Common Stock Code: 1569

濱川企業股份有限公司
BIN CHUAN ENTERPRISE CO., LTD.

2023

ANNUAL REPORT

Website for Checking this Annual Report:
http://mops.twse.com.tw

Website Designated by the Securities and Futures Bureau for Information Declaration: Same as Above

Company Website: http://www.hamagawa.com.tw

Published on May 24, 2024

I. Name, Title, Tel and E-mail of the Company's Spokesman and Deputy Spokesman:

Spokesman:

Name: LEE, FAN　　Title: Financial Assistant General Manager

Tel: (07)787-1521　　E-mail: fan_lee@hamagawa.com

Deputy Spokesman:

Name: HUANG, LIN-CHI　　Title: Financial Division Director

Tel: (07)787-1521　　E-mail: lynn_huang@hamagawa.com

II. Address and Tel of Headquarters, Branches and Plant:

(1) Headquarters

Address: No. 2, Hsingyeh Rd., Daliao District, Kaohsiung City, Taiwan 831

Tel: (07)787-1521

(2) Branch: None

(3) Plant: Same as the Headquarters

III. Name, Address, Website and Tel of Stock Transfer Agent:

Name: Stock Agency Department of Fubon Securities Co., Ltd.

Address: 11F, No. 17, Xuchang St., Taipei City, Taiwan

Website: http://www.fbs.com.tw

Tel: (02)2361-1300

IV. Name of CPA for the Most Recent Year Financial Report and Name, Address, Website and Tel of the Accounting Firm:

CPA's Name: CPA HSU, JUI-HSUAN and CPA CHEN, CHEN-LI

Name of Accounting Firm: Deloitte &Touche

Address: 3F, No. 88, Chengkong Rd., Kaohsiung City, Taiwan

Website: http: //www.deloitte.com.tw

Tel: (07) 530-1888

V. Name of Overseas Securities Exchange and Way for Checking the said Overseas Security Information: None.

VI. Company's Website: http://www.hamagawa.com.tw

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I. Letter to Shareholders

Dear Shareholders:

As the economic and trade benefits from the pandemic diminish, there's no longer an urgent need for upgrading and adding personal computers. Supply chains are actively adjusting their inventories. The interest rate hikes prior to last year have kept various costs high, and with inflation lowing consumer spending willingness, expenditures have a significant sharp decrease. The recovery timing for the demand for personal computers and other information products is still unclear. However, it is certain that the year 2024 will require greater investment and will be full of challenges.

The effects of regional competition have led to significant and rapid changes in both local and international economic conditions, supply and demand, and consumer behaviors. Despite the environment being full of difficulties and challenges, Binchuan continues to pursue innovation and change in optimizing operational efficiency and cost control, strengthening partnerships with customers, and enhancing product mix to improve the company's competitiveness. On the other hand, we also progress on the path of business transformation and diverse application of products.

At present, the Company’s core business lies in parts of metal and plastic exterior mechanism; the major technology rests with mechanical cutting and grinding, mold development and surface treatment of metal product exterior with main applications in laptops, various 3C and medical and surgical devices and products.

I would like to thank each shareholder for your continuous support to the Company and I hereby explain to you the last year’s operation status as well as prospect in the future. On behalf of Bin Chuan, I express sincere gratitude to each of you. The management team of the Company and all employees will work harder to return your support and care. We look forward to your incessant reminder and advice.

1. 2023 Business Results

(1) Business Results: The annual consolidated operating revenue was NT$3,605,401 thousand; the consolidated net loss before tax was NT$142,998 thousand; the net loss after tax was NT$104,100 thousand (among which the net loss after tax attributable to owners of the Company was NT$115,390 thousand). The loss after tax per share was NT$0.95.

(2) Budget Execution Status: Not applicable.

(3) Financial Income and Expenses and Analysis of Profitability (Consolidated Financial Report)

<table>
<tr><th>Analysis</th><th colspan="2">Item</th><th>2023</th><th>2022</th></tr>
<tr><td rowspan="3">Financial Income and Expense</td><td colspan="2">Operating Revenue (Thousand Dollar)</td><td>3,605,401</td><td>5,004,172</td></tr>
<tr><td colspan="2">Gross Profit (Thousand Dollar)</td><td>338,437</td><td>972,679</td></tr>
<tr><td colspan="2">Net Profit after Tax – Attributable to Owners of the Company (Thousand Dollar)</td><td>-115,390</td><td>391,388</td></tr>
<tr><td rowspan="6">Profitability</td><td colspan="2">Return on Assets (%)</td><td>-1.05</td><td>5.90</td></tr>
<tr><td colspan="2">Return on Equity (%)</td><td>-3.44</td><td>11.51</td></tr>
<tr><td rowspan="2">Ratio to Paid-in Capital</td><td>Operating Profit</td><td>-16.62</td><td>30.38</td></tr>
<tr><td>Profit before Tax</td><td>-11.77</td><td>40.70</td></tr>
<tr><td colspan="2">Net Profit Ratio (%)</td><td>-3.20</td><td>7.82</td></tr>
<tr><td colspan="2">Basic Net Earnings per Share (Dollar)</td><td>-0.95</td><td>3.23</td></tr>
</table>

(4) Research and Development Status:

The Company’s research and development mainly focus on

(a) enhance technology and capacity of metal processing products

(b) thin and lightweighted products

(c) automated processing technology

(d) surface treatment and processing technology of various products

(e) mold development technology

and we continue to extensively apply the new research and development technology to the future new products.

2. Summary of 2024 Business Plan

In 2024, the Company mainly focuses on such products as metal exterior products, metal stamping mechanism parts and automation equipment components. The processing method includes mold stamping and CNC cutting and grinding with main scope of applications in such products as laptops, tablets, mobile phones, 3C products, medical and surgical devices and robotic arms, etc.

In 2024, the Company continues to raise the proportion of automated production, increase yield, and reduce production cost. In terms of products of metal exterior parts, we will keep satisfying the demand of customers for thin metal, and reinforcing the Company's financial constitution. We will put more emphasis on cost control of products, accelerate updating of production technology, renew part of mechanical equipment on an ongoing basis, and strengthen competitiveness of production items.

In addition, with regard to expected sales volume, etc., the Company does not publish the financial forecast in 2024, so the regulations governing preparation of the annual report are not applicable.

3. The Company's Future Development Strategies

Over the past few years, the capital expenditures of Bin Chuan and the continuous capital expansion have attained to a scale level. In the coming years, the Company's development strategies include:
(a) increase production capacity utilization and reduce unit production cost
(b) continue to refine products and technology and increase yield
(c) continue automation, reduce cost and raise production stability
(d) develop products based on core technology and explore new market

4. Impact of External Competition Environment, Regulatory Environment and Macro Business Environment

In terms of external competition environment, although the industry which the Company belongs to does not change so obviously, product exteriors are rolled out quickly. The Company will continue to carry out quality management, and work on cooperation of collaborative development in respect of technology and customer service, in order to cope with the changes in the market environment.

In respect of regulatory environment, the Company will continue to keep a close eye on and grasp the important policies and legal changes which might affect the Company's finance and related sales. Besides, we will stay in a state ready to tackle with changes in order to maintain the Company's interests. For example, seeing that the content of the international accounting standards increases day by day, the Company's staff will be ready to attend updated relevant courses, and communicate and discuss with CPAs to ensure effective compliance with the accounting standards.

As far as macro-economic environment is concerned, COVID-19, instability of inflation, exchange rate and regional competition continues to become the global challenge. It not only results in changes of the supply chain, but also makes great impact on the global economy, This is an important factor which affects the macro-economic environment in 2024. The Company will pay attention to relevant information at all times with a view to grasping business opportunities and risks, and well preparing related response programs to balance and reduce operation risks.

On the basis of the foregoing business policy and strategy in 2024, it is expected that sales of metal stamping products and metal exterior parts products will continue to create the momentum of profit and growth for Bin Chuan (Group).

I sincerely represent the whole staff of the Company to thank all shareholders for your support and I also personally extend my heartfelt gratitude to you.

Chairman: HSIAO, CHIN-MING
General Manager: HSIAO, CHIN-CHUN
Chief Accounting Officer: LEE, FAN

II. Company Profile

1. Date of Incorporation
   March 30 , 1983
2. Company History

Time	Overview
March 1983	The Company was established in the name of Bin Chuan Enterprise Ltd. with a capital of NT$3,000,000; the main business focused on post forming processing and coating.in the metal machining.
June 1985	The cash capital increase was carried out in the amount of NT$3,000,000 and the paid-in capital after increase was NT$6,000,000. The original name of “Bin Chuan Enterprise Ltd.” was changed to “Bin Chuan Enterprise Co., Ltd.”
December 1985	The business premises moved to the current address at No. 80, Dingshan St., Sanmin District, Kaohsiung City, Taiwan.
April 1986	The cash capital increase was carried out in the amount of NT$10,000,000 and the paid-in capital after capital increase was NT$16,000,000.
1987	The Company's business scope has expanded from previous post-forming metal machining to include stamping processing at the front end.
May 1996	Started to engage in manufacturing, processing and trading of molds.
November 1999	The cash capital increase was carried out in the amount of NT$8,000,000 and the paid-in capital after increase was NT$24,000,000.
December 2001	The cash capital increase was carried out in the NT$76,000,000 and the paid-in capital after increase was NT$100,000,000. 100% equity of Hamagawa Industrial (M) SDN.BHD. was acquired by reinvestment.
March 2002	100% equity of the reinvested Hamagawa Corp. in the Cayman Islands indirectly held 100% of Bin Chuan Metal (Dongguan) Co., Ltd. and Suzhou Binchuan Precise Industrial Co., Ltd. in China.
October 2002	The cash capital increase was carried out in the amount NT$37,500,000 and the earnings were transferred to the capital increase in the amount of NT$10,000,000dretained; the capital after increase was NT$147,500,000.
November 2002	The cash capital increase was carried out in the amount of NT$142,500,000 and the capital after increase was NT$290,000,000.
February 2003	The Company passed ISO-9001 certification.
June 2003	The cash capital increase was carried out in the amount of NT$40,000,000, the earnings were transferred to the capital increase in the amount of NT$5,000,000, and the bonus for employees was transferred to the capital increase in the amount of NT$5,000,000; the capital after increase was NT$340,000,000.
August 2003	Approved to be a public company by the Securities and Futures Bureau. 100% equity of Hamagawa Holdings Limited in Samoa was acquired by reinvestment; 100% equity of Suchou Binchuan Precise Industrial Co., Ltd., held by Hamagawa Corp. was transferred to Hamagawa Holdings Limited。
May 2004	The stock of the Company was listed in the emerging market for trading.
December 2004	The earnings were transferred to the capital increase in the amount of NT$34,000,000 and the bonus for employees was transferred to the capital increased in the amount of NT$7,000,000; the capital after increase was NT$381,000,000.
April 2005	The case of application for listing in the Taipei Exchange was approved by the Board of Directors of the Taipei Exchange.
May 2005	The case of listing in the Taipei Exchange was officially approved by the Securities and Futures Bureau of the Financial Supervisory Commission.
July 2005	The capital increase was carried out in the amount of NT$33,000,000 and the capital after increase was NT$414,000,000. Officially listed in the Taipei Exchange on July 29, 2005.
October 2005	The earnings were transferred to the capital increase in the amount of NT$20,700,000 and the bonus for employees was transferred to the capital increased in the amount of NT$6,000,000; the capital after capital increase was NT$440,700,000.
September 2006	Issued the domestic unsecured convertible corporate bond in the amount of NT$300,000,000. The Board of Directors reinvested in the newly-established company - Suzhou Fengchuan Technology Co., Ltd. through Hamagawa Holdings Limited.

Time	Overview
October 2006	The earnings were transferred to the capital increase in the amount of NT$44,070,000 and the bonus for employees was transferred to the capital increased in the amount of NT$7,000,000; the capital after increase was NT$491,770,000.
December 2006	Reinvested NT$1,250,000 in Combined Energy Creative Marketing and Design Co., Ltd.
May 2007	The Board of Directors approved to reinvest in the holding company - Ego Tech Holdings Limited through Hamagawa Holdings Limited, which purchased the whole stock equity of Key Mold Precision Industry (Suzhou) Co., Ltd. from its shareholders.
September 2007	The earnings were transferred to the capital increase in the amount of NT$39,342,000 and the bonus for employees was transferred to the capital increased in the amount of NT$15,480,000; the paid-in capital after increase was NT$546,592,000.
October 2008	The earnings were transferred to the capital increase in the amount of NT$32,795,000 and the bonus for employees was transferred to the capital increased in the amount of NT$7,460,000; the capital after capital increase was NT$586,847,000.
September 2009	The earnings were transferred to the capital increase in the amount of NT$17,006,000, the bonus for employees was transferred to the capital increased in the amount of NT$1,913,000, and the convertible corporate bond was converted into the shares in the amount of NT$2,884,000; the capital after increase was NT$608,650,000.
January 2010	The cash capital increase was carried out in the amount of NT$60,000,000, and the convertible corporate bond was converted into the shares in the amount of NT$9,154,000; the capital after increase was NT$677,804,000. The second domestic secured convertible corporate bond was issued in the amount of NT$150,000,000 and the third domestic unsecured convertible corporate bond was issued in the amount of NT$120,000,000.
April – July 2010	The convertible corporate bond was converted into the shares in the amount of NT$8,898,000; the capital after the capital increase was NT$695,658,000.
October 2010	The earnings were transferred to the capital increase in the amount of NT$6,651,000, the bonus for employees was transferred to the capital increased in the amount of NT$1,914,000, and the convertible corporate bond was converted into the shares in the amount of NT$390,000; the capital after increase was NT$695,658,000.
June – July 2011	The convertible corporate bond was converted into the shares in the amount of NT$1,313,000; the capital after increase was NT$696,971.
August 2011	The convertible corporate bond was converted into the shares in the amount of NT$32,718,000 and the capital decrease from the treasury stocks was carried out in the amount of NT$20,000,000; the capital after increase and decrease was NT$709,689,000.
September 2011	The convertible corporate bond was converted into the shares in the amount of NT$5,965,000 and the capital after the capital increase was NT$715,654,000.
October 2011	The earnings were transferred to the capital increase in the amount of NT$6,757,000, the bonus for employees was transferred to the capital increase in the amount of NT$1,231,000, and the convertible corporate bond was converted into the shares in the amount of NT$2,897,000; the capital after increase was NT$726,539,000.
November 2011	The Board of Directors approved to invest in the holding company -Ego Tech Holdings Limited through Hamagawa Holdings Limited, which will further invest in the newly-established company, Chongqing Fengchuan Electronic Technology Co., Ltd.
November 2011 to January 2012	The convertible corporate bond was converted into the shares in the amount of NT$13,883,000 and the capital after increase was NT$7,40,422,000.
March 2012	Disposed of the long-term invested stock equity in Bin Chuan Metal (Dongguan) Co., Ltd., held by Hamagawa Corp.
May 2012	The Board of Directors approved the indirect investment in Suzhou Fengchuan Technology Co., Ltd. in China.
October 2012	The Board of Directors approved the cash capital increase in HAGAWA CORP.
December 2012	Issued the 4th domestic secured convertible corporate bond in the amount of NT$200,000,000.
January 2013	The Board of Directors approved the cash capital increase in Hamagawa Holdings Limited.
March 2013	The cash capital increase was carried out in the amount of NT$50,000,000 and the capital after increase was NT$790,422,000.
October 2013	The earnings were transferred to the capital increase in the amount of NT$47,425,000

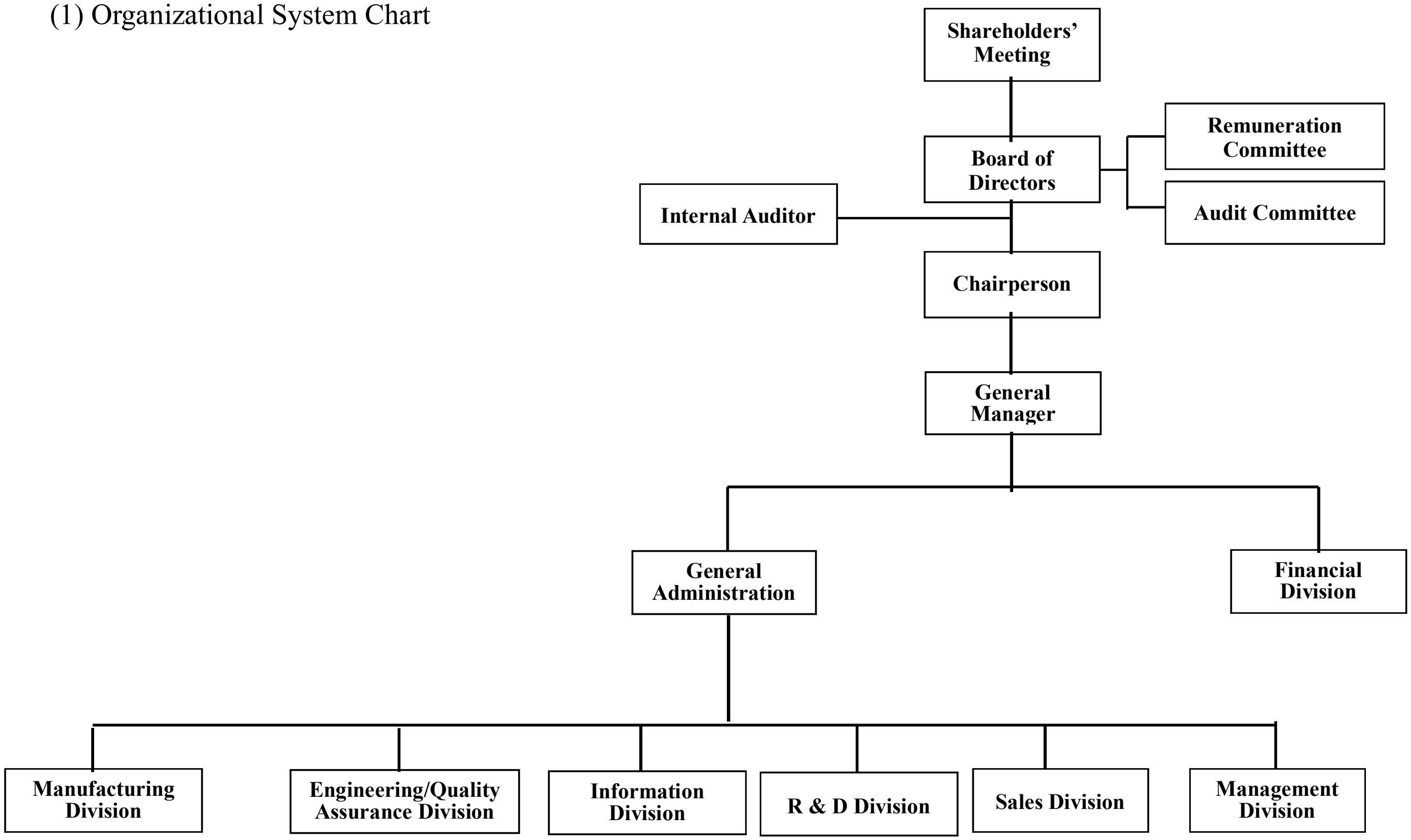
Time	Overview
	and the capital after increase was NT$837,847,000.
February 2015	Issued the 5th domestic secured convertible corporate bond in the amount of NT$200,000,000.
June 2015	The cash capital increase was carried out in the amount of NT$100,000,000 and the capital after increase was NT$937,847,000.
May 2016	The Board of Directors approved the release of shares in Zoning Precise Technology.
November 2016 - December 2017	The convertible corporate bond was transferred to the shares in the amount of NT$89,285,000 and the capital after increase was NT$1,027,133,000.
November 2017	The Board of Directors approved the investment of Hamagawa Holdings Limited in Suzhou Fengchuan Technology Co., Ltd. in China.
March 2018	The cash capital increase was carried out in the amount of NT$100,000,000 and the capital after increase was NT$1,127,133,000.
May 2018	The Board of Directors approved 1. indirect investment in Suzhou Fengchuan Technology Co., Ltd. and Chongqing Fengchuan Electronic Technology Co., Ltd. in China, 2. the investment of Hamagawa Holdings Limited in Suzhou Fengchuan Technology Co., Ltd. in China.
November 2018	The Board of Directors approved the cash capital increase in Hamagawa Holdings Limited.
February 2019	Issued the 6th domestic unsecured convertible corporate bond in the amount of NT$200,000,000.
March 2019	The Board of Directors approved the cash capital increase in Hamagawa Holdings Limited.
November 2019	The Board of Directors approved the cash capital increase in Hamagawa Holdings Limited.
November 2019 - February 2022	The convertible corporate bond was transferred to the shares in the amount of NT$87,342,000 and the capital after increase was NT$1,214,474,000.
November 2021 and May & November, 2022	The Board of Directors approved the cash capital increase in Hamagawa Holdings Limited.
September 2023	The Board of Directors approved establishment of the subsidiary in Thailand.

There are no huge transfer or replacement of equity interests of directors or shareholders with a stake of more than 10 percent, change of the right of management, or other important events which can affect the rights and interests of shareholders in the Company during the most recent fiscal year up to the date of publication of the annual report.

III. Corporate Governance Report

1. Company Organization

(1) Organizational System Chart



(2) Business Engaged by each Main Division

<table>
<tr><th colspan="2">Main Division</th><th>Main Duties and Responsibilities of each Division</th></tr>
<tr><td colspan="2">General Manager</td><td>Draw up the management philosophy, policies and strategies related to the entire operational plans in the whole company.</td></tr>
<tr><td colspan="2">Internal Auditor</td><td>Examine and evaluate the internal control system and provide analysis and suggestions.</td></tr>
<tr><td colspan="2">Financial Division</td><td>Take charge of proposing, establishing and executing the business related to financial management, accounting management, tax planning, capital utilization, budget & financial forecast, management of investee companies, etc.</td></tr>
<tr><td rowspan="6">General Administration</td><td>Manufacturing Division</td><td>1. Take responsibilities for the job related to design, manufacturing and maintenance of molds.
2. Take charge of production of products under mass production.
3. Development and production of iron net and heat sink.</td></tr>
<tr><td>Engineering/ Quality Assurance Division</td><td>1. Take charge of inspection of feed, process and finished product quality.
2. Promote quality improvement activities.</td></tr>
<tr><td>Information Division</td><td>1. Establish and maintain the internal and external computer network of the Company and the e-mail environment.
2. Build up and maintain the server, database, accounts and security authorization of the computer application systems, as required by each division.</td></tr>
<tr><td>R & D Division</td><td>Take charge of research and development of new products and new technology.</td></tr>
<tr><td>Sales Division</td><td>1. Take charge of such tasks as product sales, market promotion and customer service, etc.
2. Be responsible for domestic and overseas business production and marketing planning, market research, mapping out marketing strategies, propaganda advertisement and market exploitation.
3. Be in charge of managing customer service and complaints.</td></tr>
<tr><td>Management Dept.</td><td>1. Take charge of management of equipment and properties in the whole company and administrative job such general affairs, etc.
2. Be responsible for personnel administrative business such as employee recruitment, training and development, performance evaluation, salary and welfare, etc.
3. Take charge of purchase of raw materials and general materials.
4. Be responsible for management and control of products under mass production and production schedule.</td></tr>
</table>

2. Information on the Company’s General Manager, Assistant General Managers, Deputy Assistant General Managers and Chiefs of All Divisions and Branch Units

(1) Related Information on Directors

1. Information on Directors

April 21, 2024

Job Title	Nationality or Place of Registration	Name	Gender Age	Date Elected / Appointed to Current Term	Term of Office	Commencement Date of First Term	No. of Shares Held at Time of Election		No. of Shares Currently Held		Shares Currently Held by Spouse and Minor Children		Shares Held through Nominees		Principal Work Experience and Academic Qualifications	Positions Held Concurrently in the Company and/or in Any Other Company	Other officer(s), director(s), or supervisor(s) with which the person has a relationship of spouse or relative within the second degree			Remarks (Note)
							No. of Shares	Shareholding Ratio	No. of Shares	Shareholding Ratio	No. of Shares	Shareholding Ratio	No. of Shares	Shareholding Ratio			Job Title	Name	Relation-ship	
Chairman	R.O.C.	HSIAO, CHIN-MING	Male 61~70	June 22, 2022	3	May 20, 2004	9,870,909	8.13%	9,870,909	8.13%	65,647	0.05%	0	0	Civil Engineering Department of China University of Technology; General Manager of Bin Chuan Enterprise Co., Ltd.	Chairman of Hamagawa Industrial (M) Sdn. Bhd; Director of Hamagawa Corp. and Hamagawa Holdings; Chairman of Ching Chueh Company; Chairman of Feng Rong Medical Co., Ltd.; Representative of Corporate Director of Zoning Precise Technology; Chairman of Using technology Co., Ltd.	Director and General Manager	HSIAO,CHIN-CHUN	Brother	N/A
Director	R.O.C.	HSIAO, CHIN-CHUN	Male 51-60	June 22, 2022	3	May 20, 2004	7,770,423	6.40%	7,770,423	6.40%	401,941	0.33%	0	0	Civil Engineering Department of Cheng Shiu Institute of Technology; Assistant General Manager of Bin Chuan Enterprise Co., Ltd.	General Manager of the Company; General Manager of Suzhou Binchuan, Suzhou Fengchuan and Suzhou Juqi; Corporate Director of Ego Tech Company; Chairman of Ching Te Company; Director of Feng Rong Medical Co., Ltd.; Director of Hamagawa Industries (Thailand) Co., Ltd.	Chairman	HSIAO, CHIN-MING	Brother	
Director	R.O.C.	LIU, HAO-YUN	Male 51-60	June 22, 2022	3	June 13, 2007	498,631	0.41%	298,631	0.25%	0	0	0	0	Bachelor of Business Administration of Strayer College, USA;	Assistant General Manager of the Company; Chairman of I Yun Investment Company	None	None	None	
Director	R.O.C.	LEE, FAN	Male 51-60	June 22, 2022	3	June 17, 2010	74,281	0.06%	74,281	0.06%	0	0	0	0	Accounting Department of Tung Hai University; Assistant Officer of Deloitte & Touche; Assistant Manager of Fubon Securities Co., Ltd.	Financial Assistant General Manager of the Company; Independent Director of Asia Plastic Recycle Holding Corp.	None	None	None	
Director	R.O.C.	HSIEH, CHENG-TA	Male 51-60	June 22, 2022	3	June 25, 2019	20,244	0.02%	20,244	0.02%	0	0	0	0	Industrial Management Department of National Taiwan University of Science and Technology; Lite-On Technology Corporation	Assistant General Manager of the Company; Director of Binchuan (Hong Kong) Limited	None	None	None	

Job Title	Nationality or Place of Registration	Name	Gender Age	Date Elected / Appointed to Current Term	Term of Office	Commencement Date of First Term	No. of Shares Held at Time of Election		No. of Shares Currently Held		Shares Currently Held by Spouse and Minor Children		Shares Held through Nominees		Principal Work Experience and Academic Qualifications	Positions Held Concurrently in the Company and/or in Any Other Company	Other officer(s), director(s), or supervisor(s) with which the person has a relationship of spouse or relative within the second degree			Remarks (Note)
							No. of Shares	Shareholding Ratio	No. of Shares	Shareholding Ratio	No. of Shares	Shareholding Ratio	No. of Shares	Shareholding Ratio			Job Title	Name	Relation-ship	
Director	R.O.C.	HUANG, TSENG-TIEN	Male > 70	June 22, 2022	3	June 13, 2007	0	0	0	0	0	0	0	0	Electrical Engineering Department of Taipei Institute of Technology; Senior Assistant General Manager of Silicon Integrated Systems Corporation; General Manager of Atlantic Technology Corporation	Director of Bestkids English Education Co., Ltd.	None	None	None	
Director	R.O.C.	HUANG, JEN-CHIEH	Male 61-70	June 22, 2022	3	June 22, 2022	8,000	0.01%	4,000	0	0	0	0	0	Department of Economics, Soochow University; General Manager of Breeze Financial Services Co., Ltd.; General Manager of Chailease Construction and Development Company Co., Ltd.; Supervisor of Chailease Resources Technology Co., Ltd.; Supervisor of Chailease Finance Co., Ltd.	None	None	None	None	
Independent Director	R.O.C.	LEE, CHUN-HSIEN	Male 41-50	June 22, 2022	3	June 25, 2019	0	0	0	0	0	0	0	0	Accounting Department of Cheng Kung University; Assistant Officer of Deloitte & Touche; Auditing Manager of Bin Chuan Enterprise Co., Ltd.	Director of Taiwan Core Biotechnology Corporation	None	None	None	N/A
Independent Director	R.O.C.	SU, ER-LANG	Male 61-70	June 22, 2022	3	June 22, 2022	0	0	0	0	0	0	0	0	Department of Law, Fu Jen Catholic University; Lawyer of Deloitte & Touche; Lawyer of Deloitte; Independent Director of Air Asia Company Limited	Managing Partner of Shang Chih Law Firm; Independent Director of Nan Kuang Pharmaceutical Co., Ltd.; Independent Director of Innovation Flextech Corporation Independent Director of Aurona Industries, Inc.	None	None	None	
Independent Director	R.O.C.	CHANG, CHUN-CHUN	Female 51-60	June 22, 2022	3	June 22, 2022	10,000	0.01%	0	0	12,000	0.01%	0	0	Accounting Department of Chung Yuan Christian University; Assistant Officer of KPMG; Assistant Manager of Investment Banking Department of Fubon Securities Co., Ltd.; Assistant Manager of Administration Department of Stolthaven Revivegen Kaohsiung Co., Ltd.	Chief Financial Officer of Mercury Biopharmaceutical Corporation; Accountant of CHUN CHUN CHANG Accounting Firm; Independent Director of Actron Technology Corporation; Independent Director of Jason Co., Ltd.	None	None	None	

Note: If the chairman, general manager or person of an equivalent post (the highest level manager) and the chairperson of the board of directors of a company are the same person, spouses, or relatives within the first degree of kinship, an explanation shall be given of the reason for, reasonableness, necessity thereof.

2. If the director of the Company is a representative of the corporate shareholder, the name of the corporate shareholder, and the name and shareholding ratio of top ten major shareholders of the said legal person should be specified. If the said top ten major shareholders are the corporate shareholders, the name and shareholding ratio of top ten major shareholders of the said legal person should be further specified: Not applicable.

3. Disclosure of Information Regarding Professional Qualifications and Experience of Directors and the Independence of Independent Directors:

Qualification / Name	Professional Qualifications and Experience (Note 1)	Independence Analysis (Note 2)	No. of other public companies at which the person concurrently serves as an independent director
HSIAO, CHIN-MING	Graduated from the Civil Engineering Department of China University of Technology and ever served as the general manager of the Company; make efforts in metal stamping and CNC technology for many years and have more than 5-year work experience for the business needs of the Company. No conditions specified in Article 30 of the Company Act are involved.	-	0
HSIAO, CHIN-CHUN	Graduated from the Civil Engineering Department of Cheng Shiu University of Technology; currently serve as the general manager of the Company and have more than 5-year work experience for the business needs of the Company. No conditions specified in Article 30 of the Company Act are involved.	-	0
LIU, HAO-YUN	Graduated from Strayer University, USA as a business administration bachelor; ever served as the senior assistant general manager of Silicon Integrated Systems Corporation and the general manager of Atlantic Technology Corporation; have more than 5-year work experience for the business needs of the Company. No conditions specified in Article 30 of the Company Act are involved.	-	0
LEE, FAN	Graduated from the Accounting Department of Tung Hai University; ever served as the assistant officer of Deloitte & Touche and the assistant manager of Fubon Securities Co., Ltd.; have the work experience in finance, accounting and related to the business needs of the Company. No conditions specified in Article 30 of the Company Act are involved.	-	1
HSIEH, CHENG-TA	Graduated from the Department of Industrial Management, National Taiwan University of Science and Technology; ever served with Lite-On Technology Corporation; have more than 5-year work experience for the business needs of the Company. No conditions specified in Article 30 of the Company Act are involved.	-	0

Qualification / Name	Professional Qualifications and Experience (Note 1)	Independence Analysis (Note 2)	No. of other public companies at which the person concurrently serves as an independent director
HUANG, TSENG-TIEN	Graduated from the Electrical Engineering Department of Taipei Institute of Technology; currently serve as the director of Bestkids English Education Co., Ltd.; ever served as the senior assistant general manager of Silicon Integrated Systems Corporation and the general manager of Atlantic Technology Corporation; have more than 5-year work experience in commerce and related to the business needs of the Company. No conditions specified in Article 30 of the Company Act are involved.	-	0
HUANG, JEN-LUNG	Graduated from the Department of Economics, Soochow University; ever served as the general manager of Breeze Financial Services Co., Ltd., the general manager of Chailease Construction and Development Company Co., Ltd., the supervisor of Chailease Resources Technology Co., Ltd., and the supervisor of Chailease Finance Co., Ltd.; have more than 5-year work experience in commerce and related to the business needs of the Company. No conditions specified in Article 30 of the Company Act are involved.	-	0
LEE, CHUN-HSIEN	Graduated from the Accounting Department of Cheng Kung University; currently serve as the director of Taiwan Core Biotechnology Corporation; ever served as the assistant officer of Deloitte & Touche and the auditing Manager of Bin Chuan Enterprise Co., Ltd.; have more than 5-year work experience in commerce, finance, accounting and related to the business needs of the Company. No conditions specified in Article 30 of the Company Act are involved.	During the two years before being elected or during the term of office, the following evaluation criteria for independence shall be met: (1) Not an employee of the Company or any of its affiliates. (2) Not a director or supervisor of the Company or any of its affiliates. (However, this does not apply to independent directors appointed in accordance with the Act or the laws and regulations of the local country by, and concurrently serving as such at, a public company and its parent or subsidiary or a subsidiary of the same parent.) (3) Not a natural-person shareholder who holds shares, together with those held by the person's spouse, minor children, or held by the person under others' names, in an aggregate of one percent or more of the total number of issued shares of the Company or ranking in the top 10 in holdings. (4) Not a spouse, relative within the second degree of kinship, or lineal relative within the third degree of kinship, of a managerial officer under subparagraph (1) or any of the	0

Qualification / Name	Professional Qualifications and Experience (Note 1)	Independence Analysis (Note 2)	No. of other public companies at which the person concurrently serves as an independent director
SU, ER-LANG	Graduated from the Department of Law, Fu Jen Catholic University; currently serve as the managing partner of Shang Chih Law Firm, the independent director of Nan Kuang Pharmaceutical Co., Ltd., the independent director of Innovation Flextech Corporation, and the independent director of Aurona Industries, Inc.; ever served as the lawyer of Deloitte; have more than 5-year work experience in law. No conditions specified in Article 30 of the Company Act are involved.	persons in (2) and (3) subparagraphs. (5) Not a director, supervisor, or employee of a corporate shareholder that directly holds five percent or more of the total number of issued shares of the Company, or that ranks among the top five in shareholdings, or that designates its representative to serve as a director or supervisor of the Company under Article 27, paragraph 1 or 2 of the Company Act. (6) If a majority of the Company's director seats or voting shares and those of any other company are controlled by the same person: not a director, supervisor, or employee of that other company. (However, this does not apply to independent directors appointed in accordance with the Act or the laws and regulations of the local country by, and concurrently serving as such at, a public company and its parent or subsidiary or a subsidiary of the same parent.) (7) If the chairman, general manager, or person holding an equivalent position of the Company and a person in any of those positions at another company or institution are the same person or are spouses: not a director (or governor), supervisor, or employee of that other company or institution. (However, this does not apply to independent directors appointed in accordance with the Act or the laws and regulations of the local country by, and concurrently serving as such at, a public company and its parent or subsidiary or a subsidiary of the same parent.)	3
CHANG, CHUN-CHUN	Graduated from the Accounting Department of Chung Yuan Christian University; currently served as the chief financial officer of Mercury Biopharmaceutical Corporation and the accountant of CHUN CHUN CHANG Accounting Firm; ever served as the assistant manager of Administration Department of Stolthaven Revivegen Kaohsiung Co., Ltd.; have more than five-year work experience in what is required in commerce, finance and accounting. No conditions specified in Article 30 of the Company Act are involved.	(8) Not a director, supervisor, officer, or shareholder holding five percent or more of the shares, of a specified company or institution that has a financial or business relationship with the Company. (However, this does not apply where the specified company holds 20 percent or more and no more than 50 percent of the total number of issued shares of the public company, and where independent directors appointed in accordance with the Act or the laws and regulations of the local country by, and concurrently serving as such at, a public company and its parent or subsidiary or a subsidiary of the same parent.) (9) Not a professional individual who, or an owner, partner, director, supervisor, or officer of a sole proprietorship, partnership, company, or institution that, provides auditing services to the Company or any affiliate of the Company, or that provides commercial, legal, financial, accounting or related services to the Company or any affiliate of the Company for which the provider in the past 2 years has received cumulative compensation exceeding NT$500,000, or a spouse thereof; provided, this restriction does not apply to a member of the remuneration committee, public tender offer review committee, or special committee for merger/consolidation and acquisition, who exercises powers pursuant to the Securities and Exchange Act or to the Business Mergers and Acquisitions Act or related laws or regulations. (10) Not spouse or within the second-degree kinship of other directors. (11) Do not involve any conditions specified in Article 30 of the Company Act. (12) Do not involve any conditions specified in Article 27 of the Company Act where the government, the legal persons or their representative is elected.	2

Note 1: Professional Qualification and Experience: Specify the professional qualification and experience of the individual director and supervisor. In case of the member of the Audit Committee who has the expertise of accounting or finance, specify his/her accounting or financial background as well we the work experience. Besides, specify whether any conditions set forth in Article 30 of the Company Act are involved.

Note 2: Specify how the independent director meets the independence and whether those persons, including but not limited to the principal, spouse and relatives within the 2nd degree of kinship serve as the director, supervisor or employee of the Company or its subsidiaries; specify the number and proportion of shares of the Company, held by the principal, spouse, relatives within the 2nd degree of kinship (or in others' names); specify whether they serve as the director, supervisor or employee of the Company which has the specific relations with the Company. (Please refer to the Regulations Governing Appointment of Independent Directors and Compliance Matters by Public Companies); specify the amount of remuneration acquired by rendering the service of commerce, law, finance and accounting to the Company or its subsidiaries within the latest two years.

4. Diversification and Independence of the Board of Directors

(1) Diversification of the Board of Directors

The Board of Directors of the Company should direct the strategies of the Company, supervise the management level, and take the responsibilities to the Company and shareholders. In terms of each processing and arrangement in the corporate governance system, it should be ensured that the Board of Directors will exercise its authorization in compliance with statutory acts, regulations in the Articles of Incorporation, or resolutions in the shareholders' meeting. Since the structure of the Company's Board of Directors should consider the actual operation needs, based on the Company's management and development scale and the shareholding status of its shareholders, it is resolved to set up five or more appropriate director seats. The composition of members of the Board of Directors should take diversification into account. The directors who concurrently serve as the managers of the Company shall not exceed one third of the director seats. In addition, the appropriate diversification policy should be drawn up, based on the its own operation, operation style and development needs. It is advisable to include but be not limited to the following standards of two major levels:

A. Basic criteria and value: gender, age, nationality and culture, etc. Above all, the ratio of female directors shall reach one third of the director seats.

B. Professional knowledge and skill: professional background (e.g., law, accounting, industry, finance, marketing or technology), professional skill and industrial experience, etc.

The members of the Board of Directors should generally possess the knowledge, skill and competence. In order to achieve the ideal objective of corporate governance, the Board of Directors should possess as a whole the ability as follows:

A. Operation judgment ability;
B. Accounting & financial analysis ability;
C. Business management ability;
D. Crisis management ability;
E. Industry knowledge;
F. International market vision;
G. Leadership;
H. Decision-making ability.

Implementation Conditions of the Diversification Policy for Members of the Board of Directors

In accordance with Article 192-1, the Company Act, the Company accepts those shareholders who hold 1% shares to nominate the director candidates in writing to the Company, or the Board of Directors nominates professionals in each field, who do not involve any conditions specified in Article 30, the Company Act, for the Board of Directors' reference as the selection standards.

The current Board of Directors of the Company is composed of ten directors, including seven directors and three independent directors, and the members are possessed of ample experience and professionalism in such fields as finance, commerce and management, etc. In addition, the Company also put emphasis on gender equality. Currently, among ten directors, there are two female directors. In the future, the Company will continue to make efforts in reinforcing the diversification development of members of the Board of Directors. The related implementation status is shown as per the following table:

Name of Director		Gender	Age				Core Items of Diversification								
			41-50	51-60	61-70	Above 70	Operation Judgement	Accounting & Financial Analysis	Business Management	Crisis Management	Industry Knowledge	International Market Vision	Leadership	Decision-making Ability	Law
Chairman	HSIAO, CHIN-MING	M			V		V		V	V	V	V	V	V	
Director	HSIAO, CHIN-CHUAN	M		V			V		V	V	V	V	V	V	
Director	LIU, HAO-YUN	M		V			V		V	V	V	V	V	V	
Director	LEE, FAN	M		V			V	V	V	V	V	V	V	V	V
Director	HSIEH, CHENG-TA	M		V			V		V	V	V	V	V	V	

Name of Director		Gender	Age				Core Items of Diversification								
			41-50	51-60	61-70	Above 70	Operation Judgement	Accounting & Financial Analysis	Business Management	Crisis Management	Industry Knowledge	International Market Vision	Leadership	Decision-making Ability	Law
Director	HUANG, TSENG-TIEN	M				V	V		V	V	V	V	V	V	
Director	HUANG, JEN-LUNG	M			V		V		V	V	V	V	V	V	
Independent Director	LEE, CHUN-HSIEN	M	V				V	V	V	V	V	V	V	V	V
Independent Director	SU, ER-LANG	M			V		V	V	V	V		V	V	V	V
Independent Director	CHANG, CHUN-CHUN	F		V			V	V	V	V		V	V	V	V

(2) Independence of the Board of Directors:

A. Specify the number and ratio of the independent directors and describe the status of independence of the Board of Directors: There are three independent directors in the current Board of Directors, accounting for 30%. The Board of Directors has independence in exercising its authorization. For details of directors' professional knowledge and independence, see page 10.

B. Only two directors among members of the Board of Directors are within the second degree of kinship and in 2019, the Audit Committee was established to replace the supervisors' function in compliance with the provisions of Paragraphs 3 and 4 of Article 26-3 of the Securities and Exchange Act. For details of information of directors, see page 8.

(2) Information on General Manager, Assistant General Managers, and Chiefs of All Divisions and Branch Units

April 21, 2024

Job Title	Nationality	Name	Gender	Date of Appointment to Position	No. of Shares Held		Shares Held by Spouse and Minor Children		Shares Held through Nominees		Principal Work Experience and Academic Qualifications	Positions Concurrently Held in Other Companies at Present	Other managerial officer(s) with which the person has a relationship of spouse or relative within the second degree			Remarks
					No. of Shares	Shareholding Ratio	No. of Shares	Shareholding Ratio	No. of Shares	Shareholding Ratio			Job Title	Name	Relat	
General Manager	R.O.C.	HSIAO, CHIN-CHUN	Male	March 1, 1998	7,770,423	6.40%	401,947	0.33%	0	0	Civil Engineering Department of Cheng Shiu Institute of Technology Bin Chuan Enterprise Co., Ltd.	Director of the Company; General Manager of Suzhou Binchuan, Suzhou Fengchuan and Suzhou Company; Representative of Corporate Director of Ego Tech Company; Chairman of Ching Te Company; Director of Feng Rong Medical Co., Ltd.; Director of Hamagawa Industries (Thailand) Co., Ltd.	None	None	None	None
Assistant General Manager	R.O.C.	LIU, HAO-YUN	Male	July 1, 2007	298,631	0.25%	0	0	0	0	Bachelor of Business Administration, Strayer University, USA	Director of the Company; Chairman of I Yun Investment Company	None	None	None	Non
Assistant General Manager	R.O.C.	HSIEH, CHENG-TA	Male	July 1, 2007	20,244	0.02%	0	0	0	0	Department of Industrial Management, National Taiwan University of Science and Technology; Lite-On Technology Corporation	Director of the Company Director of Binchuan (Hong Kong) Limited	None	None	None	None
Financial Assistant General Manager	R.O.C.	LEE, FAN	Male	February 19, 2008	74,281	0.06%	0	0	0	0	Accounting Department of Tung Hai University; Assistant Officer of Deloitte &Touche; Assistant Manager of Fubon Securities Co., Ltd.	Director of the Company; Director of Feng Rong Medical Co., Ltd. Independent Director of Asia Plastic Recycle Holding Corp.	None	None	None	None
Assistant Manager	R.O..C	CHIN, HAO	Male	October 31, 1998	61,815	0.05%	111	0	0	0	Department of Arabic Language and Culture, National Chengchi University; UT Freight Service Limited	Director of the Company; Director of Suzhou Binchuan, Suzhou Fengchuan, Chongqing Fengchuan, and Key Mold Co., Ltd.; Supervisor of Feng Rong Medical Co., Ltd.	None	None	None	None
Assistant Manager	R.O.C.	HUANG, YU-NENG	Male	April 1, 2008	222	0	0	0	0	0	Institute of Financial Management, National Kaohsiung First University of Science and Technology; Chief Financial Officer of Nissho Taiwan	None	None	None	None	None
Assistant Manager	R.O.C.	LIU, CHIA-CHUNG	Male	April 1, 2008	0	0	0	0	0	0	Department of Industrial Management, Shu-Te University Gongin Precision Industries Co., Ltd.	None	None	None	None	Non
Assistant Manager	R.O.C.	LIN, CHIA-JUNG	Female	April 1, 2008	0	0	0	0	0	0	Department of Social Science, National Open University	None	None	None	None	N

3. Remuneration to Directors, General Manager and Assistant General Managers in the Most Recent Fiscal Year

Remuneration to Ordinary Directors and Independent Directors

December 31, 2023
Unit Amount: NT$ Thousands

Job Title	Name	Remuneration to Directors								Sum of A+ B+ C+ D and Ratio to Net Income		Relevant Remuneration Received by Directors for Concurrent Service as an Employee								Sum of A+ B+C+D+E+ F+G and Ratio to Net Income		Remuneration received from investee enterprises other than subsidiaries, or from the parent company
		Base Compensation (A)		Retirement Pay and Pension (B)		Director Profit-sharing Compensation (C)		Expenses and Perquisites (D)				Salary, Rewards and Special Disbursements (E)		Retirement Pay and Pension (F)		Employee Profit-sharing Compensation (G)						
																The Company		All Consolidated Entities				
		The Company	All Consolidated Entities	The Company	All Consolidated Entities	The Company	All Consolidated Entities	The Company	All Consolidated Entities	The Company	All Consolidated Entities	The Company	All Consolidated Entities	The Company	All Consolidated Entities	Amount in Cash	Amount in Stock	Amount in Cash	Amount in Stock	The Company	All Consolidated Entities	
Directors	HSIAO, CHIN-MING	0	0	0	0	0	0	0	0	0 0%	0 0%	0	7,508	0	0	0	0	0	0	0 0%	7,508 -6.51%	None
	HSIAO, CHIN-CHUN	0	0	0	0	0	0	0	0	0 0%	0 0%	4,030	4,030	108	108	0	0	0	0	4,138 -3.59%	4,138 -3.59%	None
	LIU, HAO-YUN	0	0	0	0	0	0	0	0	0 0%	0 0%	3,380	3,380	108	108	0	0	0	0	3,488 -3.02%	3,488 -3.02%	None
	LEE, FAN	0	0	0	0	0	0	0	0	0 0%	0 0%	2,600	2,600	108	108	0	0	0	0	2,708 -2.35%	2,708 -2.35%	None
	HSIEH,CHENG-TA	0	0	0	0	0	0	0	0	0 0%	0 0%	3,120	3,969	108	108	0	0	0	0	3,228 -2.80%	4,077 -3.53%	None
	HUANG, TSENG-TIEN	0	0	0	0	0	0	0	0	0 0%	0 0%	0	0	0	0	0	0	0	0	0 0%	0 0%	None
	HUANG, JEN-LUNG	0	0	0	0	0	0	0	0	0 0%	0 0%	0	0	0	0	0	0	0	0	0 0%	0 0%	None
Independent	LEE, CHUN-HSIEN	0	0	0	0	0	0	0	0	0 0%	0 0%	0	0	0	0	0	0	0	0	0 0%	0 0%	None
	SU, ERH-LANG	0	0	0	0	0	0	0	0	0 0%	0 0%	0	0	0	0	0	0	0	0	0 0%	0 0%	None
	CHANG, CHUN-CHUN	0	0	0	0	0	0	0	0	0 0%	0 0%	0	0	0	0	0	0	0	0	0 0%	0 0%	None

1. Please describe the policy, system, standards and structure in place for paying remuneration to directors and describe the relationship of factors such as the duties and risks undertaken and time invested by the directors to the amount of remuneration paid.
2. In addition to what is disclosed in the above table, please specify the amount of remuneration received by directors in the most recent fiscal year for providing services (e.g., for serving as a non-employee consultant to the parent company /any consolidated entities / invested enterprises): NT$33 thousand.

Remuneration to General Manager and Assistant General Managers

December 31, 2023

Unit Amount: NT$ Thousands

Job Title	Name	Salary (A)		Retirement Pay and Pension (B)		Rewards and Special Disbursements (C)		Employee Profit-sharing Compensation (D)				Sum of A+ B+ C+ D and Ratio to Net Income (%)		Remuneration received from investee enterprises other than subsidiaries or from the parent company
								The Company		All Consolidated Companies				
		The Company	All Consolidated Companies	The Company	All Consolidated Companied	The Company	All Consolidated Companies	Amount in Cash	Amount in Stock	Amount in Cash	Amount in Stock	The Company	All Consolidated Companies	
General Manager	HSIAO, CHIN-CHUN	3,720	3,720	108	108	310	310	0	0	0	0	4,138 -3.59%	4,138 -3.59%	None
Assistant General Manager	LIU, HAO-YUN	3,120	3,120	108	108	260	260	0	0	0	0	3,488 -3.02%	3,488 -3.02%	None
Assistant General Manager	LEE, FAN	2,400	2,400	108	108	200	200	0	0	0	0	2,708 -2.35%	2,708 -2.35%	None
Assistant General Manager	HSIEH, CHENG-TA	2,880	3,729	108	108	240	240	0	0	0	0	3,228 -2.80%	4,077 -3.53%	None

Remuneration to the Five Highest Remunerated Management Personnel of a TWSE or TPEx listed Company

December 31, 2023

Unit Amount: NT$ Thousands

Job Title	Name	Salary (A)		Retirement Pay and Pension (B)		Rewards and Special Disbursements (C)		Employee Profit-sharing Compensation (D)				Sum of A+ B+ C+ D and Ratio to Net Income (%)		Remuneration received from investee enterprises other than subsidiaries or from the parent company
								The Company		All Consolidated Companies				
		The Company	All Consolidated Companies	The Company	All Consolidated Companied	The Company	All Consolidated Companies	Amount in Cash	Amount in Stock	Amount in Cash	Amount in Stock	The Company	All Consolidated Companies	
General Manager	HSIAO, CHIN-CHUN	3,720	3,720	108	108	310	310	0	0	0	0	4,138 -3.59%	4,138 -3.59%	None
Assistant General Manager	LIU, HAO-YUN	3,120	3,120	108	108	260	260	0	0	0	0	3,488 -3.02%	3,488 -3.02%	None
Assistant General Manager	LEE, FAN	2,400	2,400	108	108	200	200	0	0	0	0	2,708 -2.35%	2,708 -2.35%	None
Assistant General Manager	HSIEH, CHENG-TA	2,880	3,729	108	108	240	240	0	0	0	0	3,228 -2.80%	4,077 -3.53%	None
Assistant Manager	LIN, CHIA-JUNG	3,720	3,720	108	108	310	310	0	0	0	0	4,138 -3.59%	4,138 -3.59%	None

Names and Distributions of Employee Profit-Sharing Compensation to Managerial Officers

December 31, 2023

Unit Amount: NT$ Thousands

	Job Title	Name	Amount in Stock	Amount in Cash	Total	As a (%) of Net Profit
Managerial Officers	General Manager	HSIAO, CHIN-CHUN	0	0	0	0%
	Assistant General Man ager	LIU, HAO-YUN				
	Assistant General Manager	HSIEH, CHENG-TA				
	Financial Assistant General Manager	LEE, FAN				
	Assistant Manager	CHIN, HAO				
	Assistant Manager	HUANG, YU-NENG				
	Assistant Manager	LIU, CHIA-CHUNG				
	Assistant Manager	LIN, CHIA-JUNG				

(4) Chief officer of the finance division

Job Title	Ratio (%) of Total Remuneration to Net Profit in 2023		Ratio (%) of Total Remuneration to Net Profit in 2022	
	The Company	All Consolidated Entities	The Company	All Consolidated Entities
Director	-11.75	-19.00	4.97	7.24
General Manager and Assistant General Manager	-11.75	-12.49	4.35	4.57

The Company stipulates the distribution of remuneration to directors in the Articles of Incorporation, which is handled subject to the resolutions of the shareholders' meeting. The relevant remuneration to general manager and assistant general managers is resolved in accordance with the standards for the highest salary level in the remuneration approval rules. If the Company gains earnings, compensation will be separately distributed pursuant to the Articles of Incorporation.

The Company's Board of Directors also establishes the Remuneration Committee, which assists the Board of Directors in setting out the compensation for the directors and managerial officers and the remuneration policy of the Company.

The Company complies with regulations of the Articles of Incorporation as well as operation of the Board of Directors and the Remuneration Committee; besides, we consider the Company's "Performance Evaluation Rules of the Board of Directors" as the basis of evaluation. In addition to referring to the overall operation performance of the Company, future risks of the industry and development trend, we also take into consideration the achievement of personal performance and the contribution to the Company performance to give reasonable compensation. Both relevant performance evaluation and remuneration rationality are assessed by the Remuneration Committee and the Board of Directors, and the remuneration system will be appropriately reviewed depending on the actual operation status and the related laws and regulations in order to seek the balance between corporate sustainable operation and risk control.

4. Implementation Status of Corporate Governance

(1) Information on Operation of the Board of Directors

The number of board meetings held in the most recent fiscal year was: 5 (A). The attendance by the directors was as follows:

Title	Name	No. of Meetings Attended in Person	No. of Meetings Attended by Proxy	In-person Attendance Rate (%) 【B/A】	Remarks
Chairman	HSIAO, CHIN-MING	5	0	100	None
Director	HSIAO, CHIN-CHUN	5	0	100	None
Director	LIU, HAO-YUN	5	0	100	None
Director	LEE, FAN	5	0	100	None
Director	HUANG, TSENG-TIEN	5	0	100	None
Director	HSIEH, CHENG-TA	5	0	100	None
Director	HUANG, JEN-LUNG	5	0	100	None
Independent Director	LEE, CHUN-HSIEN	5	0	100	None
Independent Director	SU, ER-LANG	4	1	80	None
Independent Director	CHANG, CHUN-CHUN	5	0	100	None

Other mentionable items:

1. Matters referred to in Article 14-3 of the Securities and Exchange Act, and other matters involving objections or expressed reservations by independent directors that were recorded or stated in writing that required a resolution by the Board of Directors, the dates of meetings of the Board of Directors, sessions, contents of motion, all independent directors' opinions and the Company's response thereof should be specified: None.
2. If there are directors' avoidance of motions in conflict of interest, the directors' names, contents of motion, causes for avoidance and voting should specified: None
3. Evaluation cycle and period, scope of evaluation, evaluation method, and evaluation contents of the self

Evaluation Cycle	Evaluation Period	Evaluation Scope	Evaluation Method	Evaluation Contents
Performed once a year	Performance was conducted for the Board of Directors from January 1, 2023 to December 31, 2023	Performance of the Board of Directors, each member of the Board of Directors and the functional committees	Internal self-evaluation of the Board of Directors and its members	Note 1

(or peer) evaluation of the Board of Directors:

Note 1: Subject to the scope of evaluation, the evaluation contents include the following items:

(1) Performance of the Board of Directors: include participation in company operation, decision-making quality of the Board of Directors, composition and structure of the Board of Directors, election of directors and continuing study and internal control.

(2) Performance evaluation of individual director: include grasp of company goal and mission, awareness of director responsibilities, participation in company operation, management and communication of internal relationship, directors' professionalism and continuing study, and internal control.

(3) Performance evaluation of functional committees: include participation in company operation, awareness of responsibilities of the functional committees, improvement of decision-making quality of the functional committees, composition of the functional committees and reelection of members, and internal control.

4. Goals for Strengthening the functions of the Board of Directors in the current year and most recent fiscal year (e.g., establish the audit committee, promote the information transparency, etc.) and evaluation of

the implementation status: (1) In order to strengthen functions of the Board of Directors, and meanwhile ensure effective operation of procedures of the Board of Directors, the Company established the "Rules of Procedure for Board of Directors Meetings", pursuant to the " Regulations Governing Procedure for Board of Directors Meetings of Public Companies", as the basis of operation of the Company's Board of Directors. (2) The Company strives to enhance transparency of operation information of the Board of Directors. Through the Market Observation Post System, the Company website and annual report, we disclose the details of continuing study of directors as per page 27 and the significant resolutions of the Board of Directors are disclosed in the annual report, details of which are shown on page 84.

(2) Information on Operation of the Audit Committee:

The number of audit committee meetings held in the most recent fiscal year was: 4 (A). The attendance by the independent directors was as follows:

Title	Name	No. of Meetings Attended in Person (B)	No. of Meetings Attended by Proxy	In-person Attendance Rate (%) (B/A)	Remarks
Independent Director	LEE, CHUN-HSIEN	5	0	100	None
Independent Director	SU, ER-LANG	4	1	80	None
Independent Director	CHANG, CHUN-CHUN	5	0	100	None

The annual main items of deliberation of the Audit Committee include:
1. Establish or amend the internal control system pursuant to Article 14-1 of the Securities and Exchange Act.
2. Assess effectiveness of the internal control system.
3. Establish or amend the management procedure of material acts in finance and business such as acquisition or disposal of assets, engagement in trading of derivatives, making loan of funds to others, making endorsements or offering guarantees for others.
4. Particulars involving the directors' own stake.
5. Material assets or derivatives trading.
6. Material fund loans, endorsements or offering guarantees.
7. Raise, issue or privately place the securities of equity nature.
8. Appointment, dismissal or compensation of certified public accountants.
9. Appointment and dismissal of chief financial, accounting or internal audit officers.
10. Annual financial report, signed or sealed by the chairman, managerial officers and chief accounting officer, and Q2 financial report, audited and certified by the accountants.
11. Other significant particulars, regulated by the Company or the competent authority. Other information required to be disclosed:

1. If any of the following circumstances exists in operation of the Audit Committee, specify the audit committee meeting date, meeting session number, content of the motion(s), the content of any dissenting or qualified opinion or significant recommendation of the independent directors, the outcomes of audit committee resolutions, and the measures taken by the Company based on the opinions of the audit committee:
   (1) Any matter under Article 14-5 of the Securities and Exchange Act.

Meeting of the Audit Committee Date and Session	Motion Contents	Resolution Results of the Audit Committee	Disposal of the Company for Opinions of the Audit Committee
March 27, 2023 The 3rd Meeting The 2nd Session	1. Pass the proposal of 2022 business report and financial statements. 2. Pass the proposal of 2022earnings distribution. 3. Pass the proposal of internal control declaration from January 1, 2021 to December 31, 2022. 4. Pass the proposal of replacement of CAPs due to internal adjustment of the authorized Deloitte & Touche. 5. Pass the proposal of regular assessment of CPAs' independence and eligibility. 6. Pass the proposal where the new or renewed bank loan credit was managed with full authority by the chairman subject to approval authorization. 7. Pass the proposal of ratification of offering guarantee for the bank loan credit of the investee company. 8. Pass the proposal of recognition of impairement of assets, as set out in the International Accounting Standards No. 36. 9. Pass the proposal of investment framework adjustment. 10. Pass the proposal of amendment of the Company's "Corporate Governance Best Practice Principles".	Approved and passed by all attending Committee members.	Not applicable
May 11, 2023 The 4th Meeting The 2nd Session	1. Pass the proposal of 2023 Q1 consolidated financial statements. 2. Pass the proposal of appointment of the Company's chief corporate governance officer. 3. Pass the proposal of change of audit deputy. 4. Pass the proposal where the new or renewed bank loan credit was managed with full authority by the chairman subject to approval authorization.	Approved and passed by all attending Committee members.	Not applicable
August 10, 2023 The 5th Meeting The 2nd Session	1. Pass the proposal of 2023 Q2 consolidated financial statements. 2. Pass the proposal where the new (renewed) bank loan credit was managed with full authority by the chairman approval authorization. 3. Pass the proposal of offering guarantee for the bank loan	Approved and passed by all attending Committee members.	Not applicable

	credit of the investee companies. 4. The proposal of insuring the liability insurance for the directors and important employees. 5. Pass the proposal of the Company's pre-approval of non-assurance services items.		
September 26, 2023 The 6th Meeting The 2nd Session	1. Pass the proposal of related matters concerning the syndicated loan credit amount of NT$940,000,000, acquired from the Credit Bank Group under management of CTBC Bank Co., Ltd. 2. Pass the proposal of purchase of machinery and equipment. 3. Pass the proposal of the Company's establishment of the subsidiary in Thailand.	Approved and passed by all attending Committee members.	Not applicable
November 10, 2023 The 7th Meeting The 2nd Session	1. Pass the proposal of 2023 Q3 consolidated financial statements. 2. Pass the proposal where the new (renewed) bank loan credit was managed with full authority by the chairman subject to approval authorization. 3. Pass the proposal of appropriating loan progress upon maturity of loan credit to the companies in the group. 4. Pass the proposal of credit of fund loaning to the companies in the group. 5. Pass the proposal of 2024 audit plan. 6. Pass the proposal of amendment of the "Approval Authority Chart". 7. Pass the proposal of amendment of the "Electronic Computer Cycle". 8. Pass the proposal of designation of the deputy spokesman. 9. Pass the proposal of establishment of chief cyber security responsible officer.	Approved and passed by all attending Committee members.	Not applicable

(2) In addition to the matters referred to above, any matter that was not approved by the audit committee but was approved by a two-thirds or greater majority resolution of the Board of Directors: None..

2. Implementation of recusals of independent directors with respect to any motions with which they may have a conflict of interest: specify the independent director's name, the contents of the motion, the cause for recusal, and whether and how the independent director voted: There was no such condition.

3. Communication between the independent directors and the chief internal audit officer and the CPAs (including any significant matters communicated about with respect to the state of the Company's finances and business and the method(s) and outcomes of the communication.):

(1) In addition to providing the audit report for the independent directors' review on a monthly basis, the chief audit officer of the Company reported the implementation status of the audit business to the Audit Committee and the Board of Directors at least each quarter.

Date	Matter of Communication	Communication Results
March 27, 2003	Report of audit business implementation results in November & December 2022 and January & February 2023.	The independent directors made no objections to the report of the audit business implementation results.
May 11, 2023	Report of audit business implementation results in March 2023.	The independent directors made no objections to the report of the audit business implementation results.
August 10, 2023	Report of audit business implementation results in April to July 2023.	The independent directors made no objections to the report of the audit business implementation results.
September 26, 2023	Report of audit business implementation results in August 2023.	The independent directors made no objections to the report of the audit business implementation results.
November 10, 2023	Report of audit business implementation results in September – October 2023.	The independent directors made no objections to the report of the audit business implementation results.

(2) The CPAs communicated with the independent directors through the seminar or the Audit Committee at least once a year and the contents included audit planning, impact of material matters and amendment of statutory acts, etc. The Audit Committee members can communicate with the CPAs at any time and the communication status was good.

Date and Nature	Matter of Communication	Communication Results
March 27, 2023 Seminar	After 2022 Audit 1. Audit scope and method. 2. Material exposure disclosed in financial statements. 3. Significant risks, and key audit matters. 4. Corporate governance unit – pre-approval of non-assurance services. 5. Independence declaration.	The independent directors made no objections to the CPAs' report.
December 7, 2023 Seminar	Audit Planning Stage in 2023 1. Audit scope and method. 2. Identifying significant risks, and evaluating key audit matters. 3. Others: The Sustainability Standards of the Internation Financial Reporting Standards, the quality management system, the transparency report, executed non-audit services, explanation of Audit Quality Indicator (AQI) and independence declaration of Deloitte & Touche. 4. Duties and responsibilities of the governance unit.	The independent directors made no objections to the CPAs' report.

(3) Corporate Governance Implementation Status and Deviations from the Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies:

Evaluation Item	Implementation Status			Deviations from the Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies and the Reasons
	Yes	No	Summary Description	
1. Has the Company established and disclosed its Corporate Governance Best Practice Principles based on the Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies?	●		The Company has established the "Corporate Governance Best Practice Principles", based on the following principles: 1. protecting the shareholders' interests, 2. Strengthening the Board of Directors' function, 3. displaying function of the Remuneration and Audit Committees, 4. valuing the stakeholder' interests, and 5. enhancing information transparency.	Consistent with the regulations in the Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies.
2. Shareholding Structure and Shareholders' Rights (1) Does the Company have Internal Operation Procedures for handling shareholders' suggestions, concerns, disputes and litigation matters. If yes, have these procedures been implemented accordingly? (2) Does the Company know the identity of its major shareholders and the parties with ultimate control of the major shareholders? (3) Has the Company built and implemented a risk management system and a firewall between the Company and its affiliates? (4) Has the Company established internal rules prohibiting insider trading of securities based on undisclosed information?	●		(1) The Company has established the spokesman mechanism, in charge of handling shareholders' suggestions, concerns, disputes and litigation matters, etc. (2) The Company obtained the updated shareholders' roster through the stock agent to regularly have control of the related name list of major shareholders who actually control the Company. (3) The trading conditions of the affiliates were the same as those of general customers with the establishment of related regulations and the buildup of risk management mechanism and the firewall was an important management way between the Company and our affiliates. (4) The Company has established the "Management of Prevention from Insiders Trading", which prohibited the insiders of the Company to trade in the securities based on undisclosed information.	Consistent with the regulations in the Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies.
3. Composition and responsibilities of the Board of Directors (1) Have a diversity policy and specific management objectives been adopted for the board and have they been fully implemented? (2) Has the Company voluntarily established other functional committees in addition to the remuneration committee and the audit committee?	●		(1) The ratio of the Company's male and female directors was 1:9; they were possessed of professional knowledge and expertise: professional background (e.g., law, accounting, industry and finance), professional skill and industry experience. The Board of Directors drew up a diversity policy in terms of members of the Board of Directors, which was disclosed on the Company's website and the Market Observation Post System. For details of explanation on the Board of Directors' diversification, see page 13. (2) The Company was willing to consolidate supervision function and strengthen management mechanism. Taking into consideration the scale of the Board of Directors and the number of independent directors, we established all sorts of functional committees such as audit, nomination, risk management or others. And on the basis of the corporate social responsibilities and the concept of sustainable operation, we established such committees as environmental protection, corporate social responsibilities	Consistent with the regulations in the Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies.

Evaluation Item	Implementation Status			Deviations from the Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies and the Reasons
	Yes	No	Summary Description	
(3) Has the Company established rules and methodology for evaluating the performance of its Board of Directors, implemented the performance evaluations on an annual basis, and submitted the results of performance evaluations to the Board of Directors and used them as reference in determining salary/compensation for individual directors and their nomination and additional office terms? (4) Does the Company regularly evaluate its external auditors' independence?			or others. (3) The Company referred to Article 37 of the Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies to establish the performance evaluation rules of the Board of Directors, which has been passed by the Board of Directors. We stipulated the internal performance evaluation should be conducted at least once a year; the evaluation scope, method and procedure were implemented subject to the rules, and the evaluation results were submitted to the Board of Directors before the end of the first quarter, each year. With regard to the remuneration, nomination and retention, in addition to considering the overall operation performance of the Company, the future operation risks and the development trend, we also made use of the performance evaluation results of the Board of Directors for comprehensive consideration. (4) The Company approved the regular evaluation of the CPAs' independence and competence on March 15, 2024. The explanations were as follows: 1. In accordance with Article 29 of the "Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies", the TWSE/TPEx listed companies should choose the professional, dutiful and independent certified public accountants, and the TWSE/TPEx listed companies should evaluate the CPAs' independence on a regular basis (at least once a year). 2. The Company evaluated CPA HSU, JUI-HSUAN and CPA CHEN, CHEN-LI of Deloitte & Touche on a regular basis, both of whom met the Company's independence evaluation criteria (Note 1) so as to be eligible for serving as the CPAs of the Company. And we referred to the Audit Quality Indicators (AQIs), as offered by the accounting firm, to conduct the evaluation, the content of which covered five aspects such as professionalism, quality control, independence, supervision, and innovation ability, as well as the content of thirteen indicators (including level of the accounting firm and level of audit cases), in order to assess the accounting firm and audit quality of the audit team. 3. The Deloitte & Touche has issued the CPAs' role, responsibilities and independence declaration, and provided the Audit Quality Indicators (AQIs).	
4. Does the TWSE/TPEx listed company have in place an adequate number of qualified corporate governance officers and has it appointed a chief corporate governance officer with responsibility corporate governance practices (including but not limited to providing information	●		The Financial Division of the Company was appointed to be the part-time unit of corporate governance, responsible for such affairs related to corporate governance as providing the directors with information required by business execution, handling the relevant matters of the meetings of the Board of Directors and	Consistent with the regulations in the Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies.

Evaluation Item	Implementation Status			Deviations from the Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies and the Reasons
	Yes	No	Summary Description	
necessary for directors and supervisors to perform their duties, aiding directors and supervisors in complying with with laws and regulations, organizing board meetings and annual general meetings of shareholders as required by law, and compiling minutes of board meetings and annual general meetings)?			the Shareholders' Meeting according to the law, processing company registration and alteration registration, preparing the minutes of the shareholders' meeting, etc.	
5. Has the Company established channels for communicating with its stakeholders (including but not limited to shareholders, employees, customers, suppliers, etc.) and created a stakeholder's section on its company website? Does the Company appropriately respond to stakeholders' questions and concerns on important corporate social responsibility issues?	●		The dedicated personnel such as the spokesman and the related department, etc. of the Company took charge of communication and coordination, and the relevant information would be monthly published on the Market Observation Post System.	Consistent with the regulations in the Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies.
6. Has the Company appointed a professional shareholder services agent to handle matters related to its shareholders' meetings?	●		The Company has authorized the professional stock agency institution, the Stock Agency Department of Fubon Securities Co., Ltd. to handle the affairs of the shareholders' meeting.	Consistent with the regulations in the Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies.
7. Information Disclosure (1) Has the Company established a corporate website to disclose information regarding its financials, business, and corporate governance status? (2) Does the Company use other information disclosure channels (e.g., maintaining an English-language website, designating staff to handle information collection and disclosure, appointing spokespersons, webcasting investors conference etc.)? (3) Does the Company publish and report its annual financial report within two months after the end of the fiscal year, and publish and report its financial reports for the first, second, and third quarters as well as its operating statements for each month before the specified deadlines?	● ● 	 ●	(1) The Company's website is www.hamagawa.com.tw, which regularly discloses the financial position of the Company, and a question responding mechanism is set up. (2) The Company is equipped with the website in English and Japanese, and have the dedicated personnel to take charge of maintaining the related contents. Besides, we implemented the spokesman system in accordance with the regulations. (3) The Company published and reported the annual financial report, quarterly financial report and the operation status of each month: 1. The Company published and reported the annual financial report within the specified deadline of three months at the end of each fiscal year. 2. The Company published and reported the Information in the financial report within the specified deadline of 45 days at the end of the first, second and third quarters, each year. 3. The Company published and reported the operation status of the preceding month prior to the 10th day of each month.	Consistent with the regulations in the Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies. Publication and reporting had been made before the specified deadline.
8. Has the Company disclosed other information to facilitate a better understanding of its corporate governance practices (including but not limited to employee rights, employee wellness, investor relations, supplier relations, rights of stakeholders, directors' and supervisors' continuing education, the implementation of	●		(1) The Company has established the Employee Wellness Committee. In addition to allocating the employee benefits, we also put much emphasis on employ wellness; additionally, the Company set up the employee entertainment room, and our employees were entitled to the group insurance, various benefits and subsidies and the	Consistent with the regulations in the Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies.

Evaluation Item	Implementation Status			Deviations from the Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies and the Reasons
	Yes	No	Summary Description	
risk management policies and risk evaluation standards, the implementation of customer relations policies, and purchasing liability insurance for directors and supervisors)?			group entertainment activities. Besides, we also appropriated the labor retirement pension according to the related regulations. Relevant rules were established such as investor relations, supplier relations and rights of stakeholders, etc. (2) The conditions of directors' continuing study were as per Note 2. (3) Implementation status of the risk management policy and the risk measurement standards, and implementation status of the customer policy: No significant anomaly. (4) Conditions of the Company's purchasing the liability insurance for directors: The Company has purchased the liability insurance for the directors.	
9. Please describe improvements that have already been made based on the Corporate Governance Evaluation results released for the most recent fiscal year by the Corporate Governance Center, Taiwan Stock Exchange, and specify the priority enhancement objectives and measures planned for any matters still awaiting improvement. The Company has conducted the self-evaluation of corporate governance evaluation according to the regulations of the competent authority, and we have improved our governance conditions step by step in anticipation of promoting the Company's governance image.				

Note 1: Evaluation Criteria of CPA's Independence

Evaluation Items	Evaluation Results	Is the independence met?
1. Does the CPA have a direct or significant indirect financial interest in the Company?	No	Yes
2. Whether the accountant involve any acts of financing or guarantee with the Company or its directors?	No	Yes
3. Does the CPA have a close business relationship or potential employment relationship with the Company?	No	Yes
4. Does the CPA and his/her audit team members currently or in the last two years have held positions of directors or any positions which make significant influence on the audit work in the Company?	No	Yes
5. Does the CPA provide the Company with non-audit services, which might directly affect the audit work?	No	Yes
6. Does the CPA serve as an agent for the stock or other securities offered by the Company?	No	Yes
7. Does the CPA serve as a defender of the Company or represent the Company to coordinate the conflicts in which the Company involves with other third parties?	No	Yes
8. Does the CPA have the kinship with the Company's directors, managers or persons who have a significant impact on the business of the audit case?	No	Yes

Title	Name	Study Date		Sponsoring Organization	Course Name	Study Hours
		From	To			
Director	LEE, FAN	2023/12/28	2023/12/29	Accounting Research and Development Foundation	Continuing Study Class for Principal Accounting Officers of Issuers, Securities Firms, and Securities Exchanges	12
		2023/12/22	2023/12/22	Taiwan Corporate Governance Association	Net Zero Emission, Carbon Neutrality, and Corporate Legal Compliance	3
		2023/12/22	2023/12/22	Taiwan Corporate Governance Association	ESG-related Legal Issued, Taken into Consideration by the Board of Directors	3
Director	HUANG, TSENG-TIEN	2023/08/09	2023/08/09	Taipei Exchange	Publicity Seminar on Insider Stock Equity of Listed Companies on OTC and Emerging Market	3
		2023/04/27	2023/04/27	Taipei Exchange	Publicity Seminar on Sustainable Development Action Plan of TWSE/TPEx Companies	3
Director	HSIEH, CHENG-TA	2023/12/26	2023/12/26	Accounting Research and Development Foundation	Practices of Up-to-date “ESG Sustainability”, and “Financial Statements Self-preparation” Related Policy Development and Internal Control Management	6
Director	LIU, HAO-YUN	2023/12/09	2023/12/09	Accounting Research and Development Foundation	News Update on International Sustainability Disclosure Standards	3
		2023/12/09	2023/12/09	Accounting Research and Development Foundation	“Sustainable Development Action Plan of TWSE/TPEx Companies” Related ESG Information Disclosure Trend and Standards	3
Director	HSIAO, CHIN-MING	2023/12/23	2023/12/23	Accounting Research and Development Foundation	News Update on International Sustainability Disclosure Standards	3
		2023/12/23	2023/12/23	Accounting Research and Development Foundation	“Sustainable Development Action Plan of TWSE/TPEx Companies” Related ESG Information Disclosure Trend and Standards	3
		2023/12/26	2023/12/26	Accounting Research and Development Foundation	Practices of Up-to-date “ESG Sustainability”, and “Financial Statements Self-preparation” Related Policy Development and Internal Control Management	6
Independent Director	LEE, CHUN-HSIEN	2023/02/07	2023/02/07	The Institute of Internal Auditors, Taiwan	Risk-oriented Internal Audit Approach and Practice	6
		2023/03/10	2023/03/10	Taiwan Corporate Governance Association	Analysis and Case Share of Avoidance from Mistakenly Stepping in the Bottom Line of Insider Trading	3
		2023/03/10	2023/03/10	Taiwan Corporate Governance Association	Corporate Governance and Securities Regulations – Viewing ESG from Perspective of ESG	3
Director	HUANG, JEN-LUNG	2023/08/07	2023/08/07	Taipei Exchange	Publicity Seminar on Insider Stock Equity of Listed Companies on OTC and Emerging Market	3
		2022/04/27	2023/04/27	Taipei Exchange	Publicity Seminar on Sustainable Development Action Plan of TWSE/TPEx Companies	2
Independent Director	CHANG, CHUN-CHUN	2023/12/26	2023/12/26	Taiwan Corporate Governance Association	Share of Corporate Sustainable Management and International Trends	3
		2023/12/26	2023/12/26	Taiwan Corporate Governance Association	Corporate Governance and Securities Regulations	3
		2023/11/15	2023/11/15	Securities & Futures Institute	Shareholders’ Meeting, Management Right, and Equity Strategies	3
		2023/11/08	2023/11/08	Securities & Futures Institute	Business Judgement Principles and Case Analysis	3
		2023/07/11	2023/07/11	Taiwan Corporate Governance Association	Risk Management and Internal Control	3
		2023/07/06	2023/07/06	Taiwan Corporate Governance Association	Role of Director under Corporate Governance 3.0, and Compliance Response to Management Right Challenge	3

(4) If the Company establishes the remuneration committee, disclose its composition, responsibilities, and its operation status:

1. Information on the Remuneration Committee Members

December 31, 2023

Qualification		Professional Qualifications and Experience	Independence Analysis	No. of other public companies at which the person concurrently serves as a remuneration committee member
Type of Capacity	Name			
Independent Director (Convener)	LEE, CHUN-HSIEN	Refer to page 10 for disclosure of information on professional qualifications of directors and independence of independent directors.		0
Independent Director	SU, ER-LANG			3
Independent Director	CHANG, CHUN-CHUN			2

2. Operation of the Remuneration Committee

(1) The Company's remuneration committee has a total of 3 members.

(2) The term (the 5th) of the current members: From June 22, 2022 to June 21, 2025. The number of remuneration committee meetings held in the most recent fiscal year (2023) was 2 (A). The qualifications and attendance by the members were as follows:

Title	Name	No. of Meeting Attended in Person (B)	No. of Meetings Attended by Proxy	In-person Attendance Rate (%) (B/A) (Note)	Remarks
Convener	LEE, CHUN-HSIEN	2	0	100	None
Member	SU, ER-LANG	1	1	50	None
Member	CHANG, CHUN-CHUN	2	0	100	None

Other information required to be disclosed:

1. If the Board of Directors does not accept, or amends, any recommendation of the remuneration committee, specify the board meeting date, meeting session number, content of the recommendation(s), the outcome of the resolution(s) of the Board of Directors, and the measures taken by the Company with respect to the opinions given by of the remuneration committee (e.g., if the salary/compensation approved by the board is higher than the recommendation of the remuneration committee, specify the difference(s) and the reasons): None.
2. With respect to any matter for resolution by the remuneration committee, if there is any dissenting or qualified opinion of a committee member that is on record or stated in writing, specify the remuneration committee meeting date, meeting session number, content of the motion, the opinions of all members, and the measures taken by the Company with respect to the members' opinion: None.
3. Consideration for Discussion and Resolution Results of the Remuneration Committer, and the Company's Response to its Members' Opinions:

Session No. and Time Convened	Matters for Discussion	Resolution Results	The Company's Response to Opinions of the Remuneration Committee
The 4th Session The 7th Meeting March 25, 2022	1. Proposal of 2022 Profit-sharing Compensation Distribution for Employees, Directors and Supervisors	The chairman consulted all attending members who all approved the proposal, and submitted it to the Board of Directors for approval. ∘	Submit the case to the Board of Directors and all attending directors approved the case.
The 5th Session The 1st Meeting November 10, 2022	1. The Company intended to distribute the 2023 year-end bonus before the lunar new year of 2024.	The chairman consulted all attending members who all approved the proposal.	Executed subject to the resolution.

Notes: 1. If any remuneration committee member left the committee before the end of the fiscal year, specify the date that they left the committee in the Remarks column. Their in-person attendance rate (%) should be calculated based on the number of remuneration committee meetings held and the number they attended in person during the period they were on the committee.

2. If any by-election for remuneration committee members was held before the end of the fiscal year, the names of the new and old committee members should be filled in the table, with a note stating whether the member left office, was newly serving, or was serving consecutive terms, and the date of the by-election. The in-person attendance rate (%) should be calculated based on the number of remuneration committee meetings held and the number attended in person during the period of each such person's actual time on the committee.

(3) Responsibilities of the Remuneration Committee: In order to reinforce corporate governance and consolidate the remuneration system of directors, supervisors and managerial officers, the Company established the Remuneration Committee. This Committee shall, with the care of a good administrator, (1) establish and regularly review the performance evaluation for directors, supervisors and managerial officers as well as the remuneration policy, system, standards and structure, (2) regularly evaluate and establish the remuneration of directors, supervisors and managerial officers, and submit the proposed suggestions to the Board of Directors for discussion.

(5) Promotion of Sustainable Development – Implementation Status and Deviations from the Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies and the Reasons:

Evaluation Item	Implementation Status			Deviations from the Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies and the Reasons
	Yes	No	Summary Description	
1. Has the Company established a governance framework for promoting sustainable development, and established an exclusively (or concurrently) dedicated unit to be in charge of promoting sustainable development? Has the Board of Directors authorized senior management to handle related matters under the supervision of the board?		●	The Company's Board of Directors performed its duty of care of a good manager in order to urge the enterprise to implement social responsibilities. Although an exclusively (or concurrently) dedicated unit has not been established, each department did its best to fulfill corporate social responsibilities subject to the scope of its functions.	To be implemented in due course in the future.
2. Does the Company conduct risk assessments of environmental, social and corporate governance (ESG) issues related to the Company's operations in accordance with the materiality principle, and formulate relevant risk management policies or strategies?	●		(1) The Company's disclosed information in 2023 mainly covered sustainable development performance of the sub-subsidiaries. The risk assessment boundary included subsidiaries with 100% comprehensive shareholding ratio such as Suzhou Binchuan, Suzhou Fengchuan, Chongqing Fengchuan, etc. (2) Based on the sustainable development materiality principle, the Company conducted rish assessments related to important issues, and formulated relevant risk management rish management policies or strategies on the basis of risks after assessment as follows: The Company adhered to corporate governance spirit to ensure that the company's operation was maintained at the best status, and balance interest of all stakeholders. In the corporate risk control and management mechanism, each functional unit conducted risk identification and opportunity analysis in order to take the risk management and response measures. 1. Environment: The waste, generated by the Company's factories were all cleaned by the eligible dealers on consignment, and their treatment complies with the regulatory requirements. 2. Society: (1) The important websites and application systems inside the company were separated from the external websites by the firewall for the purpose of strengthening network security, and avoiding risks of external malicious invasion and attacks. (2) appropriately publicize laws and regulations to employees to avoid occurrence of labor disputes, and to	Consistent with the regulations in the Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies.

Evaluation Item	Implementation Status			Deviations from the Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies and the Reasons
	Yes	No	Summary Description	
			create a harmonious and good labor relations jointly by the company and employees. 3. Corporate governance: The Company adopted the precautionary measures, in accordance with the relevant regulations of the internal control system, to reduce, in principle, losses incurred from risks. We conducted, on a regular basis, identification, evaluation, treatment, and monitoring of potential risks that might affect achievement of the Company's goals, and periodically tracked and included them into the daily operations of each unit.	
3. Environmental Issues (1) Has the Company set an environmental management system designed to industry characteristics? (2) Does the Company endeavor to improve energy use efficiency and to use renewable materials with low environmental impact? (3) Has the Company evaluated the potential risks and opportunities posed by climate change for its business now and in the future and adopted relevant measures to address them? (4) Did the Company collect data for the past two years on greenhouse gas emissions, volume of water consumption, and the total weight of waste, and establish policies for greenhouse gas reduction, reduction of water consumption, or management of other wastes?	●		(1) The Company strove to maintain the internal and external environment in the plant. Each environment and environmental protection were consistent with the regulations of the industrial park and related statutory acts. Besides we continued to apply ISO9001 quality management system, and received audit of the external institution on a regular basis each year. (2) The scraps generated by the products of the Company were all handed over to the resources recovery plant for treatment and recycling and no waste was allowed. (3) Based on policy and regulations, technology, market, goodwill and risk element of extreme climate, the Company evaluated niches of potential opportunities to look for the opportunities such as new energy, market, product/service, resources efficiency, etc., and developed new business and service, and so on with a view to integrating it into the Company's operation process. (4) The Company and its subsidiaries have completed planning of greenhouse gas inventory and verification, and report, on a quarterly basis, the implementation progress to the Board of Directors for control. The subsidiaries have conducted the initial statistics in advance. Unless otherwise specified as follows, the scope of statistics was the main	Consistent with the regulations in the Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies.

<table>
<tr><th rowspan="2">Evaluation Item</th><th colspan="3">Implementation Status</th><th rowspan="2">Deviations from the Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies and the Reasons</th></tr>
<tr><th>Yes</th><th>No</th><th>Summary Description</th></tr>
<tr><td></td><td></td><td></td><td>production bases of the Group, Suzhou Binchuan, Suzhou Fengchuan, and Chongqing Fengchuan.
Carbon Discharge Statistics (Ton)
(In 2022, the scope of statistics was Suzhou Binchuan and Suzhou Fengchuan.)
<table>
<tr><th>Year</th><th>Scope 1</th><th>Scope 1</th><th>Total</th></tr>
<tr><td>2022</td><td>3,485</td><td>27,461</td><td>30,946</td></tr>
<tr><td>2023</td><td>2,722</td><td>25,353</td><td>28,075</td></tr>
</table>
Water Consumption Statistics (Ton)
2022: 475,299
2023: 368,349
Waste Statistics (Ton)
<table>
<tr><th>Year</th><th>Hazardous Waste</th><th>General Waste</th><th>Total</th></tr>
<tr><td>2022</td><td>653</td><td>3,702</td><td>4,355</td></tr>
<tr><td>2023</td><td>505</td><td>2,048</td><td>2,553</td></tr>
</table>
The Company’s waste was disposed by the professional dealers on comission.</td><td></td></tr>
<tr><td>4. Social Issues
(1) Has the Company formulated relevant management policies and procedures in accordance with relevant laws and regulations and international human rights conventions?

(2) Has the Company established and implemented reasonable employee welfare measures (include salary/compensation, leave, and other benefits), and are business performance or results appropriately reflected in employee salary/compensation?</td><td>●</td><td></td><td>(1) The Company abided by each regulation and law of the locations of the factories at home and abroad in order to ensure employees’ interests. In terms of labor issue communication, we adopted the way of bilateral communication and coordination so as to protect employees’ rights. We put emphasis on the working environment and personnel safety.
(2) The Company established the work rules and relevant personnel management regulations, covering base wage, work hour, leave, retirement pension payment, payment of labor and health insurance, and occupational disaster compensation, etc. which all complied with the relevant regulations of the Labor Standards Act. We set up the employee welfare committee to handle all kinds of benefits; the Company’s remuneration policy was based on personal competence, contribution to the Company, performance and positive correlation to management performance.</td><td>Consistent with the regulations in the Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies.</td></tr>
</table>

Evaluation Item	Implementation Status			Deviations from the Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies and the Reasons
	Yes	No	Summary Description	
(3) Does the Company provide employees with a safe and healthy working environment, and implement regular safety and health education for employees? (4) Has the Company established effective career development training programs for employees? (5) Does the Company comply with the relevant laws and international standards with regards to customer health and safety, customer privacy, and marketing and labeling of products and services, and implement consumer protection and grievance policies? (6) Has the Company formulated supplier management policies requiring suppliers to comply with relevant regulations on issues such as environmental protection, occupational safety and health, or labor rights, and what is the status of their implementation?			(3) The Company conducted safety and health education for employees on an irregular basis, and regular health exam was undertaken for employees in order to understand employees' health conditions. The Company also purchased AED for in-plant employees and nearby public in first aid. The number of cases of occupational accidents and fire incidents in 2023: None. (4) The Company valued employees' development and career planning; we offered them the promotion plan in the Company and subsidized them to take the on-the-job continuing study courses. (5) The Company regulated the commercial activities in compliance with the applicable laws and regulations, as well as the international standards. The Company sold parts and components; we did not supply products to general consumers, but the selling unit of the Company was exclusively dedicated to disposing of quality and customer complaint issues. (6) The Company established the supplier management rules, and continued to evaluate the social records of suppliers.	
5. Does the Company refer to international reporting standards or guidelines when preparing its sustainability report and other reports disclosing non- financial information? Does the Company obtain third party assurance or certification for the reports above?		●	The Company made efforts in promotion of corporate social responsibilities. However, currently the sustainability report has not been compiled. The compilation will be proposed in the future, depending on the Company's operation and scale, and it will be handled in certain circumstances.	To be formulated in due course in the future.
6. If the Company has adopted its own sustainable development best practice principles based on the Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies, please describe any deviation from the principles in the Company's operations: The Company has approved the sustainable development best practice principles, which were implemented without significant deviations from the prescribed principle.				
7. Other important information to facilitate better understanding of the Company's promotion of sustainable development: (1) The personnel recruitment and employment of the Company would not differ due to gender, race and nationality, etc. We have made strenuous efforts in maintaining employees' interests; each employee was entitled to protection of the group insurance, in addition to enjoying labor insurance and health insurance; we allocated the retirement reserves according to the law to protect employees' interests, and provided them with a good working environment. (2) As far as environmental protection was concerned, the Company handled it pursuant to the environmental protection laws and regulations of the locations of the factories at home and abroad in order to ensure compliance with statutory regulations and reduce impact on the environment, targeting at being free from pollution. (3) With respect to supplier relations, the Company formulated the relevant management rules. In addition to requesting suppliers for close cooperation, we conducted evaluation for				

<table>
<tr><th rowspan="2">Evaluation Item</th><th colspan="3">Implementation Status</th><th rowspan="2">Deviations from the Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies and the Reasons</th></tr>
<tr><th>Yes</th><th>No</th><th>Summary Description</th></tr>
<tr><td colspan="5">the suppliers in order to ensure delivery and quality, and maintain good interactive relationship.
(4) Regarding investor relations and stakeholders' rights, the Company was ready to keep a smooth communication channel and fully displayed the spokesman mechanism; we also held by the ethical principle to publish in time the public information in order to maintain investors' relations and stakeholders' interests.</td></tr>
</table>

(6) Implementation Status of Climate-related Information

Item	Implementation Status
1. Describe the board of directors′ and management′s oversight and governance of climate-related risks and opportunities.	As the topmost governance authority of climate change management, the Board of Directors will establish, in the face of climate change challenges, the policies to supervise and govern the climate-related risks and opportunities in the future for the purpose of strengthening management and response of climate risks and opportunities.
2. Describe how the identified climate risks and opportunities affect the business, strategy, and finances of the business (short, medium, and long term).	As of the printing date of the Annual Report, the Company has not completed identification of climate-related risks and opportunities
3. Describe the financial impact of extreme weather events and transformative actions.	As of the printing date of the Annual Report, the Company has not completed evaluation of the financial impact of extreme weather events and transformative actions.
4. Describe how climate risk identification, assessment, and management processes are integrated into the overall risk management system.	As of the printing date of the Annual Report, the Company has not completed climate risk identification, assessment, and management processes.
5. If scenario analysis is used to assess resilience to climate change risks, the scenarios, parameters, assumptions, analysis factors and major financial impacts used should be described.	As of the printing date of the Annual Report, the Company has not used scenario analysis to assess resilience to climate change risks, so it is not applicable.
6. If there is a transition plan for managing climate-related risks, describe the content of the plan, and the indicators and targets used to identify and manage physical risks and transition risks.	As of the printing date of the Annual Report, the Company has not completed a transition plan for managing climate-related risks.
7. If internal carbon pricing is used as a planning tool, the basis for setting the price should be stated.	As of the printing date of the Annual Report, the Company has not used internal carbon pricing as a planning tool.
8. If climate-related targets have been set, the activities covered, the scope of greenhouse gas emissions, the planning horizon, and the progress achieved each year should be specified. If carbon credits or renewable energy certificates (RECs) are used to achieve relevant targets, the source and quantity of carbon credits or RECs to be offset should be specified.	As of the printing date of the Annual Report, the Company has not set climate-related targets.
9. Greenhouse gas inventory and assurance status and reduction targets, strategy, and concrete action plan.	As of the printing date of the Annual Report, the Company is not classified as a company which met specific requirements, so it is not applicable.

(7) Ethical Corporate Management – Implementation Status and Deviations from the Ethical Corporate Management Principles for TWSE/TPEx Listed Companies and the Reasons:

Evaluation Item	Implementation Status			Deviations from the Ethical Corporate Management Principles for TWSE/TPEx Listed Companies and the Reasons
	Yes	No	Summary Description	
1. Establishment of ethical corporate management policies and programs (1) Does the Company have an ethical corporate management policy approved by its Board of Directors, and bylaws and publicly available documents addressing its corporate conduct and ethics policy and measures, and commitment regarding implementation of such policy from the Board of Directors and the top management team? (2) Whether the Company has established an assessment mechanism for the risk of unethical conduct; regularly analyzes and evaluates, within a business context, the business activities with a higher risk of unethical conduct; has formulated a program to prevent unethical conduct with a scope no less than the activities prescribed in Article 7, paragraph 2 of the Ethical Corporate Management Best Practice Principles for TWSE/TPE Listed Companies? (3) Does the Company clearly set out the operating procedures, behavior guidelines, and punishment and appeal system for violations in the unethical conduct prevention program, implement it, and regularly review and revise the plan?	●		(1) The Company has established the ethical corporate management principles, which were approved by the resolution of the Board of Directors on October 2, 2012. These principles have expressly indicated the policy, measures and commitments of the Board of Directors and the high-ranking management team in implementation of management policies. (2) The Company asks directors, managerial officers and employees to adopt such measures of prevention from bribery, graft and providing illegal political contributions, etc. during conduction of business activities. (3) The Company has established the “ethical corporate management principles”, clearly setting out the operational procedures, behavior guidelines, and punishment and appeal system for violations, and implement it. The Company pays attention to development of domestic related ethical management regulations at all times, and encourages directors, managerial officers and employees to propose suggestions for the Company to review and improve its established ethical management principles in order to enhance effectiveness of ethical corporate management.	Consistent with the regulations in the Ethical Corporate Management Principles for TWSE/TPEx Listed Companies.
2. Ethical Management Practice (1) Does the Company assess the ethics records of those it has business relationships with and include ethical conduct related clauses in the business contracts?	●		(1) Most of the Company’s customers and suppliers are renowned exchange and over-the-counter listed companies at home and abroad. It is easier to access information related to their ethics. The adoption of ethical articles is also strengthened step by step when business contracts are signed up,	Consistent with the regulations in the Ethical Corporate Management Principles for TWSE/TPEx Listed Companies.

Evaluation Item	Implementation Status			Deviations from the Ethical Corporate Management Principles for TWSE/TPEx Listed Companies and the Reasons
	Yes	No	Summary Description	
(2) Has the Company set up a dedicated unit to promote ethical corporate management under the Board of Directors, and does it regularly (at least once a year) report to the Board of Directors on its ethical corporate management policy and program to prevent unethical conduct and monitor their implementation? (3) Has the Company established policies to prevent conflict of interests, provided appropriate communication and complaint channels, and properly implemented such policies? (4) Does the Company have effective accounting and internal control systems in place to enforce ethical corporate management? Does the internal audit unit follow the results of unethical conduct risk assessments and devise audit plans to audit compliance with the systems to prevent unethical conduct or hire outside accountants to perform the audits? (5) Does the Company provide internal and external ethical corporate management training programs on a regular basis?			(2) The Company's management unit takes charge of the system of ethical management policy and the prevention program, and the audit unit supervises the implementation status and will regularly report it to the Board of Directors in the future. (3) If the proposals of the Company's Board of Directors involve conflict of interests with its members themselves or its representative corporate persons so as to endanger the Company's interests, it shall represent opinions and answer questions, but shall not join discussion and voting; they shall make a recusal at the time of discussion and voting, and shall not exercise voting right on behalf of their directors. (4) The Company sets up the effective accounting system and the internal control system to be reviewed at any time in order to ensure ongoing effect of the system design and implementation, while the internal auditors will also include audit into the audit plan. (5) The Company accepts the application of employees, directors, and internal personnel, etc. for subsidy of external educational training about ethical management.	
3. Implementation of Complaint Procedures (1) Has the Company established specific whistle-blowing and reward procedures, set up conveniently accessible whistle-blowing channels, and appointed appropriate personnel specifically responsible for handling complaints received from whistle-blowers? (2) Has the Company established standard operation procedures for investigating the complaints received, follow-up measures taken after investigation, and mechanisms ensuring such complaints are handled in a confidential manner? (3) Has the Company adopted proper measures to protect whistle-blowers from retaliation for filing complaints?	●		(1) The Company's Board of Directors has established and approved the ethical management principles. It has appointed the management department to build the whistle-blowing channels and establish relevant punishment and appeal system. (2) In addition to providing legitimate whistle-blowing channels, the Company also exactly keeps the whistle-blower's identity and whistle-blowing content secret. (3) The Company has undertaken to draw up measures for protecting whistle-blowers from retaliation for filing complaints.	Consistent with the regulations in the Ethical Corporate Management Principles for TWSE/TPEx Listed Companies.
	●			Consistent with the regulations in

Evaluation Item	Implementation Status			Deviations from the Ethical Corporate Management Principles for TWSE/TPEx Listed Companies and the Reasons
	Yes	No	Summary Description	
4. Strengthening Information Disclosure Does the Company disclose its ethical corporate management policies and the results of their implementation on its website and the Market Observation Post System (MOPS)?			(1) The Company has set up a website to disclose its ethical corporate management principles and the management department collects the Company's information and takes the responsibility of implementation.	the Ethical Corporate Management Principles for TWSE/TPEx Listed Companies.
5. If the Company has adopted its own ethical corporate management best practice principles based on the Ethical Corporate Management Best Practice Principles for TWSE/TPEx Listed Companies, please describe any deviations between the principles and their implementation: The Board of Directors of the Company has approved the ethical corporate management principles, the implementation of which has no significant deviations from the established principles.				
6. Other important information to facilitate a better understanding of the status of operation of the Company's ethical corporate management policies (e.g., the Company's reviewing and amending of its ethical corporate management best practice principles): None.				

(8) If the Company has established the corporate governance principles and relevant rules and regulations, the method of inquiry thereof should be disclosed:

1. The Company has established the corporate governance principles.
2. Relevant Rules:
   (1) Rules of Procedure for Shareholders' Meeting, (2) Rules Governing the Conduct of Shareholders' Meetings, (3) Procedures for Election of Directors, (4) Rules Governing the Scope of Powers of Independent Directors, (5) Guidelines for the Adoption of Codes of Ethical Conduct for Companies, (6) Corporate Ethical Management Principles, (7) Remuneration Committee Charter, (8) Corporate Governance Best Practice Principles, (9) Audit Committee Charter, (10) Rules for Performance Evaluation of Board of Directors, and (11) Corporate Sustainable Development Best Practice Principles.
3. Inquiry Method: The "Adoption of Relevant Procedures and Rules Governing Corporate Governance" under "Corporate Governance" of the Market Observation Post System can be available for uploading.

(9) Other important information which can facilitate better understanding of the Company's implementation status of corporate shall be disclosed as well: None.

(10) Matters to be Disclosed in the Implementation Status of the Internal Control System

1. Internal Control Declaration: For details, see page 83.
2. Those who authorize the CPAs to conduct project audit should disclose the CPAs' audit report: None.

(11) For the recent year as of the publication date of the annual report, if the Company and its internal personnel were punished under the law, the penalties that the Company made on its internal personnel who violate the internal control system; if the penalty results made significant impact on the shareholders' interest or the security price, its main defect and improvement status: None.

(12) For the recent year as of the publication date of the annual report, the important resolutions of the shareholders' meeting and the Board of Directors' meetings: For details, see page 84.

(13) For the recent year as of the publication date of the annual report, the director or supervisor has different opinions on the important resolutions passed by the Board of Directors and has a record or written statement, its main content: None.

(14) For the recent year as of the publication date of the annual report, the summary of resignation and dismissal of chairman of the Board of Directors, general manager, accounting supervisor, financial supervisor, internal audit supervisor, corporate governance manager, and research and development supervisor: None.

(15) Relevant licenses, obtained by the personnel of the Company related to financial information transparency, as prescribed by the competent authority: None.

5. Information on Professional Fee of Attesting CPAs

Unit: NT$ Thousands

Name of Accounting Firm	Name of CPAs	Audit Period of CPAs	Audit Fee	Non-audit Fee	Total	Remarks
Deloitte & Touche	Hsu, Jui-Hsuan	From January 1, 2023 to December 31, 2023	3,440	873	4,313	N/A
	Chen, Chen-Li					

Note: The non-audit fee in the amount of NT$873 thousand refers to tax attesting fee, CFC's letter of audit opinions, annual report reading, and advance payment, etc.

If there is any of the following circumstances, the Company shall disclose the CPAs' fee:

(1) If the CPAs firm is replaced and the paid audit fee in the year of replacement is less than that in the previous year, the amount of the audit fee before and after replacement, and the reason shall be disclosed: None.

(2) If the audit fee is less than that in the previous year by over 10%, the decreased amount of the audit fee, its percentage and the reason shall be disclosed: None.

6. Information on Replacement of CPAs:

(1) Regarding the Former CPAs

<table>
<tr><td>Replacement Date</td><td colspan="5">March 27, 2023</td></tr>
<tr><td>Replacement Reasons and Explanations</td><td colspan="5">Due to internal adjustment of the accounting firm, the CPAs are replaced from former CPAs Hsu, Jui-Hsuan and Liu, Yu-Hsiang to CAPs Hsu, Jui-Hsuan and Chen, Chen-Li effective Q1 of 2023.</td></tr>
<tr><td rowspan="3">Describe whether the Company terminated or the CPA did not accept the appointment</td><td colspan="3">Parties
Status</td><td>CPAs</td><td>The Company</td></tr>
<tr><td colspan="3">Active Termination of Appointment</td><td>None</td><td>None</td></tr>
<tr><td colspan="3">Appointment was no longer accepted (continued).</td><td>None</td><td>None</td></tr>
<tr><td>Other issues (except for unqualified issues) in the audit reports within the last two years</td><td colspan="5">Not applicable</td></tr>
<tr><td rowspan="7">Differences in Opinions from the Issuer</td><td rowspan="5">Yes</td><td></td><td colspan="3">Accounting Principles or Practices</td></tr>
<tr><td></td><td colspan="3">Disclosure of Financial Statements</td></tr>
<tr><td></td><td colspan="3">Audit Scope or Steps</td></tr>
<tr><td></td><td colspan="3">Others</td></tr>
<tr><td></td><td colspan="3"></td></tr>
<tr><td>No</td><td colspan="4">V</td></tr>
<tr><td colspan="5">Explanation: None</td></tr>
<tr><td>Other Revealed Matters (Items 1-4 to 1-7 of the Paragraph 6 of Article 10 of these Regulations shall be disclosed.)</td><td colspan="5">None</td></tr>
</table>

(2) Regarding Succeeding CPAs

Name of Accounting Firm	Deloitte & Touche
Name of CPA	Hsu, Jui-Hsuan and Chen, Chen-Li
Date of Appointment	Approved by the Board of Directors on March 27, 2023.
Consultation results and opinions on accounting treatments or principles with respect to specified transactions and the Company's financial reports that the CPA might issue prior to the engagement.	Not applicable.
Succeeding CPAs' written opinion of disagreement toward the former CPAs	Not applicable

(3) Letter of reply of the former CPAs to matters specified in Items 1 and 2-3, Paragraph 6 of Article 10 of these regulations: None.

7. Where the Company's chairman, general manager, or any managerial officer in charge of finance or accounting matters has in the most recent year held a position at the accounting firm of its certified public accountant or at an affiliated enterprise of such accounting firm: None.

8. Any transfer of equity interests and/or pledge of or change in equity interests by a director, managerial officer, and shareholder with a stake of more than 10 percent during the most recent fiscal year or during the current fiscal year up to the date of publication of the annual report:

(1) Change in Equity Interests of Directors, Managerial Officers and Major Shareholders

Title	Name	2023		As of April 21, of the Current Year	
		No. of Shares Held Increase (Decrease) No.	No. of Shares Pledged Increase (Decrease) No.	No. of Shares Heald Increase (Decrease) No.	No. of Shares Pledged Increase (Decrease) No.
Chairman	HSIA, CHIN-MING	0	0	0	0
Director & General Manager	HSIAO, CHIN-CHUN	0	0	0	0
Director & Assistant General Manager	LIU, HAO-YUN	0	0	0	0
Director & Chief Financial & Accounting Officer	LEE, FAN	0	0	0	0
Director & Deputy Assistant General Manager	CHIN, HAO	0	0	0	0
Director	HUANG, TSENG-TIEN	0	0	0	0
Independent Director	LEE, CHUN-HSIEN	0	0	0	0
Director & Assistant General Manager	HSIEH, CHENG-TA	0	0	0	0
Director	HUANG, JEN-LUNG	0	0	0	0
Independent Director	SU, ERH-LANG	0	0	0	0
Independent Director	CHANG, CHUN-CHUN	0	0	0	0
Deputy Assistant General Manager	HUANG, YU-NENG	0	0	0	0
Deputy Assistant General Manager	LIU, CHIA-CHUNG	0	0	0	0
Deputy Assistant General Manager	LIN, CHIA-JUNG	0	0	0	0

(2) If the counterparty of a transfer of shareholding is a related party: None.

(3) If the counterparty of a pledge of shareholding is a related party: None.

9. Information on top 10 shareholders and their relationship among any of the other top 10 shareholders with which the person is a related party or has a relationship of spouse or relative within the 2nd degree, as set out in Statement of Financial Accounting Standards No. 6:

Information on Relationship among Top Ten Shareholders

April 21, 2024

Name (Note 1)	Shareholding of the Principal		Shareholding of Spouse and Minor Children		Total Shareholding by Nominee Arrangement		Specify the name of the entity or person and their relationship to any of the other top 10 shareholders with which the person is a related party or has a relationship of spouse or relative within the 2nd degree (Note 3)		Remarks
	No. of Shares	Share-holding Ration	No. of Shares Held	Share-holding Ratio	No. of Shares Held	Share-holding Ration	Designation (or Name)	Relationship	
HSIAO, CHIN-MING	9,870,909	8.13%	65,647	0.05%	0	0	Ching Te Investment Co., Ltd. Ching Hui Investment Co., Ltd. Ching Ying Investment Co., Ltd.	Chairman of the said company is the principal's relative within the second degree of kinship.	N/A
							HSIAO, CHIN-CHUN HSIAO, TSUI-HSING HSIAO, TSENG HSU-MEI	The principal's relatives within the second degree of kinship	
HSIAO, CHIN-CHUN	7,770,423	6.40%	401,947	0.33%	0	0	Ching Hui Investment Co., Ltd. Ching Ying Investment Co., Ltd.	Chairman of the said company is the principal's relative within the second degree of kinship.	N/A
							Ching Te InvestmentCo., Ltd.	Chairman of the said company	
							HSIAO, CHIN-MING HSIAO, TSUI-HSING HSIAO, TSENG HSU-MEI	The principal's relatives within the second degree of kinship	
Sunrex Technology Corporation	5,014,000	4.13%	0	0	0	0	N/A	N/A	N/A
Sunrex Technology Corporation /	0	0	0	0	0	0			N/A

Name (Note 1)	Shareholding of the Principal		Shareholding of Spouse and Minor Children		Total Shareholding by Nominee Arrangement		Specify the name of the entity or person and their relationship to any of the other top 10 shareholders with which the person is a related party or has a relationship of spouse or relative within the 2nd degree (Note 3)		Remarks
	No. of Shares	Share-holding Ration	No. of Shares Held	Share-holding Ratio	No. of Shares Held	Share-holding Ration	Designation (or Name)	Relationship	
Chairman TSAI, HUO-LU									
HSIAO, TSUI-HSING	4,682,621	3.86%	0	0	0	0	Ching Te Investment Co., Ltd. Ching Hui Investment Co., Ltd.	Chairman of the said company is the principal’s relative within the second degree of kinship.	N/A
							Ching Ying Investment Co., Ltd.	Chairman of the said company	
							HSIAO, CHIN-MING HSIAO, CHIN-CHUN	The principal’s relatives within the second degree of kinship	
Advance Capital Limited	3,333,600	2.74%	0	0	0	0	None	None	N/A
Advance Capital Limited / Chairman Huang, Chung-Feng	68,626	0.06%	0	0	0	0			
Ching Ying Investment Co., Ltd.	3,125,185	2.57%	0	0	0	0	Ching Te Investment Co, Ltd. Ching Hui Investment Co., Ltd.	Chairman of the said company is the principal’s relative within the second degree of kinship.	N/A
							HSIAO, TSUI-HSING	Chairman of the Company	
Ching Ying Investment Co., Ltd. / Chairman Hsiao, Tsui-Hsing	4,682,621	3.86%	0	0	0	0	HSIAO, CHIN-MING HSIAO, CHIN-CHUN	The company chairman’s relatives within the second degree of kinship	
Ching Hui Investment Co., Ltd.	2,997,642	2.47%	0	0	0	0	Ching Te InvestmentCo., Ltd. Ching Ying Investment Co., Ltd.	Chairman of the said company is the principal’s relative within the second degree of kinship.	N/A
Ching Hui Investment Co., Ltd. / Chairman HSIAO, TSUI-HUI	139,222	0.11%	0	0	0	0	HSIAO, CHIN-MING HSIAO, CHIN-CHUN HSIAO, TSUI-HSING	The company chairman’s relatives within the second degree of kinship	
Ching Te Investment Co., Ltd.	2,429,243	2.00%	0	0	0	0	Ching Hui Investment Co., Ltd. Ching Ying Investment Co., Ltd.	Chairman of the said company is the principal’s relative within the second degree of kinship.	N/A
							HSIAO, CHIN-CHUN	Chairman of the Company	
Ching Te Investment Co., Ltd. / Chairman HSIAO, CHIN-CHUN	7,770,423	6.40%	401,947	0.33%	0	0	HSIAO, CHIN-MING HSIAO, TSUI-HSING	The company chairman’s relatives within the second degree of kinship	
CHANG, YING-FU	2,019.000	1.66%	139,000	0.11%	0	0	None	None	N/A
TSENG, KO-CHIA	1,967,000	1.62%	0	0	0	0	None	None	N/A

10. No. of shares held by the Company, its directors and managerial officers, and the Company's directly or indirectly controlled entities in the same investee enterprises, and the comprehensive shareholding ratio to be consolidated in calculation

Unit: Share / December 31, 2023

Investee Enterprises (Note)	Investment by the Company		Investment by the Directors, Supervisors, Managerial Officers and Directly or Indirectly Controlled Entities of the Company		Comprehensive Investment	
	No. of Shares	Shareholding Ratio	No. of Shares	Shareholding Ratio	No. of Shares	Shareholding Ratio
Hamagawa Corp.	10,000	100%	0	0	10,000	100%
Hamagawa Holdings Limited	52,200,000	100%	0	0	52,200,000	100%
Zoning Precise Technology S.A.	0	0	2,272,135	58%	2, 272,135	58%
Feng Rong Medical Co., Ltd.	2,000,000	51%	271,964	7%	2,271,964	58%
Hamagawa Industrial (M) Sdn. Bhd.	0	0	3,476,871	58%	3,476,871	58%
Ego Tech Holdings Limited	0	0	202,284,878	100%	202,284,878	100%
Hamaawa Industries (Thailand) Co., Ltd.	213,178	100%	2	0	213,180	100%
Suzhou Binchuan Precise Industrial Co., Ltd.	0	0	Certificate of Entitlement	100%	Certificate of Entitlement	100%
Suzhou Fengchuan Technology Co., Ltd.	0	0	Certificate of Entitlement	100%	Certificate of Entitlement	100%
Key Mold Precision Industry (Suzhou) Co., Ltd.	0	0	Certificate of Entitlement	100%	Certificate of Entitlement	100%
Chongqing Fengchuan Electronic Technology Co., Ltd.	0	0	Certificate of Entitlement	100%	Certificate of Entitlement	100%
Suzhou Juqi Mechanical Equipment Co., Ltd.	0	0	Certificate of Entitlement	100%	Certificate of Entitlement	100%

Note: This refers to the equity method, adopted by the Company.

IV. Fund Raising Status

1. Capital and Shares

(1) Source of Share Capital

Unit: NT$ Thousands; Thousand Shares

Month/Year	Issued Price	Approved Capital		Paid-in Capital		Remarks		
		Share No.	Amount	Share No.	Amount	Source of Capital	Capital Paid in by Assets other than Cash	Others
03/1983	-	-	3,000	-	3,000	Establishment	None	Approved by the letter with reference to File of Ching-Shang-chieh-san-tzu No. 32259 on March 30, 1983.
06/1985	10,000	0.6	6,000	0.6	6,000	Cash Capital Increase	None	Approved by the letter with reference to File of Kao-hsih-chien-shang-hsin-tzu No. 32259 on July 18, 1985.
04/1986	10,000	1.6	16,000	1.6	16,000	Cash Capital Increase	None	Approved and registered in file by the Ministry of Economic Affairs on July 4, 1986.
11/1999	10,000	2.4	24,000	2.4	24,000	Cash Capital Increase	None	Approved and registered in file by the Ministry of Economic Affairs on December 10, 1999.
12/2001	10,000	10.0	100,000	10.0	100,000	Cash Capital Increase	None	Approved by the letter with reference to File of Ching-shou-shang-tzu No. 09101011870 on January 14, 2002.
10/2002	10	29,000	290,000	14,750	147,500	Cash Capital Increase Capitalization of Earnings	None	Letter with reference to File of Ching-shou-shang-tzu No. 09101465660 on November 14, 2002
11/2002	10	29,000	290,000	29,000	290,000	Cash Capital Increase	None	Letter with reference to File of Ching-shou-shang-tzu No. 09101478160 on November 26, 2002
06/2003	10	49,000	490,000	34,000	340,000	Cash Capital Increase Capitalization of Earnings	None	Letter with reference to File of Ching-shou-chung-tzu No. 09232279960 on July 1, 2003
12/2004	10	49,000	490,000	38,100	381,000	Capitalization of Earnings	None	Letter with reference to File of Ching-shou-chung-tzu No. 09333223230 on December 24, 2004
08/2005	10	49,000	490,000	41,400	414,000	Cash Capital Increase	None	Letter with reference to File of Ching-shou-chung-tzu No. 09432618620 on August 5, 2005
10/2005	10	49,000	490,000	44,070	440,700	Capitalization of Earnings	None	Letter with reference to File of Ching-shou-chung-tzu No. 09433020460 on October 20, 2005
10/2006	10	80,000	800,000	49,177	491,770	Capitalization of Earnings	None	Letter with reference to File of Ching-shou-chung-tzu No. 095330475500 on October 26, 2006
09/2007	10	80,000	800,000	54,659	546,592	Capitalization of Earnings	None	Letter with reference to File of Ching-shou-shang-tzu No. 09601224280 on September 11, 2007
10/2008	10	80,000	800,000	58,685	586,847	Capitalization of Earnings	None	Letter with reference to File of Ching-shou-shang-tzu No. 09701262970 on October 21, 2008
10/2009	10	80,000	800,000	60,865	608,651	Capitalization of Earnings and Conversion of Convertible Bond into Common Stock	None	Letter with reference to File of Ching-shou-shang-tzu No. 09801241670 on October 20, 2009
02/2010	10	80,000	800,000	67,780	677,805	Cash Capital Increase and Conversion of Convertible Bond into Common Stock	None	Letter with reference to File of Ching-shou-shang-tzu No. 09901030930 on February 12, 2010
04/2010	10	80,000	800,000	68,510	685,098	Conversion of Convertible Bond into Common Stock	None	Letter with reference to File of Ching-shou-shang-tzu No. 09901078260 on April 19, 2010
07/2010	10	80,000	800,000	68,670	686,703	Conversion of Convertible Bond into Common Stock	None	Letter with reference to File of Ching-shou-shang-tzu No. 09901151080 on July 13, 2010
10/2010	10	80,000	800,000	69,566	695,658	Capitalization of Earnings and Conversion of Convertible Bond into Common Stock	None	Letter with reference to File of Ching-shou-shang-tzu No. 09901229830 on October 13, 2010
09/2011	10	80,000	800,000	67,625	676,254	Conversion of Convertible Bond into Common Stock and Retirement of Treasury Stock	None	Letter with reference to File of Ching-shou-shang-tzu No. 10001214410 on September 15, 2011
10/2011	10	80,000	800,000	68,424	684,242	Capitalization of Earnings	None	Letter with reference to File of Ching-shou-shang-tzu No. 10001247350 on October 27, 2011
12/2011	10	80,000	800,000	72,364	723,642	Conversion of Convertible Bond into Common Stock	None	Letter with reference to File of Ching-shou-shang-tzu No. 10001282870 on December 14, 2011
04/2012	10	80,000	800,000	74,042	740,422	Conversion of Convertible Bond into Common Stock	None	Letter with reference to File of Ching-shou-shang-tzu No. 10101069180 on

Month/Year	Issued Price	Approved Capital		Paid-in Capital		Remarks		
		Share No.	Amount	Share No.	Amount	Source of Capital	Capital Paid in by Assets other than Cash	Others
								April 23, 2012
03/2013	10	80,000	800,000	79,042	790,422	Cash Capital Increase	None	Letter with reference to File of Ching-shou-shang-tzu No. 10201051740 on March 27, 2013
10/2013	10	150,000	1,500,000	83,785	837,847	Capitalization of Earnings	None	Letter with reference to File of Ching-shou-shang-tzu No. 10201215010 on October 21, 2013
06/2015	10	150,000	1,500,000	93,785	937,847	Cash Capital Increase	None	Letter with reference to File of Ching-shou-shang-tzu No. 10401119110 on June 30, 2015
04/2017	10	150,000	1,500,000	100,178	1,001,776	Conversion of Convertible Bond into Common Stock	None	Letter with reference to File of Ching-shou-shang-tzu No. 10601042910 on April 10, 2017
06/2017	10	150,000	1,500,000	100,535	1,005,347	Conversion of Convertible Bond into Common Stock	None	Letter with reference to File of Ching-shou-shang-tzu No. 10601073580 on June 13, 2017
09/2017	10	150,000	1,500,000	101,829	1,018,293	Conversion of Convertible Bond into Common Stock	None	Letter with reference to File of Ching-shou-shang-tzu No. 10601137180 on September 26, 2017
12/2017	10	150,000	1,500,000	102,124	1,021,240	Conversion of Convertible Bond into Common Stock	None	Letter with reference to File of Ching-shou-shang-tzu No. 10601166060 on December 8, 2017
02/2018	10	150,000	1,500,000	102,713	1,027,133	Conversion of Convertible Bond into Common Stock	None	Letter with reference to File of Ching-shou-shang-tzu No. 10701015030 on February 6, 2018
04/2018	10	150,000	1,500,000	112,713	1,127,133	Cash Capital Increase	None	Letter with reference to File of Ching-shou-shang-tzu No. 10701038540 on April 12, 2018
05/2020	10	150,000	1,500,000	113,444	1,134,437	Conversion of Convertible Bond into Common Stock	None	Letter with reference to File of Ching-shou-shang-tzu No. 10901060160 on May 1, 2020
09/2020	10	150,000	1,500,000	114,591	1,145,915	Conversion of Convertible Bond into Common Stock	None	Letter with reference to File of Ching-shou-shang-tzu No. 10901167430 on September 1, 2020
12/2020	10	150,000	1,500,000	119,483	1,194,828	Conversion of Convertible Bond into Common Stock	None	Approved by the letter with reference to File of Ching-shou-shang-tzu No. 10901228530 on December 7, 2020
04/2021	10	150,000	1,500,000	120,565	1,205,653	Conversion of Convertible Bond into Common Stock	None	Letter with reference to File of Ching-shou-shang-tzu No. 11001061750 on April 13, 2021
06/2021	10	150,000	1,500,000	1,131	1,206,784	Conversion of Convertible Bond into Common Stock	None	Letter with reference to File of Ching-shou-shang-tzu No. 11001095010 on June 7, 2021
12/2021	10	150,000	1,500,000	87	1,206,871	Conversion of Convertible Bond into Common Stock	None	Letter with reference to File of Ching-shou-shang-tzu No. 11001224320 on December 16, 2021
04/2022	10	150,000	1,500,000	7,603	1,214,474	Conversion of Convertible Bond into Common Stock	None	Letter with reference to File of Ching-shou-shang-tzu No. 11101061690 on April 20, 2022

Unit: Thousand Shares

Type of Stock	Authorized Capital			Remarks
	Shares Outstanding	Un-issued Shares	Total	
Bearer Common Stock	121,447	28,553	150,000	Stock of OTC-listed Company

Relevant Information on Shelf Registration System: None.

(2) Shareholder Structure

April 21, 2024

Shareholder Structure / Quantity	Government Agencies	Financial Institutions	Other Legal Entities	Individuals	Foreign Institutions and Foreign Individuals	Total
No. of Shareholders	0	0	26	8,833	44	8,903
No. of Shares Held	0	0	19,469,144	98,154,690	3,823,607	121,447,441
Shareholding Ratio	0.00%	0.00%	16.03%	80.82%	3.15%	100.00%

Note: Primary TWSE and TPEx listed companies and Emerging Stock companies should disclose the shareholding ratio of Mainland Chinese investors: The Company is not a primary TSWE and TPEx listed companies and emerging stock companies, this is not applicable.

(3) Equity Dispersion Situation

Par Value per Share NT$10

April 21, 2024

Shareholding Grading	No. of Shareholders	No. of Shares Held	Shareholding Ratio %
1--------999	1,520	204,312	0.17%
1,000------5,000	5,582	11,609,550	9.56%
5,001-----10,000	863	7,013,916	5.78%
10,001-----15,000	249	3,245,429	2.67%
15,001-----20,000	185	3,445,776	2.84%
20,001-----30,000	180	4,647,720	3.83%
30,001-----40,000	66	2,462,949	2.03%
40,001-----50,000	49	2,257,418	1.86%
50,001----100,000	106	7,792,315	6.42%
100,001----200,000	43	6,382,288	5.26%
200,001----400,000	16	4,418,623	3.64%
400,001----600,000	20	10,186,810	8.39%
600,001----800,000	3	2,050,257	1.69%
800,001--1,000,000	5	4,415,934	3.64%
1,000,001 Shares or more	16	51,314,144	42.25%
Total	8,903	121,447,441	100.00%

(4) List of Major Shareholders

Name, No. of Shares Held and Shareholding Ratio of Shareholders with a Shareholding Ratio of 5% or more, or Shareholders whose shareholding ratio accounts for the top ten:

April 21, 2024

Name/Shares of Major Shareholders	No. of Shares Held	Shareholding Ratio
HSIAO, CHIN-MING	9,870,909	8.13%
HSIAO, CHIN-CHUN	7,770,423	6.40%
Sunrex Technology Corporation	5,014,000	4.13%
HSIAO, TSUI-MIAO	4,682,621	3.86%
Advance Capital Limited	3,333,600	2.74%
Ching Ying Investment Co., Ltd.	3,125,185	2.57%
Ching Hui Investment Co., Ltd.	2,429,243	2.47%
Ching Te Investment Co., Ltd.	2,429,243	2.00%
CHANG, YING-FU	2,019,000	1.66%
TSENG, KO-CHIA	1,967,000	1.62%

(5) Information on Market Price, Net Worth, Earnings and Dividends per Share for the Most Recent Two Fiscal Years

Unit: NT$/Thousand Shares

Item\Year			2022	2023	The Current Year as of April 30, 2024 (Note 4)
Market Price per Share	Highest		30.00	26.20	26.20
	Lowest		21.00	21.50	22.55
	Average		26.16	24.07	24.66
Net Worth per Share	Before Distribution		29.26	25.94	26.85
	After Distribution		27.26	24.94 (Note 5)	-
Earnings per Share	Weighted Average Shares		121,338	121,447	121,447
	Earnings per Share (Before Dating Back)		3.23	(0.95)	0.02
	Earnings per Share (After Dating Back)		-	-	-
Dividend per Share	Cash Dividend		2.00	1.00 (Note 5)	-
	Stock Grant	Stock Dividend from Retained Earnings	0	0 (Note 5)	-
		Stock Dividend from Capital Surplus	0	0 (Note 5)	-
	Accumulated Undistributed Dividend		0	0	-
Return on Investment Analysis	Price/Earnings Ratio (Note 1)		8,10	(25.33)	-
	Price/Dividend Ratio (Note 2)		13.08	24.07 (Note 5)	-
	Cash Dividend Yield % (Note 3)		7.64	4.16 (Note 5)	-

Note 1: Price/earnings ratio = average closing price per share for the year / earnings per share.

Note 2: Price / dividend ratio = average closing price per share for the year / cash dividends per share.

Note 3: Cash dividend yield = cash dividend per share / average closing price per share for the year.

Note 4: Net worth per share and earnings per share are based on audited (auditor-reviewed) data as at the latest quarter before the publication date of the annual report. For all other fields, calculations are based on the data for the current year as of the date of publication of the annual report.

Note 5: For 2023, it is based on the proposed distribution of dividends approved by the Board of Directors before the annual shareholders' meeting.

(6) Dividend Policy of the Company and Implementation Status

1. Dividend Policy

(1) The dividend policy, stipulated in the Company's Articles of Incorporation, was as follows :

The Company is just at a stage of business growth. In order to take into account, the company's financial structure and respond to the need of estimated capital expenditures in future, the Company's dividend policy was based on distribution of partial stock dividend and partial cash dividend; among the dividend, 20% to 100% was the cash dividend, while 0% to 80% was the stock dividend. However, in order to maintain the Company's level of earnings per share and consider the impact of stock dividend on the Company's operation performance, if the earnings per share in the year of dividend distribution declined by 20% or more compared with the previous year, or depending on the fund status, the distribution ratio of cash dividend shall be adjusted to be 50% to 100%, while that of stock dividend shall be 0% to 50%. The most appropriate dividend policy and the distribution method was determined on the basis of the preceding principle. The Board of Directors shall prepare the earnings distribution proposal, which will be handled after resolved at the shareholders' meeting.

(2) As stipulated in the Company's Articles of Incorporation, if there is a surplus in the annual final accounts of the Company, it shall be distributed in the following sequence:

A. paying taxes;
B. compensating the losses in the past years;
C. withdrawing 10% as the statutory surplus reserve;
D. setting aside or reversing the special surplus reserve in accordance with the statutory regulations;
E. The rest plus the undistributed earnings will be distributed based on the earnings distribution proposal, proposed by the Board of Directors. However, the distributed amount of dividend shall be lower than 25% of the remaining amount of profit in the current year, subtracting the amount prescribed in A to D. If the remaining amount of profit in the current year, subtracting the amount prescribed in A to D is lower than 2% of the paid-in capital, no earnings shall be distributed.

2. The earnings distribution proposal has been approved by the Board of Directors, but not been resolved by the shareholders' meeting.

The Board of Directors of the Company passed a resolution on March 15, 2024, to the effect that the undistributed earnings at the beginning of the period was NT$626,936,219 minus NT$115,390,184 of the after-tax net loss in the current year of 2023 minus appropriation of NT$45,175,911 of reversed special surplus reserve, and then the distributable earnings was NT$466,370,124; no dividend was distributed in the current year; in accordance with Article 241 of the Company Act, NT$121,447,441 from the capital reserve of the "income derived from the issuance of new shares at a premium" will be distributed in cash to the shareholders, and it will come into force once approved by the shareholders' meeting.

(7) Impact of stock grants proposed at this shareholders' meeting on the Company's operating performance and the earnings per share.

There was no proposal of stock grants at this shareholders' meeting.

(8) Profit-sharing Compensation for Employees and Directors:

1. The percentage or scope of profit-sharing compensation for employees and directors as stated in the Company's articles of incorporation:

If the Company makes a profit in a year, 1% to 10% of the profit shall be allocated as the profit-sharing compensation for employees and no more than 3% for directors. However, if the Company still has accumulated losses, it should be first reserved to make up the losses.

The distribution of profit-sharing compensation for employees and directors shall be made by a resolution of the Board of Directors' meeting, at which at least two thirds of directors are present with consent of a majority of attending directors. The distribution of profit-sharing compensation for employees shall be resolved by the Board of Directors in stock or cash. The subjects of distribution include the employees of subsidiaries who meet certain specific requirements.

2. The basis for estimating the amount of profit-sharing compensation for employees and directors for calculating the number of shares to be distributed as profit-sharing compensation for employees and the accounting treatment of the discrepancy, if any, between the actual distributed amount and the estimated figure, for the current period.

(1) To be estimated subject to the percentage and scope of allocation, stipulated in the Articles of Incorporation.

(2) If the discrepancy between the actual distributed amount and the estimated figure is due to the accounting estimation changes, the profit or loss of the current year shall be separately adjusted after approval by the shareholders' meeting.

3. Distribution of Profit-sharing Compensation Approved by the Board of Directors:

(1) Amount of profit-sharing compensation for employees and directors distributed in cash or stock. If there is a discrepancy from the estimated amount in the year of recognition of expenses, the amount of discrepancy, reason and disposal conditions shall be disclosed.

The amount of distribution of profit-sharing compensation for employees was NT$0 thousand and that for directors was NT$0 thousand for both of them. There was no discrepancy from the estimated amount in the year of recognition of expenses.

(2) Amount of the profit-sharing compensation for employees, distributed in stock and its ratio to the after-tax net profit and the total amount of the employees' profit-sharing compensation as stated in the parent company only or individual financial statements for the current period.

The amount of the profit-sharing compensation for employees, distributed in stock was NT$0, and its ratio to the after-tax net profit and the total amount of the employees' profit-sharing compensation as stated in the parent company only or individual financial statements for the current period was 0%.

4. Actual distribution of the profit-sharing compensation for employees and directors in the previous year (including the number of shares distributed, amount and stock price); if there is a discrepancy from the recognized profit-sharing compensation for employees and directors, the amount of discrepancy, reason and disposal conditions shall be disclosed:

Unit: NT$ Thousand/Thousand Shares

Distribution Status	The Previous Year (2022)			
	Actual Amount of Distribution	Recognized Amount of Distribution	Amount of Discrepancy	Reason for Discrepancy
1. Profit-sharing Compensation for Employees in Cash	8,939	8,939	0	None
2. Profit-sharing Compensation for Employees in Stock				
(1) No. of Shares	0	0	0	None
(2) Amount	0	0	0	None
3. Profit-sharing Compensation for Directors	1,800	1,800	0	None

(9) Conditions of the Company's Repurchase of its Own Shares: None.

2. Corporate Bond Processing Status: None of this condition is involved.

3. Preferred Shares Processing Status: None of this condition is involved.

4. Global Depository Receipt Processing Status: None of this condition is involved.

5. Employee Share Subscription Warrants and New Restricted Employee Shares Processing Status: None of this condition is involved.

6. Processing Status of Merger or Transfer of Shares of Other Companies to Issue New Shares: None of this condition is involved.

7. Execution Status of Capital Utilization Plan: None of this condition is involved.

V. Operational Highlights

1. Business Activities

(1) Business Scope

1. Main Area of Business Operations:
   (1) Mechanism and exterior parts, etc. of components of various precision hardware, aluminum alloy, plastics, etc. of information and its peripheral products;
   (2) Mechanism and exterior parts, etc. of components of various precision hardware, aluminum alloy, plastics, etc. of consumer electronics;
   (3) Surgical medical devices and surgical appliances;
   (4) Design, manufacturing and development of molds of the above-mentioned products.

2. Business Proportion:

Unit: NT$ Thousand; %

Product Item	Net Sales Amount in 2023	Proportion
Metal Case of Laptop and Tablet	2,846,326	79%
Metal Frame of Laptop Keyboard	598,431	17%
Others	160,644	4%
Total	3,605,401	100%

3. Current Main Products and Service Items:
   (1) Metal stamping and forming, and its exterior treatment;
   (2) Computer numerical control (CNC) forming and its exterior treatment;
   (3) Laptop and tablet metal case;
   (4) Metal mechanism board of laptop keyboard;
   (5) Surgical medical devices and surgical appliances.

4. New Products (and molds), which the Company plans to develop:
   (1) Development of new machine models of the foregoing products;
   (2) New patterns of cases of laptops and tablets, new materials and new technologies;
   (3) Development of computer peripheral and consumer electronics of computer numerical control (CNC);
   (4) Surgical medical devices and surgical appliances.

(2) Industry Overview:

1. Current Status and Development of the Industry:

The Company produces the mechanism and exterior components of such products as Information and consumer electronics, etc. by way of metal stamping and CNC, etc. The Company is classified as a company which develops molds and manufactures products on its own. The products are based on demands of customers' orders. The customer provides the drawing of the mold (or product), and then the molding (or automation) department of the Company makes the mold (or processing program) according to the drawing, and after the trial production is passed, the metal raw material is purchased for stamping processing (or CNC) to make the product.

The current status and development of the Company's industry can be analyzed in terms of the Company's main products and their application scope.

(1) Mold

Mold is an essential tool for the mass production of products in the industry. The finished products in certain shapes, formed through the high-temperature, high-pressure or high-impact processes from such materials as metals, plastics, rubber, glass, ceramics or other minerals, etc. all rely on molds to perform their functions.

Molds can be divided into
1. The formed material is shaped in a molten state, such as plastic mold, extrusion mold or die-casting mold;
2. The formed material is directly stamped, forged or extruded, such as stamping die, and cold forging die, etc.

According to the classification of industrial products by the Ministry of Economic Affairs, metal molds are divided into such five items as die-casting molds, forging molds, stamping molds, plastic molding molds and other molds.

The mold industry is a special industry which requires technology and capital-intensive with high added value. It is even an important basic technology for the mass production of various end products. Therefore, the mold industry has always been known as the "mother of industry". The development of the mold industry not only improves the sophistication of industrial products, but also drives the progress of the overall manufacturing industry, thereby accelerating industrial upgrading. Accordingly, the mold industry can be said to be the most important basic industry that supports the vigorous development of the manufacturing industry.

The main application industries of our country's mold products are the electronic information industry and the transportation vehicle industry. Therefore, their development is closely related to the growth of the mold industry. Among them, the electronic information industry can be said to be the biggest driving force for our country's economic growth in recent years.

(2) Consumer Electronics:

Consumer electronics are closely related to people's livelihood and consumption. In recent years, accompanied with the improvement of people's quality of life, the quality requirements for audio and video products have also increased. As a result, manufacturers research and develop new technologies one after another in response to the trend of rapid product innovation and the products are developed towards combination of digitalization, high-fidelity and consumer 3C for increasing added value.

(3) Laptop and Tablet Products:

Recently, due to the continuous reduction of related cost, the improvement of overall performance, and the consideration of being thinner and lighter for portability, it has become a trend for laptops to replace traditional desktop computers at home. In addition, the tablets, which recently rise, has also become another new products for sales growth. The manufacturers and brand companies are constantly improving the performance of parts and related manufacturing technologies in order to be closer to the needs of consumers, and are moving towards light weight and thinness. Aluminum metal is currently one of the best materials for light and thin casings. Aluminum metal has the advantages of lightness and thinness, high structural strength, good heat dissipation performance, and compliance with environmental protection recycling regulations, etc. Therefore, the application and penetration of metal casings for laptops and tablets continue to be improved.

2. Correlation of Upstream, Midstream and Downstream of the Industry:

Upstream	⇨	Tool Steel or Die Steel. Tungsten Carbide. Parts and Accessories.
Peripheral	⇨	Heat Treatment. Surface Treatment. Tools. CAD/CAM/CAE Systems.
Midstream	⇨	Plastic Mold. Stamping Die. Die Casting Mold. Forging Die.
Channel	⇨	Mainly for selling to domestic and foreign manufacturers. Few parts are for export through traders or import through distributors.
Downstream	⇨	Electronic and computer communication industry. Transportation vehicle industry. Mechanical hardware industry.

3. Development Trends of Products:

The competitive structure of efficiency, high added value, fast stocking, delivery and response is developing, while the life cycle of products is getting shorter and shorter, and the appearance and performance of products continue to be thinner and shorter. Consequently, in the application of 3C product materials in the future, light metals will gradually become one of the main materials of the new generation structural materials, and the manufacturing and application technology of molds will face the challenges of high-speed production, precision, thinness and integration.

In response to the industry development trend in the future, the Company mainly focuses on the development of high value-added products to develop niche products in the main direction towards products of exterior parts of high exquisiteness and mechanism parts of internal structure assembly with high precision, and we insist in excellent technology input and management. In respect of mold design and manufacturing, we import computer design software in line with technology integration and application of laser scanners, three-dimensional measuring instruments, CNC, wire cutting electric discharge machines, etc., and actively improve the speed and accuracy of mold development. For strengthening advanced manufacturing technology, we constantly develop medium and large progressive dies, step out of the pattern of small and medium dies, and improve the technology of automatic special machines, so as to continuously upgrade the technology and expand the field of business opportunities.

4. Market Competition Conditions:

At present, there are a large number of companies engaged in the production of metal stamping parts, and the products developed and stamped by their molds are used in a wide range of applications, such as the electronics industry, automobile industry, machinery industry, etc., In addition, none of the products developed and produced by various factories are the same. Except for metal mechanism boards of notebook computer keyboards, which account for more than 30% of the global market share, other relevant information on market share, etc. is difficult to obtain. As for the consumer electronics and information hardware peripheral products, for which the Company is currently focusing on the development and production, the main competitors are mostly foreign manufacturers, but the Company has many years of experience in mold development, coupled with a number of advanced automation machinery and equipment, so we can fully meet the different needs of customers. Most of the Company's main customers are well-known manufacturers, which means that the Company's products and technologies have been highly recognized, far more competitive than other related peers in the same industry.

(3) Technology, Research and Development Overview:

1. Input Research and Development Expenditure for the Most Recent Year up to the Publication Date of the Annual Report

Year / Item	2023	The Current Year as of April 30
Research and Development Expenditure	188,267	58,876

Unit: NT$ Thousand

2. Research and Development Expenditure Input for the Most Recent Year up to the Publication Date of the Annual Report:

There are a great number of product types, successfully developed by the Company, each of which has different specifications. Only main products are listed as follows:

Consumer Electronics:

(1) Exterior parts of consumer electronics.

(2) Stereo steel structure of high accuracy and high density.

Information Hardware Peripheral Products:

(1) Metal frame of thin laptop keyboard.

(2) Processing treatment technology of exterior of light metal product.

Medical Products:

(1) Surgical appliances.

(2) Surgical boxes.

(4) Long-term and Short-term Business Development Plans:

1. Short-term Development Plan

(1) The group cooperates with the domestic and foreign major manufacturers to develop high value- added products.

(2) Actively develop new domestic and foreign customers and new markets.

(3) Reinforce services for existing customers in order to maintain long-term cooperation relationship.

(4) Make use of the production capacity of overseas subsidiaries in keeping with strict quality control measures to control progress of production at any time and satisfy the needs of customers.

(5) Develop light metal process and exterior technology with rapid process and reduced cost.

2. Long-term Development Plan

(1) Enlarge operation scale, and reduce operation risks; in order to obtain the cost advantage, strengthen the Company's competition capability by adopting the international labor-division model to scatter the production bases and expand the production scale; correspond to the demands of customers in the overseas markets to achieve the win-win benefit for the Company and customers.

(2) Carry out strategic alliances with upstream and downstream manufacturers, stabilize the raw material sources and prices of upstream manufacturers through this method, and work closely with downstream customers to understand customer needs and grasp customer orders.

(3) By being close to customers, we can timely grasp the technical needs of customers and the direction of future product development, and strengthen the research and development of future product appearance and processing technology.

2. Market, Production and Marketing Overview

(1) Market Analysis:

1. Sales and Offer Region of Main Commodity and Service:

The Company mainly engages in manufacturing of consumer electronics and information hardware peripheral products, and development of their molds. The major sales customers are well-known manufacturers. The sales region for the last two fiscal years was mainly distributed in Asian region, and most part was exportation.

2. Market Share:

At present, there are a large number of companies engaging in the production of metal stamping parts, and the products developed and stamped by their molds are used in a wide range of applications, such as the electronics industry, automobile industry, machinery industry, etc. In addition, none of the products developed and produced by various factories are the same, so relevant information on the market share is difficult to obtain.

3. Future Supply and Demand Status and Growth in the Market:

Subject to the Company's product application scope, there were two major markets:

(1) Information Home Appliances Market Analysis:

In the development trend of the information appliance (IA) industry, the output value of life products accounts for the highest proportion, and among the sub-categories of life-related IA products, IA products belonging to audio-visual and entertainment are the important core of the development of this industry. However, the Company's audio-related products are gradually built-in for audio-visual multimedia products such as desktop computers (AIO) and laptops, and the demand for external audio speakers will decrease in the future. Therefore, the Company is gradually increasing the number of network products of built-in type.

(2) Computer Peripheral Products Market Analysis:

A. As far as laptops are concerned, computer keyboards are a major standard equipment in personal computer input devices. The computer keyboard mechanism boards manufactured by the Company are used in laptops, and their global market share exceeds 30%.

B. In response to lightness and environmental protection, aluminum metal is currently one of the best materials for casings to be thinner for thinner and lighter laptops and tablets, so the application and penetration of metal casings for laptops and tablets continues to increase.

4. Competition Niche:
(1) Appropriate Management Strategy of Global Layout
A. Local Research, Development and Production for Reinforcement of Competition Advantages
In order to effectively reduce cost and use resources, and be able to respond to and be close to customers, the Company adopted the nearby production in terms of technology-intensive mold development and stamping processes, etc. by the factories in Malaysia, Suzhou and Chongqing according to customer needs. This production and marketing system is conducive to improving the comprehensive benefits of research & development, production and marketing of the Company and our subsidiaries, and strengthening the Company's competitiveness.
B. Establishment of Overseas Bases:
Based on being close to the source of customers and serving customers nearby, the reduction of related cost is beneficial to the expansion of sales channels and the growth of the production hinterland. Therefore, the Company has successively invested in overseas production bases - Malaysia factory, 3 factories in Suzhou and Chongqing factory in China, and established the factory in Thailand in September 2023. The Company can respond flexibly, timely and efficiently to the rapidly changing market demands and personnel management of a large labor force in those bases.
(2) Strong Product Competitiveness
A. Excellent Mold Design and Development Capability and Manufacturing Process Technology
In terms of the technical ability of mold opening, the Company's computer-automated design process has accumulated a considerable database, and further converts technical work into operational processes, so that the mold design and development work can be standardized, and the product development schedule can be shortened to achieve the purpose of improving mold design and development timeliness, and the development of precision progressive molds can accumulate advantages such as excellent quality, fast speed, and large quantity, etc. Since the foundation of the metal stamping business source of 3C products is how to develop the product samples required by customers, and produce molds with high production efficiency, low product tolerance and long service life, in order to achieve a process technology with both production capacity, quality and cost-effectiveness Therefore, the superior mold development ability and process technology are the competitive niche of the Company.
B. Service Satisfaction Indicator of Product Quality, Delivery Time, etc.:
Good quality indicators such as mold life, precision, stability, product molding speed, and product defect rate, etc. cannot only keep away from price competition in the same industry, but also become an important factor in winning customers and stabilizing customer relationships. The Company has accumulated many years of professional production experience, and has been deeply recognized by customers in terms of mold processing precision and product quality stability.
5. Advantageous and Disadvantageous Factors of Development Prospect and Response Measures
(1) Advantageous Factors
A. In Terms of Industry Development Trends:
The terminal application of the products produced by use of stamping of molds, designed and manufactured by the Company, as well as by CNC, are mainly the aluminum metal casings of laptops and tablets, audio-related products, and consumer electronics such as keyboards of laptops and tablets, etc. In particular, laptops and tablets continue to be developed towards being thinner and lighter, and metal casings are expected to continue to grow. The Company also strives to continue to develop in this direction.
B. In Respect of Business Strategies:
a. Local Research, Development and Production for Reinforcement of Competition Advantages
In order to effectively reduce cost and use resources, and be able to respond to and be close to customers, the Company adopted the nearby provision in terms of product research, development, design and production by the factories in Malaysia, Suzhou and Chongqing according to customer needs. This production and marketing system is conducive to improving the comprehensive benefits of research & development, production and marketing of the Company and our subsidiaries, and strengthening the Company's competitiveness.
b. International Marketing and Servicing Capability
Currently the investee companies in Malaysia, Suzhou and Chongqing have formed an international production and marketing network. In addition to being a local production base, it cooperates with customers for the convenience of supplying goods nearby, maintaining relationships with existing customers and attracting new customers, so that the maintenance of relationship with original customers and the exploitation of new customer sources are far convenient, and the level of profitability will not be affected by the economic downturn in a single region.
C. With Regards to Product Competition: Operation Strategies:

a. Excellent Mold Design and Development Capability and Process Technology

In terms of the technical ability of mold opening, the Company's computer-automated design process has accumulated a considerable database, and further converts technical work into operational processes, so that the mold design and development work can be standardized, and the product development schedule can be shortened to achieve the purpose of improving product quality and accuracy, and reinforcing development timeliness

b. Service Satisfaction Indicator of Product Quality, Delivery Time, etc.

The Company has accumulated many years of professional production experience. In terms of mold processing precision, product quality stability and delivery time, we have been deeply recognized by customers year after year, and have won the highest honor award from end customers and third-party factories for many times.

D. Tight Relationship with Customers

As the 3C system factories began to concentrate resources on their core competitiveness, they urgently needed parts production and mold development partners for cooperation in the innovation and development of 3C product mechanism parts and components, and hoped that mold manufacturers could provide the in-place service at one time that could solve the problem on design and manufacturing. and through close cooperation, help electronic system factories to continuously reduce cost and respond quickly to development. Overall, in the production and sales supply chain of 3C products, molds have important functions and core values.

The Company is a professional manufacturer of metal and plastic products with mold development capabilities. We have been deeply involved in the information and consumer electronics market for many years. Many internationally renowned manufacturers are long-term customers of the Company.

(2) Disadvantageous Factors

A. Orders Grabbed by Peers in Low Cost

With the rapid development of economy in China in recent years, the demand for molds in many industries is also growing day by day. The mold market is thriving with unlimited business opportunities. It has attracted many domestic and foreign mold manufacturers to set up factories and share the big pie over there. However, the China's own mold industry is also growing rapidly. Under the advantage of low prices, some mold manufacturers have gradually lost their price advantage and been squeezed out. The operation is extremely hard, and many of them fail.

Response Measures:

a. Actively improve research & development and design capabilities, and use mold development technology to shorten the process time and achieve the goal of maximizing production capacity. Shorten the mold opening time, improve the production process, and constantly evaluate and improve the cost of product design / raw materials / labor / manufacturing process, ensure product quality, while controlling the stability of the manufacturing process, improving production efficiency at the same time, reduce cost to maintain our own competitiveness, thereby enhancing the Company's profitability.

b. Produce, with innovation, high value-added product to enlarge difference between products.

B. Difficulty in Protecting the Key Technology of Molds

As the production bases of manufacturers from various countries move out of China one after another, relatively their technical capability is also transferred imperceptibly. Therefore, how to prevent other competitors from copying, at low cost, the research and development results for that our Company has invested a lot of expenditure an issue which the Company or other mold development peers should focus on.

Response Measures:

In addition to strengthening the confidentiality and control of research and development documents and files, all molds developed by the Company must be kept in the stamping plants of the Company's various bases to ensure that orders are not easily lost, and to protect and accumulate key technologies for mold development.

C. Lack in Professional Talents in Technology and Design

Since the mold industry is a high technology-intensive industry, it is highly dependent on technology. However, because the mold industry already has been associated with a stereotype image as a traditional industry with hard work and danger, it is difficult for this industry to attract excellent manpower. Accordingly, the lack in professional talents in technology and design has always been the bottleneck of the development of the mold industry, and it is also the biggest obstacle faced by the industry in transformation and upgrading.

Response Measures:

The Company has become an OTC company, which can improve the Company's reputation and help attract outstanding talents to serve the Company. In addition, we have established an employee welfare system to retain outstanding talents with an honest management corporate culture.

D. Fluctuation in Price of Raw Materials, and cost of materials is not easy to control.

Response Measures:

a. Establish a long-term cooperative and interdependent relationship with major raw material suppliers, so that fluctuations in the price of raw materials can be eased compared with market prices, and when raw materials are in short supply, raw materials can still be obtained in the quantity required for production and at a lower price than market prices, thereby enhancing the Company's competition force.

b. Strive for the improvement of production and process technology, strengthen the continuous mold development capability, reduce loss rate of manual single-stage stamping by use of function of machine automation to improve the yield rate to minimize the cost of raw materials.

To sum up, the Company's favorable factors in industry trends, business strategies, product competitiveness and customer relations are very helpful to its future development. The Company will continue its business philosophy and devote itself to mold design and manufacturing capacity improvement, actively expand overseas markets to improve profitability, and the Company has also taken appropriate countermeasures against unfavorable factors in order to grasp the market and create good sales results.

2. Important Use and Production Process of Main Products

1. Important Use of Main Products

The Company's main products are manufacturing of internal mechanism and exterior components of consumer electronics and information products, as well as development of their molds. The products can be widely used in various electronic and information products.

2. Production Process of Main Products

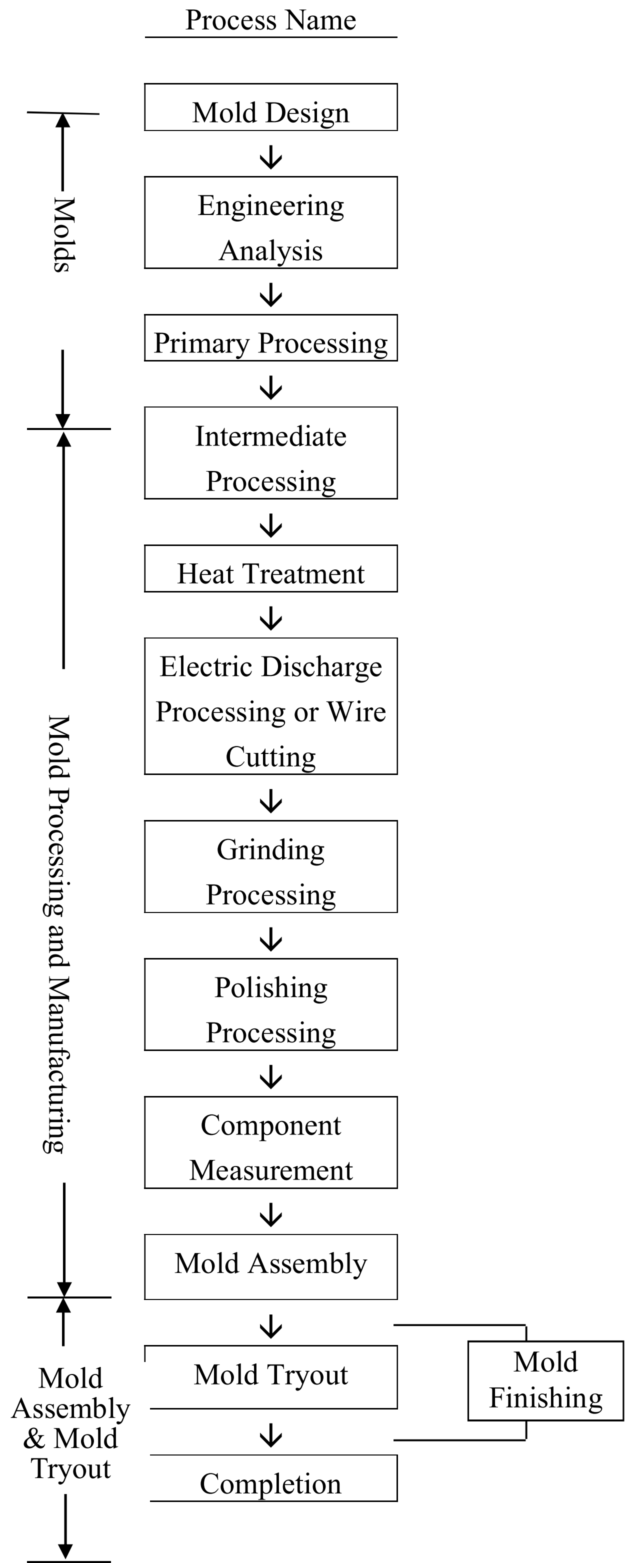
(1) Metal Stamping Products

Materials → Stamping Production → Processing and Treatment of Finished Products → Packaging → Warehousing

(2) Metal CNC Products

Materials → CNC Processing → Processing and Treatment, and Surface Treatment of Finished Products → Packaging → Warehousing

(3) Molds



(3) Supply and Demand Status of Main Materials

Main Materials	Main Supplier	Supply Status
Aluminum Materials	Tse Cheng Chu	Good
Stainless Steel	Cheng Fei	Good
NB Accessories	Ho Yu Tien	Good

(4) Name of customers who have accounted for more than 10% of the total purchases (sales) in any year of the most recent two fiscal years, Amount, Proportion and Explanation of Reasons for its Increase and Decrease.

1. List of Major Suppliers:

Unit: NT$ Thousand

	2022				2023				2024 as of Q1			
Item	Name	Amount	Ratio (%) to Annual Net Purchase Amount	Relationship to the Issuer	Name	Amount	Ratio (%) to Annual Net Purchase Amount	Relationship to the Issuer	Name	Amount	Ratio (%) of Net Purchase Amount as of the Preceding Quarter of the Current Year	Relationship to the Issuer
1	Guo Jan Metal	307,770	17.69	None	Tse Cheng Chu	96,151	10.82	None	Tse Cheng Chu in Kunshan	4,607	2.09	None
2	Nanping Aluminum – Chuan Chia	184,616	10.61	None	Guo Jan Metal	77,566	8.73	None	Kuo Jan Metal	3,636	1.65	None
3	Tse Cheng Chu	117,852	6.77	None	Nanping Aluminum-Chuan Chia	45,775	5.16	None	Nanping Aluminum – Chuan Chia	1,131	0.51	None
3	Others	1,129,729	64.93		Others	668,775	75.29		Others	210,640	95.75	
	Net Purchase Amount	1,739,967	100		Net Purchase Amount	888,339	100		Net Purchase Amount	220,014	100	

Note: The discrepany in major materials purchase in the most recent two fiscal years mainly resulted from change of specifications of adopted aluminum materials.

2. List of Major Customers:

Unit: NT$ Thousand

	2022				2023				2024 as of Q1			
	Name	Amount	Ratio (%) to Annual Net Sales Amount	Relationship with the Issuer	Name	Amount	Ratio (%) to Annual Net Sales Amount	Relationship with the Issuer	Name	Amount	Ratio (%) of Net Sale Amount as of the Preceding Quarter of the Current Year	Relationship with the Issuer
1	Customer A	2,939,926	58.75	None	Customer A	1,985,076	55.06	None	Customer A	353,880	57.03	None
2	Customer B	461,671	9.23	None	Customer B	605,449	16.79	None	Customer B	66,662	10.74	None
5	Others	1,602,539	32.02		Others	1,014,876	28.15		Others	200,017	32.23	
	Net Sales Amount	5,004,172	100		Net Sales Amount	3,605,401	100		Net Sales Amount	620,559	100	

Note: There was no significant discrepancy for the major customers in the most recent two fiscal years.

(5) Recent two years' production volume table:

Unit: NT$ Thousand

Year / Volume and Value / Main Commodity	2022			2023		
	Production capacity.	Volume	Value	Production capacity.	Volume	Value
Metal Case of Laptop and Tablet	16,200 Thousand Pcs	9,018 Thousand Pcs	3,733,139	17,400 Thousand pieces	6,317 Thousand pieces	2,472,017
Metal Frame of Keyboard	96,200 Thousand Pcs	45,252 Thousand Pcs	661,644	81,800 Thousand Pcs	37,589 Thousand Pcs	531,433
Others	Note	Note	84,590	Note	Note	85,263
Total	Note	Note	4,479,373	Note	Note	3,088,713

Note：Others refer to each metal product, the statistics of which cannot be made due to different units.

(6) Sales Volume and Value List for the Most Recent Two Fiscal Years

Unit: NT$ Thousand

Sales Volume and Value / Year / Main Commodity	2022				2023			
	Domestic Sales		Exportation		Domestic Sales		Exportation	
	Volume	Value	Volume	Value	Volume	Value	Volume	Value
Metal Case of Laptop and Tablet	Note 1	122,866	8,460 Thousand Pcs	3,927,014	Note 1	59,580	6,369 Thousand Pcs	2,786,746
Metal Frame of Keyboard	Note 1	11,694	45,445 Thousand Pcs	758,885	Note 1	4,147	46,022 Thousand Pcs	594,284
Others	Note 2	21	Note 2	183,692	Note 2	218	Note 2	160,426
Total		134,581		4,869,591		63,945		3,541,456

Note 1: Refer to mold style, etc. and the statistics of its volume cannot be made.

Note 2: Others refer to each metal product, the statistics of which cannot be made due to different units.

3. Employee No., Average Years of Service, Average Age and Education Distribution Rate or the Most Recent Two Years up to the Publication Date of the Annual Report

April 30, 2024

Year		2022	2023	As of April 30, 2024
No. of Employees	Direct Employees	1,535	1,670	2,004
	Indirect Employees	1,315	1,097	1,253
	Total	2,850	2,767	3,257
Average Year		31	31	26
Average Year of Service		3	3	3
Education Distribution Rate	Ph. D.	0	0	0
	Master	0	0	0
	College and University	20	19	17
	Senior High School	33	36	33
	Below Senior High School	47	45	50

4. Environmental Protection Expenditure

(1) Total amount of losses and disposition incurred from polluting environment: None.

(2) Response measures and possible expenditure in the future:

The Company's factories were all located in the industrial park; the waste water was discharged into the sewage treatment plant of the industrial park for collective treatment; the waste was cleaned and disposed of by an outsoured agency. Recently, no significant expenditures for environmental protection is expected.

5. Labor Relations

(1) List any employee benefit plans, continuing education, training, retirement systems, the status of their implementation, and the status of labor agreements and measures for preserving employees' rights and interests:

1. Employee Benefit Plans, Continuing Education and Training:

The Company's employee benefit plans include festival gifts, employee travel, birthday gifts, wedding and funeral subsidies, performance bonuses, employee profit-sharing dividends, labor insurance, health insurance, and group insurance, etc., and we provide employees with opportunities to participate in various trainings, workshops and continuing education with a view to improving employees' vision and increasing their work efficiency.

Educational Training in 2023				
Item	No. of Classes	No. of Persons	Total Hours	Total Expenses
Training for Newcomers	3	3	12	0
Professional Occupational Training	42	136	208	124,101
Total	45	139	220	124,101

2. Retirement System and its Implementation Status:

The retirement system of the domestic "Labor Pension Act", applicable to the parent company, Bin Chuan Enterprise Co., Ltd., is a government-managed assured allocation retirement plan, which appropriates 6% of employee's monthly salary into the individual account with the Bureau of Labor Insurance.

The subsidiary, Hamagawa Malaysia, is subject to the statutory regulations in Malaysia by allocating the retirement fund to the government's department concerned from 24% of the monthly salary (in which 13% is allocated by the Company, while 11% is comparably allocated by the employees) for payments to employees when they retire.

The subsidiaries, Bin Chuan Suzhou, Fong Chuan Suzhou, Chu Chi Suzhou and Fong Chuan Chongqing, comply with the statutory regulations in China by appropriating 24% of the local standard wage (in which 16% is allocated by the Company, while 8% is comparably allocated by the employees) to the government's department concerned as the pension for payments to employees when they retire.

The subsidiary, Chi Mo Company, complies with the statutory regulations in China by appropriating 31.25% – 55.25% of the local standard wage (in which 20.75% - 32.75% is allocated by the Company, while 10.5% - 22.5% is comparably allocated by the employees) to the government's department concerned as the pension for payments to employees when they retire.

3. Agreements between capital and labor and various protection measures for employees' rights and interests:

The labor relations of the Company is harmonious and no labor disputes ever occur. Besides, the Company has been respecting employees' opinions; they can coordinate with the Company and communicate their opinions in order to maintain good labor relations.

(2) In the most recent fiscal year up to the publication date of the annual report, any losses suffered by the Company due to the labor disputes, the estimated amount of losses suffered from the labor disputes which might occur at present and in the future, as well as the response measures:

1. In the most recent year up to the publication date of the annual report, the losses suffered by the Company due to the labor disputes: None.
2. Estimated amount of losses suffered from the labor disputes which might occur in the future, as well as the response measures:

The Company adopted humanized business management, and provided employees with a good working environment and diversified benefit plans, so the relations between the capital and labor was harmonious without labor disputes.

The protection measures adopted for the working environment and employees' personal safety are as follows:

Item	Content
Safety of Access Control	Equipped with the access control monitoring system. Sign contracts with the security company for maintaining security of the plant and office at night and on holidays.
Maintenance and Inspection of Various Equipment	Conduct the annual fire inspection on an outsourcing basis in accordance with the regulations of laws. Regular maintenance and inspection of various equipment. (Conduct outsourced maintenance and inspection of cranes and lifts once a year and that of compressors and electrical boxes one a monthly.)
Physiological Health	Conduct the health exam for employees pursuant to the regulations of the Occupational Safety and Health Act. Smoking is fully prohibited for the business premises; conduct regular cleaning and disinfection.
Insurance and Medical Treatment	Ensure related insurances in accordance with the law. Purchase automated external defibrillator (AED) for in-factory employees and nearby people for their first aid.

6. Cyber Security Management

(1) Cyber Security Risk Management Framework, Cyber Security Policies, Concrete Management Programs, and Investments in Resources for Cyber Security Management, etc.

1.Cyber Security Risk Management Framework: The Company's information division was responsible for the construction and update of cyber security-related software and hardware, the prevention of loopholes, and the propaganda and education of users.

2.Cyber Security Policies: The Company has established internal control procedures such as control of computer processing cycle and cyber security inspection, etc., to ensure that the Company's employees complied with information system security prevention and network transmission data security, and were capable for dealing with matters related to crisis management. The Company regularly conducted information security audits to review the implementation of access rights and information security management systems so as to ensure the continuous operation of information systems and businesses to reduce related risks. In the future, depending on the scale of operations and needs, we will continue to strengthen information security protection and train high-quality information security personnel to establish a safe and reliable electronic processing environment for ensuring information security.

3.Concrete Management Programs and Investments in Resources for Cyber Security Management:

(1) Computer System Security Management: Use anti-virus software installed from legitimate sources, and regularly update the virus code to keep the operating system at a sound level of protection.

(2) Network Security Management: In addition to regularly changing the verification method and using various protection actions, it was also necessary to maintain information security alertness at any time.

(3) System Access Control: Regularly inspect access rights, manage user passwords, and store storage media.

(4) System Development and Maintenance, and Security Management: Regularly update consumable hardware equipment, back up important data, and install backup power to prevent data loss, caused by power outages, etc.

(5) Planning of Business Sustainable Operation: Assess the impact of various man-made and natural disasters on the Company's normal business operations in order to respond to emergencies and restore operating procedures.

(2) List any losses suffered by the Company in the most recent fiscal year and up to the annual report publication date due to significant cyber security incidents, the possible impacts therefrom, and the response measures. If a reasonable estimate cannot be made, an explanation of the facts of why it cannot be made shall be provided: In the most recent fiscal year and up to the annual report publication date, there was no losses suffered by the Company due to significant cyber security incidents.

7. Important Contracts

Nature of Contracts	Parties Concerned	Beginning and End Date of Contract	Main Content	Restrictive Clauses
Long-term Loan Contracts(Note)	CTBC Bank, etc.	October 2023 to October 2028	Total credit amount was NT$940 million, divided into A and B items: the credit amount for Item A: NT$658 million for the mid-term loan without revolving credit; the credit amount for Item B: NT$282 million with revolving credit.	1. Current Ratio (Current Assets/Current Liabilities): 100% (inclusive) or more; 2. Liabilities Ratio (Total Liabilities/Tangible Net Worth): No more than 140%; 3. Times Interest Earned (Pre-tax Net Profit + Interest Expenses + Depreciation + Amortization): Maintain at 5 times (inclusive) or more; 4. Tangible Assets: No less than NT$2.7 billion. The restrictions for the foregoing financial ratios shall be reviewed at least once half a year subject to the consolidated financial statements.
Long-term Loan Contract	Entie Commercial Bank	July 2020 – July 2023	NT$50 Million	The first term will start at the expiration of 12 months effective July 2020; thereafter one month is one term for a total of 24 terms for average repayment.
Long-term Loan Contract	Bank SinoPac.	October 2021 – October 2024	NT$180 Million	The first term will start at the expiration of 13 months effective October 2021; thereafter one month is one term for a total of 24 terms for average repayment.
Long-term Loan Contract	CTBC Bank	December 2021 – December 2024	NT$200 Million	The first term will start at the expiration of 19 months effective December 2021; thereafter half a year is one term and the last term is five months for a total of 4 terms for average repayment.
Long-term Loan Contract	Entie Commercial Bank	June 2022 ~ June 2025	NT$300 Million	The first term will start at the expiration of 24 months effective June 2022; thereafter six-month is one term for a total of 3 terms for repayment.

Note: The loan had been paid off in advance in March 2022.

VI. Financial Overview

1. Condensed balance sheets and statements of comprehensive income for the most recent 5 fiscal years, showing the name of the certified public accountants and their audit opinions given thereby:
   (1) Information on Consolidated Condensed Balance Sheet and Statement of Comprehensive Income – Based on IFRS

Consolidated Condensed Balance Sheet – Based on IFRS

Unit: NT$ Thousand

Item \ Year		Financial Information for the Most Recent Five Fiscal Years					Financial Information for the Current Year as of March 31, 2024 (Note 3)
		2019	2020	2021	2022	2023	
Current Assets		3,573,648	3,783,512	4,081,863	4,206,528	3,605,176	3,386,763
Property, Plant and Equipment (Note 2)		2,857,946	2,932,583	2,744,122	2,690,423	2,432,459	2,507,867
Intangible Assets		2,541	4,867	3,555	2,147	2,904	2,485
Other Assets (Note 2)		312,959	349,828	483,759	320,679	426,097	426,119
Total Assets		6,747,094	7,070,790	7,313,299	7,219,777	6,466,636	6,323,234
Current Liabilities	Before Distribution	2,826,344	2,950,841	3,475,352	2,963,115	2,367,045	2,086,718
	After Distribution	2,860,377	3,131,689	3,669,668	3,206,010	(Note 1)	(Note 1)
Non-current Liabilities		1,189,842	877,207	484,947	577,992	833,219	841,896
Total Liabilities	Before Distribution	4,016,186	3,828,048	3,960,299	3,541,107	3,200,264	2,928,614
	After Distribution	4,050,219	4,008,896	4,154,615	3,784,002	(Note 1)	(Note 1)
Equity Attributable to Owners of the Parent Company		2,632,177	3,139,581	3,249,659	3,553,836	3,150,375	3,261,169
Share Capital		1,134,437	1,202,263	1,206,871	1,214,474	1,214,474	1,214,474
Capital Surplus		1,061,618	1,140,835	1,146,324	1,154,878	1,154,878	1,154,878
Retained Earnings	Before Distribution	655,943	1,016,471	1,151,053	1,348,125	989,840	992,317
	After Distribution	621,910	835,623	956,737	1,105,230	(Note 1)	(Note 1)
Other Equity		-219,821	-219,988	-254,589	-163,641	-208,817	-100,500
Treasury Shares		0	0	0	0	0	0
Non-controlling Interests		98,731	103,161	103,341	124,834	115,997	133,451
Total Equity	Before Distribution	2,730,908	3,242,742	3,353,000	3,678,670	3,266,372	3,394,620
	After Distribution	2,696,875	3,061,894	3,158,684	3,435,775	(Note 1)	(Note 1)

Note 1: The earnings distribution in 2023 has not been resolved by the shareholders' meeting.

Note 2: No reassessment can be conducted for the most recent five fiscal years.

Note 3: The financial statements as of the preceding quarter before the date of publication of the annual report has been reviewed by the CPAs.

Consolidated Condensed Statement of Comprehensive Income – Based on IFRS

Unit: NT$ Thousand

Earnings per Share in Unit of NT Dollar

Year / Item	Financial Information for the Most Recent Five Fiscal Years					Financial Information for the Current Year as of March 31, 2024 (Note)
	2019	2020	2021	2022	2023	
Operating Revenue	4,435,890	4,941,442	4,770,880	5,004,172	3,605,401	620,559
Gross Profit	884,144	1,089,192	1,017,245	972,679	338,437	45,599
Operating Income	259,372	592,223	408,507	368,996	-201,809	-80,427
Non-operating Income and Expenses	-91,336	-110,906	-26,480	125,317	58,811	101,810
Profit (Loss) before Income Tax	168,036	481,317	382,027	494,313	-142,998	21,383
Net Income for the Period from Continuing Operations	113,985	402,120	327,808	407,394	-104,100	21,383
Loss from Discontinued Operations	0	0	0	0	0	0
Net Income (Loss) for the Period	113,985	402,120	327,808	407,394	-104,100	21,383
Other Comprehensive Income (Loss) for the Period (Net of Income Tax)	-102,463	-2,733	-40,081	96,435	-50,815	109,224
Total Comprehensive Income for the Period	11,522	399,387	287,727	503,829	-154,915	120,148
Net Income Attributable to Owners of the Parent Company	113,371	394,561	315,430	391,388	-115,390	2,477
Net Income Attributable to Non-controlling Interests	614	7,559	12,378	16,006	11,290	8,447
Total Comprehensive Income (Loss) Attributable to Owners of the Parent Company	11,883	394,394	280,829	482,336	-160,566	110,794
Total Comprehensive Income Attributable to Non-controlling Interests	-361	4,993	6,898	21,493	5,651	9354
Earnings per Share	1.01	3.42	2.62	3.23	-0.95	0.02

Note: The financial statements as of the preceding quarter before the date of publication of the annual report has been reviewed by the CPAs.

(2) Information on Parent Company Only Condensed Balance Sheet and Statement of Comprehensive Income – Based on IFRS

Parent Company Only Condensed Balance Sheet – Based on IFRS

Unit: NT$ Thousand

Item \ Year		Financial Information for the Most Recent Five Fiscal Years					Financial Information for the Current Year as of March 31, 2024
		2019	2020	2021	2022	2023	
Current Assets		1,065,674	1,336,047	1,852,011	2,273,755	2,153,945	Not Applicable
Property, Plant and Equipment (Note 2)		28,498	26,887	25,554	22,498	35,592	
Intangible Assets		0	0	0	0	1,564	
Other Assets (Note 2)		3,466,249	3,710,728	3,839,149	3,770,189	3,584,655	
Total Assets		4,560,421	5,073,662	5,716,714	6,066,442	5,775,756	
Current Liabilities	Before Distribution	1,089,172	1,412,342	2,034,266	1,987,606	1,830,739	
	After Distribution	1,123,205	1,593,190	2,228,582	2,230,501	(Note 1)	
Non-current Liabilities		839,072	521,739	432,789	525,000	794,642	
Total Liabilities	Before Distribution	1,928,244	1,934,081	2,467,055	2,512,606	2,625,381	
	After Distribution	1,962,277	2,114,929	2,661,371	2,755,501	(Note 1)	
Equity Attributable to Owners of the Parent Company		2,632,177	3,139,581	3,249,659	3,553,836	3,150,375	
Share Capital		1,134,437	1,202,263	1,206,871	1,214,474	1,214,474	
Capital Surplus		1,061,618	1,140,835	1,146,324	1,154,878	1,154,878	
Retained Earnings	Before Distribution	655,943	1,016,471	1,151,053	1,348,125	989,840	
	After Distribution	621,910	835,623	956,737	1,105,230	(Note 1)	
Other Equity		-219,821	-219,988	-254,589	-163,641	-208,817	
Treasury Shares		0	0	0	0	0	
Non-controlling Interests		0	0	0	0	0	
Total Equity	Before Distribution	2,632,177	3,139,581	3,249,659	3,553,836	3,150,375	
	After Distribution	2,598,144	2,958,733	3,055,343	(Note 1)	(Note 1)	

Note 1: The earnings distribution in 2023 has not been resolved by the shareholders' meeting.

Note 2: No reassessment can be conducted for the most recent five fiscal years.

Parent Company Only Condensed Statement of Comprehensive Income – Based on IFRS

Unit: NT$ Thousand
Earnings per Share in Unit of NT Dollar

Item \ Year	Financial Information for the Most Recent Five Fiscal Years					Financial Statements for the Current Year as of March 31, 2024
	2019	2020	2021	2022	2023	
Operating Revenue	2,724,413	2,925,392	3,642,835	4,159,561	2,877,450	Not Applicable
Gross Profit	164,914	219,017	230,148	311,424	188,191	
Operating Income	115,523	168,179	188,219	260,838	142,286	
Non-operating Income and Expenses	14,321	241,151	147,477	175,382	-225,262	
Profit (Loss) before Income Tax	129,844	409,330	335,696	436,220	-82,976	
Net Income for the Period from Continuing Operations	113,371	394,561	315,430	391,388	-115,390	
Loss from Discontinued Operations	0	0	0	0	0	
Net Income (Loss) for the Period	113,371	394,561	315,430	391,388	-115,390	
Other Comprehensive Income (Loss) for the Period (Net of Income Tax)	-101,488	-167	-34,601	90,948	-45,176	
Total Comprehensive Income for the Period	11,883	394,394	280,829	482,336	-160,566	
Net Income Attributable to Owners of the Parent Company	113,371	394,561	315,430	391,388	-115,390	
Net Income Attributable to Non-controlling Interests	0	0	0	0	0	
Total Comprehensive Income (Loss) Attributable to Owners of the Parent Company	11,883	394,394	280,829	482,336	-160,566	
Total Comprehensive Income (Loss) Attributable to Non-controlling interests	0	0	0	0	0	
Earnings per Share	1.01	3.42	2.62	3.23	-0.95	

(3) Name of CPAs and their Audit Opinion for the Most Recent Five Fiscal Years

Year	Name of Accounting Firm	Name of CPAs	Audit Opinion
2019	Deloitte & Touche	Kuo, Li-Yuan and Liu, Yu-Hsiang	Unqualified Opinion
2020	Deloitte & Touche	Kuo, Li-Yuan and Liu, Yu-Hsiang	Unqualified Opinion
2021	Deloitte & Touche	Hsu, Jui-Hsuan and Liu, Yu-Hsiang	Unqualified Opinion
2022	Deloitte & Touche	Hsu, Jui-Hsuan and Liu, Yu-Hsiang	Unqualified Opinion
2023	Deloitte & Touche	Hsu, Jui-Hsuan and Chen, Chen-Li	Unqualified Opinion

2. Financial Analysis for the Most Recent Five Fiscal Years

(1) Financial Analysis – Based on IFRS (Consolidated Companies)

Year (Note 1) / Analysis Item (Note 3)		Financial Information for the Most Recent Five Fiscal Years					The Current Year as of March 31, 2024)
		2019	2020	2021	2022	2023	
Financial Structure (%)	Debt to Assets Ratio	59.52	54.13	54.15	49.05	49.49	46.32
	Ratio of Long-term Capital to Property, Plant and Equipment	133.73	136.97	136.09	153.58	163.77	163.61
Solvency (%)	Current Ratio	126.44	128.21	117.45	141.96	152.31	162.3
	Quick Ratio	74.30	85.74	75.51	101.67	119.35	125.51
	Times Interest Earned	2.98	7.17	9.77	11.54	-1.73	2.89
Operating Performance	Accounts Receivable Turnover (Times)	3.27	2.97	2.48	2.99	2.42	1.75
	Average Collection Days	112	123	147	122	151	209
	Inventory Turnover (Times)	2.83	3.04	2.90	3.13	3.37	3.03
	Accounts Payable Turnover (Times)	5.05	4.82	3.88	4.45	5.16	4.32
	Average Days in Sales	129	120	126	117	108	120
	Property, Plant and Equipment Turnover (Times)	1.59	1.70	1.68	1.84	1.41	1.00
	Total Assets Turnover (Times)	0.67	0.71	0.66	0.69	0.53	0.39
Profitability	Return on Total Assets (%)	2.77	6.61	4.87	5.90	-1.05	0.31
	Return on Equity (%)	4.31	13.67	9.87	11.51	-3.44	0.31
	Ratio of Income before Tax to Paid-in Capital (%) (Note 7)	14.81	40.03	31.65	40.70	-11.77	1.76
	Net Profit Margin (%)	2.55	7.98	6.61	7.82	-3.20	0.40
	Earnings per Share (Dollar)	1.01	3.42	2.62	3.23	-0.95	0.02
Cash Flow	Cash Flow Ratio (%)	24.21	16.69	29.96	38.15	20.81	10.43
	Cash Flow Adequacy Ratio (%)	50.61	59.85	63.40	83.21	110.01	133.97
	Cash Reinvestment Ratio (%)	11.42	7.23	13.66	12.76	3.26	2.94
Leverage	Operating Leverage	7.11	3.78	5.37	5.82	-6.37	-3.23
	Financial Leverage	1.48	1.15	1.12	1.15	0.79	0.88

Please explain the causes of changes in the financial ratios in the most recent 2 fiscal years. (Analysis is not required if the increase or decrease is less than 20%.):

1. Solvency: The inventory decreased in this year, and the quick ratio rose; the profit before income tax decreased, and the times interest earned dropped.
2. Operating performance: Because the sales income decreased in this year, so the average collection days increased, and both the fixed assets turnover and the total assets turnover declined.
3. Profitability: The net profit before tax decreased in this year, so each ratio of profitability dropped.
4. The total amount of capital expenditure for the latest five years decreased, so the cash flow adequacy ratio rose; the cash inflow from the operational activities decreased compared with last year, so the cash reinvestment ratio declined.
5. Leverage: The operation income in this year decreased, and the operating leverage and the financial leverage dropped.

Note 1: If the information for any fiscal year has not been audited and attested by a CPA, this fact shall be noted.

Note 2: If, for a TWSE or TPEx listed or Emerging Stock company, there is any financial data, up to the previous quarter of the date of publication of the annual report, for the most recent period, shall be included in analysis.

Note 3: The following formulas for the calculation of the financial ratios shall be listed below this table in the annual report:

1.Financial structure
(1) Debt to assets ratio = total liabilities / total assets.
(2) Ratio of long-term capital to property, plant and equipment = (total equity + non-current iabilities) / net property, plant and equipment.

2. Solvency
(1) Current ratio = current assets / current liabilities.
(2) Quick ratio = (current assets - inventory - prepaid expenses) / current liabilities.
(3) Times interest earned = earnings before tax and interest expenses / current interest expenses.

3. Operating performance
(1) Accounts receivable (including accounts receivable and notes receivable arising from business activities) turnover = net sales / average accounts receivable balance (including accounts receivable and notes receivable arising from business activities).
(2) Average collection days = 365 / accounts receivable turnover.
(3) Inventory turnover = cost of goods sold / average inventory.
(4) Accounts payable (including accounts payable and notes payable arising from business activities) turnover = cost of goods sold / average accounts payable balance (including accounts payable and notes payable arising from business activities).
(3) Average days in sales = 365 / inventory turnover.
(6) Property, plant and equipment turnover = net sales / average net property, plant and equipment.
(7) Total asset turnover = net sales / average total assets.

4. Profitability
(1) Return on total assets = (net income + interest expenses * (1 - effective tax rate)) / average total assets.
(2) Return on equity = net income after tax / average total equity.
(3) Net profit margin = net income after tax / net sales.
(4) Earnings per share = (income attributable to owners of parent - preferred stock dividends) / weighted average number of shares outstanding. (Note 4)

5. Cash flow
(1) Cash flow ratio = net cash flows from operating activities / current liabilities.
(2) Net cash flow adequacy ratio = 5-year sum of net cash flow from operating activities / 5-year sum of (capital expenditures + increases in inventory + cash dividends).
(3) Cash reinvestment ratio = (cash from operating activities - cash dividends) / (gross property, plant and equipment + long-term investments + other non-current assets + working capital). (Note 5)

6. Leverage:
(1) Operating leverage = (net operating revenue – variable operating costs and expenses) / operating income (Note 6).
(2) Financial leverage = operating income / (operating income – interest expenses).

Note 4: Special attention should be paid to the following when calculating earnings per share by the above equation:
1. The weighted average quantity of outstanding common shares shall be taken as the standard, not the quantity of outstanding shares at the end of the year.
2. If there is any cash capital increase or treasury stock transaction, take the circulation periods into account when calculating the weighted average quantity of outstanding shares.
3. If there is any capitalization of retained earnings or capital surplus, the annual and semi-annual earnings per share of past years shall be retrospectively adjusted pro rata to the size of the capital increase, without considering the issuance period of the capital increase.
4. If the preferred shares are non-convertible cumulative preferred shares, the dividend for the fiscal year (whether it has been distributed or not) shall be deducted from the net income after tax or added to the net loss after tax. If the preferred shares are non-cumulative, the dividend shall be deducted from the net income after tax if there is net income after tax and no adjustment is required in case there is loss.

Note 5: Special attention shall be paid to the following when making the calculations for cash flow analysis:
1. Net cash flow from operating activities refers to the net cash inflow from operating activities in the cash flow statement.
2. Capital expenditures refers to the annual cash outflow used in capital investment.
3. Increase in inventory is counted only when the balance at the end of the period is greater than the balance at the beginning of the period. If the inventory has decreased at the end of the year, it is counted as zero.
4. Cash dividends include the cash dividends of common stock and preferred stock.
5. Gross property, plant and equipment refers to the total property, plant and equipment without deduction of accumulated depreciation.

Note 6: The issuer shall categorize the operating costs and operating expenses into fixed ones and variable ones in accordance with their properties. If the categorization is subject to estimation or subjective judgment, attention shall be paid to ensure that it is done rationallyand consistently.

Note 7: If the Company's shares have no par value or the par value per share is not NT$10, the paid-in capital involved in the calculation of the above ratio shall be replaced by the equity attributable to owners of the parent company on the balance sheet.

(2) Financial Analysis – Based on IFRS (Parent Company Only)

Analysis Item (Note 3) \ Year (Note 1)		2019	2020	2021	2022	2023	The Current Year as of March 31, 2024 (Note 2)
Financial Structure (%)	Debt to Assets Ratio	42.28	38.12	43.16	41.42	45.46	Not applicable
	Ratio of Long-term Capital to Property, Plant and Equipment	12,180.67	13,617.43	14,410.46	18,129.77	11,084.00	
Solvency (%)	Current Ratio	97.84	94.59	91.04	107.01	117.65	
	Quick Ratio	97.11	93.85	90.75	106.22	117.48	
	Times Interest Earned	5.71	19.95	17.74	18.8	-1.23	
Operating Performance	Accounts Receivable Turnover (Times)	4.66	3.53	2.93	3.43	2.58	
	Average Collection Days	78	103	125	106	141	
	Inventory Turnover (Times)	1,591.72	591.88	768.71	3.77	495.49	
	Accounts Payable Turnover (Times)	6.22	4.96	4.04	3.77	3.37	
	Average Days in Sales	0	1	0	0	1	
	Property, Plant and Equipment Turnover (Times)	92.17	105.63	138.93	173.13	99.07	
	Total Assets Turnover (Times)	0.62	0.60	0.68	0.71	0.49	
Profitability	Return on Total Assets (%)	3.08	8.54	6.14	6.98	-1.45	
	Return on Equity (%)	4.31	13.67	9.87	11.51	-3.44	
	Ratio of Income before Tax to Paid-in Capital (%) (Note 7)	11.44	34.04	27.82	35.92	-6.83	
	Net Profit Margin (%)	4.16	13.48	8.66	9.41	-4.01	
	Earnings per Share (Dollar)	1.01	3.42	2.62	3.23	-0.95	
Cash Flow	Cash Flow Ratio (%)	28.89	(22.16)	18.03	27.51	-19.12	
	Cash Flow Adequacy Ratio (%)	(9.87)	(150.73)	22.74	117.73	78.8	
	Cash Reinvestment Ratio (%)	8.27	(9.63)	5.34	9.12	-15.39	
Leverage	Operating Leverage	1.37	1.28	1.26	1.22	1.34	
	Financial Leverage	1.31	1.15	1.12	1.10	1.36	

Please explain the causes of changes in the financial ratios in the most recent 2 fiscal years. (Analysis is not required if the increase or decrease is less than 20%.):

1. Financial structure: The fixed assets in this year increased, so the ratio of long-term property, plant and equipment to fixed assets rose.
2. Solvency: The pre-tax income in this year decreased, so the times interest earned dropped.
3. Operating performance: The sales in this year year decreased, so each ratio of operating performance dropped.
4. Profitability: The net profit before tax in this year decreased, so each ratio of profitability dropped.
5. Cash flow: The cash inflow from operational activities decreased compared with last year, along with increase of cash dividend distributed, so each ratio in cash flow declined.
6. Leverage: The operating income in this year decreased, so the financial leverage rose.

3. The Audit Committee's Review Report of Financial Statements for the Most Recent Fiscal Year

Bin Chuan Enterprise Co., Ltd.
The Audit Committee's Review Report

The Board of Directors has prepared the proposals of the Company's 2023 annual business report, financial statements and loss compensation, among which the financial statements have been audited by authorized CPA Hsu, Jui-Hsuan and CPA Chen, Chen-Li of Deloitte & Touche and an audit report has been prepared by them in this regard. The aforesaid business report, financial statements & loss compensation proposals have been reviewed by this Audit Committee and it is deemed that no nonconformity is involved. According to Article 14-4 of the Securities and Exchange Act and Article 219 of the Company Act, we hereby submit this report for your review.

To the Attention of

2024 Annual Shareholders' Meeting of the Company

Bin Chuan Enterprise Co., Ltd.

Convener of the Audit Committee: Chang, Chun-Chun

Date: March 15, 2024

4. For details of the financial statements in the most recent fiscal year, please refer to pages 86-151 of this annual report.

5. The CPAs' audited and attested financial statements of the parent company only in the most recent fiscal year:
   For details, please see pages 152-209 of this annual report.

6. If the Company and its affiliates suffered any difficulties in financial turnover during the most recent fiscal year and during the current year up to the date of publication of the annual report, the impact on the Company's financial position shall be specified.

VII. Review, Analysis and Risk Management of Financial Position and Financial Performance

1. Financial Position

(1) Main Reasons for Material Changes of Assets, Liabilities and Equity for the Most Two Fiscal Years, and the Impact thereof

Item \ Year	At the End of 2022	At the end of 2023	Difference	
			Amount	%
Current Assets	4,206,528	3,605,176	-601,352	-14.30
Property, Plant and Equipment	2,690,423	2,432,459	-257,964	-9.59
Intangible and Other Assets	322,826	429,001	106,175	32.89
Total Assets	7,219,777	6,466,636	-753,141	-10.43
Current Liabilities	2,963,115	2,367,045	-596,070	-20.12
Non-current Liabilities	577,992	833,219	255,227	44.16
Total Liabilities	3,541,107	3,200,264	-340,843	-9.63
Share Capital	1,214,474	1,214,474	0	0.00
Capital Surplus	1,154,878	1,154,878	0	0.00
Retained Earnings	1,348,125	989,840	-358,285	-26.58
Exchange Difference from Conversion in the Financial Statements of Foreign Operational Institutions	-163,641	-208,817	-45,176	27.61
Non-controlling Interests	124,834	115,997	-8,837	-7.08
Total Equity	3,678,670	3,266,372	-412,298	-11.21
1. The increase of intangible and other assets: was mainly due to deferred income tax and increase of assets. 2. The decrease of current liabilities: was mainly due to decrease of the short-term loans. 3. The increase of non-current liabilities: was mainly due to increase of the long-term loans. 4. The decrease of retained earnings: was mainly due to losst this year. 5. The decrease of exchange difference from conversion in the financial statements of foreign operational institutions: was mainly due to fluctuation of exchange rates.				

(2) In case of material impact, the response measures adopted in the future shall be described: Not applicable.

2. Financial Performance

(1) Main Reasons for Material Changes of Operating Revenue, Operating Income and Net Profit before Income Tax for the Most Recent Fiscal Years

Unit: NT$ Thousand

Item \ Year	2022	2023	Amount of Increase (Decrease)	Change Ratio %
Operating Revenue	5,004,172	3,605,401	-1,398,771	-27.95
Operating Cost	4,031,493	3,266,964	-764,529	-18.96
Gross Profit	972,679,	338,437	-634,242	-65.21
Operating Expenses	603,683	540,246	-63,437	-10.51
Operating Income	368,996	-201,809	-570,805	-154.69
Non-operating Income and Expenses	125,317	58,811	-66,506	-53.07
Net Profit before Tax	494,313	-142,998	-637,311	-128.93
Analysis and Explanation on Change of Increase and Decrease Ratio: 1. The decrease of operating income: was mainly due to decrease of production and sales.				

Item \ Year	2022	2023	Amount of Increase (Decrease)	Change Ratio %
2. The decrease of non-operating revenue: was mainly due to fluctuation of exchange rates.				

(2) Expected sales volume and its basis, the possible impact on the Company's future finance and sales, and the response plan.

Please refer to page 1 of "Letter to Shareholders".

3. Cash Flow

(1) Analysis and Explanation on Change of Cash Flow for the Most Recent Fiscal Year:

Unit: NT$ Thousand

Cash Balance at the Beginning of the Year (1)	Net Cash Flow from Operating Activities for the Whole Year (2)	Net Cash Flow from Investment Activities for the Whole Year (3)	Net Cash Flow from Fund Raising Activities for the Whole Year (4)	Impact of Fluctuation of Exchange Rates on Cash (5)	Cash Balance at the End of the Year (1)+(2)+(3)+(4)+ (5)	Remedial Measures for Cash Shortfalls	
						Investment Plan	Financial Plan
1,469,322	492,481	(302,166)	(497,851)	(35,901)	1,125,885	0	0

1. Analysis of Change of Cash Flow for the Most Recent Fiscal Year:

Operating activities: Mainly due to the net changes of net profit before tax, depreciation expense, inventory, etc.

Investment activities: Mainly due to increase of the capital expenses.

Fund raising activities: Mainly due to repayment of the short-term loans.

2. Remedial Measures for Cash Shortfalls: None.

(2) Remedial Measures for Insufficient Liquidity: Not applicable.

(3) Analysis of Cash Flow in the Coming Year:

Unit: NT$ Thousand

Cash Balance at the Beginning of the Year (1)	Net Cash Flow from Operating Activities for the Whole Year (2)	Net Cash Flow from Investment Activities for the Whole Year (3)	Net Cash Flow from Fund Raising Activities for the Whole Year (4)	Impact of Fluctuation of Exchange Rates on Cash (5)	Cash Balance at the End of the Year (1)+(2)+(3)+ (4)+ (5)	Remedial Measures for Cash Shortfalls	
						Investment Plan	Financing Plan
1,125,885	800,000	(370,000)	(150,000)	10,000	1,415,885	0	0

1. Analysis of Expected Change of Cash Flow in the Coming Year:

Operating activities: Mainly due to the operating profit.

Investment activities: Mainly due to use for renovation and maintenance of equipment, repair & construction of the factory in Thailand, etc.

Fund raising activities: Mainly due to distribution of cash dividend from capital reserve.

2. Remedial Measures for Cash Shortfalls: None.

4. Impact of any Major Capital Expenditures upon the Company's Finance and Sales of Any Major During the Most Recent Fiscal Year: The Company's material capital expenditures during the most recent fiscal year were used for purchasing equipment and plants by self-owned capital and bank financing, so it did not make material impact on finance and sales.

5. Reinvestment Policy for the Most Recent Fiscal Year, Main Reasons for Profits/Losses Generated thereby, Plan for Improving Re-investment Profitability, and Investment Plans for the Coming Year:

(1) Reinvestment Policy for the Most Recent Fiscal Year, the Main Reasons for the Profits/Losses Generated thereby, the Plan for Improving Re-investment Profitability:

Unit: NT$ Thousand

Item \ Description	Book Value of Investment	Policy	Main Reasons for Profits or Losses	Improvement Plan
Hamagawa Corp.	264,527	Intermediary triangular trading act	Investment loss in 32,635 thousand	Develop new business and save cost
Hamagawa Holdings Limited	2,971,226	Indirect reinvestment in the holding company in China	Investment loss in 223,843 thousand	Develop new business and save cost
Feng Rong Medical Co., Ltd.	120,916	Intermediary triangular trading act	Investment profit in 11,758 thousand	Not applicable

Item \ Description	Book Value of Investment	Policy	Main Reasons for Profits or Losses	Improvement Plan
Hamagawa Industries (Thailand) Co., Ltd.	102,165	Production and sales	The expenditure for building the factory in early stage in 1,577 thousand	After the factory construction is completed, mass production is planned

(2) Investment Plans in the Coming Year: The Company will conduct a deliberative evaluation on the investment plans from the perspective of long-term strategies in order to meet the demands for capacity expansion in the future market and continue to strengthen the global competitiveness. In 2024, continued investment will be made in the construction activities of Hamagawa Industries (Thailand) Co., Ltd.

6. Risk Matters during the Most Recent Fiscal Year up to the Date of Publication of the Annual Report

(1) Effects of Changes in Interest Rates, Foreign Exchange Rates and Inflation on the Profit and Loss of the Company and the Response Measures in the Future:

Item	2023 (NT$ Thousand)
Interest Income	55,888
Financial Cost	54,507
Net Amount of Exchange Profit	22,637

1. Effects of Changes in Interest Rates and the Response Measures in the Future

   Fluctuations in interest rates are related to the Company's cost of capital. In addition to supporting its own operating profits, the capital from bank financing was still required for the operating capital. The Company conducted regular assessments of bank loan interest rates, and worked closely with banks to obtain more favorable loan and syndicated loan interest rates.

2. Effects of Changes in Foreign Exchange Rates on the Profit and Loss of the Company and the Response Measures in the Future

   The Company was based on the revenue of computer peripheral products. The accounts payable for purchased goods generated by them were denominated in U.S. dollars, and the foreign currency accounts receivable generated by export sales were also denominated in U.S. dollars, so the effect of natural hedging can be achieved; therefore, the part that would generate actual exchange gains and losses was the gross profit generated by the business, and its exchange rate fluctuations will affect the Company's operating profits.

   For foreign exchange operations, the trading of forward foreign exchange hedging and foreign currency loan was usually considered. However, the Company's operations were still in the growth stage and there were still capital needs due to differences during the period of receipts and payments, so when the Company and its investee companies requested financing from banks, we would judge the future trend of US dollars, Hong Kong dollars, RMB and Malaysian ringgit, and determine the currency of the loan, so as to achieve the hedging effect of foreign currency assets and liabilities.

3. Effects of Inflation on the Profit and Loss of the Company and the Response Measures in the Future

   As oil prices and raw material prices fall, it would make a favorable impact on the Company's cost of purchasing raw materials. In addition to strengthening cost control, we will always pay attention to economic changes and adjust appropriate procurement strategies.

(2) Policies, Main Causes for Profit or Loss and Future Response Measures with Respect to Engagement in High-risk, High-leveraged Investments, Lending or Endorsement Guarantees, and Derivatives Transactions

1. The Company did not engage in high-risk, high-leveraged investments, lending or endorsements guarantees and derivatives transactions in the most recent fiscal year.
2. The subjects of the endorsements and guarantees made by the Company in 2023 up to the date of publication of the annual report involved guarantees required for the Company's subsidiaries to obtain bank financing, and it has been handled in accordance with the "Endorsements and Guarantees Handling Rules", stipulated by the Company.
3. In 2023 up to the date of publication of the annual report, the fund loaning engaged in among the enterprises of the group, due to the operating working capital needs, was handled in accordance with the "Operational Procedure of Fund Loaning to Others", stipulated by the Company.

(3) Future Research and Development Projects and the Estimated Input Expenditures of Research

and Development:

Unit: NT$ Thousand

Research and Development Projects	Current Progress	Estimated Input Expenditures of Research and Development	Estimated Time for Completion of Mass Production	Main Factors Affecting Success of Research and Development in the Future
All research and development projects of the Company involve prototype design, research and development in collaboration with customers. Because the agreements of confidentiality have been signed, it is not advisable to disclose the research and development projects.	In the course of design and molding.	190,000	Depend on customers' progress.	Due to prototype design, research and development in collaboration with customers, it may be suspended because of the termination of customer's case.

(4) Impact of Changes of Important Domestic and Foreign Policies and Laws on the Company's Finance and Sales, and the Response Measures

The Company kept alert on the changes of important domestic and foreign policies and laws at any time, and actively proposed the response measures in due course. In recent years, the Company did not involve any significant matters in which the finance and sales were affected by the domestic and foreign policies and legal changes.

(5) Impact of Technological Changes and Industrial Changes on the Company's Finance and Sales, and the Response Measures

The Company paid attention to the development evolutions of related technologies in our industry at any time, and went on with evaluation, research and development in order to cater for the market trends. In the most recent fiscal year, there was no significant changes on technologies, which would make material impact on finance and sales of the Company.

(6) Impact of Changes in Corporate Image on Corporate Risk Management, and the Company's Response Measures

The Company has established the dedicated spokesman, who took charge of maintaining the relationship with the public in the society and among the investors, and building the Company's image. In the most recent fiscal year, the Company did not involve any matters, which would make significant impact on the Company due to changes in corporate image.

(7) Expected Benefits, Possible Risks and the Response Measures Relating to Merger and Acquisition: None.

(8) Expected Benefits, Possible Risks and the Response Measures Relating to Factory Expansion: The expansion of the Company's factories were all deliberatively evaluated with the investment benefits and risks fully taken into consideration.

(9) Risks and the Response Measures Relating to Excessive Concentration of Purchasing Sources and Excessive Customer Concentration

1. Purchase: The Company's main purchases in 2023 were CNC aluminum, stamped aluminum, stainless steel and NB plastic parts. The amount and proportion of the top 10 purchasers were very even, so there should be no risk of concentration of purchases.
2. Sales: The Company's products were keyboard metal brackets and buttons, laptop and tablet metal casings, and medical products. More than 80% of our revenue came from the top 10 customers. Due to the high concentration of industrial customers' brands, sales were slightly concentrated. However, the Company continuously strengthened the mold development technology and stamping process capabilities, developed new products together with customers, combined years of mold technology and mass production experience with customers' mechanism design, assisted customers to test product characteristics at the initial stage of product development, in order to shorten the development timeframe and grasp market opportunities. This collaborative development model has been highly recognized by customers, and it can stabilize the long-term cooperative relationship with customers. In addition, the Company will still continue to actively develop new products and expand new customer groups, which should reduce the risk of sales concentration.

(10) Effects of, Risks Relating to and Response Measures to Large Share Transfers or Changes in Shareholdings by Directors, Supervisors, or Shareholder with Shareholdings of over 10%: None.

(11) Effects of, Risks Relating to and Response to the Changes in Management: None.

(12) A litigation or non-litigation event shall state the Company and the Company's directors, supervisors, general manager, substantive person in charge, major shareholders holding more than 10% of the shares, and major lawsuits that the subordinate company has decided to determine or are still in the system , non-litigation or administrative litigation, the result of which may have a significant impact on shareholders' equity or securities prices, shall

disclose the facts of the litigation, the amount of the subject matter, the commencement date of the litigation, and the parties involved in the litigation, and the handling process as of the publication date of the annual report: None.

(13) Cyber Security Risk: The Company has set up professional information personnel to handle matters related to information system security prevention and crisis management. In order to strengthen information security management, ensure the confidentiality, integrity and availability of information, and the reliability of information equipment and network systems, information security-related policies have been established in the Company's regulations as the criteria for information security risk management. At the same time, systems such as the intrusion prevention system/mail anti-spam system, etc. were gradually optimized to improve information security protection, and information security audits were regularly performed to review the implementation of access rights and information security management systems for the purpose of ensuring the continuous normal operation of information systems and effectively reducing related risks.

(14) Other Important Risks and the Response Measures: None.

7. Other Important Matters: None.

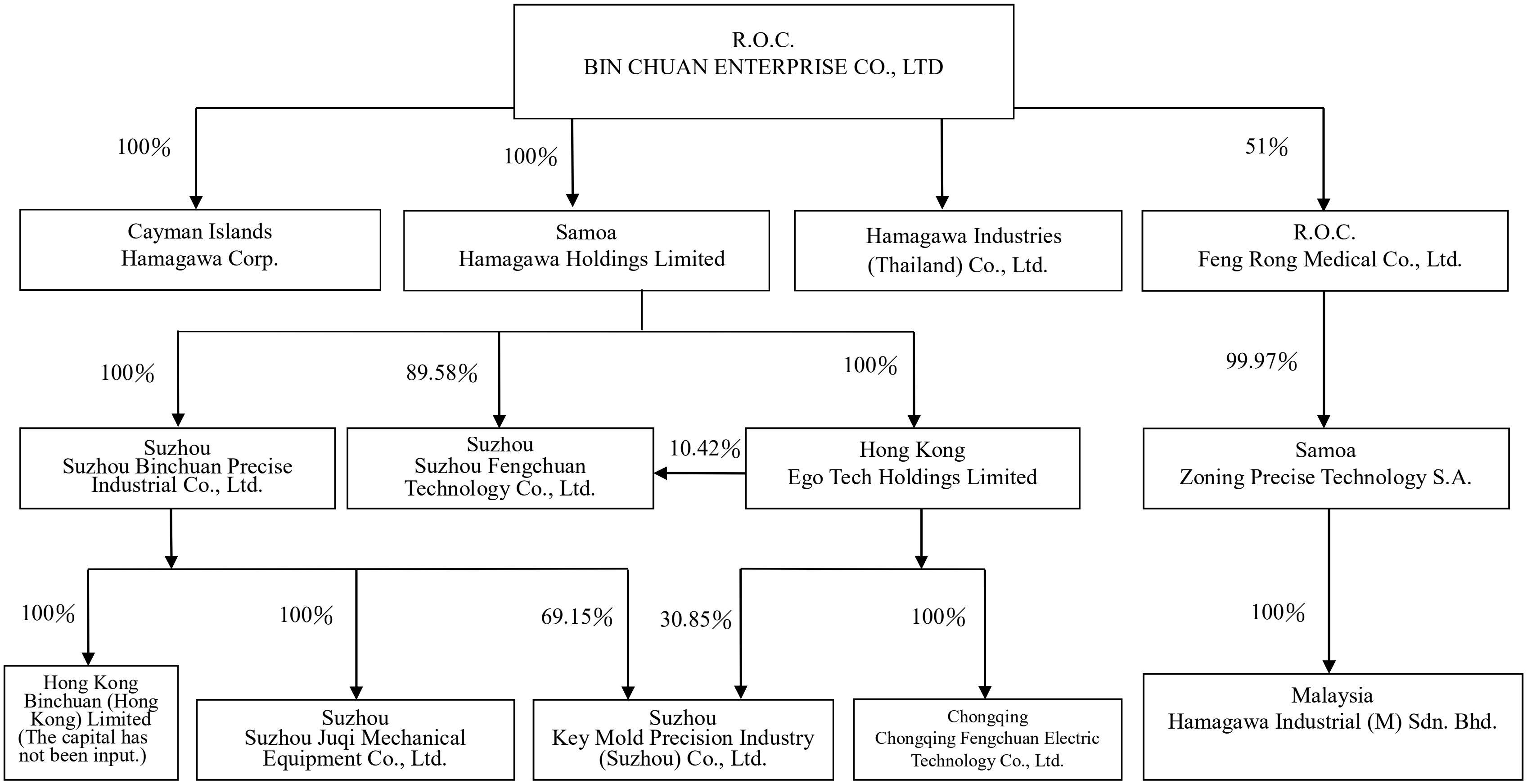
VIII. Special Specified Items

1. Information Related to Affiliated Enterprises:

(1) Business Report of Affiliated Enterprises

1. Affiliated Enterprises Chart

December 31, 2023



2. Name, Establishment Date, Address, Paid-in Capital and Main Business Activities of Affiliated Enterprises

Unit: Dollar

Name of Company	Establishment Date	Address	Paid-in Capital	Main Business or Products
Hamagawa Industrial (M) Sdn. Bhd.	07/24/1980	Lot 26, Jalan 8,Bakar Arang Industrial Estate,08000 Sungai Petani, Kedah, Malaysia	RM$6,000,000	Manufacturing, processing and trading of parts and accessories such as medical tools, instrument and equipment, etc.
Hamagawa Corp. (Cayman)	02/10/1998	Huntlaw Building, P.O. Box 2804, George Town, Crand Cayman, Cayman Islands	US$10,0000	Controlling company, and triangular trading business of various molds, raw materials, mechanical equipment and computer parts and accessories.
Hamagawa Holdings Limited (Samoa)	08/15/2003	Trustnet (Samoa) Limited TrustNet Chambers P.O. Box 1225 Apia, Samoa	US$52,200,000	Controlling Company
Bin Chuan Precision Industrial Limited, Suzhou	11/16/1995	No. 1068, Pangjin Road, Economic Development Zone, Wujiang City, Suzhou, Jiangsu Province, China	US$4,350,000	Production and sale of precision components such as metal mesh panels for computers and audio communication equipment, plastic injection components, power supplies, computer keyboards and precision cavity molds, etc.
Suzhou Fengchuan Technology Co., Ltd.	09/27/2006	No. 1068, Pangjin Road, Economic Development Zone, Wujiang City, Suzhou, Jiangsu Province, China	US$32,100,000	Research, development and produce digital cameras and components; design and manufacturing computer peripherals, hardware products for communication products, new flat-panel display components, precision stamping dies, and precision cavity molds and mold standard parts
EGO TECH HOLDINGS LIMITED	05/2007	Suite 2303 23/F Great Eagle CTR 23 Harbour RD Wanchai HK	US$25,933,958	Controlling company
Key Mold Precision Industry (Suzhou) Co., Ltd.	05/2007 (Note 1)	No. 135, Weixin Road, Weiting Town, Suzhou Industrial Park, Jiangsu Province, China	US$6,650,000 RMB$110,000,000	Plastic injection molding processing, production and sale of fine punching dies, precision cavity dies, mold standard parts, non-metal product molds and precision plastic parts for electronics and electrical appliances
Chongqing Fengchuan Electronic Technology Co., Ltd.	11/17/2011	No. 5, Jujin Avenue, Bishan District, Chongqing City, China	US$17,000,000	Manufacturing of LCD, tablet monitor, and monitor materials. Development and manufacturing of special electronic materials. Manufacturing of special electronic equipment, testers and tooling.
Binchuan (Hong Kong) Limited	10/16/2009	Room 2702-03, Integration Center, 302-8 Hennessy Road, Wanchai, Hong Kong	Note 2	International trade and after-sales service
Hamagawa Industries (Thailand) Co., Ltd.	09/29/2023	297 Moo 4, Bangpoo Industrial Estate, Soi 6 Sukhumvit Road, Preaksa, Samutprakarn, Mueang Samut Prakan District 10280	THB$21,318,000	Manufacturing of CD, display screen of tablets, and display screen materials. Development and manufacturing of materials exclusively used for electronics. Manufacturing of equipment, testers, tools, and molds, exclusively used for electronics.

Name of Company	Establishment Date	Address	Paid-in Capital	Main Business or Products
Feng Rong Medical Co., Ltd.	12/28/2016	No. 2, Hsingyeh Rd., Daliao Dist., Kaohsiung City, Taiwan	NT$39,193,790	International Trade
Suzhou Juqi Mechanical Equipment Co., Ltd.	05/11/2016	No. 1068, Pangjin Road, Economic Development Zone, Wujiang City, Suzhou, Jiangsu Province, China	RMB$10,000,000	Development and manufacturing of molds

Notes: 1. The affiliated company was established on October 15, 2002, and the Company purchased its stock equity in May 2007.
2. The capital has not been input.

3. Information of the persons presumed to be the same shareholders with the controlling and subordinate relationship: None.
4. The industries covered by the business operated in the overall affiliates, and explain division of labor between them:

Name of Company	Type of Industry	Conditions of Division of Labor for Business
Bin Chuan Enterprise Co., Ltd.	1. Development, manufacturing and sales of molds, metal stamping and hardware component commodity. 2. Sales of ultra-thin CD-ROM upper and lower covers and brackets, NB keyboard base boards, upper and lower covers and heat sinks of power supply, printer mechanism components, DESKTOP keyboard base boards, etc.	1. Group's operations headquarters. 2. Coordinate the group's operations of finance and sales.
Hamagawa Corp. (Cayman)	Trading company	International trade
Hamagawa Industrial (M) Sd. Bhd.	1. Manufacturing and sale of medical tools.	1. Take charge of receiving orders from domestic and foreign customers in Malaysia. 2. Responsible for the production of metal CNC parts, heat treatment and cathode treatment for local shipments
Hamagawa Holdings Limited (Samoa)	Controlling company and financing	Indirectly reinvest in Bin Chuan and Fong Chuan in Suzhou.
Suzhou Binchuan Precise Industrial Co., Ltd.	1. Manufacturing and sale of NB keyboard base boards, CD-ROM brackets, and housings of LCD monitors. 2. Manufacturing and sale of uninterruptible power system housings.	1. Responsible for receiving orders from customers in Central China region. 2. Responsible for production and sales of local keyboard metal brackets.
Suzhou Fengchuan Technology Co., Ltd.	Manufacturing and trading of parts and accessories of information electronic and consumer electronics products.	1. Responsible for receiving orders from customers in Central China and Inland China regions. 2. Responsible for production and sales of metal casings of local laptops and tablets.
Ego Tech Holdings Limited	Controlling company	Reinvest Chi Mo, Fong Chuan in Suzhou and Fong Chuan in Chongqing.
Key Mold Precision Industry (Suzhou) Co., Ltd.	Plastic injection molding processing, production and sales of fine punching dies, precision cavity dies, mold standard parts, non-metal product molds and precision plastic parts for electronics and electrical appliances.	Receive orders of plastic injection molding processing, etc.
Chongqing Fengchuan Electronic Technology Co., Ltd.	Manufacturing and trading of parts and accessories of information electronic and consumer electronics products.	1. Responsible for receiving orders from customers in Inland China region. 2. Responsible for production and sale of local keyboard metal brackets, and laptop and tablet metal housings.

Name of Company	Type of Industry	Conditions of Division of Labor for Business
Binchuan (Hong Kong) Limited	Trading company	Responsible for receiving orders from customers in Mainland China region.
Hamagawa Industries (Thailand) Co., Ltd.	Manufacturing and trading of products of information electronics, and consumer electronics.	1. Responsible for receiving domestic and foreign orders in Thailand. 2. Responsible for production and sale of local laptop metal housings.
Feng Rong Medical Co., Ltd.	International Trade	International trade
Suzhou Juqi Mechanical Equipment Co., Ltd.	Metal mold development, design, manufacture, metal parts processing, and manufacturing and sales of automation equipment	Coordinate mold development and manufacturing in the group.

5. Information on Directors, Supervisors and General Managers of each Affiliated Enterprise

Name of Enterprise	Title	Name or Representative	Shares Held	
			No. of Shares	Shareholding Ratio
Hamagawa Industrial (M) Sdn. Bhd.	Chairman	Legal Representative of Zoning Precise Technology: Hsiao, Chin-Ming	6,000,000 Shares	100%
	Director	Legal Representative of Zoning Precise Technology: Tsai, Ping-Ju		
	Director	Legal Representative of Zoning Precise Technology: Huang, Chih-Ying		
Hamagawa Corp. (Cayman)	Director	Legal Representative of Bin Chuan Enterprise Co., Ltd.: Hsiao, Chin-Ming	10,000 Shares	100%
Hamagawa Holdings Limited (Samoa)	Director	Legal Representative of Bin Chuan Enterprise Co., Ltd.: Hsiao, Chin-Ming	52,200,000 Shares	100%
Suzhou Binchuan Precise Industrial Co., Ltd.	Director	Legal Representative of Hamagawa Holdings Limited: Chin, Hao	Certificate of Entitlement	100%
	Supervisor	Legal Representative of Hamagawa Holdings Limited: Hsiao, Yi		
	General Manager	Hsiao, Chin-Chun		
Suzhou Fengchuan Technology Co., Ltd.	Director	Legal Representative of Hamagawa Holdings Limited: Chin, Hao	Certificate of Entitlement	89.58%
	Supervisor	Legal Representative of Hamagawa Holdings Limited: Hsiao, Yi		
	General Manager	Hsiao, Chin-Chun		
Ego Tech Holdings Limited	Director	Legal Representative of Hamagawa Holdings Limited: Hsiao, Chin-Chun	202,284,878 Shares	100%
Key Mold Precision Industry (Suzhou) Co., Ltd.	Director	Legal Representative of Ego Tech Holdings Limited: Chin, Hao	Certificate of Entitlement	33.72%
Chongqing Fengchuan Electronic Technology Co., Ltd.	Director	Legal Representative of Ego Tech Holdings Limited: Chin, Hao	Certificate of Entitlement	100%
	Supervisor	Legal Representative of Ego Tech Holdings Limited: Hsiao, Yi		
Binchuan (Hong Kong) Limited	Director	Legal Representative of Suzhou Binchuan Precise Industrial Co., Ltd.: Hsieh, Cheng-Ta	(Note 1)	100%
Hamagawa Industries (Thailand) Co., Ltd.	Director	Legal Representative of Bin Chuan Enterprise Co., Ltd.: Hsiao, Chin-Ming	213,178 Shares	100%
	Director	Legal Representative of Bin Chuan Enterprise Co., Ltd.: Lu, Yi-Jen	213,178 Shares	100%
Feng Rong Medical Co., Ltd.	Chairman	Legal Representative of Bin Chuan Enterprise Co., Ltd.: Hsiao, Chin-Ming	2,000,000 Shares	51%
	Director	Legal Representative of Bin Chuan Enterprise Co., Ltd.: Hsiao, Chin-Chun		
	Director	Legal Representative of Bin Chuan Enterprise Co., Ltd.: Lee, Fan		
	Supervisor	Chin, Hao		
Suzhou Juqi Mechanical Equipment Co., Ltd.	Director	Legal Representative of Suzhou Binchuan Precise Industrial Co., Ltd.	Certificate of Entitlement	100%
	Supervisor	Legal Representative of Suzhou Binchuan Precise Industrial Co., Ltd.: Hsiao, Yi		
	General Manager	Hsiao, Chin-Chun		

Note 1: The share capital has not been input.

6. Operation Overview of Affiliated Enterprises

Unit: NT$ Thousand

Name of Company	Paid-in Capital	Total Assets	Total Liabilities	Net Worth	Operating Revenue	Operating Profit	Income Loss of the Period
Hamagawa Industrial (M) Sdn. Bhd.	57,056	181,228	24,132	157,096	131,542	41,770	42,907
Hamagawa Corp. (Cayman)	15,157	280,354	15,827	264,527	-	-34,323	-32,635
Hamagawa Holdings Limited (Samoa)	1,609,288	2,970,325	38,369	2,931,956	-	-301	-223,843
Ego Tech Holdings Limited	796,302	559,656	-	559,656	-	-	-94,869
Suzhou Binchuan Precise Industrial Co., Ltd.	133,567	901,578	99,033	802,545	306,902	-58,750	-30,249
Suchou Fengchuan Technology Co., Ltd.	985,631	2,975,692	1,186,491	1,789,201	2,512,572	-137,437	-98,382
Key Mold Precision Industry (Suzhou) Co., Ltd.	732,753	44,789	33,135	11,655	30,283	-85,612	-62,397
Chongqing Fengchuan Electronic Technology Co., Ltd.	521,985	1,133,096	763,471	369,625	417,444	-88,654	-75,675
Suzhou Juqi Mechanical Equipment Co., Ltd.	43,352	130,936	50,322	80,5615	138,924	3,886	4,039
Binchuan (Hong Kong) Limited	-	-	-	-	-	-	-
Hamagawa Industries (Thailand) Co., Ltd.	19,257	96,226	78,587	17,639	-	-	-1,577
Feng Rong Medical Co., Ltd.	39,194	259,488	22,621	236,867	-	-3	23,041

(2) Consolidated Financial Statements of Affiliated Enterprises:

For details of the declaration of the financial statements of affiliated enterprises, please see page 86.

(3) Report of Relationship: None.

2. Processing Status of Private Placement of Securities during the Most Recent Fiscal Year or during the Current Fiscal Year up to the Date of Publication of the Annual Report
3. Holding or Disposal of Shares in the Company by the Company's Subsidiaries during the Most Recent Fiscal Year or during the Current Fiscal Year up to the Date of Publication of the Annual Report
4. Other matters that require additional description of the date of publication of the annual report: None.
5. The primary over-the-counter listed company shall include description on significant difference from the regulations concerning protection of Taiwanese shareholders' equity: The Company is not a primary over-the-counter listed company, so this regulation shall not apply.
6. Matters listed in Subparagraph 2, Paragraph 3 of Article 36 of the Securities and Exchange Act, which might materially affect shareholders' equity or the price of the Company's securities during the most recent fiscal year or during the current fiscal year up to the date of publication of the annual report: None.

Bin Chuan Enterprise Co., Ltd.
Internal Control Declaration

Date: March 15, 2024

The internal control system of the Company in 2023 is based on the results of the self-assessment, and its declaration is as follows:

1. The Company is aware that the establishment, implementation, and maintenance of the internal control system is the responsibility of the Board of Directors and managers of the Company. The Company has established the system to provide consistent results in terms of operational effectiveness and efficiency (including profitability, performance, and asset security, etc.), reporting reliability, timeliness, transparency, compliance with relevant regulations, relevant laws, and regulations, providing the guarantee of the rationality.
2. The internal control system has its inherent limitations. Regardless of how well the design is perfected, an effective internal control system can only provide reasonable assurance of the achievement of the above three objectives. Moreover, due to changes in the environment and conditions, the effectiveness of the internal control system may change. However, the Company's internal control system has a self-monitoring mechanism; once the identification is missing, the Company takes corrective action.
3. The Company judges whether the design and implementation of the internal control system is effective based on the judgment of the effectiveness of the internal control system as stipulated in the “Regulations Governing Establishment of Internal Control Systems by Public Companies” (hereinafter referred to as “regulations.”) The internal control system judgment project adopted in the “regulations” is based on the process of management control, and the internal control system is divided into five components: 1. Control environment, 2. Risk assessment, 3. Control operation, 4. Information and communication, and 5. Supervised operations. Each component also includes several items. Please refer to the “regulations” for the above items.
4. The Company has adopted the above internal control system to judge the project and evaluate the effectiveness of the design and implementation of the internal control system.
5. Based on the results of the previous assessment, the Company believes that the internal control system (including supervision and management of subsidiaries) of the Company on December 31, 2023 includes the understanding of the operational effectiveness and efficiency objectives, and the design and implementation of the internal control system, which is reliable, timely, transparent and in compliance with relevant regulations and relevant laws and regulations, is effective and can reasonably ensure the achievement of the above objectives.
6. The declaration will become the main content of the Company's annual report and public handbook, and will be made public. If the content of the above disclosure is illegal or concealed, it will involve legal liabilities such as Articles 20, 32, 171, and 174 of the Securities and Exchange Act.
7. The declaration was approved by the Board of Directors of the Company on March 15, 2024. Among the ten directors, no one disagreed, and the rest agreed with the contents of the declaration and stated the statement.

Bin Chuan Enterprise Co., Ltd.

Chairman of the Board of Directors: Hsiao, Chin-Ming (Sealed)

General Manager: Hsiao, Chin-Chun(Sealed)

Important Resolutions at the Shareholders' Meeting and the Board of Directors Meetings during the Most Recent Fiscal Year or during the Current Fiscal Year up to the Date of Publication of the Annual Report

1. Important Resolutions at the Shareholders' Meeting and Implementation Status

Date	Matters of Import Resolutions at the Shareholders' Meeting	Implementation Status
June 26, 2023	1. Approve the proposal of 2022 business report and final statements of the Company.	The consolidated operating revenue of the Company in 2022 was NT$5,004,172 thousand; the net profit after tax was NT$407,394 thousand; the earnings per share was NT$3.23.
	2. Approve the proposal of 2022 earnings distribution of the Company.	It was resolved that the undistributed earnings at the beginning of the period was NT$426,633,442 plus NT$391,388,203 of the after-tax net profit in the current year of 2022 minus NT$39,138,820 for the appropriation of legal surplus reserve plus NT$90,948,276 of reversed special surplus reserve, and then the distributable earnings was NT$869,831,101, from which NT$242,894,882 for the distribution of cash dividend (NT$2 was distributed per share), so the undistributed earnings at the end of the period was NT$626,936,219. The resolution results have been complied with.

2. Important Resolutions at the Board of Directors Meetings

Date	Important Resolutions at the Board of Directors Meetings
March 27, 2023	1. Pass the proposal of 2023 business plan. 2. Pass the proposal of 2022 profit-sharing compensation distribution for employees and directors. 3. Pass the proposal of 2022 business report and financial statements, which was submitted to the shareholders' meeting for adoption. 4. Pass the proposal of 2022 earnings distribution, which was submitted to the shareholders' meeting for adoption. 5. Pass the proposal of internal control declaration of the Company from January 1, 2022 to December 31, 2022. 6. Pass the proposal of replacement of authorized CPAs of Deloitte & Touche due to its internal adjustment. 7. Pass the proposal of regular assessment of CPAs' independence, eligibility and appointment. 8. Pass the proposal where the new or renewed bank loan credit was managed with full authority by the chairman subject to approval authorization. 9. Pass the proposal of adoption of offering guarantee for the bank loan credit of the investee company. 10. Pass the proposal of recognition of impairment of assets, as set out in the International Accounting Standards No. 36. 11. Pass the proposal of investment framework adjustment. 12. Pass the proposal of amendment of the Company's "Corporate Governance Best Practice Principles". 13. Pass the proposal of determining the meeting time, place and reasons for convening the meeting of the Company's 2023 shareholders' meeting.
May 11, 2023	1. Pass the proposal of 2023 Q1 consolidated financial statements. 2. Pass the proposal of appointment of the Company's chief corporate governance officer. 3. Pass the proposal of change of audit deputy. 4. Pass the proposal where the new or renewed bank loan credit was managed with full authority by the chairman subject to approval authorization.
August 10, 2023	1. Pass the proposal of 2023 Q2 consolidated financial statements. 2. Pass the proposal where the new (renewed) bank loan credit was managed with full authority by the chairman approval authorization. 3. Pass the proposal of offering guarantee for the bank loan credit of the investee companies. 4. The proposal of insuring the liability insurance for the directors and important employees. 5. Pass the proposal of the Company's pre-approval of non-assurance services items.
September 26, 2023	1. Pass the proposal of related matters concerning the syndicated loan credit amount of NT$940,000,000, acquired from the Credit Bank Group under management of CTBC Bank Co., Ltd. 2. Pass the proposal of purchase of machinery and equipment. 3. Pass the proposal of the Company's establishment of the subsidiary in Thailand.
November 10, 2023	1. Pass the proposal of 2023 Q3 consolidated financial statements. 2. Pass the proposal where the new (renewed) bank loan credit was managed with full authority by the chairman subject to approval authorization. 3. Pass the proposal of appropriating loan progress upon maturity of loan credit to the companies in the group. 4. Pass the proposal of credit of fund loaning to the companies in the group. 5. Pass the proposal of 2024 audit plan. 6. Pass the proposal of amendment of the "Approval Authority Chart". 7. Pass the proposal of amendment of the "Electronic Computer Cycle". 8. Pass the proposal of designation of the deputy spokesman. 9. Pass the proposal of establishment of chief cyber security responsible officer.
March 15, 2024	1. Pass the proposal of 2024 business plan. 2. Pass the proposal of non-distribution of the 2023 profit-sharing compensation distribution for employees and directors. 3. Pass the proposal of 2023 business report and the parent company's and consolidated financial statements.

Date	Important Resolutions at the Board of Directors Meetings
	4. Pass the proposal of 2023 loss compensation. 5. Pass the proposal of distribution in cash from the capital reserve. 6. Pass the proposal of internal control declaration of the Company from January 1, 2023 to December 31, 2023. 6. Pass the proposal of replacement of authorized CPAs of Deloitte & Touche due to its internal adjustment. 7. Pass the proposal of regular assessment of CPAs' independence, eligibility and appointment. 8. Pass the proposal where the new or renewed bank loan credit was managed with full authority by the chairman subject to approval authorization. 9. Pass the proposal of adoption of offering guarantee for the bank loan credit of the investee company. 10. Pass the proposal of amendment of the Company's "Approval Authority Chart". 11. Pass the proposal of amendment of the Company's "Implementation Rules of Internal Audit". 12. Pass the proposal of determining the matters for convening the meeting of the Company's 2024 shareholders' meeting.
May 10, 2024	1. Pass the proposal of 2024 Q1 consolidated financial statements. 2. Pass the proposal where the new (renewed) bank loan credit was managed with full authority by the chairman approval authorization. 3. Pass the proposal of the Company's pre-approval of non-assurance services items.

For details of the financial statements in the most recent fiscal year:

Representation Letter

The entities that are required to be included in the consolidated financial statements of Bin Chuan Enterprise Company Limited as of and for the year ended December 31, 2023, under the Criteria Governing the Preparation of Affiliation Reports, Consolidated Business Reports and Consolidated Financial Statements of Affiliated Enterprises are the same as those included in the consolidated financial statements prepared in conformity with the International Financial Reporting Standard 10, "Consolidated Financial Statements". In addition, the information required to be disclosed in the combined financial statements is included in the consolidated financial statements. Consequently, Bin Chuan Enterprise Company Limited and Subsidiaries do not prepare a separate set of combined financial statements.

Very truly yours,

Bin Chuan Enterprise Company Limited
Chairman: Hsiao, Chin-Ming

Date: March 15, 2024

Independent Auditor's Report

The Board of Directors and Shareholders
Bin Chuan Enterprise Company Limited

Opinion

We have audited the accompanying consolidated financial statements of Bin Chuan Enterprise Company Limited and Subsidiaries(the "Company"), which comprise the consolidated balance sheets as of December 31, 2023, and 2022, and the consolidated statements of comprehensive income, changes in equity, and cash flows for the years then ended. Additionally, the accompanying notes to the consolidated financial statements are included, providing material accounting policy information.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Company as of December 31, 2023, and 2022, and its consolidated financial performance and its consolidated cash flows for the years then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers.

Basis for Opinion

We conducted our audits in accordance with the Regulations Governing Auditing and Attestation of Financial Statements by Certified Public Accountants and the Standards on Auditing of the Republic of China. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the consolidated Financial Statements section of our report. We are independent of the Company accordance with The Norm of Professional Ethics for Certified Public Accountant of the Republic of China, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

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

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

Revenue Recognition

The Company’s recognition of operating revenue from selling to some specific customers is significant. Based on the Bulletin of Standards on Auditing, the sales recognition is the risk and a matter of concern to users of financial statements. Therefore, the revenues of some specific customers are listed as the key audit matters this year. Refer to Note 4 for the explanation of accounting policies related to sales recognition.

We performed the following main audit procedures for the above sales recognition:

1. Understand and test the effectiveness of internal controls related to sales recognition and obtain basic customer information to evaluate the reasonability of sales targets.
2. Test the content of sales revenue to confirm its authenticity.

Other Matter

The Company has prepared individual financial statements for the years ended December 31, 2023, and 2022, and an unqualified audit report has been issued by us. These financial statements are available for reference.

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

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

In preparing the parent company only financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance(including members of the Audit Committee) are responsible for overseeing the Company's financial reporting process.

Auditors' Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Standards on Auditing of the Republic of China will always detect a material misstatement when it exists. if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with the Standards on Auditing of the Republic of China, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

1. Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. the risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
2. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
3. Evaluate the appropriateness of accounting policies used and the

reasonableness of accounting estimates and related disclosures made by management.

4. Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.
5. Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
6. Obtain sufficient and appropriate audit evidence regarding the financial information of the entities or business activities within the Company to express an opinion on the consolidated cements. We are responsible for the direction, supervision and perform audit. We remain solely responsible for our audit opinion.

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

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

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

The engagement partners on the audits resulting in this independent auditors' report are Hsu, Jui-Hsuan and Chen, Chen-Li.

Deloitte & Touche
Taipei, Taiwan
Republic of China

Date: March 15, 2024

<u>Notice to Readers</u>

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

Bin Chuan Enterprise Co., Ltd. and Subsidiaries
CONSOLIDATED BALANCE SHEETS
FOR THE YEARS ENDED DECEMBER .31, 2023, AND 2022
(In Thousands of New Taiwan Dollars)

Codes	Assets	December 31, 2023 Amount	%	December 31, 2022 Amount	%
	Current Assets				
1100	Cash and cash equivalents (Note 3, 4 and 6)	$ 1,125,885	17	$ 1,469,322	20
1150	Notes receivable (Notes 4 and 21)	11	-	10	-
1170	Accounts receivable (Note 4, 5, 8, 20 & 27)	1,553,604	24	1,430,450	20
1200	Other receivables (Note 8)	50,626	1	45,747	1
1220	Current income tax assets (Notes 4 and 22)	-	-	21,533	-
130X	Inventories (Notes 4 and 9)	766,614	12	1,174,475	16
1410	Prepayments	13,535	-	19,480	-
1476	Other financial assets - current (Notes 10 and 27)	60,379	1	8,299	-
1479	Other current assets (Notes 12 and 15)	34,522	1	37,212	1
11XX	Total current assets	3,605,176	56	4,206,528	58
	Non-current Assets				
1510	Financial assets at fair value through profit or loss - non-current (Notes 4 and 7)	21,051	-	20,165	1
1600	Property, plant and equipment (Notes 4, 12 and 27)	2,432,459	38	2,690,423	37
1755	Right-to-use assets (Notes 4, 13 and 27)	80,504	1	111,317	2
1760	Investment properties (Notes 4, 14)	11,798	-	14,036	-
1780	Intangible Assets	2,904	-	2,147	-
1840	Deferred tax assets (Notes 4 and 22)	193,470	3	77,133	1
1915	Prepayment for equipment(Note 12)	39,850	1	12,781	-
1980	Other financial assets- non-current (Notes 3 and 10)	72,000	1	73,762	1
1990	Other non-current assets (Notes 12 and 15)	7,424	-	11,485	-
15XX	Total non-current assets	2,861,460	44	3,013,249	42
1XXX	Total Assets	$ 6,466,636	100	$ 7,219,777	100

Codes	Liabilities and Equities	December 31, 2023 Amount	%	December 31, 2022 Amount	%
	Current liabilities				
2100	Short-term loans (Notes 16, 26 and 27)	$ 1,004,179	15	$ 1,517,393	21
2110	Short-term notes payable (Notes 16 and 26)	209,805	3	109,953	2
2150	Notes payable	2,117	-	1,785	-
2170	Accounts payable (Note 17)	590,803	9	675,064	9
2219	Other Payables (Note 18)	359,221	6	354,702	5
2230	Current tax liabilities (Notes 4 and 22)	60,538	1	72,255	1
2280	Lease liabilities - current (Notes 4 and 13)	10,501	-	24,668	-
2322	Current portion of long-term loans payable (Notes 16, 26 and 27)	75,000	1	154,583	2
2365	Refund liabilities (Notes 4 and 20)	48,003	1	33,842	1
2399	Other current liabilities	6,878	-	18,870	-
21XX	Total current liabilities	2,367,045	36	2,963,115	41
	Non-current Liabilities				
2540	Long-term loans (Notes 16、26 and 27)	794,642	12	525,000	7
2570	Deferred tax liabilities (Notes 4 and 22)	28,466	1	29,662	1
2580	Lease liabilities - non-current (Notes 4 and 13)	9,890	-	23,105	-
2645	Deposits received	221	-	225	-
25XX	Total non-current liabilities	833,219	13	577,992	8
2XXX	Total liabilities	3,200,264	49	3,541,107	49
	Equity attributed to shareholders of the Parent (Note 19)				
3110	Common stock:	1,214,474	19	1,214,474	17
3200	Capital Surplus	1,154,878	18	1,154,878	16
	Retained Earnings				
3310	Legal Capital Reserve	314,654	5	275,515	4
3320	Special capital reserve	163,641	2	254,589	3
3350	Undistributed earnings	511,545	8	818,021	11
3300	Total Retained Earnings	989,840	15	1,348,125	18
3410	Exchange differences arising on translation of foreign operating entity	(208,817)	(3)	(163,641)	(2)
31XX	Total equity attributable to the shareholders of the Parent	3,150,375	49	3,553,836	49
36XX	Non-controlling Interests(Note 19)	115,997	2	124,834	2
3XXX	Total Equity	3,266,372	51	3,678,670	51
	Total Liabilities and Equities	$ 6,466,636	100	$ 7,219,777	100

Attached are the notes to the consolidated financial statements, which form an integral part of this consolidated financial report.

Chairman: Hsiao, Chin-Ming　　Manager: Hsiao, Chin-Chun　　Accounting Supervisor: Lee, Fan

Bin Chuan Enterprise Co., Ltd. and Subsidiaries
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022
(In Thousands of New Taiwan Dollars,
Except Earnings per Share)

		December 31, 2023		December 31, 2022	
Codes		Amount	%	Amount	%
4100	Net sales revenue (Notes 4 and 20)	$3,605,401	100	$5,004,172	100
5110	Cost of sales (Notes 9 and 21)	3,266,964	91	4,031,493	81
5900	Gross profit (loss) from operations	338,437	9	972,679	19
	Operating expenses (Note8 and 21)				
6100	Marketing	91,279	3	86,035	2
6200	General and administrative	260,566	7	283,440	5
6300	R&D expenses	188,267	5	233,576	5
6450	Expected credit losses	134	-	632	-
6000	Total operating expenses	540,246	15	603,683	12
6900	Net profit (loss) from operation	(201,809)	(6)	368,996	7
	Non-operating income and expenses(Note 21)				
7100	Interest income	55,888	2	17,419	1
7020	Other gains and losses	57,430	2	161,472	3
7050	Finance costs	(54,507)	(2)	(53,574)	(1)
7000	Total non-operating Income and Expenses	58,811	2	125,317	3
7900	Net profit (loss) before tax	(142,998)	(4)	494,313	10
7950	Total income tax expense (Notes 4 and 22)	(38,898)	(1)	86,919	2
8200	Net profit (loss) for the year ended December 31, 2023	(104,100)	(3)	407,394	8

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Codes		December 31, 2023 Amount	%	December 31, 2022 Amount	%
	Other Comprehensive Income (Notes 19 and 22)				
8360	Items That May Be Reclassified Subsequently to Profit or Loss				
8361	Exchange differences arising on translation of foreign operating entity	($ 60,614)	(1)	$ 98,552	2
8399	Income tax relating to items that may be reclassified to profit or loss	9,799	-	(2,117)	-
8300	Current other comprehensive income (Loss), Net of Income Tax	(50,815)	(1)	96,435	2
8500	Total comprehensive income for the year ended Dec. 31. 2023	($ 154,915)	(4)	$ 503,829	10
	NET INCOME ATTRIBUTABLE TO:				
8610	Shareholders of the Company	($ 115,390)	(3)	$ 391,388	8
8620	Non-controlling Interests	11,290	-	16,006	-
8600		($ 104,100)	(3)	$ 407,394	8
	TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO：				
8710	Shareholders of the Company	($ 160,566)	(4)	$ 482,336	10
8720	Non-controlling Interests	5,651	-	21,493	-
8700		($ 154,915)	(4)	$ 503,829	10
	Earnings per share (Note 23)				
9750	Basic	($ 0.95)		$ 3.23	
9850	Diluted	($ 0.95)		$ 3.21	

Attached are the notes to the consolidated financial statements, which form an integral part of this consolidated financial report.

Bin Chuan Enterprise Co., Ltd. and Subsidiaries
CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022

(In Thousands of New Taiwan Dollars)

		Equity Attributable to Shareholders of the Company									
				Retained Earnings							
Codes		Common Share	Capital Surplus	Legal Capital Reserve	Special Capital Reserve	Undistributed Earnings	Total	Exchange Differences Arising on Translation of Foreign Operating Entity	Total	Non-controlling Interests	Total equity
A1	BALANCE, JANUARY 1, 2022	$ 1,206,871	$ 1,146,324	$ 243,972	$ 219,988	$ 687,093	$ 1,151,053	($ 254,589)	$ 3,249,659	$ 103,341	$ 3,353,000
	Appropriation and distribution of retained earnings for the year ended 2021 (Note 19)										
B1	Legal capital reserve	-	-	31,543	-	(31,543)	-	-	-	-	-
B3	Special Capital Reserve	-	-	-	34,601	(34,601)	-	-	-	-	-
B5	Common share - Cash dividend	-	-	-	-	(194,316)	(194,316)	-	(194,316)	-	(194,316)
		-	-	31,543	34,601	(260,460)	(194,316)	-	(194,316)	-	(194,316)
D1	Net profit for the year ended December 31, 2022	-	-	-	-	391,388	391,388	-	391,388	16,006	407,394
D3	Other comprehensive income after tax for the year ended December 31, 2022	-	-	-	-	-	-	90,948	90,948	5,487	96,435
D5	Total comprehensive income for the year ended Dec. 31. 2022	-	-	-	-	391,388	391,388	90,948	482,336	21,493	503,829
I1	Transfer of convertible bonds	7,603	8,554	-	-	-	-	-	16,157	-	16,157
Z1	BALANCE, DECEMBER 31, 2022	1,214,474	1,154,878	275,515	254,589	818,021	1,348,125	(163,641)	3,553,836	124,834	3,678,670
	Appropriation and distribution of retained earnings for the year ended 2022 (Note 19)										
B1	Legal capital reserve	-	-	39,139	-	(39,139)	-	-	-	-	-
B3	Special Capital Reserve	-	-	-	(90,948)	90,948	-	-	-	-	-
B5	Common share - Cash dividend	-	-	-	-	(242,895)	(242,895)	-	(242,895)	-	(242,895)
		-	-	39,139	(90,948)	(191,086)	(242,895)	-	(242,895)	-	(242,895)
D1	Net loss ended for December 31, 2023	-	-	-	-	(115,390)	(115,390)	-	(115,390)	11,290	(104,100)
D3	Other comprehensive income after tax for the year ended December 31, 2023	-	-	-	-	-	-	(45,176)	(45,176)	(5,639)	(50,815)
D5	Total comprehensive income for the year ended Dec. 31. 2023	-	-	-	-	(115,390)	(115,390)	(45,176)	(160,566)	5,651	(154,915)
M3	Disposal of subsidiaries (Note 19)	-	-	-	-	-	-	-	-	(93)	(93)
O1	Cash dividend of shareholders of subsidiaries (Note 19)	-	-	-	-	-	-	-	-	(14,395)	(14,395)
Z1	BALANCE, DECEMBER 31, 2023	$ 1,214,474	$ 1,154,878	$ 314,654	$ 163,641	$ 511,545	$ 989,840	($ 208,817)	$ 3,150,375	$ 115,997	$ 3,266,372

Attached are the notes to the consolidated financial statements, which form an integral part of this consolidated financial report.

Chairman: Hsiao, Chin-Ming   Manager: Hsiao, Chin-Chun   Accounting Supervisor: Lee, Fan

Bin Chuan Enterprise Co., Ltd. and Subsidiaries
CONSOLIDATED STATEMENTS OF CASH FLOWS
For the years ended December 31, 2023, and 2022
(In Thousands of New Taiwan Dollars)

Codes		December 31, 2023	December 31, 2022
	Statement of Cash Flows from Operating Activities		
A10000	Net profit (loss) for the year ended December 31, 2023	($ 142,998)	$ 494,313
A20010	Income and Expense		
A20100	Depreciation	461,771	513,114
A20200	Amortization	78,140	72,449
A20300	Expected credit losses	134	632
A20400	Net profit or loss at fair value of financial assets through profit or loss	(931)	3,448
A20900	Finance costs	54,507	53,574
A21200	Interest income	(55,888)	(17,419)
A22500	Loss on disposal and scrapping of property, plant, and equipment	12,803	14,273
A23500	Impairment loss	-	55,917
A22900	Loss on scrapping of inventories	39,176	16,963
A23700	Impairment loss and slow-moving loss on inventories	17,969	9,026
A29900	Profit from disposal right-of-use assets	(225)	(123)
A29900	Others	45	(2,182)
A30000	Net changes in operating assets and liabilities		
A31130	Notes receivable	(1)	10
A31150	Accounts receivable	(127,827)	487,355
A31180	Other receivables	1,529	18,968
A31200	Inventories	338,398	225,226
A31230	Prepayments	366	(449)
A31990	Other operating assets	(61,860)	(77,612)
A32130	Notes payable	332	(536)
A32150	Accounts Payable	(61,433)	(458,884)
A32180	Other payable	2,065	(167,239)
A32230	Other current liabilities	(11,992)	8,165
A32990	Refund liabilities	14,161	(1,650)
A33000	Cash generated from operations	558,241	1,247,339
A33100	Interest received	54,389	13,117
A33300	Interest paid	(59,224)	(47,742)
A33500	Income taxes paid	(60,925)	(82,313)
AAAA	Net cash inflow generated from operation	492,481	1,130,401

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Codes		December 31, 2023	December 31, 2022
	Cash Flows from Investing Activities		
B02700	Purchase of property, plant, and equipment	($ 264,622)	($ 476,857)
B02800	Disposal of property, plant and equipment	14,712	38,525
B04500	Acquisitions of intangible assets	(1,938)	-
B06500	Increase of other financial assets	(50,318)	(13,269)
BBBB	Net Cash Outflows from Investing Activities	(302,166)	(451,601)
	Cash Flows from Financing Activities		
C00100	Increase in short-term loans	1,787,647	2,892,503
C00200	Decrease in short-term loans	(2,294,223)	(2,678,709)
C00500	Increase in short-term notes payable	260,000	300,000
C00600	Decrease in short-term notes payable	(160,000)	(308,000)
C01600	Proceeds from long-term loans	794,360	300,000
C01700	Repayments of long-term Loans	(604,583)	(320,374)
C04020	Repayment of the principal portion of lease liabilities	(23,669)	(26,578)
C04500	Cash dividends paid to the shareholders of the Company	(242,895)	(194,316)
C05800	Non-controlling interests change	(14,488)	-
CCCC	Net cash outflows from financing activities	(497,851)	(35,474)
DDDD	Effect of exchange rate changes on cash and cash equivalents	(35,901)	63,387
EEEE	Net increase (decrease) in cash and cash equivalents	(343,437)	706,713
E00100	CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	1,469,322	762,609
E00200	CASH AND CASH EQUIVALENTS AT END OF YEAR	$ 1,125,885	$ 1,469,322

Attached are the notes to the consolidated financial statements, which form an integral part of this consolidated financial report.

Chairman: Hsiao, Chin-Ming   Manager: Hsiao, Chin-Chun   Accounting Supervisor: Lee, Fan

Bin Chuan Enterprise Co., Ltd., and Subsidiaries
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2023, AND 2022
(In Thousands of New Taiwan Dollars,
Unless Specified Otherwise)

I. GENERAL

The Company was established in Dafa Industrial Zone, Kaohsiung City in 1983 and is mainly engaged in manufacturing, processing and sales of semi-automatic punching net machinery, audio decoration nets, and molds, and purchasing and sales of stamped parts for computer peripherals.

The company has been listed and traded on the Taipei Exchange since July 2005.

The accompanying consolidated financial report is expressed in New Taiwan dollars the Company's functional currency.

II. THE AUTHORIZATION OF FINANCIAL STATEMENTS

The consolidated financial statements were approved and authorized for issue by the Board of Directors on March 15, 2024.

III. APPLICATION OF NEW AND REVISED INTERNATIONAL FINANCIAL REPORTING STANDARDS

1. Initial application of the amendments to the International Financial Reporting Standards (IFRS), International Accounting Standards (IAS), IFRIC Interpretations (IFRIC), and SIC Interpretations (SIC) (collectively, “IFRSs”) endorsed and issued into effect by the Financial Supervisory Commission (FSC) and did not have a significant effect on the Company’ s accounting policies.
2. Amendments to the IFRSs endorsed by the FSC with effective date starting 2024

New/Amended/Revised Standards and Interpretations:	Effective Date Issued by IASB (Note 1)
Amendments to IFRS 16 “ Lease Liability in a Sale and Leaseback.”	January 1, 2024 (Note 2)
Amendments to IAS 1 “Classification of Liabilities as Current or Non-current.”	January 1, 2024
Amendments to IAS 1 “Non-current Liabilities with Covenants.”	January 1, 2024
Amendments to IAS 7 and IFRS 7 “Supplier Finance Arrangements.”	January 1, 2024 (Note 3)

Note1. Unless otherwise specified, the above new, amended or revised standards or interpretations start to apply in the annual reporting period after each effective date.

Note2. The seller and lessee shall retrospectively apply the amendments to IFRS 16 for sale and leaseback transactions entered into after the initial application of IFRS 16.

Note3. When first applying this amendment, exemptions from certain disclosure requirements apply.

As of the date of issuance of these consolidated financial statements approved by the Board of Directors, the Company have assessed that other amendments or interpretations will not have a significant impact on the financial position and performance.

3. The IFRSs that have been issued by the IASB but have not yet been recognized by the FSC

New/Amended/Revised Standards and Interpretations:	Effective Date Issued by IASB (Note 1)
Amendments to IFRS 10 and IAS 28 "Sale or Contribution of Assets between an Investor and its Associate or Joint Venture."	To be determined
IFRS 17 "Insurance Contracts"	Sunday, January 1, 2023
Amendments to IFRS 17	Sunday, January 1, 2023
Amendments to IFRS 17 "Initial Application of IFRS 9 and IFRS 17 - Comparative Information"	Sunday, January 1, 2023
Amendments to IAS 21 "Lack of Exchangeability."	Wednesday, January 1, 2025 (Note 2)

Note1. Unless otherwise specified, the above new, amended or revised standards or interpretations start to apply in the annual reporting period after each effective date.

Note2. Applicable to annual reporting periods beginning on or after January 1, 2025. When first applied, the impact shall be recognized in retained earnings as of the date of initial application. When the Company use a non-functional currency as the presentation currency, the adjustment shall affect the exchange differences of foreign operations under equity as of the initial application date.

As of the date of issuance of these consolidated financial statements approved by the Board of Directors, the Company continue to assess the impact of other amendments or interpretations on the financial position and performance. Relevant impacts will be disclosed upon completion of the assessment.

4. Reclassification Presentation

The management of the Company believes that the funds repatriated under the "Regulations Governing the Management, Utilization, and Taxation of Repatriated Offshore Funds" for the purposes of substantive investment and financial investment do not alter the nature of the deposits. The Company can readily access these amounts. Therefore, it is more appropriate to classify the earmarked deposits as cash and cash equivalents. As a result, there was a reclassification in the presentation of the consolidated balance sheets and consolidated statements of cash flows for the years ended December 31, 2023 and 2022, along with January 1, 2022, with the carrying amount of other financial assets reclassified as cash and cash equivalents being NT$140,570,000, NT$146,850,000, and NT$132,567,000, respectively. The impact on the cash flow items for the year ended December 31, 2022 is as follows:

	Adjustments
Net cash inflows from investment activities	$ 14,283
Net increase in cash and cash equivalents	$ 14,283

IV. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

1. Statement of Compliance

This consolidated financial report has been prepared in accordance with the Financial Reports of Securities Issuers Standards and IFRSs approved and published by the FSC.

2. Preparation Basis

The accompanying consolidated financial statements are prepared on the historical cost basis except for financial instruments measured at fair value.

Fair value measurement is categorized into levels 1 through 3 based on the observability and significance of relevant inputs:

(1) Level 1 inputs: Refer to unadjusted market quotations for identical assets or liabilities in active markets accessible at the measurement date.

(2) Level 2 inputs: Refer to observable inputs other than quoted prices included in Level 1, either directly (i.e., prices) or indirectly (i.e., derived from prices).

(3) Level 3 inputs: Refer to unobservable inputs for the asset or liability.

3. Classification of Current and Non-current Assets and Liabilities

Current assets include:

(1) Asset is held mainly for trading purposes;

(2) Asset realized within 12 months after the balance sheet date; and

(3) Cash or cash equivalents (excluding assets restricted from being exchanged or used to settle a liability for at least 12 months after the balance sheet date).

Current liabilities include:

(1) Liability is held mainly for trading purposes;

(2) Liabilities due to be settled within 12 months after the balance sheet data (liabilities with long-term refinancing or rearrangement of payment terms completed after the balance sheet date and before the release of the financial statements); and

(3) Liabilities that cannot be unconditionally deferred beyond at least 12 months after the balance sheet date. However , the terms of the liability, at the option of the counterparty, may result in its settlement through issuing equity instruments do not affect its classification.

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

4. Basis of Consolidation

The consolidated financial statements incorporate the financial statements of the Company and entities controlled by the Company (its subsidiaries). When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with those used by the Company. All intra-group transactions, balances, income and expenses are eliminated in full on consolidation. The comprehensive income of the subsidiary is attributed to both the shareholders of the Company and non-controlling interests, even if the non-controlling interests result in a deficit balance.

Changes in ownership interests in subsidiaries do not result in loss of control, they are treated as equity transactions. The carrying amounts of the Company’s interests and the non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiaries. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration received is recognized directly in equity and attributed to shareholders of the Company.

Refer to Note 11 and Tables 7 and 8 for details of subsidiaries, percentage of ownership and main business.

5. Foreign Currency

In preparing the individual financial statements, transactions in currencies other than the individual functional currency (foreign currencies) are recognized at the rates of exchange prevailing at the dates of the transactions.

At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Exchange differences on monetary items arising from settlement or translation are recognized in profit or loss in the period.

Non-monetary items measured at fair value that are denominated in foreign currencies are retranslated at the rates prevailing at the date when the fair value was determined.

Non-monetary items that are measured in terms of historical cost in foreign currencies are translated at the rates prevailing at the date of the transactions and are not retranslated.

For the purposes of presenting consolidated financial statements, the assets and liabilities of the Company and subsidiaries' foreign operations (including the subsidiaries located in or in a currency different from the Company) are translated into NT$ using exchange rates prevailing at the end of the balance sheet date. Income and expense items are translated at the average exchange rates for the period. Exchange differences arising, if any, are recognized in other comprehensive income (and attributable to owners of the Company and non-controlling interests).

6. Sales of Accounts Receivable

Accounts receivables are considered sold when all of the following conditions are met:

(1) The accounts receivables have been isolated from the control of the Company, meaning they are deemed to have been removed from the control of the Company.

(2) Each assignee of the accounts receivables has the right to pledge or exchange the accounts receivables, and there are no restrictions on the assignee's exercise of the right to pledge or exchange, which results in the Company obtaining more than a trivial benefit.

(3) The Company did not maintain effective control over the accounts receivables by either of the following ways:

① Agreement to repurchase or redeem the accounts receivables before the due date with rights and obligations

② The unilateral ability to cause the holder to return specific assets.

When accounts receivables are sold, the difference between the selling price and the carrying amount is recorded as a financial expense and reported as non-operating expenses for the current year.

7. Inventory

Inventories consist of finished goods, work in process, raw materials, and merchandise and are stated at the lower of cost or net realizable value. Inventory write-downs are made by item, except where it may be appropriate to group similar or related items. Net realizable value represents the estimated selling price of inventories less all estimated costs of completion and costs necessary to make the sale. Inventories are recorded at the weighted-average cost.

8. Property, Plant and Equipment

Property, plant and equipment are recognized at cost and then measured at the cost less accumulated depreciation and accumulated impairment loss.

Property, plant, and equipment under construction are recognized at cost. Such assets are depreciated and classified into the appropriate property, plant, and equipment categories when completed and ready for their intended use.

Except for the self-owned land, the depreciation of property, plant and equipment is recognized using the straight-line method. Each significant part is depreciated separately. The estimated useful lives, residual values and depreciation methods are reviewed at the end of each year, with the effects of any change in the estimates accounted for on a prospective basis.

Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognized in profit or loss.

9. Investment properties

Investment properties are real estate held for the purpose of earning rental income, capital appreciation, or both.

Investment properties owned by the Company are initially measured at cost (including transaction costs) and are measured at cost less accumulated depreciation, subsequently. Investment properties are depreciated on a straight-line method.

Any gain or loss arising on the disposal or retirement of an item of investment properties is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognized in profit or loss.

10. Intangible Assets

Intangible assets with limited useful lives acquired separately are initially measured at cost and subsequently measured at cost less accumulative amortization. Intangible assets are amortized on a straight-line basis over their estimated useful lives. The Company reviews the estimated useful lives, residual values, and amortization methods at least annually, with any effects of changes in accounting estimates deferred and applied prospectively. For finite useful lives intangible assets, other than those expected to be disposed of before the end of their economic useful lives by the Company, the residual value is estimated to be zero.

11. Impairment of Property, Plant and Equipment, Right-of-use Assets, Investment Properties and Intangible Assets

At the end of each balance sheet date, the Company reviews the carrying amounts of its property, plant and equipment, right-of-use assets, investment properties and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated. When it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs. The corporate assets are allocated to individual cash-generating units on a reasonable and consistent allocation basis.

Recoverable amount is the higher of fair value less costs to sell and value in use. If the recoverable amount of an asset or cash-generating unit is estimated to be less than it carrying amount, the carrying amount of the asset or cash-generating unit is reduced to its recoverable amount. An impairment loss is recognized immediately in profit or loss.

When an impairment loss subsequently reverses, the carrying amount of the asset or a cash-generating unit is increased to the revised estimate of its recoverable amount, but the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognized for the asset or cash-generating unit in prior years. A reversal of an impairment loss is recognized in profit or loss.

12. Financial Instruments

Financial assets and financial liabilities shall be recognized in the consolidated balance sheet when the Company become a party to the contractual provisions of the instruments.

Financial assets and liabilities are initially recognized at fair values. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognized immediately in profit or loss.

(1) Financial assets

Customary way purchases or sales of financial assets are recognized and derecognized on a trade date accounting.

① Measurement categories

Financial assets are classified into the following categories: financial assets at FVTPL, financial assets at amortized cost, and investments in debt instruments and equity instruments at FVTOCI.

A. Financial assets at FVTPL

Financial assets measured at fair value through profit or loss refer to financial assets that are required to be measured at fair value through profit or loss, including financial assets that are not classified as amortized cost due to not meeting the requirements, such as accounts receivable to be sold to a bank without recourse.

Financial assets at FVTPL are measured at fair value. Any remeasurement gains or losses on such financial assets are recognized in other gains or losses.

B. Financial assets measured at amortized cost

Financial assets held by the Company and its subsidiaries are classified as financial assets measured at amortized cost if they meet both of the following conditions simultaneously:

a. The financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows; and
b. The cash flows on a specific date generated by the financial assets' contract terms are solely payments of principal and interest on the principal amount outstanding.

Subsequent to initial recognition, financial assets measured at amortized cost (including cash and cash equivalents, notes receivables, trade receivables, other receivables, and other financial assets (current and noncurrent)) are measured at amortized cost, which equals to carrying amount determined by the effective interest method less any impairment loss. Exchange differences are recognized in profit or loss.

Interest income is calculated by multiplying the effective interest rate by the gross carrying amount of a financial asset, except:

a. Purchased or originated credit-impaired financial assets, for which interest income is calculated by applying the credit-adjusted effective interest rate to the amortized cost of such financial assets; and
b. Financial assets that are not credit-impaired on purchase or origination but have subsequently become credit-impaired, for which interest income is calculated by applying the effective interest rate to the amortized cost of such financial assets.

Credit impairment of financial assets refers to situations where the issuer or debtor has encountered significant financial difficulties, defaults, or is highly likely to file for bankruptcy or undergo other financial reorganization, or where the financial difficulties have led to the disappearance of an active market for the financial assets.

Cash equivalents include time deposits with original maturities within 3 months from the date of acquisition, which are highly liquid, readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value. These cash equivalents are held for the purpose of meeting short-term cash commitments.

C. Investments in debt instruments at FVTOCI

Debt instruments held by the Company and subsidiaries and met the following two conditions simultaneously are classified as financial assets at FVTOCI:

a. The financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows and sale financial assets; and
b. The cash flows on a specific date generated by the financial assets' contract terms are solely payments of principal and interest on the principal amount outstanding.

Investments in debt instruments at FVTOCI are measured at fair value. Interest income calculated using the effective interest method, foreign exchange gains and losses and impairment gains or losses on investments in debt instruments at FVTOCI are recognized in profit or loss. Other changes in the carrying amount of these debt instruments are recognized in other comprehensive income and will be reclassified to profit or loss when these debt instruments are disposed.

② Impairment of Financial Assets

At the balance sheet date, a loss allowance for expected credit loss is recognized for financial assets at amortized cost (including accounts receivable) and for investments in debt instruments that are measured at FVTOCI.

The loss allowance for accounts receivable is measured at an amount equal to lifetime expected credit losses. For other financial assets, when the credit risk on the financial instrument has not increased significantly since initial recognition, a loss allowance is recognized at an amount equal to expected credit loss resulting from possible default events of a financial instrument within 12 months after the reporting date. If, on the other hand, there has been a significant increase in credit risk since initial recognition, a loss allowance is recognized at an amount equal to expected credit loss (ECLs) over the expected life of a financial instruments.

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

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

A. Internal or external information indicates that the debtor is unlikely to settle the debt.

B. The overdue period exceeds 360 days, unless there is reasonable and demonstrable information that the deferred default criteria is more appropriate.

The Company recognizes an impairment loss in profit or loss for all financial instruments with a corresponding adjustment to their carrying amount through a loss allowance account, except for investments in debt instruments that are measured at FVTOCI, for which the loss allowance is recognized in other comprehensive income and does not reduce the carrying amount of the financial asset.

③ Derecognition of financial assets

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

On derecognition of a financial asset at amortized cost in its entirety, the difference between the asset's carrying amount and the consideration received is recognized in profit or loss. On derecognition of an investment in a debt instrument at FVTOCI, the difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss that had been recognized in other comprehensive income is recognized in profit or loss.

(2) Equity Instrument

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

(3) Financial liabilities

① Subsequent measurement

Financial liabilities are subsequently measured either at amortized cost using effective interest method.

② Derecognition of financial Liabilities

The difference between the carrying amount of the financial liability derecognized and the consideration paid (includes any non-cash assets transferred or liabilities assumed) is recognized in profit or loss.

13. Revenue Recognition

The Company recognizes revenue when identifies a contract with a customer and allocates the transaction price to the performance obligations after performance obligations are satisfied.

When control of goods is transferred to customers (for exports, when the sales conditions specified in the contract are fulfilled; for domestic sales, upon delivery to customers), the customers have the right to determine the price and the way the products are used while bearing the main responsibility for resale and the risk of obsolescence; thus, revenue and account receivable are recognized concurrently.

The revenue from sales of goods is measured at fair value based on the agreed transaction price between the Company and the customers (after considering commercial and quantity discounts). If refunds are made to customers due to discounts, they are recognized as refund liabilities.

14. Leases

At the inception of a contract, the Company assess whether the contract is (or contains) a lease.

For a contract that contains a lease component and non-lease component, the Company and subsidiaries use relative standalone selling prices to allocate the consideration in the basic contribution contract and accounts for them separately.

(1) The Company as lessor

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

Lease payments from operating leases are recognized as income on a straight-line basis over the terms of the lease terms.

(2) The Company as lessee

The Company recognizes right-of-use assets and lease liabilities for all leases at the commencement date of each lease, except for low-value asset leases and short-term leases accounted for by applying a recognition exemption where lease payments are recognized as expenses on a straight-line basis over the lease terms.

Right-of-use assets are measured at cost (including the initial measurement of lease liabilities and lease payments made before the lease commencement date). Subsequent measurement is calculated as cost less accumulated depreciation, and the lease liabilities are adjusted for re-measurement.

Right-of-use assets are depreciated using the straight-line method from the commencement dates to the earlier of the end of the useful lives of the right-of-use assets or the end of the lease terms.

Lease liabilities are initially measured at the present value of lease payments. If the interest rate implicit in a lease can be easily determined, the lease payment is discounted at such an interest rate. If the interest rate cannot be easily determined, the lessee’s incremental loaning rate applies.

Subsequently, lease liabilities are measured at amortized cost using the effective interest method, with interest expense recognized over the lease terms. When there is a change in a lease term used to determine those payments, the Company remeasures the lease liabilities with a corresponding adjustment to the right-of-use assets. However, when the carrying amount of right-of-use assets has become zero, the remaining remeasured amount shall be recognized in profit or loss. Lease liabilities are presented on a separate line in the consolidated balance sheets.

Non-index or rate-variable lease payments under lease agreements are recognized as expenses of current period.

15. Government Grant

Government grants are not recognized until there is reasonable assurance that the Company will comply with the conditions attached to them and that the grants will be received.

Government grants are systematically recognized in profit or loss within the periods in which the related costs intended to be compensated for are recognized as expenses by the Company.

Government grants that are receivables as compensation for expenses or loss already incurred or given to the Company for the purpose of immediate financial support without relevant future costs, are recognized in profit or loss in the period in which they become receivables.

16. Employee Benefits

(1) Short-term employee benefits

Liabilities recognized in respect of short-term employee benefits are measured at the undiscounted amount of the benefits expected to be paid in exchange for the related service.

(2) Post-retirement benefits

For defined contribution post-employment benefit plans, payments to the benefit plan are recognized as an expense when the employees have rendered service entitling them to the contribution.

(3) Severance Benefits

The Company recognizes termination benefits liabilities when it can no longer cancel the termination benefits agreement or when it recognizes restructuring costs (which is earlier).

17. Income Tax

Income tax expense represents the sum of the tax current and deferred taxes.

(1) Current income tax expense

The current income (loss) of the Company is determined in accordance with the regulations established by the respective tax jurisdictions for income tax reporting purposes, which are used to calculate the current income tax payable (recoverable).

Income tax surcharge on undistributed earnings, calculated in accordance with the regulations of Income Tax of the Republic of China, is recognized in the year of resolution by the Shareholder's Meeting.

Adjustments to income tax payable from previous years are included in the current income tax.

(2) Deferred tax expense

Deferred tax is recognized on temporary differences between the carrying amounts of assets and liabilities in the consolidated financial statements and the corresponding tax bases used in the computation of taxable profit.

Deferred income tax liabilities are generally recognized for all taxable temporary differences, and deferred tax assets are recognized when there are likely to be taxable income to deduct temporary differences, and loss carry-forwards.

Deferred tax liabilities are recognized for taxable temporary differences associated with investments in subsidiaries, except where the Company is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax assets arising from deductible temporary differences associated with such investments are only recognized to the extent that it is probable that there will be sufficient taxable profits against which to utilize the benefits of the temporary differences and they are expected to reverse in the foreseeable future.

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

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

(3) Current and deferred tax

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

V. CRITICAL ACCOUNTING JUDGMENTS AND KEY SOURCES OF ESTIMATION AND UNCERTAINTY

In the application of the Company's accounting policies, the management is required to make judgments, estimates and assumptions about the information that is not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates. The management will continue to review estimates and underlying assumptions.

Estimated Impairment of Financial Assets

The provision for impairment of accounts receivables is based on assumptions about risk of default and expected loss rates. The Company uses judgment in making these assumptions and in selecting the inputs to the impairment calculation, based on historical experience, existing market conditions, and forward-looking information. Where the actual future cash inflows are less than expected, a material impairment loss may arise.

VI. CASH AND CASH EQUIVALENTS

	December 31, 2023	December 31, 2022
Cash on hand and revolving funds	$ 808	$ 1,521
Bank check and demand deposits	417,497	440,553
Cash Equivalents		
Time deposits with an original maturity less than 3 months	707,580	1,027,248
	$ 1,125,885	$ 1,469,322

VII. FINANCIAL INSTRUMENT AT FVTPL

Financial assets - non-current	December 31, 2023	December 31, 2022
Mandatorily measured at FVTPL		
Non-derivative financial assets		
Beneficiary certificate	$ 21,051	$ 20,165

VIII. ACCOUNTS RECEIVABLE AND OTHER RECEIVABLE

	December 31, 2023	December 31, 2022
Accounts receivable		
Carried at amortized cost		
Total carrying amount	$ 954,174	$ 1,236,390
Less: Allowance losses	15,312	15,297
	938,862	1,221,093
at FVTOCI	614,100	196,096
at FVTPL	642	13,261
	$ 1,553,604	$ 1,430,450
Other receivables		
Value-added tax refunds receivable	$ 22,647	$ 26,665
Waste materials receivable	17,459	13,504
Interests' receivable	5,805	4,306
Others	4,715	1,272
	$ 50,626	$ 45,747

1. Accounts receivable

(1) Accounts receivable carried at amortized cost

The Company and conducts a careful assessment of all customers, and they are all with good credit. Therefore, the Company does not expect a significant credit risk. The Company continuously controls the debtor's financial position and overall credit risk and considers the past default records and current financial position of the debtor, the general economic conditions of the industry and the forecast direction of economic conditions to assess the risk and probability of credit losses.

The Company and subsidiaries continue to monitor the collection status of accounts receivable to ensure appropriate actions have been taken to collect overdue amounts. In addition, the Company and subsidiaries will review the recoverable amount of each account receivable on the balance sheet date to ensure that appropriate provisions for irrecoverable accounts receivable have been made.

If evidence suggests that customers are facing severe financial difficulties and despite the pursuit process, the Company cannot reasonably expect to recover the amounts owed, the Company will directly write off the related accounts receivable. However, collection efforts will continue, with any amounts recovered recognized in the income statement.

(2) Accounts receivables at FVTOCI

Regarding some of the major customer's accounts receivables, the Company decides whether to sell them to a bank without recourse or not based on the working capital situation. The management approach adopted by the Company for such accounts receivable is to achieve the purpose through collecting cash flows from contracts and selling financial assets. Therefore, these accounts receivable are measured at fair value through other comprehensive income. Furthermore, the evaluation method for impairment loss is the same as the accounts receivable carried at amortized cost.

The following table details the loss allowance of trades receivables based on the Company' provision matrix.

December 31, 2023

	No Evidence of Default from the Counterparty							
	Not overdue	Overdue for 1~60 days	Overdue for 61~90 days	Overdue for 91~120 days	Overdue for 121~360 days	Overdue within 360 days	There are signs of default from the counterparty	Total
Total carrying amount	$1,520,987	$ 11,892	$ 2,412	$ 1,944	$ 17,847	$ 12,202	$ 990	$1,568,274
Loss allowance (Lifetime ECL)	-	-	-	-	(2,120)	(12,202)	(990)	(15,312)
Net amount	$1,520,987	$ 11,892	$ 2,412	$ 1,944	$ 15,727	$ -	$ -	$1,552,962

December 31, 2022

	No Evidence of Default from the Counterparty							
	Not overdue	Overdue for 1~60 days	Overdue for 61~90 days	Overdue for 91~120 days	Overdue for 121~360 days	Overdue within 360 days	There are signs of default from the counterparty	Total
Total carrying amount	$1,399,129	$ 14,874	$ 3,204	$ 3,026	$ -	$ 12,253	$ -	$1,432,486
Loss allowance (Lifetime ECL)	-	-	(18)	(3,026)	-	(12,253)	-	(15,297)
Net amount	$1,399,129	$ 14,874	$ 3,186	$ -	$ -	$ -	$ -	$1,417,189

The following table details the loss allowance of accounts receivables:

	December 31, 2023	December 31, 2022
BALANCE, JANUARY 1	$ 15,297	$ 15,844
Provision	134	632
Actual written off of the period	-	(1,543)
Recovery of previously written-off bad debts.	224	-
Effects of exchange	(343)	364
BALANCE, DECEMBER 31	$ 15,312	$ 15,297

The allowance for bad debts accounts is used to record expected credit losses on trade receivable. If the Company and its subsidiaries have reasonable grounds to believe that a receivable may not be collectible and consider it as uncollectible, they will offset the accumulated impairment against the trade receivable.

(3) Accounts receivables at FVTPL

Regarding some of the customer's accounts receivables, the Company sells them to a bank without recourse. Upon selling, almost all risks and rewards associated with the accounts receivables have been transferred, therefore they are derecognized from the balance sheet. The management approach adopted by the Company for such accounts receivable is not aimed at collecting cash flows. These accounts receivable is measured at fair value through profit or loss.

The Company has set pledged accounts receivable as collateral for loans. Please refer to Note 27 for details.

2. The relevant information regarding the sale of accounts receivables is as follows:

December 31, 2023

Related Party	Selling price of 2023	Cash received of 2023	Prepaid balance on December 31	Annual interest rate on prepaid balance (%)	Prepaid amount limit
CTBC	$ 347,613	$ 347,613	$ -	Taibor+0.5%	$ 552,690
CTBC (Note)	41,066	34,954	5,501	Negotiating on a case-by-case basis.	-
	$ 388,679	$ 382,567	$ 5,501		$ 552,690

Note: The prepaid amount is due for the year ended December 31, 2023, and the remaining prepaid balance will be utilized before the expiration of the limit.

2022

Related Party	Selling Price of 2023	Cash Received of 2023	Prepaid Balance on December 31	Annual Interest Rate on Prepaid Balance (%)	Prepaid Amount Limit
CTBC	$ 1,677,694	$ 1,259,589	$ 376,038	Taibor+0.5%	$ 552,780
CTBC	52,353	47,872	4,033	5.2%	38,433
Taishin Bank (Note)	15,607	15,607	-	-	-
	$ 1,745,654	$ 1,323,068	$ 380,071		$ 591,213

Note: The prepaid amount limit was expired in 2022.

The above limits are revolving, and the bank's purchase of the unexpired accounts receivables sold by the Company is under a non-recourse basis.

Reserve amounts for sales of accounts receivables as of December 31, 2023, and 2022 were NT$611,000 and NT$42,515,000, respectively, which remain uncollected and are recorded under accounts receivable.

IX. INVENTORIES

	December 31, 2023	December 31, 2022
Finished goods	$ 329,275	$ 641,126
Work in process	340,512	415,646
Raw materials	96,792	117,698
Goods	35	5
	$ 766,614	$ 1,174,475

The cost of revenue related to Inventories includes:

	December 31, 2023	December 31, 2022
Impairment loss and slow-moving loss on inventories	$ 17,969	$ 9,026
Loss on scrapping of inventories	39,176	16,963

X. OTHER FINANCIAL ASSETS

	December 31, 2023	December 31, 2022
Other financial assets - current		
Pledged time deposits	$ 58,831	$ -
Time deposits with an original maturity more than 3 months	-	6,725
Refundable deposit	1,548	1,574
	$ 60,379	$ 8,299
Other financial assets - Non-current		
Restricted project deposits	$ 68,060	$ 68,142
Refundable deposit	3,940	5,620
	$ 72,000	$ 73,762

The restricted project deposits represent the earnings repatriated from overseas subsidiaries by the Company for management and utilization under the regulations of the Management, Utilization, and Taxation of Repatriated Offshore Funds Act.

XI. SUBSIDIARY

The detail information of the subsidiaries at the end of reporting period was as follows:

Investor Company	Name of the Investor	Percentage of Ownership December 31, 2023	Percentage of Ownership December 31, 2022	Explanation
The Company	Hamagawa Corp.	100	100	Note 1
	Hamagawa Holdings Limited (Hamagawa Holdings)	100	100	Note 2
	Feng Rong Medical Co., Ltd.	51	51	
	Hamagawa Industries (Thailand)Co., Ltd.	100	-	Note 3
Feng Rong Medical Co., Ltd.	Zoning Precise Technology (Zoning)	-	99.97	Note 4
	Hamagawa Industrial (M) Sdn. Bhd.	100	-	Note 4
Zoning	Hamagawa Industrial (M) Sdn. Bhd.	-	100	Note 4
Hamagawa Holdings	Ego Tech Holding Limited (Ego Tech)	100	100	
	Suzhou Binchuan Precise Industrial Co., Ltd..	100	100	
	Suzhou Fengchuan Technology Co., Ltd..	89.58	89.58	
Ego Tech	Key Mold Precision Industry (Suzhou) Co., Ltd.	30.85	30.85	Note 5
	Suzhou Fengchuan Technology Co., Ltd..	10.42	10.42	
	Chongqing Fengchuan Electronic Technology Co., Ltd.	100	100	
Suzhou Binchuan Precise Industrial Co., Ltd..	Key Mold Precision Industry (Suzhou) Co., Ltd.	69.15	69.15	Note 5
	Binchuan (Hong Kong) Limited	100	100	Note 6
	Suzhou Juqi Mechanical Equipment Co., Ltd.	100	100	

Note1. For the year ended December 31, 2022, the investee, Hamagawa Corp., returned capital of NT$248,652,000 (US$8,215,000).

Note2. The Company increased its investment in Hamagawa Holdings for the year ended December 31, 2022, for the amounts of NT$172,950,000 (US$5,700,000).

Note3. For the year ended December 31, 2023, the Company invested NT$103,782,000 (US$3,301,000) to establish Hamagawa Industries (Thailand) Co., Ltd.

Note4. The liquidation of Zoning Company has been completed. The original investment by Feng Rong Medical Co., Ltd. in Hamagawa Industrial (M) Sdn. Bhd. was made indirectly through Zoning Company. Since July 2023, Feng Rong Medical Co., Ltd. has switched to direct investment. The initial investment amount was based on the net worth of Hamagawa Industrial (M) Sdn. Bhd. at the time of the exchange.

Note5. In 2022, Suzhou Binchuan Precise Industrial Co., Ltd.. increased its capital in Key Mold Precision Industry (Suzhou) Co., Ltd. by RMB 13,520,000, resulting in an increase in ownership from 66.28% to 69.15%. Ego Tech did not participate in the aforementioned capital increase, leading to a decrease in ownership from 33.72% to 30.85%.

Note6 As of December 31, 2023, no capital has been injected into the aforementioned subsidiary.

For the nature of the businesses of the aforementioned subsidiaries, refer to Table 7 and 8.

There is no subsidiary with significant non-controlling interests for the Company.

XII. PROPERTY, PLANT AND EQUIPMENT

December 31, 2023

	Land	Building	Machinery and Equipment	Transportation Equipment	Office Equipment	Other Equipment	Equipment under Testing and Construction in Progress	Total
Cost								
BALANCE, JANUARY 1, 2023	$ 7,161	$ 1,244,103	$ 3,052,361	$ 38,382	$ 55,583	$ 1,606,264	$ 76,618	$ 6,080,472
Additions		87,152	68,488	11,515	5,762	136,104	(64,130)	244,891
Disposals	-	-	(150,826)	(7,234)	(5,803)	(96,954)	-	(260,817)
Net exchange difference	(86)	(22,395)	(51,697)	(671)	(1,110)	(28,152)	(763)	(104,874)
BALANCE, DECEMBER 31, 2023	$ 7,075	$ 1,308,860	$ 2,918,326	$ 41,992	$ 54,432	$ 1,617,262	$ 11,725	$ 5,959,672
Accumulative depreciation and impairment								
BALANCE, JANUARY 1, 2023	$ -	$ 426,517	$ 1,689,630	$ 23,618	$ 40,849	$ 1,209,435	$ -	$ 3,390,049
Depreciation expense	-	61,642	187,726	4,736	4,404	174,950	-	433,458
Disposals	-	-	(138,131)	(6,674)	(5,737)	(82,760)	-	(233,302)
Net exchange difference	-	(8,677)	(30,781)	(417)	(788)	(22,329)	-	(62,992)
BALANCE, DECEMBER 31, 2023	$ -	$ 479,482	$ 1,708,444	$ 21,263	$ 38,728	$ 1,279,296	$ -	$ 3,527,213
NET BALANCE, DECEMBER 31, 2023	$ 7,075	$ 829,378	$ 1,209,882	$ 20,729	$ 15,704	$ 337,966	$ 11,725	$ 2,432,459

2022

	Land	Building	Machinery and Equipment	Transportation Equipment	Office Equipment	Other Equipment	Equipment under Testing and Construction in Progress	Total
Cost								
BALANCE, JANUARY 1, 2022	$ 7,058	$ 1,218,024	$ 2,908,253	$ 37,671	$ 54,732	$ 1,379,700	$ 76,394	$ 5,681,832
Additions	-	6,195	198,821	5,529	3,741	267,543	(813)	481,016
Disposals	-	-	(105,596)	(5,402)	(4,026)	(61,858)	-	(176,882)
Net exchange difference	103	19,884	50,883	584	1,136	20,879	1,037	94,506
BALANCE, DECEMBER 31, 2022	$ 7,161	$ 1,244,103	$ 3,052,361	$ 38,382	$ 55,583	$ 1,606,264	$ 76,618	$ 6,080,472
Accumulative depreciation and impairment								
BALANCE, JANUARY 1, 2022	$ -	$ 362,041	$ 1,528,156	$ 23,211	$ 39,005	$ 985,297	$ -	$ 2,937,710
Depreciation expense	-	58,617	214,061	4,367	4,210	200,730	-	481,985
Impairment	-	-	8,389	161	541	35,401	-	44,492
Disposals	-	-	(89,444)	(4,575)	(3,723)	(26,342)	-	(124,084)
Net exchange difference	-	5,859	28,468	454	816	14,349	-	49,946
BALANCE, DECEMBER 31, 2022	$ -	$ 426,517	$ 1,689,630	$ 23,618	$ 40,849	$ 1,209,435	$ -	$ 3,390,049
NET BALANCE, DECEMBER 31, 2022	$ 7,161	$ 817,586	$ 1,362,731	$ 14,764	$ 14,734	$ 396,829	$ 76,618	$ 2,690,423

Due to changes in the production and sales model of the Plastics Business Department, the main production equipment was suspended in 2022. Both the Company and its subsidiary anticipate a decrease in future cash inflows related to this equipment, resulting in the recoverable amount being less than the carrying amount. Therefore, the impairment loss of RMB$44,492,000 was recognized in 2022 for property, plant, and equipment, and an impairment loss of RMB$11,425,000 was recognized for the corresponding amortization expenses.

The Company' property, plant and equipment are depreciated on a straight-line basis over the following estimated useful life:

Building	
Main plants	20, 50 and 55 years
Main building repairs	35 and 45 years
Building updates	20 and 25 years
Others	5~20 years
Machinery and Equipment	2~10 years
Transportation Equipment	5 years
Office Equipment	2~10 years
Other Equipment	3~5 years

Refer to Note 27 for the amounts of property, plant and equipment pledged as collateral for loans by the Company.

The investment activities of the Company by non-cash transactions for the years ended December 31, 2023 and 2022 are as follows:

	December 31, 2023	December 31, 2022
Investment activities effecting cash and non-cash items		
Increase in property, plant, and equipment	$ 244,891	$ 481,016
Increase (decrease) in prepayment for equipment	27,036	(2,062)
Increase (decrease) in payables on equipment	(7,305)	(2,097)
	$ 264,622	$ 476,857

XIII. LEASE ARRANGEMENTS

1. Right-of-use assets

	December 31, 2023	December 31, 2022
Carrying amount		
Land	$ 60,391	$ 63,227
Building	20,113	48,090
	$ 80,504	$ 111,317
Additions to right-of-use assets	$ 444	$ 20,903

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	December 31, 2023	December 31, 2022
Depreciation of right-of-use assets		
Land	$ 1,770	$ 1,773
Building	24,500	26,854
	$ 26,270	$ 28,627

Except the above additions and depreciation, there were no significant subleases or impairments of the leased right-of-use assets by the Company for the years ended December 31, 2023 and 2022.

Refer to Note 27 for the amount of right-of-use assets pledged as collateral for loans by the Company.

2. Lease Liabilities

	December 31, 2023	December 31, 2022
Carrying amounts		
Current	$ 10,501	$ 24,668
Non-current	$ 9,890	$ 23,105

Ranges of discount rates (%) for lease liabilities are as follows:

	December 31, 2023	December 31, 2022
Building	5	3～5

3. Important Leasing Activities and Terms

The Company lease buildings for the use of plants with lease terms of 3 to 5 years. The Company do not have priority purchase options to acquire the leasehold buildings at the end of the lease terms.

4. Other Lease Information

	December 31, 2023	December 31, 2022
Short-term and low-value lease expenses	$ 554	$ 1,154
Variable lease payments excluded from the measurement of lease liabilities	$ 5,537	$ 5,559
Total cash outflows from leases	($ 31,172)	($ 35,647)

The Company decided to exempt the short-term leases and leases with low value. Therefore, the related right-of-use assets and lease liabilities for such leases are not recognized.

XIV. INVESTMENT PROPERTIES

Investment properties are depreciated on a straight-line method over their useful lives of 20 years. There were no other changes except for depreciation for the years ended December 31, 2023 and 2022.

The investment property located in Suzhou, China, had a fair value of NT$283,005,000 as of December 31, 2023. The fair value was determined based on an independent appraisal conducted by a non-related appraiser in February of 2017, using market evidence of similar real estate transactions as a reference.

XV. OTHER ASSETS

	December 31, 2023	December.31, 2022
Unamortized expenses	$ 27,498	$ 33,497
Others	14,448	15,200
	$ 41,946	$ 48,697
Current	$ 34,522	$ 37,212
Non-current	7,424	11,485
	$ 41,946	$ 48,697

The above unamortized expenses primarily relate to mold development costs, which are amortized over an estimated useful life of 1 year.

XVI. LOANS

1. Short-term Loans

	December 31, 2023	December 31, 2022
Secured loan		
Bank loan	$ 100,000	$ -
Unsecured loans		
Bank unsecured loans	904,179	1,517,393
	$ 1,004,179	$ 1,517,393
Annual interest rate		
Secured loans (%)	1.750	-
Unsecured loans (%)	1.850～2.900	1.550～3.150

2. Short-term notes payable

	December 31, 2023	December 31, 2022
Commercial paper payable	$ 210,000	$ 110,000
Less: unamortized discount	195	47
	$ 209,805	$ 109,953

On December 31, 2023 and 2022, the acceptance institutions for the commercial notes payable included China Bills Finance Corporation, Mega Bills Finance Corporation, Taiwan Cooperative Bills Corporation, and Dah Chung Bills Finance Corporation, with annual interest rates ranging from 1.450% to 1.702% and 1.400% to 1.462%, respectively, as of December 31, 2023 and 2022.

3. Long-term loans

	December 31, 2023	December 31, 2022
Secured loan		
Bank syndicated loan	$ 800,000	$ -
Bank loan	-	300,000
Unsecured loans		
Bank loan	75,000	379,583
	875,000	679,583
Less: syndicated loan arrangement fees	5,358	-
Total bank long-term loans	869,642	679,583
Less: Current portion	75,000	154,583
Long-term loans	$ 794,642	$ 525,000
Annual interest rate		
Secured loans (%)	2.308	2.200
Unsecured loans (%)	2.109	1.839～2.258

(1) In December 2021, the Company signed a loan agreement with CTBC Bank Co., Ltd. for a three-year term loan of NT$200 million, unsecured and non-revolving. It was agreed that during the loan term, the Company's consolidated semi-annual and annual financial statements must meet certain financial ratios and standards. The Company's consolidated financial statements for the year ended December 31, 2022 did not violate the provisions of the agreement, and the loan was repaid ahead of schedule in 2023.

(2) In June 2022, the Company signed a loan agreement with Entire Commercial Bank, Ltd., Ltd. for a three-year term loan of NT$300 million, secured and revolving. It was agreed that during the loan term, the Company's consolidated semi-annual and annual financial statements must meet certain financial ratios and standards. The Company's consolidated financial statements for the year ended December 31, 2022 did not violate the provisions of the agreement, and the loan was repaid ahead of schedule in 2023.

(3) In September 2023, the Company signed a joint credit agreement with China Trust Commercial Bank and six other financial institutions, with a total credit limit of NT$940 million. It was agreed that during the loan term, the Company's consolidated semi-annual and annual financial statements must comply with certain financial ratios and standards. The Company's consolidated financial statements for the year ended

December 31, 2023, did not violate the provisions of the agreement.

XVII. ACCOUNTS PAYABLE

The Company has financial risk management policies to ensure that all accounts payable are repaid within the pre-agreed credit period.

XVIII. OTHER PAYABLES

	December.31, 2023	December 31, 2022
Processing and hardware payables	$ 160,915	$ 150,998
Payable salary and bonus	98,378	111,307
Payables on outsourcing	27,891	12,662
Payables on equipment	22,096	14,791
Others	49,941	64,944
	$ 359,221	$ 354,702

XIX. EQUITY

1. Common Share

	December 31, 2023	December 31, 2022
Authorized shares (in thousands)	150,000	150,000
Authorized capital	$ 1,500,000	$ 1,500,000
Issued and paid shares (in thousands)	121,447	121,447
Issued capital share	$ 1,214,474	$ 1,214,474

A holder of issued common shares with par value of NT$10 per share is entitled to vote and to receive dividends.

2. Capital Surplus

	December 31, 2023	December.31, 2022
May be used to offset a deficit, distributed as cash dividends or transferred to share capital (Note)		
Additional paid-in capital in excess of par	$ 673,349	$ 673,349
Transfer of corporate bonds premium	440,556	440,556
Donated assets received	40,973	40,973
	$ 1,154,878	$ 1,154,878

Note: This type of capital surplus may be used to offset losses and may also be used to distribute cash dividends or allocate to shareholders' equity when the Company is not in deficit. However, when allocating to shareholders' equity, it is subject to a certain percentage of the paid-in capital each year.

3. Retained Earnings and Dividend Policy

The Company's Articles of Incorporation provide that, if there is a surplus in the annual financial statements, the surplus is allocated as follows:

(1) Payment of taxes and donations.
(2) Offset of losses from previous years.
(3) Set aside a legal capital reserve at 10% of the remaining earnings; however, when the legal capital reserve reach the total paid-in capital pf the Company, this limitation shall not apply.
(4) Special surplus reserves are recognized or reversed in accordance with statutory regulations.
(5) Allocate by the Board of Directors after adding the beginning retained earnings, and the amount of dividend distribution shall not be less than 25% of the remaining amount after deducting the profit for the year according to 1-4. However, if the remaining amount after deducting the amount calculated according to 1-4 from the current year's profit is less than 2% of the paid-in capital, dividends may not be distributed.

The company is currently in a growth phase and considering the financial structure and future expected capital expenditures, its dividend policy involves distributing a portion of dividends in stock and a portion in cash. Cash dividends range from 20% to 100%, while stock dividends range from 0% to 80%. To maintain the company's earnings per share level and consider the impact of stock dividends on the company's business performance, if the earnings per share in the year of dividend distribution decline by more than 20% compared to the previous year, or depending on the company's financial situation, the proportion of cash dividends are adjusted to 50% to 100%, and the proportion of stock dividends are adjusted to 0% to 50%. The most appropriate dividend policy and distribution method shall be determined according to the above principles, and the Board of Directors shall prepare a proposal for approval by the Shareholders' Meeting.

The legal capital reserve may be used to offset losses. When the company has no losses, the portion of legal reserve that exceeds 25% of the total paid-in capital may be distributed to shareholders in cash, in addition to being used to increase capital.

The appropriations of 2022 and 2021 earnings have been approved by the Shareholder's Meeting in June 2023 and 2022, respectively, as follows:

	Earning distribution		Dividend per Share (NT$)	
	December 31,2022	December 31, 2021	December 31, 2022	December 31, 2021
Appropriated as legal capital reserve	$ 39,139	$ 31,543		
Appropriated (reversed) as special capital reserve	(90,948)	34,601		
Cash dividends	242,895	194,316	$ 2	$ 1.6

In March 2024, the Board of Directors proposed a profit and loss appropriation plan for the year ended December 23, 2023, which includes not distributing dividends to shareholders and appropriating a special capital reserve of NT$45,176,000. Additionally, the Board proposed to distribute cash from the capital surplus of NT$121,447,000, generated from the issuance of common shares at a premium over par value, at a rate of NT$1 per share. It is anticipated that a cash dividend of NT$1 per share will be distributed for the year ended December 31, 2023.

The approval of the profit and loss appropriation plan for the year ended December 31, 2023 is pending the resolution of the Shareholders' Meeting scheduled to be held in June 2024.

4. Other Equity Items

Exchange differences arising on translation of foreign operating entity：

	December 31, 2023	December 31, 2022
BALANCE, JANUARY 1	($ 163,641)	($ 254,589)
Exchange difference arising from translation of foreign operations' net assets	(54,975)	93,065
Effects of relevant income tax effect	9,799	(2,117)
BALANCE, DECEMBER 31	($ 208,817)	($ 163,641)

5. Non-controlling Interests

	December 31, 2023	December 31, 2022
BALANCE, JANUARY 1	$ 124,834	$ 103,341
Net profit for the year ended December 31, 2023	11,290	16,006
Other comprehensive income for the current fiscal year		
Exchange differences arising on translation of foreign operating entity	(5,639)	5,487
Disposal of subsidiaries	(93)	-
Cash dividends	(14,395)	-
	$ 115,997	$ 124,834

XX. REVENUE

1. Contract balance

	December 31, 2023	December 31, 2022	January 1, 2022
Notes/accounts receivable	$ 1,553,615	$ 1,430,460	$ 1,918,820
Refund liabilities	$ 48,003	$ 33,842	$ 35,492

Refund liability is the discount estimated based on the customer contract and is recognized as a deduction from revenue in the year of sale of the related goods.

2. Breakdown of Customer Contract Revenue

Refer to Note 31 for detail information.

XXI. Net profit (loss) before tax

1. Interest income

	December 31, 2023	December 31, 2022
Bank deposits	$ 55,888	$ 17,108
Others	-	311
	$ 55,888	$ 17,419

2. Other Gains and Losses

	December 31, 2023	December 31, 2022
Net profits on foreign exchange	$ 22,637	$ 194,875
Net loss on fair value change of financial assets at FVTPL	931	(3,448)
Loss from disposal of property, plant and equipment	(12,803)	(14,273)
Impairment loss (Note 12)	-	(55,917)
Rent income	30,105	16,391
Grants	9,658	17,078
Others	6,902	6,766
	$ 57,430	$ 161,472

Profit or loss for above table is as follows:

	December 31, 2023	December 31, 2022
Total profits on foreign exchange	$ 223,543	$ 457,562
Total loses on foreign exchange	(200,906)	(262,687)
	$ 22,637	$ 194,875

3. Finance costs

	December 31, 2023	December 31, 2022
Loans from financial institutions	$ 50,988	$ 44,509
Commission	2,107	6,660
Amortization of interest on convertible corporate bonds at a discount	-	49
Lease liabilities interest	1,412	2,356
	$ 54,507	$ 53,574

4. Depreciation and amortization

	December 31, 2023	December 31, 2022
Property, plant and equipment	$ 433,458	$ 481,985
Right-of-use assets	26,270	28,627
Investment properties	2,043	2,502
Other current and non-current assets	76,981	70,977
Intangible Assets	1,159	1,472
	$ 539,911	$ 585,563
Depreciation summarized by function		
Operating cost	$ 435,252	$ 489,805
Operating expenses	26,519	23,309
	$ 461,771	$ 513,114
Amortization summarized by function		
Operating cost	$ 70,215	$ 64,114
Operating expenses	7,925	8,335
	$ 78,140	$ 72,449

5. Employee Benefits

	December 31, 2023	December 31, 2022
Short-term employee benefits		
Salaries	$ 807,284	$ 1,021,327
Insurance	55,463	66,819
Others	11,589	12,369
	874,336	1,100,515
Post-retirement benefits		
Defined contribution plans	67,570	76,229
Severance Benefits	4,980	15,331
	$ 946,886	$ 1,192,075

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	December 31, 2023	December 31, 2022
Summarized by function		
Operating cost	$ 666,362	$ 849,431
Operating expenses	280,524	342,644
	$ 946,886	$ 1,192,075

6. Employees' compensation and directors' remuneration

The Articles of Incorporation of the Company stipulate that 1% to 10% and not to exceed 3% of the income before tax (after deducting employee and director compensation) shall be allocated for employees' compensation and directors' remuneration. The employees' compensation and directors' remuneration for 2022 and 2021 were resolved by the Board of Directors in March 2023 and March 2022, respectively, as follows:

	December 31, 2023	December 31, 2022
Employees' compensation	$ -	$ 8,939
Director's remuneration	-	1,800

Following the release date of the annual consolidated financial statements, any subsequent changes in amounts are accounted for based on accounting estimates and adjusted in the next fiscal year's financial reporting.

The compensation for employees and remuneration for directors for the years ended December 31, 2022 and 2021 was approved by the Board of Directors in March 2023 and March 2022, respectively, as follows:

	December 31,2022	December 31, 2021
Employees' compensation - cash	$ 8,939	$ 6,881
Director's remuneration - cash	1,800	1,500

The actual amounts distributed for employee and director remuneration for the years ended December 31, 2022 and 2021 are consistent with the amounts recognized in the consolidated financial statements for those years.

For information regarding the Board of Directors' resolutions on employees' compensation and directors' remuneration, please refer to the Market Observation Post System (MOPS)

XXII. INCOME TAX

1. Income tax expense recognized in profit or loss

The main components of income tax expense (gain) are as follows:

	December 31, 2023	December 31, 2022
Current income tax expense		
Current tax expense recognized in the current year	$ 73,599	$ 91,037
Surtax for undistributed earnings	-	3,885
Income tax adjustments on prior years	(1,859)	6,787
	71,740	101,709
Deferred tax expense	(110,638)	(14,790)
	($ 38,898)	$ 86,919

A reconciliation of income before income tax and income tax expense recognized in profit or loss was as follows:

	December 31, 2023	December 31, 2022
Income from continuing operations before income tax	($ 142,998)	$ 494,313
Income tax expense at the legal tax rate	($ 49,272)	$ 81,912
Non-deductible expenses and tax-exempt income	(20,728)	559
Recognized loss carryforwards adjustment	(4,257)	21,139
Unrecognized loss carryforwards adjustment	8,305	26,623
Other temporary differences	11,746	(16,896)
Surtax for undistributed earnings	-	3,885
Realized profit (loss) from investment	17,167	-
Effects of deferred tax from subsidiaries earnings	-	(37,090)
Income tax adjustments on prior years	(1,859)	6,787
	($ 38,898)	$ 86,919

2. Income tax earnings (expenses) relating to components of other comprehensive income

	December 31, 2023	December 31, 2022
Deferred tax expense		
Exchange differences arising on translation of foreign operating entity	$ 9,799	($ 2,117)

3. Income tax assets and liabilities

	December 31, 2023	December 31, 2022
Income tax assets		
Tax refund receivables	$ -	$ 21,533
Income tax liabilities		
Income tax payable	$ 60,538	$ 72,255

4. Deferred tax assets and liabilities

The changes of deferred income tax assets and liabilities are as follows:

December 31, 2023

Deferred tax assets and liabilities	Balance, January 1	Profit And Loss	Other Comprehensive Income	Exchange Difference	Balance, December 31
Temporary differences					
Allowance to reduce inventory to market	$ 9,504	($ 2,057)	$ -	($ 137)	$ 7,310
Loss carryforwards	36,508	73,961	-	(2,237)	108,232
Depreciation tax shield	6,922	-	-	(117)	6,805
Exchange differences arising on translation of foreign operating entity	9,322	-	9,799	-	19,121
Investment losses accounted for using equity method	-	33,414	-	(900)	32,514
Others	14,877	4,656	-	(45)	19,488
	$ 77,133	$ 109,974	$ 9,799	($ 3,436)	$ 193,470
Deferred tax liabilities					
Temporary differences					
Deferred mold expenses	($ 3,201)	($ 1,163)	$ -	$ 67	($ 4,297)
Others	(26,461)	1,827	-	465	(24,169)
	($ 29,662)	$ 664	$ -	$ 532	($ 28,466)

2022

Deferred tax assets and liabilities	Balance, January 1	Profit And Loss	Other Comprehensive Income	Exchange Difference	Balance, December 31
Temporary differences					
Allowance to reduce inventory to market	$ 11,276	($ 1,936)	$ -	$ 164	$ 9,504
Loss carryforwards	40,983	(5,067)	-	592	36,508
Depreciation tax shield	6,815	-	-	107	6,922
Exchange differences arising on translation of foreign operating entity	11,439	-	(2,117)	-	9,322
Others	21,876	(7,321)	-	322	14,877
	$ 92,389	($ 14,324)	($ 2,117)	$ 1,185	$ 77,133

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Deferred tax liabilities	Balance, January 1	Profit And Loss	Other Comprehensive Income	Exchange Difference	Balance, December 31
Temporary differences					
Share of profit (loss) of subsidiaries accounted for using equity method	($ 37,090)	$ 37,090	$ -	$ -	$ -
Deferred mold expenses	(4,823)	1,703	-	(81)	(3,201)
Others	(16,503)	(9,679)	-	(279)	(26,461)
	($ 58,416)	$ 29,114	$ -	($ 360)	($ 29,662)

5. Amount of unrecognized deferred income tax

	December 31, 2023	December 31, 2022
Loss carryforwards		
Expired by 2028	$ 32,644	$ -
Expired by 2027	69,717	105,934
Expired by 2026	144,146	146,614
Expired by 2025	96,159	97,805
Expired by 2024	116,369	118,361
	$ 459,035	$ 468,714

6. Unused loss carryforwards

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

Balance yet to be offset	Final offset year
$ 400,235	2033
66,817	2032
11,073	2029
131,342	2028
119,071	2027
153,872	2026
121,699	2025
116,369	2024
$ 1,120,478	

7. Unrecognized deferred income tax liabilities associated with investments

As of December 31, 2023, and 2022, the aggregate taxable temporary differences associated with investments in subsidiaries not recognized as deferred income tax liabilities amounted to NT$1,647,554,000 and NT$1,912,916,000, respectively.

8. Approval condition of income tax

The profit-seeking income tax filings of the Company for up to the year ended December 31, 2021, have been audited and approved by the tax authorities.

9. The subsidiaries established in Malaysia and China recognized tax expenses in accordance with local tax laws, while the subsidiaries established in Samoa and the Cayman Islands are exempt from tax.

XXIII. EARNINGS(LOSSES) PER SHARE

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

Net profit (loss) attributable to the shareholders of the Company for the year ended December 31, 2023

	December 31, 2023	December 31, 2022
Net profits used to calculate basic earnings per share	($ 115,390)	$ 391,388
Effects of all dilutive potential common shares		
Convertible Bonds	-	61
Net profits used to calculate diluted earnings per share	($ 115,390)	$ 391,449

Shares

(in Thousand shares)

	December 31, 2023	December 31, 2022
The weighted average shares common shares outstanding used to calculate basic earnings (loss) per share	121,447	121,338
Effects of all dilutive potential common shares		
Convertible Bonds	-	109
Employee compensation	-	471
The weighted average shares common shares outstanding used to calculate diluted earnings (loss) per share	121,447	121,918

The Company may settle the employees bonuses in cash or shares; therefore, the Company assumes that the entire amount of the compensation will be settled in shares, and the resulting potential shares are included in the weighted average number of shares outstanding used in the computation of diluted earnings per share, as the effect is dilutive. Such dilutive effect of the potential shares is included in the computation of diluted earnings per share until the number of shares to be distributed to employees is resolved in the shareholders' meeting of the following year. Due to the net loss after tax for the year ended December 31, 2023, which has an anti-dilutive effect, it has not been included in the calculation of diluted loss per share.

XXIV. CAPITAL RISK MANAGEMENT

There have been no significant changes in the capital risk management policies, except for the financial ratio restrictions under the bank loan agreements in Note 16. There are no external capital requirements beyond these restrictions.

XXV. FINANCIAL INSTRUMENTS

1. Fair value of financial instruments not measured at fair value

   The management of the Company considers that the carrying amount of financial assets and financial liabilities that are not measured at fair value approximate their fair values.

2. Fair value of financial instruments measured at fair value on a recurring basis

   (1) Fair value hierarchy

	Level 1	Level 3	Total
December.31, 2023			
Financial assets at FVTPL			
Accounts receivable	$ -	$ 642	$ 642
Beneficiary certificate	21,051	-	21,051
Accounts receivables at FVTOCI	-	614,100	614,100
	$ 21,051	$ 614,742	$ 635,793
December 31, 2022			
Financial assets at FVTPL			
Accounts receivable	$ -	$ 13,261	$ 13,261
Beneficiary certificate	20,165	-	20,165
Accounts receivables at FVTOCI	-	196,096	196,096
	$ 20,165	$ 209,357	$ 229,522

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

   The accounts receivable measured at fair value through profit or loss and at fair value through other comprehensive income are not significantly affected by discounting, and therefore are measured at fair value based on the original invoice amount.

3. Categories of financial instrument

	December.31, 2023	December.31, 2022
Financial Assets		
Amortized cost (Note 1)	$ 2,247,763	$ 2,818,233
Financial assets at FVTPL		
Accounts receivable	642	13,261
Beneficiary certificate	21,051	20,165
Accounts receivables at FVTOCI	614,100	196,096
Financial liabilities		
Amortized cost (Note 2)	3,083,991	3,372,547

Note1. Including cash and cash equivalents, accounts receivable, notes receivable, other receivables, and other financial assets (both current and non-current).

Note2. Including short-term loans, short-term notes payable, accounts payable, notes payable, other payables, refundable liabilities, long-term loans (including those due within one year), and deposits received as collateral.

4. Financial risk management objectives and policies

The Company' primary financial instruments include trade receivable, accounts payable, short-term notes payable, corporate bonds payable, short- and long-term bank loans, and lease liabilities. The finance department provides services to each business unit, manages the Company's funds, and oversees the Company's foreign exchange. Based on the analysis of risk level and scope, the finance department supervises and manages the financial risks related to the operation of the Company through internal risk reports. These risks include market risk (including foreign currency risk and interest rate risk), other price risks, credit risk, and liquidity risk.

The finance department submits reports to the management of the Company quarterly.

(1) Market risk

The Company are exposed to the financial market risks due to the operating activities, primarily changes in foreign currency exchange rates (refer to ①), interest rates (refer to ②) and other prices (refer to③).

The Company regularly monitor foreign exchange net positions and timely exchange them into functional currency. There have been no changes in the management and measurement methods of the market risks associated with these financial instruments.

① Currency risk

Refer to Note 29 for the carrying amounts of the Company' monetary assets and monetary liabilities denominated in non-functional currencies at the balance sheet data (including monetary items denominated in non-functional currencies that have been offset in the consolidated financial statements).

<u>Sensitivity Analysis</u>

The Company were mainly affected by the fluctuations in the exchange rates of USD. 1% is the sensitivity ratio used in reporting foreign currency risk internally to management and represents management's assessment of the reasonably possible range of changes in foreign currency rates. The Company mainly hold net assets in US dollars. When the exchange rate between the functional currency and the USD increases/decreases by 1%, the income before income tax for the year ended December 31, 2023, and 2022 will decrease/increase by NT$25,823,000 and NT$30,091,000, respectively.

② Interest rate risk

The Company was exposed to interest rate risk because the Company borrowed funds at floating interest rates. The risk is managed by the Company by maintaining an appropriate mix of fixed and floating interest rates. Hedging activities are evaluated regularly to align with interest rate views and defined risk appetite, ensuring the most cost-effective hedging strategies are applied.

The management of the Company for liquidity funds primarily involve placing them in fixed-income financial instruments, such as time deposits.

The carrying amounts of the Company' financial assets and financial liabilities with exposure to interest rates at the end of the reporting period were as follows:

	December 31, 2023	December 31, 2022
Fair value interest rate risk		
Financial assets	$ 828,879	$ 1,082,766
Financial liabilities	230,196	157,726
Cash flow interest rate risk		
Financial assets	423,078	452,465
Financial liabilities	1,873,821	2,196,976

Sensitivity Analysis

The sensitivity analysis below was determined based on the exposure to interest rates on the balance sheet date of the financial instrument mentioned above. The analysis assumes that the amounts of the outstanding assets and liabilities on the balance sheet date remain outstanding throughout the reporting period. Basis points of 1% increase or decrease were used when reporting interest rate risk internally to management and represent management's assessment of the reasonably possible change in interest rates.

If interest rates had been increased/decreased by 1% for financial liabilities with floating rate, and all other variables held constant, the Company' net profit before tax for the year ended December 31, 2023, and 2022 would increase/decrease by NT$18,738,000 and NT$21,970,000, respectively mainly due to the exposure to cash flow interest rate risk on the Company' variable-rate loans.

③ Other price risks

The Company are exposed to equity price volatility due to the investment in beneficial certificates of funds. Assuming a hypothetical increase/decrease of 1% in prices of the equity for the years ended December 31, 2022 and 2021, the net income before tax would have increased/decreased by NT$211,000 and NT$202,000, respectively due to the changes in fair value of financial at FVTPL.

(2) Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial losses to the Company. As of the date of the consolidated balance sheet, the Company's maximum credit risk exposure arising from counterparties' failure to fulfill obligations, resulting in financial losses, primarily stems from the carrying amount of financial assets recognized in the consolidated balance sheet.

The Company follows a policy of conducting transactions only with reputable counterparties and obtaining sufficient collateral, when necessary, to mitigate the risk of financial loss arising from defaults. The Company utilizes publicly available financial information and transaction records to assess the creditworthiness of major customers. The Company continuously monitors credit exposure and the credit ratings of the counterparties, ensures that the total transaction amount is diversified among customers with qualified credit ratings, and regularly reviews and approves credit limits to control credit exposure.

The Company' accounts receivables are primarily concentrated on the following major customers:

	December 31, 2023	December 31, 2022
Group A	$ 817,177	$ 574,398
Group B	259,362	148,601
Group C	164,715	176,784
Group D	27,092	152,673
	$ 1,268,346	$ 1,052,456

(3) Liquidity risk

The Company manage liquidity risk by monitoring and maintaining a level of cash and cash equivalents deemed adequate to finance the Company' operations and mitigate the effects of fluctuations in cash flows. The Company rely on bank borrowings as a significant source of liquidity. Management of the Company monitor the utilization of bank loans and ensures compliance with loan covenants.

① Liquidity and interest rate risk tables for non-derivative financial liabilities

The remaining contractual maturity analysis of non-derivative financial liabilities was based on the earliest date at which the Company might be required to repay and was compiled based on the undiscounted cash flows of financial liabilities (including principal and estimated interest). Therefore, the bank borrowings with a repayment on demand clause were included in the earliest time period, regardless of the probability of exercise of the right by banks. The maturity analysis of non-derivative financial liabilities is prepared based on the contractual repayment date.

The undiscounted interest amount of interest cash flows paid at floating interest rates is derived from the yield rate at the consolidated balance sheet date.

	Within 1 year	More than 1 years	Total
December.31, 2023			
Non-derivative financial liabilities			
Floating interest instruments	$ 1,100,434	$ 843,588	$ 1,944,022
Fixed interest instruments	210,000	-	210,000
Non-interest-bearing liabilities	1,000,144	221	1,000,365
Lease liabilities	11,391	9,907	21,298
	$ 2,321,969	$ 853,716	$ 3,175,685
December 31, 2022			
Non-derivative financial liabilities			
Floating interest instruments	$ 1,690,249	$ 535,509	$ 2,225,758
Fixed interest instruments	110,000	-	110,000
Non-interest-bearing liabilities	1,065,393	225	1,065,618
Lease liabilities	26,264	24,197	50,461
	$ 2,891,906	$ 559,931	$ 3,451,837

② Financing Limit

	December 31, 2023	December 31, 2022
Unsecured bank loans limits		
Amount used	$ 1,190,306	$ 2,010,768
Amount unused	1,854,413	1,344,724
	$ 3,044,719	$ 3,355,492
Secured bank loans limits		
Amount used	$ 900,769	$ 300,000
Amount unused	155,898	86,326
	$ 1,056,667	$ 386,326

5. Financial assets transfer information

The Company has entered into factoring agreements with banks, which stipulate that if the accounts receivable cannot be collected upon maturity, the bank has the right to demand payment of the outstanding balance from the Company. Therefore, the Company has not transferred significant risks and rewards associated with these accounts receivable. The Company continues to recognize all accounts receivable, and the accounts receivable transferred are recorded as collateral for loans. Please refer to Note 27 for further details.

As of December 31, 2022, the carrying amount of the transferred accounts receivable not derecognized was NT$6,055,000, with no related short-term loans.

XXVI. RELATED PARTY TRANSACTIONS

The transactions between the Company and its related parties are summarized as follows:

1. Name and Relation of Related Party

Name of Related Party	Relationship with the Company
Hsiao, Chin-Ming	The Chairman of the Company.
Hsiao, Chin-Chun	The General Manager of the Company

2. Compensation of Key Management Personnel

	December 31, 2023	December 31, 2022
Short-term employee benefits	$ 21,488	$ 27,873
Post-retirement benefits	432	467
	$ 21,920	$ 28,340

3. Other Related Parties

The Company' certain long-term and short-term borrowings and short-term notes payable are guaranteed and secured by the Chairman and General Manager as joint guarantors and collateral providers.

XXVII. PLEDGED OR MORTGAGED ASSETS

The following assets are provided to financial institutions as collateral for long-term and short-term loans, and customs guarantee letter:

	December 31, 2023	December 31, 2022
Accounts receivable	$ -	$ 6,055
Other financial assets	58,831	-
Property, plant and equipment		
Land	7,075	7,161
Building	19,186	11,936
Right-of-use assets	1,341	42,042
	$ 86,433	$ 67,194

XXVIII. SIGNIFICANT CONTINGENT LIABILITIES AND UNRECOGNIZED COMMITMENTS

Apart from those disclosed in other notes, the significant commitments and contingent liabilities of the Company as of the balance sheet date are as follows:

1. As of December 31, 2023, the subsidiary Suzhou Fengchuan commissioned a bank to issue a guaranteed letter to the Customs of the People's Republic of China for imported goods, totaling approximately NT$1,127,000.
2. In November,2023 the subsidiary entered into a contract to purchase real estate, factories, and equipment, with a total price of approximately NT$139,764,000 (THB 155,000,000). The amount not yet recognized in the accounts is approximately NT$125,788,000 (THB 139,500,000).

XXIX. INFORMATION OF SIGNIFICANT FINANCIAL ASSETS AND LIABILITIES DENOMINATED IN FOREIGN CURRENCIES

The following information was summarized according to the foreign currencies other than the functional currency of the Company. The exchange rates disclosed were used to translate the foreign currencies into the functional currency. The significant financial assets and liabilities denominated in foreign currencies were as follows:

	Foreign Currency (in Thousands)	Exchange Rate		Carrying Amount
December 31, 2023				
Monetary assets denominated in foreign currencies				
USD	$ 74,821	30.705	(USD: NTD)	$ 2,297,384
USD	3,704	4.789	(USD: MYR)	113,730
USD	33,602	7.083	(USD: RMB)	1,031,749
USD	2,501	34.041	(USD: THB)	76,782
Non-monetary assets denominated in foreign currencies				
Investments accounted for using equity method				
USD	105,382	30.705	(USD: NTD)	3,235,753
Monetary liabilities denominated in foreign currencies				
USD	23,742	30.705	(USD: NTD)	728,986
USD	101	4.789	(USD: MYR)	3,115
USD	6,683	7.083	(USD: RMB)	205,212
December.31, 2022				
Monetary assets denominated in foreign currencies				
USD	75,844	30.710	(USD: NTD)	2,329,177
USD	6,213	4.584	(USD: MYR)	190,790
USD	53,131	6.965	(USD: RMB)	1,631,649
Non-monetary assets denominated in foreign currencies				
Investments accounted for using equity method				
USD	115,314	30.710	(USD: NTD)	3,541,292
Monetary liabilities denominated in foreign currencies				
USD	30,907	30.710	(USD: NTD)	949,146
USD	84	4.584	(USD: MYR)	2,574
USD	6,212	6.965	(USD: RMB)	190,778

The foreign exchange gains of the Company for the years ended December 31, 2023 and 2022, were profits of NT$22,637,000 and profits of NT$194,875,000, respectively. Due to the diverse nature of foreign currency transactions and the functional currency types of the Group entities, it is not feasible to disclose the foreign exchange gains and losses by each significant foreign currency.

XXX. ADDITIONAL DISCLOSURES

1. Information of Significant Transactions (2) Information on Investees
   (1) Lending fund to other Parties: Table 1.
   (2) Endorsements/guarantees provided: Table 2.
   (3) Marketable securities held (excluding investment in subsidiary): Table 3.
   (4) Acquisition of individual real estate properties at costs of at least nt$300 million or 20% of the paid-in capital: None
   (5) Acquisition of individual real estate properties at costs of at least nt$300 million or 20% of the paid-in capital: None
   (6) Disposal of individual real estate properties at costs of at least NT$300 million or 20% of the paid-in capital: None
   (7) Total purchases from or sales to related parties of at least NT$100 million or 20% of the paid-in capital: Table 4.
   (8) Receivables from related parties amounting to at least NT$100 million or 20% of the paid-in capital: Table 5.
   (9) Engaged in derivative transaction: None.
   (10) Other: Intercompany relationships and significant intercompany transactions:： Table 6.
   (11) Information on investees: Table 7.

2. Information on investment in Mainland China
   (1) The name of the investee in mainland China, the main businesses and products, its issued capital, method of investment, information on inflow or outflow of capital, percentage of ownership, income (losses) of the investee, share of profits/losses of investee, ending balance, amount received as dividends from the investee, and the limitation on investee: Table 8.
   (2) Significant direct or indirect transactions with the investee, its prices and terms of payment, unrealized gain or loss, and other related information which is helpful to understand the impact of investment in mainland China on financial reports are as follows:

① The amount and percentage of sales and the balance and percentage of the related receivables at the end of the year: None.

② The amount and percentage of purchases and the balance and percentage of the related receivables at the end of the year: None.

		Amount	%
A.	Purchases	$ 2,666,206	100
B.	Accounts payable	680,984	100

③ The amount of property transactions and the amount of the resultant gains or losses: Purchase of property, plant and equipment, NT$2,658,000

④ The balance of negotiable instrument endorsements or guarantees or pledges of collateral at the end of the year and the purposes: Table 2.

⑤ The highest balance, the ending balance, the interest rate range, and total current period interest with respect to financing of funds: Table 1.

⑥ Other transactions that have a material effect on the profit or loss for the year or on the financial position, such as the rendering or receiving of services: None.

3. Information of major shareholder: refer to Table 9 for all shareholders with ownership of 5 percent or greater showing the names and the number of shares and percentage of ownership held by each shareholder.

XXXI. SEGMENT INFORMATION

The information provided to the key operational decision-makers for resource allocation and segmental performance evaluation focuses on the types of products or services delivered or provided. The departments to be reported by the Company are as follows:

- Metal Business Department - produces and sells computer, audio, and other hardware products and components.
- Plastics Business Department - Processes and produces in plastic injection molding, and sales of precision plastic components for electronics and electrical products.

As per the analysis by reportable departments, the revenue and operating results of the Company are as follows:

1. Departmental revenue and operating results

December 31, 2023	Metal Business Department	Plastics Business Department	Total
Income from external clients	$ 3,576,711	$ 28,690	$ 3,605,401
Internal revenue	2,808,121	1,594	2,809,715
Segmental revenue	$ 6,384,832	$ 30,284	6,415,116

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	Metal Business Department	Plastics Business Department	Total
Internal offsetting			($ 2,809,715)
Operating revenue			$ 3,605,401
Departmental loss	($ 116,197)	($ 85,612)	($ 201,809)
Finance costs			(54,507)
Non-operating income and expenses			113,318
Net loss before tax			($ 142,998)
2022			
Revenue from external clients	$ 4,945,279	$ 58,893	$ 5,004,172
Internal revenue	4,163,234	5	4,163,239
Segmental revenue	$ 9,108,513	$ 58,898	9,167,411
Internal offsetting			(4,163,239)
Operating revenue			$ 5,004,172
Segmental profit (loss)	$ 439,443	($ 70,447)	$ 368,996
Finance costs			(53,574)
Non-operating income and expenses			178,891
Net profit before tax			$ 494,313

Segmental profit refers to the profit earned by each segment. This measurement is provided to key operational decision-makers for allocating resources to segments and assessing their performance.

2. Regional Information

The Company operate in two principal geographical areas - the Mainland China and Taiwan.

The revenue from external customers of the Company is presented based on the countries where the customers are located, rather than on the location of the assets by region. The information is presented as follows:

	Revenue from External Clients		Non-current Assets	
			2023	2022
	December 31, 2023	December 31, 2022	December 31	December 31
Taiwan	$ 111,303	$ 131,643	$ 43,061	$ 22,498
Asia	3,420,913	4,807,017	2,531,878	2,819,691
Others	73,185	65,512	-	-
	$ 3,605,401	$ 5,004,172	$ 2,574,939	$ 2,842,189

Non-current assets do not include financial assets at FVTPL, deferred tax assets, and other financial assets.

3. Major customers information

Major external customers contributing 10% or more to the Company' revenue of 2023 and 2022 were as follows:

Customer	December 31, 2023 Amount	December 31, 2023 %	December 31, 2022 Amount	December 31, 2022 %
Group A	$ 1,985,076	55	$ 2,939,962	59
Group B	605,449	17	461,671	9
	$ 2,590,525	72	$ 3,401,633	68

Bin Chuan Enterprise Co., Ltd., and Subsidiaries
LENDING FUND TO OTHER PARTIES
FOR THE YEAR ENDED DECEMBER 31, 2023

TABLE 1

(In Thousands of New Taiwan Dollars)
(Unless Specified Otherwise)

													Collateral				
No.	Financing Company	Counterparty	Transaction Item	Related Party	Maximum Balance for the Period (Note 5)	BALANCE, DECEMBER 31 (Note 5)	Amount Actually Drawn (Note 5 and 6)	Interest Rate (%)	Nature for Financing	Transaction Amount	Reason for Financing	Allowance for Bad Debts	Item	Value	Financing Limits for Each Borrowing Company (Note 3)	Financing Company's Total Financing Amount Limits (Note 4)	Note
0	The Company	Suzhou Fengchuan Technology Co., Ltd..	Other receivables	Yes	$ 259,400	$ 245,640	$ -	2.2	Note 1	$ 3,192,517	Transactions with related parties	$ -	-	$ -	$ 630,075	$ 1,260,150	
0	The Company	Chongqing Fengchuan Electronic Technology Co., Ltd.	Other receivables	Yes	264,106	76,763	76,763	2.2	Note 2	-	Operating capital	-	-	-	630,075	1,260,150	
0	The Company	Chongqing Fengchuan Electronic Technology Co., Ltd.	Other receivables	Yes	250,040	245,640	92,115	2.2	Note 1	275,867	Transactions with related parties	-	-	-	630,075	1,260,150	
1	Suzhou Binchuan Precise Industrial Co., Ltd..	Chongqing Fengchuan Electronic Technology Co., Ltd.	Other receivables	Yes	332,943	332,943	332,943	3.45	Note 2	-	Operating capital	-	-	-	802,545	802,545	
1	Suzhou Binchuan Precise Industrial Co., Ltd..	Key Mold Precision Industry (Suzhou) Co., Ltd.	Other receivables	Yes	19,508	19,508	19,508	3.45	Note 2	-	Operating capital	-	-	-	802,545	802,545	
2	HamagawaCorp.	Suzhou Fengchuan Technology Co., Ltd..	Other receivables	Yes	271,038	260,112	260,112	2.5	Note 2	-	Operating capital	-	-	-	264,527	264,527	
3	Zoning	Feng Rong Medical Co., Ltd.	Other receivables	Yes	13,500	-	-	-	Note 2	-	Operating capital	-	-	-	-	-	Note 7

Note1. Transactions with related parties.

Note2. In need of short-term financing.

Note3. In accordance with the "Procedure for Lending Funds to Other Parties" of the Company, loans to a single Company shall not exceed 20% of its net worth. However, the loan for a foreign subsidiary that is directly or indirectly held by the Company with 100% of voting shares are limited to the net equity of the financing company.

Note4. In accordance with the "Procedure for Lending Funds to Other Parties" of the Company or its subsidiaries, the total amount of funds lent shall not exceed 40% of the net worth. However, the loan for a foreign subsidiary that is directly or indirectly held by the Company with 100% of voting shares are limited to the net equity of the financing company.

Note5. The amounts are converted based on the exchange rates at the end of 2023, which are USD to TWD at a rate of 30.705 and RMB to TWD at a rate of 4.335.

Note6. It has been offset when preparing the consolidated financial statements.

Note7. Zoning Precise Technology has been fully liquidated.

Bin Chuan Enterprise Co., Ltd. and Subsidiaries
ENDORSEMENTS/GUARANTEES PROVIDED
FOR THE YEAR ENDED DECEMBER 31, 2023

TABLE 2

(In Thousands of New Taiwan Dollars)
(Unless Specified Otherwise)

No.	Endorsement/ Guarantee Provider	Name	Nature of Relationship (Note 1)	Limits on Endorsement/ Guarantee Amount Provided to Each Guaranteed Party	Maximum Balance for the Period (Note 4)	BALANCE, DECEMBER 31 (Note 4)	Amount Actually Drawn (Note 4)	Amount of Endorsement/ Guarantee Collateralized by Properties	Ratio of Accumulated Endorsement/ Guarantee to Net Equity per Latest Financial Statement (%)	Maximum Endorsement/ Guarantee Amount Allowable	Guarantee Provided by Parent Company	Guarantee Provided by A Subsidiary	Guarantee Provided to Subsidiaries in Mainland China	Note
0	The Company	HamagawaHoldings	2	$ 4,725,563	$ 93,420	$ -	$ -	-	-	$ 6,300,750	Y	N	N	
0	The Company	Chongqing Fengchuan Electronic Technology Co., Ltd.	2	4,725,563	188,520	92,115	-	-	2.92	6,300,750	Y	N	Y	
1	Suzhou Binchuan Precise Industrial Co., Ltd..	Suzhou Fengchuan Technology Co., Ltd..	4	2,006,363	1,794,636	1,335,242	253,306	-	42.38	2,808,908	N	N	Y	
1	Suzhou Binchuan Precise Industrial Co., Ltd..	Key Mold Precision Industry (Suzhou) Co., Ltd.	4	2,006,363	45,395	42,987	5,501	-	1.36	2,808,908	N	N	Y	
1	Suzhou Binchuan Precise Industrial Co., Ltd..	Chongqing Fengchuan Electronic Technology Co., Ltd.	4	2,006,363	88,856	43,352	-	-	1.38	2,808,908	N	N	Y	
2	Suzhou Fengchuan Technology Co., Ltd..	Suzhou Binchuan Precise Industrial Co., Ltd..	4	2,683,801	185,210	177,743	-	-	5.64	3,578,401	N	N	Y	

Note1. The relationships between the endorsement/ guarantee provider and the guaranteed party, are as follows:

1. Companies with business transaction.
2. A company in which the Company directly and indirectly holds more than 50% of the voting shares.
3. Companies directly and indirectly holding more than 50% of the voting rights in the company.
4. Companies in which the Company directly and indirectly holds more than 90% of the voting shares.

Note2. In accordance with the "Procedures for Endorsement / Guarantees Provided" of the Company, the limit for endorsement guarantees to a single company is set at no more than 20% of the net worth. However, for single entities with direct or indirect full voting rights and affiliated companies, the limit is set at no more than 150% of the net worth of the endorsing guaranteed company. The total amount of endorsement guarantees shall not exceed 200% of the net worth in the most recent financial statements.

Note3. In accordance with the "Endorsement Guarantee Handling Procedures" of Suzhou Binchuan Company, the limit for endorsement guarantees to a single company is set at no more than 20% of the net worth. However, for single entities with direct or indirect full voting rights and affiliated companies, the limit is set at no more than 250% of the net worth. The total amount of endorsement guarantees shall not exceed 350% of the net worth in the most recent financial statements.

Note4. The amounts are converted based on the exchange rates at the end of 2023, which are USD to TWD at a rate of 30.705 and RMB to TWD at a rate of 4.335.

Bin Chuan Enterprise Co., Ltd. and Subsidiaries
MARKETABLE SECURITIES HELD
FOR THE YEAR ENDED DECEMBER 31, 2023

TABLE 3

(In Thousands of New Taiwan Dollars)
(Unless Specified Otherwise)

Held Company Name	Marketable Securities Type and Name	Relationship with the Company	Financial Statement Account	December 31, 2023				Note
				Shares	Carrying Amount	Ownership Percentage	Fair Value	
The Company	Beneficiary certificate							
	PineBridge ESG Quantitative Bond Fund N9	-	Financial assets at FVTPL - non-current	72,925	$ 21,051	-	$ 21,051	-

Bin Chuan Enterprise Co., Ltd. and Subsidiaries

TOTAL PURCHASES FROM OR SALES TO RELATED PARTIES OF AT LEAST NT$100 MILLION OR 20% OF THE PAID-IN CAPITAL

FOR THE YEAR ENDED DECEMBER 31, 2023

TABLE 4

(In Thousands of New Taiwan Dollars)
(Unless Specified Otherwise)

Company Name	Related Party	Nature of Relationships	Transaction Details				Abnormal Transaction		Notes/Accounts Payable or Receivable		Note
			Purchases/ Sales	Amount	% to Total(%)	Payment Terms	Unit Price	Payment Terms	Ending Balance	% to Total(%)	
Suzhou Fengchuan Technology Co., Ltd..	The Company	Parent Company	Sales	($ 2,235,442)	(89)	Note 1	Note 1	Note 1	$ 585,155	81	Note 2
Suzhou Binchuan Precise Industrial Co., Ltd..	The Company	Parent Company	Sales	(276,719)	(90)	Note 1	Note 1	Note 1	76,096	56	Note 2
Chongqing Fengchuan Electronic Technology Co., Ltd.	The Company	Parent Company	Sales	(154,045)	(37)	Note 1	Note 1	Note 1	19,733	11	Note 2

Note1. The selling prices and transaction terms of the Company to the subsidiary are agreed upon by both parties, and there are no similar transactions with unrelated parties for comparison.

Note2. It has been offset when preparing the consolidated financial statements.

Bin Chuan Enterprise Co., Ltd. and Subsidiaries
RECEIVABLES FROM RELATED PARTIES AMOUNTING TO AT LEAST NT$100 MILLION OR 20% OF THE PAID-IN CAPITAL
FOR THE YEAR ENDED DECEMBER 31, 2023

TABLE 5

(In Thousands of New Taiwan Dollars)
(Unless Specified Otherwise)

Company Name	Related Party	Nature of Relationships	Ending balance (Note 4)	Turnover Rate (%)	Overdue		Amounts Received in Subsequent Period	Allowance for Bad Debts
					Amount	Action Taken		
The Company	Chongqing Fengchuan Electronic Technology Co., Ltd.	Parent company to subsidiary	$ 170,321 (Note 1)	-	$ -	-	$ 65,628	$ -
Hamagawa Corp.	Suzhou Fengchuan Technology Co., Ltd..	Subsidiary to subsidiary	260,112 (Note 1)	-	-	-	-	-
Suzhou Fengchuan Technology Co., Ltd..	The Company	Subsidiary to parent company	585,155 (Note 2)	333	-	-	349,568	-
Suzhou Binchuan Precise Industrial Co., Ltd..	Chongqing Fengchuan Electronic Technology Co., Ltd.	Subsidiary to subsidiary	364,207 (Note 3)	-	-	-	-	-

Note1. Amounts are all financing funds and interests and are recorded under the account of other receivables.

Note2. Amounts are the accounts receivables.

Note3. Amounts are funds for financing, interest, and equipment payments, included under other receivables.

Note4. It has been offset when preparing the consolidated financial statements.

Bin Chuan Enterprise Co., Ltd. and Subsidiaries

INTERCOMPANY RELATIONSHIPS AND SIGNIFICANT INTERCOMPANY TRANSACTIONS

FOR THE YEAR ENDED DECEMBER 31, 2023

TABLE 6

(In Thousands of New Taiwan Dollars)
(Unless Specified Otherwise)

No.	Company Name	Counterparty	Nature of Relationship (Note 2)	Intercompany Transactions			
				Item	Amount	Terms	Percentage of Consolidated Net Revenue or Total Assets
0	The Company	Chongqing Fengchuan Electronic Technology Co., Ltd.	1	Other receivables	$ 170,321	Based on the contract	3
1	Hamagawa Corp.	Suzhou Fengchuan Technology Co., Ltd..	3	Other receivables	260,113	Based on the contract	4
2	Suzhou Fengchuan Technology Co., Ltd..	The Company	2	Sales	2,235,442	No transactions with unrelated parties for comparison	62
2	Suzhou Fengchuan Technology Co., Ltd..	The Company	2	Accounts receivable	585,155	No transactions with unrelated parties for comparison	9
2	Suzhou Fengchuan Technology Co., Ltd..	Chongqing Fengchuan Electronic Technology Co., Ltd.	3	Other receivables	46,857	Based on the contract	1
3	Suzhou Binchuan Precise Industrial Co., Ltd..	The Company	2	Sales	276,719	No transactions with unrelated parties for comparison	8
3	Suzhou Binchuan Precise Industrial Co., Ltd..	The Company	2	Accounts receivable	76,096	No transactions with unrelated parties for comparison	1
3	Suzhou Binchuan Precise Industrial Co., Ltd..	Chongqing Fengchuan Electronic Technology Co., Ltd.	3	Other receivables	364,207	Based on the contract	6
4	Suzhou Juqi Mechanical Equipment Co., Ltd.	Suzhou Fengchuan Technology Co., Ltd..	3	Sales	77,653	No transactions with unrelated parties for comparison	2
4	Suzhou Juqi Mechanical Equipment Co., Ltd.	Chongqing Fengchuan Electronic Technology Co., Ltd.	3	Accounts receivable	38,752	No transactions with unrelated parties for comparison	1
5	Chongqing Fengchuan Electronic Technology Co., Ltd.	The Company	2	Sales	154,045	No transactions with unrelated parties for comparison	4

Note1. Transactions between the parent company and subsidiaries should be identified separately in the “No.” column. The numbering method is as follows:

1. For the parent company, use "0"
2. For subsidiaries, numbering starts with the Arabic numeral 1 in sequential order according to the company's classification.

Note2. Relationships with the counterparties fall into the following three categories. Simply indicate the type.

1. Parent company to subsidiary： 1.
2. Subsidiary to parent company： 2.
3. Subsidiary to subsidiary： 3.

Note3. It has been offset when preparing the consolidated financial statements.

Bin Chuan Enterprise Co., Ltd. and Subsidiaries
INFORMATION ON INVESTMENT IN MAINLAND CHINA
FOR THE YEAR ENDED DECEMBER 31, 2023

TABLE 7

(In Thousands of New Taiwan Dollars)
(Unless Specified Otherwise)

Investor Company	Investee Company	Location	Main Businesses and Products	Original Investment Amount		Balance as of December 31, 2023			Net Income (Losses) of the Investee Company (Note 2)	Share of Profits/Losses (Note 2 and 5)	Note
				December 31, 2023	December 31, 2022	Shares	Percentage of Ownership (%)	Carrying Amount (Note 2 and 5)			
The Company	Hamagawa Corp.	Cayman	Trading of semi-automatic punching net machinery, audio decoration nets, various diamond nets, molds, and peripherals, as well as related business investments	$ 35,928	$ 35,928	10,000	100.00	$ 264,527	($ 32,635)	($ 32,635)	Subsidiary
The Company	Hamagawa Holdings	Samoa	Investment and financing	1,609,288	1,609,288	52,200,000	100.00	2,971,226	(223,843)	(223,843)	Subsidiary
The Company	Feng Rong Medical Co., Ltd.	Taiwan	International trading, management consulting, other business, and intermediary services	104,000	104,000	2,000,000	51.00	120,916	23,041	11,758	Subsidiary
The Company	Hamagawa Industries (Thailand) Co.,Ltd.	Thailand	Development and manufacturing of laptop casings, metal components, and electronic materials; manufacturing of electronic equipment, testers, and tooling molds.	103,782	-	213,180	100,00	102,165	(1,577)	(1,577)	Subsidiary
Feng Rong Medical Co., Ltd.	Hamagawa Industrial(M)Sdn.Bhd.	Malasia	Manufacturing, processing, and trading of medical tools, instruments, and equipment, as well as components for computers, household appliances, and audio equipment.	136,007	-	6,000,000	100,00	157,096	42,907	20,837	Sub-subsidiary
Feng Rong Medical Co., Ltd.	Zoning Precise Technology	Samoa	Investment and trading	-	203,823	-	-	-	19,403	19,396	Sub-subsidiary
Hamagawa Holdings	Ego Tech	Hong Kong	Investment	786,077	786,077	202,284,878	100.00	569,688	(94,869)	(94,869)	Sub-subsidiary
Suzhou Binchuan Precise Industrial Co., Ltd..	Binchuan (Hong Kong) Limited(Note 1)	Hong Kong	Investment and trading	-	-	-	100.00	-	-	-	Sub-subsidiary
Zoning Precise Technology	Hamagawa Industrial(M)Sdn.Bhd.	Malasia	Manufacturing, processing, and trading of medical tools, instruments, and equipment, as well as components for computers, household appliances, and audio equipment.	-	69,422	-	-	-	42,907	22,070	Sub-subsidiary

Note 1: No investment in the subsidiary.

Note 2: Amounts are converted based on the exchange rates at the end of 2023 and the average exchange rates for 2023, except for Hamagawa Industrial (M) Sdn. Bhd., which is converted at an exchange rate of 6.411 and 6.554 for MYR to NTD, and Hamagawa Industries (Thailand) Co., Ltd., which is converted at an exchange rate of 0.902 and 0.901 for THB to NTD. The remaining amounts are converted at an exchange rate of 30.705 and 31.155 for USD to NTD.

Note 3: Refer to Table 8 for the information of investee companies in Mainland China.

Note 4: It has been offset when preparing the consolidated financial statements.

Note 5: Refer to Note 11 for changes in investments.

Bin Chuan Enterprise Co., Ltd. and Subsidiaries
INFORMATION ON INVESTMENT IN MAINLAND CHINA
FOR THE YEAR ENDED DECEMBER 31, 2023

TABLE 8 (In Thousands of New Taiwan Dollars)

Investee Company	Main Businesses and Products	Total Amount of Paid-in Capital (Note 1)	Method of Investment	Accumulated Outflow of Investment from Taiwan as of January 1, 2023	Investment Flows: Outflow	Investment Flows: Inflow	Accumulated Outflow of Investment from Taiwan as of December 31, 2023 (Note 5 and 6)	Net Income (Losses) of the Investee Company (Note 1)	Percentage of Ownership (%)	Share of Profits/Losses (Note 1, 3 and 9)	Carrying Amount as of Balance as of December 31, 2023 (Note 1 and 9)	Accumulated Inward Remittance of Earnings as of December 31, 2023	Note
Suzhou Binchuan Precise Industrial Co., Ltd..	Manufacture and sell precision and plastic injection-molded components and accessories such as metal mesh panels for computers and audio-visual communication equipment, power supplies, computer keyboards, and precision cavity-molds	$ 133,567	Hamagawa Holdings (Note 2)	$ 46,624	$ -	$ -	$ 46,624	($ 30,249)	100.00	($ 30,249)	$ 802,545	$ -	None
Suzhou Fengchuan Technology Co., Ltd..	Development and production of digital cameras and components; new flat panel display components for computer and communication hardware	985,631	Hamagawa Holdings (Note 2)、Ego Tech (Note 2)	836,976	-	-	836,976	(98,382)	100.00	(98,382)	1,789,201	-	None
Key Mold Precision Industry (Suzhou) Co., Ltd.	Production in plastic injection molding processing and sales of fine blanking die, precise cavity-mold, mold standards, non-metal mold, and precise plastic parts for electronics and electrical appliance	732,753	Ego Tech (Note 2), Suzhou Binchuan Precise Industrial Co., Ltd..	76,747	-	-	76,747	(62,397)	100.00	(62,397)	11,655	-	None
Chongqing Fengchuan Electronic Technology Co., Ltd.	Development of LCD flat panel display, development and manufacturing of display materials, manufacturing of notebook casings, metal parts, plastic parts, and display materials, development and manufacturing of electronic materials, and manufacturing of electronic equipment, tester, and mold	521,985	Ego Tech (Note 2)	511,197	-	-	511,197	(75,675)	100.00	(75,675)	369,625	-	None
Suzhou Juqi Mechanical Equipment Co., Ltd.	Development, design and manufacturing of metal molds, processing of metal parts, and manufacturing and sales of automatic equipment	43,352	Suzhou Binchuan Precise Industrial Co., Ltd..	-	-	-	-	4,039	100.00	4,039	80,615	-	None

Investor Company	Accumulated Outflow of Investment from Taiwan to mainland China as of December 31, 2023	Investment Amounts Authorized by Investment Commission, MOEA (Note 1 and 7)	Investment Limits in Mainland China as Regulated by the Investment Commission, MOEA (Note 4)
Bin Chuan Enterprise Company Limited	$ 1,471,544	$ 1,892,411	$ 1,890,225

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Note 1: The amounts are converted based on the exchange rates at the end of 2023 and the average exchange rates for 2022, with USD to NTD at rates of 30.705 and 31.155, and RMB to NTD at rates of 4.335 and 4.424.

Note 2: Refers to reinvest in mainland companies through the establishment of companies in the third region..

Note 3: Amount was recognized based on the audited financial statements.

Note 4: The upper limit on investment in mainland China is determined by sixty percent (60%) of the Company’s net worth according to "Regulations Governing the Examination of Investment or Technical Cooperation in Mainland China" of MOEA on August 29, 2008.

Note 5: Including the cash outflowed from Taiwan and the holding company's own funds, and the investment in machinery and equipment.

Note 6: The amount is calculated and accumulated according to the historical exchange rate of U.S. dollars to New Taiwan dollars.

Note 7: The investment amounts authorized by MOEA include US$12,794,000 converted from Mainland China operation's retained earnings and US$6,539,000 from the third-party holding company's debt-to-equity swap.

Note 8: The debt-to-equity swap of US$6,539,000 in Note 7 includes the capital increase of US$3,000,000 and US$3,539 thousand made by the Company to Hamagawa Holdings in 2018 and 2019, respectively.

Note 9: It has been offset when preparing the consolidated financial statements.

Bin Chuan Enterprise Company Limited
INFORMATION ON MAJOR SHAREHOLDER
DECEMBER.31, 2023

TABLE 9

Shareholders	Shares	
	Total Shares Owned	Ownership Percentage
Hsiao, Chin-Ming	9,870,909	8.12
Hsiao, Chin-Chun	7,770,423	6.39

Note 1: The main shareholder information in this table is calculated by the Taiwan Depository & Clearing Corporation based on the last business day of the quarter, considering the number of common and preferred stocks held by shareholders, including treasury stocks, which collectively amount to five percent or more. The Company's reported share capital in the financial statements and the actual number of shares completed without physical registration and delivery, there may be differences due to variations in calculation methods or bases.

Note 2: If a shareholder delivers the shareholdings to the trust, the above information will be disclosed by the individual trustor who opened the trust account. For shareholders who declare insider shareholdings with ownership greater than 10% in accordance with the Security and Exchange Act, the shareholdings include shares held by shareholders and those delivered to the trust over which shareholders have rights to determine the use of trust property. For information relating to insider shareholding declaration, please refer to Market Observation Post System (MOPS)

Independent Auditor's Report

The Board of Directors and Shareholders
Bin Chuan Enterprise Company Limited

Opinion

We have audited the accompanying consolidated financial statements of Bin Chuan Enterprise Company Limited (the "Company"), which comprise the parent company only balance sheets as of December 31, 2023, and 2022, and the parent company only statements of comprehensive income, changes in equity, and cash flows for the years then ended. Additionally, the accompanying notes to the parent company only financial statements are included, providing material accounting policy information.

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

Basis for Opinion

We conducted our audits entrusted by the Company in accordance with the Regulations Governing Auditing and Attestation of Financial Statements by Certified Public Accountants and the Standards on Auditing of the Republic of China. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the parent company only financial statements section of our report. We are independent of the Company accordance with The Norm of Professional Ethics for Certified Public Accountant of the Republic of China, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the parent company only financial statements for the year ended December 31, 2023. These matters were addressed in the context of our audit of the parent company only financial statements as a whole, and in forming our opinion thereon. We do not provide a separate opinion on these matters.

Key audit matters for the Company's parent company only financial statements for the year ended December 31, 2023, are stated as follows:

<u>Revenue Recognition</u>

The Company's recognition of operating revenue from selling to some specific customers is significant. Based on the Bulletin of Standards on Auditing, the sales recognition is the risk and a matter of concern to users of financial statements. Therefore, the revenues of some specific customers is listed as the key audit matters this year. Refer to Note 4 for the explanation of accounting policies related to sales recognition.

We performed the following main audit procedures for the above sales recognition:

1. Understand and test the effectiveness of internal controls related to sales

recognition, and obtain basic customer information to evaluate the reasonability of sales targets.

2. Test the content of sales revenue to confirm its authenticity.

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

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

In preparing the parent company only financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance(including members of the Audit Committee) are responsible for overseeing the Company's financial reporting process.

Auditors' Responsibilities for the Audit of the Parent Company Only Financial Statements

Our objectives are to obtain reasonable assurance about whether the parent company only financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Standards on Auditing of the Republic of China will always detect a material misstatement when it exists. if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these parent company only financial statements.

As part of an audit in accordance with the Standards on Auditing of the Republic of China, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

1. Identify and assess the risks of material misstatement of the parent company only financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. he risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
2. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
4. Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that

may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the parent company only financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.

5. Evaluate the overall presentation, structure and content of the parent company only financial statements, including the disclosures, and whether the parent company only financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
6. Obtain sufficient and appropriate audit evidence regarding the financial information of the entities or business activities within the Company to express an opinion on the consolidated cements. We are responsible for the direction, supervision and perform audit. We remain solely responsible for our audit opinion.

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

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

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

The engagement partners on the audits resulting in this independent auditors' report are Hsu, Jui-Hsuan and Chen, Chen-Li.

Deloitte & Touche
Taipei, Taiwan
Republic of China

Date: March 15, 2024

Notice to Readers

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

Bin Chuan Enterprise Company Limited
PARENT COMPANY ONLY BALANCE SHEETS
FOR THE YEARS ENDED DECEMBER .31, 2023 AND 2022
(In Thousands of New Taiwan Dollars)

Codes	Assets	December 31, 2023 Amount	%	December 31, 2022 Amount	%
	Current Assets				
1100	Cash and cash equivalents (Note 3, 4 and 6)	$ 674,765	12	$ 1,077,637	18
1150	Notes receivable (Notes 4, 8 and 17)	11	-	10	-
1170	Accounts receivable (Note 4, 5, 8, 17 & 24)	1,225,187	21	1,007,131	16
1180	Accounts receivable from related parties (Note 17 and 23)	827	-	559	-
1206	Other receivables	6,286	-	4,582	-
1210	Other receivables from related parties (Note 23)	183,529	3	168,202	3
130X	Inventories (Notes 4 and 9)	3,220	-	7,635	-
1476	Other financial assets - current (Notes 10 and 24)	58,831	1	6,725	-
1479	Other current assets	1,289	-	1,274	-
11XX	Total current assets	2,153,945	37	2,273,755	37
	Non-current Assets				
1510	Financial assets at fair value through profit or loss - non-current (Notes 4 and 7)	21,051	-	20,165	-
1550	Investments accounted for using equity method (Note 4 & 11)	3,458,834	60	3,671,324	61
1600	Property, plant and equipment (Notes 4, 12, 23 and 24)	35,592	1	22,498	1
1780	Intangible Assets	1,564	-	-	-
1840	Deferred tax assets (Notes 4 and 19)	30,576	1	10,459	-
1915	Prepaid equipment payments	5,906	-	-	-
1980	Other financial assets- non-current (Notes 3 and 10)	68,288	1	68,241	1
15XX	Total non-current assets	3,621,811	63	3,792,687	63
1XXX	Total Assets	$ 5,775,756	100	$ 6,066,442	100
Codes	Liabilities and Equities				
	Current liabilities				
2100	Short-term loans (Notes 13, 23 and 24)	$ 752,000	13	$ 677,900	11
2110	Short-term notes payable (Notes 13 and 23)	209,805	3	109,953	2
2150	Notes payable	2,117	-	1,785	-
2170	Accounts payable (Note 14)	85	-	80	-
2180	Accounts payable from related parties (Note 23)	680,984	12	915,304	15
2219	Other Payables (Note 15)	24,121	-	27,353	-
2230	Income tax liabilities (Note 19)	37,764	1	64,404	1
2322	Current portion of long-term loans payable (Notes 13 and 23)	75,000	1	154,583	3
2365	Refund liabilities (Notes 4 and 17)	48,003	1	33,842	1
2399	Other current liabilities	860	-	2,402	-
21XX	Total current liabilities	1,830,739	31	1,987,606	33
	Non-current Liabilities				
2540	Long-term loans (Notes 13 and 23)	794,642	14	525,000	8
2XXX	Total liabilities	2,625,381	45	2,512,606	41
	Equity (Note 16)				
3110	Common shares	1,214,474	21	1,214,474	20
3200	Capital Surplus	1,154,878	20	1,154,878	19
	Retained Earnings				
3310	Legal Capital Reserve	314,654	5	275,515	5
3320	Special capital reserve	163,641	3	254,589	4
3350	Undistributed earnings	511,545	9	818,021	13
3300	Total Retained Earnings	989,840	17	1,348,125	22
3410	Exchange differences arising on translation of foreign operations	(208,817)	(3)	(163,641)	(2)
3XXX	Total Equity	3,150,375	55	3,553,836	59
	Total Liabilities and Equities	$ 5,775,756	100	$ 6,066,442	100

Attached are the notes to the consolidated financial statements, which form an integral part of this parent company only financial report.

Chairman: Hsiao, Chin-Ming Manager: Hsiao, Chin-Chun Accounting Supervisor: Lee, Fan

Bin Chuan Enterprise Company Limited

PARENT ONLY STATEMENTS OF COMPREHENSIVE INCOME

FOR THE YEARS ENDED DECEMBER 31, 2023, AND 2022

(In Thousands of New Taiwan Dollars, Except Earnings per Share)

		December 31, 2023		December 31, 2022	
Codes		Amount	%	Amount	%
4100	Net sales revenue (Notes 4 and 23)	$ 2,877,450	100	$ 4,159,561	100
5110	Cost of sales (Notes 9, 18 and 23)	2,689,259	93	3,848,137	92
5900	Gross profit (loss) from operations	188,191	7	311,424	8
	Operating Expenses (Note 18)				
6100	Marketing	11,041	1	7,570	-
6200	General and administrative	32,798	1	43,016	1
6300	R&D expenses	2,066	-	-	-
6000	Total operating expenses	45,905	2	50,586	1
6900	Net profit from operation	142,286	5	260,838	7
	Non-operating income and expenses (Note 18 and 23)				
7010	Interest income	52,181	2	17,895	1
7020	Other gains and losses	8,235	-	142,322	3
7050	Finance costs	(39,381)	(1)	(28,717)	(1)
7070	Share of profit (loss) of subsidiaries accounted for using equity method	(246,297)	(9)	43,882	1
7000	Total non-operating Income and Expenses	(225,262)	(8)	175,382	4
7900	Net profit （loss） before tax	(82,976)	(3)	436,220	11
7950	Income tax expense (Note 19)	32,414	1	44,832	1
8200	Net profit (loss) for the year ended December 31, 2023	(115,390)	(4)	391,388	10

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Codes		December 31, 2023 Amount	%	December 31, 2022 Amount	%
	Other Comprehensive Income (Note 16 and 19)				
8360	Items That May Be Reclassified Subsequently to Profit or Loss				
8361	Exchange differences arising on translation of foreign operations	($ 54,975)	(2)	$ 93,065	2
8399	Income tax relating to items that may be reclassified	9,799	-	(2,117)	-
8300	Current other comprehensive income (Loss), Net of Income Tax	(45,176)	(2)	90,948	2
8500	Total comprehensive income for the year ended Dec. 31. 2023	($ 160,566)	(6)	$ 482,336	12
	Earnings per share (Note 20)				
9750	Basic	($ 0.95)		$ 3.23	
9850	Diluted	($ 0.95)		$ 3.21	

Attached are the notes to the consolidated financial statements, which form an integral part of this parent company only financial report.

Chairman: Hsiao, Chin-Ming Manager: Hsiao, Chin-Chun Accounting Supervisor: Lee, Fan

Bin Chuan Enterprise Company Limited
PARENT COMPANY ONLY STATEMENTS OF CHANGES IN EQUITY
FOR THE YEARS ENDED DECEMBER 31, 2023, AND 2022

(In Thousands of New Taiwan Dollars)

				Retained Earnings					
Codes		Common Share	Capital Surplus	Legal Capital Reserve	Special capital reserve	Undistributed Earnings	Total	Exchange differences arising on translation of foreign operating entity	Total equity
A1	BALANCE, JANUARY 1, 2022	$ 1,206,871	$ 1,146,324	$ 243,972	$ 219,988	$ 687,093	$ 1,151,053	($ 254,589)	$ 3,249,659
	Appropriation and distribution of retained earnings for the year ended 2021 (Note 16)								
B1	Legal capital reserve	-	-	31,543	-	(31,543)	-	-	-
B3	Special Capital Reserve	-	-	-	34,601	(34,601)	-	-	-
B5	Common share - Cash dividend	-	-	-	-	(194,316)	(194,316)	-	(194,316)
		-	-	31,543	34,601	(260,460)	(194,316)	-	(194,316)
D1	Net profit for the year ended December 31, 2022	-	-	-	-	391,388	391,388	-	391,388
D3	Other comprehensive income after tax for the year ended December 31, 2022	-	-	-	-	-	-	90,948	90,948
D5	Total comprehensive income for the year ended Dec. 31. 2022	-	-	-	-	391,388	391,388	90,948	482,336
I1	Transfer of convertible bonds	7,603	8,554	-	-	-	-	-	16,157
Z1	BALANCE, DECEMBER 31, 2022	1,214,474	1,154,878	275,515	254,589	818,021	1,348,125	(163,641)	3,553,836
	Appropriation and distribution of retained earnings for the year ended 2022 (Note 16)								
B1	Legal capital reserve	-	-	39,139	-	(39,139)	-	-	-
B3	Special Capital Reserve	-	-	-	(90,948)	90,948	-	-	-
B5	Common share - Cash dividend	-	-	-	-	(242,895)	(242,895)	-	(242,895)
		-	-	39,139	(90,948)	(191,086)	(242,895)	-	(242,895)
D1	Net loss ended for December 31, 2023	-	-	-	-	(115,390)	(115,390)	-	(115,390)
D3	Other comprehensive income after tax for the year ended December 31, 2023	-	-	-	-	-	-	(45,176)	(45,176)
D5	Total comprehensive income for the year ended Dec. 31. 2023	-	-	-	-	(115,390)	(115,390)	(45,176)	(160,566)
Z1	BALANCE, DECEMBER 31, 2023	$ 1,214,474	$ 1,154,878	$ 314,654	$ 163,641	$ 511,545	$ 989,840	($ 208,817)	$ 3,150,375

Attached are the notes to the consolidated financial statements, which form an integral part of this parent company only financial report.

Chairman: Hsiao, Chin-Ming Manager: Hsiao, Chin-Chun Accounting Supervisor: Lee, Fan

Bin Chuan Enterprise Company Limited
PARENT COMPANY ONLY STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022
(In Thousands of New Taiwan Dollars)

Codes		December 31, 2023	December 31, 2022
	Statement of Cash Flows from Operating Activities		
A10000	Net profit (loss) for the year ended December 31, 2023	($ 82,976)	$ 436,220
A20010	Income and Expense		
A20100	Depreciation	3,299	3,671
A20200	Amortization	106	-
A20400	Net profit or loss at fair value of financial assets through profit or loss	(931)	3,448
A20900	Finance costs	39,381	28,717
A21200	Interest income	(52,181)	(17,895)
A22400	Share of profit (loss) of subsidiaries accounted for using equity method	246,297	(43,882)
A22500	Profit on disposal and scrapping of property, plant, and equipment	(229)	(553)
A23700	Impairment loss and slow-moving loss on inventories	-	288
A29900	Others	45	(2,182)
A30000	Net changes in operating assets and liabilities		
A31130	Notes receivable	(1)	10
A31150	Accounts receivable	(218,056)	412,928
A31160	Accounts Receivable from Related Parties	(268)	400
A31180	Other receivables	(517)	21
A31190	Other Receivables from Related Parties	(8)	1,352
A31200	Inventories	4,415	(5,377)
A31240	Other current assets	(15)	2,166
A32130	Notes payable	332	(536)
A32150	Accounts Payable	5	(118)
A32160	Accounts Payable from Related Parties	(234,320)	(208,152)
A32180	Other payable	(8,582)	3,163
A32230	Other current liabilities	(1,542)	1,680
A32990	Refund liabilities	14,161	(1,650)
A33000	Cash inflows (outflows) generated form operation	(291,585)	613,719
A33100	Interest received	51,194	13,636
A33300	Interest paid	(40,269)	(27,661)
A33500	Income taxes paid	(69,372)	(52,904)
AAAA	Net cash inflows (outflows) generated from operation	(350,032)	546,790

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Codes		December 31, 2023	December 31, 2022
	Cash Flows from Investing Activities		
B01800	Acquisition of investments accounted for using equity method	($ 103,782)	($ 172,950)
B02400	Refund of stock capital from capital reduction of investee using the equity method	-	248,652
B02700	Purchase of property, plant, and equipment	(16,175)	(734)
B02800	Disposal of property, plant and equipment	477	672
B04300	Other receivables - increase in related parties	(15,519)	(32,668)
B04500	Acquisitions of intangible assets	(1,670)	-
B06500	Increase of other financial assets	(52,153)	(13,412)
B07600	Dividends received from subsidiaries	15,000	-
BBBB	Net cash inflows (outflows) from investing activities	(173,822)	29,560
	Cash flows from financing activities		
C00100	Increase in short-term loans	978,000	992,000
C00200	Decrease in short-term loans	(903,900)	(968,700)
C00500	Increase in short-term notes payable	260,000	300,000
C00600	Decrease in short-term notes payable	(160,000)	(308,000)
C01600	Proceeds from long-term loans	794,360	300,000
C01700	Repayments of long-term Loans	(604,583)	(40,001)
C04500	Cash dividends paid	(242,895)	(194,316)
CCCC	Net Cash Inflows From Financing Activities	120,982	80,983
EEEE	Net increase (decrease) in cash and cash equivalents	(402,872)	657,333
E00100	CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	1,077,637	420,304
E00200	CASH AND CASH EQUIVALENTS AT END OF YEAR	$ 674,765	$ 1,077,637

Attached are the notes to the consolidated financial statements, which form an integral part of this parent company only financial report.

Chairman: Hsiao, Chin-Ming Manager: Hsiao, Chin-Chun Accounting Supervisor: Lee, Fan

Bin Chuan Enterprise Company Limited
NOTES TO PARENT COMPANY ONLY FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022
(In Thousands of New Taiwan Dollars, Unless Specified Otherwise)

I. GENERAL

The Company was established in Dafa Industrial Zone, Kaohsiung City in 1983 and is mainly engaged in manufacturing, processing and sales of semi-automatic punching net machinery, audio decoration nets, and molds, and purchasing and sales of stamped parts for computer peripherals.

The company has been listed and traded on the Taipei Exchange since July 2005.

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

II. THE AUTHORIZATION OF FINANCIAL STATEMENTS

The parent company only financial statements were approved and authorized for issue by the Board of Directors on March 15, 2024.

III. APPLICATION OF NEW AND REVISED INTERNATIONAL FINANCIAL REPORTING STANDARDS

1. Initial application of the amendments to the International Financial Reporting Standards (IFRS), International Accounting Standards (IAS), IFRIC Interpretations (IFRIC), and SIC Interpretations (SIC) (collectively, "IFRSs") endorsed and issued into effect by the Financial Supervisory Commission (FSC) and did not have a significant effect on the Company' s accounting policies.
2. Amendments to the IFRSs endorsed by the FSC with effective date starting 2024

New/Amended/Revised Standards and Interpretations:	Effective Date Issued by IASB (Note 1)
Amendments to IFRS 16 " Lease Liability in a Sale and Leaseback."	January 1, 2024 （Note 2）
Amendments to IAS 1 " Classification of Liabilities as Current or Non-current."	January 1, 2024
Amendments to IAS 1 "Non-current Liabilities with Covenants."	January 1, 2024
Amendments to IAS 7 and IFRS 7 "Supplier Finance Arrangements."	January 1, 2024 （Note 3）

Note 1. Unless otherwise specified, the above new, amended or revised standards or interpretations start to apply in the annual reporting period after each effective date.

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

Note 3. When first applying this amendment, exemptions from certain disclosure requirements apply.

As of the date of issuance of this parent company only financial statements approved by the Board of Directors, the Company have assessed that other amendments or interpretations will not have a significant impact on the financial position and performance.

3. The IFRSs that have been issued by the IASB but have not yet been recognized by the FSC

New/Amended/Revised Standards and Interpretations:	Effective Date Issued by IASB (Note 1)
Amendments to IFRS 10 and IAS 28 "Sale or Contribution of Assets between an Investor and its Associate or Joint Venture."	To be determined
IFRS 17 "Insurance Contracts"	January 1, 2023
Amendments to IFRS 17	January 1, 2023
Amendments to IFRS 17 "Initial Application of IFRS 9 and IFRS 17 - Comparative Information"	January 1, 2023
Amendments to IAS 21 "Lack of Exchangeability."	January 1, 2025 （Note 2）

Note 1. Unless otherwise specified, the above new, amended or revised standards or interpretations start to apply in the annual reporting period after each effective date.

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

As of the date of issuance of this parent company only financial statements approved by the Board of Directors, the Company continue to assess the impact of other amendments or interpretations on the financial position and performance. Relevant impacts will be disclosed upon completion of the assessment.

4. Reclassification Presentation

The management of the Company believes that the funds repatriated under the "Regulations Governing the Management, Utilization, and Taxation of Repatriated Offshore Funds" for the purposes of substantive investment and financial investment do not alter the nature of the deposits. The Company can readily access these amounts. Therefore, it is more appropriate to classify the earmarked deposits as cash and cash equivalents. As a result, there was a reclassification in the presentation of the parent company only balance sheets and parent company only statements of cash flows for the years ended December 31, 2023 and 2022 , along with January 1, 2022, with the carrying amount of other financial assets reclassified as cash and cash equivalents being NT$140,570,000, NT$146,850,000, and NT$132,567,000, respectively. The impact on the cash flow items for the year ended December 31, 2022 is as follows:

	Adjustments
Net cash inflows from investment activities	$ 14,283
Net increase in cash and cash equivalents	$ 14,283

IV. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

1. Statement of Compliance

   The accompanying parent company only financial statements have been prepared in conformity with the Regulations Governing the Preparation of Financial Reports by Securities Issuers (the "Accounting Standards Used in Preparation of the Parent Company Only Financial Statements").

2. Preparation Basis

   The accompanying parent company only financial statements are prepared on the historical cost basis except for financial instruments measured at fair value.

   Fair value measurement is categorized into levels 1 through 3 based on the observability and significance of relevant inputs:

   (1) Level 1 inputs: Refer to unadjusted market quotations for identical assets or liabilities in active markets accessible at the measurement date.
   (2) Level 2 inputs: Refer to observable inputs other than quoted prices included in Level 1, either directly (i.e., prices) or indirectly (i.e., derived from prices).
   (3) Level 3 inputs: Refer to unobservable inputs for the asset or liability.

   In preparing the parent company only financial statements, the Company adopts the equity method to evaluate investments in investee subsidiaries. In order to align the profit or loss, other comprehensive income, and equity of the parent company only financial statements with those of the consolidated financial statements attributed to the owners of the Company for the current year, several accounting treatments differences on parent company only basis and consolidated basis are adjusted, including "Investments accounted for using the equity method," "Share of profit or loss of associates accounted for using the equity method," "Share of other comprehensive income of subsidiaries accounted for using the equity method," and related equity items.

3. Classification of Current and Non-current Assets and Liabilities

   Current assets include:

   (1) Asset is held mainly for trading purposes;
   (2) Asset realized within 12 months after the balance sheet date; and
   (3) Cash or cash equivalents (excluding assets restricted from being exchanged or used to settle a liability for at least 12 months after the balance sheet date).

   Current liabilities include:

   (1) Liability is held mainly for trading purposes;
   (2) Liabilities due to be settled within 12 months after the balance sheet data (liabilities with long-term refinancing or rearrangement of payment terms completed after the balance sheet date and before the release of the financial statements); and

(3) Liabilities that cannot be unconditionally deferred beyond at least 12 months after the balance sheet date. However , the terms of the liability, at the option of the counterparty, may result in its settlement through issuing equity instruments do not affect its classification.

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

4. Foreign Currency

When preparing the parent company only financial statements, transactions denominated in currencies other than the functional currency of the parent company are recorded in the functional currency by using the exchange rates prevailing at the transaction dates.

Foreign currency monetary items are translated at the closing exchange rates on each balance sheet date. Any exchange differences arising from the settlement or translation of foreign currency monetary items are recognized in profit or loss in the year in which they occur.

Non-monetary items measured at fair value that are denominated in foreign currencies are retranslated at the rates prevailing at the date when the fair value was determined.

Non-monetary items that are measured in terms of historical cost in foreign currencies are translated at the rates prevailing at the date of the transactions and are not retranslated.

For the purposes of presenting parent company only financial statements, the assets and liabilities of the Company's foreign operations (including the subsidiaries located in or in a currency different from the Company) are translated into NT$ using exchange rates prevailing at the end of the balance sheet date. Income and expense items are translated at the average exchange rates for the period. Exchange differences arising, if any, are recognized in other comprehensive income.

5. Sales of Accounts Receivable

Accounts receivables are considered sold when all of the following conditions are met:

(1) The accounts receivables have been isolated from the control of the Company, meaning they are deemed to have been removed from the control of the Company.

(2) Each assignee of the accounts receivables has the right to pledge or exchange the accounts receivables, and there are no restrictions on the assignee's exercise of the right to pledge or exchange, which results in the Company obtaining more than a trivial benefit.

(3) The Company did not maintain effective control over the accounts receivables by either of the following ways:

① Agreement to repurchase or redeem the accounts receivables before the due date with rights and obligations.

② The unilateral ability to cause the holder to return specific assets.

When accounts receivables are sold, the difference between the selling price and the carrying amount is recorded as a financial expense and reported as non-operating expenses for the current year.

6. Inventory

Inventories consist of finished goods, work in process, raw materials, and merchandise and are stated at the lower of cost or net realizable value. Inventory write-downs are made by item, except where it may be appropriate to group similar or related items. Net realizable value represents the estimated selling price of inventories less all estimated costs of completion and costs necessary to make the sale. Inventories are recorded at the weighted-average cost.

7. Investment in Subsidiaries

The Company accounts for investments in subsidiaries using the equity method.

Subsidiaries refer to entities controlled by the Company.

Under the equity method, investments are initially recognized at cost. Subsequent changes in the carrying amount are adjusted for the Company's share of the subsidiary's profit or loss and other comprehensive income, as well as distributions of profits. Additionally, changes in other equity of subsidiaries that the Company is entitled to are recognized based on the ownership percentage.

Changes in ownership interests in subsidiaries do not result in loss of control, they are treated as equity transactions. Any difference between the carrying amount of investment and the fair value of consideration paid or received is directly recognized in equity.

When the Company's share of losses in a subsidiary equal or exceeds its interest in that subsidiary's equity (including the carrying amount of the subsidiary under the equity method and any other long-term equity investments belonging to the Company in relation to its net investment in the subsidiary), the losses continue to be recognized according to the ownership percentage.

Unrealized profits and losses on transactions between the Company and its subsidiaries are offset in the parent company only financial statements. Profits and losses arising from transactions between the Company and its subsidiaries, except to the extent that they relate to the Company's interests in the subsidiaries, are recognized in the parent company only financial statements.

8. Property, Plant and Equipment

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

Except for the self-owned land, the depreciation of property, plant and equipment is recognized using the straight-line method. Each significant part is depreciated separately. The estimated useful lives, residual values and depreciation methods are reviewed at the end of each year, with the effects of any change in the estimates accounted for on a prospective basis.

Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognized in profit or loss.

9. Intangible Assets

Intangible assets with limited useful lives acquired separately are initially measured at cost and subsequently measured at cost less accumulative amortization. Intangible assets are amortized on a straight-line basis over their estimated useful lives. The Company reviews the estimated useful lives, residual values, and amortization methods at least annually, with any effects of changes in accounting estimates deferred and applied prospectively. For finite useful lives intangible assets, other than those expected to be disposed of before the end of their economic useful lives by the Company, the residual value is estimated to be zero.

10. Impairment of Property, Plant, Equipment, and Intangible Assets

The Company assesses at each balance sheet date whether there is any indication that property, plant, and equipment, as well as intangible assets, may be impaired. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss. When it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs. The corporate assets are allocated to individual cash-generating units on a reasonable and consistent allocation basis.

Recoverable amount is the higher of fair value less costs to sell and value in use. If the recoverable amount of an asset or cash-generating unit is estimated to be less than it carrying amount, the carrying amount of the asset or cash-generating unit is reduced to its recoverable amount. An impairment loss is recognized immediately in profit or loss.

When an impairment loss subsequently reverses, the carrying amount of the asset or a cash-generating unit is increased to the revised estimate of its recoverable amount, but the increased carrying amount does not exceed the carrying amount (less amortization or depreciation) that would have been determined had no impairment loss been recognized for the asset or cash-generating unit in prior years. A reversal of an impairment loss is recognized in profit or loss.

11. Financial Instruments

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

Financial assets and liabilities are initially recognized at fair values. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognized immediately in profit or loss.

(1) Financial assets

Customary way purchases or sales of financial assets are recognized and derecognized on a trade date accounting.

① Measurement categories

Financial assets are classified into the following categories: financial assets at FVTPL, financial assets at amortized cost, and investments in debt instruments and equity instruments at FVTOCI.

A. Financial assets at FVTPL

Financial assets measured at fair value through profit or loss are those financial assets that are classified as held for trading.

Financial assets at FVTPL are measured at fair value. Any remeasurement gains or losses on such financial assets are recognized in other gains or losses.

B. Financial assets measured at amortized cost

Financial assets held by the Company are classified as financial assets measured at amortized cost if they meet both of the following conditions simultaneously:

a. The financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows; and
b. The cash flows on a specific date generated by the financial assets' contract terms are solely payments of principal and interest on the principal amount outstanding.

Subsequent to initial recognition, financial assets measured at amortized cost (including cash and cash equivalents, notes receivables, accounts receivables (including accounts receivable from related parties), other receivables (including other receivables from related parties), and other financial assets (current and non-current)) are measured at amortized cost, which equals to carrying amount determined by the effective interest method less any impairment loss. Exchange differences are recognized in profit or loss.

Interest income is calculated by multiplying the effective interest rate by the gross carrying amount of a financial asset, except:

a. Purchased or originated credit-impaired financial assets, for which interest income is calculated by applying the credit-adjusted effective interest rate to the amortized cost of such financial assets; and
b. Financial assets that are not credit-impaired on purchase or origination but have subsequently become credit-impaired, for which interest income is calculated by applying the effective interest rate to the amortized cost of such financial assets.

Credit impairment of financial assets refers to situations where the issuer or debtor has encountered significant financial difficulties, defaults, or is highly likely to file for bankruptcy or undergo other financial reorganization, or where the financial difficulties have led to the disappearance of an active market for the financial assets.

Cash equivalents include time deposits with original maturities within 3 months from the date of acquisition, which are highly liquid, readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value. These cash equivalents are held for the purpose of meeting short-term cash commitments.

C. Investments in debt instruments at FVTOCI

Debt instruments held by the Company and met the following two conditions simultaneously are classified as financial assets at FVTOCI:

a. The financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows and sale financial assets; and

b. The cash flows on a specific date generated by the financial assets' contract terms are solely payments of principal and interest on the principal amount outstanding.

Investments in debt instruments at FVTOCI are measured at fair value. Interest income calculated using the effective interest method, foreign exchange gains and losses and impairment gains or losses on investments in debt instruments at FVTOCI are recognized in profit or loss. Other changes in the carrying amount of these debt instruments are recognized in other comprehensive income and will be reclassified to profit or loss when these debt instruments are disposed.

② Impairment of Financial Assets

At the balance sheet date, a loss allowance for expected credit loss is recognized for financial assets at amortized cost (including accounts receivable) and for investments in debt instruments that are measured at FVTOCI.

The loss allowance for accounts receivable is measured at an amount equal to lifetime expected credit losses. For other financial assets, when the credit risk on the financial instrument has not increased significantly since initial recognition, a loss allowance is recognized at an amount equal to expected credit loss resulting from possible default events of a financial instrument within 12 months after the reporting date. If, on the other hand, there has been a significant increase in credit risk since initial recognition, a loss allowance is recognized at an amount equal to expected credit loss (ECLs) over the expected life of a financial instruments.

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

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

A. Internal or external information indicates that the debtor is unlikely to settle the debt.

B. The overdue period exceeds 360 days, unless there is reasonable and demonstrable information that the deferred default criteria is more appropriate.

The Company recognizes an impairment loss in profit or loss for all financial instruments with a corresponding adjustment to their carrying amount through a loss allowance account, except for investments in debt instruments that are measured at FVTOCI, for which the loss allowance is recognized in other comprehensive income and does not reduce the carrying amount of the financial asset.

③ Derecognition of Financial Assets

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

On derecognition of a financial asset at amortized cost in its entirety, the difference between the asset's carrying amount and the consideration received is recognized in profit or loss. On derecognition of an investment in a debt instrument at FVTOCI, the difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss that had been recognized in other comprehensive income is recognized in profit or loss.

(2) Equity Instrument

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

(3) Financial liabilities

① Subsequent measurement

Financial liabilities are subsequently measured either at amortized cost using effective interest method.

② Derecognition of financial liabilities

The difference between the carrying amount of the financial liability derecognized and the consideration paid (includes any non-cash assets transferred or liabilities assumed) is recognized in profit or loss.

12. Revenue Recognition

The Company recognizes revenue when identifies a contract with a customer and allocates the transaction price to the performance obligations after performance obligations are satisfied.

When control of goods is transferred to customers (for exports, when the sales conditions specified in the contract are fulfilled; for domestic sales, upon delivery to customers), the customers have the right to determine the price and the way the products are used while bearing the main responsibility for resale and the risk of obsolescence; thus, revenue and account receivable are recognized concurrently.

The revenue from sales of goods is measured at fair value based on the agreed transaction price between the Company and the customers (after considering commercial and quantity discounts). If refunds are made to customers due to discounts, they are recognized as refund liabilities.

13. Leases

At the inception of a contract, the Company assess whether the contract is (or contains) a lease.

For a contract that contains a lease component and non-lease component, the Company uses relative standalone selling prices to allocate the consideration in the basic contribution contract and accounts for them separately.

When the Company is a lessee, lease payments for leases of low-value assets and short-term leases, for which an exemption from recognition applies, are recognized as expenses on a straight-line basis over the lease term. For all other leases, the right-of-use asset and lease liability are recognized at the commencement date of the lease.

The right-of-use asset is initially measured at cost and subsequently measured at cost less accumulated depreciation.

Right-of-use assets are depreciated using the straight-line method from the commencement dates to the earlier of the end of the useful lives of the right-of-use assets or the end of the lease terms.

Lease liabilities are initially measured at the present value of lease payments. If the interest rate implicit in a lease can be easily determined, the lease payment is discounted at such an interest rate. If the interest rate cannot be easily determined, the lessee's incremental loaning rate applies.

Subsequently, lease liabilities are measured at amortized cost using the effective interest method, with interest expense recognized over the lease terms. When there is a change in a lease term used to determine those payments, the Company remeasures the lease liabilities with a corresponding adjustment to the right-of-use assets. However, when the carrying amount of right-of-use assets has become zero, the remaining remeasured amount shall be recognized in profit or loss.

14. Employee Benefits

(1) Short-term employee benefits

Liabilities recognized in respect of short-term employee benefits are measured at the undiscounted amount of the benefits expected to be paid in exchange for the related service.

(2) Post-retirement benefits

For defined contribution post-employment benefit plans, payments to the benefit plan are recognized as an expense when the employees have rendered service entitling them to the contribution.

(3) Severance Benefits

The Company recognizes termination benefits liabilities when it can no longer cancel the termination benefits agreement or when it recognizes restructuring costs (which is earlier).

15. Income Tax

Income tax expense represents the sum of the tax current and deferred taxes.

(1) Current income tax expense

The Company determines its current income in accordance with the Income Tax Act of the Republic of China, which is used to calculate the provision for income taxes.

Income tax surcharge on undistributed earnings, calculated in accordance with the regulations of Income Tax of the Republic of China, is recognized in the year of resolution by the Shareholder's Meeting.

Adjustments to income tax payable from previous years are included in the current income tax.

(2) Deferred tax expense

Deferred tax is recognized on temporary differences between the carrying amounts of assets and liabilities in the parent company only financial statements and the corresponding tax bases used in the computation of taxable profit.

Deferred income tax liabilities are generally recognized for all taxable temporary differences, and deferred tax assets are recognized when there are likely to be taxable income to deduct temporary differences.

Deferred tax liabilities are recognized for taxable temporary differences associated with investments in subsidiaries, except where the Company is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax assets arising from deductible temporary differences associated with such investments are only recognized to the extent that it is probable that there will be sufficient taxable profits against which to utilize the benefits of the temporary differences and they are expected to reverse in the foreseeable future.

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

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

(3) Current and deferred tax

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

V. CRITICAL ACCOUNTING JUDGMENTS AND KEY SOURCES OF ESTIMATION AND UNCERTAINTY

In the application of the Company's accounting policies, the management is required to make judgments, estimates and assumptions about the information that is not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates. The management will continue to review estimates and underlying assumptions.

Estimated Impairment of Financial Assets

The provision for impairment of accounts receivables is based on assumptions about risk of default and expected loss rates. The Company uses judgment in making these assumptions and in selecting the inputs to the impairment calculation, based on historical experience and existing market conditions. Where the actual future cash inflows are less than expected, a material impairment loss may arise.

VI. CASH AND CASH EQUIVALENTS

	December 31, 2023	December 31, 2022
Cash on hand and revolving funds	$ 10	$ 10
Bank check and demand deposits	73,172	69,729
Cash Equivalents		
Time deposits with an original maturity less than 3 months	601,583	1,007,898
	$ 674,765	$ 1,077,637

VII. FINANCIAL INSTRUMENT AT FVTPL

	December 31, 2023	December 31, 2022
Financial assets measured at fair value through profit or loss - non-current		
Non-derivative financial assets		
Beneficiary certificate	$ 21,051	$ 20,165

VIII. NOTES/ACCOUNTS RECEIVABLE

	December 31, 2023	December 31, 2022
Notes receivable generated from operation		
Carried at amortized cost	$ 11	$ 10
Accounts receivable		
Carried at amortized cost	$ 611,087	$ 811,035
at FVTOCI	614,100	196,096
	$ 1,225,187	$ 1,007,131

1. Accounts receivable

(1) Accounts receivable carried at amortized cost

The Company and conducts a careful assessment of all customers, and they are all with good credit. Therefore, the Company does not expect a significant credit risk. The Company continuously controls the debtor's financial position and overall credit risk and considers the past default records and current financial position of the debtor, the general economic conditions of the industry and the forecast direction of economic conditions to assess the risk and probability of credit losses.

The Company continues to monitor the collection status of accounts receivable to ensure appropriate actions have been taken to collect overdue amounts. In addition, the Company will review the recoverable amount of each account receivable on the balance sheet date to ensure that appropriate provisions for irrecoverable accounts receivable have been made.

If evidence suggests that counterparty is facing severe financial difficulties, the Company cannot reasonably expect to recover the amounts owed, the Company will directly write off the related accounts receivable. However, collection efforts will continue, with any amounts recovered recognized in the income statement.

(2) Accounts receivables at FVTOCI

Regarding some of the major customer's accounts receivables, the Company decides whether to sell them to a bank without recourse or not based on the working capital situation. The management approach adopted by the Company for such accounts receivable is to achieve the purpose through collecting cash flows from contracts and selling financial assets. Therefore, these accounts receivable are measured at fair value through other comprehensive income. Furthermore, the evaluation method for impairment loss is the same as the accounts receivable carried at amortized cost.

Notes receivable and accounts receivable - related parties are neither overdue nor expected to incur credit losses. The Company measures the allowance for losses accounts for accounts receivable based on the provision matrix as follows:

December 31, 2023

	Not overdue	Overdue for 1~60 days	Overdue for 61~90 days	Overdue for 91~120 days	Overdue for 121~360 days	Overdue within 360 days	Total
Total carrying amount	$ 1,225,187	$ -	$ -	$ -	$ -	$ -	$ 1,225,187
Loss allowance (Lifetime ECL)	-	-	-	-	-	-	-
Net amount	$ 1,225,187	$ -	$ -	$ -	$ -	$ -	$ 1,225,187

December 31, 2022

	Not overdue	Overdue for 1~60 days	Overdue for 61~90 days	Overdue for 91~120 days	Overdue for 121~360 days	Overdue within 360 days	Total
Total carrying amount	$ 1,007,131	$ -	$ -	$ -	$ -	$ -	$ 1,007,131
Loss allowance (Lifetime ECL)	-	-	-	-	-	-	-
Net amount	$ 1,007,131	$ -	$ -	$ -	$ -	$ -	$ 1,007,131

2. The relevant information regarding the sale of accounts receivables is as follows:

December 31, 2023

Related Party	Selling price of 2023	Cash received of 2023	Prepaid balance at December 31	Annual interest rate on prepaid balance (%)	Prepaid amount limit
CTBC	$ 347,613	$ 347,613	$ -	Taibor+0.5%	$ 552,690

2022

Related Party	Selling price of 2023	Cash received of 2023	Prepaid balance on December 31	Annual interest rate on prepaid balance (%)	Prepaid amount limit
CTBC	$ 1,677,694	$ 1,259,589	$ 376,038	Taibor+0.5%	$ 552,780
Taishin Bank (Note)	15,607	15,607	-	-	-
	$ 1,693,301	$ 1,275,196	$ 376,038		$ 552,780

Note: The prepaid amount limit was expired in 2022.

The above limits are revolving and the bank's purchase of the unexpired accounts receivables sold by the Company is under a non-recourse basis.

As of December 31, 2023, and December 31, 2022, the allowance for factored receivables amounted to NT$0 and NT$42,067,000, respectively, which remain unrecovered and are included in the accounts receivable.

IX. INVENTORY

	December 31, 2023	December 31, 2022
Goods	$ 2,530	$ 6,648
Finished goods	298	395
Work in process	384	389
Raw material	8	203
	$ 3,220	$ 7,635

The cost of revenue related to Inventories includes:

	December 31, 2023	December 31, 2022
Impairment loss and slow-moving loss on inventories	$ -	$ 288

X. Other financial assets

	December 31, 2023	December 31, 2022
Other financial assets - current		
Pledged time deposits	$ 58,831	$ -
Time deposits with an original maturity more than 3 months	-	6,725
	$ 58,831	$ 6,725
Other financial assets - Non-current		
Restricted project deposits	$ 68,060	$ 68,142
Refundable deposit	228	99
	$ 68,288	$ 68,241

The restricted project deposits represent the earnings repatriated from overseas subsidiaries by the Company for management and utilization under the regulations of the Management, Utilization, and Taxation of Repatriated Offshore Funds Act.

XI. INVESTMENTS ACCOUNTED FOR USING EQUITY METHOD

	December 31, 2023		December 31, 2022	
	Amount	Ownership Percentage (%)	Amount	Ownership Percentage (%)
Investment in Subsidiaries				
Hamagawa Corp. (Note 1)	$ 264,527	100	$ 296,980	100
Hamagawa Holdings (Note 2)	2,971,226	100	3,244,312	100
Feng Rong Medical Co., Ltd.	120,916	51	130,032	51
Hamagawa Industries (Thailand) Co., Ltd. (Note 3)	102,165	100	-	-
	$ 3,458,834		$ 3,671,324	

Note 1. For the year ended December 31, 2022, the investee, Hamagawa Corp., returned capital of NT$248,652,000 (US$8,215,000).

Note 2. The Company increased its investment in Hamagawa Holdings for the year ended December 31, 2022, for the amounts of NT$172,950,000 (US$5,700,000).

Note 3. For the year ended December 31, 2023, the Company invested NT$103,782,000 (US$3,301,000) to establish Hamagawa Industries (Thailand) Co., Ltd.

Refer to Table 6 and 7 for the Information related to the Company's Investees.

XII. PROPERTY, PLANT AND EQUIPMENT

2023

	Land	Building	Machinery and Equipment	Transportation Equipment	Office and Other equipment	Total
Cost						
BALANCE, JANUARY 1, 2023	$ 5,152	$ 27,336	$ 13,072	$ 8,686	$ 1,290	$ 55,536
Additions	-	8,280	2,658	5,422	281	16,641
Disposals	-	-	-	(2,546)	-	(2,546)
BALANCE, DECEMBER 31, 2023	$ 5,152	$ 35,616	$ 15,730	$ 11,562	$ 1,571	$ 69,631
Accumulative depreciation						
BALANCE, JANUARY 1, 2023	$ -	$ 15,400	$ 11,283	$ 5,770	$ 585	$ 33,038
Depreciation expense	-	1,030	877	1,149	243	3,299
Disposals	-	-	-	(2,298)	-	(2,298)
BALANCE, DECEMBER 31, 2023	$ -	$ 16,430	$ 12,160	$ 4,621	$ 828	$ 34,039
NET BALANCE, DECEMBER 31, 2023	$ 5,152	$ 19,186	$ 3,570	$ 6,941	$ 743	$ 35,592

2022

	Land	Building	Machinery and Equipment	Transportation Equipment	Office and Other equipment	Total
Cost						
BALANCE, JANUARY 1, 2022	$ 5,152	$ 27,040	$ 13,609	$ 8,686	$ 1,290	$ 55,777
Additions	-	296	438	-	-	734
Disposals	-		(975)	-	-	(975)
BALANCE, DECEMBER 31, 2022	$ 5,152	$ 27,336	$ 13,072	$ 8,686	$ 1,290	$ 55,536
Accumulative depreciation						
BALANCE, JANUARY 1, 2022	$ -	$ 14,486	$ 10,974	$ 4,393	$ 370	$ 30,223
Depreciation expense	-	914	1,165	1,377	215	3,671
Disposals	-	-	(856)	-	-	(856)
BALANCE, DECEMBER 31, 2022	$ -	$ 15,400	$ 11,283	$ 5,770	$ 585	$ 33,038
NET BALANCE, DECEMBER 31, 2022	$ 5,152	$ 11,936	$ 1,789	$ 2,916	$ 705	$ 22,498

The Company assessed for impairment in both the years ended December 31, 2023, and 2022 and found no impairment.

The Company' property, plant and equipment are depreciated on a straight-line basis over the following estimated useful life:

Building	
Main plants	25~55 years
Others	3~10 years
Machinery and Equipment	5~10 years
Transportation Equipment	5 years
Office and Other equipment	5 years

Refer to Note 24 for the amounts of property, plant and equipment pledged as collateral for loans by the Company.

XIII. LOANS

1. Short-term Loans

	December 31, 2023	December 31, 2022
Secured loan		
Bank loan	$ 100,000	$ -
Unsecured loans		
Unsecured loans	652,000	677,900
	$ 752,000	$ 677,900
Annual interest rate		
Secured loans (%)	1.75	-
Unsecured loans (%)	1.85～2.10	1.55～2.05

2. Short-term notes payable

	December 31, 2023	December 31, 2022
Commercial paper payable	$ 210,000	$ 110,000
Less: unamortized discount	195	47
	$ 209,805	$ 109,953

On December 31, 2023 and 2022, the acceptance institutions for the commercial notes payable included China Bills Finance Corporation, Mega Bills Finance Corporation, Taiwan Cooperative Bills Corporation, and Dah Chung Bills Finance Corporation, with annual interest rates ranging from 1.45% to 1.702% and 1.400% to 1.462%, respectively, as of December 31, 2023 and 2022.

3. Long-term loans

	December 31, 2023	December 31, 2022
Secured loan		
Bank syndicated loan	$ 800,000	$ -
Bank loan	-	300,000
Unsecured loans		
Bank loan	75,000	379,583
	875,000	679,583
Less: syndicated loan arrangement fees	5,358	-
Total bank long-term loans	869,642	679,583
Less: Current portion	75,000	154,583
Long-term loans	$ 794,642	$ 525,000
Annual interest rate		
Secured loans (%)	2.308	2.200
Unsecured loans (%)	2.109	1.839～2.258

(1) In December 2021, the Company signed a loan agreement with CTBC Bank Co., Ltd. for a three-year term loan of NT$200 million, unsecured and non-revolving. It was agreed that during the loan term, the Company's consolidated semi-annual and annual financial statements must meet certain financial ratios and standards. The Company's consolidated financial statements for the year ended December 31, 2022 did not violate the provisions of the agreement, and the loan was repaid ahead of schedule in 2023 .

(2) In June 2022, the Company signed a loan agreement with Entire Commercial Bank, Ltd., Ltd. for a three-year term loan of NT$300 million, secured and revolving. It was agreed that during the loan term, the Company's consolidated semi-annual and annual financial statements must meet certain financial ratios and standards. The Company's consolidated financial statements for the year ended December 31, 2022 did not violate the provisions of the agreement, and the loan was repaid ahead of schedule in 2023.

(3) In September 2023, the Company signed a joint credit agreement with China Trust Commercial Bank and six other financial institutions, with a total credit limit of NT$940 million. It was agreed that during the loan term, the Company's consolidated semi-annual and annual financial statements must comply with certain financial ratios and standards. The Company's consolidated financial statements for the year ended December 31, 2023 did not violate the provisions of the agreement.

XIV. ACCOUNTS PAYABLE

The Company has financial risk management policies to ensure that all accounts payable are repaid within the pre-agreed credit period.

XV. OTHER PAYABLE

	December.31, 2023	December 31, 2022
Payable salary and bonus	$ 10,983	$ 10,717
Payables on equipment	6,372	-
Service fee payables	2,122	1,684
Interests payable	933	1,955
Employees' compensation payables	-	8,939
Director's remuneration payables	-	1,800
Others	3,711	2,258
	$ 24,121	$ 27,353

XVI. EQUITY

1. Common Share

	December 31, 2023	December 31, 2022
Authorized shares (in thousands)	150,000	150,000
Authorized capital	$ 1,500,000	$ 1,500,000
Issued and paid shares (in thousands)	121,447	121,447
Issued capital share	$ 1,214,474	$ 1,214,474

A holder of issued common shares with par value of NT$10 per share is entitled to vote and to receive dividends.

2. Capital Surplus

	December 31, 2023	December 31, 2022
May be used to offset a deficit, distributed as cash dividends or transferred to share capital (Note)		
Additional paid-in capital in excess of par	$ 673,349	$ 673,349

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	December 31, 2023	December 31, 2022
Transfer of corporate bonds premium	$ 440,556	$ 440,556
Donated assets received	40,973	40,973
	$ 1,154,878	$ 1,154,878

Note: This type of capital surplus may be used to offset losses and may also be used to distribute cash dividends or allocate to shareholders' equity when the Company is not in deficit. However, when allocating to shareholders' equity, it is subject to a certain percentage of the paid-in capital each year.

3. Retained Earnings and Dividend Policy

The Company’s Articles of Incorporation provide that, if there is a surplus in the annual financial statements, the surplus is allocated as follows:

(1) Payment of taxes and donations.
(2) Offset of losses from previous years.
(3) Set aside a legal capital reserve at 10% of the remaining earnings; however, when the legal capital reserve reaches the total paid-in capital pf the Company, this limitation shall not apply.
(4) Special surplus reserves are recognized or reversed in accordance with statutory regulations.
(5) Allocate by the Board of Directors after adding the beginning retained earnings, and the amount of dividend distribution shall not be less than 25% of the remaining amount after deducting the profit for the year according to 1-4. However, if the remaining amount after deducting the amount calculated according to 1-4 from the current year's profit is less than 2% of the paid-in capital, dividends may not be distributed.

The company is currently in a growth phase and considering the financial structure and future expected capital expenditures, its dividend policy involves distributing a portion of dividends in stock and a portion in cash. Cash dividends range from 20% to 100%, while stock dividends range from 0% to 80%. To maintain the company's earnings per share level and consider the impact of stock dividends on the company's business performance, if the earnings per share in the year of dividend distribution decline by more than 20% compared to the previous year, or depending on the company's financial situation, the proportion of cash dividends are adjusted to 50% to 100%, and the proportion of stock dividends are adjusted to 0% to 50%. The most appropriate dividend policy and distribution method shall be determined according to the above principles, and the Board of Directors shall prepare a proposal for approval by the Shareholders' Meeting.

The legal capital reserve may be used to offset losses. When the company has no losses, the portion of legal reserve that exceeds 25% of the total paid-in capital may be distributed to shareholders in cash, in addition to being used to increase capital.

The appropriations of 2022 and 2021 earnings have been approved by the Shareholder's Meeting in June 2023 and 2022, respectively, as follows:

	Earning distribution		Dividend per share（NT$）	
	December 31,2022	December 31, 2021	December 31, 2022	December 31, 2021
Legal capital reserve	$ 39,139	$ 31,543		
Special capital reserve	(90,948)	34,601		
Cash dividends	242,895	194,316	$ 2	$ 1.6

In March 2024, the Board of Directors proposed a profit and loss appropriation plan for the year ended December 23, 2023, which includes not distributing dividends to shareholders and appropriating a special capital reserve of NT$45,176,000. Additionally, the Board proposed to distribute cash from the capital surplus of NT$121,447,000, generated from the issuance of common shares at a premium over par value, at a rate of NT$1 per share. It is anticipated that a cash dividend of NT$1 per share will be distributed for the year ended December 31, 2023.

The approval of the profit and loss appropriation plan for the year ended December 31, 2023, is pending the resolution of the Shareholders' Meeting scheduled to be held in June 2024.

4. Other Equity Items

Exchange differences arising on translation of foreign operating entity：

	December 31, 2023	December 31, 2022
BALANCE, JANUARY 1	($ 163,641)	($ 254,589)
Exchange difference arising from translation of foreign operations’ net assets	(54,975)	93,065
Effects of relevant income tax effect	9,799	(2,117)
BALANCE, DECEMBER 31	($ 208,817)	($ 163,641)

XVII. REVENUE

1. Contract Balance

	2023 December 31	2022 December 31	2022 January 1
Notes/accounts receivable	$ 1,226,025	$ 1,007,700	$ 1,421,038
Refund liabilities	$ 48,003	$ 33,842	$ 35,492

Refund liability is the discount estimated based on the customer contract and is recognized as a deduction from revenue in the year of sale of the related goods.

2. Breakdown of Customer Contract Revenue

The Company's primary revenue comes from the sales of metal products for computer exterior parts. The principal operating decision-maker considers the Company as a single reporting segment. Information regarding customer revenue can be found in the comprehensive income statement.

XVIII. NET PROFIT （LOSS） BEFORE TAX

Net income before tax includes the following items:

1. Interest income

	December 31, 2023	December 31, 2022
Bank deposits	$ 48,831	$ 15,098
Funding (Note 23)	3,350	1,990
Endorsement / guarantee (Note 23)	-	807
	$ 52,181	$ 17,895

2. Other Gains and Losses

	December 31, 2023	December 31, 2022
Net profits on foreign exchange	$ 7,206	$ 144,860
Profits on disposal of property, plant, and equipment	229	553
Profit or loss of financial assets at fair value through profit or loss	931	(3,448)
Others	(131)	357
	$ 8,235	$ 142,322

The contents of the net foreign exchange profit or loss in the above table are as follows:

	December 31, 2023	December 31, 2022
Total profits on foreign exchange	$ 142,962	$ 277,627
Total loses on foreign exchange	(135,756)	(132,767)
	$ 7,206	$ 144,860

3. Finance costs

	December 31, 2023	December 31, 2022
Interest on loans from financial institutions and the sale of accounts receivable.	$ 37,280	$ 24,454
Commission	2,101	4,214
Amortization of interest on convertible corporate bonds at a discount	-	49
	$ 39,381	$ 28,717

4. Depreciation and amortization

	December 31, 2023	December 31, 2022
Property, plant and equipment	$ 3,299	$ 3,671
Intangible Assets	106	-
	$ 3,405	$ 3,671
Depreciation summarized by function		
Operating cost	$ 1,463	$ 1,806
Operating expenses	1,836	1,865
	$ 3,299	$ 3,671
Amortization summarized by function		
Operating cost	$ -	$ -
Operating expenses	106	-
	$ 106	$ -

5. Employee Benefits

	December 31, 2023	December 31, 2022
Short-term employee benefits		
Salaries	$ 33,985	$ 41,471
Insurance	5,888	5,503
Others	2,962	3,030
	42,835	50,004
Post-retirement benefits		
Defined contribution plans	3,062	2,851
	$ 45,897	$ 52,855
Summarized by function		
Operating cost	$ 14,551	$ 15,128
Operating expenses	31,346	37,727
	$ 45,897	$ 52,855

6. Employees' Compensation and Directors' Remuneration

The Articles of Incorporation of the Company stipulate that 1% to 10% and not exceeding 3% of the income before tax (after deducting employee and director compensation) shall be allocated for employees' compensation and directors' remuneration, respectively. The employees' compensation and directors' remuneration for 2022 and 2021 were resolved by the Board of Directors in March 2023 and March 2022, respectively, to be disbursed in cash as follows:

	December 31, 2023	December 31, 2022
Employees' compensation	$ -	$ 8,939
Director's remuneration	-	1,800

Following the release date of the annual parent company only financial statements, any subsequent changes in amounts are accounted for based on accounting estimates and adjusted in the next fiscal year's financial reporting.

The compensation for employees and remuneration for directors for the years ended December 31, 2022 and 2021 was approved by the Board of Directors in March 2023 and March 2022, respectively, as follows:

	December 31,2022	December 31, 2021
Employees' compensation - cash	$ 8,939	$ 6,881
Director's remuneration - cash	1,800	1,500

The actual amounts distributed for employee and director remuneration for the years ended December 31, 2022 and 2021 are consistent with the amounts recognized in the parent company only financial statements for those years.

For information regarding the Board of Directors' resolutions on employees' compensation and directors' remuneration, please refer to the Market Observation Post System (MOPS)

XIX. INCOME TAX

1. Income Tax Expense Recognized in Profit or Loss

Income tax expense consisted of the following:

	December 31, 2023	December 31, 2022
Current income tax expense		
Current tax expense recognized in the current year	$ 42,796	$ 78,220
Surtax for undistributed earnings	-	2,747
Income tax adjustments on prior years	(64)	-
	42,732	80,967
Deferred tax expense	(10,318)	(36,135)
	$ 32,414	$ 44,832

A reconciliation of income before income tax and income tax expense recognized in profit or loss was as follows:

	December 31, 2023	December 31, 2022
Income from continuing operations before income tax	($ 82,976)	$ 436,220
Income tax expense at the legal tax rate	($ 16,595)	$ 87,244
Non-deductible expenses and tax-exempt income	(186)	707

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	December 31, 2023	December 31, 2022
Surtax for undistributed earnings	$ -	$ 2,747
Effects of deferred tax from subsidiaries earnings	-	(37,090)
Temporary differences	49,259	(8,776)
Income tax adjustments on prior years	(64)	-
	$ 32,414	$ 44,832

2. Income Tax Earnings (Expenses) Relating to Components of Other Comprehensive Income

	December 31, 2023	December 31, 2022
Deferred tax expense		
Exchange differences arising on translation of foreign operating entity	$ 9,799	($ 2,117)

3. Income Tax Liabilities

	December 31, 2023	December 31, 2022
Income Tax Liabilities		
Income tax payable	$ 37,764	$ 64,404

4. Deferred Tax Assets and Liabilities

The changes of deferred income tax assets and liabilities are as follows:

December 31, 2023

	BALANCE, JANUARY 1	Profit and Loss	Other Comprehensive Income	BALANCE, DECEMBER 31
Deferred tax assets and liabilities				
Temporary differences				
Exchange differences arising on translation of foreign operating entity	$ 9,322	$ -	$ 9,799	$ 19,121
Others	1,137	10,318	-	11,455
	$ 10,459	$ 10,318	$ 9,799	$ 30,576

2022

	BALANCE, JANUARY 1	Profit and Loss	Other Comprehensive Income	BALANCE, DECEMBER 31
Deferred tax assets and liabilities				
Temporary differences				
Exchange differences arising on translation of foreign operating entity	$ 11,439	$ -	($ 2,117)	$ 9,322
Others	2,092	(955)	-	1,137
	$ 13,531	($ 955)	($ 2,117)	$ 10,459
Deferred tax liabilities				
Temporary differences				
Share of profit (loss) of subsidiaries accounted for using equity method	($ 37,090)	$ 37,090	$ -	$ -

5. Unrecognized Deferred Income Tax Liabilities Associated with Investments

As of December 31, 2023, and 2022, the aggregate taxable temporary differences associated with investments in subsidiaries not recognized as deferred income tax liabilities amounted to NT$1,647,554,000 and NT$1,912,916,000, respectively.

6. Approval Condition of Income Tax

The profit-seeking income tax filings of the Company for up to the year ended December 31, 2021, have been audited and approved by the tax authorities.

XX. EARNINGS（LOSSES） PER SHARE

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

	December 31, 2023	December 31, 2022
Net profit (loss) for the year ended December 31, 2023	($ 115,390)	$ 391,388
Effects of all dilutive potential common shares		
Convertible Bonds	-	61
	($ 115,390)	$ 391,449

Shares

(in Thousand shares)

	December 31, 2023	December 31, 2022
The weighted average shares common shares outstanding used to calculate basic earnings (loss) per share	121,447	121,338
Effects of all dilutive potential common shares		
Convertible Bonds	-	109
Employee compensation	-	471
The weighted average shares common shares outstanding used to calculate diluted earnings (loss) per share	121,447	121,918

The Company may settle the employees bonuses in cash or shares; therefore, the Company assumes that the entire amount of the compensation will be settled in shares, and the resulting potential shares are included in the weighted average number of shares outstanding used in the computation of diluted earnings per share, as the effect is dilutive. Such dilutive effect of the potential shares is included in the computation of diluted earnings per share until the number of shares to be distributed to employees is resolved in the shareholders' meeting of the following year. Due to the net loss after tax for the year ended December 31, 2023, which has an anti-dilutive effect, it has not been included in the calculation of diluted loss per share.

XXI. CAPITAL RISK MANAGEMENT

There have been no significant changes in the capital risk management policies for the year ended December 31, 2023, except for the financial ratio restrictions under the bank loan agreements in Note 13. There are no external capital requirements beyond these restrictions.

XXII. FINANCIAL INSTRUMENTS

1. Fair Value of Financial Instruments Not Measured at Fair Value

The management of the Company considers that the carrying amount of financial assets and financial liabilities that are not measured at fair value approximate their fair values.

2. Fair Value of Financial Instruments Measured at Fair Value on A Recurring Basis

(1) Fair value hierarchy

December.31, 2023	Level 1	Level 3	Total
Financial assets at FVTPL			
Beneficiary certificate	$ 21,051	$ -	$ 21,051
Accounts receivables at FVTOCI	-	614,100	614,100
	$ 21,051	$ 614,100	$ 635,151

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December.31, 2022	Level 1	Level 3	Total
Financial assets at FVTPL			
Beneficiary certificate	$ 20,165	$ -	$ 20,165
Accounts receivables at FVTOCI	-	196,096	196,096
	$ 20,165	$ 196,096	$ 216,261

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

The accounts receivable measured at fair value through other comprehensive income are not significantly affected by discounting, and therefore are measured at fair value based on the original invoice amount.

3. Categories of Financial Instrument

	December.31, 2023	December 31, 2022
Financial Assets		
Amortized cost (Note 1)	$ 1,603,624	$ 2,136,991
at FVTPL		
Beneficiary certificate	21,051	20,165
Accounts receivables at FVTOCI	614,100	196,096
Financial liabilities		
Amortized cost (Note 2)	2,586,757	2,445,800

Note 1. The balance includes financial assets measured at amortized cost, such as cash and cash equivalents, notes receivable, accounts receivable (including related parties), other receivables (including related parties), and other financial assets (current and non-current).

Note 2. The balance includes financial liabilities measured at amortized cost, such as short-term borrowings, commercial papers payable, notes payable, accounts payable (including related parties), other payables, refund liabilities, and long-term loans (including those due within one year).

4. Financial risk management objectives and policies

The Company's primary financial instruments include accounts receivable, accounts payable, short-term notes and bills payable, along with short-term and long-term bank loan. The finance department serves various business units, overseeing the company's funds and appropriately managing foreign exchange. Supervision and management of financial risks related to the Company's operations are conducted based on internal risk reports analyzing the extent and severity of risks. These risks encompass market risks (including exchange rate and interest rate risks), credit risks, and liquidity risks.

The finance department submits reports to the management of the Company quarterly.

(1) Market risk

The Company are exposed to the financial market risks due to the operating activities, primarily changes in foreign currency exchange rates (refer to ①), interest rates (refer to ②) and other prices (refer to③).

The Company regularly monitor foreign exchange net positions and timely exchange them into functional currency. There have been no changes in the management and measurement methods of the market risks associated with these financial instruments.

① Currency risk

The Company's monetary assets and liabilities denominated in non-functional currencies as of the parent company only balance sheet date is detailed in Note 26.

Sensitivity Analysis

The Company was mainly affected by the fluctuations in the exchange rates of USD.

1% is the sensitivity ratio used in reporting foreign currency risk internally to management and represents management's assessment of the reasonably possible range of changes in foreign currency rates. The Company mainly hold net assets in US dollars. When the exchange rate between the functional currency and the USD increases/decreases by 1%, the income before income tax for the year ended December 31, 2023 and 2022 will decrease/increase by NT$14,679,000 and NT$13,743,000, respectively.

② Interest rate risk

The carrying amounts of the Company' financial assets and financial liabilities with exposure to interest rates at the end of the reporting period were as follows:

	December 31, 2023	December 31, 2022
Fair value interest rate risk		
Financial assets	$ 728,473	$ 1,082,766
Financial liabilities	209,805	109,953
Cash flow interest rate risk		
Financial assets	73,172	68,740
Financial liabilities	1,621,642	1,357,483

Sensitivity Analysis

The sensitivity analysis below was determined based on the exposure to interest rates on the balance sheet date of the financial instrument mentioned above. The analysis assumes that the amounts of the outstanding assets and liabilities on the balance sheet date remain outstanding throughout the reporting period. Basis points of 1% increase or decrease were used when reporting interest rate risk internally to management and represent management's assessment of the reasonably possible change in interest rates.

For floating-rate financial liabilities, if the interest rate increases/decreases by 1%, with all other variables held constant, the net profit before tax of the Company for the years ended December 31, 2023 and 2022 would respectively decrease/increase by NT$16,216,000 and NT$13,575,000. This is primarily due to the interest rate risk associated with the Company's variable-rate loans cash flow.

③ Other price risks

The Company are exposed to equity price volatility due to the investment in beneficial certificates of funds. Assuming a hypothetical increase/decrease of 1% in prices of the equity for the years ended December 31, 2022 and 2021, the net income before tax would have increased/decreased by NT$211,000 and NT$202,000, respectively due to the changes in fair value of financial at FVTPL.

(2) Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial losses to the Company. As of the date of the parent company only balance sheet, the Company's maximum credit risk exposure arising from counterparties' failure to fulfill obligations, resulting in financial losses, primarily stems from the carrying amount of financial assets recognized in the parent company only balance sheet.

① The carrying amount of financial assets recognized in the parent company only balance sheet.

② The Company recognizes the amount of contingent liabilities arising from financial guarantees without considering the probability of occurrence.

The Company follows a policy of conducting transactions only with reputable counterparties and obtaining sufficient collateral, when necessary, to mitigate the risk of financial loss arising from defaults. The Company utilizes publicly available financial information and transaction records to assess the creditworthiness of major customers. The Company continuously monitors credit exposure and the credit ratings of the counterparties, ensures that the total transaction amount is diversified among customers with qualified credit ratings, and regularly reviews and approves credit limits to control credit exposure.

The Company's credit risk is primarily concentrated on certain key customers as follows:

	December 31, 2023	December 31, 2022
Group A	$ 816,873	$ 573,362
Group B	221,463	148,601
	$ 1,038,336	$ 721,963

(3) Liquidity risk

The Company manage liquidity risk by monitoring and maintaining a level of cash and cash equivalents deemed adequate to finance the Company' operations and mitigate the effects of fluctuations in cash flows. The Company rely on bank borrowings as a significant source of liquidity. Management of the Company monitor the utilization of bank loans and ensures compliance with loan covenants.

① Liquidity and interest rate risk tables for non-derivative financial liabilities

The remaining contractual maturity analysis of non-derivative financial liabilities was based on the earliest date at which the Company might be required to repay and was compiled based on the undiscounted cash flows of financial liabilities (including principal and estimated interest). Therefore, the bank loans with a repayment on demand clause were included in the earliest time period, regardless of the probability of exercise of the right by banks. The maturity analysis of non-derivative financial liabilities is prepared based on the contractual repayment date.

The undiscounted interest amount of interest cash flows paid at floating interest rates is derived from the yield rate at the parent company only balance sheet date.

	Within 1 year	More than 1 years	Total
December.31, 2023			
Non-derivative financial liabilities			
Floating interest instruments	$ 847,507	$ 843,588	$ 1,691,095
Fixed interest instruments	210,000	-	210,000
Non-interest bearing liabilities	755,310	-	755,310

	$ 1,812,817	$ 843,588	$ 2,656,405

December 31, 2022			
Non-derivative financial liabilities			
Floating interest instruments	$ 846,559	$ 535,509	$ 1,382,068
Fixed interest instruments	110,000	-	110,000
Non-interest-bearing liabilities	978,364	-	978,364
	$ 1,934,923	$ 535,509	$ 2,470,432

② Financing Limit

	December 31, 2023	December 31, 2022
Unsecured bank loans limits		
Amount used	$ 937,000	$ 1,167,483
Amount unused	458,000	477,517
	$ 1,395,000	$ 1,645,000
Secured bank loans limits		
Amount used	$ 900,000	$ 300,000
Amount unused	140,000	49,541
	$ 1,040,000	$ 349,541

5. Financial Assets Transfer Information

The Company has entered into factoring agreements with banks, which stipulate that if the accounts receivable cannot be collected upon maturity, the bank has the right to demand payment of the outstanding balance from the Company. Therefore, the Company has not transferred significant risks and rewards associated with these accounts receivable. The Company continues to recognize all accounts receivable, and the accounts receivable transferred are recorded as collateral for loans. Please refer to Note 24 for further details.

As of December 31, 2022, the carrying amount of the transferred accounts receivable not derecognized was NT$6,055,000, with no related short-term loans.

XXIII. RELATED PARTY TRANSACTIONS

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

1. Name and Relation of Related Party

Name of Related Party	Relationship with the Company
Hamagawa Holdings	Subsidiary
Hamagawa Corp.	Subsidiary
Hamagawa Industrial(M) Sdn.Bhd. (Malaysia Bin Chuan)	Subsidiary
Suzhou Feng Chuan Technology Co., Ltd.(Suzhou Feng Chuan)	Subsidiary
Suzhou Bin Chuan Precise Industrial Co., Ltd.(Suzhou Feng chuan)	Subsidiary
Suzhou Juqi Mechanical Equipment Co., Ltd. (Suzhou Juqi)	Subsidiary
Chongqing Feng Chuan Electronic Technology Co., Ltd.(Chongqing Feng Chuan)	Subsidiary
Hsiao, Chin-Ming	The Chairman of the Company.
Hsiao, Chin-Chun	General Manager of the Company

2. Operating Revenue

Item	Related Party Categories	December 31, 2023	December 31, 2022
Sales	Subsidiary		
	Malaysia Bin Chuan	$ 2,849	$ 2,573

The selling prices and transaction terms of the Company to the subsidiary are agreed upon by both parties, and there are no similar transactions with unrelated parties for comparison.

3. Purchases

Related Party Categories	December 31, 2023	December 31, 2022
Subsidiary		
Suzhou Feng Chuan	$ 2,235,442	$ 3,192,517
Suzhou Bin Chuan	276,719	365,369
Chongqing Feng Chuan	154,045	275,867
	$ 2,666,206	$ 3,833,753

The purchase price to subsidiary companies is agreed at approximately a 6% gross margin of the Company. The terms of the transactions are mutually agreed upon, and there are no similar transactions with unrelated parties for comparison.

4. Accounts Receivable from Related Parties

Related Party Categories	December 31, 2023	December 31, 2022
Subsidiary		
Malaysia Bin Chuan	$ 827	$ 559

5. Accounts Payable from Related Parties

Related Party Categories	December 31, 2023	December 31, 2022
Subsidiary		
Suzhou Feng Chuan	$ 585,155	$ 758,314
Suzhou Bin Chuan	76,096	154,281
Chongqing Feng Chuan	19,733	2,709
	$ 680,984	$ 915,304

The outstanding balances of payables to related parties are unsecured.

6. Loans to related parties (classified under other receivables from related parties) are provided

Information on loans provided by the Company to the subsidiaries can be found in Table 1. The loan balances as of December 31, 2023 and 2022, and the related interest income for the years ended December 31, 2023 and 2022 are as follows:

Loan Balances

Related Party Categories	December 31, 2023	December 31, 2022
Subsidiary		
Chongqing Feng Chuan	$ 168,878	$ 162,763

Interest income

Related Party Categories	December 31, 2023	December 31, 2022
Subsidiary		
Chongqing Feng Chuan	$ 3,350	$ 1,719
Suzhou Feng Chuan	-	271
	$ 3,350	$ 1,990

The loans provided by the Company to the subsidiaries are unsecured loans, with interest rates not lower than the weighted average interest rate at which the Company borrows from banks. As of December 31, 2023, and 2022, the interest rates were 2.2% and 1.9%, respectively.

7. Endorsements / Guarantees

Endorsements / Guarantees Provided

As of December 31, 2023, and 2022, the Company provided endorsements and guarantee to related parties to obtain bank financing as follows:

	December 31, 2023		December 31, 2022	
Name of the Investor	Total Amount	Credit Line Used	Total Amount	Credit Line Used
Hamagawa Holdings	$ -	$ -	$ 92,130	$ -
Chongqing Feng Chuan	$ 92,115	$ -	$ 61,420	$ -

For the years ended December 31, 2023 and 2022, interest income received based on the actual disbursed amounts for the endorsements and guarantee provided to the aforementioned subsidiaries amounted to NT$0 and NT$807,000, respectively, and was classified under "Non-operating income and expenses - Interest income."

8. Other Receivables from Related Parties

Related party Categories	December 31, 2023	December 31, 2022
Subsidiary		
Chongqing Feng Chuan	$ 170,321	$ 166,013
Hamagawa Corp.	13,208	2,182
Others	-	7
	$ 183,529	$ 168,202

They were mainly advances for salaries, and principal and interest of receivables.

9. Acquisitions of Property, Plant and Equipment

	Acquisition Consideration
Related Party Categories	December 31, 2023
Subsidiary	
Suzhou Juqi	$ 2,658

10. Other Related Parties

The Company' certain long-term and short-term loans and short-term notes payable are guaranteed and secured by the Chairman and General Manager as joint guarantors and collateral providers.

11. Compensation of Key Management Personnel

	December 31, 2023	December 31, 2022
Short-term employee benefits	$ 13,130	$ 18,985
Post-retirement benefits	432	467
	$ 13,562	$ 19,452

XXIV. PLEDGED OR MORTGAGED ASSETS

The following assets are provided to financial institutions as collateral for bank financing:

	Carrying Value	
	December 31, 2023	December 31, 2022
Accounts receivable	$ -	$ 6,055
Other financial assets - current	58,831	-
Property, plant and equipment		
Land	5,152	5,152
Building	19,186	11,936
	$ 83,169	$ 23,143

XXV. SIGNIFICANT CONTINGENT LIABILITIES AND UNRECOGNIZED COMMITMENTS

Please refer to Note 23(7) for details regarding guarantees.

XXVI. INFORMATION OF SIGNIFICANT FINANCIAL ASSETS AND LIABILITIES DENOMINATED IN FOREIGN CURRENCIES

The following information was summarized according to the foreign currencies other than the functional currency of the Company. The exchange rates disclosed were used to translate the foreign currencies into the functional currency. The information of significant financial assets and liabilities denominated in foreign currencies were as follows:

	Foreign Currency (in Thousands)	Exchange Rate		Carrying Amount
December 31, 2023				
Monetary assets denominated in foreign currencies				
USD	$ 71,547	30.705	(USD: NTD)	$ 2,196,842
Non-monetary assets denominated in foreign currencies				
Investments accounted for using equity method				
USD	105,382	30.705	(USD: NTD)	3,235,753
Monetary liabilities denominated in foreign currencies				
USD	23,742	30.705	(USD: NTD)	728,986
December.31, 2022				
Monetary assets denominated in foreign currencies				
USD	75,629	30.710	(USD: NTD)	2,322,565
Non-monetary assets denominated in foreign currencies				
Investments accounted for using equity method				
USD	115,314	30.710	(USD: NTD)	3,541,292
Monetary liabilities denominated in foreign currencies				
USD	30,907	30.710	(USD: NTD)	949,146

The profit or loss of foreign exchange for the Company in the years ended December 31, 2023 and 2022 were NT$7,206,000 and NT$144,860,000 respectively, mainly attributable to gains from the conversion of US dollars to New Taiwan dollars.

XXVII. ADDITIONAL DISCLOSURES

1. Information of Significant Transactions (2) Information on Investees
   (1) Lending fund to other Parties: Table 1.
   (2) Endorsements/guarantees provided: Table 2.

(3) Marketable securities held (excluding investment in subsidiary): Table 3.

(4) Acquisition of individual real estate properties at costs of at least nt$300 million or 20% of the paid-in capital: None

(5) Acquisition of individual real estate properties at costs of at least nt$300 million or 20% of the paid-in capital: None

(6) Disposal of individual real estate properties at costs of at least NT$300 million or 20% of the paid-in capital: None

(7) Total purchases from or sales to related parties of at least NT$100 million or 20% of the paid-in capital: Table 4.

(8) Receivables from related parties amounting to at least NT$100 million or 20% of the paid-in capital: Table 5.

(9) Engaged in derivative transaction: None.

(10)Information on investees: Table 6.

2. Information on Investment in Mainland China

(1) The name of the investee in mainland China, the main businesses and products, its issued capital, method of investment, information on inflow or outflow of capital, percentage of ownership, income (losses) of the investee, share of profits/losses of investee, ending balance, amount received as dividends from the investee, and the limitation on investee: Table 7.

(2) Significant direct or indirect transactions with the investee, its prices and terms of payment, unrealized gain or loss, and other related information which is helpful to understand the impact of investment in mainland China on financial reports are as follows:

① The amount and percentage of sales and the balance and percentage of the related receivables at the end of the year: None.

② The amount and percentage of purchases and the balance and percentage of the related receivables at the end of the year: None.

		Amount	%
A.	Purchases	$ 2,666,206	100
B.	Accounts payable	680,984	100

③ The amount of property transactions and the amount of the resultant gains or losses: Purchase of property, plant and equipment, NT$2,658,000

④ The balance of negotiable instrument endorsements or guarantees or pledges of collateral at the end of the year and the purposes: Table 2.

⑤ The highest balance, the ending balance, the interest rate range, and total current period interest with respect to financing of funds: Table 1.

⑥ Other transactions that have a material effect on the profit or loss for the year or on the financial position, such as the rendering or receiving of services: None.

3. Information of Major Shareholder: Refer to Table 8 for all shareholders with ownership of 5 percent or greater showing the names and the number of shares and percentage of ownership held by each shareholder.

Bin Chuan Enterprise Co., Ltd. and Subsidiaries

LENDING FUND TO OTHER PARTIES

FOR THE YEAR ENDED DECEMBER 31, 2023

TABLE 1

(In Thousands of New Taiwan Dollars)

(Unless Specified Otherwise)

No.	Financing Company	Counterparty	Transaction Item	Related Party	Maximum Balance for the Period (Note 5)	BALANCE, DECEMBER 31 (Note 5)	Amount Actually Drawn (Note 5)	Interest Rate (%)	Nature for Financing	Transaction Amount	Reason for Financing	Allowance for Bad Debts	Collateral		Financing Limits for Each Borrowing Company (Note 3)	Financing Company's Total Financing Amount Limits (Note 4)	Note
													Item	Value			
0	The Company	Suzhou Feng Chuan Technology Co., Ltd..	Other receivables	Yes	$ 259,400	$ 245,640	$ -	2.2	Note 1	$ 3,192,517	Transactions with related parties	$ -	-	$ -	$ 630,075	$ 1,260,150	
0	The Company	Chongqing Feng Chuan Electronic Technology Co., Ltd.	Other receivables	Yes	264,106	76,763	76,763	2.2	Note 2	-	Operating capital	-	-	-	630,075	1,260,150	
0	The Company	Chongqing Feng Chuan Electronic Technology Co., Ltd.	Other receivables	Yes	250,040	245,640	92,115	2.2	Note 1	275,867	Transactions with related parties	-	-	-	630,075	1,260,150	
1	Suzhou Bin Chuan Precise Industrial Co., Ltd..	Chongqing Feng Chuan Electronic Technology Co., Ltd.	Other receivables	Yes	332,943	332,943	332,943	3.45	Note 2	-	Operating capital	-	-	-	802,545	802,545	
1	Suzhou Bin Chuan Precise Industrial Co., Ltd..	Key Mold Precision Industry (Suzhou) Co., Ltd.	Other receivables	Yes	19,508	19,508	19,508	3.45	Note 2	-	Operating capital	-	-	-	802,545	802,545	
2	Hamagawa Corp.	Suzhou Feng Chuan Technology Co., Ltd..	Other receivables	Yes	271,038	260,112	260,112	2.5	Note 2	-	Operating capital	-	-	-	264,527	264,527	
3	Zoning	Feng Rong Medical Co., Ltd.	Other receivables	Yes	13,500	-	-	-	Note 2	-	Operating capital	-	-	-	-	-	Note 6

Note1. Transactions with related parties.

Note2. In need of short-term financing.

Note3. In accordance with the "Procedure for Lending Funds to Other Parties" of the Company, loans to a single Company shall not exceed 20% of its net worth. However, the loan for a foreign subsidiary that is directly or indirectly held by the Company with 100% of voting shares are limited to the net equity of the financing company.

Note4. In accordance with the "Procedure for Lending Funds to Other Parties" of the Company or its subsidiaries, the total amount of funds lent shall not exceed 40% of the net worth. However, the loan for a foreign subsidiary that is directly or indirectly held by the Company with 100% of voting shares are limited to the net equity of the financing company.

Note5. The amounts are converted based on the exchange rates at the end of 2023, which are USD to TWD at a rate of 30.705 and RMB to TWD at a rate of 4.335.

Note6. Zoning Precise Technology has been fully liquidated.

Bin Chuan Enterprise Co., Ltd. and Subsidiaries

ENDORSEMENTS/GUARANTEES PROVIDED

FOR THE YEAR ENDED DECEMBER 31, 2023

TABLE 2

(In Thousands of New Taiwan Dollars)

(Unless Specified Otherwise)

No.	Endorsement/ Guarantee Provider	Guaranteed Party		Limits on Endorsement/ Guarantee Amount Provided to Each Guaranteed Party (Note2&3)	Maximum Balance for the Period (Note 4)	BALANCE, DECEMBER 31 (Note 4)	Amount Actually Drawn (Note 4)	Amount of Endorsement/ Guarantee Collateralized by Properties	Ratio of Accumulated Endorsement/ Guarantee to Net Equity per Latest Financial Statement (%)	Maximum Endorsement/ Guarantee Amount Allowable(Note2&3)	Guarantee Provided by Parent Company	Guarantee Provided by A Subsidiary	Guarantee Provided to Subsidiaries in Mainland China	Note
		Name	Nature of Relationship (Note 1)											
0	The Company	Hamagawa Holdings	2	$ 4,725,563	$ 93,420	$ -	$ -	$ -	-	$ 6,300,750	Y	N	N	
0	The Company	Chongqing Feng Chuan Electronic Technology Co., Ltd.	2	4,725,563	188,520	92,115	-	-	2.92	6,300,750	Y	N	Y	
1	Suzhou Bin Chuan Precise Industrial Co., Ltd..	Suzhou Feng Chuan Technology Co., Ltd..	4	2,006,363	1,794,636	1,335,242	253,306	-	42.38	2,808,908	N	N	Y	
1	Suzhou Bin Chuan Precise Industrial Co., Ltd..	Key Mold Precision Industry (Suzhou) Co., Ltd.	4	2,006,363	45,395	42,987	5,501	-	1.36	2,808,908	N	N	Y	
1	Suzhou Bin Chuan Precise Industrial Co., Ltd..	Chongqing Feng Chuan Electronic Technology Co., Ltd.	4	2,006,363	88,856	43,352	-	-	1.38	2,808,908	N	N	Y	
2	Suzhou Feng Chuan Technology Co., Ltd..	Suzhou Bin Chuan Precise Industrial Co., Ltd..	4	2,683,801	185,210	177,743	-	-	5.64	3,578,401	N	N	Y	

Note1. The relationships between the endorsement/ guarantee provider and the guaranteed party, are as follows:

1. Companies with business transaction.
2. A company in which the Company directly and indirectly holds more than 50% of the voting shares.
3. Companies directly and indirectly holding more than 50% of the voting rights in the company.
4. Companies in which the Company directly and indirectly holds more than 90% of the voting shares.

Note2. In accordance with the "Procedures for Endorsement / Guarantees Provided" of the Company, the limit for endorsement guarantees to a single company is set at no more than 20% of the net worth. However, for single entities with direct or indirect full voting rights and affiliated companies, the limit is set at no more than 150% of the net worth of the endorsing guarantee company. The total amount of endorsement guarantees shall not exceed 200% of the net worth in the most recent financial statements.

Note3. In accordance with the "Endorsement Guarantee Handling Procedures" of Suzhou Bin Chuan Company, the limit for endorsement guarantees to a single company is set at no more than 20% of the net worth. However, for single entities with direct or indirect full voting rights and affiliated companies, the limit is set at no more than 250% of the net worth. The total amount of endorsement guarantees shall not exceed 350% of the net worth in the most recent financial statements.

Note4. The amounts are converted based on the exchange rates at the end of 2023, which are USD to TWD at a rate of 30.705 and RMB to TWD at a rate of 4.335.

Bin Chuan Enterprise Co., Ltd. and Subsidiaries

MARKETABLE SECURITIES HELD

FOR THE YEAR ENDED DECEMBER 31, 2023

TABLE 3

(In Thousands of New Taiwan Dollars)

(Unless Specified Otherwise)

Held Company Name	Marketable Securities Type and Name	Relationship with the Company	Financial Statement Account	December 31, 2023				Note
				Shares	Carrying Amount	Ownership Percentage	Fair Value	
The Company	Beneficiary certificate							
	PineBridge ESG Quantitative Bond Fund N9	-	Financial assets at FVTPL - non-current	72,925	$ 21,051	-	$ 21,051	-

Bin Chuan Enterprise Co., Ltd. and Subsidiaries

TOTAL PURCHASES FROM OR SALES TO RELATED PARTIES OF AT LEAST NT$100 MILLION OR 20% OF THE PAID-IN CAPITAL

FOR THE YEAR ENDED DECEMBER 31, 2023

TABLE 4

(In Thousands of New Taiwan Dollars)
（Unless Specified Otherwise）

Company Name	Related Party	Nature of Relationships	Transaction Details				Abnormal Transaction		Notes/Accounts Payable or Receivable		Note
			Purchases/ Sales	Amount	% to Total（%）	Payment Terms	Unit Price	Payment Terms	Ending Balance	% to Total（%）	
Suzhou Feng Chuan Technology Co., Ltd..	The Company	Parent Company	Sales	($ 2,235,442)	(89)	Note:	Note:	Note:	$ 585,155	81	
Suzhou Bin Chuan Precise Industrial Co., Ltd..	The Company	Parent Company	Sales	(276,719)	(90)	Note:	Note:	Note:	76,096	56	
Chongqing Feng Chuan Electronic Technology Co., Ltd.	The Company	Parent Company	Sales	(154,045)	(37)	Note:	Note:	Note:	19,733	11	

Note: Please refer to Note 23 for details.

Bin Chuan Enterprise Co., Ltd. and Subsidiaries

RECEIVABLES FROM RELATED PARTIES AMOUNTING TO AT LEAST NT$100 MILLION OR 20% OF THE PAID-IN CAPITAL

FOR THE YEAR ENDED DECEMBER 31, 2023

TABLE 5

(In Thousands of New Taiwan Dollars)

（Unless Specified Otherwise）

Company Name	Related Party	Nature of Relationships	Ending Balance	Turnover Rate (%)	Overdue		Amounts Received in Subsequent Period	Allowance for Bad Debts
					Amount	Action Taken		
The Company	Chongqing Feng Chuan Electronic Technology Co., Ltd.	Parent company to subsidiary	$ 170,321 (Note 1)	-	$ -	-	$ 65,628	$ -
HamagawaCorp.	Suzhou Feng Chuan Technology Co., Ltd..	Subsidiary to subsidiary	260,112 (Note 1)	-	-	-	-	-
Suzhou Feng Chuan Technology Co., Ltd..	The Company	Subsidiary to parent company	585,155 (Note 2)	333	-	-	349,568	-
Suzhou Bin Chuan Precise Industrial Co., Ltd..	Chongqing Feng Chuan Electronic Technology Co., Ltd.	Subsidiary to subsidiary	364,207 (Note 3)	-	-	-	-	-

Note1. Amounts are all financing funds and interests and are recorded under the account of other receivables.
Note2. Amounts are the accounts receivables.
Note3. Amounts are funds for financing, interest, and equipment payments, included under other receivables.

Bin Chuan Enterprise Co., Ltd. and Subsidiaries

INFORMATION ON INVESTMENT IN MAINLAND CHINA

FOR THE YEAR ENDED DECEMBER 31, 2023

TABLE 6

(In Thousands of New Taiwan Dollars)

（Unless Specified Otherwise）

Investor Company	Investee Company	Location	Main Businesses and Products	Original Investment Amount		Balance as of December 31, 2023			Net Income (Losses) of the Investee Company (Note 2)	Share of Profits/Losses (Note 2)	Note
				December 31, 2023	December 31, 2022	Shares	Percentage of Ownership (%)	Carrying Amount (Note 2)			
The Company	Hamagawa Corp.	Cayman	Trading of semi-automatic punching net machinery, audio decoration nets, various diamond nets, molds, and peripherals, as well as related business investments	$ 35,928	$ 35,928	10,000	100.00	$ 264,527	($ 32,635)	($ 32,635)	Subsidiary
The Company	Hamagawa Holdings	Samoa	Investment and financing	1,609,288	1,609,288	52,200,000	100.00	2,971,226	(223,843)	(223,843)	Subsidiary
The Company	Feng Rong Medical Co., Ltd.	Taiwan	International trading, management consulting, other business, and intermediary services	104,000	104,000	2,000,000	51.00	120,916	23,041	11,758	Subsidiary
The Company	Hamagawa Industries（Thailand）Co., Ltd.	Thailand	Development and manufacturing of laptop casings, metal components, and electronic materials; manufacturing of electronic equipment, testers, and tooling molds.	103,782	-	213,180	100,00	102,165	(1,577)	(1,577)	Subsidiary
Feng Rong Medical Co., Ltd.	Hamagawa Industrial(M) Sdn.Bhd. (Note 4)	Malasia	Manufacturing, processing, and trading of medical tools, instruments, and equipment, as well as components for computers, household appliances, and audio equipment.	136,007	-	6,000,000	100,00	157,096	42,907	20,837	Sub-subsidiary
Feng Rong Medical Co., Ltd.	Zoning Precise Technology (Note 4)	Samoa	Investment and trading	-	203,823	-	-	-	19,403	19,396	Sub-subsidiary
Hamagawa Holdings	EgoTech	Hong Kong	Investment	786,077	786,077	202,284,878	100.00	569,688	(94,869)	(94,869)	Sub-subsidiary
Suzhou Bin Chuan Precise Industrial Co., Ltd..	Bin Chuan (Hong Kong) Limited (Note 1)	Hong Kong	Investment and trading	-	-	-	100.00	-	-	-	Sub-subsidiary
Zoning Precise Technology	Hamagawa Industrial(M) Sdn.Bhd. (Note 4)	Malasia	Manufacturing, processing, and trading of medical tools, instruments, and equipment, as well as components for computers, household appliances, and audio equipment.	-	69,422	-	-	-	42,907	22,070	Sub-subsidiary

Note 1. No investment in the subsidiary.

Note 2. Amounts are converted based on the exchange rates at the end of 2023 and the average exchange rates for 2023, except for Hamagawa Industrial (M) Sdn. Bhd., which is converted at an exchange rate of 6.411 and 6.554 for MYR to NTD, and Hamagawa Industries (Thailand) Co., Ltd., which is converted at an exchange rate of 0.902 and 0.901 for THB to NTD. The remaining amounts are converted at an exchange rate of 30.705 and 31.155 for USD to NTD.

Note 3. Refer to Table 7 for the information of investee companies in Mainland China.

Note 4. The liquidation of Zoning Company has been completed. The original investment by Feng Rong Medical Co., Ltd. in Hamagawa Industrial (M) Sdn. Bhd. was made indirectly through Zoning Company. Since July 2023, Feng Rong Medical Co., Ltd. has switched to direct investment. The initial investment amount was based on the net worth of Hamagawa Industrial (M) Sdn. Bhd. at the time of the exchange.

Bin Chuan Enterprise Co., Ltd. and Subsidiaries

INFORMATION ON INVESTMENT IN MAINLAND CHINA

FOR THE YEAR ENDED DECEMBER 31, 2023

TABLE 7

(In Thousands of New Taiwan Dollars)

Investee Company	Main Businesses and Products	Total Amount of Paid-in Capital (Note 1)	Method of Investment	Accumulated Outflow of Investment from Taiwan as of January 1, 2023	Investment Flows (Note 6) Outflow	Investment Flows (Note 6) Inflow	Accumulated Outflow of Investment from Taiwan as of December 31, 2023 (Note 5 and 6)	Net Income (Losses) of the Investee Company (Note 1)	Percentage of Ownership (%)	Share of Profits/Losses (Note 1 and 3)	Carrying Amount as of Balance as of December 31, 2023 (Note 1)	Accumulated Inward Remittance of Earnings as of December 31, 2023	Note
Suzhou Bin Chuan Precise Industrial Co., Ltd..	Manufacture and sell precision and plastic injection-molded components and accessories such as metal mesh panels for computers and audio-visual communication equipment, power supplies, computer keyboards, and precision cavity-molds	$ 133,567	Hamagawa Holdings (Note 2)	$ 46,624	$ -	$ -	$ 46,624	($ 30,249)	100.00	($ 30,249)	$ 802,545	$ -	None
Suzhou Feng Chuan Technology Co., Ltd..	Development and production of digital cameras and components; new flat panel display components for computer and communication hardware	985,631	Hamagawa Holdings (Note 2) Ego Tech (Note 2)	836,976	-	-	836,976	(98,382)	100.00	(98,382)	1,789,201	-	None
Key Mold Precision Industry (Suzhou) Co., Ltd.	Production in plastic injection molding processing and sales of fine blanking die, precise cavity-mold, mold standards, non-metal mold, and precise plastic parts for electronics and electrical appliance	732,753	Ego Tech (Note 2) Suzhou Bin Chuan Precise Industrial Co., Ltd..	76,747	-	-	76,747	(62,397)	100.00	(62,397)	11,655	-	None
Chongqing Feng Chuan Electronic Technology Co., Ltd.	Development of LCD flat panel display, development and manufacturing of display materials, manufacturing of notebook casings, metal parts, plastic parts, and display materials, development and manufacturing of electronic materials, and manufacturing of electronic equipment, tester, and mold	521,985	Ego Tech (Note 2)	511,197	-	-	511,197	(75,675)	100.00	(75,675)	369,625	-	None
Suzhou Juqi Mechanical Equipment Co., Ltd.	Development, design and manufacturing of metal molds, processing of metal parts, and manufacturing and sales of automatic equipment	43,352	Suzhou Bin Chuan Precise Industrial Co., Ltd..	-	-	-	-	4,039	100.00	4,039	80,615	-	None

Investor Company	Accumulated Outflow of Investment from Taiwan to mainland China as of December 31, 2023	Investment Amounts Authorized by Investment Commission, MOEA (Note 1 and 7)	Investment Limits in Mainland China as Regulated by the Investment Commission, MOEA (Note 4)
Bin Chuan Enterprise Company Limited	$ 1,471,544	$ 1,892,411	$ 1,890,225

(Continued on next page)

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Note 1.	The amounts are converted based on the exchange rates at the end of 2023 and the average exchange rates for 2022, with USD to NTD at rates of 30.705 and 31.155, and RMB to NTD at rates of 4.335 and 4.424.
Note 2.	Refers to reinvest in mainland companies through the establishment of companies in the third region.
Note 3.	Amount was recognized based on the audited financial statements.
Note 4.	The upper limit on investment in mainland China is determined by sixty percent (60%) of the Company's net worth according to "Regulations Governing the Examination of Investment or Technical Cooperation in Mainland China" of MOEA on August 29, 2008.
Note 5.	Including the cash outflowed from Taiwan and the holding company's own funds, and the investment in machinery and equipment.
Note 6.	The amount is calculated and accumulated according to the historical exchange rate of U.S. dollars to New Taiwan dollars.
Note 7.	The investment amounts authorized by MOEA include US$12,794,000 converted from Mainland China operation's retained earnings and US$6,539,000 from the third-party holding company's debt-to-equity swap.
Note 8.	The debt-to-equity swap of US$6,539,000 in Note 7 includes the capital increase of US$3,000,000 and US$3,539 thousand made by the Company to Hamagawa Holdings in 2018 and 2019, respectively.

Shareholders	Shares	
	Total Shares Owned	Ownership Percentage (%)
Hsiao, Chin-Ming	9,870,909	8.12
Hsiao, Chin-Chun	7,770,423	6.39

Note 1:The main shareholder information in this table is calculated by the Taiwan Depository & Clearing Corporation based on the last business day of the quarter, considering the number of common and preferred stocks held by shareholders, including treasury stocks, which collectively amount to five percent or more. The Company's reported share capital in the financial statements and the actual number of shares completed without physical registration and delivery, there may be differences due to variations in calculation methods or bases.

Note 2:If a shareholder delivers the shareholdings to the trust, the above information will be disclosed by the individual trustor who opened the trust account. For shareholders who declare insider shareholdings with ownership greater than 10% in accordance with the Security and Exchange Act, the shareholdings include shares held by shareholders and those delivered to the trust over which shareholders have rights to determine the use of trust property. For information relating to insider shareholding declaration, please refer to Market Observation Post System (MOPS)

BIN CHUAN ENTERPRISE CO., LTD.

Chairman: HSIAO, CHIN-MING