(151,024)	(7.55)
Copartner Wire & Cable Mfg. Ltd.	331,443	2,110,828	43,832	2,066,996	-	(4,268)	(147,341)	Note
Cablex Wire (ShenZhen) Mfg Co., Ltd.	56,019	446,212	98,888	347,324	85,765	(26,536)	(15,765)	Note
Copartner Wire And Cable (ShenZhen) Co., Ltd.	63,900	1,256,936	2,476	1,254,460	-	(433)	(90,493)	Note
United Electric Wire (KunShan) Co., Ltd.	56,806	426,726	91,067	335,659	428,014	(5,494)	(1,186)	Note
Copartner Wire And Cable (KunShan) Co., Ltd.	194,123	756,885	9,484	747,401	-	(12,593)	(14,145)	Note
Cablex Wire And Cable (KunShan) Mfg.	64,750	324,509	78,509	246,000	471,882	47,442	45,768	Note
Wanfu Plastic (ShenZhen) Co., Ltd.	72,495	97,116	100	97,016	10,683	(10,538)	(7,006)	Note
Huisheng Plastic (ShenZhen) Co., Ltd.	80,821	302,204	3,877	298,327	221,186	(26,340)	(24,141)	Note

Company Name	Paid-in shares Capital	Total assets	Total liabilities	Net worth (loss)	Current operating Revenue	Current operating income (loss)	Current profit (loss)	Earnings (loss) per share (NTD)
Copartner Technology (ShenZhen) Co., Ltd.	306,602	990,568	708,869	281,699	545,156	(50,222)	(60,691)	Note
ShenZhen Copartner Communication Co., Ltd.	254,499	710,509	120,842	589,667	453,938	(115,873)	(103,361)	Note
Shin Ya Wire And Cable (ShenZhen) Co., Ltd.	36,178	302,152	164,752	137,400	224,332	2,585	3,997	Note
Wujiang Wanfeng Plastic Cement Co., Ltd.	27,148	82,450	28,468	53,982	94,072	(1,018)	(558)	Note
Jia Xin Plastic(ShenZhen) Co., Ltd.	29,844	394,121	73,287	320,834	468,170	(6,798)	(4,466)	Note
Copartner Technology (DongTai) Co., Ltd.	175,909	406,878	242,675	164,203	21,968	(11,761)	(15,147)	Note
Jia Xin New Materials (Anfu) CO., LTD.	168,568	261,006	103,615	157,391	47,958	(9,767)	(9,613)	Note
Cablex Metal Material (Anfu) Co., Ltd.	42,207	268,254	207,783	60,471	1,055,218	13,157	9,132	Note
Copartner Technology (Anfu) Co., Ltd.	175,340	371,007	283,896	87,111	89,353	(60,804)	(60,699)	Note

Note: As the company is a limited company, it has no number of shares available.

(II) Consolidated financial statements of affiliates (see pages 124 -213)

The affiliates that are required to be included in the Company's consolidated financial statements as of and for the year ended December 31, 2023, under the Criteria Governing the Preparation of Affiliation Reports, Consolidated Business Reports and Consolidated Financial Statements of Affiliated Enterprises are the same as those included in the consolidated financial statements prepared in conformity with the IFRS 10. In addition, the information required to be disclosed in the combined financial statements of affiliates is included in said consolidated financial statements. Consequently, a separate set of combined financial statements of affiliates will not be prepared.

(III) Affiliation report: N/A.

II. Where the company has carried out a private placement of securities in the last year and up to the publication date of the annual report: None.

III. Holding or disposal of the company's shares by its subsidiaries in the last year and up to the publication date of the annual report: None.

IV. Other necessary supplementary information: None.

Chapter IX Occurrences of events defined under Subparagraph 2, Paragraph 3, Article 36 of the Securities Exchange Act in the last year and up to the publication date of the annual report that significantly impacted shareholders' equity or security prices: None.

Copartner Technology Corp.

Chairman: Ho, Chun-Hsien

Published on May 15, 2024

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