

Gold Circuit Electronics Ltd. and  
its Subsidiaries

Consolidated Financial Reports  
and Auditors' Report  
2023 and 2022

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## Declaration for Consolidated Financial Reports of Affiliated Companies

Companies that shall be included in the compiled Consolidated Financial Statement of Affiliates for 2023 (from January 1, 2023 to December 31, 2023) in accordance with the Criteria Governing Preparation of Affiliation Reports, Consolidated Business Reports and Consolidated Financial Statements of Affiliates are identical to those that shall be compiled in the Consolidated Statement of Parent Company and Subsidiaries as per International Financial Reporting Standard 10 and all the information that shall be disclosed in the Consolidated Financial Statement of Affiliates has been disclosed in the Consolidated Statement of Parent Company and Subsidiaries. Therefore, the Consolidated Financial Statement of Affiliates is not prepared separately.

Declared by:

Company: GOLD CIRCUIT ELECTRONICS LTD.

Responsible person: Chen-Tse Yang

MARCH 12, 2024

## **Independent Auditors' Report**

To GOLD CIRCUIT ELECTRONICS LTD.:

### **Audit opinions**

We have audited the accompanying balance sheet of GOLD CIRCUIT ELECTRONICS LTD. and its subsidiaries (Gold Circuit Electronics Group) on December 31, 2023 and 2022 and the related consolidated statements of income, consolidated statements of changes in shareholders' equity, consolidated statements of cash flow, and notes to the consolidated financial statements (including the material accounting policies summary) from January 1 to December 31, 2023 and 2022.

In our opinion, the major issues of said financial reports prove to have been duly worked out in accordance with and Regulations Governing the Preparation of Financial Reports by Securities Issuers, and the International Financial Reporting Standards (IFRS), International Accounting Standards (IAS), and International Financial Reporting Standards Interpretations Committee's Interpretations (IFRSIC) and Standing Interpretation Committee's Interpretative Announcement (SIC) recognized and issued into effect by the Financial Supervisory Commission, Executive Yuan (FSC), presenting fairly the consolidated financial position of Gold Circuit Electronics Group on December 31, 2023 and 2022 and the consolidated results of financial performance and consolidated cash flow for the periods starting from January 1 till December 31, 2023 and 2022.

### **The basis for opinions**

We conducted our audit in accordance with the Regulations Governing Auditing and Attestation of Financial statements by Certified Public Accountants and auditing standards. Our responsibilities under those standards are further described in the responsibilities of auditors for the audit of the consolidated financial statements. The personnel of the CPA Firm subject to the independence requirement have acted independently from the business operations of Gold Circuit Electronics Group in accordance with the Code of Ethics and with other responsibilities

of the Code of Ethics performed. We believed that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### **Key audit matter**

The “key audit matter” means that the independent auditors have used their professional judgment as the basis to audit the most important matters on the 2023 consolidated financial statements of Gold Circuit Electronics Group. These matters were addressed in the content 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 those matters.

The key audit matters of the 2023 consolidated financial statements of Gold Circuit Electronics Group are described as follows:

#### **Recognition of revenue**

When the subsidiary in Mainland China actually ships goods, the inventory control is transferred and the income from the triangle trade of GOLD CIRCUIT ELECTRONICS LTD. is recognized. Therefore, it is possible that improper recognition of income exists despite the absence of actual shipment. Therefore, we (the CPAs) believe that there might be risk over whether such type of income occurs. Given this, it is classified as a key audit matter. The policy for recognition of revenue is disclosed in Note IV herein.

The audit procedure that we performed on the above-mentioned key matters primarily covers the following:

1. Understand and test the design and effectiveness of execution of the major internal control for recognition of revenue of the Company.
2. Samples were selected from the income statement of the triangle trade to verify how original purchase orders from customers were approved and to verify the shipping receipts and payment collection documents from the subsidiary in Mainland China for confirmation over whether the transaction really occurred or not.

### **Other information**

GOLD CIRCUIT ELECTRONICS LTD. has duly worked out the 2023 and 2022 parent company only financial statements for which we, the Undersigned Certified Public Accountant, have duly worked out the standard type, an Audit Report with unqualified (unreserved) opinion for reference.

### **Responsibilities of Management and Those in Charge with Governance of the Consolidated Financial Statements**

The responsibility of the management is to have the consolidated financial reports presented fairly, in all material respects, in accordance with the “Regulations Governing the Preparation of

Financial Reports by Securities Firms”, and the International Financial Reporting Standards (IFRS), International Accounting Standards (IAS), International Financial Reporting Standards Interpretations Committee's Interpretations (IFRSIC) and Standing Interpretation Committee's Interpretative Announcement (SIC) recognized and issued into effect by the Financial Supervisory Commission, Executive Yuan (FSC), and also to maintain the necessary internal controls related to the consolidated financial reports to ensure that the consolidated financial reports are free of any material misstatement arising from fraud or errors.

In the preparation of the consolidated financial statements, the management’s responsibility also includes assessing the continuing operation of Gold Circuit Electronics Group, the disclosure of the relevant matters, and the adoption of the continuing operation accounting base, unless the management intends to liquidate Gold Circuit Electronics Group or cease business operation, or there is a lack of any option except for liquidation or suspension.

The governance unit (including the Audit Committee) of Gold Circuit Electronics Group is responsible for supervising the financial reporting process.

#### **Auditor’s 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 auditor’s report. Reasonable assurance is a high level of assurance, but is not a guarantee that any audit conducted in accordance with the accounting principles will always detect a material misstatement when it exists. Misstatements can arise from fraud or error. If fraud or errors are considered materials, 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 accounting principles, we exercise professional judgment and maintain professional skepticism throughout the audit. We also perform the following works:

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 evidence that is sufficient and appropriate to provide a basis of 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 the necessary understanding on the internal control related to the audit in order to design appropriate audit procedures under the circumstances, but the purpose is not to

express an opinion on the effectiveness of the internal control of Gold Circuit Electronics Group.

3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.
4. Use the audit evidence obtained as the basis to draw conclusions on the suitability of the continuing operation accounting base adopted by the management and whether or not there are events or circumstances causing significant doubts regarding the continuing operation ability of Gold Circuit Electronics Group have significant uncertainties. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosure are inappropriate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of the auditor's report. However, future events or circumstances may result in the inability of Gold Circuit Electronics Group to continue operating.
5. Evaluate the overall presentation, structure, and content of the consolidated statements, including the disclosures, whether the consolidated statements represent the underlying transactions and events in a matter that achieves fair presentation.
6. Obtain sufficient and appropriate audit evidence on the financial information of the Group in order to express an opinion on the consolidated financial statements. The independent auditor is responsible for guiding, supervising, and implementing the audit of the Group; also, is responsible for forming an opinion on the audit of the Group.

We communicate with those in charge of 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 in charge of 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).

We have used the communications with the governing unit as the basis to determine the key audit matters to be performed on the 2023 consolidated financial statements of Gold Circuit Electronics Group. We describe these matters in our auditor's 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 communications.

Deloitte & Touche

CPA Chen Chao-Ling

CPA Chang Chun-Yi

Financial Supervisory Commission's  
written approval No.:

Jin-Guan-Zheng-Liu-Zi No.:  
0930160267

Securities and Futures Commission's written  
approval No:

Tai-Cai-Zheng-Liu-Zi No. 0920123784

March 12, 2024



## GOLD CIRCUIT ELECTRONICS LTD. and its subsidiaries

## Consolidated Balance Sheet

December 31, 2023 and 2022

Unit: NTD thousand

| Code | Assets                                                                                   | December 31, 2023    |            | December 31, 2022    |            |
|------|------------------------------------------------------------------------------------------|----------------------|------------|----------------------|------------|
|      |                                                                                          | Amount               | %          | Amount               | %          |
|      | Current assets                                                                           |                      |            |                      |            |
| 1100 | Cash and cash equivalents (Notes IV and VI)                                              | \$ 7,740,915         | 23         | \$ 5,973,977         | 20         |
| 1110 | Financial assets at fair value through profit or loss - current (Notes. IV & VII)        | 79,437               | -          | 43,302               | -          |
| 1150 | Notes receivable (Notes IV and IX)                                                       | 5,404                | -          | 9,424                | -          |
| 1170 | Accounts receivable (Notes IV, V and IX)                                                 | 10,728,000           | 33         | 10,726,992           | 36         |
| 1200 | Other receivable (Notes IV and IX)                                                       | 110,179              | -          | 88,733               | -          |
| 1220 | Income tax assets for the current period                                                 | 5                    | -          | -                    | -          |
| 130X | Inventories (Notes IV and X)                                                             | 5,970,385            | 18         | 5,615,970            | 19         |
| 1410 | Prepayments                                                                              | 275,169              | 1          | 265,140              | 1          |
| 1470 | Other current assets (Note XVI)                                                          | 3,305                | -          | 2,934                | -          |
| 11XX | Total current assets                                                                     | <u>24,912,799</u>    | <u>75</u>  | <u>22,726,472</u>    | <u>76</u>  |
|      | non-current assets                                                                       |                      |            |                      |            |
| 1535 | Financial assets measured at amortized cost – non-current (Note IV and VIII)             | 56,600               | -          | 45,100               | -          |
| 1600 | Property, plant and equipment (Notes IV, XII and XXX)                                    | 6,945,126            | 21         | 6,294,437            | 21         |
| 1755 | Right-of-use assets (Notes IV, XIII and XXX)                                             | 230,004              | 1          | 168,739              | -          |
| 1760 | Investment property (Notes IV and XIV)                                                   | 595,800              | 2          | 576,200              | 2          |
| 1780 | Other intangible assets (Notes IV and XV)                                                | 58,186               | -          | 42,539               | -          |
| 1840 | Deferred income tax assets (Notes IV and XXV)                                            | 287,318              | 1          | 176,253              | 1          |
| 1900 | Other non-current assets (Note XVI)                                                      | 15,410               | -          | 10,858               | -          |
| 15XX | Total non-current assets                                                                 | <u>8,188,444</u>     | <u>25</u>  | <u>7,314,126</u>     | <u>24</u>  |
| 1XXX | Total assets                                                                             | <u>\$ 33,101,243</u> | <u>100</u> | <u>\$ 30,040,598</u> | <u>100</u> |
|      | Liabilities and shareholders' equity                                                     |                      |            |                      |            |
|      | Current liabilities                                                                      |                      |            |                      |            |
| 2100 | Short-term borrowings (Notes IV and XVII)                                                | \$ 216,760           | 1          | \$ 2,188,434         | 7          |
| 2120 | Financial liabilities at fair value through gains or losses – current (Notes IV and VII) | 21,860               | -          | 4,908                | -          |
| 2150 | Notes payable                                                                            | 16                   | -          | 116                  | -          |
| 2170 | Accounts payable (Note XIX)                                                              | 6,021,443            | 18         | 5,660,421            | 19         |
| 2200 | Other payables (Note XX)                                                                 | 3,111,814            | 9          | 2,878,042            | 9          |
| 2230 | Income tax liability for the current period (Note XXV)                                   | 702,395              | 2          | 662,755              | 2          |
| 2250 | Provision for liabilities-current (Notes IV and XXI)                                     | 212,729              | 1          | 252,214              | 1          |
| 2280 | Lease liabilities – current (Notes IV and XIII)                                          | 10,438               | -          | 12,284               | -          |
| 2399 | Other current liabilities (Note XX)                                                      | 177,874              | 1          | 197,552              | 1          |
| 21XX | Total current liabilities                                                                | <u>10,475,329</u>    | <u>32</u>  | <u>11,856,726</u>    | <u>39</u>  |
|      | Non-current liabilities                                                                  |                      |            |                      |            |
| 2530 | Corporate bonds payable (Notes IV and XVIII)                                             | 3,393,537            | 10         | -                    | -          |
| 2540 | Long-term borrowings (Notes IV and XVII)                                                 | 1,465,000            | 5          | 3,340,000            | 11         |
| 2570 | Deferred income tax liabilities (Notes IV and XXV)                                       | 655,027              | 2          | 338,633              | 1          |
| 2580 | Lease liabilities – non-current (Notes IV and XIII)                                      | 74,125               | -          | 3,110                | -          |
| 2640 | Net defined benefit liabilities – non-current (Notes IV and XXII)                        | 89,220               | -          | 73,101               | -          |
| 2670 | Other non-current liabilities (Note XX)                                                  | 117,880              | -          | 105,010              | 1          |
| 25XX | Total non-current liabilities                                                            | <u>5,794,789</u>     | <u>17</u>  | <u>3,859,854</u>     | <u>13</u>  |
| 2XXX | Total liabilities                                                                        | <u>16,270,118</u>    | <u>49</u>  | <u>15,716,580</u>    | <u>52</u>  |
|      | Equity attributable to owners of the Company (Note XXIII)                                |                      |            |                      |            |
|      | Share capital                                                                            |                      |            |                      |            |
| 3110 | Common stock                                                                             | 4,918,391            | 15         | 4,918,391            | 16         |
| 3200 | Additional paid-in capital                                                               | 2,117,649            | 6          | 1,219,167            | 4          |
|      | Retained earnings                                                                        |                      |            |                      |            |
| 3310 | Legal reserve                                                                            | 927,568              | 3          | 464,215              | 2          |
| 3320 | Special reserve                                                                          | 475,522              | 2          | 475,522              | 2          |
| 3350 | Undistributed earnings                                                                   | 8,373,552            | 25         | 7,062,701            | 23         |
| 3300 | Total retained earnings                                                                  | 9,776,642            | 30         | 8,002,438            | 27         |
| 3490 | Other equity items                                                                       | 111,197              | -          | 276,776              | 1          |
| 3500 | Treasury stocks                                                                          | ( 92,754 )           | -          | ( 92,754 )           | -          |
| 31XX | Total equity attributable to owners of the Company                                       | <u>16,831,125</u>    | <u>51</u>  | <u>14,324,018</u>    | <u>48</u>  |
| 3XXX | Total equity                                                                             | <u>16,831,125</u>    | <u>51</u>  | <u>14,324,018</u>    | <u>48</u>  |
|      | Total liabilities and equity                                                             | <u>\$ 33,101,243</u> | <u>100</u> | <u>\$ 30,040,598</u> | <u>100</u> |

Notes to the consolidated financial reports constitute a part of these financial reports.

Chairman: Chen-Tse Yang

Manager: Chen-Tse Yang

Accounting Supervisor: Chang-Chin Yang

GOLD CIRCUIT ELECTRONICS LTD. and its subsidiaries

Consolidated Statements of Income

January 1 to December 31, 2023 and 2022

Unit: NTD thousand, except for EPS (NT\$)

| Code |                                                          | 2023               |              | 2022              |           |
|------|----------------------------------------------------------|--------------------|--------------|-------------------|-----------|
|      |                                                          | Amount             | %            | Amount            | %         |
|      | Operating income                                         |                    |              |                   |           |
| 4100 | Sales revenue (Note IV)                                  | \$ 30,043,950      | 100          | \$ 32,785,064     | 100       |
|      | Operating cost (Notes X. XXII and XXIV)                  |                    |              |                   |           |
| 5110 | Cost of goods sold                                       | <u>22,320,154</u>  | <u>74</u>    | <u>24,056,976</u> | <u>73</u> |
| 5900 | Gross profit                                             | <u>7,723,796</u>   | <u>26</u>    | <u>8,728,088</u>  | <u>27</u> |
|      | Operating expenditure (Notes XXII and XXIV)              |                    |              |                   |           |
| 6100 | Promotional expenditure                                  | 880,142            | 3            | 963,997           | 3         |
| 6200 | Operating expenditure                                    | 986,344            | 3            | 983,518           | 3         |
| 6300 | R&D expenditure                                          | 802,580            | 3            | 718,228           | 2         |
| 6450 | Expected credit impairment loss                          |                    |              |                   |           |
|      | (profit)                                                 | ( <u>44,485</u> )  | <u>-</u>     | <u>39,549</u>     | <u>-</u>  |
| 6000 | Total operating expenses                                 | <u>2,624,581</u>   | <u>9</u>     | <u>2,705,292</u>  | <u>8</u>  |
| 6500 | Net amount of other gains and losses (Note XXIV)         | <u>36,852</u>      | <u>-</u>     | <u>13,916</u>     | <u>-</u>  |
| 6900 | Net operating profit                                     | <u>5,136,067</u>   | <u>17</u>    | <u>6,036,712</u>  | <u>19</u> |
|      | Non-operating income and expenditure (Notes IV and XXIV) |                    |              |                   |           |
| 7100 | Interest revenue                                         | 196,469            | 1            | 62,826            | -         |
| 7010 | Other revenue                                            | 107,223            | -            | 93,608            | -         |
| 7020 | Other gain or loss                                       | ( 103,876 )        | -            | 285,502           | 1         |
| 7050 | Financial cost                                           | ( <u>117,976</u> ) | ( <u>1</u> ) | ( <u>90,315</u> ) | <u>-</u>  |
| 7000 | Total non-operating revenue and expense                  | <u>81,840</u>      | <u>-</u>     | <u>351,621</u>    | <u>1</u>  |
| 7900 | Net profit before tax from continuing operation          | 5,217,907          | 17           | 6,388,333         | 20        |

(To be continued)

(Continued)

| Code |                                                                     | 2023                |              | 2022                |           |
|------|---------------------------------------------------------------------|---------------------|--------------|---------------------|-----------|
|      |                                                                     | Amount              | %            | Amount              | %         |
| 7950 | Income tax expense (Notes IV and XXV)                               | <u>1,689,315</u>    | <u>5</u>     | <u>1,820,458</u>    | <u>6</u>  |
| 8000 | Continuing operation net profit for the year                        | <u>3,528,592</u>    | <u>12</u>    | <u>4,567,875</u>    | <u>14</u> |
| 8310 | Other comprehensive income Not reclassified to profit and loss:     |                     |              |                     |           |
| 8311 | Defined benefit plan re-measurement amount (Note XXII)              | ( 41,190 )          | -            | 82,063              | -         |
| 8349 | Incomes tax related to titles not subject to reclassification       | 8,238               | -            | ( 16,413 )          | -         |
| 8360 | May be reclassified to profit and loss subsequently:                |                     |              |                     |           |
| 8361 | Exchange differences on translation of foreign financial statements | ( <u>165,579</u> )  | ( <u>1</u> ) | <u>18,825</u>       | <u>-</u>  |
| 8300 | Other comprehensive income (net amount after tax) of the year       | ( <u>198,531</u> )  | ( <u>1</u> ) | <u>84,475</u>       | <u>-</u>  |
| 8500 | Total comprehensive income of the year                              | <u>\$ 3,330,061</u> | <u>11</u>    | <u>\$ 4,652,350</u> | <u>14</u> |
| 8610 | The net earnings belong to:<br>Owners of the Company                | <u>\$ 3,528,592</u> | <u>12</u>    | <u>\$ 4,567,875</u> | <u>14</u> |
| 8710 | The total comprehensive income belongs to:<br>Owners of the Company | <u>\$ 3,330,061</u> | <u>11</u>    | <u>\$ 4,652,350</u> | <u>14</u> |
|      | EPS (Note XXVI)                                                     |                     |              |                     |           |
|      | From continuing operations                                          |                     |              |                     |           |
| 9710 | Basic                                                               | <u>\$ 7.25</u>      |              | <u>\$ 8.86</u>      |           |
| 9810 | Diluted                                                             | <u>\$ 7.22</u>      |              | <u>\$ 8.78</u>      |           |

Notes to the consolidated financial reports constitute a part of these financial reports.

Chairman: Chen-Tse Yang

Manager: Chen-Tse Yang

Accounting Supervisor: Chang-Chin Yang

GOLD CIRCUIT ELECTRONICS LTD. and its subsidiaries  
Consolidated Statements of Changes in Shareholders' Equity  
January 1 to December 31, 2023 and 2022

Unit: NTD thousand

|      |                                                  | Equity attributable to owners of the Company |                            |                   |                   |                        | Other equity items                                                  |                                                                                                        |                              |                      |                      |
|------|--------------------------------------------------|----------------------------------------------|----------------------------|-------------------|-------------------|------------------------|---------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------|------------------------------|----------------------|----------------------|
|      |                                                  | Capital stock                                | Additional paid-in capital | Retained earnings |                   |                        | Exchange differences on translation of foreign financial statements | Unrealized gain/loss on valuation of financial assets at fair value through other comprehensive income | Property revaluation surplus | Treasury stocks      | Total equity         |
| Code |                                                  |                                              |                            | Legal reserve     | Special reserve   | Undistributed earnings |                                                                     |                                                                                                        |                              |                      |                      |
| A1   | Balance as of January 1, 2022                    | \$ 5,464,879                                 | \$ 1,206,574               | \$ 167,997        | \$ 475,522        | \$ 3,927,668           | ( \$ 27,260 )                                                       | ( \$ 10,570 )                                                                                          | \$ 295,781                   | ( \$ 98,477 )        | \$ 11,402,114        |
|      | Appropriation and distribution of 2021 earnings: |                                              |                            |                   |                   |                        |                                                                     |                                                                                                        |                              |                      |                      |
| B1   | Appropriation of legal reserve                   | -                                            | -                          | 296,218           | -                 | ( 296,218 )            | -                                                                   | -                                                                                                      | -                            | -                    | -                    |
| B5   | Cash dividends to the Company's shareholders     | -                                            | -                          | -                 | -                 | ( 1,202,274 )          | -                                                                   | -                                                                                                      | -                            | -                    | ( 1,202,274 )        |
|      | Change in other capital reserves:                |                                              |                            |                   |                   |                        |                                                                     |                                                                                                        |                              |                      |                      |
| C17  | Capital reserve – treasury stock transactions    | -                                            | 12,593                     | -                 | -                 | -                      | -                                                                   | -                                                                                                      | -                            | -                    | 12,593               |
| D1   | 2022 net profit                                  | -                                            | -                          | -                 | -                 | 4,567,875              | -                                                                   | -                                                                                                      | -                            | -                    | 4,567,875            |
| D3   | 2022 other comprehensive income after tax        | -                                            | -                          | -                 | -                 | 65,650                 | 18,825                                                              | -                                                                                                      | -                            | -                    | 84,475               |
| D5   | Total amount of 2022 comprehensive income        | -                                            | -                          | -                 | -                 | 4,633,525              | 18,825                                                              | -                                                                                                      | -                            | -                    | 4,652,350            |
| E3   | Capital reduction in cash                        | ( 546,488 )                                  | -                          | -                 | -                 | -                      | -                                                                   | -                                                                                                      | -                            | 5,723                | ( 540,765 )          |
| Z1   | Balance as of December 31, 2022                  | 4,918,391                                    | 1,219,167                  | 464,215           | 475,522           | 7,062,701              | ( 8,435 )                                                           | ( 10,570 )                                                                                             | 295,781                      | ( 92,754 )           | 14,324,018           |
|      | Appropriation and distribution of 2022 earnings: |                                              |                            |                   |                   |                        |                                                                     |                                                                                                        |                              |                      |                      |
| B1   | Legal reserve                                    | -                                            | -                          | 463,353           | -                 | ( 463,353 )            | -                                                                   | -                                                                                                      | -                            | -                    | -                    |
| B5   | Cash dividends to the Company's shareholders     | -                                            | -                          | -                 | -                 | ( 1,721,436 )          | -                                                                   | -                                                                                                      | -                            | -                    | ( 1,721,436 )        |
|      | Change in other additional paid-in capital       |                                              |                            |                   |                   |                        |                                                                     |                                                                                                        |                              |                      |                      |
| C5   | Capital reserve – stock options                  | -                                            | 880,452                    | -                 | -                 | -                      | -                                                                   | -                                                                                                      | -                            | -                    | 880,452              |
| C17  | Capital reserve – treasury stock transactions    | -                                            | 18,030                     | -                 | -                 | -                      | -                                                                   | -                                                                                                      | -                            | -                    | 18,030               |
| D1   | 2023 net profit                                  | -                                            | -                          | -                 | -                 | 3,528,592              | -                                                                   | -                                                                                                      | -                            | -                    | 3,528,592            |
| D3   | 2023 other comprehensive income after tax        | -                                            | -                          | -                 | -                 | ( 32,952 )             | ( 165,579 )                                                         | -                                                                                                      | -                            | -                    | ( 198,531 )          |
| D5   | Total amount of 2023 comprehensive income        | -                                            | -                          | -                 | -                 | 3,495,640              | ( 165,579 )                                                         | -                                                                                                      | -                            | -                    | 3,330,061            |
| Z1   | Balance as of December 31, 2023                  | <u>\$ 4,918,391</u>                          | <u>\$ 2,117,649</u>        | <u>\$ 927,568</u> | <u>\$ 475,522</u> | <u>\$ 8,373,552</u>    | <u>( \$ 174,014 )</u>                                               | <u>( \$ 10,570 )</u>                                                                                   | <u>\$ 295,781</u>            | <u>( \$ 92,754 )</u> | <u>\$ 16,831,125</u> |

Notes to the consolidated financial reports constitute a part of these financial reports.

Chairman: Chen-Tse Yang

Manager: Chen-Tse Yang

Accounting Supervisor: Chang-Chin Yang

GOLD CIRCUIT ELECTRONICS LTD. and its subsidiaries

Consolidated Statements of Cash Flow

January 1 to December 31, 2023 and 2022

Unit: NTD thousand

| Code   |                                                                           | 2023             | 2022             |
|--------|---------------------------------------------------------------------------|------------------|------------------|
|        | Cash flow from operating activities                                       |                  |                  |
| A10000 | Net profit before tax for the year                                        | \$ 5,217,907     | \$ 6,388,333     |
| A20010 | Income charges (credits):                                                 |                  |                  |
| A20300 | Expected credit impairment loss                                           |                  |                  |
|        | (gain on recovery of impairment)                                          | ( 44,485 )       | 39,549           |
| A20100 | Depreciation expenditure                                                  | 940,984          | 858,157          |
| A20200 | Amortization expenditure                                                  | 25,921           | 16,225           |
| A20900 | Financial cost                                                            | 117,976          | 90,315           |
| A29900 | Provision (reversal) for liabilities                                      | ( 39,147 )       | 72,512           |
| A21200 | Interest revenue                                                          | ( 196,469 )      | ( 62,826 )       |
| A21300 | Dividend income                                                           | ( 140 )          | ( 124 )          |
| A23800 | Inventory devaluation and obsolescence loss                               | 126,051          | 148,583          |
| A22500 | Loss on disposal of property, plant and equipment                         | 28,716           | 34,633           |
| A20400 | Net profit from financial assets at fair value through gains or losses    | ( 36,135 )       | ( 17,611 )       |
| A20400 | Net loss from financial liabilities at fair value through gains or losses | 1,183            | 4,908            |
| A24100 | Net loss of exchange in foreign currencies                                | 334,263          | 154,712          |
| A24600 | (Gain) loss from fair value adjustment of investment property             | ( 19,600 )       | 1,700            |
| A29900 | Net defined benefit liabilities                                           | ( 25,071 )       | ( 45,517 )       |
| A30000 | Net change in operating assets and liabilities                            |                  |                  |
| A31130 | Notes receivable                                                          | 4,020            | 8,204            |
| A31150 | Accounts receivable                                                       | 44,042           | ( 1,661,394 )    |
| A31180 | Other receivables                                                         | ( 21,426 )       | 2,494            |
| A31200 | Inventory                                                                 | ( 478,530 )      | ( 943,444 )      |
| A31230 | Prepayments                                                               | ( 10,029 )       | 1,994            |
| A31240 | Other current assets                                                      | ( 371 )          | 12,965           |
| A32140 | Notes payable                                                             | ( 100 )          | 116              |
| A32150 | Accounts payable                                                          | 361,022          | 158,371          |
| A32180 | Other payables                                                            | 197,040          | 286,899          |
| A32230 | Other current liabilities                                                 | ( 19,678 )       | 88,619           |
| A33000 | Cash yielded in business operation                                        | 6,507,944        | 5,638,373        |
| A33200 | Interest collected                                                        | 196,449          | 62,803           |
| A33500 | Income tax paid                                                           | ( 1,387,303 )    | ( 1,257,427 )    |
| AAAA   | Net cash generated by operating activities                                | <u>5,317,090</u> | <u>4,443,749</u> |

(To be continued)

(Continued)

| Code   |                                                                | 2023                 | 2022                 |
|--------|----------------------------------------------------------------|----------------------|----------------------|
|        | Cash flow from investing activities                            |                      |                      |
| B00050 | Disposal of financial assets measured at amortized cost        | (\$ 11,500)          | (\$ 13,400)          |
| B07600 | Dividends received                                             | 140                  | 124                  |
| B02700 | Procurement of property, plant and equipment                   | ( 1,622,790)         | ( 1,360,233)         |
| B04500 | Procurement of intangible assets                               | ( 41,647)            | ( 2,412)             |
| B02800 | Proceeds from disposal of property, plant and equipment        | 18,629               | 14,667               |
| B03800 | Decrease (increase) in refundable deposit                      | ( 4,552)             | 1,090                |
| B06700 | Decrease in other non-current assets                           | -                    | 3,549                |
| BBBB   | Net cash used in investing activities                          | ( <u>1,661,720</u> ) | ( <u>1,356,615</u> ) |
|        | Cash flow from financing activities                            |                      |                      |
| C01200 | Issuance of corporate bonds                                    | 4,281,160            | -                    |
| C00100 | Increase in short-term loans                                   | 2,035,046            | 4,884,694            |
| C00200 | Decrease in short-term loans                                   | ( 3,956,469)         | ( 3,999,391)         |
| C01600 | Application for long-term loans                                | 1,465,000            | 3,676,561            |
| C01700 | Repayment of long-term loans                                   | ( 3,340,000)         | ( 2,322,891)         |
| C01900 | Decrease in long-term notes payable                            | -                    | ( 1,250,000)         |
| C04020 | Repayment of lease liability principal                         | ( 15,461)            | ( 17,725)            |
| C03000 | Collection of guarantee deposits received                      | 12,870               | 26,954               |
| C05600 | Interest paid                                                  | ( 115,418)           | ( 83,795)            |
| C04500 | Cash dividends paid                                            | ( 1,703,406)         | ( 1,189,681)         |
| C04700 | Capital reduction in cash                                      | -                    | ( 540,765)           |
| CCCC   | Net cash used in financing activities                          | ( <u>1,336,678</u> ) | ( <u>816,039</u> )   |
| DDDD   | Impact of change in exchange rate upon cash & cash equivalents | ( <u>551,754</u> )   | ( <u>114,225</u> )   |
| EEEE   | Net increase in cash and cash equivalents                      | 1,766,938            | 2,156,870            |
| E00100 | Cash and cash equivalents, beginning of year                   | <u>5,973,977</u>     | <u>3,817,107</u>     |
| E00200 | Cash and cash equivalents, end of year                         | <u>\$ 7,740,915</u>  | <u>\$ 5,973,977</u>  |

Notes to the consolidated financial reports constitute a part of these financial reports.

Chairman: Chen-Tse Yang

Manager: Chen-Tse Yang

Accounting Supervisor: Chang-Chin Yang

GOLD CIRCUIT ELECTRONICS LTD. and its subsidiaries

Notes to consolidated financial statement

January 1 to December 31, 2023 and 2022

(Expressed in Thousand New Taiwan Dollars, unless specified otherwise)

I. History

GOLD CIRCUIT ELECTRONICS LTD. (GCE) was established in Jhongli Dist., Taoyuan City in September 1981, primarily engaged in manufacturing, processing and trading printed circuit boards.

The Company's stocks have been traded on TWSE since March 1998.

The functional currencies adopted by the Company and its subsidiaries are NTD, CNY and USD respectively. Considering that the Company is a listed company in Taiwan, in order to improve the comparability and consistency of the financial reports, the consolidated financial reports are denominated in NTD.

II. Date and procedure for resolution of the financial reports

This Consolidated Financial Statement was passed after being officially resolved at the Board of Directors meeting convened on March 12, 2024.

III. Applicability of newly promulgated and amended standard rules and interpretations

- (I) The first-time adoption of the IFRS, IAS, IFRIC, and SIC approved and effective upon promulgation by the Financial Supervisory Commission ("FSC") (hereinafter referred to as the "IFRSs" collectively).

The application of the amended IFRSs that are approved and released to take effect by the FSC would not cause significant changes to the accounting policies of the Consolidated Company.

- (II) IFRSs approved by the FSC and applicable in 2024

| New promulgation/Amendment/Amended Rules and Interpretation                   | The effective date promulgated by IASB (Note 1) |
|-------------------------------------------------------------------------------|-------------------------------------------------|
| Amendments to IFRS 16 "Lease Liability in a Sale and Leaseback"               | Monday, January 1, 2024 (Note 2)                |
| Amendments to IAS 1 "Classification of Liabilities as Current or Non-current" | Monday, January 1, 2024                         |
| Amendments to IAS 1 "Non-current Liabilities with Covenants"                  | Monday, January 1, 2024                         |
| Amendments to IAS 7 and IFRS 7 "Supplier Financing Arrangements"              | Monday, January 1, 2024 (Note 3)                |

Note 1: Unless otherwise expressly remarked, the aforementioned new/Amendment/Amended Rules or Interpretation come into effect in the fiscal year starting from the respective specified effective dates.

Note 2: The seller as a lessee shall be subject to IFRS 16 amendments retroactively in a sale and leaseback transaction agreed after the initial application of the IFRS 16.

Note 3: Partial exemption from disclosure requirements is applied upon first application of these amendments.

1. Amendments to IFRS 16 “Lease Liability in a Sale and Leaseback”

The amendments clarify that for a sale and leaseback transaction, if the transfer of an asset meets the requirements of IFRS 15 “Revenue from Contracts with Customers” and it is classified as a sale of assets, the liabilities of the seller as a lessee arising from the leaseback shall be dealt with in accordance with the lease liability requirements of IFRS 16. However, if variable lease payments that are not dependent on the index or rate are involved, the seller as a lessee shall measure the liability in a manner in which the gain or loss related to the retained right-of-use is not recognized. Subsequently, the difference between the current lease payments included in the calculation of the lease liability and the actual payments is recognized in profit or loss.

2. Amendments to IAS 1 “Classification of Liabilities as Current or Non-current” (amended in 2020) and amendments to “Non-current Liabilities with Covenants” (amended in 2022)

The 2020 amendment clarifies that in order to determine whether a liability shall be classified as non-current, it is necessary to evaluate whether the Consolidated Company, at the end of the reporting period, has the right to defer settlement of the liability for at least 12 months after the reporting period. If the Consolidated Company has such right at the end of the reporting period to defer settlement of the liability after the reporting period, the liability should be classified as non-current, irrelevant with whether the Consolidated Company is expected to exercise the right or not.

The 2020 amendment also specifies that clarifies that if the Consolidated Company may retain the right to defer settlement of a liability only upon compliance with specific terms, it must



comply with such specific terms at the end of the reporting period, even if the lender will not test its compliance until a later date. The 2022 amendments further clarify that only the contractual terms to be followed before the end of the reporting period affect the classification of a liability. Although the contractual terms that must be complied with within 12 months after the reporting period do not affect the classification of liabilities, relevant information must be disclosed to enable users of financial reports to understand risk that the Consolidated Company may not be able to comply with the contractual terms and will be required to repay the liabilities within 12 months after the reporting period.

The 2020 amendment requires that for the purpose of classification of liabilities, said settlement refers to the discharge from liability through the transfer to the trading counterparty of cash, other economic resources, or the Consolidated Company's equity instruments. Notwithstanding, where, according to the terms and conditions of liabilities, the liabilities might be paid off at the discretion of the trading counterpart through the transfer of the Consolidated Company's equity instruments and said discretion is stated into equity separately under IAS 32 "Financial Instruments: Presentation," the classification of liabilities would remain unaffected by said terms and conditions.

3. Amendments to IAS 7 and IFRS 7 "Supplier Financing Arrangements"

Supplier financing arrangements are characterized by a commitment by one or more financing providers to pay an company for the amount payable to its supplier, and the company agrees to make a payment on the same day of payment to its supplier (or any date after such payment) the accordance with the terms and conditions of the arrangements. According to the amendments, the Consolidated Company shall provide disclosures that enable users of financial reports to assess the impact of supplier financing arrangements on the Consolidated Company's liabilities, cash flows, and liquidity risk exposure.

Except for the impact referred to above, the Consolidated Company assesses that other amendments to standards or explanations do not have significant impact on the financial status and performance.

- (III) IFRSs already published by the IASB but not yet recognized or issued into effect by the FSC.

| New promulgation/Amendment/Amended Rules and Interpretation                                                                   | The effective date promulgated by IASB (Note 1) |
|-------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------|
| IFRS 10 and IAS 28 amendment “Assets sales or contribution between the investor and the affiliated company or joint venture.” | To be determined                                |
| IFRS 17 “Insurance Contracts”                                                                                                 | Sunday, January 1, 2023                         |
| Amendments to IFRS 17                                                                                                         | Sunday, January 1, 2023                         |
| Amendments to IFRS 17 “Initial Application of IFRS 17 and IFRS 9 – Comparative Information”                                   | Sunday, January 1, 2023                         |
| Amendments to IAS 21 “Lack of Exchangeability”                                                                                | Wednesday, January 1, 2025 (Note 2)             |

Note 1: Unless otherwise expressly remarked, the aforementioned new/Amendment/Amended Rules or Interpretation come into effect in the fiscal year starting from the respective specified effective dates.

Note 2: The amendments are applicable to the annual reporting period that begins after January 1, 2025. The Company will, when applying the amendments for the first time, recognize the effects as retained earnings of the initial applicable date. When the Consolidated Company uses a non-functional currency as the presentation currency, it will affect the exchange difference of foreign operations under equity on the date of initial application.

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

The amendment provides that if a consolidated company sells or contributes assets to affiliated companies (or joint ventures), or the consolidated company loses the control over a subsidiary but retains significant influence on the subsidiaries (or joint control), and if the aforementioned assets or subsidiary in compliance with the definition of a business under IFRS 3 “Business Combinations” the consolidated company is to recognize the profit and loss of the transactions fully.

In addition, if a Consolidated Company sells or contributes assets to affiliated companies (or joint ventures), or the Consolidated Company loses the control over a subsidiary in the trade with affiliated companies (or joint ventures) but retains significant influence on the subsidiaries (or joint control), and if the aforementioned assets or subsidiary not in compliance with the

definition of IFRS 3 “Business,” the Consolidated Company is to recognize the profit and loss of the transactions only within the equity scope of the affiliated companies (or joint ventures) irrelevant to the investors, in other words, the profit and loss attributable to the Consolidated Company should be offset.

2. Amendments to IAS 21 “Lack of Exchangeability”

The amendments clearly stipulate that if an enterprise is able to exchange a currency for another through an exchange transaction with enforceable rights and obligations established through a market or exchange mechanism within the time range of normal management delays, the currency is exchangeable. When the currency is not exchangeable on the measurement date, the Consolidated Company shall estimate the spot exchange rate to reflect the exchange rate that would be used by market participants for orderly transactions on the measurement date in consideration of the prevailing economic conditions. Under such circumstances, the Consolidated Company shall disclose information that will enable users of financial reports to assess how the lack of exchangeability of a currency has affected or is expected to affect its operating results, financial position and cash flows.

In addition to the impact referred to above, the Consolidated Company continued to assess the impact of the other standards and interpretation on the financial position and financial performance up to the date the consolidated financial reports approved and published; also, the relevant influences would be disclosed upon the completion of assessment.

VI. Summary of significant accounting policies

(I) Declaration in compliance

The present consolidated financial reports has been duly worked out in accordance with the Regulations Governing the Preparation of Financial Reports and IFRS accounting standards by the Financial Supervisory Commission.

(II) Basis of preparation

Except for the financial instruments measured at fair value, investment properties, and the net defined benefit liabilities recognized at fair value after the project assets are deducted from the current value of defined benefit obligations, this Consolidated Financial Statement has been duly prepared on the grounds of historical costs.

The evaluation of fair value could be classified into Degree 1 to Degree 3 by the observable intensity and importance of related input value:

1. Degree 1 input value: refers to the quotation of the same asset or liability in an active market as of the evaluation (before adjustment)
2. Degree 2 input value: refers to the direct (the price) or indirect (inference of price) observable input value of asset or liability further to the quotation of Level 1.
3. Degree 3 input value: the unobservable input value of asset or liability.

The Consolidated Company applied the equity method to its invested subsidiaries, affiliated companies or joint ventures when preparing the consolidated financial reports. In order to make the current income, other comprehensive income and equity in the present consolidated financial reports identical with the current income, other comprehensive income and equity attributed to the owner of the Consolidated Company as stated in the consolidated financial reports of the Consolidated Company, the differences between the accounting treatments under the separate and consolidated bases are addressed through adjustment of the “share of other comprehensive income of subsidiaries, associates, and joint ventures under the equity method” and related equity items.

(III) Standards in differentiating current and non-current assets and liabilities

Current assets include:

1. Assets held primarily for the purposes of transactions;
2. Assets anticipated to be realized within 12 months after the balance sheet date; and
3. Cash and cash equivalents (excluding those restricted for exchanging or liquidating liabilities over 12 months after the balance sheet date).

non-current liabilities include:

1. Liabilities held primarily for the purposes of transactions;
2. The liabilities to be liquidated upon due within 12 months after the balance sheet date (those with long-term refinancing or payment term rearrangement completed from the balance sheet date to the financial reports approved and published date are also classified as current liabilities), and
3. Liabilities that cannot be with the liquidation date deferred unconditionally for at least 12 months after the balance sheet date; Where the liabilities might be

paid off at the discretion of the other party through the tools of the issuance equity, the classification would remain unaffected.

Those not as aforementioned current assets or current liabilities are classified into non- current assets or non-current liabilities.

#### (IV) Grounds of consolidation

The present Consolidated financial reports are the financial reports containing the Company, and the entities under the control by the Company (subsidiaries). Consolidated statements of income of comprehensive income already covered the operating profit and/or loss of the subsidiaries, which have been acquired or disposed of the current term, from the date of acquisition until the date of disposal. The financial reports of the subsidiaries have been duly adjusted so that their accounting policies would be consistent with the accounting policies of the Consolidated Company. Upon preparation of the consolidated financial reports, the transactions among entities, balances, gains, expenses and losses on account have been written out in full. The total comprehensive incomes of the subsidiaries were non-controlling interest attributed to the Company's owners and the non-controlling interest, to become the balance of loss even as the non-controlling interest.

When the change in the ownership equity on a subsidiary of any consolidated company does not result in a loss of control, it is processed as an equity transaction. The book value of the Consolidated Company and the non-controlling equity has been adjusted to reflect the change in the relative equity on the subsidiary. The difference between the adjusted amount of the non-controlling equity and the considerations paid or collected is directly recognized as equity and attributable to the Company's shareholders.

When the Consolidated Company loses control of a subsidiary, the disposal of gains or losses is the difference between the following two: (1) the sum of the fair value of the consideration collected and the remainder of the investment in the foregoing subsidiary according to the fair value on the date the control was lost and (2) the sum of assets (including good will) and liabilities and non-controlling interests of the said subsidiary according to the book value on the date the control was lost. Meanwhile, the amount relevant to the said subsidiary recognized in other combined gains or losses were managed on the same accounting grounds as those that it shall comply with if the Consolidated Company directly disposes of the relevant assets or liabilities.

Please refer to Note XI and Attachment 5 for the information, shareholding ratio, and business operation of the subsidiary.

(V) Foreign currency

When the respective entities prepared for the consolidated financial reports, the transactions conducted in currencies other than the entities' functional currencies (foreign currencies) were converted into the records of functional currencies based on the exchange rates quoted on the date of transactions.

The items in foreign currencies were converted at the exchange rates closed on each and every balance sheet date. The difference in foreign exchanges incurred by the items of settlement currency items or conversion currency items was recognized as the profit and/or loss for the term of occurrence.

The foreign currencies, non-current items measured at fair values were converted at the exchange rates quoted on the date on which the fair values were determined. The difference in foreign exchange so incurred was entered as the profit and/or loss of the current term. In the event where the change in the fair value was recognized into other comprehensive profit and/or loss, the difference of the foreign exchange so incurred was entered as other comprehensive profit and/or loss.

The non-current items measured at historical costs were converted based on the exchange rate quoted on the date of transaction and were not converted anew.

Upon preparation of the consolidated financial reports, the assets and liabilities of the Company and our foreign operations (including the subsidiaries in the countries of business operation or those using currencies different from the Company's) were converted to New Taiwan Dollars based on the exchange rate quoted on every balance sheet date. The gain, fee and loss items were converted based on the exchange rates averaged in the current term. The difference of conversion so incurred was entered as other comprehensive income.

If the Consolidated Company disposes of all equities of its foreign operations or disposes of some of the equities of the subsidiaries of its foreign operations and loses control or the retained equities following such disposal are financial assets handled according to the accounting policy for financial instruments, all accumulated differences of conversion that are relevant to the said foreign operations shall be recategorized as gains or losses.

If partial disposal of the subsidiaries of foreign operations does not lead to loss of control, accumulated differences of conversion will be calculated as part of the

equity transactions proportionally yet they are not recognized as gains or losses. Under other circumstances where overseas operating institutions are partially disposed of, accumulated differences of conversion, on the other hand, are recategorized to gains or losses in proportion to the disposal.

(VI) Inventory

Inventories include raw materials, supplies, finished goods and work in process. The inventory was measured at the lower of cost and net realizable value. In comparison between the cost and realizable value, the individual items shall be taken as the grounds except inventory of the same categories. The term “net realizable value” as set forth herein denotes the balance of the selling price estimated under normal conditions deducted with the cost which is estimated to be invested till completion of manufacture and completion of sales. The cost of inventory was calculated in weighted average method.

(VII) Property, plant and equipment

The property, plant and equipment were recognized at costs. Subsequently thereafter, they were measured at the amount of the costs deducted with depreciation and the loss in the accumulated impairment.

The property, plant and equipment under construction were recognized at the amount of the costs after deducting the loss in the accumulated impairment. The costs included fees incurred for professional services and costs of loan which were consistent with the conditions of capitalization. The samples produced for testing whether the assets can operate normally before reaching the expected state of use are measured based on the lower of the cost or net realizable value. The sale price and cost are recognized in profit or loss. For those assets, depreciation started being amortized when those assets were completed to the extent of being ready for use and duly classified into the appropriate categories of property, plant and equipment.

Except own land, for which no depreciation would be provided, the other property, plant and equipment were depreciated and for each and every major part individually, on a straight-line basis within the useful years. The Consolidated Company, at least at the end of each fiscal year, has the estimated useful years, residual value, and depreciation method reviewed, and also delayed the effects of changes in applying accounting estimates.

When the property, plant, and equipment were written-off, the difference between the net proceeds from disposal and the book value of the asset is recognized in the profit and loss.

(VIII) Investment property

The investment property denotes such property held in an attempt to earn rent or capital increment or for the both purposes. The investment property also includes the land held for which the future purpose of use has not been resolved.

The investment property was measured at the initial costs (including transaction costs). Subsequently thereafter, it will be measured at the fair value. Changes of the fair value are recognized in the profit and loss when occurring.

When investment property is written off, the difference between the net proceeds from disposal and the book value of the asset is recognized in the profit and loss.

(IX) Intangible assets

1. Individually acquired

The intangible assets with limited useful life individually acquired were measured at costs. Subsequently, they were measured at cost deducted with the amount of accumulated amortization and the loss of the accumulated impairment. Intangible assets within the durability period are amortized on a straight-line basis. The Consolidated Company reviews at least on the end date of each year the estimated durability period, residual value, and depreciation method and postpones impacts where changes in accounting estimates apply. Intangible assets with uncertain useful years are recognized with the cost less accumulated impairment loss.

2. Derecognition

When intangible assets are written off, the difference between the net proceeds from disposal and the book value of the asset is recognized in the profit and loss.

(X) Impairment of properties, plants, and equipment, right-of-use assets, investment properties, and intangible assets

The Consolidated Company evaluates on the date shown on each balance sheet whether there are any signs showing that real estate, plants, and equipment, right-of-use assets, and intangible assets might have been impaired. Where any sign of impairment was found existent, the Company estimated the recoverable amount of



such assets. In the event that the recoverable amount of individual assets could not be estimated, the Consolidated Company estimated the recoverable amount of the units that yielded cash. The common asset is amortized to each cash-generating unit in accordance with a consistent and reasonable sharing basis.

The intangible asset with indefinite useful years and not yet available for use should be tested for impairment at least annually or should be tested when there is an indication of impairment.

The recoverable amount denotes fair value deducted with the selling costs and the useful value, whichever is the higher. In the event that the individual asset or the recoverable amount of the units that yielded cash was found below the book value, such asset or the book value of the units that yielded cash was adjusted downward to the recoverable amount, with the impairment profit and loss recognized in profit and loss.

(XI) Financial instruments

The financial assets and financial liabilities were recognized onto the consolidated balance sheet when the Consolidated Company became a party to the contract of the financial instruments.

Upon initial recognition of financial assets and financial liabilities, if the financial assets or financial liabilities were measured for fair values not through profit and/or loss, the Company measured based on the fair value plus the transaction costs, which could be directly attributed to the acquisition or issuance of the financial assets or financial liabilities. The transaction costs which could be directly attributed to the acquisition or issuance of such financial assets or financial liabilities, which were measured at the fair value, were imaginably recognized as the profit and/or loss.

1. Financial assets

The transaction customs of the financial assets were recognized or derecognized on the transaction day accounting basis.

(1) Type of measurement

The financial assets held by the Consolidated Company include financial assets at fair value through profit or loss, financial assets measured at amortized cost, and investment in equity instruments at fair value through other comprehensive income.

A. The financial assets at fair value through profit or loss.

The financial assets at fair value through profit or loss refer to those measured at fair value through profit or loss compulsorily. The financial assets measured at fair value through profit or loss compulsorily include the investment in equity instruments not designated to be measured at fair value through other comprehensive income, and the investment in bond instruments not eligible to be categorized those at amortized cost or at fair value through other comprehensive income.

The financial assets at fair value through gains or losses were measured at fair value, and the gains or losses so incurred were recognized as other profit and loss. Please refer to Note XXVIII for the determination of fair value.

**B. Financial assets measured at amortized cost**

If the financial assets invested by the Consolidated Company meet the following two conditions at the same time, they are classified as financial assets measured at amortized cost:

- a. Being held within a business model whose objective is to hold financial assets in order to collect contractual cash flows; and
- b. The contractual terms of the financial asset give rise, on specified dates, to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Upon the initial recognition, the financial assets measured at amortized cost (including cash and cash equivalents, accounts receivable measured at amortized cost, other accounts receivable, and refundable deposit) were measured at the amortized cost after the total book value decided using the effective interest method less any impairment loss. Any foreign currency exchange income was recognized as gains or losses.

Except in the following two circumstances, the interest revenue was calculated at the effective interest rate multiplying by the total book value of the financial assets:

- a. For the purchased or originated credit-impaired financial assets, the interest revenue was calculated at the effective interest rate

multiplying by the amortized cost of the financial assets upon credit adjustment.

- b. For those other than purchased or originated credit-impaired financial assets, which, however, became the purchased or originated credit-impaired financial assets subsequently, the interest revenue was calculated at the effective interest rate multiplying by their amortized cost as of the next reporting period after the credit impairment.

The credit-impaired financial assets mean that issuers or debtors already suffered hard-up financial standing or default, or an event where a debtor was about to run into bankruptcy or proceed with financial reorganization, or the hard-up financial standing leading to loss of active market of the assets.

Cash equivalents include time deposits in high liquidity, which could be converted into cash of the specified amounts at any time within three (3) months from acquisition, with little risk in the change in values, intended to be used to satisfy the commitment in the short-term cash.

- C. Investment in equity instruments at fair value through other comprehensive income

However, the Consolidated Company may choose at the time of original recognition to have the equity instrument investment not held for trading and not recognized by the acquirer in the business combination transaction or not with consideration measured at fair value through other comprehensive income.

Investment in equity instruments at fair value through other comprehensive income are measured at fair value, and the subsequent movements of the fair value are measured in other comprehensive income, and accumulated in other equity. When disposing of investments, the accumulated gains/losses are transferred to the retained earnings directly without reclassified as gains or losses.

The dividends from the investment in equity instruments at fair value through other comprehensive income are recognized in profit/loss when the Consolidated Company's rights of receiving

payment is confirmed, unless such dividends obviously represents the recovery of part of the investment.

(2) Impairment of financial assets and contract assets

At each date of balance sheet, the Consolidated Company evaluates the impairment loss on financial assets (including accounts receivable) and contract assets based on the expected credit loss.

The allowance losses on accounts receivable were all recognized based on the lifetime expected credit loss. For other financial assets, the credit risk is evaluated if there is any significant increase after the initial recognition. If not, the allowance loss is recognized based on the expected credit losses of 12 months; if there any significant increases, the allowance loss is recognized based on the expected credit losses of life time.

Expected credit losses as the weighted average of credit losses with the weightings being the respective risks of a default occurring. 12-month expected credit losses are expected credit losses that result from those default events on the financial instruments that are possible within 12 months after the reporting date. Lifetime expected credit losses are the expected credit losses that result from all possible default events over the life of the financial instruments.

The book value of all impairment losses on financial assets were reduced via the allowance account.

(3) Derecognition of financial assets

The Consolidated Company only derecognizes financial assets when the rights coming from the contract over cash flows of such assets are expired or financial assets are transferred and nearly all risks and rewards associated with the ownership of such assets have been transferred to another enterprise.

Where a financial asset measured at amortized cost was derecognized end masse, the difference between the book value and collected consideration was recognized into profit or loss. When fully derecognizing the investment in equity instrument at fair value through other comprehensive income, the accumulated profit/loss is directly transferred to retained earnings, not to be reclassified as profit or loss.

## 2. Equity instruments

The liabilities and equity instruments issued by the consolidated company were categorized as financial liabilities or equity based on the substance of the contract agreement and the definition of financial liabilities and equity instruments.

The equity instruments issued by the Consolidated Company were recognized based on the acquisition price less direct issuing cost.

The Consolidated Company's own equity instruments reacquired were derecognized and deducted under the equity title. The book value is calculated according to the weighted average based on the types of shares and is calculated separately in accordance with the reasons for the recovery. Acquisition, sale, issuance or cancellation of the Consolidated Company's own equity instruments would not be recognized into profit or loss.

## 3. Financial liabilities

### (1) Subsequent measurement

All financial liabilities are measured at amortized cost based on the effective interest, unless in the following circumstances:

#### Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss refer to the financial liabilities held for trading.

The financial liabilities held for trading were measured at fair value, the interest so incurred recognized into the financial cost, and the other profit or loss so incurred from re-measurement recognized into other profit or loss.

Please refer to Note XXVIII for the determination of fair value.

### (2) Derecognition of financial liabilities

When de-recognizing financial liabilities, the difference between the book value and the consideration paid (including any transferred non-cash assets or assumed liabilities) is recognized into profit or loss.

## 4. Convertible corporate bonds

For the compound financial instruments (convertible corporate bonds) issued by the Consolidated Company, its components are classified as financial liabilities or equity based on the definitions of real

and financial liabilities and equity instruments under the terms and conditions of the contracts.

When recognized initially, the fair value of the debt components is estimated based on the market interest rate of similar nonconvertible instruments at that time and measured at amortized cost calculated under the effective interest method prior to the conversion or maturity date. The debt components classified into embedded non-equity derivatives is measured at fair value.

The conversion option classified as equality is equal to the remaining amount of the entire fair value of the compound instruments less the fair value of the debt components determined individually. It is recognized as equity after deduction of the income tax effect and no remeasurement is conducted subsequently. When the conversion option is executed, related debt components and the amount related to the equity are transferred to share capital and capital reserve – issuance premium. If the conversion option of the convertible corporate bond is not executed on the maturity date, the amount recognized in the equity is transferred to capital reserve – issuance premium.

The transaction cost related to issuance of convertible corporate bonds is amortized to the components of the debt (recognized in the book value of liabilities) and equity (recognized in equity) of the instrument concerned based on the amortization proportion of the total amount.

#### 5. Derivative financial instruments

The Consolidated Company entered into forward foreign exchange contracts as their derivative financial instruments to manage their exposure to the foreign exchange rate risk.

Derivative financial instruments were initially recognized at fair value at the date the derivative financial instrument contracts were entered into and were subsequently remeasured to their fair value on the balance sheet date. The resulting profit or loss is stated into profit or loss immediately. Notwithstanding, when the derivative financial instruments which were designated and considered as effective hedging instruments should be recognized into profit or loss should be decided subject to the nature of hedging relationship. The

derivatives with positive value were classified as financial assets. Those with negative value were classified as financial liabilities.

If the derivatives are embedded into the master contracts for assets falling in the scope under IFRS 9 “Financial Instruments”, the financial assets shall be classified based on the entire contracts. Embedded derivatives other than those embedded into the host contracts for assets falling in the scope under IFRS 9 (e.g. those embedded into the master contracts for financial liabilities) were treated as separate derivatives when they met the definition of a derivative, their risks and characteristics were not closely related to those of the host contracts, and the contracts were not measured at fair value through profit or loss.

(XII) Provision for liabilities

The provision for liabilities was determined with the obligation risk and uncertainty taken into account, which is the best estimate of the obligation payable on the balance sheet date.

(XIII) Recognition of revenue

Upon identification of the performance obligation in the contract with customers, the Consolidated Company amortized the transaction price to the performance obligations in the contract and recognize income upon fulfilling performance obligation of the contract.

If the Consolidated Company signs multiple contracts with the same customer (or the customer’s related party) almost at the same time, the Consolidated Company would treat them as one single contract, as the commitment about commodity or labor service under the contracts should be identified as single performance obligation.

For any contract providing the time interval between transfer of commodities or labor services and collection of consideration no more than one year, no adjustment would be made on the transaction price with respect to the financing component thereof.

Sales revenue

The sales revenue was generated from the sale of the electronic products, such as printed circuit boards. Upon departure of products or their arrival to the destination designated by customers, the customers have already owned the right to set the price and use the same and taken the responsibility for resale and borne the

obsolescence risk; therefore, the Consolidated Company recognized the income and accounts receivable at that moment.

As the ownership of processed products has not yet been transferred at the time of processing on order, no revenue would be recognized at that moment.

(XIV) Lease

The Consolidated Company evaluated if a contract was, or included a lease on the date when the contract was established.

1. The Consolidated Company was the Lessor.

In the event that all risks and remuneration of the ownership of the assets based on the leasehold terms and conditions were transferred to the lessees in full, such assets were classified as financing leases. All other categories of leases were classified as operating leases.

Under the operating leases, the rent less the lease incentives was recognized into profit or loss based on the straight-line method in the duration of the leases. The initial direct cost arising from negotiating and arranging operating leases, was increased to the book value of the underlying assets, and recognized as expenditure on the straight-line basis over the lease period.

2. The Consolidated Company was the Lessee.

The lease payments applicable to the recognized waived low-valued underlying asset lease and the short-term lease are recognized as expenditure on the straight-line basis over the lease period. For all other leases, the right-of-use assets and lease liabilities are recognized from the starting date of leases.

The right-of-use assets were originally measured at the costs (including the original measured amount of lease liability); subsequently, they were measured at the costs deducting the accumulated depreciation and the accumulated impairment loss, and the re-measurement of the lease liability was adjusted. The right-of-use assets were individually expressed in the parent company only balance sheets.

The right-of-use assets on the straight-line basis were depreciated from the starting date of lease until expiration of the useful years or the lease period, whichever earlier. If the ownership of underlying assets would be acquired upon expiration of the lease period, or the costs of right-of-use assets reflected



the exercise of right of first refusal, the assets should be depreciated from the starting date of lease until expiration of the useful years.

The lease liabilities were measured based on the present value of the lease payment (including fixed payment and variable lease payment depending on any index or fees). If the implied interest rate of a lease should be easy to be confirmed, the rate should be applied to discount the lease payment. Otherwise, the incremental the lessee's loan rate of interest should apply instead.

Subsequently, the lease liabilities were measured at amortized cost using the effective interest method. The interest expenditure was also amortized within the lease period. If there was any change in the lease period or any index or fees determining the lease payments would result in changes of future lease payment, the Consolidated Company re-measured the lease liabilities, and relatively adjusted the right-of-use assets; provided the book value of the right-of-use asset has decreased to zero, the remaining re-measured amount was recognized in the profit or loss. The lease liabilities are individually expressed in the parent company only balance sheets.

(XV) Costs of loan

The costs of loan for the assets that meet the essential requirement and directly attributable to the acquisition, construction, or production of assets is deem as part of the asset cost until all of the necessary activities completed for the assets to reach its intended use or sale state.

The income of a temporary investment with a specific loan that has not yet met the essential requirement of capital expenditure is deducted from the cost of loan that meets the essential requirements of capitalization.

In addition to the transaction stated in the preceding paragraph, costs of all other loans are recognized into profit and loss upon occurring.

(XVI) Government subsidies

The government subsidies would be recognized only if that it is strongly believed on reasonable grounds that the Consolidated Company would comply with the conditions imposed on the government subsidies and such subsidies may be received affirmatively.

Government subsidies concerning gains are recognized systematically as other income during the period where related costs they are meant to offset are recognized by the Consolidated Company as expenditure. The government subsidies for

acquisition of non-current assets by the Consolidated Company through procurement/construction or in any other manners should be debited into the book value of the non-current assets, and recognized into profit and/or profit within the useful years of the assets by reducing the depreciation or amortization expenses for the non-current assets.

If government subsidies are meant to compensate for incurred expenditure or losses or for providing the Consolidated Company with immediate financial support and are not associated with costs in the future, they are recognized as profits and losses during the collectible period.

(XVII) Employee benefits

1. Short-term employee benefits

Short-term employee benefits related liabilities are the non-discounted amount prepaid in exchange for employee services.

2. Post-retirement benefits

For pension under the defined contribution retirement plan, the amounts of pension to be contributed during the period in which employees provided services were recognized as expenditure.

The defined benefit costs under the defined benefit retirement plan (including the service costs, net interest, and re-measurement amount) were based on the actuary of projected unit credit method. The service costs (including current service costs), and net interest on the net defined benefit liabilities (assets) were recognized as employee benefit expenditure in the period they occur. The re-measurement amount (including actuarial profit and loss and projected ROA net of applicable interest) was recognized as other comprehensive income and stated as retained earnings at the time of realization, but would not be reclassified as income in subsequent periods.

The net defined benefit liabilities (assets) refer to the amount short (surplus) in the contribution under the defined benefit retirement plan. The net defined benefit assets should not exceed the refund of the contributed fund or decrease the present value of contribution of fund in the future.

3. Resignation benefits

The Consolidated Company had resignation benefit liabilities recognized when the resignation benefit contract cannot be revoked or when recognizing the related reorganization cost (whichever is sooner).

## (XVIII) Income tax

The income tax expenditure denotes the total of the income tax payable in the current term and the deferred income tax.

### 1. Income tax for the year

The income tax imposed on undistributed earnings calculated as required by the Income Tax Act of the Republic of China is recognized for the year according to the resolution reached in the shareholders' meeting.

Adjustment of the prior years' income tax is added to current income tax expenditure in the year the adjustment is made.

### 2. Deferred income tax

Deferred income tax is computed in accordance with the temporary differences between book value of the assets and liabilities and the tax base for calculating the taxable income.

Deferred tax liabilities are generally recognized in accordance with all taxable temporary differences. Deferred tax assets are recognized when there are likely to have taxable income available for deductible temporary difference.

All taxable temporary differences relevant to the investment in subsidiaries were recognized as deferred income tax liabilities, unless the Consolidated Company could control the time point of recovery of the control over the temporary difference, or said temporary difference would be very likely not recoverable in the foreseeable future. The deductible temporary differences associated with such investment were recognized as deferred income tax assets, to the extent that sufficient taxable income was available to realization of temporary differences and such differences were expected to be reversed in the foreseeable future.

The book value of the deferred income tax assets was reviewed anew on each and every balance sheet date. Aiming at such event where there would be very likely not adequate taxable income to recover the assets either in whole or in part, the Consolidated Company adjusted downward the book value. Those which were not initially recognized as deferred income tax assets were also reviewed anew on each and every balance sheet date. The Consolidated Company, in turn, would adjust upward the book value in the future while there would be likely to yield taxable income to recover assets either in whole or in part.

The deferred income tax assets and liabilities were measured at the tax rates of that term. The said tax rate would be on the grounds of the tax rates and taxation laws, which had been enacted or had been substantially enacted as of the balance sheet date. The deferred income tax liabilities and assets were measured to reflect the Consolidated Company's taxation consequences for the book value of the assets and liabilities anticipated to be recovered or reimbursed as of the balance sheet date. Where the investment property measured at fair value is a non-depreciation asset, or the economic model as held would not be likely to consume almost all of the economic benefit from the assets over time, the Consolidated Company would assume that the book value of the assets was recovered through sale.

The exceptions to the rules for recognition and disclosure of deferred income tax assets and liabilities of the Pillar Two income tax have been applied to the Consolidated Company; therefore, the Consolidated Company neither recognizes the deferred income tax assets and liabilities of the Pillar Two income tax nor discloses relevant information.

3. Current and deferred income tax

The current and deferred income tax was recognized into profit and/or loss. The current and deferred income tax relevant to the items, which were recognized in other comprehensive income or directly counted into the items of equity, was recognized into other comprehensive income or directly counted into equity respectively.

Where the current income tax or deferred income tax was generated from acquisition of any subsidiary, the income tax effect should be included into the invested subsidiary's accounting treatment.

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

Where the Consolidated Company adopts accounting policies and the relevant information is found hardly available from other sources, the management must come to relevant judgments, estimates, and assumptions based on historical experiences and other relevant factors. The actual consequences might differ from the estimates.

Major sources of estimates and hypotheses of uncertainty

Estimated impairment of financial assets

The estimated impairment of accounts receivable was based on the Consolidated Company's assumptions about the probability and loss rate of default. The Consolidated

Company took into consideration the historical experience, existing market conditions and forward-looking estimates to make the assumptions and select the inputs to the impairment calculation. For details of the key assumptions and inputs used, please refer to Note XXVIII. If the actual cash flow in the future is less than what the Consolidated Company expects, a material impairment loss may occur as a result.

VI. Cash and cash equivalents

|                                                                                            | <u>December 31, 2023</u> | <u>December 31, 2022</u> |
|--------------------------------------------------------------------------------------------|--------------------------|--------------------------|
| Cash on hand and working capital                                                           | \$ 1,146                 | \$ 1,209                 |
| Bank's notes and current deposit                                                           | 7,290,020                | 4,665,815                |
| Cash equivalents (investment due within three (3) months in the date of initial maturity). |                          |                          |
| Bank time deposit                                                                          | 449,749                  | 1,306,953                |
|                                                                                            | <u>\$ 7,740,915</u>      | <u>\$ 5,973,977</u>      |

VII. Financial instruments at fair value through profit or loss

|                                                   | <u>December 31, 2023</u> | <u>December 31, 2022</u> |
|---------------------------------------------------|--------------------------|--------------------------|
| <u>Financial assets-current</u>                   |                          |                          |
| At fair value through profit or loss compulsorily |                          |                          |
| Derivatives (not under hedge accounting)          |                          |                          |
| — Forward foreign exchange contracts (1)          | \$ 66,949                | \$ 40,166                |
| — FX swaps contracts (2)                          | 10,068                   | -                        |
| Non-derivative financial assets                   |                          |                          |
| — TWSE/TPEX-listed stocks                         | 2,420                    | 3,136                    |
|                                                   | <u>\$ 79,437</u>         | <u>\$ 43,302</u>         |
| <u>Financial liabilities – Current</u>            |                          |                          |
| At fair value through profit or loss compulsorily |                          |                          |
| Derivatives (not under hedge accounting)          |                          |                          |
| — Forward foreign exchange contracts (1)          | \$ -                     | \$ 704                   |
| — FX swaps contracts (2)                          | -                        | 4,204                    |
| - Conversion option (3. Note 18)                  | 21,860                   | -                        |
|                                                   | <u>\$ 21,860</u>         | <u>\$ 4,908</u>          |

- (I) The outstanding forward foreign exchange contracts not under hedge accounting on the balance sheet date are stated as follows:

|                                         | Currency type    | Maturity date                      | Contract amount (NTD<br>Thousand) |           |  |
|-----------------------------------------|------------------|------------------------------------|-----------------------------------|-----------|--|
| <u>December 31, 2023</u>                |                  |                                    |                                   |           |  |
| Sold forward foreign exchange contracts | Sell USD/Buy CNY | January 31, 2024–February 29, 2024 | USD 15,000 /CNY                   | 106,818   |  |
| Sold forward foreign exchange contracts | Sell USD/Buy CNY | January 26, 2024–April 04, 2024    | USD 85,000 /CNY                   | 609,218   |  |
| Sold forward foreign exchange contracts | Sell USD/Buy NTD | January 02, 2024–March 05, 2024    | USD 40,000 /NTD                   | 1,261,481 |  |
| <u>December 31, 2022</u>                |                  |                                    |                                   |           |  |
| Sold forward foreign exchange contracts | Sell USD/Buy NTD | January 03, 2023–March 09, 2023    | USD 40,000 /NTD                   | 1,227,696 |  |
| Sold forward foreign exchange contracts | Sell USD/Buy CNY | January 31, 2023                   | USD 6,000 /CNY                    | 43,135    |  |
| Sold forward foreign exchange contracts | Sell USD/Buy CNY | January 31, 2023–May 26, 2023      | USD 108,000 /CNY                  | 759,938   |  |

- (II) The outstanding FX swaps contracts not under hedge accounting on the balance sheet date are stated as follows:

|                          | Currency type       | Maturity date    | Contract amount (NTD<br>Thousand) |           |
|--------------------------|---------------------|------------------|-----------------------------------|-----------|
| <u>December 31, 2023</u> |                     |                  |                                   |           |
| — FX swaps contracts     | Sell USD/Buy<br>NTD | January 31, 2024 | USD 44,000 /NTD                   | 1,361,088 |
| <u>December 31, 2022</u> |                     |                  |                                   |           |
| — FX swaps contracts     | Sell USD/Buy<br>NTD | January 31, 2023 | USD 44,000 /NTD                   | 1,347,036 |

The Consolidated Company entered into forward foreign exchanges and FX swaps primarily in order to hedge against the risk arising from foreign currency assets and liabilities due to fluctuations in foreign exchange rate.

- (III) Financial liabilities with embedded derivative conversion options are split off by issuing convertible bonds.

VIII. Financial assets measured at amortized cost

|                                                            | <u>December 31, 2023</u> | <u>December 31, 2022</u> |
|------------------------------------------------------------|--------------------------|--------------------------|
| <u>Noncurrent</u>                                          |                          |                          |
| Domestic investment                                        |                          |                          |
| Time deposit whose original maturity date exceeds 3 months | <u>\$ 56,600</u>         | <u>\$ 45,100</u>         |

As of December 31, 2023 and 2022, the range of interest rates for time deposits whose original maturity date exceeds 3 months were an annual rate of 1.11%–1.25% and 0.86%–1.125%, respectively.

IX. Notes receivable, accounts receivable and other receivables

|                                             | <u>December 31, 2023</u> | <u>December 31, 2022</u> |
|---------------------------------------------|--------------------------|--------------------------|
| <u>Notes receivable</u>                     |                          |                          |
| Total book value measured at amortized cost | \$ 5,404                 | \$ 9,424                 |
| Less: Allowance losses                      | -                        | -                        |
| Generated from operations                   | <u>\$ 5,404</u>          | <u>\$ 9,424</u>          |
| <u>Accounts receivable</u>                  |                          |                          |
| Total book value measured at amortized cost | \$ 10,798,156            | \$ 10,842,198            |
| Less: Allowance losses                      | ( 70,156 )               | ( 115,206 )              |
| Generated from operations                   | <u>\$ 10,728,000</u>     | <u>\$ 10,726,992</u>     |
| <u>Other receivables</u>                    |                          |                          |
| Business tax refund receivable              | \$ 53,829                | \$ 43,861                |
| Accounts receivable from sale of scraps     | 50,285                   | 39,887                   |
| Others                                      | 6,065                    | 4,985                    |
|                                             | <u>\$ 110,179</u>        | <u>\$ 88,733</u>         |

Notes receivable and accounts receivable

The Consolidated Company's average credit period for sale of commodities was 180 days. The notes receivable and accounts receivable were collected without interest. Considering that the Consolidated Company's trading counterparts were primarily domestic/foreign renowned companies/entities with fair goodwill, no material credit risk was expected to arising therefor. Upon determination of the recoverability of notes receivable and accounts receivable, the Consolidated Company took into account and all changes in the quality of credit of the accounts receivable during the period starting from the initial granting of the loan until the balance sheet date. The historical experiences showed that most of the notes and accounts receivable have been recovered successfully.

In order to mitigate the credit risk, on the balance sheet date, the Consolidated Company would recheck on a case-by-case basis the recoverable amount of notes and accounts receivable to assure that for the notes and accounts receivable which were not recoverable, appropriate impairment loss has been duly amortized. Accordingly, the

Consolidated Company's management held that the Consolidated Company's credit risks had been significantly mitigated.

The Consolidated Company recognized the allowance losses on notes and accounts receivable based on the lifetime expected credit loss. The lifetime expected credit losses were calculated using the reserve matrix, by considering the customers' past default records and current financial position, industrial economic situations, as well as the recoverable amount. As the Consolidated Company's credit loss history showed that there was no significant difference among the loss patterns of different customer bases, the reserve matrix didn't further divide the customer bases, but only established the expected credit losses based on the number of days for which the notes and accounts receivable became overdue.

Where any evidence showed that the trading counterparts had severe financial difficulties, and it was impossible for the Consolidated Company to reasonably expect the recoverable amount, e.g. the counterparts were under restructuring and liquidation, the Consolidated Company would write off the related notes and accounts receivable. However, the pursuit of recovery would be continued, and the amount recovered from such pursuit would be recognized as gains or losses.

The allowance losses on notes and accounts receivable measured by the Consolidated Company based on the reserve matrix are stated as following:

#### December 31, 2023

##### Accounts receivable

|                                                     | Not overdue          | Overdue for<br>1~60 days | Overdue for<br>61~90 days | Overdue for<br>91~120 days | Overdue for<br>more than 120<br>days | Total                |
|-----------------------------------------------------|----------------------|--------------------------|---------------------------|----------------------------|--------------------------------------|----------------------|
| Expected Credit Loss<br>(ECL) Rate                  | 0%~0.04%             | 0%~21.98%                | 0%~59.2%                  | 76.91%                     | 99.23%~100%                          |                      |
| Total book value                                    | \$ 10,621,354        | \$ 97,482                | \$ 39,244                 | \$ 1,369                   | \$ 38,707                            | \$ 10,798,156        |
| Allowance losses (lifetime<br>expected credit loss) | ( 4,619 )            | ( 14,330 )               | ( 13,057 )                | ( 1,053 )                  | ( 37,097 )                           | ( 70,156 )           |
| Amortized cost                                      | <u>\$ 10,616,735</u> | <u>\$ 83,152</u>         | <u>\$ 26,187</u>          | <u>\$ 316</u>              | <u>\$ 1,610</u>                      | <u>\$ 10,728,000</u> |

#### December 31, 2022

##### Accounts receivable

|                                                     | Not overdue          | Overdue for<br>1~60 days | Overdue for<br>61~90 days | Overdue for<br>91~120 days | Overdue for<br>more than 120<br>days | Total                |
|-----------------------------------------------------|----------------------|--------------------------|---------------------------|----------------------------|--------------------------------------|----------------------|
| Expected Credit Loss<br>(ECL) Rate                  | 0%~0.06%             | 0%~19.05%                | 59.96%                    | 73.82%                     | 94.38%~100%                          |                      |
| Total book value                                    | \$ 10,525,322        | \$ 218,561               | \$ 31,257                 | \$ 4,529                   | \$ 62,529                            | \$ 10,842,198        |
| Allowance losses (lifetime<br>expected credit loss) | ( 6,068 )            | ( 26,155 )               | ( 18,741 )                | ( 3,343 )                  | ( 60,899 )                           | ( 115,206 )          |
| Amortized cost                                      | <u>\$ 10,519,254</u> | <u>\$ 192,406</u>        | <u>\$ 12,516</u>          | <u>\$ 1,186</u>            | <u>\$ 1,630</u>                      | <u>\$ 10,726,992</u> |



The information about changes in allowance losses on notes and accounts receivable is stated as follows:

Accounts receivable

|                                                             | 2023             | 2022              |
|-------------------------------------------------------------|------------------|-------------------|
| Balance – beginning of year                                 | \$ 115,206       | \$ 75,140         |
| Add: Impairment loss provided in the current period (1)     | -                | 39,549            |
| Less: Reversal of impairment loss in the current period (1) | ( 44,485 )       | -                 |
| Foreign currency exchange difference                        | ( 565 )          | 517               |
| Balance – end of period                                     | <u>\$ 70,156</u> | <u>\$ 115,206</u> |

- (1) The net amount of the total book value of accounts receivable overdue for more than 90 days from the beginning of year dropped on December 31, 2023 by NT\$26,982 thousand in net and it resulted in a net decrease in allowance losses by NT\$26,092 thousand as well. The net amount of the total book value of accounts receivable overdue for more than 90 days increased on December 31, 2022 by NT\$28,172 thousand in net and it resulted in a net increase in allowance losses by NT\$25,420 thousand.

X. Inventory

|                          | December 31, 2023   | December 31, 2022   |
|--------------------------|---------------------|---------------------|
| Finished goods           | \$ 2,436,553        | \$ 2,462,092        |
| Work in process          | 2,675,496           | 2,334,137           |
| Raw materials & supplies | 816,173             | 643,342             |
| Inventories in transit   | 42,163              | 176,399             |
|                          | <u>\$ 5,970,385</u> | <u>\$ 5,615,970</u> |

The nature of the sales cost is defined as follows:

|                                                | 2023                 | 2022                 |
|------------------------------------------------|----------------------|----------------------|
| Cost of inventory sold                         | \$ 22,960,593        | \$ 24,997,437        |
| Loss on inventory devaluation                  | 126,051              | 148,583              |
| Income from sale of scraps and waste materials | ( 635,287 )          | ( 780,146 )          |
| Others                                         | ( 131,203 )          | ( 308,898 )          |
|                                                | <u>\$ 22,320,154</u> | <u>\$ 24,056,976</u> |

XI. Subsidiaries

The subsidiaries included into the consolidated financial reports

The present consolidated financial reports were prepared for the following key entities:

| Investor                           | Name of subsidiary                            | Business nature                                             | Percentage of equity held |                   | Description |
|------------------------------------|-----------------------------------------------|-------------------------------------------------------------|---------------------------|-------------------|-------------|
|                                    |                                               |                                                             | December 31, 2023         | December 31, 2022 |             |
| The Company                        | Goldex Holding Limited                        | General investment and international trade business         | 100.00                    | 100.00            |             |
| The Company                        | King Hsiang Investment Co.                    | General investment business                                 | 99.997                    | 99.997            |             |
| The Company                        | GOLD CIRCUIT ELECTRONICS (THAILAND) CO., LTD. | Design, produce and sell multi-layer printed circuit boards | 100.00                    | -                 | Note 1      |
| Goldex Holding Limited             | Gold Circuit Enterprise Limited               | General investment and international trade business         | 100.00                    | 100.00            |             |
| Goldex Holding Limited             | Gold Circuit International Limited            | General investment and international trade business         | 100.00                    | 100.00            |             |
| Gold Circuit Enterprise Limited    | Changshu Gold Circuit Electronics Ltd.        | Design, produce and sell multi-layer printed circuit boards | 100.00                    | 100.00            |             |
| Gold Circuit Enterprise Limited    | Changshu Gold Circuit Technology Co., Ltd.    | Design, produce and sell multi-layer printed circuit boards | 100.00                    | 100.00            |             |
| Gold Circuit International Limited | Suzhou Gold Circuit Electronics Ltd.          | Design, produce and sell multi-layer printed circuit boards | 100.00                    | 100.00            |             |

Note 1: Thailand Gold Circuit Electronics Ltd. was established by Gold Circuit Electronics Ltd. on May 25, 2023 to meet the business development needs of the Group. As of December 31, 2023, the investment amount was US\$20,750 thousand

## XII. Property, plant and equipment

### Self-use

|                                               | Own land     | Building     | Machinery & equipment | Transportation equipment | Office equipment | Other equipment | Unfinished construction and equipment pending acceptance | Total         |
|-----------------------------------------------|--------------|--------------|-----------------------|--------------------------|------------------|-----------------|----------------------------------------------------------|---------------|
| <u>Cost</u>                                   |              |              |                       |                          |                  |                 |                                                          |               |
| Balance as of January 1, 2023                 | \$ 701,186   | \$ 4,409,149 | \$ 13,890,894         | \$ 67,668                | \$ 144,450       | \$ 2,676,870    | \$ 145,878                                               | \$ 22,036,095 |
| Addition                                      | -            | -            | -                     | -                        | -                | -               | 1,706,696                                                | 1,706,696     |
| Disposition                                   | -            | ( 111 )      | ( 464,389 )           | ( 5,717 )                | ( 9,199 )        | ( 106,276 )     | -                                                        | ( 585,692 )   |
| Reclassification                              | 356,905      | 19,064       | 862,998               | 10,255                   | 18,446           | 306,326         | ( 1,615,128 )                                            | ( 41,134 )    |
| Net difference in foreign exchange            | -            | ( 35,155 )   | ( 154,786 )           | ( 546 )                  | ( 1,337 )        | ( 31,243 )      | ( 1,417 )                                                | ( 224,484 )   |
| Balance as of December 31, 2023               | \$ 1,058,091 | \$ 4,392,947 | \$ 14,134,717         | \$ 71,660                | \$ 152,360       | \$ 2,845,677    | \$ 236,029                                               | \$ 22,891,481 |
| <u>Cumulative depreciation and impairment</u> |              |              |                       |                          |                  |                 |                                                          |               |
| Balance as of January 1, 2023                 | \$ -         | \$ 3,433,706 | \$ 10,098,052         | \$ 44,357                | \$ 102,392       | \$ 2,063,151    | \$ -                                                     | \$ 15,741,658 |
| Disposition                                   | -            | ( 105 )      | ( 420,819 )           | ( 5,266 )                | ( 8,742 )        | ( 103,862 )     | -                                                        | ( 538,794 )   |
| Depreciation expenditure                      | -            | 132,673      | 551,990               | 6,505                    | 12,402           | 216,299         | -                                                        | 919,869       |
| Net difference in foreign exchange            | -            | ( 28,374 )   | ( 119,367 )           | ( 450 )                  | ( 1,090 )        | ( 27,097 )      | -                                                        | ( 176,378 )   |
| Balance as of December 31, 2023               | \$ -         | \$ 3,537,900 | \$ 10,109,856         | \$ 45,146                | \$ 104,962       | \$ 2,148,491    | \$ -                                                     | \$ 15,946,355 |
| Net amount as of December 31, 2023            | \$ 1,058,091 | \$ 855,047   | \$ 4,024,861          | \$ 26,514                | \$ 47,398        | \$ 697,186      | \$ 236,029                                               | \$ 6,945,126  |
| <u>Cost</u>                                   |              |              |                       |                          |                  |                 |                                                          |               |
| Balance as of January 1, 2022                 | \$ 701,186   | \$ 4,358,347 | \$ 13,005,678         | \$ 64,272                | \$ 141,875       | \$ 2,464,113    | \$ 218,195                                               | \$ 20,953,666 |
| Addition                                      | -            | -            | -                     | -                        | -                | -               | 1,475,538                                                | 1,475,538     |
| Disposition                                   | -            | -            | ( 457,758 )           | ( 1,668 )                | ( 7,721 )        | ( 92,179 )      | -                                                        | ( 559,326 )   |
| Reclassification                              | -            | 18,626       | 1,210,291             | 4,605                    | 9,094            | 277,610         | ( 1,550,113 )                                            | ( 29,887 )    |
| Net difference in foreign exchange            | -            | 32,176       | 132,683               | 459                      | 1,202            | 27,326          | 2,258                                                    | 196,104       |
| Balance as of December 31, 2022               | \$ 701,186   | \$ 4,409,149 | \$ 13,890,894         | \$ 67,668                | \$ 144,450       | \$ 2,676,870    | \$ 145,878                                               | \$ 22,036,095 |
| <u>Cumulative depreciation and impairment</u> |              |              |                       |                          |                  |                 |                                                          |               |
| Balance as of January 1, 2022                 | \$ -         | \$ 3,281,762 | \$ 9,899,541          | \$ 39,585                | \$ 97,549        | \$ 1,956,043    | \$ -                                                     | \$ 15,274,480 |
| Disposition                                   | -            | -            | ( 411,646 )           | ( 1,584 )                | ( 7,354 )        | ( 89,590 )      | -                                                        | ( 510,174 )   |
| Reclassification                              | -            | -            | ( 757 )               | -                        | ( 265 )          | 757             | -                                                        | ( 265 )       |
| Depreciation expenditure                      | -            | 129,955      | 512,157               | 6,009                    | 11,652           | 175,030         | -                                                        | 834,803       |
| Net difference in foreign exchange            | -            | 21,989       | 98,757                | 347                      | 810              | 20,911          | -                                                        | 142,814       |
| Balance as of December 31, 2022               | \$ -         | \$ 3,433,706 | \$ 10,098,052         | \$ 44,357                | \$ 102,392       | \$ 2,063,151    | \$ -                                                     | \$ 15,741,658 |
| Net amount as of December 31, 2022            | \$ 701,186   | \$ 975,443   | \$ 3,792,842          | \$ 23,311                | \$ 42,058        | \$ 613,719      | \$ 145,878                                               | \$ 6,294,437  |

There was no sign of impairment in 2023. Therefore, the Consolidated Company didn't recognize impairment loss.

Depreciation expenditure is appropriated in accordance with the straight line method and the useful years illustrated below:

|                                     |                    |
|-------------------------------------|--------------------|
| Buildings                           |                    |
| Main building of plant              | 11~55 years        |
| Electromechanical & power equipment | 5~20 years         |
| Engineering system                  | 3~25 years         |
| Others                              | 5 years – 15 years |
| Machinery & equipment               | 1 year ~14 years   |
| Transportation equipment            | 2~11 years         |
| Office equipment                    | 2~11 years         |
| Other equipment                     | 1 year ~15 years   |

Please refer to Note XXX for the property, plant and equipment for own use offered as collateral of loans.

### XIII. Lease agreement

#### (I) Right-of-use assets

|                                              | <u>December 31, 2023</u> | <u>December 31, 2022</u> |
|----------------------------------------------|--------------------------|--------------------------|
| Book value of right-of-use assets            |                          |                          |
| Land                                         | \$ 130,565               | \$ 137,185               |
| Machinery & equipment                        | <u>99,439</u>            | <u>31,554</u>            |
|                                              | <u>\$ 230,004</u>        | <u>\$ 168,739</u>        |
|                                              | <u>2023</u>              | <u>2022</u>              |
| Depreciation expenses of right-of-use assets |                          |                          |
| Land                                         | \$ 4,398                 | \$ 4,407                 |
| Machinery & equipment                        | <u>16,717</u>            | <u>18,947</u>            |
|                                              | <u>\$ 21,115</u>         | <u>\$ 23,354</u>         |

Except for the additions and recognition of depreciation expenditure as listed above, no major sublease and impairment of the right-of-use assets of the Consolidated Company occurred in 2023 and 2022.

Please refer to Note XXX for the amount of right-of-use assets offered as collateral of loans.

(II) Lease liabilities

|                                 | <u>December 31, 2023</u> | <u>December 31, 2022</u> |
|---------------------------------|--------------------------|--------------------------|
| Book value of lease liabilities |                          |                          |
| Current                         | <u>\$ 10,438</u>         | <u>\$ 12,284</u>         |
| Noncurrent                      | <u>\$ 74,125</u>         | <u>\$ 3,110</u>          |

The range of discount rates for the lease liabilities is stated as following:

|                       | <u>December 31, 2023</u> | <u>December 31, 2022</u> |
|-----------------------|--------------------------|--------------------------|
| Buildings             | 1.68%                    | -                        |
| Machinery & equipment | 1.38%                    | 1.38%~3.5%               |

(III) Major lessee activities and terms and conditions

The Consolidated Company rented certain energy-conservation equipment and water quality monitoring systems. The lease periods were 10 years and 3 years, respectively. Upon expiration of the lease period, the lease objects would be transferred to the Consolidated Company unconditionally. Among the other things, the energy-conservation equipment lease contract provided that the lease payment should vary depending on the specific percentage of the energy-conservation amount on a monthly basis.

(IV) Other lease agreement

|                                           | <u>2023</u>        | <u>2022</u>        |
|-------------------------------------------|--------------------|--------------------|
| Short-term lease expenditure              | <u>\$ 3,107</u>    | <u>\$ 3,970</u>    |
| Low-value asset lease expenditure         | <u>\$ 7,456</u>    | <u>\$ 11,024</u>   |
| Total amount of cash (outflow) from lease | <u>(\$ 26,024)</u> | <u>(\$ 32,719)</u> |

XIV. Investment property

|                                          | <u>December 31, 2023</u> | <u>December 31, 2022</u> |
|------------------------------------------|--------------------------|--------------------------|
| Balance – beginning of year              | \$ 576,200               | \$ 577,900               |
| Profit (loss) from changes in fair value | <u>19,600</u>            | <u>( 1,700)</u>          |
| Balance – end of period                  | <u>\$ 595,800</u>        | <u>\$ 576,200</u>        |

The investment property was measured at fair value on a recurring basis. The evaluation basis for the fair value thereof is stated as following:

|                            | <u>December 31, 2023</u> | <u>December 31, 2022</u> |
|----------------------------|--------------------------|--------------------------|
| External appraisal service | <u>\$ 595,800</u>        | <u>\$ 576,200</u>        |

The fair values of any investment property amounting to more than NT\$300 million on December 31, 2023 and 2022 were appraised by Appraiser Chiu Hsiang-Ling from CCSI Real Estate Joint Appraisers Firm, who held the real estate appraiser qualification in the ROC, on the same dates respectively.

Except undeveloped land, the fair value of investment property was evaluated under the income approach. The important hypotheses thereof are stated as following. When the projected future cash inflow increased or discount rate declined, the fair value would increase therefor.

|                               | <u>December 31, 2023</u> | <u>December 31, 2022</u> |
|-------------------------------|--------------------------|--------------------------|
| Projected future cash inflow  | \$ 858,200               | \$ 843,500               |
| Projected future cash outflow | <u>262,400</u>           | <u>267,300</u>           |
| Projected future cash inflow  | <u>\$ 595,800</u>        | <u>\$ 576,200</u>        |
| Discount rate                 | 2.470%                   | 2.345%                   |

The rent prevailing in the area where the investment property was located was about NT\$0.520 thousand per ping, while that for any comparable object on the market was about NT\$0.569 thousand–NT\$0.588 thousand per ping.

The projected future cash inflow from investment property included rent revenue and deposit interest revenue less loss from idle assets. The rent income was evaluated based on the rent prevailing locally or that for any comparable object on the market, with any overestimated or underestimated comparable objects excluded, and also based on the growth rate of the future rent. The income analysis period was estimated to be five years. The deposit interest income was estimated based on one-year time deposit interest rate. The loss from idle assets was estimated based on 1.5-month rent income plus deposit interest income. The projected future cash outflow from investment property included the expenditures, such as land value tax, house tax, insurance premium, management expense, maintenance expense, replacement appropriation fee, depreciation expense, disposal expense and estimated land value increment tax. Such expenditures were estimated based on the current expenditure level and by taking into consideration the adjustment on the current land value announced in the future, and tax rate prescribed by house tax regulations.

The discount rate was decided based on the two-year time deposit interest rate published by Chunghwa Post Co., Ltd. plus 0.875%.

XV. Other intangible assets

|                   | <u>December 31, 2023</u> | <u>December 31, 2022</u> |
|-------------------|--------------------------|--------------------------|
| Computer software | <u>\$ 58,186</u>         | <u>\$ 42,539</u>         |

Except for the amortization expenditure that was recognized, no major additions, disposals, or impairment of other intangible assets of the Consolidated Company occurred in 2023 and 2022. Amortization expense was appropriated on a straight-line basis within 1~5 useful years.

Summarization of amortization expenses by functions:

|                       | <u>2023</u>      | <u>2022</u>      |
|-----------------------|------------------|------------------|
| Operating costs       | \$ 19,561        | \$ 13,115        |
| Operating expenditure | 1,095            | 593              |
| R&D expense           | <u>5,265</u>     | <u>2,517</u>     |
|                       | <u>\$ 25,921</u> | <u>\$ 16,225</u> |

XVI. Other assets

|                    | <u>December 31, 2023</u> | <u>December 31, 2022</u> |
|--------------------|--------------------------|--------------------------|
| <u>Current</u>     |                          |                          |
| Others             | <u>\$ 3,305</u>          | <u>\$ 2,934</u>          |
| <u>Noncurrent</u>  |                          |                          |
| Refundable deposit | <u>\$ 15,410</u>         | <u>\$ 10,858</u>         |

XVII. Borrowings

(I) Short-term loans

|                                 | <u>December 31, 2023</u> | <u>December 31, 2022</u> |
|---------------------------------|--------------------------|--------------------------|
| <u>Secured loans</u> (Note XXX) |                          |                          |
| Bank loans                      | \$ 86,704                | \$ 608,641               |
| <u>Unsecured loans</u>          |                          |                          |
| Line of credit loans            | <u>130,056</u>           | <u>1,579,793</u>         |
|                                 | <u>\$ 216,760</u>        | <u>\$ 2,188,434</u>      |

Revolving bank loan interest rate was 2.29%–2.40% and 1.11%–4.48% on December 31, 2023 and 2022, respectively.

(III) Long-term loans

|                                 | <u>December 31, 2023</u> | <u>December 31, 2022</u> |
|---------------------------------|--------------------------|--------------------------|
| <u>Secured loans (Note XXX)</u> |                          |                          |
| Mega International              |                          |                          |
| Commercial Bank (1)             | \$ -                     | \$ 430,000               |
| KGI Bank (2)                    | -                        | <u>360,000</u>           |
| Subtotal                        | -                        | <u>790,000</u>           |
| <u>Unsecured loans</u>          |                          |                          |
| Mega International              |                          |                          |
| Commercial Bank (3)             | 25,000                   | -                        |
| CTBC Bank (4)                   | -                        | 200,000                  |
| Jih Sun International Bank (5)  | -                        | 300,000                  |
| E.SUN Bank (6)                  | -                        | 100,000                  |
| Syndicated banks including      |                          |                          |
| Taipei Fubon Bank (7)           | 1,440,000                | 700,000                  |
| Syndicated banks including E.   |                          |                          |
| Sun Bank (8)                    | -                        | <u>1,250,000</u>         |
| Subtotal                        | <u>1,465,000</u>         | <u>2,550,000</u>         |
| Less: current portion           | -                        | -                        |
| Long-term loans                 | <u>\$ 1,465,000</u>      | <u>\$ 3,340,000</u>      |

1. Land and buildings were offered as collateral for the secured loans. NT\$430,000 thousand of the total loans, NT\$900,000 thousand, has been drawn down against a disbursement letter on a revolving basis. The loans are effective from July 8, 2022 to July 8 2025. The loans were already repaid in full earlier in December 2023. As of December 31, 2022, the effective annual interest rate was 1.8%.
2. Land and buildings were offered as collateral for the secured loans. NT\$360,000 thousand of the total loans, NT\$500,000 thousand, has been drawn down. The loans are effective from April 30, 2017 to April 30, 2024. The loaning period may be extended to January 26, 2025 before the due date. At the expiration of the 18th, 24th, and 30th months from the extension date, a credit line of NTD 100,000 thousand will be canceled, respectively; all other lines of credit will be canceled at the end of the 36th month. The loans may be drawn down on a revolving basis within three years starting from January 26, 2022, with the interest thereon payable on a monthly basis. The loans are repayable in a lump sum on the due date. The loans were already repaid in full earlier in December 2023. As of December 31, 2022, the effective annual

interest rate was 1.849%–1.862%. The quarterly consolidated financial ratios on the loans during the effective term were subject to the following restrictions: The total of cash and cash equivalents and EBITDA (net income, income tax expense, financial costs (interest expenses), depreciation expenses and amortization expenses in the Long-term loans, current portion should stay more than 120% (inclusive).

3. For credit loans, NT\$250,000 thousand of the total loans, NT\$1,000,000 thousand, has been drawn down. The loans are effective from November 24, 2023 to November 24, 2030. The interest thereon are payable on a monthly basis. The first installment was counted upon expiration of the 24th month after the date of the first drawdown, and each installment consists of three months. The loans are repayable at the average over nine installments. As of December 31, 2023, the effective annual interest rate was 1.78%
4. For credit loans, NT\$200,000 thousand of the total loans, NT\$225,000 thousand, has been drawn down. The loans were effective from November 23, 2021 to November 23, 2023. The loaning period has been extended to July 15, 2024. From the date of borrowing, the interest should be accrued, subject to the balance of loan, at the interest rate agreed on the loan on a monthly basis. The principal should be repaid in a lump sum when due. It was paid off earlier in December 2023. As of December 31, 2022, the effective annual interest rate was 1.69%
5. The credit loans, totaling NT\$300,000 thousand, have been drawn down in full. The loans are effective from July 20, 2022 to June 14, 2024. From the date of borrowing, the interest should be accrued, subject to the balance of loan, at the interest rate agreed on the loan on a monthly basis. The principal should be repaid in a lump sum when due. It was paid off earlier in December 2023. As of December 31, 2022, the effective annual interest rate was 1.561%
6. NT\$100,000 thousand of the total credit loans, NT\$300,000 thousand, has been drawn down against a disbursement letter on a revolving basis. The loans are effective from October 14, 2022 to October 14, 2025. The loans were already repaid in full earlier in December 2023. As of December 31, 2022, the effective annual interest rate was 1.7%.
7. The syndicated loans, totaling NT\$1,440,000 thousand, have been drawn down in full. The loans are effective from December 20, 2022 to December 20, 2025.



The loans were drawn down on a revolving basis within 3 years with the interest thereon payable on a monthly basis. As of December 31, 2023 and 2022, the effective annual interest rate was 2.1247% and 2.0040%, respectively. The annual consolidated financial ratios on the loans during the effective term were subject to the following restrictions: The current ratio should stay more than 100%. The financial liabilities (less cash and cash equivalents) defined under the loan agreement in the net value of tangible assets should stay less than 110%. The interest coverage ratio (Earnings before interest, taxes and amortization of depreciation) should stay more than 2.5 times. The net value of tangible assets should stay more than NT\$6,200,000 thousand.

8. The syndicated loans, totaling NT\$1,250,000 thousand, have been drawn down in full on a revolving basis. The loans are effective from October 14, 2022 to February 5, 2024. The principal should be repaid in a lump sum on the due date. It was paid off earlier in December 2023. As of December 31, 2022, the effective annual interest rate was 1.817%. The restrictions imposed on the financial ratios thereof were the same as those applied to the loans from syndicated banks including Taipei Fubon Bank (6).

XVIII. Corporate bonds payable

|                                                                             | <u>December 31, 2023</u> | <u>December 31, 2022</u> |
|-----------------------------------------------------------------------------|--------------------------|--------------------------|
| Domestic unsecured convertible corporate bonds – Gold Circuit Electronics 2 | <u>\$ 3,393,537</u>      | <u>\$ -</u>              |

1. Domestic unsecured convertible bonds

On December 5, 2023, the Consolidated Company issued 40 thousand units of second domestic unsecured convertible corporate bonds in Taiwan with a coupon rate of 0% for a period of 5 years. The principal amount was NTD 4,000,000 thousand.

Other terms and conditions of issuance:

- (1) Conversion period: March 6, 2024 to December 5, 2028.
- (2) Conversion price: The price is NTD 223.1 per share at the time of issuance. In case the number of the Company's issued common stocks increases after issuance of the convertible corporate bonds (such as cash capital increase, capital increase from earnings, capital increase from

capital reserve, issuance of new shares through a merger or acquisition of shares of another company, stock split, and capital increase for participation in issuance of GDRs), the conversion price shall be adjusted based on the formula specified in the issuance terms. (No conversion was executed as of December 31, 2023.)

2. Call and put options of bonds:
  - (1) Call option upon maturity: The principal will be repaid at face value upon maturity of the bonds.
  - (2) Early execution of call option: During the period from the day next to the end date on which the convertible corporate bond has been issued for three months to the 40th day prior to the expiration of the issue date, if the closing price of the Consolidated Company's common shares exceeds the current conversion price by more than 30% (inclusive) for thirty consecutive business days, the Consolidated Company may redeem part or all of the bonds at face value. During the period from the day next to the end date on which the convertible corporate bond has been issued for three months to the 40th day prior to the expiration of the issue date, if the balance of the Consolidated Company's outstanding convertible corporate bonds is less than 10% of the initial total issue price, the Company may redeem the bonds at face value at any time.
3. The convertible corporate bonds include liabilities and equities, and the latter are stated in equity and presented as capital reserve – stock option. The initially recognized effective interest rate with respect to the liabilities is 3.63%.

The components of liabilities and equities of convertible corporate bonds are as follows:

|                                                                                           | <u>December 31, 2023</u>   |
|-------------------------------------------------------------------------------------------|----------------------------|
| Issue price (less a trading cost of NTD 5,080 thousand)                                   | \$ 4,281,160               |
| Component of equity (less a trading cost of NTD 1,048 thousand)                           | ( 880,452 )                |
| Option derivatives                                                                        | ( <u>15,769</u> )          |
| Component of liabilities on the issuance date (less a trading cost of NTD 4,032 thousand) | 3,384,939                  |
| Interest calculated at the effective interest rate                                        | <u>8,598</u>               |
| Component of liabilities                                                                  | <u><u>\$ 3,393,537</u></u> |

Changes in option derivatives in 2023 are as follows:

|                                 | <u>2023</u>      |
|---------------------------------|------------------|
| Date of issue                   | \$ 15,769        |
| Loss from changes in fair value | <u>6,091</u>     |
| Balance – end of period         | <u>\$ 21,860</u> |

XIX. Accounts payable

|                           | <u>December 31, 2023</u> | <u>December 31, 2022</u> |
|---------------------------|--------------------------|--------------------------|
| <u>Accounts payable</u>   |                          |                          |
| Generated from operations | <u>\$ 6,021,443</u>      | <u>\$ 5,660,421</u>      |

XX. Other liabilities

|                                 | <u>December 31, 2023</u> | <u>December 31, 2022</u> |
|---------------------------------|--------------------------|--------------------------|
| <u>Current</u>                  |                          |                          |
| Other payables                  |                          |                          |
| Salary and bonus payable        | \$ 1,251,530             | \$ 1,176,713             |
| Repairs and maintenance payable | 325,213                  | 315,354                  |
| Processing fees payable         | 344,478                  | 194,389                  |
| Equipment accounts payable      | 426,379                  | 383,607                  |
| Consumables payable             | 58,659                   | 54,535                   |
| Commission payable              | 127,682                  | 150,561                  |
| Pension fund payable            | 8,483                    | 10,363                   |
| Interest payable                | 4,124                    | 10,164                   |
| Damages payable                 | 157,736                  | 159,041                  |
| Others                          | <u>407,530</u>           | <u>423,495</u>           |
|                                 | <u>\$ 3,111,814</u>      | <u>\$ 2,878,042</u>      |
| Other liabilities               |                          |                          |
| Others                          | <u>\$ 177,874</u>        | <u>\$ 197,552</u>        |
| <u>Noncurrent</u>               |                          |                          |
| Other liabilities               |                          |                          |
| Guarantee deposit received      | <u>\$ 117,880</u>        | <u>\$ 105,010</u>        |

XXI. Provision for liabilities

|                              | <u>December 31, 2023</u> | <u>December 31, 2022</u> |
|------------------------------|--------------------------|--------------------------|
| <u>Current</u>               |                          |                          |
| Sales returns and allowances | <u>\$ 212,729</u>        | <u>\$ 252,214</u>        |

The sales returns and allowances were provided based on the amount estimated according to historical experience, the management's judgment, and other critical factors. The provision should be debited into the operating revenue in the year in which the related goods were sold.

## XXII. Post-retirement benefit plans

### (I) Defined contribution plan

The Consolidated Company applied the retirement system under the “Labor Pension Act,” which was identified as the defined contribution plan managed by the government. Under the plan, the Company contributed 6% of each employee’s salary to the personal account maintained at the Bureau of Labor Insurance on a monthly basis.

### (II) Defined benefit plan

The pension system implemented by the Consolidated Company based on the “Labor Standards Act” is a defined benefit plan managed by the government. The pension benefits a participant receives were determined based on an employee’s number of years of service and average compensation for the six-month period prior to retirement. Those companies have an amount equivalent to 2% of the total monthly salary of employees appropriated and deposited in the specific account with Bank of Taiwan in the name of Labor Pension Reserve Committee. Before the end of the fiscal year, if the pension account balance is insufficient to pay for the employees expecting to retire in the following year, the spread amount should be deposited in a lump sum before the end of March in the following year. The special account has been commissioned to the Bureau of Labor Fund of the Ministry of Labor Affairs for management. The Consolidated Company exercised no influence on the right of the Bureau in its investment management strategy.

The amount of defined benefit plan recognized in the consolidated balance sheet is shown below:

|                                                  | <u>December 31, 2023</u> | <u>December 31, 2022</u> |
|--------------------------------------------------|--------------------------|--------------------------|
| Present value of the defined benefit obligations | \$ 371,901               | \$ 340,553               |
| Fair value of the planned assets                 | ( <u>282,681</u> )       | ( <u>267,452</u> )       |
| Shortfall in contribution                        | 89,220                   | 73,101                   |
| Limit of assets                                  | -                        | -                        |
| Net defined benefit liabilities                  | <u>\$ 89,220</u>         | <u>\$ 73,101</u>         |

The net defined benefit liabilities show the following changes:

|                                                                 | Present value of<br>the defined<br>benefit<br>obligations | Fair value of the<br>planned assets | Net defined<br>benefit<br>liabilities |
|-----------------------------------------------------------------|-----------------------------------------------------------|-------------------------------------|---------------------------------------|
| Balance as of January 1, 2023                                   | <u>\$ 340,553</u>                                         | <u>( \$ 267,452 )</u>               | <u>\$ 73,101</u>                      |
| Service cost                                                    |                                                           |                                     |                                       |
| Service cost in current period                                  | 599                                                       | -                                   | 599                                   |
| Interest expenses (revenue)                                     | <u>5,108</u>                                              | <u>( 4,204 )</u>                    | <u>904</u>                            |
| Recognized into profit and/or loss                              | <u>5,707</u>                                              | <u>( 4,204 )</u>                    | <u>1,503</u>                          |
| Re-measurement amount                                           |                                                           |                                     |                                       |
| ROE on planned assets<br>(except the amount of net<br>interest) | -                                                         | ( 1,393 )                           | ( 1,393 )                             |
| Actuarial losses                                                |                                                           |                                     |                                       |
| — changes in financial<br>assumptions                           | 9,051                                                     | -                                   | 9,051                                 |
| — adjustment through<br>experience                              | <u>33,532</u>                                             | <u>-</u>                            | <u>33,532</u>                         |
| Recognized into other<br>comprehensive income                   | <u>42,583</u>                                             | <u>( 1,393 )</u>                    | <u>41,190</u>                         |
| Contributed by employer                                         | -                                                         | ( 26,574 )                          | ( 26,574 )                            |
| Benefits paid                                                   | <u>( 16,942 )</u>                                         | <u>16,942</u>                       | <u>-</u>                              |
| Balance as of December 31, 2023                                 | <u>\$ 371,901</u>                                         | <u>( \$ 282,681 )</u>               | <u>\$ 89,220</u>                      |

|                                                                 | Present value of<br>the defined<br>benefit<br>obligations | Fair value of the<br>planned assets | Net defined<br>benefit<br>liabilities |
|-----------------------------------------------------------------|-----------------------------------------------------------|-------------------------------------|---------------------------------------|
| Balance as of January 1, 2022                                   | <u>\$ 417,249</u>                                         | <u>( \$ 216,569 )</u>               | <u>\$ 200,680</u>                     |
| Service cost                                                    |                                                           |                                     |                                       |
| Service cost in current period                                  | 1,006                                                     | -                                   | 1,006                                 |
| Interest expenses (revenue)                                     | <u>2,086</u>                                              | <u>( 1,148 )</u>                    | <u>938</u>                            |
| Recognized into profit and/or loss                              | <u>3,092</u>                                              | <u>( 1,148 )</u>                    | <u>1,944</u>                          |
| Re-measurement amount                                           |                                                           |                                     |                                       |
| ROE on planned assets<br>(except the amount of net<br>interest) | \$ -                                                      | ( \$ 16,859 )                       | ( \$ 16,859 )                         |
| Actuarial losses                                                |                                                           |                                     |                                       |
| — changes in financial<br>assumptions                           | ( 37,258 )                                                | -                                   | ( 37,258 )                            |
| — adjustment through<br>experience                              | <u>( 27,946 )</u>                                         | <u>-</u>                            | <u>( 27,946 )</u>                     |
| Recognized into other<br>comprehensive income                   | <u>( 65,204 )</u>                                         | <u>( 16,859 )</u>                   | <u>( 82,063 )</u>                     |
| Contributed by employer                                         | -                                                         | ( 47,460 )                          | ( 47,460 )                            |
| Benefits paid                                                   | <u>( 14,584 )</u>                                         | <u>14,584</u>                       | <u>-</u>                              |
| Balance as of December 31, 2022                                 | <u>\$ 340,553</u>                                         | <u>( \$ 267,452 )</u>               | <u>\$ 73,101</u>                      |

The recognized loss of defined benefit plans by function is summarized below:

|                            | <u>2023</u>     | <u>2022</u>     |
|----------------------------|-----------------|-----------------|
| Summarization by functions |                 |                 |
| Operating costs            | \$ 1,050        | \$ 1,387        |
| Promotional expenditure    | 84              | 107             |
| Operating expenditure      | 130             | 165             |
| R&D expense                | <u>239</u>      | <u>285</u>      |
|                            | <u>\$ 1,503</u> | <u>\$ 1,944</u> |

The pension fund system of the Consolidated Company was exposed to the following risks due to the “Labor Standards Act”:

1. Investment risk: The Bureau of Labor Fund of the Ministry of Labor Affairs uses the labor pension fund for investment in domestic and foreign equity securities and debt securities, and as bank deposits through proprietary trade or commissioned third parties. However, the amount attributable to the planned asset of the business combination shall not fall below the interest rate offered by the banks in the regions or countries of investment for 2-year time deposit as return.
2. Interest rate risk: The decrease of the interest rate of government bonds will cause the present value of the defined benefit obligations to go up; however, the return on the debt of the plan assets will go up too; therefore, they will mutually offset the impact on the net defined benefit liabilities.
3. Salary risk: The calculation of the present value of defined benefit obligation is based on the salaries of the members in the plan of the future. As such, an increase of the salaries of the members of the plan is bound to increase the present value of defined benefit obligation.

The present value of the Consolidated Company’s defined benefit liabilities was based on the actuarial calculation of the actuary and the major hypotheses as of the evaluation day are stated as following:

|                                  | <u>December 31, 2023</u> | <u>December 31, 2022</u> |
|----------------------------------|--------------------------|--------------------------|
| Discount rate                    | 1.25%                    | 1.5%                     |
| Anticipated increase in salaries | 2.000%                   | 2.000%                   |

In case of reasonable and possible change in the major actuarial assumptions, and other assumptions remained unchanged, the amount of increase (decrease) in the present value of defined benefit obligation will be:

|                                  | <u>December 31, 2023</u> | <u>December 31, 2022</u> |
|----------------------------------|--------------------------|--------------------------|
| Discount rate                    |                          |                          |
| Increase by 0.25%                | <u>(\$ 9,051)</u>        | <u>(\$ 8,467)</u>        |
| Decrease by 0.25%                | <u>\$ 9,384</u>          | <u>\$ 8,791</u>          |
| Anticipated increase in salaries |                          |                          |
| Increase by 0.25%                | <u>\$ 9,142</u>          | <u>\$ 8,578</u>          |
| Decrease by 0.25%                | <u>(\$ 8,863)</u>        | <u>(\$ 8,303)</u>        |

Actuarial assumptions may be inter-related. The possibility of change in specific assumption is not high. Said sensitivity analysis may not be able to reflect the actual change in the present value of defined benefit obligation.

|                                                | <u>December 31, 2023</u> | <u>December 31, 2022</u> |
|------------------------------------------------|--------------------------|--------------------------|
| Amount projected for appropriation in 1 year   | <u>\$ 26,181</u>         | <u>\$ 25,688</u>         |
| Average maturity of defined benefit obligation | 9.9 years                | 10.1 years               |

### XXIII. Equity

#### (I) Share capital

##### Common stock

|                                                                                    | <u>December 31, 2023</u> | <u>December 31, 2022</u> |
|------------------------------------------------------------------------------------|--------------------------|--------------------------|
| Authorized shares (thousand)                                                       | <u>750,000</u>           | <u>750,000</u>           |
| Authorized capital                                                                 | <u>\$ 7,500,000</u>      | <u>\$ 7,500,000</u>      |
| The number of issued and outstanding shares with paid-in capital (thousand shares) | <u>491,839</u>           | <u>491,839</u>           |
| Issued and outstanding share capital                                               | <u>\$ 4,918,391</u>      | <u>\$ 4,918,391</u>      |

The stocks retained for employee stock warrants from the authorized capital stocks totaled 40,000 thousand shares.

In order to adjust the capital structure and enhance the return on shareholders' equity, the Company's annual shareholders' meeting on June 8, 2022 resolved to reduce the capital, return the share price of NT\$546,488 thousand in cash, and revoke 54,649 thousand shares. The capital reduction ratio was 10%. After the capital reduction, the paid-in capital was NT\$4,918,391 thousand with 491,839 thousand shares paid-in. The above capital decrease case was approved by the FSC and became effective on July 12, 2022 under Tai-Zheng-Shang-Zhi No. 1111803141. The

Board of Directors resolved to set July 15, 2022 as the record date for the capital decrease. The change registration was completed on August 4, 2022. The base date of stock swap upon capital decrease was September 16, 2022.

(II) Capital reserve

|                                                                                                          | <u>December 31, 2023</u> | <u>December 31, 2022</u> |
|----------------------------------------------------------------------------------------------------------|--------------------------|--------------------------|
| <u>It can be applied for making</u><br><u>losses, cash distribution, or</u><br><u>capitalization (1)</u> |                          |                          |
| Premium in stock issuance                                                                                | \$ 968,615               | \$ 968,615               |
| Transaction of treasury stocks                                                                           | 115,437                  | 97,407                   |
| Corporate bond conversion<br>premium                                                                     | 141,359                  | 141,359                  |
| Coupon rate for release of<br>corporate bond                                                             | 11,715                   | 11,715                   |
| Donated assets                                                                                           | 71                       | 71                       |
| <u>Not to be used for any purpose</u><br><u>(2)</u>                                                      |                          |                          |
| Stock options                                                                                            | <u>880,452</u>           | <u>-</u>                 |
|                                                                                                          | <u>\$ 2,117,649</u>      | <u>\$ 1,219,167</u>      |

(1) Such capital reserve can be used to make up for losses, and, when the Company suffers no loss, can be applied for cash distribution or capitalization. However, it is limited to a certain percentage of the annual paid-in capital for the purpose of capitalization.

(2) Such capital reserve is generated upon issuance of convertible corporate bonds, and the adjustment for the subsequent lapse.

(III) Retained earnings and dividend policy

The Company's Articles of Incorporation were amended at the shareholders' meeting on June 8, 2022. According to the earnings distribution policy under the Articles of Incorporation, if there is a surplus after account settlement of the fiscal year, the Company shall pay applicable taxes and cover loss carried forward, followed by the allocation of 10% of the remainder as legal reserve, and appropriate special reserve or reverse special reserve. If there is still a balance, it will be pooled up with the undistributed earnings carried forward from previous years for distribution as shareholder dividend under a motion proposed by the Board subject to the final approval of a general shareholders' meeting. Please refer to Note XXIV (VIII) "Remuneration to Employees and Directors" for the policy for distribution of remuneration to the employees and directors under the Articles of Incorporation.



The Company's dividend policy takes the long-term business growth and investment projects into consideration, and also attends to a robust financial structure. The Board of Directors is required to propose a motion for allocation of earnings. The dividends will be distributed in the form of stock dividend or cash dividend adequate subject to the future funding needs and level of dilution of capital stocks. Among other things, the cash dividend shall be no less than 10% of the total distribution for the current year.

The legal reserve should be contributed until its balance reaches the Company's total paid-in capital stock. The legal reserve can be appropriated to cover previous losses. Where the Company did not operate at a loss, the part of the legal reserve in excess of 25% of the paid-in capital could be taken as capital and may be allocated in cash as well.

The Company has special reserve appropriated and reversed in accordance with the Jin-Guan-Zheng-Fa-Zi No. 1010012865 Letter, Jin-Guan-Zheng-Fa-Zi No. 1010047490 Letter, Jin-Guan-Zheng-Fa-Zi No. 1030006415 and "Appropriation of Special Reserve Q&A after the Adoption of International Financial Reporting Standards (IFRSs)."

The Company's 2022 and 2021 earnings distribution is as follows:

|                               | 2022                | 2021                |
|-------------------------------|---------------------|---------------------|
| Legal reserve                 | <u>\$ 463,353</u>   | <u>\$ 296,218</u>   |
| Cash dividends                | <u>\$ 1,721,436</u> | <u>\$ 1,202,274</u> |
| Cash dividend per share (NTD) | \$ 3.5              | \$ 2.2              |

The distribution of the above cash dividends was adopted by the general shareholders' meetings held on June 14, 2023 and June 8, 2022, respectively.

The Company's 2023 earnings distribution proposed by the Board of Directors on March 12, 2024 is as follows:

|                               | 2023                |
|-------------------------------|---------------------|
| Legal reserve                 | <u>\$ 349,564</u>   |
| Cash dividends                | <u>\$ 1,721,436</u> |
| Cash dividend per share (NTD) | <u>\$ 3.5</u>       |

(IV) Other equity items

1. Exchange differences on translation of foreign financial statements

|                                               | <u>2023</u>               | <u>2022</u>             |
|-----------------------------------------------|---------------------------|-------------------------|
| Balance – beginning of year                   | (\$ 8,435)                | (\$ 27,260)             |
| Those yielded in the current period           |                           |                         |
| Translation differences of foreign operations | ( <u>165,579</u> )        | <u>18,825</u>           |
| Other comprehensive income for current period | ( <u>165,579</u> )        | <u>18,825</u>           |
| Balance – end of period                       | ( <u><u>174,014</u></u> ) | ( <u><u>8,435</u></u> ) |

2. Unrealized gain/loss on valuation of financial assets at fair value through other comprehensive income

|                             | <u>2023</u>              | <u>2022</u>              |
|-----------------------------|--------------------------|--------------------------|
| Balance – beginning of year | (\$ 10,570)              | (\$ 10,570)              |
| Balance – end of period     | ( <u><u>10,570</u></u> ) | ( <u><u>10,570</u></u> ) |

3. Property revaluation surplus

|                             | <u>2023</u>              | <u>2022</u>              |
|-----------------------------|--------------------------|--------------------------|
| Balance – beginning of year | <u>\$ 295,781</u>        | <u>\$ 295,781</u>        |
| Balance – end of period     | <u><u>\$ 295,781</u></u> | <u><u>\$ 295,781</u></u> |

(V) Treasury stocks

| <u>Causes of Redemption</u>              | The stocks of<br>parent company<br>held by the<br>subsidiaries<br>(thousand shares) | Total (thousand<br>shares) |
|------------------------------------------|-------------------------------------------------------------------------------------|----------------------------|
| Number of shares as of January 1, 2022   | 5,724                                                                               | 5,724                      |
| Decrease in current period               | ( <u>573</u> )                                                                      | ( <u>573</u> )             |
| Number of shares as of December 31, 2022 | <u><u>5,151</u></u>                                                                 | <u><u>5,151</u></u>        |
| Number of shares as of January 1, 2023   | <u>5,151</u>                                                                        | <u>5,151</u>               |
| Number of shares as of December 31, 2023 | <u><u>5,151</u></u>                                                                 | <u><u>5,151</u></u>        |

Information on shares of the Company held by the subsidiaries as of the balance sheet date is provided as follows:

| <u>Name of subsidiary</u>  | <u>Shares<br/>(thousand)</u> | <u>Book value</u>   | <u>Market price</u> |
|----------------------------|------------------------------|---------------------|---------------------|
| <u>December 31, 2023</u>   |                              |                     |                     |
| King Hsiang Investment Co. | 5,151                        | <u>\$ 1,123,000</u> | <u>\$ 1,123,000</u> |
| <u>December 31, 2022</u>   |                              |                     |                     |
| King Hsiang Investment Co. | 5,151                        | <u>\$ 447,139</u>   | <u>\$ 447,139</u>   |

The Company's treasury stocks may not be pledged in accordance with the Security and Exchange Law, and no privilege of dividend and voting right may be vested in them. The stocks of the Company held by the subsidiaries were treated as Treasury Stock and entitled to the rights vested in shareholders except for the privilege of cash capitalization and voting right.

XXIV. Net profit from continuing operations

(I) Other gains and (expenses and losses) - net

|                           | <u>2023</u>        | <u>2022</u>       |
|---------------------------|--------------------|-------------------|
| Other gains               | \$ 187,998         | \$ 107,611        |
| Other expenses and losses | ( <u>151,146</u> ) | ( <u>93,695</u> ) |
|                           | <u>\$ 36,852</u>   | <u>\$ 13,916</u>  |

(II) Interest revenue

|              | <u>2023</u>       | <u>2022</u>      |
|--------------|-------------------|------------------|
| Bank deposit | \$ 196,348        | \$ 58,442        |
| Others       | <u>121</u>        | <u>4,384</u>     |
|              | <u>\$ 196,469</u> | <u>\$ 62,826</u> |

(III) Other revenue

|              | <u>2023</u>       | <u>2022</u>      |
|--------------|-------------------|------------------|
| Lease income | \$ 11,495         | \$ 11,926        |
| Others       | <u>95,728</u>     | <u>81,682</u>    |
|              | <u>\$ 107,223</u> | <u>\$ 93,608</u> |

(III) Other gains and (losses)

|                                                                                                      | <u>2023</u>           | <u>2022</u>       |
|------------------------------------------------------------------------------------------------------|-----------------------|-------------------|
| Profit (loss) from financial assets and financial liabilities                                        |                       |                   |
| Financial assets and financial liabilities mandatorily measured at fair value through profit or loss | (\$ 189,368)          | (\$ 436,596)      |
| Financial liabilities held for trading                                                               | ( 6,091)              | -                 |
| Net gain from foreign currency exchange                                                              | 109,902               | 761,549           |
| Loss on disposal of property, plant and equipment                                                    | ( 28,716)             | ( 34,633)         |
| Gain (loss) from fair value adjustment of investment property                                        | 19,600                | ( 1,700)          |
| Others                                                                                               | ( <u>9,203</u> )      | ( <u>3,118</u> )  |
|                                                                                                      | ( <u>\$ 103,876</u> ) | <u>\$ 285,502</u> |

(V) Financial cost

|                                                             | <u>2023</u>       | <u>2022</u>      |
|-------------------------------------------------------------|-------------------|------------------|
| Bank loan interest                                          | \$ 107,483        | \$ 88,928        |
| Interest on corporate bonds                                 | 8,598             | -                |
| Interest of lease liabilities                               | 391               | 338              |
| Other interest expenses                                     | 3,435             | 2,021            |
| Less: The amount of the cost of assets meeting requirements | ( <u>1,931</u> )  | ( <u>972</u> )   |
|                                                             | <u>\$ 117,976</u> | <u>\$ 90,315</u> |

The information related to capitalization of interest is stated as following:

|                                             | <u>2023</u>     | <u>2022</u>   |
|---------------------------------------------|-----------------|---------------|
| Amount of capitalization of interest        | <u>\$ 1,931</u> | <u>\$ 972</u> |
| Interest rate of capitalization of interest | 1.92%           | 1.37%         |

(VI) Depreciation and amortization

|                                                         | <u>2023</u>       | <u>2022</u>       |
|---------------------------------------------------------|-------------------|-------------------|
| Summarization of the depreciation expenses by functions |                   |                   |
| Operating costs                                         | \$ 820,643        | \$ 743,111        |
| Operating expenses                                      | <u>120,341</u>    | <u>115,046</u>    |
|                                                         | <u>\$ 940,984</u> | <u>\$ 858,157</u> |
| Summarization of the amortization expenses by functions |                   |                   |
| Operating costs                                         | \$ 19,561         | \$ 13,115         |
| Operating expenses                                      | <u>6,360</u>      | <u>3,110</u>      |
|                                                         | <u>\$ 25,921</u>  | <u>\$ 16,225</u>  |

(VII) Employee benefit expenses

|                                      | <u>2023</u>         | <u>2022</u>         |
|--------------------------------------|---------------------|---------------------|
| Post-retirement benefits (Note XXII) |                     |                     |
| Defined contribution plan            | \$ 70,497           | \$ 70,056           |
| Defined benefit plan                 | <u>1,503</u>        | <u>1,944</u>        |
|                                      | 72,000              | 72,000              |
| Resignation benefits                 | 129                 | 2,131               |
| Other employee benefits              | <u>5,681,432</u>    | <u>5,695,964</u>    |
| Total of employee benefits expenses  | <u>\$ 5,753,561</u> | <u>\$ 5,770,095</u> |
| Summarization by functions           |                     |                     |
| Operating costs                      | \$ 4,294,706        | \$ 4,394,789        |
| Operating expenses                   | <u>1,458,856</u>    | <u>1,375,306</u>    |
|                                      | <u>\$ 5,753,562</u> | <u>\$ 5,770,095</u> |

(VIII) Remuneration to employees and directors

According to the Articles of Incorporation, no less than 5–10% and no more than 1% of the net profit before tax before deduction of the remuneration to employees and directors for the current year should be distributed to employees and directors, respectively. The Board of Directors decided on the 2023 and 2022 remuneration to employees and directors on March 12, 2024 and March 9, 2023, respectively, as follows:

Estimated ratio

|                           | <u>2023</u> | <u>2022</u> |
|---------------------------|-------------|-------------|
| Remuneration to employees | 6.39%       | 5.96%       |
| Remuneration to directors | 0.92%       | 0.86%       |

Amount

|                           | <u>2023</u>       | <u>2022</u>       |
|---------------------------|-------------------|-------------------|
|                           | <u>Cash</u>       | <u>Cash</u>       |
| Remuneration to employees | <u>\$ 298,000</u> | <u>\$ 334,000</u> |
| Remuneration to directors | <u>\$ 43,000</u>  | <u>\$ 48,000</u>  |

If there is still change to the value after the date when the annual consolidated financial statement is approved and released, it is handled as changes in accounting estimates and will be adjusted and booked in the following year.

For information on the remunerations to employees and that to directors decided by the Board of Directors, please visit the Market Observation Post System of Taiwan Stock Exchange.

(IX) Profit (loss) from foreign currency exchange

|                                                | <u>2023</u>          | <u>2022</u>          |
|------------------------------------------------|----------------------|----------------------|
| Total profit of exchange in foreign currencies | \$ 1,421,389         | \$ 2,289,365         |
| Total loss of exchange in foreign currencies   | ( <u>1,311,487</u> ) | ( <u>1,527,816</u> ) |
| Net profit (loss)                              | <u>\$ 109,902</u>    | <u>\$ 761,549</u>    |

XXV. Income tax of continued operations

(I) Income tax recognized in profit or loss

Main components of the income tax expense are as follows:

|                                                            | <u>2023</u>         | <u>2022</u>         |
|------------------------------------------------------------|---------------------|---------------------|
| Income tax for the year                                    |                     |                     |
| Those incurred for the current term                        | \$ 1,411,202        | \$ 1,374,441        |
| Additional tax levied on undistributed earnings            | 102,492             | 78,230              |
| Adjustment of previous year(s)                             | ( 81,570 )          | 29,977              |
| Others                                                     | <u>-</u>            | <u>2,988</u>        |
|                                                            | <u>1,432,124</u>    | <u>1,485,636</u>    |
| Deferred income tax                                        |                     |                     |
| Those incurred for the current term                        | <u>257,191</u>      | <u>334,822</u>      |
|                                                            | <u>257,191</u>      | <u>334,822</u>      |
| The income tax expenses recognized into profit and/or loss | <u>\$ 1,689,315</u> | <u>\$ 1,820,458</u> |

The accounting income and income tax expenses are adjusted below:

|                                                                                    | 2023                | 2022                |
|------------------------------------------------------------------------------------|---------------------|---------------------|
| Net profit before tax from continuing operation                                    | <u>\$ 5,217,907</u> | <u>\$ 6,388,333</u> |
| Income tax expenses for net profit before tax calculated at the statutory tax rate | \$ 1,797,888        | \$ 2,203,789        |
| Expenses and losses which could not be reduced from tax                            | 4,217               | 3,972               |
| Income exempted from income tax                                                    | ( 3,928)            | -                   |
| Additional tax levied on undistributed earnings                                    | 102,492             | 78,230              |
| Land value increment tax of investment property                                    | 1,325               | ( 89)               |
| Reversal of unrecognized deductible temporary difference for current period        | ( 108,318)          | ( 495,544)          |
| Unrecognized loss carryforwards drawn in the current period                        | ( 22,791)           | ( 2,865)            |
| The income tax expenses of previous year(s) adjusted in the present year           | ( 81,570)           | 29,977              |
| Others                                                                             | <u>-</u>            | <u>2,988</u>        |
| The income tax expenses recognized into profit and/or loss                         | <u>\$ 1,689,315</u> | <u>\$ 1,820,458</u> |

The Consolidated Company should apply the tax rate 20% applicable to entities under the ROC Income Tax Act. The tax rate, 25%, should be applied to the subsidiaries in Mainland China, while the income tax generated in any other jurisdictions should be calculated at the tax rates applicable within the jurisdictions.

## (II) Income tax recognized into other comprehensive income

|                                                       | <u>2023</u>                 | <u>2022</u>             |
|-------------------------------------------------------|-----------------------------|-------------------------|
| <u>Deferred income tax</u>                            |                             |                         |
| Those yielded in the current period                   |                             |                         |
| - Translation of foreign operations                   | (\$ 41,396)                 | (\$ 2,109)              |
| — Defined benefit plan re-measurement amount          | ( <u>8,238</u> )            | <u>16,413</u>           |
| Income tax recognized into other comprehensive income | ( <u><u>\$ 49,634</u></u> ) | <u><u>\$ 14,304</u></u> |

## (III) Deferred income tax assets and liabilities

The deferred income tax assets and liabilities show the following changes:

2023

|                                                                                                                     | Balance -<br>beginning of<br>year | Recognized<br>into profit<br>and/or loss | Recognized<br>into other<br>comprehensiv<br>e income | Balance - end<br>of year |
|---------------------------------------------------------------------------------------------------------------------|-----------------------------------|------------------------------------------|------------------------------------------------------|--------------------------|
| <u>Deferred income tax assets</u>                                                                                   |                                   |                                          |                                                      |                          |
| Temporary difference                                                                                                |                                   |                                          |                                                      |                          |
| Loss on inventory devaluation                                                                                       | \$ 49,401                         | \$ 31,805                                | \$ -                                                 | \$ 81,206                |
| Exchange gains or losses                                                                                            | 6,588                             | 18,750                                   | -                                                    | 25,338                   |
| Financial liabilities at fair value through profit or loss                                                          | 982                               | ( 982)                                   | -                                                    | -                        |
| Provision for liabilities                                                                                           | 22,030                            | 6,147                                    | -                                                    | 28,177                   |
| Defined benefit retirement plan                                                                                     | -                                 | ( 8,190)                                 | 8,238                                                | 48                       |
| Loss in impairment in financial assets                                                                              | 4,500                             | -                                        | -                                                    | 4,500                    |
| Tax difference between fixed assets and idle assets                                                                 | 440                               | 1,091                                    | -                                                    | 1,531                    |
| Provision of compensation loss                                                                                      | 33,112                            | ( 247)                                   | -                                                    | 32,865                   |
| Others                                                                                                              | <u>59,200</u>                     | <u>13,057</u>                            | <u>41,396</u>                                        | <u>113,653</u>           |
|                                                                                                                     | <u><u>\$ 176,253</u></u>          | <u><u>\$ 61,431</u></u>                  | <u><u>\$ 49,634</u></u>                              | <u><u>\$ 287,318</u></u> |
| <u>Deferred income tax liabilities</u>                                                                              |                                   |                                          |                                                      |                          |
| Temporary difference                                                                                                |                                   |                                          |                                                      |                          |
| Portions of profits or losses of subsidiaries, affiliates, and joint ventures recognized adopting the equity method | \$ 54,545                         | \$ 278,549                               | \$ -                                                 | \$ 333,094               |
| Financial assets at fair value through profit or loss                                                               | -                                 | 7,451                                    | -                                                    | 7,451                    |
| Defined benefit retirement plan                                                                                     | 3,176                             | ( 3,176)                                 | -                                                    | -                        |
| Tax difference between fixed assets and idle assets                                                                 | 63                                | ( 63)                                    | -                                                    | -                        |
| Investment property                                                                                                 | 83,333                            | 1,325                                    | -                                                    | 84,658                   |
| Others                                                                                                              | <u>197,516</u>                    | <u>32,308</u>                            | <u>-</u>                                             | <u>229,824</u>           |
|                                                                                                                     | <u><u>\$ 338,633</u></u>          | <u><u>\$ 316,394</u></u>                 | <u><u>\$ -</u></u>                                   | <u><u>\$ 655,027</u></u> |



## 2022

|                                                                                                                              | Balance -<br>beginning of<br>year | Recognized<br>into profit<br>and/or loss | Recognized<br>into other<br>comprehensiv<br>e income | Balance - end<br>of year |
|------------------------------------------------------------------------------------------------------------------------------|-----------------------------------|------------------------------------------|------------------------------------------------------|--------------------------|
| <u>Deferred income tax assets</u>                                                                                            |                                   |                                          |                                                      |                          |
| Temporary difference                                                                                                         |                                   |                                          |                                                      |                          |
| Portions of profits or losses of<br>subsidiaries, affiliates, and<br>joint ventures recognized<br>adopting the equity method | \$ 123,441                        | (\$ 123,441)                             | \$ -                                                 | \$ -                     |
| Loss on inventory devaluation                                                                                                | 22,091                            | 27,310                                   | -                                                    | 49,401                   |
| Exchange gains or losses                                                                                                     | 1,162                             | 5,426                                    | -                                                    | 6,588                    |
| Financial liabilities at fair value<br>through profit or loss                                                                | -                                 | 982                                      | -                                                    | 982                      |
| Provision for liabilities                                                                                                    | 35,717                            | ( 13,687)                                | -                                                    | 22,030                   |
| Defined benefit retirement plan                                                                                              | 27,999                            | -                                        | ( 27,999)                                            | -                        |
| Loss in impairment in financial<br>assets                                                                                    | 4,500                             | -                                        | -                                                    | 4,500                    |
| Tax difference between fixed<br>assets and idle assets                                                                       | 98                                | 342                                      | -                                                    | 440                      |
| Provision of compensation loss                                                                                               | 34,761                            | ( 1,649)                                 | -                                                    | 33,112                   |
| Others                                                                                                                       | 48,463                            | 8,628                                    | 2,109                                                | 59,200                   |
|                                                                                                                              | <u>\$ 298,232</u>                 | <u>(\$ 96,089)</u>                       | <u>(\$ 25,890)</u>                                   | <u>\$ 176,253</u>        |
| <u>Deferred income tax liabilities</u>                                                                                       |                                   |                                          |                                                      |                          |
| Temporary difference                                                                                                         |                                   |                                          |                                                      |                          |
| Portions of profits or losses of<br>subsidiaries, affiliates, and<br>joint ventures recognized<br>adopting the equity method | \$ -                              | \$ 54,545                                | \$ -                                                 | \$ 54,545                |
| Financial assets at fair value<br>through profit or loss                                                                     | 1,839                             | ( 1,839)                                 | -                                                    | -                        |
| Defined benefit retirement plan                                                                                              | -                                 | 14,762                                   | ( 11,586)                                            | 3,176                    |
| Tax difference between fixed<br>assets and idle assets                                                                       | 884                               | ( 821)                                   | -                                                    | 63                       |
| Investment property                                                                                                          | 83,422                            | ( 89)                                    | -                                                    | 83,333                   |
| Others                                                                                                                       | 49,650                            | 147,866                                  | -                                                    | 197,516                  |
|                                                                                                                              | <u>\$ 135,795</u>                 | <u>\$ 214,424</u>                        | <u>(\$ 11,586)</u>                                   | <u>\$ 338,633</u>        |

- (IV) The deductible temporary differences and unused loss credit of the deferred income tax assets that are not recognized in the consolidated balance sheet

|                                     | <u>December 31, 2023</u> | <u>December 31, 2022</u> |
|-------------------------------------|--------------------------|--------------------------|
| Deductible temporary<br>differences |                          |                          |
| Overseas subsidiaries               | <u>\$ 2,660,000</u>      | <u>\$ 2,800,000</u>      |

- (V) Summarized amount of temporary differences related to investment but not recognized as deferred income tax liabilities

As of December 31, 2023 and 2022, the taxable temporary differences related to the investment in subsidiaries and not recognized as deferred income tax liabilities were NT\$4,361,000 thousand and NT\$4,028,000 thousand, respectively.

(VI) Authorization of income tax

Except for 2020, the tax collection authorities had approved all the profit-seeking enterprise income tax returns of the Company as of 2021. The tax collection authorities have approved all the profit-seeking enterprise income tax returns of King Hsiang Investment Company as of 2021.

XXVI. Earnings per share

|                            | Unit: NTD per share |                |
|----------------------------|---------------------|----------------|
|                            | 2023                | 2022           |
| Basic EPS                  | <u>\$ 7.25</u>      | <u>\$ 8.86</u> |
| Diluted earnings per share | <u>\$ 7.22</u>      | <u>\$ 8.78</u> |

The weighted average number of common shares used to calculate the earnings in the earnings per share (EPS) are enumerated below:

Net profit of the year

|                                                                     | 2023                | 2022                |
|---------------------------------------------------------------------|---------------------|---------------------|
| The net profit of owner attributed to the Company                   | \$ 3,528,592        | \$ 4,567,875        |
| Impacts of potential common stock with diluting effects:            |                     |                     |
| Interest after tax of convertible corporate bonds                   | <u>6,878</u>        | <u>-</u>            |
| Net profit for calculating the basic and diluted earnings per share | <u>\$ 3,535,470</u> | <u>\$ 4,567,875</u> |

Number of shares

|                                                                                                     | Unit: 1,000 shares |                |
|-----------------------------------------------------------------------------------------------------|--------------------|----------------|
|                                                                                                     | 2023               | 2022           |
| The weighted average number of common shares to be used to calculate basic earnings per share (EPS) | 486,688            | 515,578        |
| Impacts of potential common stock with diluting effects:                                            |                    |                |
| Remuneration to employees                                                                           | 2,020              | 4,578          |
| Convertible corporate bonds                                                                         | <u>1,277</u>       | <u>-</u>       |
| The weighted average number of common shares for calculating the diluted earnings per share (EPS)   | <u>489,985</u>     | <u>520,156</u> |

If the Company can choose to issue employee remunerations in the form of shares or cash, in the calculation of diluted earnings per share, it is assumed that issuance of shares will be adopted for employee remunerations and the weighted average circulating shares are included in the calculation when the said common stock exercises the diluting effect in order to calculate the diluted earnings per share. When the diluted earnings per share are calculated prior to issuance of shares as employee remunerations as determined in the following year, the diluting effect from the said potential common stock shall continue to be taken into consideration, too.

#### XXVII. Capital risk management

The Consolidated Company managed their capitals to assure that, insofar as various entities within the Group continued operations, the returns to shareholders could be maximized through optimal balances in liabilities and equity.

The Consolidated Company's capital structure consisted of their net debts (namely the loans less cash and cash equivalents) and equity (namely the capital stock, additional paid-in capital, retained earnings and other equity less treasury stocks).

It was not necessary for the Consolidated Company to comply with any other external capital requirements.

#### XXVIII. Financial instruments

##### (I) Fair value - financial instruments that are not measured at fair value

The management of the Consolidated Company believed that the financial assets and financial liabilities not measured at fair value that was close to the fair value thereof. As of December 31, 2023 and 2022, there was no significant difference between the book value and fair value.

(II) Information on fair value – financial instruments measured at fair value on a recurring basis

1. Fair value hierarchy

December 31, 2023

|                                                              | <u>Degree I</u> | <u>Degree II</u> | <u>Total</u>     |
|--------------------------------------------------------------|-----------------|------------------|------------------|
| <u>Financial assets at fair value through profit or loss</u> |                 |                  |                  |
| Derivative financial instruments                             | \$ -            | \$ 77,017        | \$ 77,017        |
| Non-derivative financial instruments                         |                 |                  |                  |
| — TWSE/TPEX-listed and emerging stocks                       | <u>2,420</u>    | <u>-</u>         | <u>2,420</u>     |
| Subtotal                                                     | <u>\$ 2,420</u> | <u>\$ 77,017</u> | <u>\$ 79,437</u> |

Financial liabilities at fair value through profit or loss

|                                  |             |                  |                  |
|----------------------------------|-------------|------------------|------------------|
| Derivative financial instruments | <u>\$ -</u> | <u>\$ 21,860</u> | <u>\$ 21,860</u> |
|----------------------------------|-------------|------------------|------------------|

December 31, 2022

|                                                              | <u>D e g r e e I</u> | <u>D e g r e e II</u> | <u>T o t a l</u> |
|--------------------------------------------------------------|----------------------|-----------------------|------------------|
| <u>Financial assets at fair value through profit or loss</u> |                      |                       |                  |
| Derivative financial instruments                             | \$ -                 | \$ 40,166             | \$ 40,166        |
| Non-derivative financial instruments                         |                      |                       |                  |
| — TWSE/TPEX-listed and emerging stocks                       | <u>3,136</u>         | <u>-</u>              | <u>3,136</u>     |
| Subtotal                                                     | <u>\$ 3,136</u>      | <u>\$ 40,166</u>      | <u>\$ 43,302</u> |

Financial liabilities at fair value through profit or loss

|                                  |             |                 |                 |
|----------------------------------|-------------|-----------------|-----------------|
| Derivative financial instruments | <u>\$ -</u> | <u>\$ 4,908</u> | <u>\$ 4,908</u> |
|----------------------------------|-------------|-----------------|-----------------|

There was no transfer between fair value measurements Degree 1 and Degree 2 in 2023 and 2022.

2. Evaluation techniques and an input value of Degree 2 fair value measurement

| <u>Categories of financial instruments</u>                                                 | <u>Evaluation techniques and input values</u>                                                                                                                                                                                                                     |
|--------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Derivative financial instruments - Forward foreign exchange contracts & FX swaps contracts | Discounted cash flow approach: Future cash flows are estimated based on observable forward exchange rates and contractual forward exchange rates, discounted at a rate that reflects the credit risk of various trading counterparts.                             |
| Derivatives – Convertible corporate bond conversion option                                 | The binary tree-based convertible bond valuation model is adopted to estimate the bond value and the call option value based on the stock price volatility at the end of the period, the risk-free interest rate, the risk discount rate, and the liquidity risk. |

(III) Categories of financial instruments

|                                                   | <u>December 31, 2023</u> | <u>December 31, 2022</u> |
|---------------------------------------------------|--------------------------|--------------------------|
| <u>Financial assets</u>                           |                          |                          |
| At fair value through profit or loss              |                          |                          |
| At fair value through profit or loss compulsorily | \$ 79,437                | \$ 43,302                |
| Measured at amortized cost (Note 1)               | 18,656,508               | 16,855,084               |
| <u>Financial liabilities</u>                      |                          |                          |
| At fair value through profit or loss              |                          |                          |
| At fair value through profit or loss compulsorily | 21,860                   | 4,908                    |
| Measured at amortized cost (Note 2)               | 14,326,450               | 14,172,023               |

Note 1: The balances included the financial assets at amortized costs, such as cash & cash equivalents, time deposit with initial maturity date more than three months away, notes receivable, accounts receivable, other receivables and refundable deposits.

Note 2: The balances included the financial liabilities measured at amortized costs, such as short-term loans, notes and accounts payable, other payables, long-term loans (including those due within a year), long-term notes payable, corporate bonds payable, and guarantee deposits received.

(IV) Objectives and policies of financial risk management

The Consolidated Company manages foreign currency exchange rate risk, interest rate risk, equity instrument price risk, credit risk and liquidity risk to reduce the potential adverse effects of market uncertainty on the financial performance of the Company. The Company's significant financial plans are reviewed by the Audit Committee and/or the Board of Directors in accordance with relevant regulations and internal control systems. The Company strictly abides by relevant financial standards for overall financial risk management and division of authority when executing financial plans.

The Consolidated Company hedged against the exposure through derivative financial instruments, in order to mitigate the effect posed by such risks. The application of derivative financial instruments was governed by the policies passed by the Consolidated Company's board of directors, as the written principles for application of foreign risk, interest risk, credit risk, derivative financial instruments and non-derivative financial instruments and residual current fund. The internal auditors kept rechecking the compliance with the policies and limit of exposure. The Consolidated Company never engaged in transactions of financial instruments (including derivative financial instruments) for the purpose of any speculative operations.

1. Market risk

The major financial risks incurred by operating activities upon the Consolidated Company included the risk of changes in foreign exchange rate (see (1) below) and risk of changes in interest rate (see (2) below). The Consolidated Company is engaged in various transactions of derivative financial instruments to manage the foreign exchange and interest rate risks to be borne by them, including the hedge against the foreign exchange risk arising from export sales with forward foreign exchange and FX swaps contracts.

The Consolidated Company's exposure to the market risk over related financial instruments and the management and measurement methods adopted by the Consolidated Company with respect to the risk remained unchanged.

(1) Foreign exchange rate risk

Several subsidiaries of the Company engaged in foreign currency-denominated sales and purchases, which exposed the Consolidated Company the risk of foreign exchange rate changes

therefor. About 90.56% of the Consolidated Company's sales were not denominated in the functional currency adopted by the group entity engaged in the relevant transaction. About 34.41% of the costs of goods sold were not denominated in the functional currency adopted by the group entity engaged in the relevant transaction. Insofar as it is permitted by policies, the Consolidated Company utilized forward foreign exchange contracts to help manage the risk.

For the book value of the Consolidated Company's non-functional currency-denominated monetary assets and liabilities (including the non-functional currency-denominated monetary items already written off in the consolidated financial statements), please see Note XXXII.

#### Sensitivity analysis

The Consolidated Company were primarily exposed to the fluctuation in foreign exchange rates in USD and JPY.

The following table details the Consolidated Company's sensitivity analysis in the case of the increase or decrease of 2% in functional currency against the relevant foreign currency. 2% represents the sensitivity ratio applied by the Consolidated Company when the foreign exchange rate risk is reported to the management within the Group, and also the management's evaluation on reasonable changes of the foreign exchange rate. The sensitivity analysis included only outstanding foreign currency-denominated monetary items and forward foreign exchange contracts designated to hedge against cash flows, and their translation at the end of the year was adjusted by changes in exchange rates by 2%. The positive figures in the following table indicate the amount decreased for the net profit before tax when NTD against the related currencies appreciates 2%; when NTD against the related currencies depreciates 2%, the effects to the net profit before tax will be negative at the same amount.

|      | Effect of USD |               |
|------|---------------|---------------|
|      | 2023          | 2022          |
| Loss | \$194,691 (i) | \$203,627 (i) |

(i) Primarily as a result of the Consolidated Company's receivables, payables and loans which were denominated in USD and still

outstanding on the balance sheet date, without hedging against cash flows.

The Consolidated Company's sensitivity to exchange rates declined in the current period, primarily as a result of the decrease in the accounts receivable denominated in USD of subsidiaries that led to the decrease in balance of net assets of the Consolidated Company denominated in USD.

(2) Interest rate risk

The interest rate risk arose as a result of the loans bearing interest accruing at fixed interest rate and floating interest rate borrowed by the Consolidated Company. The Consolidated Company maintains an adequate combination of fixed and floating interest rates to manage the interest rate risk.

The book values of the Consolidated Company's financial assets and financial liabilities with exposure to interest rates on the balance sheet date are stated as following:

|                                    | <u>December 31, 2023</u> | <u>December 31, 2022</u> |
|------------------------------------|--------------------------|--------------------------|
| With fair value interest rate risk |                          |                          |
| — Financial liabilities            | \$ 84,563                | \$ 15,394                |
| With cash flow interest rate risk  |                          |                          |
| — Financial assets                 | 7,797,515                | 6,019,077                |
| — Financial liabilities            | 1,681,760                | 5,528,434                |

Sensitivity analysis

The following analyses of sensitivity were determined based on the interest rate risk exposure if derivative and non-derivative financial instruments on the balance sheet dates. For liabilities at floating rate, the analysis was prepared under the assumption that the amount of the liabilities outstanding on the balance sheet date was outstanding during the reporting period. 50 base points mean the interest rate change ratio applied by the Group when it reported interest rates to the management, and also the management's evaluation on reasonable changes of the interest rate.



If the interest rate increases/decreases by 50 base points and all the other variables remain unchanged, the Consolidated Company's pre-tax net profit would increase by NT\$30,156 thousand and NT\$2,376 thousand in 2023 and 2022, respectively, primarily as a result of the Consolidated Company's exposure to the risk of changes in interest rates for demand deposits and loans.

2. Credit risk

The credit risk denotes the risk that the Consolidated Company might incur a loss when the trading counterparts default the obligations under the contracts. As of the balance sheet date, the top credit risk the Consolidated Company might incur in financial losses due to failure by the counterparts in failure in performance of the obligations and the Consolidated Company's provision of financial guarantees primarily come from notes the book amount of notes and accounts receivable recognized in the consolidated balance sheet.

Operation-related credit risk

The outstanding accounts receivable of the Consolidated Company are mainly from customers around the world, and most of them are not provided as collaterals or credit guarantees. Although the Company has procedures in place to monitor and reduce the credit risk of accounts receivable, there is no guarantee that such procedures can completely prevent the loss caused by the credit risk. Such credit risk will increase when economic conditions deteriorate. As of December 31, 2023 and 2022, the balance of accounts receivable of the top ten customers accounted for 81% and 74% of the balance of the Company's accounts receivable, respectively; the credit risk concentration of the remaining accounts receivable is relatively insignificant.

In order to mitigate the credit risk, on the balance sheet date, the Consolidated Company would recheck on a case-by-case basis the recoverable amount of notes and accounts receivable to assure that for the notes and accounts receivable which were not recoverable, appropriate impairment loss has been duly amortized. Accordingly, the Company's management held that the Consolidated Company's credit risks had been significantly mitigated.

3. Liquidity risk

The Consolidated Company managed and maintained sufficient cash and cash equivalent to support the Group's business operations and minimize the

impact of changes in cash flow. The Consolidated Company's management closely watches the usage of the financing credit lines in banks and assures faithful compliance of the terms and conditions set forth under the loan contracts.

To the Consolidated Company, bank loans functioned as a key source of liquidity. Please refer to Note (2) "Facility" for the Consolidated Company's unused facility.

(1) Liquidity and interest rate risk of non-derivative financial liabilities

Non-derivative financial liabilities remaining contract maturity analysis was prepared in accordance with the earliest payment date expected of the Consolidated Company and the undiscounted cash flows (including principal and estimated interest) of financial liabilities. Therefore, the Consolidated Company may be required to immediately repay the bank loan that is illustrated in the following table without considering the probability that the bank may immediately exercise such right. The other non-derivative financial liabilities maturity analysis was prepared on the agreed repayment date.

The undiscounted interest for the cash flow of interest payable at floating interest rate derived from the bond yield curves at the balance sheet date.

December 31, 2023

|                                          | Repayment on<br>demand or less<br>than 1 months | 1 month ~ 3<br>months | 3 months ~ 1<br>year | 1 year~5 years      | Over 5 years     |
|------------------------------------------|-------------------------------------------------|-----------------------|----------------------|---------------------|------------------|
| Liabilities                              |                                                 |                       |                      |                     |                  |
| without interest                         | \$ 2,097,977                                    | \$ 3,150,786          | \$ 2,425,135         | \$ 196,919          | \$ -             |
| Lease liabilities                        | 1,168                                           | 2,342                 | 6,928                | 32,548              | 41,577           |
| Floating interest<br>rate<br>instruments | -                                               | -                     | 216,761              | -                   | -                |
| Fixed interest rate<br>instruments       | -                                               | -                     | -                    | 1,445,556           | 19,444           |
|                                          | <u>\$ 2,099,145</u>                             | <u>\$ 3,153,128</u>   | <u>\$ 2,648,824</u>  | <u>\$ 1,675,023</u> | <u>\$ 61,021</u> |

The other information about lease liabilities maturity analysis is stated as following:

|                   | Less than 1<br>year | 1 year~5<br>years | 5 years~10<br>years | 10 years~15<br>years | 15 years~20<br>years | Over 20<br>years |
|-------------------|---------------------|-------------------|---------------------|----------------------|----------------------|------------------|
| Lease liabilities | <u>\$ 10,438</u>    | <u>\$ 32,548</u>  | <u>\$ 41,577</u>    | <u>\$ -</u>          | <u>\$ -</u>          | <u>\$ -</u>      |

## December 31, 2022

|                                          | Repayment on<br>demand or less<br>than 1 months | 1 month ~ 3<br>months | 3 months ~ 1<br>year | 1 year~5 years      | Over 5 years |
|------------------------------------------|-------------------------------------------------|-----------------------|----------------------|---------------------|--------------|
| Liabilities                              |                                                 |                       |                      |                     |              |
| without interest                         | \$ 759,650                                      | \$ 4,065,705          | \$ 1,986,029         | \$ 537,736          | \$ -         |
| Lease liabilities                        | 1,472                                           | 2,951                 | 7,861                | 3,110               | -            |
| Floating interest<br>rate<br>instruments | 573,597                                         | 607,770               | 1,007,067            | -                   | -            |
| Fixed interest rate<br>instruments       | -                                               | -                     | -                    | 3,340,000           | -            |
|                                          | <u>\$ 1,334,719</u>                             | <u>\$ 4,676,426</u>   | <u>\$ 3,000,957</u>  | <u>\$ 3,880,846</u> | <u>\$ -</u>  |

The other information about lease liabilities maturity analysis is stated as following:

|                   | Less than 1<br>year | 1 year~5<br>years | 5 years~10<br>years | 10 years~15<br>years | 15 years~20<br>years | Over 20<br>years |
|-------------------|---------------------|-------------------|---------------------|----------------------|----------------------|------------------|
| Lease liabilities | <u>\$ 12,284</u>    | <u>\$ 3,110</u>   | <u>\$ -</u>         | <u>\$ -</u>          | <u>\$ -</u>          | <u>\$ -</u>      |

## (2) Facility

|                                                          | <u>December 31, 2023</u> | <u>December 31, 2022</u> |
|----------------------------------------------------------|--------------------------|--------------------------|
| Unsecured bank overdraft<br>(to be reviewed<br>annually) |                          |                          |
| — Already drawn<br>down                                  | \$ 1,595,056             | \$ 4,129,795             |
| — Not yet drawn<br>down                                  | <u>9,844,718</u>         | <u>6,715,144</u>         |
|                                                          | <u>\$ 11,439,774</u>     | <u>\$ 10,844,939</u>     |
| Secured bank overdraft                                   |                          |                          |
| — Already drawn<br>down                                  | \$ 86,704                | \$ 1,398,641             |
| — Not yet drawn<br>down                                  | <u>264,566</u>           | <u>1,561,692</u>         |
|                                                          | <u>\$ 351,270</u>        | <u>\$ 2,960,333</u>      |

## XXIX. Transactions with related parties

Upon consolidation, the transactions, balances in accounts, gains, expenses and losses existing between the Company and its subsidiaries (as the Company's related parties) were written out in full and, therefore, are not disclosed in this Note.

Remuneration to the management

|                              | <u>2023</u>      | <u>2022</u>      |
|------------------------------|------------------|------------------|
| Short-term employee benefits | \$ 87,941        | \$ 90,911        |
| Post-employment benefits     | <u>1,510</u>     | <u>1,512</u>     |
|                              | <u>\$ 89,451</u> | <u>\$ 92,423</u> |

The salaries and remunerations to directors and other key management were determined by the Salary Committee in accordance with the personal performances and trends in the markets:

XXX. Pledged assets

The following assets were provided as collateral for financing loans and for the tariffs of imported raw materials and supplies:

|                     | <u>December 31, 2023</u> | <u>December 31, 2022</u> |
|---------------------|--------------------------|--------------------------|
| Land                | \$ 648,300               | \$ 648,300               |
| Building - net      | 420,426                  | 545,072                  |
| Right-of-use assets | <u>60,747</u>            | <u>117,300</u>           |
|                     | <u>\$ 1,129,473</u>      | <u>\$ 1,310,672</u>      |

XXXI. Material contingencies

The amount of unused letters of credit issued by the Consolidated Company for procurement of raw materials and machinery & equipment are enumerated as following (expressed in NTD thousand):

| <u>Currency type</u> | <u>December 31, 2023</u> | <u>December 31, 2022</u> |
|----------------------|--------------------------|--------------------------|
| JPY                  | \$ 296                   | \$ 29                    |
| USD                  | 33,900                   | 9,740                    |
| EUR                  | 894                      | 177                      |

XXXII. Information on financial assets and liabilities in foreign currencies with significant impact

The following information was summarized according to the foreign currencies other than the functional currencies of the Consolidated Company. The exchange rates disclosed was used to translate the foreign currencies into the functional currency. Financial assets and liabilities in foreign currencies with significant influence are summarized as following:

December 31, 2023

|                            | Foreign<br>currency | Exchange rate    | Book value           |
|----------------------------|---------------------|------------------|----------------------|
| Foreign currency<br>assets |                     |                  |                      |
| <u>Monetary items</u>      |                     |                  |                      |
| USD                        | \$ 386,371          | 30.705 (USD:NTD) | \$ 11,863,522        |
| USD                        | 204,329             | 6.9646 (USD:CNY) | 6,273,922            |
| USD                        | 8,812               | 34.223 (USD:THB) | 270,572              |
| RMB                        | 2,726               | 4.335 (CNY:NTD)  | 11,795               |
| Euro                       | 1,470               | 33.98 (EUR:NTD)  | 49,951               |
| Euro                       | 2,235               | 7.423 (EUR:RMB)  | 75,979               |
| JPY                        | 36,000              | 0.2173 (JPY:NTD) | 7,823                |
| THB                        | 2                   | 0.9017 (THB:NTD) | 2                    |
|                            |                     |                  | <u>\$ 18,553,566</u> |

Foreign currency  
liabilities

|                       |         |                  |                     |
|-----------------------|---------|------------------|---------------------|
| <u>Monetary items</u> |         |                  |                     |
| USD                   | 267,188 | 30.705 (USD:NTD) | 8,204,008           |
| USD                   | 6,476   | 6.9646 (USD:CNY) | 198,846             |
| RMB                   | 366     | 4.335 (CNY:NTD)  | 1,584               |
| Euro                  | 2,424   | 33.98 (EUR:NTD)  | 82,368              |
| Euro                  | 510     | 7.4229 (EUR:RMB) | 17,330              |
| JPY                   | 33,900  | 0.2173 (JPY:NTD) | 7,366               |
| JPY                   | 36,000  | 0.0524 (JPY:CNY) | 7,823               |
|                       |         |                  | <u>\$ 8,519,325</u> |

December 31, 2022

|                            | Foreign<br>currency | Exchange rate    | Book value           |
|----------------------------|---------------------|------------------|----------------------|
| Foreign currency<br>assets |                     |                  |                      |
| <u>Monetary items</u>      |                     |                  |                      |
| USD                        | \$ 415,211          | 30.71 (USD:NTD)  | \$ 12,751,130        |
| USD                        | 254,661             | 6.9646 (USD:CNY) | 7,820,639            |
| RMB                        | 3,513               | 4.408 (CNY:NTD)  | 15,485               |
| Euro                       | 887                 | 32.72 (EUR:NTD)  | 29,023               |
| Euro                       | 1,954               | 7.4229 (EUR:RMB) | 63,935               |
| JPY                        | 64,400              | 0.2324 (JPY:NTD) | 14,967               |
|                            |                     |                  | <u>\$ 20,695,179</u> |

December 31, 2022

|                                 | Foreign<br>currency | Exchange rate    | Book value           |
|---------------------------------|---------------------|------------------|----------------------|
| Foreign currency<br>liabilities |                     |                  |                      |
| <u>Monetary items</u>           |                     |                  |                      |
| USD                             | 266,420             | 30.71 (USD:NTD)  | \$ 8,181,758         |
| USD                             | 71,919              | 6.9646 (USD:CNY) | 2,208,632            |
| RMB                             | 22                  | 4.408 (CNY:NTD)  | 97                   |
| Euro                            | 2,302               | 32.72 (EUR:NTD)  | 75,321               |
| JPY                             | 243,860             | 0.2324 (JPY:NTD) | 56,673               |
| JPY                             | 64,400              | 0.0524 (JPY:CNY) | 14,967               |
|                                 |                     |                  | <u>\$ 10,537,448</u> |

XXXIII. Disclosures in the Notes

- (I) Information related to material transactions and (II) information related to reinvested enterprises:
1. Lending of funds to others: Attachment 7
  2. Endorsement and guarantee to others: Attachment 1.
  3. Marketable securities – end (exclusive of investments in subsidiaries, affiliates, and joint ventures): Attachment 2 and 8.
  4. Cumulative amount of the same marketable security purchased or sold reaching NT\$300 million or more than 20% of the paid-in capital: Attachment 3.
  5. Acquisition amount of real estate reaching NT\$300 million or more than 20% of the paid-in capital: Attachment 9.
  6. Amount on disposal of real estate reaching NT\$300 million or more than 20% of the paid-in capital: None.
  7. Purchase/sale amount of transactions with related parties reaching NT\$100 million or more than 20% of the paid-in capital: Attachment 4 and 10.
  8. Accounts receivable from related party reaching NT\$100 million or more than 20% of the paid-in capital: Attachment 5 and 11.
  9. Transactions of derivatives: Note VII.
  10. Information on investees: Attachment 6.
  11. Others: Amount of the business relationship and major transactions between parent company and subsidiaries and among subsidiaries: Attachment 14.

(III) Information on investment in Mainland China

1. The name of the investee in Mainland China, main items involved in the scope of operation, paid-in capital size, investment method, capital importation/exportation, holding ratio, investment profits and losses, book value of investments at end of term, repatriated investment profits or losses, and investment ceiling value for Mainland China: Attachment 12.
2. Major transactions and their values, payment terms, unrealized profits or losses that have incurred directly or indirectly through a third region with the investees in Mainland China: Attachment 13.
3. Direct, or indirect, via a third area, endorsement, guarantee or provision of collateral made with the investees in the Mainland China: Attachment 1.
4. Direct, or indirect, via an enterprise in a third area, financing with the investees in the Mainland China: Attachment 7.
5. Other transactions that produce material effects on the income or financial status in the current period: None.

(IV) Information of major shareholders: Names and shareholding quantities and ratios of shareholders that hold at least 5% of the equity: Attachment 15.

XXXIV. Segment information

The Consolidated Company primarily engaged in manufacturing, processing and trading printed circuit boards from the same production process, in the similar manner in the similar market. Meanwhile, the business decision makers also allocated resources among all of the companies as a whole. Therefore, all of the companies should constitute one single industry segment, and there should be no need to disclose the information by segment.

GOLD CIRCUIT ELECTRONICS LTD. and its subsidiaries

Endorsement and guarantee made for others

January 1 to December 31, 2023

Attachment 1

Unit: NTD thousand, USD thousand,  
CNY thousand and EUR thousand

| No. | Endorsed/<br>guaranteed by          | Counterpart                               |                                                              | Limits of<br>endorsement<br>and guarantee to<br>a single<br>enterprise<br>(Note 1) | Maximum<br>balance of<br>endorsement /<br>guarantee made<br>during the<br>current period | Balance of<br>endorsement /<br>guarantee at end<br>of the period | Amount actually<br>disbursed | Endorsement/<br>guarantee<br>secured by<br>property | Accumulated<br>amount of<br>endorsement<br>and guarantee<br>as a percentage<br>in the net<br>worth of the<br>financial<br>statements in<br>the most recent<br>period (%) | Maximum limits<br>of endorsement<br>and guarantee<br>(Note 2) | Endorsement/<br>guarantee<br>provided by<br>the Company<br>to the<br>subsidiary<br>(Note 3) | Endorsements/<br>guarantees<br>provided by<br>subsidiaries to<br>parent<br>company<br>(Note 3) | Endorsement/g<br>uarantee in<br>Mainland<br>China<br>(Note 3) |
|-----|-------------------------------------|-------------------------------------------|--------------------------------------------------------------|------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------|------------------------------------------------------------------|------------------------------|-----------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------|---------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------|---------------------------------------------------------------|
|     |                                     | Name                                      | Affiliation                                                  |                                                                                    |                                                                                          |                                                                  |                              |                                                     |                                                                                                                                                                          |                                                               |                                                                                             |                                                                                                |                                                               |
| 0   | GOLD CIRCUIT<br>ELECTRONICS<br>LTD. | Goldex Holding Limited                    | Subsidiary wholly<br>invested by the<br>Company directly     | \$ 11,365,320                                                                      | \$ 707,020<br>(USD 23,000)                                                               | \$ 644,805<br>(USD 21,000)                                       | \$ -<br>(USD -)              | \$ -                                                | 4.26%                                                                                                                                                                    | \$ 22,730,641                                                 | Y                                                                                           | N                                                                                              | N                                                             |
|     |                                     |                                           |                                                              | 11,365,320                                                                         | 173,550<br>(EUR 5,000)                                                                   | 101,940<br>(EUR 3,000)                                           | -<br>(EUR -)                 | -                                                   | 0.67%                                                                                                                                                                    | 22,730,641                                                    | Y                                                                                           | N                                                                                              | N                                                             |
|     |                                     | Gold Circuit International<br>Limited     | Company wholly<br>invested via a<br>subsidiary<br>indirectly | 11,365,320                                                                         | 259,400<br>(USD 8,000)                                                                   | 245,640<br>(USD 8,000)                                           | -<br>(USD -)                 | -                                                   | 1.62%                                                                                                                                                                    | 22,730,641                                                    | Y                                                                                           | N                                                                                              | N                                                             |
|     |                                     | Gold Circuit Enterprise<br>Limited        | Company wholly<br>invested via a<br>subsidiary<br>indirectly | 11,365,320                                                                         | 648,500<br>(USD 20,000)                                                                  | 614,100<br>(USD 20,000)                                          | -<br>(USD -)                 | -                                                   | 4.05%                                                                                                                                                                    | 22,730,641                                                    | Y                                                                                           | N                                                                                              | N                                                             |
|     |                                     | Suzhou Gold Circuit<br>Electronics Ltd.   | Company wholly<br>invested via a<br>subsidiary<br>indirectly | 11,365,320                                                                         | 609,600<br>(USD 20,000)                                                                  | -<br>(USD -)                                                     | -<br>(USD -)                 | -                                                   | -                                                                                                                                                                        | 22,730,641                                                    | Y                                                                                           | N                                                                                              | Y                                                             |
|     |                                     | Changshu Gold Circuit<br>Electronics Ltd. | Company wholly<br>invested via a<br>subsidiary<br>indirectly | 11,365,320                                                                         | 245,920<br>(USD 8,000)                                                                   | -<br>(USD -)                                                     | -<br>(USD -)                 | -                                                   | -                                                                                                                                                                        | 22,730,641                                                    | Y                                                                                           | N                                                                                              | Y                                                             |

Note 1: The aggregate amount of the endorsements/guarantees provided by the Company to a single enterprise shall not exceed 75% of the Company's net value in the current period. The maximum of the endorsements/guarantees made on December 31, 2023 was equivalent to 75% of the Company's most recent financial statements audited or certified by the CPA (for Q3 of 2023).

Note 2: The aggregate amount of the endorsements/guarantees made by the Company outward shall not exceed 150% of the Company's net value in the current period. The maximum of the endorsements/guarantees made on December 31, 2023 was equivalent to 75% of the Company's most recent financial statements audited or certified by the CPA (for Q3 of 2023).

Note 3: Enter Y only in the case of the parent company's endorsements/guarantees toward subsidiary(ies), a subsidiary's endorsements/guarantees toward its parent company, and the endorsements/guarantees toward the Mainland China area.



GOLD CIRCUIT ELECTRONICS LTD. and its subsidiaries

Marketable securities held – end of year

December 31, 2023

Attachment 2

Unit: NTD thousand

| Holder                        | Type and name                                 | Affiliation to the issuer | Account title                                                                  | End of period    |               |            |               | Remarks |
|-------------------------------|-----------------------------------------------|---------------------------|--------------------------------------------------------------------------------|------------------|---------------|------------|---------------|---------|
|                               |                                               |                           |                                                                                | Number of shares | Book value    | Equity (%) | Fair value    |         |
| GOLD CIRCUIT ELECTRONICS LTD. | Stock                                         |                           |                                                                                |                  |               |            |               |         |
| "                             | AMB Technology Co., Ltd                       | —                         | Financial assets at fair value through other comprehensive income - noncurrent | 267,857          | \$ -          | 1.984      | \$ -          |         |
| "                             | ULTRA PRECISION TECHNOLOGY COMPANY            | —                         | Financial assets at fair value through other comprehensive income - noncurrent | 1,000,000        | -             | 10.290     | -             |         |
|                               |                                               |                           |                                                                                |                  | \$ -          |            | \$ -          |         |
| "                             | King Hsiang Investment Co.                    | Subsidiary                | Long-term equity investment under equity method                                | 19,999,400       | \$ 58,658     | 99.997     | \$ 58,658     |         |
| "                             | Gold Circuit Electronics (Thailand) Co., Ltd. | Subsidiary                | Long-term equity investment under equity method                                | 20,750,000       | 651,691       | 100.000    | 651,691       |         |
| "                             | Goldex Holding Limited                        | Subsidiary                | Long-term equity investment under equity method                                | 181,910,000      | 9,462,754     | 100.000    | 9,462,754     |         |
|                               |                                               |                           |                                                                                |                  | \$ 10,173,103 |            | \$ 10,173,103 |         |

Gold Circuit Electronics Ltd. and its Subsidiaries

Cumulative amount of the same marketable securities purchased or sold reaching NT\$300 million or more than 20% of the paid-in capital  
2023

Attachment 3

Unit: NTD thousand, unless otherwise specified

| Buying/selling company        | Type and name (Note 1)                       | Account title                   | Trading counterpart (Note 2) | Affiliation (Note 2) | Beginning of period |            | Buy (Note 3)     |        | Sale (Note 3)    |               |           |                       | End of period    |            |
|-------------------------------|----------------------------------------------|---------------------------------|------------------------------|----------------------|---------------------|------------|------------------|--------|------------------|---------------|-----------|-----------------------|------------------|------------|
|                               |                                              |                                 |                              |                      | Number of shares    | Amount     | Number of shares | Amount | Number of shares | Selling price | Book cost | Disposal gain or loss | Number of shares | Amount     |
| GOLD CIRCUIT ELECTRONICS LTD. | Gold Circuit Electronics (Thailand) Co., Ltd | Investments under equity method | -                            | -                    | 20,750,000          | \$ 667,644 |                  |        |                  |               |           |                       | 20,750,000       | \$ 667,644 |

Note 1: Securities mentioned in this table refer to stocks, bonds, beneficiary certificates and marketable securities derived from the above items.

Note 2: Investors whose securities are accounted using the equity method are required to complete these two fields, and the remainder can be left blank.

Note 3: The cumulative amount of purchases and sales shall be separately calculated according to the market price to determine whether it reaches NTD 300 million or 20% of the paid-in capital.

Note 4: Paid-in capital refers to that of the parent company. In the case of an issuer whose shares have no par value or a par value other than NT\$10 per share, the requirement of 20% of paid-in capital for transaction amount shall be calculated based on 10% of the equity attributable to the owners of the parent company on the balance sheet.

GOLD CIRCUIT ELECTRONICS LTD. and its subsidiaries

Purchase/sale amount of transactions with related parties reaching NT\$100 million or more than 20% of the paid-in capital

January 1 to December 31, 2023

Attachment 4

Unit: NTD thousand

| Supplier (customer)           | Trading counterpart                        | Affiliation                                         | Status          |               |                                              |              | Distinctive terms and conditions of trade and the reasons |          | Notes/accounts receivable (payable) |                                                           | Remarks |
|-------------------------------|--------------------------------------------|-----------------------------------------------------|-----------------|---------------|----------------------------------------------|--------------|-----------------------------------------------------------|----------|-------------------------------------|-----------------------------------------------------------|---------|
|                               |                                            |                                                     | Purchase (sale) | Amount        | Percentage in total purchase (sale) amount % | Duration     | Unit price                                                | Duration | Balance                             | Percentage in total accounts/notes receivable (payable) % |         |
| GOLD CIRCUIT ELECTRONICS LTD. | Suzhou Gold Circuit Electronics Ltd.       | Company wholly invested via a subsidiary indirectly | Purchase        | \$ 10,121,772 | 43                                           | O/A 3 months | -                                                         | —        | (\$ 3,905,447)                      | ( 49)                                                     |         |
| GOLD CIRCUIT ELECTRONICS LTD. | Changshu Gold Circuit Electronics Ltd.     | Company wholly invested via a subsidiary indirectly | Purchase        | 4,941,611     | 21                                           | O/A 4 months | -                                                         | —        | ( 1,420,663)                        | ( 18)                                                     |         |
| GOLD CIRCUIT ELECTRONICS LTD. | Changshu Gold Circuit Technology Co., Ltd. | Company wholly invested via a subsidiary indirectly | Purchase        | 1,789,945     | 8                                            | O/A 3 months | -                                                         | —        | ( 314,617)                          | ( 4)                                                      |         |
| GOLD CIRCUIT ELECTRONICS LTD. | Suzhou Gold Circuit Electronics Ltd.       | Company wholly invested via a subsidiary indirectly | Sales           | ( 201,732)    | ( 1)                                         | O/A 3 months | -                                                         | —        | 65,286                              | 1                                                         |         |

GOLD CIRCUIT ELECTRONICS LTD. and its subsidiaries

Receivables from related parties worth NT\$100 million or more than 20% of the paid-in capital

December 31, 2023

Attachment 5

Unit: NTD thousand

| Companies stated into accounts receivable | Trading counterpart                  | Affiliation                                         | Balance of accounts receivable - related party | Turnover (Note 1) | Overdue accounts receivable - related party |                      | Amounts received in subsequent period - related party | Allowance loss |
|-------------------------------------------|--------------------------------------|-----------------------------------------------------|------------------------------------------------|-------------------|---------------------------------------------|----------------------|-------------------------------------------------------|----------------|
|                                           |                                      |                                                     |                                                |                   | Amount                                      | Accounting treatment |                                                       |                |
| GOLD CIRCUIT ELECTRONICS LTD.             | Suzhou Gold Circuit Electronics Ltd. | Company wholly invested via a subsidiary indirectly | Accounts receivable<br>\$ 65,286               | 2.90              | \$ -                                        | —                    | \$ 21,264                                             | \$ -           |
|                                           |                                      |                                                     | Other receivables<br>59,097                    | -                 | -                                           | —                    | 31,593                                                | -              |

Note 12: The days sales outstanding are not calculated for other receivables from related parties.

GOLD CIRCUIT ELECTRONICS LTD. and its subsidiaries  
Information related to the reinvested companies... such as names and locations.  
January 1 to December 31, 2023

Table 6

Unit: NTD thousand

| Investor                           | Investee                                      | Location                                                                                  | Principal business                                          | Original investment cost  |                            | Holdings at end of year |                |             | Investment gain (loss) of the investee | Investment gain (loss) recognized for the current period (Note 1) | Remarks  |
|------------------------------------|-----------------------------------------------|-------------------------------------------------------------------------------------------|-------------------------------------------------------------|---------------------------|----------------------------|-------------------------|----------------|-------------|----------------------------------------|-------------------------------------------------------------------|----------|
|                                    |                                               |                                                                                           |                                                             | End of the current period | End of the previous period | Number of shares        | Percentage (%) | Book value  |                                        |                                                                   |          |
| GOLD CIRCUIT ELECTRONICS LTD.      | King Hsiang Investment Co.                    | No. 149-1, Zhong Zeng Rd., Tamsui Dist, New Taipei City                                   | General investment business                                 | \$ 199,994                | \$ 199,994                 | 19,999,400              | 99.997         | \$ 58,658   | \$ 692,609                             | ( \$ 1,282 )                                                      | (Note 2) |
| "                                  | Goldex Holding Limited                        | Trust Net Chambers Lotemau Centre, P.O. Box 1225, Apia, Samoa                             | "                                                           | 5,822,733                 | 6,116,948                  | 181,910,000             | 100.000        | 9,462,754   | 2,828,412                              | 2,814,780                                                         |          |
| "                                  | Gold Circuit Electronics (Thailand) Co., Ltd. | No. 664/25 Pracharat Bamphen Rd., Sam Saen Nok, Huai Khwang, Bangkok, 10310, Thailand     | Design, produce and sell multi-layer printed circuit boards | 667,644                   | -                          | 20,750,000              | 100.000        | 651,691     | 1,787                                  | 1,787                                                             |          |
| Goldex Holding Limited             | Gold Circuit International Limited            | P.O. Box 362, Road Town, Tortola, Virgin islands, British                                 | General investment business                                 | 3,239,310                 | 3,239,310                  | 98,000,000              | 100.000        | 6,551,040   | 1,970,722                              | 1,964,013                                                         |          |
| "                                  | Gold Circuit Enterprise Limited               | Turst Net Chambers Lotemau Centre, P.O Box 1225, Apia, Samoa                              | "                                                           | 2,383,429                 | 2,670,554                  | 83,010,000              | 100.000        | 3,104,559   | 866,209                                | 859,286                                                           |          |
| Gold Circuit International Limited | Suzhou Gold Circuit Electronics Ltd.          | No. 238, Jinfeng Road, New District, Suzhou City, Jiangsu Province                        | Design, produce and sell multi-layer printed circuit boards | 3,239,310                 | 3,239,310                  | 98,000,000              | 100.000        | 6,710,069   | 1,978,397                              | 1,971,688                                                         |          |
| Gold Circuit Enterprise Limited    | Changshu Gold Circuit Electronics Ltd.        | No. 9, Jiulong Rd., Changshu Southeast Economic Development Zone, Jiangsu Province        | "                                                           | 959,724                   | 959,724                    | 30,010,000              | 100.000        | 3,573,768   | 716,234                                | 705,681                                                           |          |
| "                                  | Changshu Gold Circuit Technology Co., Ltd.    | No. 816, Southeast Avenue, Changshu Hi-Tech Industrial Development Zone, Jiangsu Province | "                                                           | 980,105                   | 980,105                    | 33,000,000              | 100.000        | ( 566,002 ) | 144,845                                | 148,475                                                           |          |

Note 1: The investment gain (loss) recognized for the current period has taken into consideration the effects of unrealized (realized) gross losses on sales among reinvested companies.

Note 2: The investment loss of King Hsiang Investment Co. recognized in the current period, NT\$1,282 thousand, includes the investment gain recognized under equity method, NT\$692,588 thousand, the reversal of the financial asset valuation profit derived by Gold Circuit Investment for holding the Company’s stocks under the “Accounting Principles for Management of Treasury Stocks,” NT\$18,030 thousand, and the dividend revenue received from the Company, NT\$18,030 thousand.

GOLD CIRCUIT ELECTRONICS LTD. and its subsidiaries  
Fund loaned by investees to others  
January 1 to December 31, 2023

Attachment 7 Unit: NT\$ thousand, USD thousand, and CNY thousand

| No. | Loaner                                 | Debtor                                     | Whether a related party or not | Transaction items | Maximum balance for the current period | Balance – end of period | Amount actually disbursed | Interest rate interval (Note 3) | Nature of lending of funds (Note 1) | Amount  | Reasons for short-term financing | Allowance for doubtful accounts | Collateral |       | Limit of loan to each borrower (Note 2) | Limit of total lending (Note 2) |
|-----|----------------------------------------|--------------------------------------------|--------------------------------|-------------------|----------------------------------------|-------------------------|---------------------------|---------------------------------|-------------------------------------|---------|----------------------------------|---------------------------------|------------|-------|-----------------------------------------|---------------------------------|
|     |                                        |                                            |                                |                   |                                        |                         |                           |                                 |                                     |         |                                  |                                 | Title      | Value |                                         |                                 |
| 1   | Goldex Holding Limited                 | Gold Circuit International Limited         | Y                              | Other receivables | \$ 95,580 (USD 3,000)                  | \$ 85,974 (USD 2,800)   | \$ 85,974 (USD 2,800)     | 4.000%~5.000%                   | (2)                                 | \$ -    | Working capital                  | \$ -                            | —          | \$ -  | \$ 26,975,323                           | \$ 26,975,323                   |
| 2   | Gold Circuit Enterprise Limited        | Gold Circuit International Limited         | Y                              | Other receivables | 97,275 (USD 3,000)                     | 92,115 (USD 3,000)      | 92,115 (USD 3,000)        | 4.000%~5.000%                   | (2)                                 | -       | Working capital                  | -                               | —          | -     | 9,155,016                               | 9,155,016                       |
| 2   | Changshu Gold Circuit Electronics Ltd. | Changshu Gold Circuit Technology Co., Ltd. | Y                              | Other receivables | 889,000 (CNY 200,000)                  | 865,400 (CNY 200,000)   | 865,400 (CNY 200,000)     | 1.500%~3.550%                   | (2)                                 | 84,595  | Working capital                  | -                               | —          | -     | 5,391,014                               | 5,391,014                       |
| 2   | Changshu Gold Circuit Electronics Ltd. | Changshu Gold Circuit Technology Co., Ltd. | Y                              | Other receivables | 243,188 (USD 7,500)                    | 230,288 (USD 7,500)     | 211,343 (USD 6,883)       | 0.800%~4.200%                   | (2)                                 | 84,595  | Working capital                  | -                               | —          | -     | 5,391,014                               | 5,391,014                       |
| 2   | Suzhou Gold Circuit Electronics Ltd.   | Changshu Gold Circuit Technology Co., Ltd. | Y                              | Other receivables | 818,070 (CNY 185,000)                  | 800,495 (CNY 185,000)   | 800,495 (CNY 185,000)     | 2.700%~3.500%                   | (2)                                 | 150,505 | Working capital                  | -                               | —          | -     | 9,110,276                               | 9,110,276                       |
| 2   | Suzhou Gold Circuit Electronics Ltd.   | Changshu Gold Circuit Technology Co., Ltd. | Y                              | Other receivables | 809,640 (USD 26,000)                   | - (USD -)               | - (USD -)                 | 1.500%~5.100%                   | (2)                                 | 150,505 | Working capital                  | -                               | —          | -     | 9,110,276                               | 9,110,276                       |

Note 1: The fund loaned to others is categorized two types as following by nature:  
(1) Business association  
(2) Short-term financing needed

Note 2: The limit of funds lent to a single borrower and aggregate amount of the fund loaned to others by a reinvested company (except Goldex Holding Limited and Gold Circuit Enterprise Limited) shall not exceed 150% of the reinvested company’s net value in its most recent financial statements audited or certified by the CPA (for Q3 of 2023). The limit of fund loaned to a single borrower and aggregate amount of the fund loaned to others by Goldex Holding Limited and Gold Circuit Enterprise Limited shall not exceed 300% of their net value in their most recent financial statements audited or certified by the CPA (for Q3 of 2023).  
The limit of fund loaned to a single borrower and aggregate amount of the fund loaned to others by any reinvested company in Mainland China shall not exceed 150% of the reinvested company’s net value in its most recent financial statements audited or certified by the CPA (for Q3 of 2023).

Note 3: The interest rate interval for the funds lent in 2023



GOLD CIRCUIT ELECTRONICS LTD. and its subsidiaries  
Marketable securities held by investees - end of period  
December 31, 2023

Table 8Unit: NTD thousand

| Holder                     | Type and name                 | Affiliation to the issuer                                                  | Account title                                                   | End of period    |                     |            |                     | Remarks |
|----------------------------|-------------------------------|----------------------------------------------------------------------------|-----------------------------------------------------------------|------------------|---------------------|------------|---------------------|---------|
|                            |                               |                                                                            |                                                                 | Number of shares | Book value          | Equity (%) | Fair value          |         |
| King Hsiang Investment Co. | <u>Stock</u>                  |                                                                            |                                                                 |                  |                     |            |                     |         |
| "                          | LEE CHI ENTERPRISE CO., LTD.  | —                                                                          | Financial assets at fair value through profit or loss - current | 155,595          | \$ 2,420            | 0.068      | \$ 2,420            |         |
| "                          | GOLD CIRCUIT ELECTRONICS LTD. | The parent company in which King Hsiang Investment Co. held 99.997% shares | Financial assets at fair value through profit or loss - current | 5,151,375        | <u>1,123,000</u>    | 1.047      | <u>1,123,000</u>    |         |
|                            |                               |                                                                            |                                                                 |                  | <u>\$ 1,125,420</u> |            | <u>\$ 1,125,420</u> |         |

Gold Circuit Electronics Ltd. and its Subsidiaries

Acquisition amount of real estate reaching NT\$300 million or more than 20% of the paid-in capital

2023

Attachment 9

Unit: NTD thousand, unless otherwise specified

| Real estate<br>acquiring<br>company                   | Property name | Date of<br>occurrence | Transaction<br>currency/<br>amount | Payment status      | Trading<br>counterpart         | Affiliation          | If the trading counterparty is a related party, the<br>information of the previous transfer |                                |                     |        | Reference for<br>price<br>determination | Purpose of<br>acquisition and<br>use status | Other<br>agreements |
|-------------------------------------------------------|---------------|-----------------------|------------------------------------|---------------------|--------------------------------|----------------------|---------------------------------------------------------------------------------------------|--------------------------------|---------------------|--------|-----------------------------------------|---------------------------------------------|---------------------|
|                                                       |               |                       |                                    |                     |                                |                      | Owner                                                                                       | Relationship<br>with<br>issuer | Date of<br>transfer | Amount |                                         |                                             |                     |
| Gold Circuit<br>Electronics<br>(Thailand)Co.,<br>Ltd. | Land          | 11/14/2023            | THB<br>NT\$392,294<br>thousand     | All repaid in full. | IPP IP 7<br>COMPANY<br>LIMITED | Non-related<br>party | N/A                                                                                         | N/A                            | N/A                 | N/A    | Professional land<br>appraisal report   | Development<br>of new<br>business           |                     |

Note 1: If the acquired assets are subject to appraisal according to the regulations, the appraisal result shall be indicated in the “Reference for price determination” column.

Note 2: Paid-in capital refers to that of the parent company. In the case of an issuer whose shares have no par value or a par value other than NT\$10 per share, the requirement of 20% of paid-in capital for transaction amount shall be calculated based on 10% of the equity attributable to the owners of the parent company on the balance sheet.

Note 3: The date of occurrence refers to the date of contract signing, date of payment, date of consignment trade, date of transfer, date of resolution of the board of directors, or other dates based on which the counterparty and amount of the transaction, whichever date is earlier, can be determined.



GOLD CIRCUIT ELECTRONICS LTD. and its subsidiaries

Purchase/sale amount of transactions of reinvested companies with related parties reaching NT\$100 million or more than 20% of the paid-in capital

January 1 to December 31, 2023

Attachment 10

Unit: NTD thousand

| Supplier (customer)                        | Trading counterpart                  | Affiliation             | Status          |                   |                                                |              | Distinctive terms and conditions of trade and the reasons |          | Notes/accounts receivable (payable) |                                                             | Remarks |
|--------------------------------------------|--------------------------------------|-------------------------|-----------------|-------------------|------------------------------------------------|--------------|-----------------------------------------------------------|----------|-------------------------------------|-------------------------------------------------------------|---------|
|                                            |                                      |                         | Purchase (sale) | Amount            | Percentage in total purchase (sale) amount (%) | Duration     | Unit price                                                | Duration | Balance                             | Percentage in total accounts/notes receivable (payable) (%) |         |
| Suzhou Gold Circuit Electronics Ltd.       | GOLD CIRCUIT ELECTRONICS LTD.        | Ultimate parent company | Sales           | ( \$ 10,121,772 ) | ( 93 )                                         | O/A 3 months | -                                                         | —        | \$ 3,905,447                        | 91                                                          |         |
| Changshu Gold Circuit Electronics Ltd.     | GOLD CIRCUIT ELECTRONICS LTD.        | Ultimate parent company | Sales           | ( 4,941,611 )     | ( 86 )                                         | O/A 4 months | -                                                         | —        | 1,420,663                           | 76                                                          |         |
| Changshu Gold Circuit Technology Co., Ltd. | GOLD CIRCUIT ELECTRONICS LTD.        | Ultimate parent company | Sales           | ( 1,789,945 )     | ( 85 )                                         | O/A 3 months | -                                                         | —        | 314,617                             | 67                                                          |         |
| Changshu Gold Circuit Electronics Ltd.     | Suzhou Gold Circuit Electronics Ltd. | Associate               | Sales           | ( 630,566 )       | ( 11 )                                         | O/A 4 months | -                                                         | —        | 378,329                             | 20                                                          |         |
| Suzhou Gold Circuit Electronics Ltd.       | GOLD CIRCUIT ELECTRONICS LTD.        | Ultimate parent company | Purchase        | 201,732           | 4                                              | O/A 4 months | -                                                         | —        | ( 65,286 )                          | ( 2 )                                                       |         |
| Changshu Gold Circuit Technology Co., Ltd. | Suzhou Gold Circuit Electronics Ltd. | Associate               | Sales           | ( 150,505 )       | ( 7 )                                          | O/A 4 months | -                                                         | —        | 58,878                              | 13                                                          |         |

GOLD CIRCUIT ELECTRONICS LTD. and its subsidiaries  
Receivable of the investee from related parties reaching NT\$100 million or more than 20% of the paid-in capital  
December 31, 2023

Attachment 11

Unit: NTD thousand

| Companies stated into accounts receivable  | Trading counterpart                        | Affiliation             | Balance of accounts receivable - related party | Turnover (Note 1) | Overdue accounts receivable - related party |                      | Amounts received in subsequent period - related party | Allowance loss |
|--------------------------------------------|--------------------------------------------|-------------------------|------------------------------------------------|-------------------|---------------------------------------------|----------------------|-------------------------------------------------------|----------------|
|                                            |                                            |                         |                                                |                   | Amount                                      | Accounting treatment |                                                       |                |
| Suzhou Gold Circuit Electronics Ltd.       | GOLD CIRCUIT ELECTRONICS LTD.              | Ultimate parent company | Accounts receivable<br>\$ 3,905,447            | 2.44              | \$ -                                        | —                    | \$ 1,597,060                                          | \$ -           |
| Changshu Gold Circuit Electronics Ltd.     | GOLD CIRCUIT ELECTRONICS LTD.              | Ultimate parent company | Accounts receivable<br>1,420,663               | 3.86              | -                                           | —                    | 899,309                                               | -              |
| Changshu Gold Circuit Technology Co., Ltd. | GOLD CIRCUIT ELECTRONICS LTD.              | Ultimate parent company | Accounts receivable<br>314,617                 | 7.17              | -                                           | —                    | 314,617                                               | -              |
| Suzhou Gold Circuit Electronics Ltd.       | Changshu Gold Circuit Technology Co., Ltd. | Affiliated enterprise   | Accounts receivable<br>76                      | 1.77              | -                                           | —                    | 50                                                    | -              |
| Changshu Gold Circuit Electronics Ltd.     | Suzhou Gold Circuit Electronics Ltd.       | Affiliated enterprise   | Accounts receivable<br>378,329                 | 1.77              | -                                           | —                    | 139,547                                               | -              |
| Changshu Gold Circuit Electronics Ltd.     | Changshu Gold Circuit Technology Co., Ltd. | Affiliated enterprise   | Accounts receivable<br>2,979                   | 1.98              | -                                           | —                    | 2,161                                                 | -              |
| Suzhou Gold Circuit Electronics Ltd.       | Changshu Gold Circuit Technology Co., Ltd. | Affiliated enterprise   | Other receivables<br>812,117                   | -                 | -                                           | —                    | -                                                     | -              |
| Changshu Gold Circuit Electronics Ltd.     | Suzhou Gold Circuit Electronics Ltd.       | Affiliated enterprise   | Other receivables<br>1,070                     | -                 | -                                           | —                    | 444                                                   | -              |
| Changshu Gold Circuit Electronics Ltd.     | Changshu Gold Circuit Technology Co., Ltd. | Affiliated enterprise   | Other receivables<br>1,105,547                 | -                 | -                                           | —                    | 217,793                                               | -              |

Note 12: The days sales outstanding are not calculated for other receivables from related parties.

GOLD CIRCUIT ELECTRONICS LTD. and its subsidiaries  
Information about investment in Mainland China  
January 1 to December 31, 2023

Attachment 12

Unit: NTD thousand/USD thousand

| Name of invested company in China          | Principal business                                          | Paid-in capital | Investment method (Note 1) | Cumulative investment amount outward remitted from Taiwan - beginning of the period | Investment remittance or regain in the current period |             | Cumulative investment amount outward remitted from Taiwan - end of the period | Net income of investee | Shareholdings of the Company's direct or indirect investment (%) | Investment gains or losses recognized for the current period (Note 2) | Book value of investment at ending | Investment income repatriated to Taiwan as of the end of the period |
|--------------------------------------------|-------------------------------------------------------------|-----------------|----------------------------|-------------------------------------------------------------------------------------|-------------------------------------------------------|-------------|-------------------------------------------------------------------------------|------------------------|------------------------------------------------------------------|-----------------------------------------------------------------------|------------------------------------|---------------------------------------------------------------------|
|                                            |                                                             |                 |                            |                                                                                     | Outward remitted                                      | Repatriated |                                                                               |                        |                                                                  |                                                                       |                                    |                                                                     |
| Suzhou Gold Circuit Electronics Ltd.       | Design, produce and sell multi-layer printed circuit boards | \$ 3,239,310    | 2                          | \$ 3,239,310                                                                        | \$ -                                                  | \$ -        | \$ 3,239,310                                                                  | \$ 1,978,397           | 100                                                              | 2.(2)<br>\$ 1,971,688                                                 | \$ 6,710,069                       | \$ 627,583                                                          |
| Changshu Gold Circuit Electronics Ltd.     | Design, produce and sell multi-layer printed circuit boards | 959,724         | 2                          | 959,724                                                                             | -                                                     | -           | 959,724                                                                       | 716,234                | 100                                                              | 2.(2)<br>705,681                                                      | 3,573,768                          | 252,915                                                             |
| Changshu Gold Circuit Technology Co., Ltd. | Design, produce and sell multi-layer printed circuit boards | 980,105         | 3                          | 980,105                                                                             | -                                                     | -           | 980,105                                                                       | 144,845                | 100                                                              | 2.(2)<br>148,475                                                      | ( 566,002 )                        | -                                                                   |

| Accumulated investments outward remitted from Taiwan at Ending | Investment amount approved by Investment Commission, MOEA | Limit of investment amount required by Investment Commission, MOEA (Note 4) |
|----------------------------------------------------------------|-----------------------------------------------------------|-----------------------------------------------------------------------------|
| \$ 5,179,139<br>USD 161,010                                    | \$ 4,943,812<br>USD 161,010                               | \$ -                                                                        |

Note 1: The modes of investment are classified into the following four types:

1. Investments in Mainland China companies through remittance from a third area.
2. To invest in Mainland China companies through a company invested and established in a third area.
3. To invest in Mainland China companies through reinvesting in an existing company in a third area.
4. Other ways, ex: discretionary investment contract

Note 2: For the field of investment gain/loss recognized in the current period:

1. Please mark out if there has been no investment gain or loss yet because the investment is still under planning.
2. The basis of recognition of investment gain/loss is classified into following three types, which should be marked out.
  - (1) Financial statements reviewed and approved by an international CPA firm which cooperates with a CPA firm of the ROC.
  - (2) Financial statements audited by the CPAs of the parent company in Taiwan.
  - (3) Others

Note 3: The related figures herein should be expressed in NTD.

Note 4: The Company has received the certificate of compliance with business lines of operational headquarters issued by Industrial Development Bureau, MOEA on August 25, 2022. Therefore, the Company may be exempted from the limit of investment amount required by Investment Commission, MOEA.

GOLD CIRCUIT ELECTRONICS LTD. and its subsidiaries

Any significant transactions with investees in Mainland China, either directly or indirectly through a third area

January 1 to December 31, 2023

Attachment 13

Unit: NTD thousand

| Related parties' names                          | Affiliation of the Company with related party            | Type of transaction | Amount        | Trading conditions |               |                                          | Notes/accounts receivable (payable) |                | Unrealized loss (gain) |
|-------------------------------------------------|----------------------------------------------------------|---------------------|---------------|--------------------|---------------|------------------------------------------|-------------------------------------|----------------|------------------------|
|                                                 |                                                          |                     |               | Price              | Payment terms | Comparison with the general transactions | Balance                             | Percentage (%) |                        |
| Suzhou Gold Circuit Electronics Ltd.<br>"       | Company wholly invested via a subsidiary indirectly<br>" | Purchase            | \$ 10,121,772 | \$ 10,121,772      | Regular       | Similar                                  | ( \$ 3,905,447 )                    | ( 91 )         | ( \$ 6,709 )           |
|                                                 |                                                          | Sales               | 201,732       | 201,732            | Regular       | Similar                                  | 65,286                              | 1              |                        |
| Changshu Gold Circuit Electronics Ltd.<br>"     | Company wholly invested via a subsidiary indirectly<br>" | Purchase            | 4,941,611     | 4,941,611          | Regular       | Similar                                  | ( 1,420,663 )                       | ( 76 )         | ( 10,553 )             |
|                                                 |                                                          | Sales               | 41,561        | 41,561             | Regular       | Similar                                  | 15,060                              | -              |                        |
| Changshu Gold Circuit Technology Co., Ltd.<br>" | Company wholly invested via a subsidiary indirectly<br>" | Purchase            | 1,789,945     | 1,789,945          | Regular       | Similar                                  | ( 314,617 )                         | ( 67 )         | 3,630                  |
|                                                 |                                                          | Sales               | 29,710        | 29,710             | Regular       | Similar                                  | 11                                  | -              |                        |

GOLD CIRCUIT ELECTRONICS LTD. and its subsidiaries

Business relationship and major transactions between the parent company and each of its subsidiaries and among the subsidiaries and the amount

January 1 to December 31, 2023

Attachment 14

Unit: NTD thousand

| No.<br>(Note 1) | Name of trader                   | Trading counterpart                        | Relationship with<br>the trader (Note 2) | Transaction         |            |                                                       |                                                                                   |
|-----------------|----------------------------------|--------------------------------------------|------------------------------------------|---------------------|------------|-------------------------------------------------------|-----------------------------------------------------------------------------------|
|                 |                                  |                                            |                                          | Title               | Amount     | Trading conditions                                    | Percentage in total<br>consolidated<br>revenue or total<br>assets (%)<br>(Note 3) |
| 0               | GOLD CIRCUIT<br>ELECTRONICS LTD. | King Hsiang Investment Co.                 | 1                                        | Other revenue       | \$ 24      | Equivalent to those applicable to a non-related party | -                                                                                 |
|                 |                                  | Goldex Holding Limited                     | 1                                        | Other payables      | 10,566     | Equivalent to those applicable to a non-related party | -                                                                                 |
|                 |                                  | Suzhou Gold Circuit Electronics Ltd.       | 1                                        | Accounts receivable | 65,286     | Equivalent to those applicable to a non-related party | -                                                                                 |
|                 |                                  |                                            |                                          | Other receivables   | 59,097     | Equivalent to those applicable to a non-related party | -                                                                                 |
|                 |                                  |                                            |                                          | Accounts payable    | 3,905,447  | Equivalent to those applicable to a non-related party | 12                                                                                |
|                 |                                  |                                            |                                          | Sales revenue       | 201,732    | Equivalent to those applicable to a non-related party | 1                                                                                 |
|                 |                                  |                                            |                                          | Cost of goods sold  | 10,121,772 | Equivalent to those applicable to a non-related party | 34                                                                                |
|                 |                                  |                                            |                                          | Other revenue       | 123        | Equivalent to those applicable to a non-related party | -                                                                                 |
|                 |                                  | Changshu Gold Circuit Electronics Ltd.     | 1                                        | Accounts receivable | 15,060     | Equivalent to those applicable to a non-related party | -                                                                                 |
|                 |                                  |                                            |                                          | Accounts payable    | 1,420,663  | Equivalent to those applicable to a non-related party | 4                                                                                 |
|                 |                                  |                                            |                                          | Sales revenue       | 41,561     | Equivalent to those applicable to a non-related party | -                                                                                 |
|                 |                                  |                                            |                                          | Cost of goods sold  | 4,941,611  | Equivalent to those applicable to a non-related party | 16                                                                                |
|                 |                                  | Changshu Gold Circuit Technology Co., Ltd. | 1                                        | Accounts receivable | 11         | Equivalent to those applicable to a non-related party | -                                                                                 |
|                 |                                  |                                            |                                          | Other receivables   | 948        | Equivalent to those applicable to a non-related party | -                                                                                 |
| 1               | Goldex Holding Limited           | Gold Circuit International Limited         | 3                                        | Accounts payable    | 314,617    | Equivalent to those applicable to a non-related party | 1                                                                                 |
|                 |                                  |                                            |                                          | Sales revenue       | 29,710     | Equivalent to those applicable to a non-related party | -                                                                                 |
|                 |                                  |                                            |                                          | Cost of goods sold  | 1,789,945  | Equivalent to those applicable to a non-related party | 6                                                                                 |
|                 |                                  |                                            |                                          | Interest receivable | 131        | Equivalent to those applicable to a non-related party | -                                                                                 |
| 2               | Gold Circuit Enterprise Limited  | Gold Circuit International Limited         | 3                                        | Other receivables   | 85,974     | Equivalent to those applicable to a non-related party | -                                                                                 |
|                 |                                  |                                            |                                          | Other payables      | 10,566     | Equivalent to those applicable to a non-related party | -                                                                                 |
|                 |                                  |                                            |                                          | Interest revenue    | 3,971      | Equivalent to those applicable to a non-related party | -                                                                                 |
|                 |                                  |                                            |                                          | Interest receivable | 141        | Equivalent to those applicable to a non-related party | -                                                                                 |
|                 |                                  |                                            |                                          | Other receivables   | 92,115     | Equivalent to those applicable to a non-related party | -                                                                                 |
|                 |                                  |                                            |                                          | Interest revenue    | 3,700      | Equivalent to those applicable to a non-related party | -                                                                                 |

(To be continued)

(Continued)

| No.<br>(Note 1) | Name of trader                            | Trading counterpart                           | Relationship with<br>the trader (Note 2) | Transaction         |           |                                                       |                                                                                           |
|-----------------|-------------------------------------------|-----------------------------------------------|------------------------------------------|---------------------|-----------|-------------------------------------------------------|-------------------------------------------------------------------------------------------|
|                 |                                           |                                               |                                          | Title               | Amount    | Trading conditions                                    | Percentage in total<br>consolidated<br>operating revenue<br>or total assets %<br>(Note 3) |
| 3               | Suzhou Gold Circuit<br>Electronics Ltd.   | Changshu Gold Circuit<br>Technology Co., Ltd. | 3                                        | Accounts receivable | \$ 76     | Equivalent to those applicable to a non-related party | -                                                                                         |
|                 |                                           |                                               |                                          | Other receivables   | 802,014   | Equivalent to those applicable to a non-related party | 2                                                                                         |
|                 |                                           |                                               |                                          | Accounts payable    | 58,878    | Equivalent to those applicable to a non-related party | -                                                                                         |
|                 |                                           |                                               |                                          | Other payables      | 1,324     | Equivalent to those applicable to a non-related party | -                                                                                         |
|                 |                                           |                                               |                                          | Sales revenue       | 3,359     | Equivalent to those applicable to a non-related party | -                                                                                         |
|                 |                                           |                                               |                                          | Cost of goods sold  | 150,505   | Equivalent to those applicable to a non-related party | 1                                                                                         |
|                 |                                           |                                               |                                          | Interest receivable | 10,103    | Equivalent to those applicable to a non-related party | -                                                                                         |
|                 |                                           |                                               |                                          | Interest revenue    | 21,433    | Equivalent to those applicable to a non-related party | -                                                                                         |
|                 |                                           |                                               |                                          | Accounts receivable | 6,770     | Equivalent to those applicable to a non-related party | -                                                                                         |
|                 |                                           |                                               |                                          | Other receivables   | 9,454     | Equivalent to those applicable to a non-related party | -                                                                                         |
| 4               | Changshu Gold Circuit<br>Electronics Ltd. | Changshu Gold Circuit<br>Technology Co., Ltd. | 3                                        | Accounts payable    | 378,329   | Equivalent to those applicable to a non-related party | 1                                                                                         |
|                 |                                           |                                               |                                          | Other payables      | 1,070     | Equivalent to those applicable to a non-related party | -                                                                                         |
|                 |                                           |                                               |                                          | Sales revenue       | 63,679    | Equivalent to those applicable to a non-related party | -                                                                                         |
|                 |                                           |                                               |                                          | Cost of goods sold  | 630,566   | Equivalent to those applicable to a non-related party | 2                                                                                         |
|                 |                                           |                                               |                                          | Accounts receivable | 2,979     | Equivalent to those applicable to a non-related party | -                                                                                         |
|                 |                                           |                                               |                                          | Accounts payable    | 7         | Equivalent to those applicable to a non-related party | -                                                                                         |
|                 |                                           |                                               |                                          | Other receivables   | 1,078,383 | Equivalent to those applicable to a non-related party | 3                                                                                         |
|                 |                                           |                                               |                                          | Other payables      | 34,207    | Equivalent to those applicable to a non-related party | -                                                                                         |
|                 |                                           |                                               |                                          | Interest receivable | 27,164    | Equivalent to those applicable to a non-related party | -                                                                                         |
|                 |                                           |                                               |                                          | Sales revenue       | 5,474     | Equivalent to those applicable to a non-related party | -                                                                                         |
|                 |                                           |                                               |                                          | Cost of goods sold  | 84,595    | Equivalent to those applicable to a non-related party | -                                                                                         |
|                 |                                           |                                               |                                          | Interest revenue    | 35,850    | Equivalent to those applicable to a non-related party | -                                                                                         |

Note 1: The information about transactions between parent company and subsidiaries shall be numbered and noted in the following manner in the box of numbers:

1. 0 is for the Parent Company.
2. Subsidiaries are numbered from number 1.

Note 2: The relationship with the trader is classified into three categories as follows:

1. Parent Company to subsidiaries.
2. Subsidiaries to Parent Company.
3. Subsidiaries to subsidiaries.

Note 3: For computing the ratio of trade amount to the total consolidated operating revenue or total assets, if it is for asset and liability account, the computation is based on the ratio of ending balance to total consolidated assets; however, if it is for income and expense account, the computation is based on the ratio of interim cumulative amount to total consolidated operating revenue.



GOLD CIRCUIT ELECTRONICS LTD. and its subsidiaries

Information of Major Shareholders

December 31, 2023

Attachment 15

| Name of major shareholder                                                                                          | Shares                           |                    |
|--------------------------------------------------------------------------------------------------------------------|----------------------------------|--------------------|
|                                                                                                                    | Number of shares held<br>(share) | Shareholding ratio |
| Chang-Chi Yang                                                                                                     | 96,622,217                       | 19.64%             |
| The labor pension reserve fund was fully<br>authorized to Nomura Investment Account for<br>the first time in 2022. | 35,601,320                       | 7.23%              |
| Jui-Ching Li                                                                                                       | 27,651,870                       | 5.62%              |