

**GETAC HOLDINGS CORP. (FORMERLY
GETAC TECHNOLOGY CORP.) AND
SUBSIDIARIES**

**CONSOLIDATED FINANCIAL STATEMENTS AND
INDEPENDENT AUDITORS' REPORT**

DECEMBER 31, 2023 AND 2022

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

GETAC HOLDINGS CORP. (FORMERLY GETAC TECHNOLOGY CORP.)
DECEMBER 31, 2023 AND 2022 CONSOLIDATED FINANCIAL STATEMENTS
AND INDEPENDENT AUDITORS' REPORT
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Declaration of Consolidated Financial Statements of Affiliated Enterprises

In connection with the Consolidated Financial Statements of Affiliated Enterprises of Getac Holdings Corp. (the “Consolidated FS of the Affiliates”), we represent to you that, the entities required to be included in the Consolidated FS of the Affiliates as of and for the year ended December 31, 2023 in accordance with the “Criteria Governing Preparation of Affiliation Reports, Consolidated Business Reports and Consolidated Financial Statements of Affiliated Enterprises” are the same as those required to be included in the Consolidated Financial Statements of Getac Holdings Corp. and its subsidiaries (the “Consolidated FS of the Group”) in accordance with International Financial Reporting Standard 10. Additionally, the information required to be disclosed in the Consolidated FS of Affiliates is disclosed in the Consolidated FS of the Group. Consequently, Getac Holdings Corp. does not prepare a separate set of Consolidated FS of Affiliates.

Very truly yours,

GETAC HOLDINGS CORP.

By

Hwang, Ming-Hang, Chairman

February 26, 2024

INDEPENDENT AUDITORS' REPORT TRANSLATED FROM CHINESE

PWCR 23000459

To the Board of Directors and Stockholders of Getac Holdings Corp.

Opinion

We have audited the accompanying consolidated balance sheets of Getac Holdings Corp. (Formerly Getac Technology Corp.) and its subsidiaries (the “Group”) as at December 31, 2023 and 2022, and the related consolidated statements of comprehensive income, of changes in equity and of cash flows for the years then ended, and notes to the consolidated financial statements, including a summary of material accounting policies.

In our opinion, based on our audits and the report of other auditors, as described in the *Other matter – Reference to audits of other auditors* section of our report, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as at December 31, 2023 and 2022, and its consolidated financial performance and its consolidated cash flows for the years then ended, in accordance with the “Regulations Governing the Preparation of Financial Reports by Securities Issuers” and the International Financial Reporting Standards, International Accounting Standards, IFRIC Interpretations, and SIC Interpretations that came into effect as endorsed by the Financial Supervisory Commission.

Basis for opinion

We conducted our audits in accordance with the “Regulations Governing Financial Statement Audit and Attestation Engagements of Certified Public Accountants” and Standards on Auditing of the Republic of China. Our responsibilities under those standards are further described in the *Auditors’ responsibilities for the audit of the consolidated*

financial statements section of our report. We are independent of the Group in accordance with the Norm of Professional Ethics for Certified Public Accountants 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 of the current period. 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.

The key audit matters in relation to the consolidated financial statements for the year ended December 31, 2023 are outlined as follows:

Evaluation of inventories

Description

Refer to Note 4(13) for the accounting policies on evaluation of inventories, Note 5(2) for the critical accounting estimates and assumptions on evaluation of inventories and Note 6(6) for the details of inventories.

The Group is engaged in the research, development, manufacture and sales of notebook computers, handheld equipment for military and industrial computer system, structure parts for electronic, automotive and home appliance industries, and aerospace fasteners. Due to the rapid technological innovations and market competition, there is a higher risk of inventory losses due to slow-moving inventory and obsolescence. As inventories are stated at the lower of cost and net realisable value, the determination of net realisable value of inventories is subject to subjective judgment and uncertainties. Thus, we considered the evaluation of inventories as a key audit matter.

How our audit addressed the matter

We performed the following audit procedures in respect of the above key audit matter: Sampled and validated inventory line items from the inventory aging report and agreed quantities and amounts to inventory sub-ledger and examined the appropriateness of categorization within the inventory aging report; verified the classification of obsolete inventories; and sampled and validated the net realisable value of slow-moving and obsolete inventories against respective historical information for diminution in inventory value in order to ensure the reasonableness of provision for inventory loss.

Revenue recognition of sales of products

Description

Refer to Note 4(31) for the accounting policies on recognition of sales of products, and Note 6(25) for the details of operating revenue. Sales of products is the main operating activity and relevant to the Group's financial performance. The Group sells different kinds of products with various transaction terms, which require judgment in determining the timing of the transfer of control of goods. Thus, we considered revenue recognition of sales of products as a key audit matter.

How our audit addressed the matter

We performed the following audit procedures in respect of the above key audit matter: Obtained an understanding of and evaluated internal controls over the revenue recognition of sales of products, and tested the operating effectiveness of related control activities; sampled and validated transaction terms, performance obligations, prices, orders, shipping documents and assessed appropriateness of amount and timing of revenue recognition; sampled transactions from a specific period of time prior to and after the balance sheet date; and validated respective transaction terms and shipping documents in order to ensure sales of products are recognised in the proper period.

Other matter – Reference to audits of other auditors

We did not audit the financial statements of certain investments accounted for under the equity method for the years ended December 31, 2023 and 2022 which were audited by other auditors. Therefore, our opinion expressed herein, insofar as it relates to the amounts included in respect of these investees, is based solely on the reports of other auditors. The balances of related investments accounted for under the equity method was NT\$1,109,095 thousand and NT\$944,003 thousand, constituting 3% and 3% of the total consolidated assets as of December 31, 2023 and 2022, respectively, and comprehensive income from these investments accounted for under the equity method amounted to NT\$265,394 thousand and NT\$137,403 thousand, constituting 7% and 4% of the total consolidated comprehensive income for the years then ended, respectively.

Other matter – Parent company only financial statements

We have audited and expressed an unqualified opinion with other matter section on the parent company only financial statements of Getac Holdings Corp. as at and for the years ended December 31, 2023 and 2022.

Responsibilities of management and those charged with governance for the consolidated financial statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with the “Regulations Governing the Preparation of Financial Reports by Securities Issuers” and the International Financial Reporting Standards, International Accounting Standards, IFRIC Interpretations, and SIC Interpretations that came into effect as endorsed by the Financial Supervisory Commission, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Group'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 Group or to cease operations, or has no realistic alternative but to do so.

Those charged with governance, including the Audit Committee, are responsible for overseeing the Group'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 Republic of China will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with the Standards on Auditing of 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 controls.

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 Group's internal controls.
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 Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our 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 report. However, future events or conditions may cause the Group 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 appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group 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 of the current period and are therefore the key audit matters. We describe these matters in our 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.

Chien -Yu Liu

Li, Tien-Yi

For and on behalf of PricewaterhouseCoopers, Taiwan

February 26, 2024

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

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

GETAC HOLDINGS CORP. (FORMERLY GETAC TECHNOLOGY CORP.) AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
DECEMBER 31, 2023 AND 2022

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

Assets	Notes	December 31, 2023		December 31, 2022		
		AMOUNT	%	AMOUNT	%	
Current Assets						
1100	Cash and cash equivalents	6(1)	\$ 12,398,737	30	\$ 8,821,563	23
1110	Financial assets at fair value through profit or loss - current	6(2)	14,932	-	29,606	-
1136	Current financial assets at amortised cost, net	6(4) and 8	4,782	-	503,506	1
1150	Notes receivable - net	6(5)	82	-	6,485	-
1170	Accounts receivable - net	6(5)	8,585,399	21	7,088,476	20
1180	Accounts receivable - related parties	6(5) and 7	38,554	-	65,853	-
1200	Other receivables	7	36,166	-	121,760	-
130X	Inventories - net	6(6)	5,942,517	14	6,530,165	17
1410	Prepayments		516,182	1	501,376	1
11XX	Total current assets		<u>27,537,351</u>	<u>66</u>	<u>23,668,790</u>	<u>62</u>
Non-current assets						
1517	Financial assets at fair value through other comprehensive income - non-current	6(3) and 7	1,420,352	3	885,613	2
1550	Investments accounted for under the equity method	6(7)	1,593,645	4	1,490,205	4
1600	Property, plant and equipment - net	6(8), 7 and 8	8,607,152	21	9,013,065	24
1755	Right-of-use assets	6(9) and 7	586,510	1	792,998	2
1760	Investment property - net	6(10)	24,864	-	21,662	-
1780	Intangible assets	6(11)(12)	691,422	2	696,483	2
1840	Deferred income tax assets		900,613	2	895,501	2
1900	Other non-current assets	6(13)(18) and 8	223,472	1	194,422	2
15XX	Total non-current assets		<u>14,048,030</u>	<u>34</u>	<u>13,989,949</u>	<u>38</u>
1XXX	TOTAL ASSETS		<u>\$ 41,585,381</u>	<u>100</u>	<u>\$ 37,658,739</u>	<u>100</u>

(Continued)

GETAC HOLDINGS CORP. (FORMERLY GETAC TECHNOLOGY CORP.) AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
DECEMBER 31, 2023 AND 2022

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

	Liabilities and Equity	Notes	December 31, 2023		December 31, 2022	
			AMOUNT	%	AMOUNT	%
	Current liabilities					
2100	Short-term borrowings	6(14)	\$ 818,330	2	\$ 521,494	1
2120	Financial liabilities at fair value through profit or loss - current	6(15)	54,762	-	39,695	-
2130	Contract liabilities - current	6(25) and 7	717,606	2	635,087	2
2170	Accounts payable		6,648,205	16	5,724,849	16
2180	Accounts payable - related parties	7	59,022	-	26,829	-
2200	Other payables	6(16) and 7	3,314,662	8	2,803,028	7
2230	Current income tax liabilities		674,845	2	631,738	2
2250	Provisions for liabilities - current	6(20)	283,723	1	756,085	2
2280	Lease liabilities - current	7	64,047	-	163,973	-
2320	Long-term borrowings, current portion	6(17) and 8	377,819	1	429,235	1
2365	Refund liabilities - current		1,013,021	2	336,931	1
2399	Other current liabilities, others		24,696	-	33,111	-
21XX	Total current liabilities		<u>14,050,738</u>	<u>34</u>	<u>12,102,055</u>	<u>32</u>
	Non-current liabilities					
2527	Contract liabilities - non-current	6(25)	974,673	2	975,313	3
2540	Long-term borrowings	6(17) and 8	1,449,697	3	1,526,334	4
2550	Provisions for liabilities - non-current	6(20)	453,260	1	318,412	1
2570	Deferred income tax liabilities		791,252	2	762,378	2
2580	Lease liabilities - non-current	7	217,547	1	262,440	1
2600	Other non-current liabilities	6(18)	11,808	-	19,536	-
25XX	Total non-current liabilities		<u>3,898,237</u>	<u>9</u>	<u>3,864,413</u>	<u>11</u>
2XXX	Total liabilities		<u>17,948,975</u>	<u>43</u>	<u>15,966,468</u>	<u>43</u>
	Equity attributable to owners of the parent					
	Share capital	6(21)				
3110	Common stock		6,098,579	15	6,034,949	16
	Capital surplus	6(22)				
3200	Capital surplus		3,758,948	9	3,615,353	10
	Retained earnings	6(23)				
3310	Legal reserve		2,898,191	7	2,642,411	7
3320	Special reserve		199,988	-	1,162,423	3
3350	Unappropriated retained earnings		8,734,893	21	6,548,863	17
	Other equity	6(24)				
3400	Other equity interest		(262,983)	-	(199,988)	(1)
31XX	Total equity attributable to owners of the parent		<u>21,427,616</u>	<u>52</u>	<u>19,804,011</u>	<u>52</u>
36XX	Non-controlling interest		<u>2,208,790</u>	<u>5</u>	<u>1,888,260</u>	<u>5</u>
3XXX	Total equity		<u>23,636,406</u>	<u>57</u>	<u>21,692,271</u>	<u>57</u>
	Significant Contingent Liabilities and Unrecognised Contract Commitments	9				
	Significant Events After The Balance Sheet Date	11				
3X2X	TOTAL LIABILITIES AND EQUITY		<u>\$ 41,585,381</u>	<u>100</u>	<u>\$ 37,658,739</u>	<u>100</u>

The accompanying notes are an integral part of these consolidated financial statements.

GETAC HOLDINGS CORP. (FORMERLY GETAC TECHNOLOGY CORP.) AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
YEARS ENDED DECEMBER 31, 2023 AND 2022

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

Items	Notes	Year ended December 31				
		2023		2022		
		AMOUNT	%	AMOUNT	%	
4000	Operating Revenues	6(25) and 7	\$ 34,792,557	100	\$ 32,476,133	100
5000	Operating Costs	6(6)(30)(31)	(25,057,128)	(72)	(24,213,779)	(75)
5900	Gross Profit		9,735,429	28	8,262,354	25
	Operating Expenses	6(30)(31) and 7				
6100	Selling expenses		(2,187,930)	(6)	(2,117,448)	(6)
6200	Administrative expenses		(1,906,532)	(6)	(1,563,538)	(5)
6300	Research and development expenses		(1,674,404)	(5)	(1,487,585)	(5)
6000	Total operating expenses		(5,768,866)	(17)	(5,168,571)	(16)
6900	Operating profit		3,966,563	11	3,093,783	9
	Non-operating income and expenses					
7100	Interest income	6(26) and 7	220,674	1	52,711	-
7010	Other income	6(27) and 7	160,527	-	212,889	1
7020	Other gains and losses	6(7)(28)	363,583	1	(287,269)	(1)
7050	Finance costs	6(29) and 7	(80,547)	-	(46,862)	-
7060	Share of profit of associates and joint ventures accounted for under the equity method	6(7)	293,155	1	127,805	-
7000	Total non-operating income and expenses		957,392	3	59,274	-
7900	Profit before income tax		4,923,955	14	3,153,057	9
7950	Income tax expense	6(32)	(966,538)	(3)	(471,380)	(1)
8200	Profit for the year		\$ 3,957,417	11	\$ 2,681,677	8
	Other comprehensive income (loss) (net) Items that will not be reclassified subsequently to profit or loss					
8311	Remeasurement of defined benefit obligations	6(18)	(\$ 1,181)	-	\$ 4,365	-
8316	Unrealised gain on equity instrument at fair value through comprehensive income	6(3)(24)	186,171	1	(45,654)	-
8320	Share of other comprehensive (loss) income of associates and joint ventures	6(7)(24)	(35,968)	-	63,318	-
8310	Other comprehensive income that will not be reclassified to profit or loss		149,022	1	22,029	-
	Items that may be reclassified subsequently to profit or loss					
8361	Exchange differences arising on translation of foreign operations	6(24)	(185,648)	(1)	930,127	3
8370	Share of other comprehensive (loss) income of associates and joint ventures	6(7)(24)	(14,479)	-	20,847	-
8360	Other comprehensive (loss) income that may be reclassified to profit or loss		(200,127)	(1)	950,974	3
8300	Other comprehensive (loss) income for the year, net of tax		(\$ 51,105)	-	\$ 973,003	3
8500	Total comprehensive income for the year		\$ 3,906,312	11	\$ 3,654,680	11
	Profit attributable to:					
8610	Owners of the parent		\$ 3,744,542	10	\$ 2,565,168	8
8620	Non-controlling interest		212,875	1	116,509	-
	Net income for the year		\$ 3,957,417	11	\$ 2,681,677	8
	Total comprehensive income (loss) attributable to:					
8710	Owners of the parent		\$ 3,711,151	11	\$ 3,520,233	11
8720	Non-controlling interest		195,161	-	134,447	-
	Total comprehensive income for the year		\$ 3,906,312	11	\$ 3,654,680	11
	Basic earnings per share	6(33)				
9750	Net income attributable to owners of the parent		\$ 6.17		\$ 4.27	
	Diluted earnings per share	6(33)				
9850	Net income attributable to owners of the parent		\$ 6.04		\$ 4.23	

The accompanying notes are an integral part of these consolidated financial statements.

GETAC HOLDINGS CORP. (FORMERLY GETAC TECHNOLOGY CORP.) AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
YEARS ENDED DECEMBER 31, 2023 AND 2022
(Expressed in thousands of New Taiwan dollars, except as otherwise indicated)

	Notes	Equity attributable to owners of the parent									
		Retained Earnings					Other equity interest				
		Common stock	Capital surplus, additional paid-in capital	Legal reserve	Special reserve	Unappropriated retained earnings	Currency translation differences	Unrealised gains (losses) from financial assets measured at fair value through other comprehensive income	Total	Non-controlling interest	Total equity
Year ended December 31, 2022											
Balance at January 1, 2022		\$ 5,976,984	\$ 3,457,936	\$ 2,212,079	\$ 682,230	\$ 7,055,665	(\$ 1,416,803)	\$ 254,380	\$ 18,222,471	\$ 1,740,918	\$ 19,963,389
Net income for the year		-	-	-	-	2,565,168	-	-	2,565,168	116,509	2,681,677
Other comprehensive income	6(24)	-	-	-	-	2,654	935,694	16,717	955,065	17,938	973,003
Total comprehensive income		-	-	-	-	2,567,822	935,694	16,717	3,520,233	134,447	3,654,680
Appropriations of 2021 earnings	6(23)										
Legal reserve		-	-	430,332	-	(430,332)	-	-	-	-	-
Special reserve		-	-	-	480,193	(480,193)	-	-	-	-	-
Cash dividends		-	-	-	-	(2,154,075)	-	-	(2,154,075)	-	(2,154,075)
Change in associates and joint ventures accounted for under the equity method	6(22)(24)	-	(1,634)	-	-	(10,024)	-	10,024	(1,634)	-	(1,634)
Exercise of employee stock options	6(19)(22)	57,965	110,442	-	-	-	-	-	168,407	-	168,407
Compensation cost of share-based payment	6(19)(22)	-	48,609	-	-	-	-	-	48,609	12,895	61,504
Balance at December 31, 2022		\$ 6,034,949	\$ 3,615,353	\$ 2,642,411	\$ 1,162,423	\$ 6,548,863	(\$ 481,109)	\$ 281,121	\$ 19,804,011	\$ 1,888,260	\$ 21,692,271
Year ended December 31, 2023											
Balance at January 1, 2023		\$ 6,034,949	\$ 3,615,353	\$ 2,642,411	\$ 1,162,423	\$ 6,548,863	(\$ 481,109)	\$ 281,121	\$ 19,804,011	\$ 1,888,260	\$ 21,692,271
Net income for the year		-	-	-	-	3,744,542	-	-	3,744,542	212,875	3,957,417
Other comprehensive income (loss)	6(24)	-	-	-	-	(522)	(183,144)	150,275	(33,391)	(17,714)	(51,105)
Total comprehensive income (loss)		-	-	-	-	3,744,020	(183,144)	150,275	3,711,151	195,161	3,906,312
Appropriations of 2022 earnings	6(23)										
Legal reserve		-	-	255,780	-	(255,780)	-	-	-	-	-
Cash dividends		-	-	-	-	(2,294,771)	-	-	(2,294,771)	-	(2,294,771)
Special reserve		-	-	-	(962,435)	962,435	-	-	-	-	-
Change in associates and joint ventures accounted for under the equity method	6(22)(24)	-	2,673	-	-	30,126	-	(30,126)	2,673	-	2,673
Changes in ownership interests in subsidiaries	6(22)	-	(19,357)	-	-	-	-	-	(19,357)	19,357	-
Exercise of employee stock options	6(19)(22)	63,630	110,028	-	-	-	-	-	173,658	118,777	292,435
Compensation cost of share-based payment	6(19)(22)	-	48,740	-	-	-	-	-	48,740	19,950	68,690
Cash dividends paid to non-controlling interest		-	-	-	-	-	-	-	-	(32,715)	(32,715)
Others		-	1,511	-	-	-	-	-	1,511	-	1,511
Balance at December 31, 2023		\$ 6,098,579	\$ 3,758,948	\$ 2,898,191	\$ 199,988	\$ 8,734,893	(\$ 664,253)	\$ 401,270	\$ 21,427,616	\$ 2,208,790	\$ 23,636,406

The accompanying notes are an integral part of these consolidated financial statements.

GETAC HOLDINGS CORP. (FORMERLY GETAC TECHNOLOGY CORP.) AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
YEARS ENDED DECEMBER 31, 2023 AND 2022

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

	Notes	Year ended December 31	
		2023	2022
<u>CASH FLOWS FROM OPERATING ACTIVITIES</u>			
Profit before tax		\$ 4,923,955	\$ 3,153,057
Adjustments			
Adjustments to reconcile profit (loss)			
(Reversal of) loss on expected credit impairment		(5,476)	3,577
Depreciation	6(8)(9)(10)(30)	1,295,753	1,244,119
Amortization on intangible assets	6(11)(30)	33,359	33,262
Loss on valuation of financial assets and liabilities at fair value through profit and loss	6(2)(15)(28)	28,385	18,671
Interest expense	6(29)	80,547	46,862
Interest income	6(26)	(220,674)	(52,711)
Dividend income	6(27)	(41,522)	(27,522)
Compensation cost of share-based payment	6(19)	68,690	61,504
Share of profit of associates and joint ventures accounted for under the equity method	6(7)	(293,155)	(127,805)
(Gain) loss on disposal of property, plant and equipment	6(8)(28)	(8,979)	21,361
Gain on disposal of investments	6(7)(28)	(269,467)	-
Reversal of impairment loss on financial assets	6(10)	(3,344)	-
Losses from lease modification		9,741	-
Changes in operating assets and liabilities			
Changes in operating assets			
Notes receivable - net		6,403	5,084
Accounts receivable		(1,491,447)	310,638
Accounts receivable - related parties		27,299	(13,343)
Other receivables		92,573	42,234
Inventories		587,648	1,063,402
Prepayments		(71,210)	150,576
Other non-current assets		9,013	(14,351)
Changes in operating liabilities			
Contract liabilities		81,879	181,544
Accounts payable		923,356	(548,900)
Accounts payable - related parties		32,193	7,126
Other payables		450,099	(166,870)
Provisions for liabilities		(337,514)	409,811
Refund liabilities		676,090	22,094
Other current liabilities		(8,417)	238
Other non-current liabilities		(3,949)	(9,900)
Cash inflow generated from operations		6,571,829	5,813,758
Interest received		213,694	53,752
Dividends received		127,003	79,196
Interest paid		(55,534)	(34,051)
Income tax paid		(843,265)	(803,853)
Net cash flows from operating activities		<u>6,013,727</u>	<u>5,108,802</u>

(Continued)

GETAC HOLDINGS CORP. (FORMERLY GETAC TECHNOLOGY CORP.) AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
YEARS ENDED DECEMBER 31, 2023 AND 2022

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

	Notes	Year ended December 31	
		2023	2022
<u>CASH FLOWS FROM INVESTING ACTIVITIES</u>			
Acquisition of financial assets at fair value through other comprehensive income		(\$ 365,000)	(\$ 51,468)
Proceeds from capital reduction of financial assets measured at fair value through other comprehensive income - non-current		16,431	13,615
Acquisition of financial assets measured at amortized cost-current		-	(490,679)
Acquisition of financial assets measured at amortized cost-non-current		-	(10,142)
Proceeds from disposal of financial assets measured at amortized cost-current		498,725	-
Increase in long-term investments accounted for under the equity method		-	(172,647)
Proceeds from disposal of investments accounted for using equity method	6(7)	326,439	-
Acquisition of property, plant and equipment	6(34) and 7	(756,647)	(891,622)
Proceeds from disposal of property, plant and equipment	6(34)	22,467	56,724
(Increase) decrease in refundable deposits	6(13)	(11,230)	118
Acquisition of intangible assets	6(11)	(20,617)	(17,056)
Acquisition of use-of-right assets	6(9)	(18,033)	-
Proceeds from disposal of use-of-right assets		43,657	-
Net cash flows used in investing activities		<u>(263,808)</u>	<u>(1,563,157)</u>
<u>CASH FLOWS FROM FINANCING ACTIVITIES</u>			
Increase in short-term borrowings	6(35)	296,836	507,654
Increase in long-term borrowings	6(35)	366,511	151,316
Repayment of long-term borrowings	6(35)	(494,564)	(294,859)
Decrease in deposits received	6(35)	(3,778)	(8,417)
Repayment of lease liabilities	6(9)	(148,127)	(160,893)
Cash dividends paid	6(23)	(2,294,771)	(2,154,075)
Employee stock options exercised		292,435	168,407
Cash dividends paid to non-controlling interest		(32,715)	-
Capital surplus-others	6(22)	1,511	-
Net cash flows used in financing activities		<u>(2,016,662)</u>	<u>(1,790,867)</u>
Effects of changes in foreign exchange rates		<u>(156,083)</u>	<u>565,979</u>
Net increase in cash and cash equivalents		3,577,174	2,320,757
Cash and cash equivalents at beginning of year	6(1)	8,821,563	6,500,806
Cash and cash equivalents at end of year	6(1)	<u>\$ 12,398,737</u>	<u>\$ 8,821,563</u>

The accompanying notes are an integral part of these consolidated financial statements.

GETAC HOLDINGS CORP.
(FORMERLY GETAC TECHNOLOGY CORP.) AND SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2023 AND 2022
(EXPRESSED IN THOUSANDS OF NEW TAIWAN DOLLARS,
EXCEPT AS OTHERWISE INDICATED)

1. HISTORY AND ORGANISATION

Getac Holdings Corporation (the “Company”) was incorporated as a company limited by shares under the provisions of the Company Act of the Republic of China (R.O.C.). The Company and its subsidiaries (collectively referred herein as the “Group”) are primarily engaged in the research, development, manufacture and sales of notebook computers, hardware, software for military and industrial computer system, structure parts or mold, and aerospace fasteners.

To enhance market competitiveness and overall operating performance, the Company intended to transform its organizational structure. The Company split and transferred related operations (including assets, liabilities and operating) of the Company’s Rugged Solutions Business Group and Mechatronic & Energy Solutions Business Group to the Company’s wholly-owned subsidiaries, Getac Technology Corporation and Atemitech Corporation as approved by the shareholders on July 14, 2021, and the effective date for the spin-off was set on October 1, 2021. The Company, formerly named Getac Technology Corporation, was renamed as Getac Holdings Corporation as a result of its transformation as a holding company. The Company is primarily engaged in general investment.

2. THE DATE OF AUTHORISATION FOR ISSUANCE OF THE CONSOLIDATED FINANCIAL STATEMENTS AND PROCEDURES FOR AUTHORISATION

These consolidated financial statements were authorized for issuance by the Board of Directors on February 26, 2024.

3. APPLICATION OF NEW STANDARDS, AMENDMENTS AND INTERPRETATIONS

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

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

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

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

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

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

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

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

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

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

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

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

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

(1) Compliance statement

The consolidated financial statements of the Group have been prepared in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers, International Financial Reporting Standards, International Accounting Standards, IFRIC Interpretations, and SIC Interpretations that came into effect as endorsed by the FSC (collectively referred herein as the “IFRSs”).

(2) Basis of preparation

A. Except for the following items, these consolidated financial statements have been prepared under the historical cost convention:

- (a) Financial assets and financial liabilities (including derivative instruments) at fair value through profit or loss.
- (b) Financial assets at fair value through other comprehensive income.
- (c) Defined benefit liabilities recognised based on the net amount of pension fund assets less present value of defined benefit obligation.

B. The preparation of financial statements in conformity with International Financial Reporting Standards, International Accounting Standards, IFRIC Interpretations, and SIC Interpretations as endorsed by the FSC (collectively referred herein as the “IFRSs”) requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group’s accounting policies. The areas involving a higher degree of judgement or

complexity, or areas where assumptions and estimates are significant to the consolidated financial statements are disclosed in Note 5.

(3)Basis of consolidation

A. Basis for preparation of consolidated financial statements:

- (a) All subsidiaries are included in the Group's consolidated financial statements. Subsidiaries are all entities controlled by the Group. The Group controls an entity when the Group is exposed, or has rights, to variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Consolidation of subsidiaries begins from the date the Group obtains control of the subsidiaries and ceases when the Group loses control of the subsidiaries.
- (b) Inter-company transactions, balances and unrealized gains or losses on transactions between companies within the Group are eliminated. Accounting policies of subsidiaries have been adjusted where necessary to ensure consistency with the policies adopted by the Group.
- (c) Profit or loss and each component of other comprehensive income are attributed to the owners of the parent and to the non-controlling interests. Total comprehensive income is attributed to the owners of the parent and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.
- (d) Changes in a parent's ownership interest in a subsidiary that do not result in the parent losing control of the subsidiary (transactions with non-controlling interests) are accounted for as equity transactions, i.e. transactions with owners in their capacity as owners. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognised directly in equity.
- (e) When the Group loses control of a subsidiary, the Group remeasures any investment retained in the former subsidiary at its fair value. Any difference between fair value and carrying amount is recognised in profit or loss. All amounts previously recognised in other comprehensive income in relation to the subsidiary are reclassified to profit or loss on the same basis as would be required if the related assets or liabilities were disposed of. That is, when the Group loses control of a subsidiary, all gains or losses previously recognised in other comprehensive income in relation to the subsidiary should be reclassified from equity to profit or loss, if such gains or losses would be reclassified to profit or loss when the related assets or liabilities are disposed of.

B. Subsidiaries included in the consolidated financial statements:

Name of Investor	Name of Subsidiary	Main Business Activities	Ownership (%)		Description
			December 31, 2023	December 31, 2022	
Getac Holdings Corp.	Pacific Royale Ltd.	Investment holdings	100	100	
Getac Holdings Corp.	Getac Technology Corporation	Data management, info software, e-communication product wholesale and retail	100	100	
Getac Holdings Corp.	Hot Link Technology Ltd.	Investment holdings	100	100	
Getac Holdings Corp.	Atemitech Corporation	Power solutions, industrial displays and mold prototyping services	100	100	
Getac Holdings Corp.	Fong Guan Investment Ltd.	Investment holdings	100	100	
Getac Holdings Corp.	National Aerospace Fasteners Corporation	Manufacturing, processing, agency and sale of aerospace fasteners and structure parts for airplane and ship use	38.10	39.09	Note 1
Pacific Royale Ltd.	Integration Technology Ltd.	Investment holdings	100	100	
Pacific Royale Ltd.	Victory Star Developments Ltd.	Investment holdings	100	100	
Pacific Royale Ltd.	Talent View Ltd.	Investment holdings	100	100	
Pacific Royale Ltd.	WHP Workflow Solutions, Inc.	Software design and development	19.70	19.70	
Victory Star Developments Ltd.	Getac Technology (Kunshan) Co., Ltd.	Manufacture and sales of notebooks and related products	100	100	

Name of Investor	Name of Subsidiary	Main Business Activities	Ownership (%)		Description
			December 31, 2023	December 31, 2022	
Integration Technology Ltd.	Fon Yang Logistic (Kunshan) Ltd.	Agency of domestic/foreign freight transport and import/export declaration and import/export trade	100	100	
Talent View Ltd.	Atemitech (Suzhou) Co., Ltd.	Sales and repair of computers and its peripherals, commercial portable global positioning system, electronic parts, mold production equipment and office equipment, commission agent and import/export trade	100	100	Newly established in the first quarter of 2022.
Getac Technology Corporation	Getac Inc.	Selling, providing technical service, repair and maintenance of computers and related products for military and industrial use	100	100	
Getac Technology Corporation	Getac (UK) Ltd.	Sales and repair of computers and related products	100	100	
Getac Technology Corporation	Getac Technology GmbH	Sales of computers and related products	100	100	

Name of Investor	Name of Subsidiary	Main Business Activities	Ownership (%)		Description
			December 31, 2023	December 31, 2022	
Getac Technology Corporation	Getac (SuZhou) Mobile Ltd.	Sales and repair of computers and its peripherals, commercial portable global positioning system, electronic parts, mold production equipment and office equipment, commission agent and import/export	100	100	
Getac Technology Corporation	WHP Workflow Solutions, Inc.	Software design and development	80.30	80.30	
Getac Inc.	Getac Video Solutions Inc.	Sales of smart mobile surveillance solution (including device hardware, software, cloud technologies and consulting services)	100	100	Note 2
Hot Link Technology Ltd.	Master China Ltd.	Investment holdings	100	100	
Hot Link Technology Ltd.	Mainpower International Ltd.	Investment holdings	86.72	86.72	Combined ownership
Hot Link Technology Ltd.	ACE Continental Industries Ltd.	Investment holdings	100	100	
Hot Link Technology Ltd.	Bellingham Investments Ltd.	Investment holdings	100	100	Closed

Name of Investor	Name of Subsidiary	Main Business Activities	Ownership (%)		Description
			December 31, 2023	December 31, 2022	
Hot Link Technology Ltd.	Getac Precision (HK) Limited	Investment holdings and trading	100	100	
Hot Link Technology Ltd.	Mitac Technology Kyoto Corporation	Import/export electronic products, provide technical consulting maintenance, and repair services	100	100	
Hot Link Technology Ltd.	Mitac Precision Developments Ltd.	Investment holdings and trading	100	100	
Hot Link Technology Ltd.	Running Power Ltd.	Investment holdings	-	100	Note 3
Hot Link Technology Ltd.	MPT Solution(HK) Limited	Investment holdings and trading	100	100	
Master China Ltd.	Mitac Precision Technology (Kunshan) Co., Ltd.	Design and manufacture of computer chassis and its components, precision plastic injection mold, molding parts and molding equipment processing sales, and maintenance and repair services of own products	100	100	

Name of Investor	Name of Subsidiary	Main Business Activities	Ownership (%)		Description
			December 31, 2023	December 31, 2022	
Master China Ltd.	MPT Solution(Chongqing) Co., Ltd	Design and manufacture of computer chassis and its components, precision plastic injection mold, molding parts and molding equipment processing sales, and maintenance and repair services of own products	100	100	Newly established in the second quarter of 2022.
Mainpower International Ltd.	SuZhou Mitac Precision Technology Co., Ltd.	Design and manufacture of computer chassis and its components, precision plastic injection mold, molding parts, stamping parts, molding equipment processing, design and repair services, and steel plate	72.56	72.56	Combined ownership
ACE Continental Industries Ltd.	MPT Solution (Vietnam) Company Limited	Manufacturing of printer and its components, DVD, cell phone, digital camera, PCB etc.	100	100	
Getac Precision (HK) Limited	Getac Precision Technology (Changshu) Co., Ltd.	Manufacturing of magnesium alloy	100	100	

Name of Investor	Name of Subsidiary	Main Business Activities	Ownership (%)		Description
			December 31, 2023	December 31, 2022	
Getac Precision (HK) Limited	Mass Bridge Ltd.	Investment holdings	100	100	
Getac Precision (HK) Limited	Running Power Ltd	Investment holdings	100	-	Note 3
Running Power Ltd.	Getac Precision (Thai) Co., Ltd.	Production and manufacture of automotive components, safety components and computer components	100	-	Newly established in the fourth quarter of 2023.
MPT Solution (Vietnam) Company Limited	MPT Solution (Hanoi) Company Limited	Manufacturing of printer and related products	100	100	
Mass Bridge Ltd.	Getac Precision Technology Vietnam Co., Ltd.	Manufacturing of personal computers, communication equipment, automobile electronic devices, precision punching dies, casting/forging raw parts for automobiles and motorcycles, and magnesium alloy castings	100	100	

Name of Investor	Name of Subsidiary	Main Business Activities	Ownership (%)		Description
			December 31, 2023	December 31, 2022	
Mitac Precision Technology (Kunshan) Co., Ltd.	MPT Solution (Xiangcheng) Co., Ltd.	Forging manufacturing and sales	100	100	
Mitac Precision Technology (Kunshan) Co., Ltd.	Greemas Material (Kunshan) Ltd.	Research and development and manufacture of green materials and electronic plastics	100	-	Newly established in the second quarter of 2023.
National Aerospace Fasteners Corporation	Nafco Group Ltd.	Investment holdings	100	100	
National Aerospace Fasteners Corporation	CYPRESS SKY INVESTMENT LTD	Investment holdings	100	-	Newly established in the fourth quarter of 2023.
CYPRESS SKY INVESTMENT LTD	MY NAFCO PRECISION SDN. BHD.	Production and manufacture of fastener products relating to automotive and aerospace	100	-	Newly established in the fourth quarter of 2023.
Nafco Group Ltd.	Nafco Holdings Ltd.	Investment holdings	100	100	
Nafco Holdings Ltd.	Suzhou Nafco Precision Ltd.	Production of components for airplane and engine use	100	100	

Note 1: National Aerospace Fasteners Corporation was included in the consolidated financial statements as the Group has substantial control over it.

Note 2: After the reorganisation in the third quarter of 2022, Getac Inc. held 100% shares of Getac Video Solutions Inc. which was originally held by Getac Technology Corporation.

Note 3: After the reorganisation in the fourth quarter of 2023, Hot Link Technology Ltd. held 100% shares of Running Power Ltd which was originally held by Getac Precision (HK) Limited.

C. Subsidiaries not included in the consolidated financial statements: None.

D. Adjustments for subsidiaries with different balance sheet dates: None.

E. Restricted ability to transfer funds from subsidiaries to parent company: None.

F. Subsidiaries that have non-controlling interests that are material to the Group:

As of December 31, 2023 and 2022, the non-controlling interest amounted to \$2,208,790 and \$1,888,260, respectively. The information on non-controlling interest and respective subsidiaries is as follows:

Name of subsidiary	Principal place of business	Non-controlling interest		Non-controlling interest		Description
		December 31, 2023		December 31, 2022		
		Amount	Ownership (%)	Amount	Ownership (%)	
Mainpower International Ltd.	British Virgin Islands	\$ 271,544	13.28%	\$ 266,658	13.28%	
SuZhou Mitac Precision Technology Co., Ltd.	China	413,677	16.33%	406,495	16.33%	Note
National Aerospace Fasteners Corporation	Taiwan	1,523,569	61.90%	1,215,107	60.91%	

Note: Mainpower International Ltd. owned shares of SuZhou Mitac Precision Technology Co., Ltd. as of December 31, 2023 and 2022, with a shareholding ratio of 83.67% for both years. The remaining of shares were non-controlling interests.

Summarized financial information of the subsidiaries:

Balance sheets

	Mainpower International Ltd.	
	December 31, 2023	December 31, 2022
Current assets	\$ 460	\$ 454
Non-current assets	2,119,553	2,082,784
Current liabilities	-	-
Non-current liabilities	(75,260)	(75,272)
Total net assets	\$ 2,044,753	\$ 2,007,966

	SuZhou Mitac Precision Technology Co., Ltd.	
	December 31, 2023	December 31, 2022
Current assets	\$ 2,416,826	\$ 2,118,806
Non-current assets	1,383,762	1,526,131
Current liabilities	(1,207,312)	(1,072,746)
Non-current liabilities	(60,040)	(82,938)
Total net assets	\$ 2,533,236	\$ 2,489,253

National Aerospace Fasteners Corporation

	<u>December 31, 2023</u>	<u>December 31, 2022</u>
Current assets	\$ 2,069,489	\$ 1,540,977
Non-current assets	3,008,614	3,031,949
Current liabilities	(1,280,644)	(1,074,349)
Non-current liabilities	(1,467,168)	(1,551,318)
Total net assets	<u>\$ 2,330,291</u>	<u>\$ 1,947,259</u>

Statements of comprehensive income

Mainpower International Ltd.

	<u>Years ended December 31,</u>	
	<u>2023</u>	<u>2022</u>
Revenue	\$ -	\$ -
Profit before income tax	72,697	105,263
Income tax expense	-	(70,506)
Profit for the year from continuing operations	72,697	34,757
Loss from discontinued operations	-	-
Profit for the year	72,697	34,757
Other comprehensive (loss) income, net of tax	(35,910)	26,725
Total comprehensive income for the year	<u>\$ 36,787</u>	<u>\$ 61,482</u>
Comprehensive income attributable to non-controlling interest	<u>\$ 4,885</u>	<u>\$ 8,165</u>

SuZhou Mitac Precision Technology Co., Ltd.

	<u>Years ended December 31,</u>	
	<u>2023</u>	<u>2022</u>
Revenue	\$ 2,752,316	\$ 3,300,709
Profit before income tax	106,094	155,225
Income tax expense	(19,216)	(29,420)
Profit for the year from continuing operations	86,878	125,805
Loss from discontinued operations	-	-
Profit for the year	86,878	125,805
Other comprehensive (loss) income, net of tax	(42,894)	35,252
Total comprehensive income for the year	<u>\$ 43,984</u>	<u>\$ 161,057</u>
Comprehensive income attributable to non-controlling interest	<u>\$ 7,183</u>	<u>\$ 26,301</u>

Statements of comprehensive income

	National Aerospace Fasteners Corporation	
	Years ended December 31,	
	2023	2022
Revenue	\$ 3,070,624	\$ 2,192,921
Profit before income tax	355,273	145,054
Income tax (expense) benefit	(47,670)	4,921
Profit for the year from continuing operations	307,603	149,975
Loss from discontinued operations	-	-
Profit for the year	307,603	149,975
Other comprehensive (loss) income, net of tax	(9,598)	10,190
Total comprehensive income for the year	\$ 298,005	\$ 160,165
Comprehensive income attributable to non-controlling interest	\$ 183,093	\$ 99,981
Dividends paid to non-controlling interest	(\$ 32,715)	\$ -

Statements of cash flows

	Mainpower International Ltd.	
	Years ended December 31,	
	2023	2022
Net cash (used in) provided by operating activities	(\$ 6)	\$ 2,825
Effect of exchange rates on cash and cash equivalents	13	(2,778)
Increase in cash and cash equivalents	7	47
Cash and cash equivalents, beginning of year	453	406
Cash and cash equivalents, end of year	\$ 460	\$ 453

	SuZhou Mitac Precision Technology Co., Ltd.	
	Years ended December 31,	
	2023	2022
Net cash provided by operating activities	\$ 214,299	\$ 359,848
Net cash used in investing activities	(34,298)	(101,249)
Net cash used in financing activities	(440)	(281,593)
Effect of exchange rates on cash and cash equivalents	(20,044)	11,180
Increase (decrease) in cash and cash equivalents	159,517	(11,814)
Cash and cash equivalents, beginning of year	359,955	371,769
Cash and cash equivalents, end of year	\$ 519,472	\$ 359,955

Statements of cash flows

	National Aerospace Fasteners Corporation	
	Years ended December 31,	
	2023	2022
Net cash provided by operating activities	\$ 220,400	\$ 250,916
Net cash used in investing activities	(177,886)	(79,286)
Net cash used in financing activities	(70,726)	(141,948)
Effect of exchange rates on cash and cash equivalents	(5,605)	(860)
(Decrease) increase in cash and cash equivalents	(33,817)	28,822
Cash and cash equivalents, beginning of year	138,933	110,111
Cash and cash equivalents, end of year	\$ 105,116	\$ 138,933

(4) Foreign currency translation

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates (the "functional currency"). The consolidated financial statements are presented in New Taiwan dollars, which is the Company's functional and the Group's presentation currency.

A. Foreign currency transactions and balances

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

B. Translation of foreign operations

- (a) The operating results and financial position of all the group entities and associates that have a functional currency different from the presentation currency are translated into the presentation currency as follows:
 - i. Assets and liabilities for each balance sheet presented are translated at the spot exchange rate prevailing at the date of that balance sheet;
 - ii. Income and expenses for each statement of comprehensive income are translated at average exchange rates of that period; and
 - iii. All resulting exchange differences are recognised in other comprehensive income.
- (b) When the foreign operation partially disposed of or sold is an associate, exchange differences that were recorded in other comprehensive income are proportionately reclassified to profit or loss as part of the gain or loss on sale. In addition, even when the Group still retains partial interest in the former foreign associate after losing significant influence over the former foreign associate, or losing joint control of the former jointly controlled entity, such transactions should be accounted for as disposal of all interest in these foreign operations.
- (c) When the foreign operation partially disposed of or sold is a subsidiary, cumulative exchange differences that were recorded in other comprehensive income are proportionately transferred to the non-controlling interest in this foreign operation. In addition, even when the Group still retains partial interest in the former foreign subsidiary after losing control of the former foreign subsidiary, such transactions should be accounted for as disposal of all interest in the foreign operation.

(5) Classification of current and non-current items

- A. Assets that meet one of the following criteria are classified as current assets; otherwise they are classified as non-current assets:
 - (a) Assets arising from operating activities that are expected to be realized, or are intended to be sold or consumed within the normal operating cycle;
 - (b) Assets held mainly for trading purposes;
 - (c) Assets that are expected to be realized within twelve months from the balance sheet date;
 - (d) Cash and cash equivalents, excluding restricted cash and cash equivalents and those that are to be exchanged or used to settle liabilities more than twelve months after the balance sheet date.
- B. Liabilities that meet one of the following criteria are classified as current liabilities; otherwise they are classified as non-current liabilities:
 - (a) Liabilities that are expected to be settled within the normal operating cycle;
 - (b) Liabilities arising mainly from trading activities;
 - (c) Liabilities that are to be settled within twelve months from the balance sheet date;

(d) Liabilities for which the repayment date cannot be extended unconditionally to more than twelve months after the balance sheet date. Terms of a liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification.

(6) Cash equivalents

Cash equivalents refer to short-term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value. Time deposits that meet the definition above and are held for the purpose of meeting short-term cash commitments in operations are classified as cash equivalents. Not meeting the definition of cash equivalents are classified as financial assets at amortized cost.

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

- A. Financial assets at fair value through profit or loss are financial assets that are not measured at amortized cost or fair value through other comprehensive income.
- B. On a regular way purchase or sale basis, financial assets at fair value through profit or loss are recognised and derecognised using trade date accounting.
- C. At initial recognition, the Group measures the financial assets at fair value and recognizes the transaction costs in profit or loss. The Group subsequently measures the financial assets at fair value, and recognizes the gain or loss in profit or loss.
- D. The Group recognizes the dividend income when the right to receive payment is established, future economic benefits associated with the dividend will flow to the Group and the amount of the dividend can be measured reliably.

(8) Financial assets at fair value through other comprehensive income

- A. Financial assets at fair value through other comprehensive income comprise equity securities which are not held for trading, and for which the Group has made an irrevocable election at initial recognition to recognize changes in fair value in other comprehensive income and debt instruments which meet all of the following criteria:
 - (a) The objective of the Group's business model is achieved both by collecting contractual cash flows and selling financial assets; and
 - (b) The assets' contractual cash flows represent solely payments of principal and interest.
- B. On a regular way purchase or sale basis, financial assets at fair value through other comprehensive income are recognised and derecognised using trade date accounting.
- C. At initial recognition, the Group measures the financial assets at fair value plus transaction costs. The Group subsequently measures the financial assets at fair value:
 - (a) The changes in fair value of equity investments that were recognised in other comprehensive income are reclassified to retained earnings and are not reclassified to profit or loss following the derecognition of the investment. Dividends are recognised as revenue when the right to receive payment is established, future economic benefits associated with the dividend will flow to the Group and the amount of the dividend can be measured reliably.

- (b) Except for the recognition of impairment loss, interest income and gain or loss on foreign exchange which are recognised in profit or loss, the changes in fair value of debt instruments are taken through other comprehensive income. When the financial asset is derecognised, the cumulative gain or loss previously recognised in other comprehensive income is reclassified from equity to profit or loss.

(9) Financial assets at amortized cost

- A. Financial assets at amortized cost are those that meet all of the following criteria:
- (a) The objective of the Group's business model is achieved by collecting contractual cash flows.
 - (b) The assets' contractual cash flows represent solely payments of principal and interest.
- B. On a regular way purchase or sale basis, financial assets at amortized cost are recognised and derecognised using trade date accounting.
- C. At initial recognition, the Group measures the financial assets at fair value plus transaction costs. Interest income from these financial assets is included in finance income using the effective interest method. A gain or loss is recognised in profit or loss when the asset is derecognised or impaired.
- D. The Group's time deposits which do not fall under cash equivalents are those with a short maturity period and are measured at initial investment amount as the effect of discounting is immaterial.

(10) Accounts and notes receivable

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

(11) Impairment of financial assets

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

(12) Derecognition of financial assets

The Group derecognizes a financial asset when the contractual rights to receive the cash flows from the financial asset expire.

(13) Inventories

Inventories are stated at the lower of cost and net realisable value. Cost is determined using the weighted-average method. The item by item approach is used in applying the lower of cost and net realisable value. Net realisable value is the estimated selling price in the ordinary course of business, less the estimated cost of completion and applicable variable selling expenses.

(14) Investments accounted for using the equity method / associates

- A. Associates are all entities over which the Group has significant influence but not control. In general, it is presumed that the investor has significant influence, if an investor holds, directly or indirectly 20 percent or more of the voting power of the investee. Investments in associates are accounted for using the equity method and are initially recognised at cost.
- B. The Group's share of its associates' post-acquisition profits or losses is recognised in profit or loss, and its share of post-acquisition movements in other comprehensive income is recognised in other comprehensive income. When the Group's share of losses in an associate equals or exceeds its interest in the associate, including any other unsecured receivables, the Group does not recognize further losses, unless it has incurred legal or constructive obligations or made payments on behalf of the associate.
- C. When changes in an associate's equity do not arise from profit or loss or other comprehensive income of the associate and such changes do not affect the Group's ownership percentage of the associate, the Group recognizes change in ownership interests in the associate in 'capital surplus' in proportion to its ownership. The capital surplus was transferred proportionally to profit or loss when the associates are subsequently disposed.
- D. Unrealized gains on transactions between the Group and its associates are eliminated to the extent of the Group's interest in the associates. Unrealized losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of associates have been adjusted where necessary to ensure consistency with the policies adopted by the Group.
- E. In the case that an associate issues new shares and the Group does not subscribe or acquire new shares proportionately, which results in a change in the Group's ownership percentage of the associate but maintains significant influence on the associate, then 'capital surplus' and 'investments accounted for under the equity method' shall be adjusted for the increase or decrease of its share of equity interest. If the above condition causes a decrease in the Group's ownership percentage of the associate, in addition to the above adjustment, the amounts previously recognised in other comprehensive income in relation to the associate are reclassified to profit or loss proportionately on the same basis as would be required if the relevant assets or liabilities were disposed of.
- F. Upon loss of significant influence over an associate, the Group remeasures any investment retained in the former associate at its fair value. Any difference between fair value and carrying amount is recognised in profit or loss.
- G. When the Group disposes its investment in an associate and loses significant influence over this associate, the amounts previously recognised in other comprehensive income in relation to the associate, are reclassified to profit or loss, on the same basis as would be required if the relevant assets or liabilities were disposed of. If it retains significant influence over this associate, the amounts previously recognised in other comprehensive income in relation to the associate are

reclassified to profit or loss proportionately in accordance with the aforementioned approach.

(15) Property, plant and equipment

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

Buildings and structures	3 years ~ 55 years
Machinery and equipment	3 years ~ 12 years
Office equipment	3 years ~ 10 years
Other equipment	3 years ~ 10 years

(16) Leasing arrangements (lessee) — right-of-use assets/ lease liabilities

- A. Leases are recognised as a right-of-use asset and a corresponding lease liability at the date at which the leased asset is available for use by the Group. For short-term leases or leases of low-value assets, lease payments are recognised as an expense on a straight-line basis over the lease term.
- B. Lease liabilities include the net present value of the remaining lease payments at the commencement date, discounted using the incremental borrowing interest rate.
Lease payments are comprised of the following:
 - (a) Fixed payments, less any lease incentives receivable; and
 - (b) Variable lease payments that depend on an index or a rate.

The Group subsequently measures the lease liability at amortized cost using the interest method and recognised interest expense over the lease term. The lease liability is remeasured and the amount of remeasurement is recognised as an adjustment to the right-of-use asset when there are changes in the lease term or lease payments and such changes do not arise from contract

modifications.

- C. At the commencement date, the right-of-use asset is stated at cost comprising the amount of the initial measurement of lease liability.

The right-of-use asset is measured subsequently using the cost model and is depreciated from the commencement date to the earlier of the end of the asset's useful life or the end of the lease term. When the lease liability is remeasured, the amount of remeasurement is recognised as an adjustment to the right-of-use asset.

- D. For lease modifications that decrease the scope of the lease, the lessee shall decrease the carrying amount of the right-of-use asset to reflect the partial or full termination of the lease, and recognize the difference between remeasured lease liability in profit or loss.

(17) Investment property

An investment property is stated initially at its cost and measured subsequently using the cost model. Except for land, investment property is depreciated on a straight-line basis over its estimated useful life of 50 years.

(18) Intangible assets

- A. Computer software

Computer software expenditures are stated at cost and amortized on a straight-line basis over its estimated useful life of 1 to 5 years.

- B. Goodwill

Goodwill arises in a business combination accounted for by applying the acquisition method.

- C. Special technology

Separately acquired special technology is stated at historical cost. Special technology acquired in a business combination are recognised at fair value at the acquisition date and amortized using the straight-line method over their estimated useful lives of 7 years.

- D. Patents

Patents are amortized on a straight-line basis over its estimated useful life of 3 to 5 years.

(19) Impairment of non-financial assets

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

- B. The recoverable amounts of goodwill, intangible assets with an indefinite useful life and intangible assets that have not yet been available for use shall be evaluated periodically. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. Impairment loss of goodwill previously recognised in profit or loss shall not

be reversed in the following years.

- C. For the purpose of impairment testing, goodwill acquired in a business combination is allocated to each of the cash-generating units, or groups of cash-generating units, that is/are expected to benefit from the synergies of the business combination. Each unit or group of units to which the goodwill is allocated represents the lowest level within the entity at which the goodwill is monitored for internal management purposes. Goodwill is monitored at the operating segment level.

(20) Borrowings

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

(21) Notes and accounts payable

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

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

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

(23) Derecognition of financial liabilities

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

(24) Offsetting financial instruments

Financial assets and liabilities are offset and reported in the net amount in the balance sheet when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realize the asset and settle the liability simultaneously.

(25) Provisions

Provisions are recognised when the Group has a present legal or constructive obligation as a result of past events, and it is probable that an outflow of economic resources will be required to settle the obligation and the amount of the obligation can be reliably estimated. Provisions are measured at the present value of the expenditures expected to be required to settle the obligation on the balance sheet date, which is discounted using a pre-tax discount rate that reflects the current market

assessments of the time value of money and the risks specific to the obligation. When discounting is used, the increase in the provision due to passage of time is recognised as interest expense. Provisions are not recognised for future operating losses.

(26) Employee benefits

A. Short-term employee benefits

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

B. Pensions

(a) Defined contribution plans

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

(b) Defined benefit plans

- i. Net obligation under a defined benefit plan is defined as the present value of an amount of pension benefits that employees will receive on retirement for their services with the Group in current period or prior periods. The liability recognised in the balance sheet in respect of defined benefit pension plans is the present value of the defined benefit obligation at the balance sheet date less the fair value of plan assets. The net defined benefit obligation is calculated annually by independent actuaries using the projected unit credit method. The rate used to discount is determined by using interest rates of high-quality corporate bonds that are denominated in the currency in which the benefits will be paid, and that have terms to maturity approximating to the terms of the related pension liability; when there is no deep market in high-quality corporate bonds, the Group uses interest rates of government bonds (at the balance sheet date) instead.
- ii. Remeasurements arising on defined benefit plans are recognised in other comprehensive income in the period in which they arise and are recorded as retained earnings.
- iii. Past service costs are recognised immediately in profit or loss.

C. Employees' bonus and directors' remuneration

Employees' bonus and directors' remuneration are recognised as expenses and liabilities, provided that such recognition is required under legal or constructive obligation and those amounts can be reliably estimated. However, if the accrued amounts for employees' bonus and directors' remuneration are different from the actual distributed amounts as resolved by the stockholders at their stockholders' meeting subsequently, the differences should be recognised based on the accounting for changes in estimates.

(27) Employee share-based payment

For the equity-settled share-based payment arrangements, the employee services received are measured at the fair value of the equity instruments granted at the grant date, and are recognised as

compensation cost over the vesting period, with a corresponding adjustment to equity. The fair value of the equity instruments granted shall reflect the impact of market vesting conditions and non-vesting conditions. Compensation cost is subject to adjustment based on the service conditions that are expected to be satisfied and the estimates of the number of equity instruments that are expected to vest under the non-market vesting conditions at each balance sheet date. Ultimately, the amount of compensation cost recognised is based on the number of equity instruments that eventually vest.

(28) Income tax

- A. The tax expense for the period comprises current and deferred tax. Tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or items recognised directly in equity, in which cases the tax is recognised in other comprehensive income or equity.
- B. The current income tax expense is calculated on the basis of the tax laws enacted or substantively enacted at the balance sheet date in the countries where the Company and its subsidiaries operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in accordance with applicable tax regulations. It establishes provisions where appropriate based on the amounts expected to be paid to the tax authorities. An additional tax is levied on the unappropriated retained earnings and is recorded as income tax expense in the year the stockholders resolve to retain the earnings.
- C. Deferred income tax is recognised, using the balance sheet liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated balance sheet. However, the deferred income tax is not accounted for if it arises from initial recognition of goodwill or of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit nor loss. Deferred income tax is provided on temporary differences arising on investments in subsidiaries and associates, except where the timing of the reversal of the temporary difference is controlled by the Group and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the balance sheet date and are expected to apply when the related deferred income tax asset is realized or the deferred income tax liability is settled.
- D. Deferred income tax assets are recognised only to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilized. At each balance sheet date, unrecognised and recognised deferred income tax assets are reassessed.
- E. Current income tax assets and liabilities are offset and the net amount reported in the balance sheet when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realize the asset and settle the liability simultaneously. Deferred income tax assets and liabilities are offset on the balance sheet when the entity has the legally enforceable right to offset current tax assets against current tax liabilities and they are levied by the same taxation authority on either the same entity or different entities that intend to

settle on a net basis or realize the asset and settle the liability simultaneously.

(29) Share capital

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

(30) Dividends

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

(31) Revenue recognition

A. Sales of goods

(a) The Group manufactures and sells notebook computers, hardware, and software for military and industrial computer systems, molds and aerospace fasteners products. Sales are recognised when control of the products has transferred, being when the products are delivered to the customer, the customer has full discretion over the channel and price to sell the products, and there is no unfulfilled obligation that could affect the customer's acceptance of the products. Delivery occurs when the products have been shipped to the specific location, the risks of obsolescence and loss have been transferred to the customer, and either the customer has accepted the products in accordance with the sales contract, or the Group has objective evidence that all criteria for acceptance have been satisfied.

(b) Revenue from sales is recognised based on the price specified in the contract, net of the estimated sales returns as well as sales discounts and allowances. A refund liability is recognised for expected sales discounts and allowances payable to customers in relation to sales made until the end of the reporting period. The sales usually are made with a credit term of 5 months. The Group does not expect to have any contracts where the period between the transfer of the promised goods to the customer and payment by the customer exceeds one year. As a consequence, the Group does not adjust any of the transaction prices for the time value of money.

(c) The Group's obligation to provide maintenance for faulty products under the standard warranty terms is recognised as a provision.

(d) A receivable is recognised when the goods are delivered as this is the point in time that the consideration is unconditional because only the passage of time is required before the payment is due.

B. Sales of services

The Group provides cloud storage and software computing as well as warranty extension service. Revenue from providing services is recognised in the accounting period in which the services are rendered. For fixed-price contracts, revenue is recognised on a straight-line basis during the service period. The customer pays at the time specified in the payment schedule. If the services

rendered exceed the payment, a contract asset is recognised. If the payments exceed the services rendered, a contract liability is recognised.

(32) Government grants

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

(33) Reorganization

Under regulations of competent authority of the R.O.C, the reorganization within the Group is recorded at the carrying value.

(34) Operating segments

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The Group's chief operating decision-maker, who is responsible for allocating resources and assessing performance of the operating segments.

5. CRITICAL ACCOUNTING JUDGEMENTS, ESTIMATES AND KEY SOURCES OF ASSUMPTION UNCERTAINTY

The preparation of these consolidated financial statements requires management to make critical judgements in applying the Group's accounting policies and make critical assumptions and estimates concerning future events. Assumptions and estimates may differ from the actual results and are continually evaluated and adjusted based on historical experience and other factors. The information is addressed below:

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

None.

(2) Critical accounting estimates and assumptions

Evaluation of inventories

As inventories are stated at the lower of cost and net realizable value, the Group must determine the net realizable value of inventories on balance sheet date using judgements and estimates. Due to the rapid technology innovation, the Group evaluates the amounts of normal inventory consumption, obsolete inventories or inventories without market selling value on balance sheet date, and writes down the cost of inventories to the net realizable value. Such an evaluation of inventories is principally based on the demand for the products within the specified period in the future. Therefore, there might be material changes to the evaluation.

As of December 31, 2023, the carrying amount of inventories was \$5,942,517.

6. DETAILS OF SIGNIFICANT ACCOUNTS

(1) Cash and cash equivalents

	<u>December 31, 2023</u>	<u>December 31, 2022</u>
Cash on hand	\$ 1,924	\$ 1,520
Checking accounts and demand deposits	5,746,955	6,380,398
Time deposits	<u>6,649,858</u>	<u>2,439,645</u>
Total	<u>\$ 12,398,737</u>	<u>\$ 8,821,563</u>

A. The Group transacts with a variety of financial institutions all with high credit quality to disperse credit risk, so it expects that the probability of counterparty default is remote.

B. The Group has no cash and cash equivalents pledged to others as collateral.

C. As of December 31, 2023 and 2022, according to IFRS Q&A amended by the competent authority on January 5, 2024, the Group reclassified the undrawn balance of deposits account for offshore funds which applies “The Management, Utilization, and Taxation of Repatriated Offshore Funds Act” as cash and cash equivalents amounting to \$679,953 and \$715,695, respectively.

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

	<u>December 31, 2023</u>	<u>December 31, 2022</u>
Current items:		
Financial assets mandatorily measured at fair value through profit or loss		
Non-hedging derivatives	\$ -	\$ -
Valuation adjustment	<u>14,932</u>	<u>29,606</u>
Total	<u>\$ 14,932</u>	<u>\$ 29,606</u>

A. The Group recognised net (loss) gain of (\$14,197) and \$15,234 on financial assets mandatorily measured at fair value through profit or loss for the years ended December 31, 2023 and 2022, respectively.

B. The non-hedging derivative instruments transaction and contract information are as follows:

Item	December 31, 2023			
	Notional Amount (in thousands)	Contract Terms		
		Strike Rate	Settlement Date	
Purchases of forward foreign exchange	CNY 214,770	7.1~7.1726 (Note 1)	2024.02.22~ 2024.03.22	
Sales of forward foreign exchange	EUR 1,000	1.11 (Note 2)	2024.03.13	
Sales of forward foreign exchange	USD 5,500	30.723~31.434 (Note 3)	2024.01.09~ 2024.02.23	

Note 1: Advance booking CYN to sell USD.

Note 2: Advance booking EUR to buy USD.

Note 3: Advance booking USD to buy TWD.

Item	December 31, 2022			
	Notional Amount (in thousands)	Contract Terms		
		Strike Rate	Settlement Date	
Sales of forward foreign exchange	USD 3,000	32.013~32.05 (Note 1)	2023.01.09~ 2023.01.31	
Sales of forward foreign exchange	USD 18,000	6.986~7.1405 (Note 2)	2023.01.12~ 2023.02.03	
Purchases of forward foreign exchange	CNY 225,581	6.961~7.293 (Note 3)	2023.01.06~ 2023.02.22	
Sales of forward foreign exchange	EUR 1,000	1.0768 (Note 4)	2023.03.15	
Sales of forward foreign exchange	GBP 1,600	1.2221~1.2251 (Note 5)	2023.02.22~ 2023.03.10	
Foreign exchange swaps	USD 18,000	30.281~30.452 (Note 6)	2023.03.17~ 2023.03.29	

Note 1: Advance booking USD to buy TWD.

Note 2: Advance booking USD to buy CYN.

Note 3: Advance booking CYN to sell USD.

Note 4: Advance booking EUR to buy USD.

Note 5: Advance booking GBP to buy USD.

Note 6: Advance booking USD to sell TWD.

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

C. The Group has no financial assets at fair value through profit or loss pledged to others as collateral.

(3) Financial assets at fair value through other comprehensive income

<u>Items</u>	<u>December 31, 2023</u>	<u>December 31, 2022</u>
Non-current items:		
Equity instruments		
Listed stocks	\$ 485,248	\$ 485,248
Unlisted stocks	672,667	324,099
Subtotal	1,157,915	809,347
Valuation adjustments	262,437	76,266
Total	<u>\$ 1,420,352</u>	<u>\$ 885,613</u>

A. Above equity instruments were held for medium and long-term investments, therefore they were classified as financial assets at fair value through other comprehensive income.

B. Amounts recognised in profit or loss and other comprehensive income in relation to the financial assets at fair value through other comprehensive income are listed below:

	<u>Years ended December 31,</u>	
	<u>2023</u>	<u>2022</u>
<u>Equity instruments at fair value through other comprehensive income</u>		
Fair value change recognised in other comprehensive income	<u>\$ 186,171</u>	<u>(\$ 45,654)</u>

C. The Group has no financial assets at fair value through other comprehensive income pledged to others as collateral.

(4) Financial assets at amortized cost

<u>Items</u>	<u>December 31, 2023</u>	<u>December 31, 2022</u>
Current items:		
Time deposits-over 3 months	<u>\$ 4,782</u>	<u>\$ 503,506</u>

A. Details of the Group's financial assets at amortized cost pledged to others as collateral are provided in Note 8.

B. Information relating to credit risk of financial assets at amortized cost is provided in Note 12(2).

(5) Notes and accounts receivable

	<u>December 31, 2023</u>	<u>December 31, 2022</u>
Notes receivable	<u>\$ 82</u>	<u>\$ 6,485</u>
Accounts receivable	\$ 8,596,289	\$ 7,104,842
Accounts receivable-related parties	38,554	65,853
Less: Allowance for uncollectible accounts	<u>(10,890)</u>	<u>(16,366)</u>
	<u>\$ 8,623,953</u>	<u>\$ 7,154,329</u>

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

	<u>December 31, 2023</u>		<u>December 31, 2022</u>	
	<u>Accounts receivable</u>	<u>Notes receivable</u>	<u>Accounts receivable</u>	<u>Notes receivable</u>
Not past due	\$ 8,354,367	\$ 82	\$ 6,967,435	\$ 6,485
1 to 90 days	261,961	-	200,517	-
91 to 180 days	17,169	-	2,579	-
Over 180 days	1,346	-	164	-
	<u>\$ 8,634,843</u>	<u>\$ 82</u>	<u>\$ 7,170,695</u>	<u>\$ 6,485</u>

The above ageing analysis was based on past due date.

B. As of December 31, 2023 and 2022, accounts receivable and notes receivable were all from contracts with customers. As of January 1, 2022, the balance of receivables from contracts with customers amounted to \$7,479,558.

C. The Group does not hold any collateral as security.

D. As at December 31, 2023 and 2022, without taking into account any collateral held or other credit enhancements, the maximum exposure to credit risk in respect of the amount that best represents the Group's notes receivable were \$82 and \$6,485, and accounts receivable were \$8,634,843 and \$7,170,695, respectively.

E. Information relating to credit risk is provided in Note 12(2).

(6) Inventories

	<u>December 31, 2023</u>	<u>December 31, 2022</u>
Raw materials	\$ 2,598,237	\$ 3,193,657
Work in process	557,757	517,543
Finished goods	2,552,872	2,632,046
In-transit inventories	233,651	186,919
Total	<u>\$ 5,942,517</u>	<u>\$ 6,530,165</u>

The cost of inventories recognised as expense for the year:

	<u>Years ended December 31,</u>	
	<u>2023</u>	<u>2022</u>
Cost of goods sold	\$ 25,054,238	\$ 24,263,871
Loss on decline in market price and obsolete and slow-moving inventories	(45,945)	(88,960)
Others	48,835	38,868
	<u>\$ 25,057,128</u>	<u>\$ 24,213,779</u>

For the years ended December 31, 2023 and 2022, the gain from price recovery was caused by the reversal of allowance for inventory valuation losses and loss for obsolete and slow-moving inventories when the related inventory items were scrapped or sold.

(7) Investments accounted for under the equity method

	<u>December 31, 2023</u>	<u>December 31, 2022</u>
Waffer Technology Corp.	\$ 1,109,095	\$ 944,003
Lian Jie Investment Co., Ltd.	213,125	266,860
Advanced Medical Design	69,444	71,792
Lian Jie Investment Co., Ltd II.	63,851	48,719
Harbinger Ruyi II	114,758	135,978
Harbinger Ruyi	23,372	22,853
	<u>\$ 1,593,645</u>	<u>\$ 1,490,205</u>

A. Associates:

(a) The basic information of the associates that are material to the Group is as follows:

Company name	Principal place of business	Shareholding ratio	Shareholding ratio	Method of measurement
		December 31, 2023	December 31, 2022	
Waffer Technology Corp.	Taiwan	32.45%	34.82%	Equity method
Lian Jie Investment Co., Ltd.	Taiwan	49.98%	49.98%	Equity method

(b) The summarized financial information of the associates that are material to the Group is shown below:

Balance sheets

	<u>Waffer Technology Corp.</u>	
	<u>December 31, 2023</u>	<u>December 31, 2022</u>
Current assets	\$ 3,723,606	\$ 3,201,839
Non-current assets	4,546,965	2,882,399
Current liabilities	(3,310,002)	(2,628,481)
Non-current liabilities	(999,402)	(146,484)
Total net assets	<u>\$ 3,961,167</u>	<u>\$ 3,309,273</u>
Share in associate's net assets	\$ 1,285,431	\$ 1,152,079
Unrealised gain from Waffer Technology Corp. selling land to the Company	(209,383)	(241,123)
Goodwill	33,047	33,047
Carrying amount of the associate	<u>\$ 1,109,095</u>	<u>\$ 944,003</u>

	Lian Jie Investment Co., Ltd.	
	December 31, 2023	December 31, 2022
Current assets	\$ 152,266	\$ 122,528
Non-current assets	300,959	429,134
Current liabilities	(26,806)	(17,726)
Non-current liabilities	-	-
Total net assets	<u>\$ 426,419</u>	<u>\$ 533,936</u>
Share in associate's net assets	<u>\$ 213,125</u>	<u>\$ 266,860</u>
Carrying amount of the associate	<u>\$ 213,125</u>	<u>\$ 266,860</u>

Statements of comprehensive income

	Waffer Technology Corp.	
	Years ended December 31,	
	2023	2022
Revenue	\$ 5,774,200	\$ 4,157,080
Profit for the year from continuing operations	\$ 802,559	\$ 323,042
Other comprehensive (loss) income, net of tax	(44,298)	61,986
Total comprehensive income	<u>\$ 758,261</u>	<u>\$ 385,028</u>
Dividends received from associates	<u>\$ 46,591</u>	<u>\$ 18,139</u>

	Lian Jie Investment Co., Ltd.	
	Years ended December 31,	
	2023	2022
Revenue	\$ 7,102	\$ 5,264
Loss for the year from continuing operations	(\$ 2,195)	(\$ 6,762)
Other comprehensive (loss) income , net of tax	(103,997)	75,320
Total comprehensive (loss) income	<u>(\$ 106,192)</u>	<u>\$ 68,558</u>
Dividends received from associates	<u>\$ 24,681</u>	<u>\$ 24,421</u>

(c) The Group's share of the operating results are summarized below:

As of December 31, 2023 and 2022, the carrying amount of the Group's individually immaterial associates amounted to \$271,425 and \$279,342, respectively.

	Years ended December 31,	
	2023	2022
Profit for the year from continuing operations	\$ 30,465	\$ 26,652
Other comprehensive income , net of tax	(29,645)	30,217
Total comprehensive income	<u>\$ 820</u>	<u>\$ 56,869</u>

(d) The Group's material associate, Waffer Technology Corp. has quoted market prices. As of December 31, 2023 and 2022, the fair value was \$7,178,376 and \$2,327,594, respectively.

- (e) The Group is the single largest shareholder of Waffer Technology Corp. with a 32.45% equity interest. The Group has no current ability to direct the management decisions and operation strategy of Waffer Technology Corp., including strategical decision (such as financing, acquisition, personnel policies and dividend policy), only with the shares which were held by the Company and subsidiaries can not reach the statutory attendance rate of the shareholders' meeting, which indicates that the Group has no current ability to direct the relevant activities of Waffer Technology Corp., the Group has no control force, but only has significant influence, over the investee.
- B. The share of gain of associates and joint ventures accounted for under the equity method were \$293,155 and \$127,805, respectively, and other comprehensive (loss) gain (\$50,447) and \$84,165 were recognised for the years ended December 31, 2023 and 2022, respectively.
- C. For the year ended December 31, 2023, the Group sold certain equity interests of Waffer Technology Corp. The proceeds from disposal amounted to \$326,439, and related gain on disposal amounted to \$269,467.

(8) Property, plant and equipment

2023

	Land	Buildings and structures	Machinery and equipment	Office equipment	Other equipment	Construction in progress and equipment under acceptance	Total
<u>At January 1</u>							
Cost	\$ 2,266,704	\$ 5,264,186	\$ 5,891,214	\$ 263,211	\$ 4,284,494	\$ 217,937	\$ 18,187,746
Accumulated depreciation and impairment	(60,803)	(1,779,458)	(4,054,662)	(204,709)	(3,075,049)	-	(9,174,681)
	<u>\$ 2,205,901</u>	<u>\$ 3,484,728</u>	<u>\$ 1,836,552</u>	<u>\$ 58,502</u>	<u>\$ 1,209,445</u>	<u>\$ 217,937</u>	<u>\$ 9,013,065</u>
As at January 1	\$ 2,205,901	\$ 3,484,728	\$ 1,836,552	\$ 58,502	\$ 1,209,445	\$ 217,937	\$ 9,013,065
Additions	-	94,489	214,792	19,728	350,108	96,995	776,112
Disposals	-	-	(1,484)	(995)	(11,009)	-	(13,488)
Transfers	-	102,632	8,995	(2,002)	75,355	(185,155)	(175)
Depreciation charge	-	(194,357)	(369,229)	(28,994)	(527,168)	-	(1,119,748)
Net exchange differences	-	(28,036)	(11,916)	328	(11,394)	2,404	(48,614)
As at December 31	<u>\$ 2,205,901</u>	<u>\$ 3,459,456</u>	<u>\$ 1,677,710</u>	<u>\$ 46,567</u>	<u>\$ 1,085,337</u>	<u>\$ 132,181</u>	<u>\$ 8,607,152</u>
<u>At December 31</u>							
Cost	\$ 2,266,704	\$ 5,417,753	\$ 6,006,298	\$ 275,379	\$ 4,488,920	\$ 132,181	\$ 18,587,235
Accumulated depreciation and impairment	(60,803)	(1,958,297)	(4,328,588)	(228,812)	(3,403,583)	-	(9,980,083)
	<u>\$ 2,205,901</u>	<u>\$ 3,459,456</u>	<u>\$ 1,677,710</u>	<u>\$ 46,567</u>	<u>\$ 1,085,337</u>	<u>\$ 132,181</u>	<u>\$ 8,607,152</u>

2022

	Land	Buildings and structures	Machinery and equipment	Office equipment	Other equipment	Construction in progress and equipment under acceptance	Total
<u>At January 1</u>							
Cost	\$ 2,266,704	\$ 4,406,229	\$ 5,630,904	\$ 245,716	\$ 3,866,760	\$ 537,471	\$ 16,953,784
Accumulated depreciation and impairment	(60,803)	(1,479,631)	(3,811,138)	(175,689)	(2,577,020)	-	(8,104,281)
	<u>\$ 2,205,901</u>	<u>\$ 2,926,598</u>	<u>\$ 1,819,766</u>	<u>\$ 70,027</u>	<u>\$ 1,289,740</u>	<u>\$ 537,471</u>	<u>\$ 8,849,503</u>
As at January 1	\$ 2,205,901	\$ 2,926,598	\$ 1,819,766	\$ 70,027	\$ 1,289,740	\$ 537,471	\$ 8,849,503
Additions	-	71,032	213,985	21,202	415,028	197,213	918,460
Disposals	-	-	(34,266)	(1)	(43,818)	-	(78,085)
Transfers	-	568,861	136,014	541	10,037	(534,665)	180,788
Depreciation charge	-	(181,403)	(358,992)	(34,632)	(495,649)	-	(1,070,676)
Net exchange differences	-	99,640	60,045	1,365	34,107	17,918	213,075
As at December 31	<u>\$ 2,205,901</u>	<u>\$ 3,484,728</u>	<u>\$ 1,836,552</u>	<u>\$ 58,502</u>	<u>\$ 1,209,445</u>	<u>\$ 217,937</u>	<u>\$ 9,013,065</u>
<u>At December 31</u>							
Cost	\$ 2,266,704	\$ 5,264,186	\$ 5,891,214	\$ 263,211	\$ 4,284,494	\$ 217,937	\$ 18,187,746
Accumulated depreciation and impairment	(60,803)	(1,779,458)	(4,054,662)	(204,709)	(3,075,049)	-	(9,174,681)
	<u>\$ 2,205,901</u>	<u>\$ 3,484,728</u>	<u>\$ 1,836,552</u>	<u>\$ 58,502</u>	<u>\$ 1,209,445</u>	<u>\$ 217,937</u>	<u>\$ 9,013,065</u>

A. The capitalized interest were \$0 for the years ended December 31, 2023 and 2022.

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

(9) Leasing arrangements – lessee

A. The Group leases various assets including land, buildings and structures, business vehicles and office equipment. Rental contracts are typically made for periods of 2 to 50 years. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. The lease agreements do not impose covenants, but leased buildings and structures may not be used for subleasing to others.

B. The carrying amount of right-of-use assets and the depreciation charge are as follows:

	<u>December 31, 2023</u>	<u>December 31, 2022</u>
	<u>Carrying amount</u>	<u>Carrying amount</u>
Land	\$ 334,610	\$ 381,671
Buildings	249,137	405,642
Machinery and equipment	137	1,812
Business vehicles	2,518	2,035
Office equipment	108	1,838
Total	<u>\$ 586,510</u>	<u>\$ 792,998</u>

	<u>Years ended December 31,</u>	
	<u>2023</u>	<u>2022</u>
	<u>Depreciation charge</u>	<u>Depreciation charge</u>
Land	\$ 11,633	\$ 10,454
Buildings	158,729	156,686
Machinery and equipment	1,679	1,916
Business vehicles	2,464	2,887
Office equipment	1,358	1,358
	<u>\$ 175,863</u>	<u>\$ 173,301</u>

C. For the years ended December 31, 2023 and 2022, the additions to right-of-use assets were \$32,983 and \$125,311, respectively.

D. The information on profit and loss accounts relating to lease contracts is as follows:

	<u>Years ended December 31,</u>	
	<u>2023</u>	<u>2022</u>
<u>Items affecting profit or loss</u>		
Interest expense on lease liabilities	<u>\$ 9,967</u>	<u>\$ 12,223</u>

E. For years ended December 31, 2023 and 2022, the Group's total cash outflow for leases were \$158,094 and \$173,116, respectively.

F. Some of the Group's lease contracts contain variable lease payment terms, with the payments subject to adjustments based on the Consumer Price Index.

A. The fair value of investment property held by the Group were \$51,704 and \$50,340 as of December 31, 2023 and 2022, respectively. The fair values as of December 31, 2023 and 2022 were valued by independent appraisers. Valuations were made using the comparative method, income approach and cost approach which is categorized within Level 3 in the fair value hierarchy. Key assumption is in the following table:

	<u>December 31, 2023</u>	<u>December 31, 2022</u>
Capitalization rate	1.15%	1.15%

(11) Intangible assets

	<u>2023</u>				
	<u>Computer software</u>	<u>Goodwill</u>	<u>Acquired special technology</u>	<u>Patent</u>	<u>Total</u>
<u>At January 1</u>					
Cost	\$ 180,725	\$ 635,171	\$ 102,883	\$ 7,658	\$ 926,437
Accumulated amortization and impairment	(155,848)	-	(71,211)	(2,895)	(229,954)
	<u>\$ 24,877</u>	<u>\$ 635,171</u>	<u>\$ 31,672</u>	<u>\$ 4,763</u>	<u>\$ 696,483</u>
As at January 1	\$ 24,877	\$ 635,171	\$ 31,672	\$ 4,763	\$ 696,483
Additions	20,617	-	-	-	20,617
Amortization charge	(18,406)	-	(14,565)	(388)	(33,359)
Net exchange differences	(296)	7,934	39	4	7,681
As at December 31	<u>\$ 26,792</u>	<u>\$ 643,105</u>	<u>\$ 17,146</u>	<u>\$ 4,379</u>	<u>\$ 691,422</u>
<u>At December 31</u>					
Cost	\$ 195,230	\$ 643,105	\$ 102,879	\$ 7,656	\$ 948,870
Accumulated amortization and impairment	(168,438)	-	(85,733)	(3,277)	(257,448)
	<u>\$ 26,792</u>	<u>\$ 643,105</u>	<u>\$ 17,146</u>	<u>\$ 4,379</u>	<u>\$ 691,422</u>

	2022				
	Computer software	Goodwill	Acquired special technology	Patent	Total
<u>At January 1</u>					
Cost	\$ 164,313	\$ 577,867	\$ 100,809	\$ 6,902	\$ 849,891
Accumulated amortization and impairment	(138,408)	-	(56,369)	(2,254)	(197,031)
	<u>\$ 25,905</u>	<u>\$ 577,867</u>	<u>\$ 44,440</u>	<u>\$ 4,648</u>	<u>\$ 652,860</u>
As at January 1	\$ 25,905	\$ 577,867	\$ 44,440	\$ 4,648	\$ 652,860
Additions	17,056	-	-	-	17,056
Amortization charge	(18,315)	-	(14,565)	(382)	(33,262)
Net exchange differences	231	57,304	1,797	497	59,829
As at December 31	<u>\$ 24,877</u>	<u>\$ 635,171</u>	<u>\$ 31,672</u>	<u>\$ 4,763</u>	<u>\$ 696,483</u>
<u>At December 31</u>					
Cost	\$ 180,725	\$ 635,171	\$ 102,883	\$ 7,658	\$ 926,437
Accumulated amortization and impairment	(155,848)	-	(71,211)	(2,895)	(229,954)
	<u>\$ 24,877</u>	<u>\$ 635,171</u>	<u>\$ 31,672</u>	<u>\$ 4,763</u>	<u>\$ 696,483</u>

A. Details of amortization of intangible assets are as follows:

	Years ended December 31,	
	2023	2022
Operating costs	\$ 1,251	\$ 1,917
Selling expenses	329	733
Administrative expenses	8,979	8,158
Research and development expenses	22,800	22,454
	<u>\$ 33,359</u>	<u>\$ 33,262</u>

B. Goodwill attributes to following the Group's cash-generating units identified according to operating segment:

	<u>December 31, 2023</u>			
	<u>Electronic parts</u>	<u>Structure parts</u>	<u>Aerospace fasteners</u>	<u>Total</u>
Goodwill	\$ 555,165	\$ 33,566	\$ 54,374	\$ 643,105
	<u>December 31, 2022</u>			
	<u>Electronic parts</u>	<u>Structure parts</u>	<u>Aerospace fasteners</u>	<u>Total</u>
Goodwill	\$ 547,225	\$ 33,572	\$ 54,374	\$ 635,171

(12) Impairment of non-financial assets

Impairment testing of goodwill is conducted at annual financial reporting date. The recoverable amount of all cash-generating units has been determined based on value-in-use calculations. These calculations use pre-tax cash flow projections based on financial budgets approved by the management covering a five-year period.

The recoverable value calculated by the Group based on the value in use exceeds the carrying value, so the goodwill has not impaired. The main assumptions used to calculate the value in use are as follows:

- A. Operating revenue growth rate calculated with sales forecast with reference to industry and market-related information.
- B. Gross profit rate calculated with historical data with reference to sales forecast.
- C. Operating expense rate calculated with historical data with reference to sales forecast.
- D. Discount rates used were pre-tax and reflected specific risks relating to the relevant operating units.

(13) Other non-current assets

	<u>December 31, 2023</u>	<u>December 31, 2022</u>
Guarantee deposits paid	\$ 51,932	\$ 40,702
Pledged deposits	10,971	11,142
Prepayment on machinery and equipment	115,709	88,707
Others	44,860	53,871
Overdue receivables	19,849	19,849
Allowance for uncollectible accounts		
- overdue receivables	(19,849)	(19,849)
	<u>\$ 223,472</u>	<u>\$ 194,422</u>

Details of deposits pledged to others as collateral are provided in Note 8.

(14) Short-term borrowings

	<u>December 31, 2023</u>	<u>Interest rate range</u>
<u>Type of borrowings</u>		
Unsecured bank loans	\$ 818,330	1.75%~5.57%
	<u>December 31, 2022</u>	<u>Interest rate range</u>
<u>Type of borrowings</u>		
Unsecured bank loans	\$ 521,494	0.61%~5.17%

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

	<u>December 31, 2023</u>	<u>December 31, 2022</u>
Current items		
Financial liabilities held for trading		
Non-hedging derivatives	\$ -	\$ -
Valuation adjustment	54,762	39,695
Total	<u>\$ 54,762</u>	<u>\$ 39,695</u>

A. The Group recognised net loss of (\$14,188) and (\$33,905) on financial liabilities held for trading for years ended December 31, 2023 and 2022, respectively.

B. The non-hedging derivative instrument transactions and contract information are as follows:

	<u>December 31, 2023</u>		
	<u>Notional Amount</u> (in thousands)	<u>Contract Terms</u>	
<u>Item</u>		<u>Strike Rate</u>	<u>Settlement Date</u>
Sales of forward foreign exchange	EUR 13,500	1.0596~1.0989 (Note 1)	2024.01.10~ 2024.03.14
Sales of forward foreign exchange	GBP 500	1.2639 (Note 2)	2024.01.31
Foreign exchange swaps	USD 49,000	30.845~31.951 (Note 3)	2024.01.19~ 2024.03.21

Note 1: Advance booking EUR to buy USD.

Note 2: Advance booking GBP to buy USD.

Note 3: Advance booking USD to sell TWD.

		December 31, 2022		
		Contract Terms		
Item	Notional Amount (in thousands)		Strike Rate	Settlement Date
Sales of forward foreign exchange	EUR	12,520	0.9823~1.0613 (Note 1)	2023.01.06~2023.03.15
Sales of forward foreign exchange	GBP	1,000	1.185 (Note 2)	2023.01.13
Sales of forward foreign exchange	USD	4,500	30.342~30.598 (Note 3)	2023.01.31~2023.03.09
Sales of forward foreign exchange	USD	6,000	6.9228~6.9358 (Note 4)	2023.02.17~2023.02.23
Foreign exchange swaps	USD	30,000	31.607~31.612 (Note 5)	2023.01.17~2023.02.08

Note 1: Advance booking EUR to buy USD.

Note 2: Advance booking GBP to buy USD.

Note 3: Advance booking USD to buy TWD.

Note 4: Advance booking USD to buy CYN.

Note 5: Advance booking USD to sell TWD.

The Group signed forward exchange and foreign exchange swaps to hedge exchange rate risk of import and export proceeds and exchange of NTD and foreign currencies. However, the Group did not apply hedge accounting.

(16) Other payables

	December 31, 2023	December 31, 2022
Salary, bonus and remuneration payable	\$ 1,457,444	\$ 1,291,242
Payables on machinery and equipment	81,862	35,395
Others	1,775,356	1,476,391
Total	<u>\$ 3,314,662</u>	<u>\$ 2,803,028</u>

(17) Long-term borrowings

<u>Type of borrowings</u>	<u>Borrowing period and repayment term</u>	<u>Collateral</u>	<u>December 31, 2023</u>
Long-term bank borrowings			
Secured borrowings	Repayable monthly until December 2036	Land, Buildings	\$ 682,758
Secured borrowings	Repayable monthly until September 2033	Land, Buildings	111,142
Secured borrowings	Repayable monthly until December 2029	Land, Buildings	205,902
Secured borrowings	Repayable monthly until June 2030	Land, Buildings	353,751
Secured borrowings	Repayable monthly until May 2025	Land, Buildings	61,363
Secured borrowings	Repayable monthly until September 2026	Machinery and equipment	110,728
Secured borrowings	Repayable monthly until November 2026	Machinery and equipment	165,315
Unsecured borrowings	Repayable monthly until October 2024		116,557
Unsecured borrowings	Repayable every 3 months until December 2028		20,000
Subtotal			<u>1,827,516</u>
Less: Current portion			<u>(377,819)</u>
			<u>\$ 1,449,697</u>
Interest rate range			<u>1.23%~1.90%</u>

<u>Type of borrowings</u>	<u>Borrowing period and repayment term</u>	<u>Collateral</u>	<u>December 31, 2022</u>
Long-term bank borrowings			
Secured borrowings	Repayable monthly until December 2036	Land, Buildings	\$ 729,205
Secured borrowings	Repayable monthly until September 2033	Land, Buildings	121,349
Secured borrowings	Repayable monthly until December 2029	Land, Buildings	231,640
Secured borrowings	Repayable monthly until January 2028 (Note 2)	Land, Buildings	40,000
Secured borrowings	Repayable monthly until May 2025	Land, Buildings	101,395
Secured borrowings	Repayable monthly until April 2025 (Note 2)	Land, Buildings	189,954
Secured borrowings	Repayable monthly until September 2026	Machinery and equipment	150,482
Secured borrowings	Repayable monthly until November 2026	Machinery and equipment	127,959
Unsecured borrowings	Repayable monthly until October 2024		256,085
Unsecured borrowings	Repayable every 3 months until September 2023 (Note 1)		7,500
Subtotal			1,955,569
Less: Current portion			(429,235)
			<u>\$ 1,526,334</u>
Interest rate range			<u>1.096%~1.65%</u>

Note 1: Key performance indicators of bank borrowings is required to maintain the agreed current ratio, debt ratio and net tangible assets based on the Company's annual or semi-annual consolidated financial statements during the terms of the bank borrowings in accordance with medium-term credit line contract of unsecured borrowings.

Note 2: The borrowings had been prior settled in June 2023.

(18)Pensions

A. (a) The Company and the subsidiary, National Aerospace Fasteners Corporation, have defined benefit pension plans in accordance with the Labor Standards Act, covering all regular employees for services provided prior to July 1, 2005, and employees who choose to remain in the defined benefit pension plan subsequent to the enforcement of the Labor Pension Act on July 1, 2005. Under the defined benefit pension plans, employees are entitled to two base points for every year of service for the first 15 years and one base point for each additional year thereafter, up to a maximum of 45 base points. The pension payment to employees is computed based on years of service and average salaries or wages of the last six months prior

to approved retirement. The Company and the subsidiary contribute an amount equal to 2% of salaries and wages paid each month to a pension fund. The pension fund is administered by a pension fund monitoring committee (the “Committee”) and deposited under the Committee’s name in the Bank of Taiwan.

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

a. The subsidiary, National Aerospace Fasteners Corporation

	<u>December 31, 2023</u>	<u>December 31, 2022</u>
Present value of defined benefit obligations	(\$ 46,697)	(\$ 44,376)
Fair value of plan assets	<u>54,457</u>	<u>52,888</u>
Net defined benefit liability	<u>\$ 7,760</u>	<u>\$ 8,512</u>

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

The subsidiary, National Aerospace Fasteners Corporation

	<u>2023</u>		
	<u>Present value of defined benefit obligations</u>	<u>Fair value of plan assets</u>	<u>Net defined benefit liability</u>
At January 1	(\$ 44,376)	\$ 52,888	\$ 8,512
Current service cost	(347)	-	(347)
Interest (expense) income	<u>(532)</u>	<u>635</u>	<u>103</u>
	<u>(45,255)</u>	<u>53,523</u>	<u>8,268</u>
Remeasurements:			
Return on plan assets (excluding amounts included in interest income or expense)	-	261	261
Experience adjustments	<u>(1,442)</u>	<u>-</u>	<u>(1,442)</u>
	<u>(1,442)</u>	<u>261</u>	<u>(1,181)</u>
Pension fund contribution	<u>-</u>	<u>673</u>	<u>673</u>
At December 31	<u>(\$ 46,697)</u>	<u>\$ 54,457</u>	<u>\$ 7,760</u>

	2022		
	Present value of defined benefit obligations	Fair value of plan assets	Net defined benefit liability
At January 1	(\$ 44,733)	\$ 48,547	\$ 3,814
Current service cost	(350)	-	(350)
Interest (expense) income	(269)	291	22
	<u>(45,352)</u>	<u>48,838</u>	<u>3,486</u>
Remeasurements:			
Return on plan assets (excluding amounts included in interest income or expense)	-	3,678	3,678
Change in financial assumptions	2,408	-	2,408
Experience adjustments	(1,721)	-	(1,721)
	<u>687</u>	<u>-</u>	<u>4,365</u>
Pension fund contribution	-	661	661
Paid pension	289	(289)	-
At December 31	<u>(\$ 44,376)</u>	<u>\$ 49,210</u>	<u>\$ 8,512</u>

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

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

The subsidiary, National Aerospace Fasteners Corporation

	Year ended December 31, 2023	Year ended December 31, 2022
Discount rate	1.20%	1.20%
Future salary increases	2.75%	2.75%

Future mortality rate was estimated based on the 6th Taiwan Standard Ordinary Experience Mortality Table for the years ended December 31, 2023 and 2022.

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

The subsidiary, National Aerospace Fasteners Corporation

	Discount rate		Future salary increases	
	Increase 0.25%	Decrease 0.25%	Increase 0.25%	Decrease 0.25%
<u>December 31, 2023</u>				
Effect on present value of defined benefit obligation	(\$ 919)	\$ 949	\$ 834	(\$ 814)
<u>December 31, 2022</u>				
Effect on present value of defined benefit obligation	(\$ 946)	\$ 979	\$ 867	\$ 844

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

The method and assumptions used for the preparation of sensitivity analysis did not change compared to the previous period.

- (f) Expected contributions to the defined benefit pension plans of the subsidiary, National Aerospace Fasteners Corporation for the year ending December 31, 2024 amount is \$703.
- B.(a) Effective July 1, 2005, the Company and its domestic subsidiary have established a defined contribution pension plan (the “New Plan”) under the Labor Pension Act (the “Act”), covering all regular employees with R.O.C. nationality. Under the New Plan, the Company and its domestic subsidiary contribute monthly an amount based on 6% of the employees’ monthly salaries and wages to the employees’ individual pension accounts at the Bureau of Labor Insurance. The benefits accrued are paid monthly or in lump sum upon termination of employment. The pension costs under the defined contribution pension plans of the Group for the years ended December 31, 2023 and 2022 were \$61,342 and \$56,421, respectively.
- (b) The Company’s Mainland China subsidiaries have a defined contribution plan. Monthly contributions are based on a certain percentage of employees' monthly salaries and wages to an independent fund administered by the government in accordance with the pension regulations in the People’s Republic of China. Under the scheme, retirement benefits of existing and retired employees are to be provided by the government-managed fund and the subsidiaries have no further obligations beyond the monthly contributions. The pension costs under the defined contribution pension plan for the years ended December 31, 2023 and 2022 were \$137,422 and \$161,790, respectively.

(c) Other overseas subsidiaries have defined contribution plans for contributions to an independent fund administered by the government in accordance with local regulations that are based on a certain percentage of employees' monthly salaries and wages. Other than the monthly contributions, the subsidiaries has no further obligations. The pension costs under the defined contribution pension plans of the subsidiaries for the years ended December 31, 2023 and 2022 were \$41,764 and \$21,665, respectively.

(19) Share-based payment

A. As of December 31, 2023 and 2022, the Company's share-based payment arrangements were as follows:

Type of arrangement	Grant date	Quantity granted (in thousands of shares)	Contract period	Vesting conditions
Seventh employee stock options	July 26, 2017	20,000	6 years	2 years' service vested 50% 3 years' service vested 75% 4 years' service vested 100%
Eighth employee stock options	October 11, 2018	20,000	6 years	2 years' service vested 50% 3 years' service vested 75% 4 years' service vested 100%
Ninth employee stock options	November 25, 2022	17,965	6 years	2 years' service vested 50% 3 years' service vested 75% 4 years' service vested 100%

The abovementioned share-based payment arrangements are equity-settled

B. Details of the seventh employee stock options are set forth below:

(a) Details of seventh employee stock options for the years ended December 31, 2023 and 2022 are set forth below:

	2023		2022	
	No. of options (in thousands of shares)	Weighted-average exercise price (in NT dollars)	No. of options (in thousands of shares)	Weighted-average exercise price (in NT dollars)
Options outstanding at January 1	3,421	\$ 28.90	6,318	\$ 30.80
Options exercised	(3,001)	27.92	(2,897)	29.72
Options forfeited	(420)	-	-	-
Options outstanding at December 31	<u>-</u>	-	<u>3,421</u>	28.90
Options exercisable at December 31	<u>-</u>	-	<u>3,421</u>	28.90

- (b) Information on the seventh employee stock options outstanding as of December 31, 2023 and 2022 is as follows:

	<u>December 31, 2023</u>	<u>December 31, 2022</u>
Expected weighted average residual years	0.00 years	0.57 years

- (c) The Company estimated the fair value of seventh employee stock options as of grant date under the Black-Scholes option model. The weighted-average parameters used in the estimation of fair value are as follows:

	<u>Grant date-July 26, 2017</u>
Exercise price (in dollars)	\$42.25
Ratio of cash dividends	5%
Expected price volatility	34.39%
Risk-free interest ratio	0.7091%~0.7678%
Expected option life (years)	5.42
Fair value per share (in dollars)	\$7.2428~\$7.5272

C. Details of the eighth employee stock options are set forth below:

- (a) Details of the eighth employee stock options for the years ended December 31, 2023 and 2022 are set forth below:

	<u>2023</u>		<u>2022</u>	
	No. of options (in thousands of shares)	Weighted average exercise price (in NT dollars)	No. of options (in thousands of shares)	Weighted average exercise price (in NT dollars)
Options outstanding at January 1	8,980	\$ 27.70	12,116	\$ 29.50
Options exercised	(3,362)	26.73	(2,899)	28.39
Options forfeited	(60)	-	(237)	-
Options outstanding at December 31	<u>5,558</u>	25.90	<u>8,980</u>	27.70
Options exercisable at December 31	<u>5,558</u>	25.90	<u>8,980</u>	27.70

- (b) Information on the eighth employee stock options outstanding as of December 31, 2023 and 2022 is as follows:

	<u>December 31, 2023</u>	<u>December 31, 2022</u>
Expected weighted average residual years	0.78 years	1.78 years

- (c) The Company estimated the fair value of eighth stock options as of grant date under the Black-Scholes option model. The weighted-average parameters used in the estimation of fair value are as follows:

	<u>Grant date-October 11, 2018</u>
Exercise price (in dollars)	\$35.55
Ratio of cash dividends	5%
Expected price volatility	30.66%
Risk-free interest ratio	0.6981%~0.7450%
Expected option life (years)	6
Fair value per share (in dollars)	\$5.2256~5.4049

D. Details of the ninth employee stock options are set forth below:

- (a) Details of the ninth employee stock options for the years ended December 31, 2023 and 2022 is set forth below:

	<u>2023</u>		<u>2022</u>	
	No. of options (in thousands of shares)	Weighted average exercise price (in NT dollars)	No. of options (in thousands of shares)	Weighted average exercise price (in NT dollars)
Options outstanding at January 1	17,945	\$ 41.50	-	\$ -
Options granted	-	-	17,965	41.50
Options forfeited	(625)	-	(20)	-
Options outstanding at December 31	<u>17,320</u>	38.80	<u>17,945</u>	41.50
Options exercisable at December 31	<u>-</u>	-	<u>-</u>	-

- (b) Information on the ninth employee stock options outstanding as of December 31, 2023 and 2022 is as follows:

	<u>December 31, 2023</u>	<u>December 31, 2022</u>
Expected weighted average residual years	4.9 years	5.90 years

- (c) The Company estimated the fair value of ninth stock options as of grant date under the Black-Scholes option model. The weighted-average parameters used in the estimation of fair value are as follows:

	<u>Grant date-November 25, 2022</u>
Exercise price (in dollars)	\$41.50
Ratio of cash dividends	-%
Expected price volatility	27.00%
Risk-free interest ratio	1.2005%~1.2921%
Expected option life (years)	6
Fair value per share (in dollars)	\$8.2928~10.8889

E. For the years ended December 31, 2023 and 2022, the share-based payment arrangements of the subsidiary, National Aerospace Fastener Corporation, are as follows:

Type of arrangement	Grant date	Quantity granted (in thousands of shares)	Contract period	Vesting conditions
Fifth employee stock options	December 13, 2019	3,560	6 years	2 years' service vested 50% 3 years' service vested 75% 4 years' service vested 100%
Sixth employee stock options	October 21, 2022	2,412	6 years	2 years' service vested 50% 3 years' service vested 75% 4 years' service vested 100%

The abovementioned share-based payment arrangements are equity-settled.

(a) Details of the fifth employee stock options are as follows:

i. Details of the fifth employee stock options for the years ended December 31, 2023 and 2022 are as follows:

	2023		2022	
	No. of options	Weighted-average exercise price	No. of options	Weighted-average exercise price
		(in dollars)		(in dollars)
Options outstanding at January 1	2,752	\$ 87.40	2,942	\$ 87.40
Options exercised	(1,359)	87.40	-	-
Options forfeited	(102)	87.40	(190)	87.40
Options outstanding at December 31	<u>1,291</u>	87.40	<u>2,752</u>	87.40
Options exercisable at December 31	<u>1,291</u>	87.40	<u>2,064</u>	87.40

ii. The expiry date and exercise price of stock options outstanding at balance sheet date are as follows:

Issue date approved	Expiry date	December 31, 2023	
		No. of shares (in thousands)	Exercise price (in dollars)
December 13, 2019	December 13, 2025	1,291	\$ 87.40
Issue date approved	Expiry date	December 31, 2022	
		No. of shares (in thousands)	Exercise price (in dollars)
December 13, 2019	December 13, 2025	2,752	\$ 87.40

iii. The fair value of stock options of the subsidiary, National Aerospace Fastener Corporation,

granted on grant date is measured using the Black-Scholes option-pricing model. Relevant information is as follows:

Type of arrangement	Grant date	Stock price	Exercise price	Expected price volatility	Expected option life	Expected dividends	Risk-free interest rate	Fair value per unit
Employee stock options	December 13, 2019	91.4	91.4	31.90%~ 34.04%	4~5 years	-	0.56%~ 0.59%	\$23.65~ \$28.04

(Note)

Note: Expected price volatility rate was a fluctuation extent of the stock price in the future period. The future period used to estimate expected price volatility rate was measured based on the stock option expected life equivalent period prior to the measurement date.

(b) Details of the sixth employee stock options are as follows:

i. Details of the sixth employee stock options for the years ended December 31, 2023 and 2022 is as follows:

	2023		2022	
	No. of options	Weighted-average exercise price (in dollars)	No. of options	Weighted-average exercise price (in dollars)
Options outstanding at January 1	2,374	\$ 58.30	-	\$ -
Options granted	-	-	2,412	58.30
Options forfeited	(187)	58.30	(38)	58.30
Options outstanding at December 31	<u>2,187</u>	<u>57.60</u>	<u>2,374</u>	<u>58.30</u>
Options exercisable at December 31	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

ii. The expiry date and exercise price of stock options outstanding at balance sheet date are as follows:

Issue date approved	Expiry date	December 31, 2023	
		No. of shares (in thousands)	Exercise price (in dollars)
October 21, 2022	October 21, 2028	2,187	\$ 57.60

Issue date approved	Expiry date	December 31, 2022	
		No. of shares (in thousands)	Exercise price (in dollars)
October 21, 2022	October 21, 2028	2,374	\$ 58.30

iii. The fair value of stock options of the subsidiary, National Aerospace Fastener Corporation, granted on grant date is measured using the Black-Scholes option-pricing model. Relevant information is as follows:

Type of arrangement	Grant date	Stock price	Exercise price	Expected price volatility	Expected option life	Expected dividends	Risk-free interest rate	Fair value per unit
Employee stock options	October 21, 2022	58.3	58.3	36.39%~ 37.84%	4~5 years	-	1.58%~ 1.63%	\$18.50~ \$20.10

(Note)

Note: Expected price volatility rate was a fluctuation extent of the stock price in the future period. The future period used to estimate expected price volatility rate was measured based on the stock option expected life equivalent period prior to the measurement date.

F. Expenses incurred on the Group's share-based payment transactions with equity-settled for the years ended December 31, 2023 and 2022 were \$68,690 and \$61,504, respectively.

(20) Provisions

	2023		
	Warranty	Litigation	Total
At January 1	\$ 606,170	\$ 468,327	\$ 1,074,497
Additional provisions	393,256	-	393,256
Used during the year	(262,443)	(468,327)	(730,770)
At December 31	<u>\$ 736,983</u>	<u>\$ -</u>	<u>\$ 736,983</u>

	2022		
	Warranty	Litigation	Total
At January 1	\$ 664,687	\$ -	\$ 664,687
Additional provisions	332,918	468,327	801,245
Used during the year	(391,435)	-	(391,435)
At December 31	<u>\$ 606,170</u>	<u>\$ 468,327</u>	<u>\$ 1,074,497</u>

Analysis of total provisions:

	December 31, 2023	December 31, 2022
Current	<u>\$ 283,723</u>	<u>\$ 756,085</u>
Non-current	<u>\$ 453,260</u>	<u>\$ 318,412</u>

A. The Group provides warranties on rugged notebook products sold. Provision for warranty is estimated based on historical warranty data of rugged computer products.

B. On June 5, 2019, Panasonic Corporation sued the Company's subsidiary, Getac Technology

Corporation, and Getac Inc. (Collectively, “Getac”) in the United States District Court for the Central District of California, accusing Getac’s K120 product of infringing Panasonic’s four U.S. Design Patents; Panasonic Corporation has amended the claim on October 23, 2019 and dropped its infringement allegation involving one of the patents but added UX10 rugged tablet as an infringing product on March 24, 2020. On June 9, 2022, the Jury Verdict found that Getac’s infringement was willful and Getac should compensate Panasonic Corporation. Getac had reached a settlement with Panasonic Corporation on this lawsuit. In the fourth quarter of 2022, they signed a settlement agreement with non-closure clauses, and dismissed all litigation procedures in the litigation to the courts of the United States in accordance with the settlement agreement. In the second quarter of 2022, the Group set aside a full provision for compensation based on the amount resolved by the Jury Verdict of the United States District Court for the Central District of California. The settlement amount and terms would not have additional financial business impact on the Company and its subsidiaries. The above settlement has been paid on the first quarter of 2023.

(21) Share capital

As of December 31, 2023, the Company had an authorized capital of \$8,500,000, consisting of 850 million shares of common stock (including 80 million shares reserved for employee stock options and 50 million shares reserved for convertible bonds issued by the Company), and an issued capital of \$6,098,579 with a par value of \$10 (in dollars) per share. All proceeds from shares issued have been collected.

Movements in the number of the Company’s ordinary shares (in thousands) outstanding are as follows:

	2023	2022
At January 1	603,495	597,699
Employee stock options exercised	6,363	5,796
At December 31	609,858	603,495

(22) Capital surplus

	2023					
	Share premium	Difference between consideration and carrying amount of subsidiaries acquired or disposed	Recognition of changes in the equity of associates and joint ventures accounted for under the equity method	Recognition of changes in the subsidiary's equity	Employee stock options	Other
At January 1	\$ 3,379,196	\$ 113,722	\$ 18,784	\$ 24,666	\$ 78,985	\$ -
Employee stock options exercised	150,334	-	-	-	(40,306)	-
Compensation cost of employee stock options	-	-	-	-	48,740	-
Recognition of changes in equity of subsidiary	-	-	-	(19,357)	-	-
Recognition of changes in equities of associates	-	-	2,673	-	-	-
Other	-	-	-	-	-	1,511
At December 31	<u>\$ 3,529,530</u>	<u>\$ 113,722</u>	<u>\$ 21,457</u>	<u>\$ 5,309</u>	<u>\$ 87,419</u>	<u>\$ 1,511</u>

	2022					
	Share premium	Difference between consideration and carrying amount of subsidiaries acquired or disposed	Recognition of changes in the equity of associates and joint ventures accounted for under the equity method	Recognition of changes in the subsidiary's equity	Employee stock options	
At January 1	\$ 3,231,659	\$ 113,722	\$ 20,418	\$ 24,666	\$ 67,471	
Employee stock options exercised	147,537	-	-	-	(37,095)	
Compensation cost of employee stock options	-	-	-	-	48,609	
Recognition of changes in equities of associates	-	-	(1,634)	-	-	
At December 31	<u>\$ 3,379,196</u>	<u>\$ 113,722</u>	<u>\$ 18,784</u>	<u>\$ 24,666</u>	<u>\$ 78,985</u>	

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

(23) Retained earnings

A. Under the Company's Articles of Incorporation, in addition to offsetting prior years' losses after paying all taxes as required by law, 10% of the Company's profit at the closing of each fiscal year shall first be set aside as legal reserve, and special reserve shall be set aside or reversed according to laws, the remainder plus undistributed earnings carried over from previous years shall be allocated at the board's proposal. Proposal for allocation in the form of newly issued shares shall be subject to shareholders' resolution. The Company may, in accordance with the provision of Paragraph 5 of Article 240 of the Company Act, by a resolution adopted by a majority vote of a meeting of the board of directors attended by two-thirds or more of the total number of the directors, distribute dividends and bonuses in form of cash, and submit a report to a shareholders meeting.

At least 10% of dividends proposed must be in the form of cash dividend. However, the actual percentage of cash dividends may be adjusted and resolved during board of directors' meetings depending on the Company's financial structure, future fund needs, and profitability.

B. Except for covering accumulated deficit or issuing new stocks or cash to shareholders in proportion to their share ownership, the legal reserve shall not be used for any other purpose. The use of legal reserve for the issuance of stocks or cash to shareholders in proportion to their share ownership is permitted, provided that the balance of the reserve exceeds 25% of the Company's paid-in capital.

C. (a) In accordance with the regulations, the Company shall set aside special reserve from the debit balance on other equity items at the balance sheet date before distributing earnings. When debit balance on other equity items is reversed subsequently, the reversed amount could be included in the distributable earnings.

(b) The amounts previously set aside by the Company as special reserve on initial application of IFRSs in accordance with Order No. Financial-Supervisory-Securities-Corporate 1010012865, dated April 6, 2012, shall be reversed proportionately when the relevant assets are used, disposed of or reclassified subsequently.

D. The appropriations of 2023 and 2022 earnings had been resolved at the Board of Directors' and shareholders' meeting on February 26, 2024 and May 29, 2023, respectively. Details are summarized below:

	<u>2023</u>		<u>2022</u>	
	<u>Amount</u>	<u>Dividends per share (in dollars)</u>	<u>Amount</u>	<u>Dividends per share (in dollars)</u>
Legal reserve	\$ 377,415		\$ 255,780	
Special reserve	62,995		(962,435)	
Cash dividends	3,055,189	\$ 5.00	2,294,771	\$ 3.78362680
Total	<u>\$ 3,495,599</u>		<u>\$ 1,588,116</u>	

(24) Other equity items

	2023		
	Unrealised gain		
	(loss) on	Currency	Total
	valuation	translation	
At January 1	\$ 281,121	(\$ 481,109)	(\$ 199,988)
Revaluation			
–Group	186,171	-	186,171
–Associates	(35,896)	-	(35,896)
Currency translation differences:			
–Group	-	(168,665)	(168,665)
–Associates	-	(14,479)	(14,479)
Disposal of financial assets at fair value through other comprehensive income			
–Associates	(30,126)	-	(30,126)
At December 31	<u>\$ 401,270</u>	<u>(\$ 664,253)</u>	<u>(\$ 262,983)</u>

	2022		
	Unrealised gain		
	(loss) on	Currency	Total
	valuation	translation	
At January 1	\$ 254,380	(\$ 1,416,803)	(\$ 1,162,423)
Revaluation			
–Group	(45,654)	-	(45,654)
–Associates	62,371	-	62,371
Currency translation differences:			
–Group	-	914,847	914,847
–Associates	-	20,847	20,847
Disposal of financial assets at fair value through other comprehensive income			
–Group	36,635	-	36,635
–Associates	(26,611)	-	(26,611)
At December 31	<u>\$ 281,121</u>	<u>(\$ 481,109)</u>	<u>(\$ 199,988)</u>

(25) Operating revenue

	Years ended December 31,	
	2023	2022
Revenue from contracts with customers	<u>\$ 34,792,557</u>	<u>\$ 32,476,133</u>

A. Disaggregation of revenue from contracts

The Group's revenue is subdivided into the following major business units:

2023	Electronic parts	Structure parts	Aerospace fasteners	Total
Revenue from external customer contracts	<u>\$ 18,155,954</u>	<u>\$ 13,565,979</u>	<u>\$ 3,070,624</u>	<u>\$ 34,792,557</u>

2022	Electronic parts	Structure parts	Aerospace fasteners	Total
Revenue from external customer contracts	<u>\$ 15,463,217</u>	<u>\$ 14,819,995</u>	<u>\$ 2,192,921</u>	<u>\$ 32,476,133</u>

B. Contract liabilities

The Group has recognised the following revenue-related contract liabilities:

	December 31, 2023	December 31, 2022	January 1, 2022
Contract liabilities	<u>\$ 1,692,279</u>	<u>\$ 1,610,400</u>	<u>\$ 1,428,856</u>

Revenue recognised that was included in the contract liability balance at the beginning of the year.

	Years ended December 31,	
	2023	2022
Revenue recognised that was included in the contract liability balance at the beginning of the year	<u>\$ 728,606</u>	<u>\$ 642,627</u>

Contract liabilities mainly comprised of extension warranty contract and cloud service revenue, which are provided by electronic parts segment to customers.

(26) Interest income

	Years ended December 31,	
	2023	2022
Interest income:		
Interest income from financial assets measured at amortised cost	\$ 220,477	\$ 52,609
Other interest income	197	102
	<u>\$ 220,674</u>	<u>\$ 52,711</u>

(27)Other income

	Years ended December 31,	
	2023	2022
Other income:		
Dividend income	\$ 41,522	\$ 27,522
Government grants revenue	71,664	75,840
Other income - others	47,341	109,527
	<u>\$ 160,527</u>	<u>\$ 212,889</u>

(28)Other gains and losses

	Years ended December 31,	
	2023	2022
Gain (loss) on disposal of property, plant and equipment	\$ 8,979	(\$ 21,361)
Net currency exchange gain	143,716	217,703
Net loss on financial assets at fair value through profit or loss	(28,385)	(18,671)
Gain on disposal of investments	269,467	-
Miscellaneous disbursements	(30,194)	(464,940)
	<u>\$ 363,583</u>	<u>(\$ 287,269)</u>

Refer to Note 6(20)B for details of miscellaneous disbursements for the year ended December 31, 2023 and 2022.

(29)Finance costs

	Years ended December 31,	
	2023	2022
Interest expense:		
Bank loan	\$ 70,580	\$ 34,639
Leased liabilities	9,967	12,223
	<u>\$ 80,547</u>	<u>\$ 46,862</u>

(30)Expenses by nature

	Years ended December 31,	
	2023	2022
Employee benefit expense	\$ 7,086,131	\$ 6,838,520
Depreciation charges	1,295,753	1,244,119
Amortisation charges	33,359	33,262
	<u>\$ 8,415,243</u>	<u>\$ 8,115,901</u>

(31) Employee benefit expense

	Years ended December 31,	
	2023	2022
Wages and salaries	\$ 5,862,910	\$ 5,653,408
Labour and health insurance fees	428,491	448,731
Pension costs	240,829	240,574
Other personnel expenses	553,901	495,807
	<u>\$ 7,086,131</u>	<u>\$ 6,838,520</u>

A. In accordance with the Company's Articles of Incorporation, where the Company accrues annual net income, if any, the Company shall distribute more than 1% but less than 10% of which as employees' compensation and no more than 1% of which as directors' remuneration with the resolution of Board of Directors. However, annual net income should be firstly reserved to offset the Company's accumulated deficit prior to the distribution of compensation and remuneration.

B. For the years ended December 31, 2023 and 2022, employees' compensation were accrued at \$4,000 and \$2,300 respectively; while directors' remuneration were accrued at \$8,600 and \$7,733, respectively. The aforementioned amounts were recognised in salary expenses. For the years ended December 31, 2023 and 2022, the employees' compensation and directors' remuneration were recognised based on the fixed amount and ratio of the profit accrued in the period.

Information about employees' compensation and directors' remuneration of the Company as resolved by the Board of Directors is available at the "Market Observation Post System" website of the Taiwan Stock Exchange.

(32) Income tax

A. Income tax expense

	Years ended December 31,	
	2023	2022
Current tax:		
Current tax on profits for the year	\$ 918,632	\$ 707,014
Tax on unappropriated earnings	48,484	61,936
Prior year income tax over estimation	(24,340)	(30,200)
Total current tax	<u>\$ 942,776</u>	<u>\$ 738,750</u>
Deferred tax:		
Origination and reversal of temporary differences	23,762	(267,370)
Total deferred tax	<u>\$ 23,762</u>	<u>(\$ 267,370)</u>
Income tax expense	<u>\$ 966,538</u>	<u>\$ 471,380</u>

B. Reconciliation between income tax expense and accounting profit

	Years ended December 31,	
	2023	2022
Tax calculated based on profit before tax and statutory tax rate (note)	\$ 1,572,994	\$ 1,051,032
Tax exempt income by tax regulation	(566,878)	(290,355)
Expenses disallowed by tax regulation	295	325
Temporary differences not recognized as deferred tax liabilities	(204,406)	(258,225)
Tax on undistributed earnings	48,484	61,936
Change in assessment of realization of deferred tax assets	(5,360)	-
Prior year income tax overestimation	(24,340)	(30,200)
Prior years' unrecognized tax losses used	(18,387)	-
Estimated and accrued tax liabilities based on possible earnings repatriated by the offshore subsidiaries	170,367	(63,133)
Other	(6,231)	-
Income tax expense	<u>\$ 966,538</u>	<u>\$ 471,380</u>

Note: The basis for computing the applicable tax rate are the rates applicable in the respective countries where the Group entities operate.

C. The income tax credit relating to components of other comprehensive income is as follows:

	Years ended December 31,	
	2023	2022
Share of other comprehensive income of associates and joint ventures accounted for using equity method	<u>\$ -</u>	<u>\$ 947</u>

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

	2023				
	January 1	Recognised in profit or loss	Recognised in other comprehensive income	Recognised in equity	December 31
Deferred tax assets:					
-Temporary differences:					
Provision for market value decline and obsolescence of inventories	\$ 257,100	(\$ 24,154)	\$ -	\$ -	\$ 232,946
Unrealised warranty expense	121,234	26,163	-	-	147,397
Unrealised gross profit	35,030	18,262	-	-	53,292
Unrealised expenses	60,153	(10,540)	-	-	49,613
Unrealised exchange loss	8,914	10,396	-	-	19,310
Others	36,672	(10,980)	-	-	25,692
-Tax losses	<u>376,398</u>	<u>(4,035)</u>	<u>-</u>	<u>-</u>	<u>372,363</u>
Subtotal	<u>\$ 895,501</u>	<u>\$ 5,112</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 900,613</u>
Deferred tax liabilities:					
Unrealised exchange gain	(\$ 316)	(\$ 5,488)	\$ -	\$ -	(\$ 5,804)
Unrealised pension cost	(1,082)	260	-	-	(822)
Book-tax difference on machinery and equipment	(172,041)	68,107	-	-	(103,934)
Unrealised share of profit and losses of subsidiaries	(546,916)	(91,409)	-	-	(638,325)
Others	(42,023)	344	-	-	(42,367)
Subtotal	<u>(\$ 762,378)</u>	<u>(\$ 28,874)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>(\$ 791,252)</u>
Total	<u>\$ 133,123</u>	<u>(\$ 23,762)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 109,361</u>

	2022				
	January 1	Recognised in profit or loss	Recognised in other comprehensive income	Recognised in equity	December 31
Deferred tax assets:					
-Temporary differences:					
Provision for market value decline and obsolescence of inventories	\$ 278,966	(\$ 21,866)	\$ -	\$ -	\$ 257,100
Unrealised warranty expense	132,938	(11,704)	-	-	121,234
Unrealised gross profit	53,870	(18,840)	-	-	35,030
Unrealised expenses	55,029	5,124	-	-	60,153
Unrealised exchange loss	-	8,914	-	-	8,914
Others	30,138	6,534	-	-	36,672
-Tax losses	<u>161,238</u>	<u>215,160</u>	-	-	<u>376,398</u>
Subtotal	<u>\$ 712,179</u>	<u>\$ 183,322</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 895,501</u>
Deferred tax liabilities:					
Unrealised exchange gain	\$ -	(\$ 316)	\$ -	\$ -	(\$ 316)
Unrealised pension cost	(905)	(177)	-	-	(1,082)
Book-tax difference on machinery and equipment	(173,485)	1,444	-	-	(172,041)
Unrealised share of profit and losses of subsidiaries	(649,357)	102,441	-	-	(546,916)
Others	<u>(26,598)</u>	<u>(15,425)</u>	<u>-</u>	<u>-</u>	<u>(42,023)</u>
Subtotal	<u>(\$ 850,345)</u>	<u>\$ 87,967</u>	<u>\$ -</u>	<u>\$ -</u>	<u>(\$ 762,378)</u>
Total	<u>(\$ 138,166)</u>	<u>\$ 271,289</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 133,123</u>

E. The Company did not recognize taxable temporary differences relating to several subsidiaries investment as deferred tax liabilities. As of December 31, 2023 and 2022, the unrecognised deferred tax liabilities were \$8,962,050 and \$8,726,458, respectively.

F. The Company estimated and accrued deferred tax liabilities based on possible earnings repatriated by the offshore subsidiaries amounting to \$638,325 and \$546,916 for the years ended December 31, 2023 and 2022.

F. The Company's income tax returns through 2021 have been assessed and approved by the Tax Authority.

G The income tax returns of the subsidiary, National Aerospace Fasteners Corporation, through 2021 have been assessed and approved by the Tax Authority.

(33) Earnings per share

	Year ended December 31, 2023		
		Weighted average number of ordinary shares outstanding (shares in thousands)	Earnings per share (in dollars)
	<u>Amount after tax</u>		
<u>Basic earnings per share</u>			
Profit attributable to ordinary shareholders of the parent	<u>\$ 3,744,542</u>	<u>607,212</u>	<u>\$ 6.17</u>
<u>Diluted earnings per share</u>			
Profit attributable to ordinary shareholders of the parent	3,744,542	607,212	
Less: Effects of potential dilutive common shares issued by the investee accounted for under the equity method	(7,673)	-	
Assumed conversion of all dilutive potential ordinary shares			
Employee stock options	-	11,360	
Employees' compensation	-	43	
Profit attributable to ordinary shareholders of the parent plus assumed conversion of all dilutive potential ordinary shares	<u>\$ 3,736,869</u>	<u>618,615</u>	<u>\$ 6.04</u>

Year ended December 31, 2022

	Amount after tax	Weighted average number of ordinary shares outstanding (shares in thousands)	Earnings per share (in dollars)
<u>Basic earnings per share</u>			
Profit attributable to ordinary shareholders of the parent	\$ 2,565,168	600,581	\$ 4.27
<u>Diluted earnings per share</u>			
Profit attributable to ordinary shareholders of the parent	2,565,168	600,581	
Less: Effects of potential dilutive common shares issued by the investee accounted for under the equity method	(44)	-	
Assumed conversion of all dilutive potential ordinary shares			
Employee stock options	-	6,110	
Employees' compensation	-	193	
Profit attributable to ordinary shareholders of the parent plus assumed conversion of all dilutive potential ordinary shares	\$ 2,565,124	606,884	\$ 4.23

(34) Supplemental cash flow information

A. Investing activities with partial cash payments

	Years ended December 31,	
	2023	2022
Purchase of property, plant and equipment	\$ 776,112	\$ 918,460
Add: Opening balance of payable on machinery and equipment	35,395	64,293
Add: Ending balance of prepayable on machinery and equipment	115,709	88,707
Less: Ending balance of payable on machinery and equipment	(81,862)	(35,395)
Less: Opening balance of prepayable on machinery and equipment	(88,707)	(144,443)
Cash paid during the year	\$ 756,647	\$ 891,622

(35) Changes in liabilities from financing activities

	2023			
	Short-term borrowngs	Long-term borrowngs	Lease liabilities	Guarantee deposits received
January 1	\$ 521,494	\$ 1,955,569	\$ 426,413	\$ 9,262
Changes in cash flow from financing activities	296,836	(128,053)	(148,127)	(3,778)
Changes in other non-cash items	-	-	3,308	-
December 31	<u>\$ 818,330</u>	<u>\$ 1,827,516</u>	<u>\$ 281,594</u>	<u>\$ 5,484</u>
	2022			
	Short-term borrowngs	Long-term borrowngs	Lease liabilities	Guarantee deposits received
January 1	\$ 13,840	\$ 2,099,112	\$ 493,525	\$ 17,679
Changes in cash flow from financing activities	507,654	(143,543)	(160,893)	(8,417)
Changes in other non-cash items	-	-	93,781	-
December 31	<u>\$ 521,494</u>	<u>\$ 1,955,569</u>	<u>\$ 426,413</u>	<u>\$ 9,262</u>

7. RELATED PARTY TRANSACTIONS

(1) Names of related parties and relationship

<u>Names of related parties</u>	<u>Relationship with the Group</u>
Mitac International Corp.	Entity having significant influence on the Group
Mitac Computing Technology Corporation	Associate of the entity in the same group having significant influence on the Group
Mitac Computer (Kunshan) Co., Ltd.	Associate of the entity in the same group having significant influence on the Group
Mitac Innovation (Kunshan) Ltd.	Associate of the entity in the same group having significant influence on the Group
Mitac Information Technology Ltd.	Associate of the entity in the same group having significant influence on the Group
Mitac Research (Shanghai) Ltd.	Associate of the entity in the same group having significant influence on the Group
Mitac Technology (Kunshan) Co., Ltd.	Associate of the entity in the same group having significant influence on the Group
MiTAC Europe Ltd.	Associate of the entity in the same group having significant influence on the Group
Mitac Digital Technology Corporation	Associate of the entity in the same group having significant influence on the Group
MiTAC Investment Holding Ltd.	Associate of the entity in the same group having significant influence on the Group
MiTAC Information Systems (KunShan) Co.,Ltd.	Associate of the entity in the same group having significant influence on the Group
Suzhou Mio Technology Ltd.	Associate of the entity in the same group having significant influence on the Group
MiTAC Japan Corp.	Associate of the entity in the same group having significant influence on the Group
Waffer Technology Corp.	Associate
Waffer Technology (Maanshan) Limited	Subsidiary of associate
Waffer Technology (Kunshan) Ltd.	Subsidiary of associate
Lien Hwa Property Development Corporation	Other related party
Synnex Technology International Corp.	Other related party
Mitac Information Technology Corp.	Other related party
BestCom Infotech Corp.	Other related party
Synnex Australia Pty Ltd.	Other related party
Synnex New Zealand Ltd.	Other related party
Mitac Communication Co., Ltd.	Other related party
Jian Foods Incorporation	Other related party
Harbinger VIII Venture Capital Corp.	Other related party
MiTAC Advance Technopogy Corp.	Other related party

(2) Significant related party transactions

A. Operating revenue

	Years ended December 31,	
	2023	2022
Other related parties	\$ 159,828	\$ 200,635
Entities having significant influence on the Group	26,300	60,029
Associates	5,951	2,222
	<u>\$ 192,079</u>	<u>\$ 262,886</u>

(a) The selling prices to related parties are determined based on the market price in the region of the related party.

(b) The term of credit for related parties was 5 months.

B. Purchases

	Years ended December 31,	
	2023	2022
Other related parties	\$ 151,216	\$ 128,557
Associates	20,476	8,155
	<u>\$ 171,692</u>	<u>\$ 136,712</u>

(a) The prices on purchases from related parties are determined based on the market price in the region of the related party.

(b) The term of payment for related parties was 5 months.

C. Receivables from related parties

(a) Accounts receivable

	December 31, 2023	December 31, 2022
Other related parties	\$ 30,395	\$ 56,205
Entities having significant influence on the Group	5,823	7,867
Associates	2,336	1,781
	<u>\$ 38,554</u>	<u>\$ 65,853</u>

(b) Other receivables

	December 31, 2023	December 31, 2022
Entities having significant influence on the Group	\$ 1,083	\$ 1,374
Associates	1,161	1,238
Other related parties	74	-
	<u>\$ 2,318</u>	<u>\$ 2,612</u>

It mainly refers to receivables for payments on behalf of others.

D. Accounts payable

(a) Accounts payable

	<u>December 31, 2023</u>	<u>December 31, 2022</u>
Other related parties	\$ 49,398	\$ 19,400
Associates	9,624	7,429
	<u>\$ 59,022</u>	<u>\$ 26,829</u>

(b) Other payables

	<u>December 31, 2023</u>	<u>December 31, 2022</u>
Entities having significant influence on the Group	\$ 11,580	\$ 9,660
Other related parties	4,459	2,852
	<u>\$ 16,039</u>	<u>\$ 12,512</u>

Other payables arose from receipts under custody and miscellaneous payable.

(c) Contract liabilities

	<u>December 31, 2023</u>	<u>December 31, 2022</u>
Other related party	\$ 8,543	\$ 6,947

E. Rental income

		<u>Years ended December 31,</u>	
		<u>2023</u>	<u>2022</u>
Associate of entity in the same group having significant influence on the group-Mitac Computer (Kunshan) Co., Ltd.	Office and plant	\$ 11,356	\$ 11,379
Entities having significant influence on the Group	Office and plant	430	430
Associates	Office and plant	126	2,227
		<u>\$ 11,912</u>	<u>\$ 14,036</u>

F. Property transactions

(a) Acquisition of property, plant and equipment

	<u>Years ended December 31,</u>	
	<u>2023</u>	<u>2022</u>
Other related party	\$ 1,294	\$ 6,254

(b) Disposal of property, plant and equipment

	Years ended December 31,			
	2023		2022	
	Disposal proceeds	Loss on disposal	Disposal proceeds	Loss on disposal
Associates	\$ -	\$ -	\$ 3,805	(\$ 3,258)

G. Acquisition of financial assets

	Accounts	No. of shares	Year ended December 31, 2023	
			Objects	Consideration
Other related party	Non-current financial assets at fair value through other comprehensive income	Subscribing new shares in the amount of 15,000 thousand shares through the capital increase	MiTAC Advance Technology Corp.	\$ 240,000
Other related party	Non-current financial assets at fair value through other comprehensive income	Subscribing new shares in the amount of 3,750 thousand shares through the capital increase	Associates- Harbinger VIII Venture Capital Corp.	\$ 37,500
Associates	Non-current financial assets at fair value through other comprehensive income	Subscribing new shares in the amount of 6,166 thousand shares through the capital increase	Associates- Waffer Technology Corp.	172,647
				\$ 210,147

H. Leasing arrangements—lessee

- (a) The Group leases buildings and equipment from Lien Hwa Property Development Corporation, Mitac International Corp. and Mitac Computer (Kunshan) Co., Ltd. Rental contracts are typically made for periods of 2 to 6 years. Rents are paid on the payment date agreed in the lease agreement.

(b) Acquisition of right-of-use assets

The Group acquired right-of-use assets amounting to \$12,643 from entity having significant influence on the Group – Mitac International Corporation for the year ended December 31, 2022.

(c) Lease liabilities

i. Ending balance

	<u>December 31, 2023</u>	<u>December 31, 2022</u>
Other related parties-Lien Hwa Property Development Corporation	\$ 109	\$ 62,520
Associate of the entity in the same group having significant influence on the Group-Mitac Computer (Kunshan) Co., Ltd.	-	17,161
Entities having significant influence on the Group-Mitac International Corp.	-	13,267
Total	<u>\$ 109</u>	<u>\$ 92,948</u>

ii. Interest expense

	<u>Years ended December 31,</u>	
	<u>2023</u>	<u>2022</u>
Other related parties	\$ 281	\$ 755
Entities having significant influence on the Group	373	1,048
Total	<u>\$ 654</u>	<u>\$ 1,803</u>

(d) Interest income

	<u>Years ended December 31,</u>	
	<u>2023</u>	<u>2022</u>
Other related parties	\$ 146	\$ 70
Entities having significant influence on the Group	51	20
Associates	-	12
Total	<u>\$ 197</u>	<u>\$ 102</u>

I. Others

	<u>Transaction item</u>	<u>Years ended December 31,</u>	
		<u>2023</u>	<u>2022</u>
Other related parties	Other expenses	\$ 166,730	\$ 175,172
Associates	Other expenses	26,447	22,946
Entities having significant influence on the Group	Other expenses	70	290
Total		<u>\$ 193,247</u>	<u>\$ 198,408</u>

(3) Key management compensation

	<u>Years ended December 31,</u>	
	<u>2023</u>	<u>2022</u>
Salaries and other short-term employee benefits	\$ 142,906	\$ 158,888
Termination benefits	409	502
Total	<u>\$ 143,315</u>	<u>\$ 159,390</u>

8. PLEGGED ASSETS

The Group's assets pledged as collateral are as follows:

<u>Pledged asset</u>	<u>Book value</u>	<u>Book value</u>	<u>Purpose</u>
	<u>December 31, 2023</u>	<u>December 31, 2022</u>	
Property, plant and equipment			
Land	\$ 1,202,901	\$ 1,202,901	Long-term loans
Buildings	1,008,391	1,043,294	Long-term loans
Machinery and equipment	267,270	246,185	Long-term loans
Other equipment	30,300	29,559	Long-term loans
Pledged time deposits (shown as financial assets at amortised cost-current and other non-current assets)	15,753	11,142	Customs duties

9. SIGNIFICANT CONTINGENT LIABILITIES AND UNRECOGNISED CONTRACT

COMMITMENTS

(1) Contingencies

None.

(2) Commitments

(1) As of December 31, 2023 and 2022, the subsidiary-National Aerospace Fasteners Corporation, has outstanding construction and equipment purchase contracts totaling \$282,643 and \$88,618, of which \$204,475 and \$68,919 remains unpaid, respectively.

(2) As of December 31, 2023, the total contract consideration of the land purchase contract entered into by the subsidiary, Getac Precision (Thai) Co., Ltd., amounted to \$363,946, of which \$327,551 has not yet been paid.

10. SIGNIFICANT DISASTER LOSS

None.

11. SIGNIFICANT EVENTS AFTER THE BALANCE SHEET DATE

To meet the requirement of future business, the Board of Directors of the subsidiary, National Aerospace Fasteners Corporation, during their meeting on January 26, 2024 resolved to indirectly increase its capital in the Malaysia subsidiary, MY NAFCO PRECISION SDN. BHD., through overseas subsidiary amounting to US\$5,000,000, and the accumulated investment amount was US\$10,000,000.

12. OTHERS

(1) Capital management

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern and to maintain an optimal capital structure to reduce the cost of capital, and to provide returns to the shareholders. In order to maintain a healthy capital structure, the Group considers future operating capital needs, capital expenditures and dividend expenditures through financial analysis, monitoring the Group's capital structure in order to fulfill capital management objectives.

(2) Financial instruments

A. Financial instruments by category

	<u>December 31, 2023</u>	<u>December 31, 2022</u>
<u>Financial assets</u>		
Financial assets at fair value through profit or loss		
Financial assets mandatorily measured at fair value through profit or loss	\$ 14,932	\$ 29,606
Financial assets at fair value through other comprehensive income		
Designation of equity instrument	1,420,352	885,613
Financial assets at amortised cost/Loans and receivables		
Cash and cash equivalents	12,398,737	8,821,563
Notes receivable	82	6,485
Accounts receivable	8,623,953	7,154,329
Other receivables	36,166	121,760
Guarantee deposits paid	51,932	40,702
Financial assets at amortised cost - current	4,782	503,506
Financial assets at amortised cost - non-current	10,971	11,142
	<u>\$ 22,561,907</u>	<u>\$ 17,574,706</u>

	<u>December 31, 2023</u>	<u>December 31, 2022</u>
<u>Financial liabilities</u>		
Financial liabilities at fair value through profit or loss		
Financial liabilities held for trading	\$ 54,762	\$ 39,695
Financial liabilities at amortised cost		
Short-term borrowings	818,330	521,494
Accounts payable	6,707,227	5,751,678
Other payables	3,314,662	2,803,028
Long-term borrowings (including current portion)	1,827,516	1,955,569
Refund liabilities	1,013,021	336,931
Guarantee deposits received	5,484	9,262
	<u>\$ 13,741,002</u>	<u>\$ 11,417,657</u>
Lease liabilities	<u>\$ 281,594</u>	<u>\$ 426,413</u>

B. Financial risk management policies

- (a) The Group's activities expose it to a variety of financial risks: market risk (including foreign exchange risk, interest rate risk and price risk), credit risk and liquidity risk. The Group's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects on the Group's financial position and financial performance.
- (b) Information about derivative financial instruments that are used to hedge certain exchange rate risk are provided in Notes 6(2) and (15).

C. Significant financial risks and degrees of financial risks

(a) Market risk

Foreign exchange risk

- i. The Group operates internationally and is exposed to foreign exchange risk arising from the transactions of the Company and its subsidiaries used in various functional currency, primarily with respect to the USD and RMB. Foreign exchange risk arises from future commercial transactions, recognised assets and liabilities and net investments in foreign operations.
- ii. Management has set up a policy to require group companies to manage their foreign exchange risk against their functional currency. The group companies are required to hedge their entire foreign exchange risk exposure with the Group treasury. Foreign exchange risk arises when future commercial transactions or recognised assets or liabilities are denominated in a currency that is not the entity's functional currency. To manage their foreign exchange risk arising from future commercial transactions and recognised assets and liabilities, entities in the Group use forward foreign exchange contracts, transacted with Group treasury.

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

	December 31, 2023		
	Foreign currency amount (In thousands)	Exchange rate	Book value (NTD)
(Foreign currency: functional currency)			
<u>Financial assets</u>			
<u>Monetary items</u>			
USD:NTD	\$ 116,517	30.705	\$ 3,577,654
USD:CNY	309,383	7.0827	9,499,605
<u>Financial liabilities</u>			
<u>Monetary items</u>			
USD:NTD	165,546	30.705	5,083,090
USD:CNY	186,901	7.0827	5,738,795
	December 31, 2022		
	Foreign currency amount (In thousands)	Exchange rate	Book value (NTD)
(Foreign currency: functional currency)			
<u>Financial assets</u>			
<u>Monetary items</u>			
USD:NTD	\$ 105,103	30.710	\$ 3,227,720
USD:CNY	271,289	6.9646	8,331,285
<u>Financial liabilities</u>			
<u>Monetary items</u>			
USD:NTD	158,373	30.710	4,863,645
USD:CNY	153,923	6.9646	4,726,971

iv. Total exchange gain, including realized and unrealized arising from significant foreign exchange variation on the monetary items held by the Group for the years ended December 31, 2023 and 2022 amounted to \$143,716 and \$217,703, respectively.

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

Year ended December 31, 2023				
Sensitivity analysis				
	Degree of variation	Effect on profit or loss		Effect on other comprehensive income
(Foreign currency: functional currency)				
<u>Financial assets</u>				
<u>Monetary items</u>				
USD:NTD	1%	\$ 35,777	\$	-
USD:CNY	1%	94,996		-
<u>Financial liabilities</u>				
<u>Monetary items</u>				
USD:NTD	1%	50,831		-
USD:CNY	1%	57,388		-
Year ended December 31, 2022				
Sensitivity analysis				
	Degree of variation	Effect on profit or loss		Effect on other comprehensive income
(Foreign currency: functional currency)				
<u>Financial assets</u>				
<u>Monetary items</u>				
USD:NTD	1%	\$ 32,277	\$	-
USD:CNY	1%	83,313		-
<u>Financial liabilities</u>				
<u>Monetary items</u>				
USD:NTD	1%	48,636		-
USD:CNY	1%	47,270		-

Price risk

- i. The Group's equity securities, which are exposed to price risk, are the held financial assets at fair value through other comprehensive income. To manage its price risk arising from investments in equity securities, the Group diversifies its portfolio.
- ii. The Group's investments in equity securities comprise domestic and foreign stocks. The prices of equity securities would change due to the change of the future value of investee companies. If the prices of these equity securities had increased/decreased by 1% with all other variables held constant, other components of equity for the years ended December 31, 2023 and 2022 would have increased/decreased by \$14,204 and \$8,856, respectively, as a result of other comprehensive income classified as equity investment at fair value through other comprehensive income.

Cash flow and fair value interest rate risk

- i. The Group's main interest rate risk arises from long-term borrowings. Long-term borrowings issued at variable rates expose the Group to cash flow interest rate risk. During the years ended December 31, 2023 and 2022, the Group's borrowings at variable rate were denominated in the New Taiwan Dollars (NTD) and United States Dollars (USD).
- ii. The Group's borrowings are measured at amortized cost. The borrowings are periodically contractually repriced and to that extent are also exposed to the risk of future changes in market interest rates.
- iii. If annual interest rates on denominated borrowings had been 0.25% higher/lower with all other variables held constant, post-tax profit for the years ended December 31, 2023 and 2022 would have been \$5,292 and \$4,954 lower/higher, respectively. The main factor is that changes in interest expense result in floating-rate borrowings.

(b) Credit risk

- i. Credit risk refers to the risk of financial loss to the Group arising from default by the clients or counterparties of financial instruments on the contract obligations. Credit risk arises from cash and cash equivalents, derivative financial instruments and deposits with banks and financial institutions, as well as credit exposures to customers, including outstanding accounts and notes receivable.
- ii. According to the Group's credit policy, each operating entities manages individual customer and analyze its credit risk, in particular evaluation of factors undermine the customers' repayment such as the customers' financial status and historical transactions as well as monitoring the usage of credit facilities on a regular basis. For banks and financial institutions, only well-rated parties are accepted.
- iii. The Group classifies customers' accounts receivable in accordance with customer types. The Group applies the simplified approach using loss rate methodology to estimate expected credit loss.
- iv. The Group adopts following assumptions under IFRS 9 to assess whether there has been a significant increase in credit risk on that instrument since initial recognition:
 - (i) If the contract payments were past due 1~90 day(s) based on the terms, there has been a significant increase in credit risk on that instrument since initial recognition;
 - (ii) The default occurs when the contract payments are past due over 90 days.
- v. The following indicators are used to determine whether the credit impairment of debt instruments has occurred:
 - (i) It becomes probable that the issuer will enter bankruptcy or other financial reorganisation due to their financial difficulties;

- (ii) The disappearance of an active market for that financial asset because of financial difficulties;
 - (iii) Default or delinquency in interest or principal repayments;
 - (iv) Adverse changes in national or regional economic conditions that are expected to cause a default.
- vi. The Group wrote-off the financial assets, which cannot be reasonably expected to be recovered, after initiating recourse procedures. However, the Group will continue executing the recourse procedures to secure their rights. On December 31, 2023 and 2022, the Group's written-off financial assets that are still under recourse procedures amounted to \$0.
- vii. The Group used the forecast to adjust historical and timely information to assess the default possibility of accounts receivable. On December 31, 2023 and 2022, the loss rate methodology is as follows:

	Not past due	1~90 days past due	91~180 days past due	Over 180 days past due	Total
<u>December 31, 2023</u>					
Expected loss rate	0%~0.03%	0%~0.50%	0%~100%	0%~100%	
Total book value	\$ 8,354,367	\$ 261,961	\$ 17,169	\$ 1,346	\$ 8,634,843
Loss allowance	\$ 4,898	\$ 4,164	\$ 1,452	\$ 376	\$ 10,890

	Not past due	1~90 days past due	91~180 days past due	Over 180 days past due	Total
<u>December 31, 2022</u>					
Expected loss rate	0%~0.03%	0%~0.50%	0%~100%	0%~100%	
Total book value	\$ 6,967,435	\$ 200,517	\$ 2,579	\$ 164	\$ 7,170,695
Loss allowance	\$ 6,793	\$ 8,881	\$ 528	\$ 164	\$ 16,366

- viii. Movements in relation to the Group applying the simplified approach to provide loss allowance for accounts receivable are as follows:

	2023
	<u>Accounts receivable</u>
At January 1	\$ 16,366
Reversal of impairment loss	(5,476)
At December 31	\$ 10,890

	2022
	<u>Accounts receivable</u>
At January 1	\$ 12,789
Provision of impairment loss	3,577
At December 31	<u>\$ 16,366</u>

(c) Liquidity risk

- i. Cash flow forecasting is performed in the operating entities of the Group and aggregated by Group treasury. Group treasury monitors rolling forecasts of the Group's liquidity requirements.
- ii. The table below analyses the Group's non-derivative financial liabilities and net-settled or gross-(18)d derivative financial liabilities into relevant maturity groupings based on the remaining period at the balance sheet date to the contractual maturity date for non-derivative financial liabilities and to the expected maturity date for derivative financial liabilities. The amounts disclosed in the table are the contractual undiscounted cash flows.

Non-derivative financial liabilities:

	Less than 1	Between 1	Between 2	
December 31, 2023	year	and 2 years	and 5 years	Over 5 years
Short-term borrowings	\$ 818,330	\$ -	\$ -	\$ -
Accounts payable	6,707,227	-	-	-
Other payables	3,314,662	-	-	-
Refund liabilities	1,013,021	-	-	-
Long-term borrowings (including current portion)	404,351	276,812	599,967	663,367
Other financial liabilities	5,390	94	-	-
Lease liabilities	67,836	57,308	114,405	50,086
December 31, 2022	Less than 1	Between 1	Between 2	
	year	and 2 years	and 5 years	Over 5 years
Short-term borrowings	\$ 521,494	\$ -	\$ -	\$ -
Accounts payable	5,751,678	-	-	-
Other payables	2,803,028	-	-	-
Refund liabilities	336,931	-	-	-
Long-term borrowings (including current portion)	453,020	672,524	393,193	555,270
Other financial liabilities	-	9,262	-	-
Lease liabilities	171,990	72,817	136,489	56,916

Derivative financial liabilities:

	Less than 1	Between 1	Between 2	
December 31, 2023	year	and 2 years	and 5 years	Over 5 years
Forward exchange contracts	\$ 12,700	\$ -	\$ -	\$ -
Foreign exchange swaps	42,062	-	-	-

December 31, 2022	Less than 1 year	Between 1 and 2 years	Between 2 and 5 years	Over 5 years
Forward exchange contracts	\$ 10,905	\$ -	\$ -	\$ -
Foreign exchange swaps	28,790	-	-	-

iii. The Company does not expect the timing of occurrence of the cash flows estimated through the maturity date analysis will be significantly earlier, nor expect the actual cash flow amount will be significantly different.

(3) Fair value estimation

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

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date. A market is regarded as active where a market in which transactions for the asset or liability take place with sufficient frequency and volume to provide pricing information on an ongoing basis. The fair value of the Group's investment in listed stocks, beneficiary certificates, on-the-run Taiwan central government bonds and derivative instruments with quoted market prices is included in Level 1.

Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.

Level 3: Unobservable inputs for the asset or liability.

B. Fair value information of investment property at cost is provided in Note 6(10).

C. The carrying amounts of cash and cash equivalents, notes receivable, accounts receivable, other receivables, guarantee deposits paid, short-term borrowings, notes payable, accounts payable, other payables, long-term borrowings (including current portion) and guarantee deposits received are approximate to their fair values.

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

December 31, 2023	Level 1	Level 2	Level 3	Total
Financial assets:				
Financial assets at fair value through profit or loss				
Forward exchange contracts	\$ -	\$ 14,932	\$ -	\$ 14,932
Financial assets at fair value through other comprehensive income				
Equity securities	656,630	-	763,722	1,420,352
Total	<u>\$ 656,630</u>	<u>\$ 14,932</u>	<u>\$ 763,722</u>	<u>\$ 1,435,284</u>
Financial liabilities:				
Financial liabilities at fair value through profit or loss				
Forward exchange contracts	\$ -	\$ 12,700	\$ -	\$ 12,700
Foreign exchange swaps	-	42,062	-	42,062
Total	<u>\$ -</u>	<u>\$ 54,762</u>	<u>\$ -</u>	<u>\$ 54,762</u>
December 31, 2022	Level 1	Level 2	Level 3	Total
Financial assets:				
Financial assets at fair value through profit or loss				
Forward exchange contracts	\$ -	\$ 27,932	\$ -	\$ 27,932
Foreign exchange swaps	-	1,674	-	1,674
Financial assets at fair value through other comprehensive income				
Equity securities	434,806	-	450,807	885,613
Total	<u>\$ 434,806</u>	<u>\$ 29,606</u>	<u>\$ 450,807</u>	<u>\$ 915,219</u>
Financial liabilities:				
Financial liabilities at fair value through profit or loss				
Forward exchange contracts	\$ -	\$ 10,905	\$ -	\$ 10,905
Foreign exchange swaps	-	28,790	-	28,790
Total	<u>\$ -</u>	<u>\$ 39,695</u>	<u>\$ -</u>	<u>\$ 39,695</u>

- E. The methods and assumptions the Group used to measure fair value are as follows:
- (a) The instruments the Group used market quoted prices as their fair values (that is, Level 1) are listed shares, used closing price as market quoted price.
 - (b) Except for financial instruments with active markets, the fair value of other financial instruments is measured by using valuation techniques or by reference to counterparty quotes.
 - (c) When assessing non-standard and low-complexity financial instruments, for example, debt instruments without active market, interest rate swap contracts, foreign exchange swap contracts and options, the Group adopts valuation technique that is widely used by market participants. The inputs used in the valuation method to measure these financial instruments are normally observable in the market.
- F. For the years ended December 31, 2023 and 2022, there was no transfer between Level 1 and Level 2.
- G. The following chart is the movement of Level 3 for the years ended December 31, 2023 and 2022:

	<u>Equity securities</u>
	<u>2023</u>
January 1, 2023	\$ 450,807
Acquired in the year	365,000
Settled in the year	(16,431)
Gain recognised in other comprehensive income	(35,654)
December 31, 2023	<u>\$ 763,722</u>
	<u>Equity securities</u>
	<u>2022</u>
January 1, 2022	\$ 351,303
Acquired in the year	51,467
Settled in the year	(13,615)
Gain recognised in other comprehensive income	61,652
December 31, 2022	<u>\$ 450,807</u>

- H. Investment segment is in charge of valuation procedures for fair value measurements being categorized within Level 3, which is to verify independent fair value of financial instruments. Such assessment is to ensure the valuation results are reasonable by applying independent information to make results close to current market conditions and making any other necessary adjustments to the fair value.

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

	Fair value at December 31, 2023	Valuation technique	Significant unobservable input	Range (weighted average)	Relationship of inputs to fair value
Non-derivative equity instrument:					
Unlisted shares	\$ 398,722	Net asset value	Net asset value	-	The higher the net asset value, the higher the fair value
	365,000	Market price method	Discount for lack of marketability	-	The higher the discount for lack of marketability, the lower the fair value
	Fair value at December 31, 2022	Valuation technique	Significant unobservable input	Range (weighted average)	Relationship of inputs to fair value
Non-derivative equity instrument:					
Unlisted shares	\$ 450,807	Net asset value	Net asset value	-	The higher the net asset value, the higher the fair value

13. SUPPLEMENTARY DISCLOSURES

(1) Significant transactions information

- A. Loans to others: Please refer to table 1.
- B. Provision of endorsements and guarantees to others: Please refer to table 2.
- C. Holding of marketable securities at the end of the period (not including subsidiaries, associates and joint ventures): Please refer to table 3.
- D. Acquisition or sale of the same security with the accumulated cost exceeding \$300 million or 20% of the Company's paid-in capital: Please refer to table 4.
- E. Acquisition of real estate reaching \$300 million or 20% of paid-in capital or more: Please refer to table 5.
- F. Disposal of real estate reaching \$300 million or 20% of paid-in capital or more: None.
- G. Purchases or sales of goods from or to related parties reaching \$100 million or 20% of paid-in capital or more: Please refer to table 6.
- H. Receivables from related parties reaching \$100 million or 20% of paid-in capital or more: Please refer to table 7.

I. Trading in derivative instruments undertaken during the reporting periods: Please refer to Notes 6(2) and 6(15).

J. Significant inter-company transactions during the reporting periods: Please refer to table 8.

(2) Information on investees

Names, locations and other information of investee companies (not including investees in Mainland China): Please refer to table 9.

(3) Information on investments in Mainland China

A. Basic information: Please refer to table 10.

B. Major transactions with the investee in Mainland China: Please refer to table 6 and table 10.

(4) Major shareholders information

Major shareholders information: Please refer to table 11.

14. SEGMENT INFORMATION

(1) General information

The Group considers the business from a product perspective; the Group is primarily engaged in manufacturing and sales of information products such as computers and portable devices for military use and industrial use, parts for the electronics, automobiles and appliances, as well as all types of fastenings meeting aerospace specification.

(2) Measurement of segment information

The accounting policies for preparing operating segment information are the same as the significant accounting policies summarized in Note 4. The Group evaluates the performance of operating segments based on segment performance is measured by profit (loss) after tax from continuing operations of each segment individual the financial statements of each operating segment.

(3) Segment information

The segment information provided to the Chief Operating Decision-Maker on the reportable segments for the years ended December 31, 2023 and 2022 is as follows:

Year ended December 31, 2023

	<u>Electronic parts</u>	<u>Structure parts</u>	<u>Aerospace fasteners</u>	<u>Consolidation</u>
Revenue from external customers	\$ 18,155,954	\$ 13,565,979	\$ 3,070,624	\$ 34,792,557
Segment income	\$ 2,749,104	\$ 900,710	\$ 307,603	\$ 3,957,417
Segment income, including:				
Interest income	\$ 105,951	\$ 113,675	\$ 1,048	\$ 220,674
Interest expense	(4,801)	(42,903)	(32,843)	(80,547)
Depreciation and amortisation	(351,410)	(737,184)	(240,518)	(1,329,112)
Investment income or loss accounted for under the equity method	293,155	-	-	293,155
Other gain and loss	(807,295)	(111,573)	(47,670)	(966,538)

Year ended December 31, 2022

	Electronic parts	Structure parts	Aerospace fasteners	Consolidation
Revenue from external customers	\$ 15,463,217	\$ 14,819,995	\$ 2,192,921	\$ 32,476,133
Segment income	\$ 1,562,144	\$ 969,558	\$ 149,975	\$ 2,681,677
Segment income, including:				
Interest income	\$ 27,344	\$ 23,387	\$ 1,980	\$ 52,711
Interest expense	(11,345)	(7,472)	(28,045)	(46,862)
Depreciation and amortisation	(337,656)	(701,799)	(237,926)	(1,277,381)
Investment income or loss accounted for under the equity method	127,805	-	-	127,805
Income tax expense	(344,568)	(131,733)	4,921	(471,380)
Other gain and loss	(454,124)	(9,412)	(1,404)	(464,940)

(4) Geographical information

Geographical information for the years ended December 31, 2023 and 2022 is as follows:

	Revenue from external customers	
	Years ended December 31	
	2023	2022
China	\$ 10,660,246	\$ 13,172,481
America	10,999,331	7,932,279
Europe	5,288,213	4,909,920
Others	7,844,767	6,461,453
	<u>\$ 34,792,557</u>	<u>\$ 32,476,133</u>
	Non-current assets	
	December 31,	
	2023	2022
China	\$ 3,345,997	\$ 3,932,823
Taiwan	4,123,224	4,198,261
Vietnam	1,914,250	1,805,985
Others	687,047	729,717
	<u>\$ 10,070,518</u>	<u>\$ 10,666,786</u>

(5) Information on products

	Years ended December 31	
	2023	2022
Electronic parts	\$ 18,155,954	\$ 15,463,217
Structure parts	13,565,979	14,819,995
Aerospace fasteners	3,070,624	2,192,921
	<u>\$ 34,792,557</u>	<u>\$ 32,476,133</u>

(6) Major customer information

Single customers accounting for more than 10% of the sales revenue on the Group's consolidated statements of comprehensive income for the years ended December 31, 2023 and 2022:

<u>Customer</u>	<u>Year ended December 31, 2023</u>
Customer L	\$ 4,323,944
<u>Customer</u>	<u>Year ended December 31, 2022</u>
Customer O	\$ 3,926,073
Customer M	\$ 3,859,154
Customer L	\$ 3,854,375

Getac Holdings Corp. and Subsidiaries
Loans to others
Year ended December 31, 2023

Table 1

Expressed in thousands of NTD
(Except as otherwise indicated)

No. (Note 1)	Creditor	Borrower	General ledger account	Is a related party	Maximum outstanding balance during the year ended December 31, 2023	Balance at December 31, 2023 (Note 4)	Actual amount drawn down	Interest rate	Nature of loan (Note 2)	Amount of transactions with the borrower	Reason for short-term financing	Allowance for doubtful accounts	Collateral		Limit on loans granted to a single party (Note 3)	Ceiling on total loans granted (Note 3)
											Item	Value				
1	Pacific Royale Ltd.	Hot Link Technology Ltd.	Other receivable	Y	\$ 471,300	\$ 425,264	\$ 425,264	0.00%	2	\$ -	Working capital financing	\$ -	None	\$ -	\$ 4,445,499	\$ 4,445,499
2	Hot Link Technology Ltd.	MPT Solution (HK) Limited	Other receivable	Y	628,400	-	-	0.00%	2	-	Working capital financing	-	None	-	20,101,849	20,101,849
2	Hot Link Technology Ltd.	Getac Precision (HK) Limited	Other receivable	Y	648,500	583,395	583,395	0.00%	2	-	Working capital financing	-	None	-	20,101,849	20,101,849
2	Hot Link Technology Ltd.	Getac Technology Corp.	Other receivable	Y	324,250	307,050	-	0.00%	2	-	Working capital financing	-	None	-	5,360,493	5,360,493
2	Hot Link Technology Ltd.	Atemitech Corporation	Other receivable	Y	324,250	307,050	153,525	0.00%	2	-	Working capital financing	-	None	-	5,360,493	5,360,493
2	Hot Link Technology Ltd.	Getac Precision Technology Vietnam Co., Ltd.	Other receivable	Y	1,621,250	921,150	690,863	0.00%	2	-	Working capital financing	-	None	-	20,101,849	20,101,849
2	Hot Link Technology Ltd.	MPT Solution (Vietnam) Company Limited	Other receivable	Y	972,750	921,150	408,377	0.00%	2	-	Working capital financing	-	None	-	20,101,849	20,101,849
2	Hot Link Technology Ltd.	Getac Technology (Kunshan) Co., Ltd.	Other receivable	Y	1,134,875	1,074,675	1,074,675	0.00%	2	-	Working capital financing	-	None	-	20,101,849	20,101,849
2	Hot Link Technology Ltd.	Getac Holdings Corporation	Other receivable	Y	2,984,900	1,826,948	1,826,948	0.00%	2	-	Working capital financing	-	None	-	20,101,849	20,101,849
2	Hot Link Technology Ltd.	Mass Bridge Ltd.	Other receivable	Y	188,520	-	-	0.00%	2	-	Working capital financing	-	None	-	20,101,849	20,101,849
2	Hot Link Technology Ltd.	Getac Video Solutions Inc.	Other receivable	Y	521,985	521,985	521,985	0.00%	2	-	Working capital financing	-	None	-	20,101,849	20,101,849
3	Mitac Precision Developments Ltd.	Hot Link Technology Ltd.	Other receivable	Y	614,800	-	-	0.00%	2	-	Working capital financing	-	None	-	1,054	1,054

No. (Note 1)	Creditor	Borrower	General ledger account	Is a related party	Maximum outstanding	Balance at	Actual amount drawn down	Interest rate	Nature of loan (Note 2)	Amount of transactions with the borrower	Reason for short-term financing	Allowance	Collateral		Limit on loans	Ceiling on
					balance during the year ended December 31, 2023	December 31, 2023 (Note 4)						for doubtful accounts	Item	Value	granted to a single party (Note 3)	total loans granted (Note 3)
4	Getac Technology Corporation	Getac Holdings Corporation	Other receivable	Y	\$ 800,000	\$ -	\$ -	1.67%	2	\$ -	Working capital financing	\$ -	None	\$ -	\$ 933,007	\$ 933,007
4	Getac Technology Corporation	Getac Holdings Corporation	Other receivable	Y	800,000	800,000	10,000	1.67%	1	1,234,340	Business Dealings	-	None	-	1,234,340	2,332,517
5	Atemitech Corporation	Fong Guan Investments Ltd.	Other receivable	Y	100,000	-	-	0.00%	2	-	Working capital financing	-	None	-	233,591	233,591
5	Atemitech Corporation	Getac Holdings Corporation	Other receivable	Y	200,000	200,000	-	1.67%	1	250,000	Business dealings	-	None	-	250,000	583,977
6	Fong Guan Investments Ltd.	Getac Holdings Corporation	Other receivable	Y	270,000	270,000	-	1.67%	1	270,500	Business dealings	-	None	-	270,500	460,519
7	National Aerospace Fasteners Corporation	Suzhou Feng Hang Precision Metal Co., Ltd.	Other receivable	Y	108,990	-	-	0.00%	2	-	Working capital financing	-	None	-	466,058	466,058
7	National Aerospace Fasteners Corporation	Suzhou Feng Hang Precision Metal Co., Ltd.	Other receivable	Y	113,488	107,468	107,468	2.50%	1	230,219	Business dealings	-	None	-	230,219	466,058

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

(1) The Company is '0'.

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

Note 2: (1) Having business relationship.

(2) In need of short-term financing.

Note 3: (1) Pacific Royale Ltd./Hot Link Technology Ltd. has policy of maximum loans to others:

(a) Short-term financing :

(i) The borrowing amount for each borrowing entity and total borrowing amount should not be higher than 40% of the net assets on the latest financial statements audited or reviewed by independent auditors.

(ii) Foreign companies with 100% voting rights directly or indirectly owned by the ultimate parent company:

the borrowing amount for each borrowing company and total borrowing amount should not be higher than 150% of the Company's net assets on the latest financial statements audited or reviewed by independent auditors.

(b) The total borrowing amount must not exceed 150% of the net value disclosed in the Company's latest financial statements which has been audited or reviewed by independent auditors.

(2) Mitac Precision Developments Ltd. has policy of maximum loans to others:

(a) Short-term financing :

(i) The borrowing amount for each borrowing entity and total borrowing amount should not be higher than 40% of the net assets on the latest financial statements audited or reviewed by independent auditors.

(ii) Foreign companies with 100% voting rights directly or indirectly owned by the ultimate parent company:

the borrowing amount for each borrowing company and total borrowing amount should not be higher than 500% of the Company's net assets on the latest financial statements audited or reviewed by independent auditors.

(b) The total borrowing amount must not exceed 500% of the net value disclosed in the Company's latest financial statements which has been audited or reviewed by accountants.

(3) Getac Technology Corporation/Atemitech Corporation/Fong Guan Investment Ltd. has policy of maximum loans to others:

(a) Short-term financing :

The total borrowing amount should not be higher than 40% of the net assets on the latest financial statements audited or reviewed by independent auditors.

(b) For companies with which the creditor has business dealings, the individual loan limit is based on the total amount of business transactions in the past 1 year or next 1 year estimation or the net assets of the creditor's audited or reviewed financial statements.

The business transaction amount refers to the total amount including but not limited to investment, purchase and sales or other transactions between the two parties.

(c) The total borrowing amount must not exceed 100% of the net value disclosed in the Company's latest financial statements which has been audited or reviewed by independent auditors.

(4) National Aerospace Fasteners Corporation has policy of maximum loans to others:

(a) The total borrowing amount should not be higher than 20% of the net assets on the latest financial statements audited or reviewed by independent auditors.

(b) For companies with which the creditor has business dealings, the individual loan limit is based on the total amount of business transactions in the past 1 year or next 1 year estimation or the net assets of the creditor's audited or reviewed financial statements.

The business transaction amount refers to the total amount including but not limited to investment, purchase and sales or other transactions between the two parties.

(c) The borrowing amount for each borrowing company should not be higher than 20% of the Company's net assets on the latest financial statements audited or reviewed by independent auditors.

Note 4: Amount as resolved by the Board of Directors.

Getac Holdings Corp. and Subsidiaries
Provision of endorsements and guarantees to others
Year ended December 31, 2023

Table 2

Expressed in thousands of NTD
(Except as otherwise indicated)

Number (Note 1)	Endorser/ guarantor	Party being endorsed/guaranteed		Limit on endorsements/ guarantees provided for a single party	Maximum outstanding endorsement/ guarantee amount as of December 31, 2023	Outstanding endorsement/ guarantee amount at December 31, 2023	Actual amount drawn down	Amount of endorsements/ guarantees secured with collateral	Ratio of accumulated endorsement/ guarantee amount to net asset value of the endorser/ guarantor company	Ceiling on total amount of endorsements/ guarantees provided (Note 2)	Provision of endorsements/ guarantees by parent company to subsidiary	Provision of endorsements/ guarantees by subsidiary to parent company	Provision of endorsements/ guarantees to the party in Mainland China
		Company name	Relationship with the endorser/ guarantor										
0	Getac Holdings Corporation	Getac Technology GmbH	Note 3	\$ 10,713,808	\$ 347,100	\$ 339,800	\$ 314,422	\$ -	1.59	\$ 10,713,808	Y	N	N
0	Getac Holdings Corporation	Getac Video Solutions Inc.	Note 3	10,713,808	16,213	15,353	15,353	-	0.07	10,713,808	Y	N	N
1	National Aerospace Fasteners Corporation	Suzhou Nation Precision Ltd.	Note 4	1,165,146	179,099	27,635	-	-	1.19	1,165,146	Y	N	Y

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

(1) The Company is '0'.

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

Note 2: (1) The maximum amount of endorsements and guarantees provided by the Company should not be higher than 50% of the net assets on the latest financial statements audited or reviewed by independent auditors.

(2) The maximum amount of endorsements and guarantees provided by National Aerospace Fasteners Corporation should not be higher than 50% of the net assets on the latest financial statements audited or reviewed by independent auditors.

Note 3: The endorser/guarantor parent company and its subsidiaries jointly own more than 50% voting shares of the endorsed/guaranteed company.

Note 4: The endorser/guarantor National Aerospace Fasteners Corporation and its subsidiaries jointly own more than 50% voting shares of the endorsed/guaranteed company.

Getac Holdings Corp. and Subsidiaries
Holding of marketable securities at the end of the period (not including subsidiaries, associates and joint ventures)
Year ended December 31, 2023

Table 3

Expressed in thousands of NTD
(Except as otherwise indicated)

Securities held by	Marketable securities	Securities	Relationship with the securities issuer	General ledger account	As of December 31, 2023				Note
					Number of shares	Book value	Ownership (%)	Fair value	
Getac Holdings Corporation	Stock	Mitac Holdings Corp.	Indirect investee company accounted for under the equity method	Financial assets at fair value through other comprehensive income - non-current	10,299,987	\$ 458,865	0.85%	\$ 458,865	
Getac Holdings Corporation	Stock	Hsin Chu Golf Country Club	None	Financial assets at fair value through other comprehensive income - non-current	1	2,400	0.12%	2,400	
Getac Holdings Corporation	Stock	Harbinger VI Venture Capital Corp.	Other related parties	Financial assets at fair value through other comprehensive income - non-current	3,213,811	38,732	13.28%	38,732	
Getac Holdings Corporation	Stock	Harbinger VII Venture Capital Corp.	Other related parties	Financial assets at fair value through other comprehensive income - non-current	5,333,333	80,207	9.39%	80,207	
Getac Holdings Corporation	Stock	Harbinger VIII Venture Capital Corp.	Other related parties	Financial assets at fair value through other comprehensive income - non-current	15,000,000	158,669	11.57%	158,669	
Getac Holdings Corporation	Stock	Harbinger IX Venture Capital Corp.	Other related parties	Financial assets at fair value through other comprehensive income - non-current	5,000,000	50,006	19.80%	50,006	
Getac Holdings Corporation	Stock	JVP VIII, L.P.	None	Financial assets at fair value through other comprehensive income - non-current	-	118,708	1.16%	118,708	
Getac Holdings Corporation	Stock	AVIX Technology Inc.	None	Financial assets at fair value through other comprehensive income - non-current	1,499,000	74,950	14.99%	74,950	
Getac Holdings Corporation	Stock	MiTAC Advance Technology Corp.	Other related parties	Financial assets at fair value through other comprehensive income - non-current	15,000,000	240,000	16.67%	240,000	

Securities held by	Marketable securities	Securities	Relationship with the securities issuer	General ledger account	As of December 31, 2023				Note
					Number of shares	Book value	Ownership (%)	Fair value	
Fong Guan Investment Ltd.	Stock	Mitac Holdings Corp.	It is an investment company that indirectly adopts the equity method to evaluate Fong Guan Investment Ltd.	Financial assets at fair value through other comprehensive income - non-current	4,439,182	\$ 197,765	0.37%	\$ 197,765	
Fong Guan Investment Ltd.	Stock	AVIX Technology Inc.	None	Financial assets at fair value through other comprehensive income - non-current	1,000	50	0.01%	50	
National Aerospace Fasteners Corporation	Stock	Mokoh & Associates, Inc.	None	Financial assets at fair value through other comprehensive income - non-current	700,000	-	0.51%	-	Abolished
National Aerospace Fasteners Corporation	Stock	Shintori Restaurant Co., Ltd.	None	Financial assets at fair value through other comprehensive income - non-current	20,307	-	2.75%	-	Closed

Getac Holdings Corp. and Subsidiaries

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

Year ended December 31, 2023

Table 4

Expressed in thousands of NTD
(Except as otherwise indicated)

Investor	Marketable securities	General ledger account	Counterparty	Relationship with the investor	Balance as at January 1, 2023		Addition(Note)		Number of shares	Disposal		Gain (loss) on disposal	Balance as at December 31, 2023	
					Number of shares	Amount	Number of shares	Amount		Selling price	Book value		Number of shares	Amount
Fong Guan Investments Ltd.	Waffer Technology Corp.	Investments accounted for under equity method	-	-	20,000,000	\$ 273,187	-	\$ -	4,000,000	\$ 326,439	\$ 56,972	\$ 269,467	16,000,000	\$ 203,722

Getac Technology Corp. and Subsidiaries
Acquisition of real estate reaching NT\$300 million or 20% of paid-in capital or more
Year ended December 31, 2023

Table 5 Expressed in thousands of NTD
(Except as otherwise indicated)

Real estate acquired by	Real estate acquired	Date of the event	Transaction amount	Status of payment	Counterparty	Relationship with the counterparty	If the counterparty is a related party, information as to the last transaction of the real estate is disclosed below:			Amount	Basis or reference used in setting the price	Reason for acquisition of real estate and status of the real estate	Other commitments
							Original owner who sold the real estate to the counterparty	Relationship between the original owner and the acquirer	Date of the original transaction				
Getac Precision (Thai) Co., Ltd.	Plot A15, ApexGreen Industrial Park, Chachoengsao Province, Thailand	2023.11.13	\$ 363,946	\$ 36,395	Apex Park Company Limited	None	N/A	N/A	N/A	\$ -	Refer to real estate valuation report (Note)	Preparatory land for future factory expansion	None
MY NAFCO PRECISION SDN. BHD	Land and plant	2023.12.08	143,358	10,035	ENER ECOBIO SDN. BHD.	None	N/A	N/A	N/A	-	Refer to real estate valuation report	Necessary for operations/Real estate ownership transfer registration has not been completed as of the reporting date	None

Note: Bangkok Property Appraisal Company Limited valuation report.

Getac Holdings Corp. and Subsidiaries
Purchases or sales of goods from or to related parties reaching NT\$100 million or 20% of paid-in capital or more
Year ended December 31, 2023

Table 6

Purchaser/seller	Counterparty	Relationship with the counterparty	Transaction						Differences in transaction terms compared to third party transactions		Expressed in thousands of NTD (Except as otherwise indicated)	
			Purchases / Sales	Amount	Percentage of total purchases (sales)	Credit term	Unit price	Credit term	Notes/accounts receivable (payable)			
									Balance	Percentage of total notes/accounts receivable (payable)		
Getac Technology Corp.	Getac Inc.	The Company's subsidiary	Sales	\$ 6,347,836	56%	Note 1	Note 2	Note 1	\$ 775,007	53%		
Getac Technology Corp.	Getac (UK) Ltd.	The Company's subsidiary	Sales	643,001	6%	Note 1	Note 2	Note 1	180,370	12%		
Getac Technology Corp.	Getac Technology GmbH	The Company's subsidiary	Sales	883,136	8%	Note 1	Note 2	Note 1	74,118	5%		
Getac Technology Corp.	Getac (SuZhou) Mobile Ltd.	The Company's subsidiary	Sales	277,848	2%	Note 1	Note 2	Note 1	50,632	3%		
Atemitech Corporation	Mitac Technology(Kyoto) Co., Ltd.	Affiliated company	Sales	218,128	5%	Note 1	Note 2	Note 1	10,212	1%		
Getac Technology (Kunshan) Co., Ltd.	Getac Technology Corp.	Affiliated company	Sales	1,540,595	58%	Note 1	Note 2	Note 1	3,062,190	79%		
Getac Technology (Kunshan) Co., Ltd.	Atemitech Corporation	Affiliated company	Sales	1,062,096	42%	Note 1	Note 2	Note 1	789,644	21%		
Mitac Precision Technology (Kunshan) Co., Ltd.	MPT Solution (HK) Limited	Affiliated company	Sales	4,756,854	71%	Note 1	Note 2	Note 1	3,403,721	80%		
Mitac Precision Technology (Kunshan) Co., Ltd.	Getac Technology (Kunshan) Co., Ltd.	Affiliated company	Sales	194,226	3%	Note 1	Note 2	Note 1	68,788	2%		
Suzhou Mitac Precision Technology Co., Ltd.	MPT Solution (HK) Limited	Affiliated company	Sales	830,026	30%	Note 1	Note 2	Note 1	420,001	35%		
Suzhou Mitac Precision Technology Co., Ltd.	Mitac Precision Technology (Kunshan) Co., Ltd.	Affiliated company	Sales	208,630	8%	Note 1	Note 2	Note 1	77,691	6%		
Getac Precision Technology (ChangShu) Co., Ltd.	Getac Precision (HK) Limited	Parent company	Sales	1,020,311	51%	Note 1	Note 2	Note 1	208,286	35%		
MPT Solution (Vietnam) Company Limited	MPT Solution (HK) Limited	Affiliated company	Sales	208,561	12%	Note 1	Note 2	Note 1	70,617	13%		
MPT Solution (Vietnam) Company Limited	Getac Precision Technology Vietnam Co., Ltd.	Affiliated company	Sales	132,481	8%	Note 1	Note 2	Note 1	31,188	6%		
MPT Solution (HK) Limited	Atemitech Corporation	Affiliated company	Sales	197,840	4%	Note 1	Note 2	Note 1	16,685	1%		
Getac Precision Technology Vietnam Co., Ltd.	Getac Precision (HK) Limited	Parent company	Sales	1,834,216	93%	Note 1	Note 2	Note 1	336,808	91%		

Purchaser/seller	Counterparty	Relationship with the counterparty	Transaction		Percentage of total purchases (sales)	Credit term	Differences in transaction terms compared to third party transactions		Expressed in thousands of NTD (Except as otherwise indicated)	
			Purchases / Sales	Amount			Unit price	Credit term	Notes/accounts receivable (payable)	Balance
Getac Precision (HK) Limited	Getac Precision Technology (ChangShu) Co., Ltd.	The Company's subsidiary	Sales	\$ 364,995	13%	Note 1	Note 2	Note 1	\$ 101,491	13%
National Aerospace Fasteners Corporation	Suzhou Nafco Precision Ltd.	The Company's subsidiary	Sales	109,973	4%	Note 1	Note 2	Note 1	20,191	3%
Suzhou Nafco Precision Ltd.	National Aerospace Fasteners Corporation	Parent company	Sales	230,219	34%	Note 3	Note 4	Note 3	59,966	31%

Note 1: The collection periods of related parties are 150 days after offsetting certain receivables and payables.

The collection period of third party customers is approximately 150 days after shipping date.

Note 2: The selling price for sales to related parties is based on the market value of the goods.

Note 3: The payment periods to overseas related parties are 150 days after offsetting certain receivables and payables.

The payment period to third party suppliers is approximately 150 days after shipping date.

Note 4: The purchase price on purchases from other related parties is based on the market value of the goods.

Note 5: The processing charges are based on cost plus an agreed upon percentage markup.

Note 6: The transaction between Getac Technology Co., Ltd. and Atemitech Corporation had outsourced material to Getac Technology (Kunshan) Co., Ltd. for processing products and the sales transaction is listed at net amount.

Getac Holdings Corp. and Subsidiaries
Receivables from related parties reaching NT\$100 million or 20% of paid-in capital or more
Year ended December 31, 2023

Table 7

Expressed in thousands of NTD
(Except as otherwise indicated)

Creditor	Counterparty	Relationship with the counterparty	Balance as at December 31, 2023	Turnover rate	Overdue receivables		Amount collected subsequent to the balance sheet date	Allowance for doubtful accounts
					Amount	Action taken		
Getac Technology Corp.	Getac Inc.	The Company's subsidiary	\$ 777,561	12.81	\$ -	-	\$ 718,845	\$ -
Getac Technology Corp.	Getac (UK) Ltd.	The Company's subsidiary	180,871	3.89	-	-	42,961	-
Getac Technology (Kunshan) Co., Ltd.	Getac Technology Corp.	Affiliated company	3,065,820	1.92	-	-	526,716	-
Getac Technology (Kunshan) Co., Ltd.	Atemitech Corporation	Affiliated company	790,031	4.06	-	-	89,045	-
Mitac Precision Technology (Kunshan) Co., Ltd.	MPT Solution (HK) Limited	Affiliated company	3,403,721	1.72	-	-	636,885	-
Suzhou Mitac Precision Technology Co., Ltd.	MPT Solution (HK) Limited	Affiliated company	420,122	1.85	-	-	104,397	-
Getac Precision Technology (ChangShu) Co., Ltd.	Getac Precision (HK) Limited	Parent company	208,286	4.27	-	-	52,409	-
Getac Precision Technology Vietnam Co., Ltd.	Getac Precision (HK) Limited	Parent company	336,808	5.07	-	-	199,583	-
Getac Precision (HK) Limited	Getac Precision Technology (ChangShu) Co., Ltd.	The Company's subsidiary	104,403	2.71	-	-	34,083	-

Getac Holdings Corp. and Subsidiaries
Significant inter-company transactions during the reporting period
Year ended December 31, 2023

Table 8

Expressed in thousands of NTD
(Except as otherwise indicated)

Number (Note 1)	Company name	Counterparty	Relationship (Note 2)	Transaction			Percentage of consolidated total operating revenues or total assets (Note 3)
				General ledger account	Amount	Transaction terms	
1	Getac Technology Corp.	Getac Inc.	3	Sales	\$ 6,347,836	Note 4	18%
1	Getac Technology Corp.	Getac (UK) Ltd.	3	Sales	643,001	Note 4	2%
1	Getac Technology Corp.	Getac Technology GmbH	3	Sales	883,136	Note 4	3%
1	Getac Technology Corp.	Getac (SuZhou) Mobile Ltd.	3	Sales	277,848	Note 4	1%
1	Getac Technology Corp.	Getac Inc.	3	Accounts receivable	775,007	Note 4	2%
1	Getac Technology Corp.	Getac (UK) Ltd.	3	Accounts receivable	180,370	Note 4	0%
2	Atemitech Corporation	Mitac Technology(Kyoto) Co., Ltd.	3	Sales	218,128	Note 4	1%
3	Getac Technology (Kunshan) Co., Ltd.	Getac Technology Corp.	3	Sales	1,540,595	Note 4	4%
3	Getac Technology (Kunshan) Co., Ltd.	Atemitech Corporation	3	Sales	1,062,096	Note 4	3%
3	Getac Technology (Kunshan) Co., Ltd.	Getac Technology Corp.	3	Accounts receivable	3,062,190	Note 4	7%
3	Getac Technology (Kunshan) Co., Ltd.	Atemitech Corporation	3	Accounts receivable	789,644	Note 4	2%
4	Getac Precision Technology (ChangShu) Co., Ltd.	Getac Precision (HK) Limited	3	Sales	1,020,311	Note 4	3%
4	Getac Precision Technology (ChangShu) Co., Ltd.	Getac Precision (HK) Limited	3	Accounts receivable	208,286	Note 4	1%
5	Suzhou Mitac Precision Technology Co., Ltd.	MPT Solution (HK) Limited	3	Sales	830,026	Note 4	2%
5	Suzhou Mitac Precision Technology Co., Ltd.	Mitac Precision Technology (Kunshan) Co., Ltd.	3	Sales	208,630	Note 4	1%
5	Suzhou Mitac Precision Technology Co., Ltd.	MPT Solution (HK) Limited	3	Accounts receivable	420,001	Note 4	1%
6	Mitac Precision Technology (Kunshan) Co., Ltd.	MPT Solution (HK) Limited	3	Sales	4,756,854	Note 4	14%
6	Mitac Precision Technology (Kunshan) Co., Ltd.	Getac Technology (Kunshan) Co., Ltd.	3	Sales	194,226	Note 4	1%
6	Mitac Precision Technology (Kunshan) Co., Ltd.	MPT Solution (HK) Limited	3	Accounts receivable	3,403,721	Note 4	8%
7	National Aerospace Fasteners Corporation	Suzhou Nafco Precision Ltd.	3	Other receivables	107,468	Business dealings	0%
7	National Aerospace Fasteners Corporation	Suzhou Nafco Precision Ltd.	3	Sales	109,973	Note 4	1%
8	Suzhou Nafco Precision Ltd.	National Aerospace Fasteners Corporation	3	Sales	230,219	Note 4	1%
9	Pacific Royale Ltd.	Hot Link Technology Ltd.	3	Other receivables	425,264	Operation	1%
10	MPT Solution (HK) Limited	Atemitech Corporation	3	Sales	197,840	Note 4	0%
11	MPT Solution (Vietnam) Company Limited	MPT Solution (HK) Limited	3	Sales	208,561	Note 4	1%
11	MPT Solution (Vietnam) Company Limited	Getac Precision Technology Vietnam Co., Ltd.	3	Sales	132,481	Note 4	0%
12	Hot Link Technology Ltd.	Getac Precision (HK) Limited	3	Other receivables	583,395	Operation	2%
12	Hot Link Technology Ltd.	Atemitech Corporation	3	Other receivables	153,525	Operation	1%
12	Hot Link Technology Ltd.	Getac Precision Technology Vietnam Co., Ltd.	3	Other receivables	690,863	Operation	3%
12	Hot Link Technology Ltd.	MPT Solution (Vietnam) Company Limited	3	Other receivables	408,377	Operation	4%
12	Hot Link Technology Ltd.	Getac Technology (Kunshan) Co., Ltd.	3	Other receivables	1,074,675	Operation	1%
12	Hot Link Technology Ltd.	Getac Holdings Corporation	2	Other receivables	1,826,948	Operation	5%
12	Hot Link Technology Ltd.	Getac Video Solutions Inc.	3	Other receivables	521,985	Operation	1%
13	Getac Precision Technology Vietnam Co., Ltd.	Getac Precision (HK) Limited	3	Sales	1,834,216	Note 4	1%
13	Getac Precision Technology Vietnam Co., Ltd.	Getac Precision (HK) Limited	3	Accounts receivable	336,808	Note 4	0%
14	Getac Precision (HK) Limited	Getac Precision Technology (ChangShu) Co., Ltd.	3	Sales	364,995	Note 4	0%
14	Getac Precision (HK) Limited	Getac Precision Technology (ChangShu) Co., Ltd.	3	Accounts receivable	101,491	Note 4	0%

Note 1: The numbers filled in for the transaction company in respect of inter-company transactions are as follows:

(1) Parent company is '0'.

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

Note 2: The relationship with the transaction parties are as follows:

(1) The Company to the consolidated subsidiary.

(2) The consolidated subsidiary to the Company.

(3) The consolidated subsidiary to the consolidated subsidiary.

Note 3: Ratio of asset/liability is divided by consolidated total assets, and ratio of gain/loss accounts is divided by consolidated sales revenue.

Note 4: The collection period on balances from overseas related parties is 150 days after offsetting certain receivables and payables.

The selling prices on sales to related parties are based on the market value of the goods.

Note 5: Only transaction amounts exceeding \$100 million or 20 percent of the Company's capital are disclosed.

Getac Holdings Corp. and Subsidiaries
Information on investees (not including investees in Mainland China)
Year ended December 31, 2023

Table 9

Expressed in thousands of NTD
(Except as otherwise indicated)

Investor	Investee	Location	Main business activities	Initial investment amount		Shares held as at December 31, 2023			Net profit (loss) of the investee for the year ended December 31, 2023	Investment income (loss) recognised by the Company for the year ended December 31, 2023	Footnote
				Balance as at December 31, 2023	Balance as at December 31, 2022	Number of shares	Ownership (%)	Book value			
Getac Holdings Corporation	Pacific Royale Ltd.	British Virgin	Investment holdings	\$ 1,155,750	\$ 1,155,750	33,220,869	100.00	\$ 2,963,667	\$ 134,377	\$ 134,374	
Getac Holdings Corporation	Lian Jie Investment Co., Ltd.	Taiwan	Investment holdings	113,056	113,056	11,305,650	49.98	213,125 (2,195) (1,097)	
Getac Holdings Corporation	Getac Technology Corp.	Taiwan	Data management, info software, e-communication product wholesale and retail	1,646,010	1,646,010	123,434,000	100.00	2,332,516	1,498,303	1,498,303	
Getac Holdings Corporation	Hot Link Technology Ltd.	British Virgin Islands	Investment holdings	3,027,078	3,628,378	90,776,211	100.00	13,372,836	820,279	820,278	
Getac Holdings Corporation	Waffer Technology Corp.	Taiwan	Manufacture and sales of Magnesium alloy thixomolding	668,875	668,875	46,688,241	24.17	862,170	802,559	194,406	
Getac Holdings Corporation	Atemitech Corporation	Taiwan	Power solutions, industrial displays and mold prototyping services	79,091	79,091	25,000,000	100.00	583,977	628,615	628,615	
Getac Holdings Corporation	Fong Guan Investments Ltd.	Taiwan	Investment holdings	270,500	270,500	27,050,000	100.00	460,462	344,586	344,586	
Getac Holdings Corporation	National Aerospace Fasteners Corporation	Taiwan	Manufacture, processing, agency, and sales of source control bolts and structural parts for aircraft and ship	394,919	394,919	20,578,174	38.10	861,094	307,603	118,569	
Getac Holdings Corporation	Advanced Medical Design Co., Ltd.	Taiwan	Manufacturing and wholesale of medical applicances	61,850	61,850	2,185,000	48.56	69,444	24,425	11,861	
Getac Holdings Corporation	Lian Jie Investment Co., Ltd. II	Taiwan	Investment holdings	48,750	48,750	4,875,000	48.75	63,851	1,198	584	
Fong Guan Investments Ltd.	Waffer Technology Corp.	Taiwan	Manufacture and sales of Magnesium alloy thixomolding	160,000	200,000	16,000,000	8.28	274,550	802,559	-	
Getac Technology Corp.	Waffer Technology Corp.	Taiwan	Manufacture and sales of Magnesium alloy thixomolding	86	86	5,000	-	64	802,559	-	

Investor	Investee	Location	Main business activities	Initial investment amount		Shares held as at December 31, 2023			Net profit (loss) of the investee for the year ended December 31, 2023	Investment income (loss) recognised by the Company for the year ended December 31, 2023	Footnote
				Balance as at December 31, 2023	Balance as at December 31, 2022	Number of shares	Ownership (%)	Book value			
				\$	\$						
Getac Technology Corp.	National Aerospace Fasteners Corporation	Taiwan	Manufacture, processing, agency, and sales of source control bolts and structural parts for aircraft and ship	\$ 2	\$ 2	92	-	\$ 1	\$ 307,603	\$ -	
Getac Technology Corp.	Getac Inc.	U.S.A.	Selling, providing technical service, repair and maintenance of computers and related products for military and industrial use	86,881	86,881	1,600,000	100.00	(323,866)	(1,926)	-	
Getac Technology Corp.	Getac (UK) Ltd.	U.K	Sales and repair of computer, software and relevant products	26,850	26,850	350,000	100.00	52,397	10,015	-	
Getac Technology Corp.	Getac Technology GmbH	Germany	Sales of computer, software and relevant products	16,377	16,377	1	100.00	76,228	10,968	-	
Getac Technology Corp.	WHP Workflow Solutions, Inc.	U.S.A.	Software design and development	478,651	478,651	314,600	80.30	480,618	8,247	-	
Getac Inc.	Getac Vedio Solutions Inc.	U.S.A.	Sales of smart mobile surveillance solution (including device hardware, software, cloud technologies and consulting services)	29,640	29,640	1,000	100.00	(604,820)	(41,337)	-	
Pacific Royale Ltd.	Integration Technology Ltd.	British Virgin Islands	Investment holdings	33,755	33,755	1,000,001	100.00	42,454	1,424	-	
Pacific Royale Ltd.	Master China Ltd.	British Virgin Islands	Investment holdings	427,367	427,367	13,550,000	NA	416,053	367,718	- Preferred stock	
Pacific Royale Ltd.	Talent View Ltd.	British Virgin Islands	Investment holdings	93,756	93,756	1,000,001	100.00	30,616	713	-	
Pacific Royale Ltd.	Victory Star Developments Ltd.	British Virgin Islands	Investment holdings	327,580	327,580	9,900,001	100.00	1,795,833	131,934	-	
Pacific Royale Ltd.	Harbinger Ruyi Venture Limited	British Virgin Islands	Investment holdings	31,520	31,520	1,000,000	28.57	23,372	2,428	-	
Pacific Royale Ltd.	Harbinger Ruyi II Venture Limited	British Virgin Islands	Investment holdings	49,320	49,320	15,000	48.39	114,758	2,414	-	
Pacific Royale Ltd.	WHP Workflow Solutions, Inc.	U.S.A.	Software design and development	79,381	79,381	77,179	19.70	107,929	8,247	-	
Hot Link Technology Ltd.	Master China Ltd.	British Virgin Islands	Investment holdings	571,813	571,813	9,900,001	100.00	3,351,646	367,718	-	

Investor	Investee	Location	Main business activities	Initial investment amount		Shares held as at December 31, 2023			Net profit (loss) of the investee for the year ended December 31, 2023	Investment income (loss) recognised by the Company for the year ended December 31, 2023	Footnote
				Balance as at December 31, 2023	Balance as at December 31, 2022	Number of shares	Ownership (%)	Book value			
Hot Link Technology Ltd.	Mainpower International Ltd.	British Virgin Islands	Investment holdings	\$ 1,147,343	\$ 1,147,343	35,912,843	86.72	\$ 1,773,210	\$ 72,697	\$ -	
Hot Link Technology Ltd.	ACE Continental Industries Ltd.	British Virgin Islands	Investment holdings and trading	648,709	648,709	20,000,001	100.00	1,006,515	93,947	-	
Hot Link Technology Ltd.	Bellingham Investments Ltd.	Samoa	Investment holdings	143,264	143,264	1	100.00	-	-	-	
Hot Link Technology Ltd.	Getac Precision (HK) Limited	H.K	Investment holdings	1,063,017	906,215	29,913,410	100.00	2,108,449	249,180	-	
Hot Link Technology Ltd.	Mitac Technology Kyoto Corporation	Japan	Import/export electronic product, provide technical consulting, maintenance and investment holdings	32,290	32,290	1,800	100.00	27,864	1,519	-	
Hot Link Technology Ltd.	Mitac Precision Developments Ltd.	British Virgin Islands	Investment holdings	-	599,800	2	100.00	211	131	-	
Hot Link Technology Ltd.	MPT Solution (HK) Limited	H.K	Investment holdings and trading	279,798	279,798	10,020,000	100.00	297,375	45,257	-	
Getac Precision (HK) Limited	Mass Bridge Ltd.	British Virgin Islands	Investment holdings	369,529	369,529	11,500,001	100.00	688,817	160,808	-	
Getac Precision (HK) Limited	Running Power Ltd.	British Virgin Islands	Investment holdings	156,802	29,490	1,740,500	100.00	153,525	-	-	
Running Power Ltd.	Getac Precision (Thai) Co., Ltd.	Thailand	Manufacturing of automotive components, safety components and computer components	156,802	-	1,740,499	100.00	153,525	-	-	
ACE Continental Industries Ltd.	MPT Solution (Vietnam) Company Limited	Vietnam	Manufacture of printer and its components, DVD, cell phone, digital camera and PCB	648,709	648,709	-	100.00	1,004,906	93,925	-	
MPT Solution (Vietnam) Company Limited	MPT Solution (Hanoi) Company Limited	Vietnam	Manufacture of printer and related products	15,853	15,853	-	100.00	4,748	(156)	-	
Mass Bridge Ltd.	Getac Precision Technology Vietnam Co., Ltd.	Vietnam	Manufacture of personal computers, communication equipment, automobile electronic devices, precision punching dies, casting/forging raw parts for automobiles and motorcycles, and magnesium alloy castings	369,529	369,529	-	100.00	687,975	160,797	-	

Investor	Investee	Location	Main business activities	Initial investment amount		Shares held as at December 31, 2023			Net profit (loss) of the investee for the year ended December 31, 2023	Investment income (loss) recognised by the Company for the year ended December 31, 2023	Footnote
				Balance as at December 31, 2023	Balance as at December 31, 2022	Number of shares	Ownership (%)	Book value			
National Aerospace Fasteners Corporation	Nafco Group Ltd.	British Virgin Islands	Investment holdings	\$ 405,897	\$ 405,897	13,000,000	100.00	\$ 378,005	\$ 77,301	\$ -	
National Aerospace Fasteners Corporation	CYPRESS SKY INVESTMENT LTD	British Virgin Islands	Investment holdings	16,163	-	500,000	100.00	14,512	-	-	
CYPRESS SKY INVESTMENT LTD	MY NAFCO PRECISION SDN. BHD.	Malaysia	Manufactures automotive and aerospace related fastener products	16,163	-	2,176,401	100.00	14,512	-	-	
Nafco Group Ltd.	Nafco Holdings Ltd.	British Virgin Islands	Investment holdings	405,897	405,897	13,000,000	100.00	381,852	77,301	-	

Getac Holdings Corp. and Subsidiaries
Information on investments in Mainland China
Year ended December 31, 2023

Table 10

Expressed in thousands of NTD

A. Investee in Mainland China, main business activities and related information:

(Except as otherwise indicated)

Investee in Mainland China	Main business activities	Paid-in capital	Investment method (Note 1)	Accumulated amount of remittance from Taiwan to Mainland China as of January 1, 2023	Amount remitted from Taiwan to Mainland China/ Amount remitted back to Taiwan for the year ended December 31, 2023		Accumulated amount of remittance from Taiwan to Mainland China as of December 31, 2023 (Note 3)	Net income of investee for the year ended December 31, 2023	Ownership held by the Company (direct or indirect)	Investment income (loss) recognised by the Company for year ended December 31, 2023 (Note 2)	Book value of investments in Mainland China as of December 31, 2023	Accumulated amount of investment income remitted back to Taiwan as of December 31, 2023	Footnote
					Remitted to Mainland China	Remitted back to Taiwan							
Getac Technology (Kunshan) Co., Ltd.	Manufacture and sale of notebooks and related products	\$ 327,580	3	\$ 327,580	\$ -	\$ -	\$ 327,580	\$ 131,933	100	\$ 131,933	\$ 1,795,714	\$ -	
Mitac Precision Technology (Kunshan) Co., Ltd.	Design and manufacture of computer chassis and its components, precision plastic injection mold, molding parts and molding equipment processing, sales and maintenance and repair services of own products.	784,629	3	652,267	-	-	652,267	470,524	100	470,524	3,035,069	398,420	
Suzhou Mitac Precision Technology Co., Ltd.	Design and manufacture of computer chassis and its components, precision plastic injection mold, molding parts and molding equipment processing, sales and maintenance and repair services of own products.	1,589,287	3	112,776	-	-	112,776	86,878	72.56	63,038	1,838,111	-	
Fon Yang Logistic (Kunshan) Ltd.	Agency of domestic/foreign freight transport and import/export declaration and import/export trade.	31,255	3	-	-	-	-	1,295	100	1,295	32,869	-	
Getac (SuZhou) Mobile Ltd.	Design and manufacture of computers and its peripherals, commercial portable global positioning system, electronic parts, mold production equipment, whole sales of office equipment and spare parts, commission agent, import/export trade and maintenance and repair services of the products.	32,140	1	4,781	-	-	4,781	3,487	100	3,487	40,178	9,539	
Getac Precision Technology (ChangShu) Co., Ltd.	Manufacture of magnesium alloy	623,154	3	-	-	-	-	77,169	100	77,169	1,327,808	-	

Investee in Mainland China	Main business activities	Paid-in capital	Investment method (Note 1)	Mainland China as of January 1, 2023	Amount remitted from Taiwan to Mainland China/ Amount remitted back to Taiwan for the year ended December 31, 2023		Accumulated amount of remittance from Taiwan to Mainland China as of December 31, 2023 (Note 3)	Net income of investee for the year ended December 31, 2023	Ownership held by the Company (direct or indirect)	Investment income (loss) recognised by the Company for year ended December 31, 2023 (Note 2)	Book value of investments in Mainland China as of December 31, 2023	Accumulated amount of investment income remitted back to Taiwan as of December 31, 2023	Footnote
					Remitted to Mainland China	Remitted back to Taiwan							
Suzhou Nafco Precision Ltd.	Production of components for airplane and engine use	\$ 405,897	3	\$ 405,897	\$ -	\$ -	\$ 405,897	\$ 77,301	100	\$ 77,301	\$ 381,852	\$ -	
MPT Solution (Xiangcheng) Co., Ltd.	Forging manufacturing and sales	6,438	3	-	-	-	-	(1,687)	100	(1,687)	3,958	-	
Atemitech (Suzhou) Co., Ltd.	Design and manufacture of computers and its peripherals, commercial portable global positioning system, electronic parts, mold production equipment, whole sales of office equipment and spare parts, commission agent, import/export trade and maintenance and repair services of the products.	27,630	3	-	-	-	-	712	100	712	30,595	-	
Mitac Precision Technology (Chongqing) Co., Ltd.	Design and manufacture of computer chassis and its components, precision plastic injection mold, molding parts and molding equipment processing, sales and maintenance and repair services of own products.	70,141	3	-	-	-	-	(16,905)	100	(16,905)	51,140	-	
Greenmax New Material Technology (Kunshan) Co., Ltd.	R&D and manufacturing of green materials and electronic plastics	13,319	3	-	-	-	-	(8,474)	100	(8,474)	4,693	-	

B. Ceiling on investments in Mainland China:

Company name	Accumulated amount of remittance from Taiwan to Mainland China as of December 31, 2023	Investment amount approved by the Investment Commission of the Ministry of Economic Affairs (MOEA)		Ceiling on investments in Mainland China imposed by the Investment Commission of MOEA
Getac Holdings Corporation	\$ 2,104,538	\$ 3,325,294	\$	12,856,569
National Aerospace Fasteners Corporation	405,897	399,230		1,398,175
Getac Technology Corp.	4,781	29,748		1,399,510

Note 1: Investment methods are classified into the following three categories:

- (1) Directly invest in a company in Mainland China.
- (2) Through investing in an existing company in the third area, which then invested in the investee in Mainland China.

(3) Others

- (a) Through investing in Pacific Royale Ltd. and its subsidiaries in a third area, which then invest in Getac Technology (Kunshan) Co., Ltd., Fon Yang Logistic (Kunshan) Ltd., Mitac Precision Technology (KunShan) Co., Ltd., Atemitech (Suzhou) Co., Ltd.
- (b) Through investing in Hot Link Technology Ltd. and its subsidiaries in a third area, which then invest in Mitac Precision Technology (KunShan) Co., Ltd., Suzhou Mitac Precision Technology Co., Ltd., Getac Precision Metallic Technologies (ChangShu) Ltd., MPT Solution(Xiangcheng) Co.,Ltd., Mitac Precision Technology (Chongqing) Co., Ltd. and Greenmax New Material Technology (Kunshan) Co., Ltd.
- (c) Through investing in a third area establish Nafco Holdings Ltd., which then invests in Suzhou Nafco Precision Ltd.

Note 2: Recognition methods of investment income (loss) are classified into two categories as follows:

- (1) It should be indicated if the company is in the process of incorporation and have no profit or loss yet.
- (2) Basis for recognising investment income (loss) is as follows:

- (a) The financial statements of Getac Technology (KunShan) Co., Ltd., Mitac Precision Technology (KunShan) Co., Ltd., Suzhou Mitac Precision Technology Co., Ltd. and Getac Precision Technology (ChangShu) Co., Ltd., were audited by their R.O.C. parent company's CPA.
- (b) The financial statements of Suzhou Nafco Precision Ltd., were audited by National Aerospace Fasteners Corporation's CPA.
- (3) The financial statements of other companies except those stated in Note 2 (2) (a) and (b) were not audited by a CPA.

Note 3: The difference between the disclosed accumulated amount of remittance from Taiwan to Mainland China for investment approved by the Investment Commission of the Ministry of Economic Affairs and the recognised amount comes from the remitted USD1,200 thousand from Mainland China to Taiwan in 2002 and USD28,900 thousand that has not been remitted from the liquidated subsidiaries in Mainland China.

Getac Holdings Corp. and Subsidiaries
Major shareholders information
Year ended December 31, 2023

Table 11

Name of major shareholders	Shares	
	Name of shares held	Ownership (%)
Mitac International Corp.	190,396,939	31.22%