HONEY HOPE HONESTY ENTERPRISE CO., LTD. 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.

HONEY HOPE HONESTY ENTERPRISE CO., LTD.

DECEMBER 31, 2023 AND 2022 CONSOLIDATED FINANCIAL STATEMENTS AND INDEPENDENT AUDITORS' REPORT

TABLE OF CONTENTS

Contents	Page

Contents	Page

HONEY HOPE HONESTY ENTERPRISE CO., LTD.

Declaration of Consolidated Financial Statements of Affiliated Enterprises

For the year ended December 31, 2023, pursuant to "Criteria Governing Preparation of Affiliation Reports, Consolidated Business Reports and Consolidated Financial Statements of Affiliated Enterprises," the entity that is required to be included in the consolidated financial statements of affiliates, is the same as the entity required to be included in the consolidated financial statements of the parent and subsidiary companies under International Financial Reporting Standard 10. If relevant information that should be disclosed in the consolidated financial statements of affiliates has all been disclosed in the consolidated financial statements of the parent and subsidiary companies, it shall not be required to prepare separate consolidated financial statements of affiliates.

Hereby declare,

HONEY HOPE HONESTY ENTERPRISE CO., LTD.
LIN HSUN-MIN
March 8, 2024

INDEPENDENT AUDITORS' REPORT TRANSLATED FROM CHINESE

PWCR23000599

To the Board of Directors and Shareholders of Honey Hope Honesty Enterprise Co., Ltd.

Opinion

We have audited the accompanying consolidated balance sheets of Honey Hope Honesty Enterprise Co., Ltd. and 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, 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 Accountant of the Republic of China, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the Group's 2023 consolidated financial statements. These matters were addressed in the context of our audit of the consolidated financial statements as a whole and, in forming our opinion thereon, we do not provide a separate opinion on these matters.

Key audit matters for the Group's 2023 consolidated financial statements are stated as follows:

Assessment of allowance for bad debts from accounts receivable

Description

Refer to Note 4(8) for the accounting policies related to accounts receivable, Note 5(2) for the accounting estimates and assumption uncertainty of assessment of allowance for bad debts from accounts receivable, Note 6(3) for the details of accounts receivable and Note 12(2) for the disclosure of information relating to credit risk.

The Group manages the collections of accounts receivable and overdue accounts from customers and bears relevant credit risk. The management assesses the credit quality and collection of customers periodically to adjust the credit policy on customers on a timely basis. In addition, the impairment assessment of accounts receivable applies the modified approach to estimate the expected credit loss based on IFRS 9. The management calculates the expected loss rate according to various factors which might affect the customers' payment ability such as the past due period on the balance sheet date and in the past, the financial position and the economic position as well as using the forecastability.

Given that the amounts of the Group's accounts receivable are significant to the consolidated financial statements and the determination of the loss provision ratio involves the management's judgement, we consider the estimates of loss allowance for accounts receivable a key audit matter.

<u>How our audit addressed the matter</u>

We performed the following audit procedures on the above key audit matter:

1. Obtained an understanding on the credit quality of the Group's customers and assessed the policies and procedures on the provision of loss allowance for accounts receivable.
2. Assessed the loss allowance for the amounts of accounts receivable whose impairment were individually assessed.
3. Conducted test for the movements in ageing of accounts receivable and examined supporting documents related to the invoice dates of accounts receivable to ascertain the classifications of ageing periods.
4. Acquired and reviewed the historical default possibility and past due circumstances of the accounts in the past years provided by the management and considered the forecastability to assess the provision amount of loss allowance.

Cut-off of sales revenue

<u>Description</u>

Refer to Note 4(24) for the accounting policies on revenue recognition and Note 6(13) for the details of revenue.

The Group has two primary types of sales, specifically, sales of goods directly shipped and sales of goods from distribution warehouses. For sales of goods from distribution warehouses, revenue is recognised when goods are picked up at the distribution warehouses by customers (the transfer of risk and rewards) based on the report of customers' actual pick up and other related information provided by the warehouse custodians. Given that the process of revenue recognition from distribution warehouse sales usually contains many manual adjustments, we consider the timing of revenue recognition from distribution warehouse sales a key audit matter.

How our audit addressed the matter

We performed the following audit procedures on the above key audit matter:

1. Obtained an understanding on the procedures of regular reconciliation between the Group, customer and warehouse custodians, acquired related forms to verify whether they comply with the procedures and checked the report of pick up to ascertain the accuracy of adjusting timing of revenue recognition.
2. Performed cut-off tests for sales transactions during a certain period before and after balance sheet date, including checking the supporting documents.
3. Sent confirmation letters or observed physical inventory count for certain critical inventories of the distribution warehouses and checked the records of inventories. In addition, inspected the reason for the discrepancies between the replied confirmations and accounting records, if any, and tested the reconciling items made by the Group to ascertain the significant discrepancies have been adjusted and recorded appropriately.

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 the 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 the Republic of China, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

1. Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
2. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group’s internal control.
3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
4. Conclude on the appropriateness of management’s use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the 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 auditors' report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the 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 auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Yeh, Tsui-Miao	Huang, Shih-Chun

For and on behalf of PricewaterhouseCoopers, Taiwan

March 8, 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.

HONEY HOPE HONESTY ENTERPRISE CO., LTD. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
DECEMBER 31, 2023 AND 2022
(EXPRESSED IN THOUSANDS OF NEW TAIWAN DOLLARS)

			December 31, 2023		December 31, 2022	
	Assets	Notes	AMOUNT	%	AMOUNT	%
	Current assets					
1100	Cash and cash equivalents	6(1)	$ 486,416	13	$ 378,828	9
1110	Financial assets at fair value through profit or loss - current	6(2)	38,511	1	36,362	1
1136	Current financial assets at amortised cost	6(1)	395,385	10	132,040	3
1150	Notes receivable, net	6(3)	656	-	489	-
1170	Accounts receivable, net	6(3) and 8	1,666,701	43	2,208,142	49
1200	Other receivables		19,491	1	14,706	-
1220	Current tax assets	6(18)	15,706	-	4,351	-
130X	Inventories	6(4) and 8	605,528	16	1,218,195	27
1410	Prepayments		53,097	1	55,052	1
11XX	**Current Assets**		3,281,491	85	4,048,165	90
	Non-current assets					
1510	Financial assets at fair value through profit or loss - non-current	6(2)	23,200	1	-	-
1600	Property, plant and equipment	6(5) and 8	115,819	3	115,778	3
1755	Right-of-use assets	6(6)	9,544	-	5,558	-
1780	Intangible assets		4,328	-	3,485	-
1840	Deferred income tax assets	6(18)	21,071	1	17,682	1
1920	Guarantee deposits paid	7(2) and 8	385,760	10	285,837	6
1990	Other non-current assets, others		501	-	995	-
15XX	**Non-current assets**		560,223	15	429,335	10
1XXX	**Total assets**		$ 3,841,714	100	$ 4,477,500	100

(Continued)

HONEY HOPE HONESTY ENTERPRISE CO., LTD. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
DECEMBER 31, 2023 AND 2022
(EXPRESSED IN THOUSANDS OF NEW TAIWAN DOLLARS)

	Liabilities and Equity	Notes	December 31, 2023 AMOUNT	%	December 31, 2022 AMOUNT	%
	Current liabilities					
2130	Current contract liabilities	6(11)	$ 42,561	1	$ 43,155	1
2150	Notes payable		4,019	-	4,833	-
2170	Accounts payable		222,185	6	84,970	2
2180	Accounts payable - related parties	7(2)	787,801	21	1,397,161	31
2200	Other payables		63,842	2	76,462	2
2230	Current income tax liabilities	6(18)	-	-	36,569	1
2280	Current lease liabilities		7,121	-	3,393	-
2300	Other current liabilities		15,392	-	10,411	-
21XX	**Current Liabilities**		1,142,921	30	1,656,954	37
	Non-current liabilities					
2570	Deferred income tax liabilities	6(18)	161,136	4	165,643	4
2580	Non-current lease liabilities		2,566	-	2,243	-
2600	Other non-current liabilities	6(7)	15,113	-	15,236	-
25XX	**Non-current liabilities**		178,815	4	183,122	4
2XXX	**Total Liabilities**		1,321,736	34	1,840,076	41
	Equity					
	Share capital	6(8)				
3110	Share capital - common stock		799,072	21	799,072	18
	Capital surplus	6(9)				
3200	Capital surplus		303,910	8	303,910	6
	Retained earnings	6(10)				
3310	Legal reserve		369,966	10	354,738	8
3320	Special reserve		45,043	1	72,041	2
3350	Unappropriated retained earnings		1,082,888	28	1,175,476	26
	Other equity interest					
3400	Other equity interest		(58,131)	(1)	(45,043)	(1)
3500	Treasury stocks	6(8)	(22,770)	(1)	(22,770)	-
31XX	**Equity attributable to owners of parent**		2,519,978	66	2,637,424	59
3XXX	**Total equity**		2,519,978	66	2,637,424	59
	Significant contingent laibilities and unrecognised contract commitments	9				
	Signficant events after the balance sheet date	11				
3X2X	**Total liabilities and equity**		$ 3,841,714	100	$ 4,477,500	100

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

HONEY HOPE HONESTY ENTERPRISE CO., LTD. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
YEARS ENDED DECEMBER 31, 2023 AND 2022
(EXPRESSED IN THOUSANDS OF NEW TAIWAN DOLLARS,EXCEPT EARNINGS (LOSS) PER SHARE AMOUNTS)

			Year ended December 31			
			2023		2022	
	Items	Notes	AMOUNT	%	AMOUNT	%
4000	Sales revenue	6(11)	$ 4,885,670	100	$ 5,847,130	100
5000	Operating costs	6(4)(16) and 7(2)	(4,749,917)	(97)	(5,594,117)	(96)
5950	Net operating margin		135,753	3	253,013	4
	Operating expenses	6(16)				
6100	Selling expenses		(124,381)	(3)	(133,694)	(2)
6200	General and administrative expenses		(72,587)	(1)	(82,004)	(1)
6450	Impairment loss (impairment gain and reversal of impairment loss) determined in accordance with IFRS 9	12(2)	7,920	-	4,331	-
6000	Total operating expenses		(189,048)	(4)	(211,367)	(3)
6900	Operating (loss) profit		(53,295)	(1)	41,646	1
	Non-operating income and expenses					
7100	Interest income	6(12) and 7(2)	15,854	-	7,772	-
7010	Other income	6(13)	21,564	-	40,273	1
7020	Other gains and losses	6(14)	(200)	-	109,001	2
7050	Finance costs	6(15)	(878)	-	(603)	-
7000	Total non-operating income and expenses		36,340	-	156,443	3
7900	**(Loss) profit before income tax**		(16,955)	(1)	198,089	4
7950	Income tax expense	6(18)	(2,105)	-	(47,214)	(1)
8200	**(Loss) profit for the year**		($ 19,060)	(1)	$ 150,875	3
	Other comprehensive income					
8311	Other comprehensive income, before tax, actuarial gains (losses) on defined benefit plans	6(8)	$ 205	-	$ 1,759	-
8349	Income tax related to components of other comprehensive income that will not be reclassified to profit or loss	6(18)	(41)	-	(352)	-
	Components of other comprehensive income that will be reclassified to profit or loss					
8361	Financial statements translation differences of foreign operations		(13,088)	-	26,998	-
8360	Components of other comprehensive (loss) income that will be reclassified to profit or loss		(13,088)	-	26,998	-
8300	**Other comprehensive (loss) income for the year**		($ 12,924)	-	$ 28,405	-
8500	**Total comprehensive (loss) income for the year**		($ 31,984)	(1)	$ 179,280	3
8610	Profit (loss) attributable to owners of parent		($ 19,060)	(1)	$ 150,875	3
8710	Comprehensive income (loss), attributable to owners of parent		($ 31,984)	(1)	$ 179,280	3
	Basic earnings per share					
9750	Total basic earnings (loss) per share	6(20)	($ 0.24)		$ 1.91	
	Diluted earnings per share					
9850	Total diluted earnings (loss) per share	6(20)	($ 0.24)		$ 1.89	

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

HONEY HOPE HONESTY ENTERPRISE CO., LTD. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
YEARS ENDED DECEMBER 31, 2023 AND 2022
(EXPRESSED IN THOUSANDS OF NEW TAIWAN DOLLARS)

		Equity attributable to owners of the parent								
			Capital surplus		Retained earnings					
	Notes	Share capital - common stock	Capital surplus, additional paid-in capital	Employee stock warrants	Legal reserve	Special reserve	Unappropriated retained earnings	Financial statements translation differences of foreign operations	Treasury shares	Total equity
Year ended December 31, 2022										
Balance at January 1, 2022		$ 799,072	$ 282,828	$ 21,082	$ 340,630	$ 61,717	$1,126,757	($ 72,041)	($ 22,770)	$2,537,275
Profit for the year		-	-	-	-	-	150,875	-	-	150,875
Other comprehensive income for the year		-	-	-	-	-	1,407	26,998	-	28,405
Total comprehensive income	6(10)	-	-	-	-	-	152,282	26,998	-	179,280
Distribution of 2021 earnings										
Provision for legal reserve		-	-	-	14,108	-	(14,108)	-	-	-
Provision for special reserve		-	-	-	-	10,324	(10,324)	-	-	-
Cash dividends		-	-	-	-	-	(79,131)	-	-	(79,131)
Balance at December 31, 2022		$ 799,072	$ 282,828	$ 21,082	$ 354,738	$ 72,041	$1,175,476	($ 45,043)	($ 22,770)	$2,637,424
Year ended December 31, 2023										
Balance at January 1, 2023		$ 799,072	$ 282,828	$ 21,082	$ 354,738	$ 72,041	$1,175,476	($ 45,043)	($ 22,770)	$2,637,424
Loss for the year		-	-	-	-	-	(19,060)	-	-	(19,060)
Other comprehensive income (loss) for the year		-	-	-	-	-	164	(13,088)	-	(12,924)
Total comprehensive loss		-	-	-	-	-	(18,896)	(13,088)	-	(31,984)
Distribution of 2022 earnings	6(10)									
Provision for legal reserve		-	-	-	15,228	-	(15,228)	-	-	-
Provision for special reserve		-	-	-	-	(26,998)	26,998	-	-	-
Cash dividends		-	-	-	-	-	(85,462)	-	-	(85,462)
Balance at December 31, 2023		$ 799,072	$ 282,828	$ 21,082	$ 369,966	$ 45,043	$1,082,888	($ 58,131)	($ 22,770)	$2,519,978

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

HONEY HOPE HONESTY ENTERPRISE CO., LTD. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
YEARS ENDED DECEMBER 31, 2023 AND 2022
(EXPRESSED IN THOUSANDS OF NEW TAIWAN DOLLARS)

	Notes	Year ended December 31 2023	2022
CASH FLOWS FROM OPERATING ACTIVITIES			
(Loss) profit before tax		($ 16,955)	$ 198,089
Adjustments			
Adjustments to reconcile profit (loss)			
Depreciation of property, plant and equipment and right-of-use assets	6(16)	11,964	13,229
Amortisation expense of intangible assets and other non-current assets	6(16)	6,321	9,746
Expected credit impairment loss (gain)	12(2)	(7,920)	(4,331)
Net loss (gain) on financial assets at fair value through profit or loss	6(14)	15,845	11,609
Interest expense	6(16)	878	603
Interest income	6(12)	(15,854)	(7,772)
Dividend income	6(14)	(19,876)	(1,420)
Changes in operating assets and liabilities			
Changes in operating assets			
Financial assets at fair value through profit or loss		(17,994)	25,835
Notes receivable, net		(167)	346
Accounts receivable, net		549,425	653,689
Other receivables		(4,649)	77,149
Inventories		613,098	(326,363)
Prepayments		1,955	248,390
Changes in operating liabilities			
Current contract liabilities		(594)	(311,016)
Notes payable		(814)	1,329
Accounts payable		137,215	(37,866)
Accounts payable - related parties		(609,360)	(367,311)
Other payables		(14,085)	9,512
Other current liabilities		4,981	(7,818)
Other non-current liabilities		82	18
Cash inflow generated from operations		633,496	185,647
Interest received		15,707	7,312
Dividend received		19,876	1,420
Interest paid		(878)	(613)
Income tax paid		(57,966)	(19,561)
Net cash flows from operating activities		610,235	174,205

(Continued)

HONEY HOPE HONESTY ENTERPRISE CO., LTD. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
YEARS ENDED DECEMBER 31, 2023 AND 2022
(EXPRESSED IN THOUSANDS OF NEW TAIWAN DOLLARS)

	Notes	Year ended December 31 2023	2022
CASH FLOWS FROM INVESTING ACTIVITIES			
(Increase) decrease in current financial assets at amortised cost		($ 263,345)	$ 19,680
Increase in financial assets at fair value through other comprehensive income-non-current		(23,200)	-
Acquisition of property, plant and equipment		(5,774)	(4,243)
Acquisition of intangible assets		(5,687)	(4,857)
Increase in guarantee deposits paid		(100,086)	(107,640)
Decrease in guarantee deposits paid		147	6
Increase in other non-current assets-other		(40)	(1,180)
Net cash flows used in investing activities		(397,985)	(98,234)
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from short-term borrowings	6(21)	536,259	1,239,954
Repayment for short-term borrowings	6(21)	(536,259)	(1,378,354)
Repayments of principal portion of lease liabilities	6(21)	(5,694)	(7,156)
Payments of cash dividends	6(21)	(85,462)	(79,131)
Net cash flows used in financing activities		(91,156)	(224,687)
Effect of exchange rate changes on cash and cash equivalents		(13,506)	26,662
Net increase (decrease) in cash and cash equivalents		107,588	(122,054)
Cash and cash equivalents at beginning of year		378,828	500,882
Cash and cash equivalents at end of year		$ 486,416	$ 378,828

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

HONEY HOPE HONESTY ENTERPRISE CO., LTD. AND SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022
(EXPRESSED IN THOUSANDS OF NEW TAIWAN DOLLARS)

1. History and Organisation

Honey Hope Honesty Enterprise Co., Ltd. (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.) on May 20, 1989. The Company and its subsidiaries (collectively referred herein as the “Group”) are engaged in general import and export (excluding futures), trading of electronic parts, agency for the distribution, quotation and bidding of domestic and foreign manufacturers’ products. The Company’s stocks have been listed on the Taipei Exchange starting from October 2003.

2. The Date of Authorisation for Issuance of the Financial Statements and Procedures for Authorisation

These consolidated financial statements were authorised for issuance by the Board of Directors on March 8, 2023.

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 that came into effect as 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 that came into effect as endorsed by the FSC and will become 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 Accounting Standards 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 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, the consolidated financial statements have been prepared under the historical cost convention:

(a) Financial assets at fair value through profit or loss.

(b) 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 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 (including structured 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 unrealised 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.

B. Subsidiaries included in the consolidated financial statements:

Name of investor	Name of subsidiary	Main business activities	Ownership(%) December 31, 2023	Ownership(%) December 31, 2022	Description
Honey Hope Honesty Enterprise Co., Ltd.	OUTRANGE STAR LIMITED	Investment of various businesses	100	100	Note 1
Honey Hope Honesty Enterprise Co., Ltd.	Multileader Co., Ltd	Trading of electronic parts	100	100	Note 2
OUTRANGE STAR LIMITED	Honey Hope Honesty International Trading(Shanghai)	Trading of electronic parts	100	100	Note 3

Note 1: OUTRANGE STAR LIMITED (subsidiary) was incorporated in British Virgin Islands in March 2001. The Company acquired 100% of its share for the year ended December 31, 2001.The main business activities of the subsidiary are investments in various businesses.

Note 2: Multileader Co., Ltd (subsidiary) was incorporated in Hong Kong in May 2002. The Company acquired 100% of its share for the year ended December 31, 2002. The main business activity of the subsidiary is trading of electronic parts.

Note 3: Honey Hope Honesty International Trading(Shanghai) Co., Ltd. (second-tier subsidiary) was incorporated in Shanghai, China in 2003. OUTRANGE STAR LIMITED held 100% of its ownership. The subsidiary is primarily engaged in warehousing and distribution of electronic parts and electronic products in the bonded area and after-sale service of related products; international trade, transit trade, trade between the entities in the bonded area and trade agency.

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

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

E. Significant restrictions: None.

F. Subsidiaries that have non-controlling interests that are material to the Group: None.

(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. The Company's functional currency is New Taiwan Dollars, and the subsidiaries' functional currency are Hong Kong dollars、US dollars and RMB.

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

The operating results and financial position of all the Group entities that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

(a) Assets and liabilities for each balance sheet presented are translated at the closing exchange rate at the date of that balance sheet;

(b) Income and expenses for each statement of comprehensive income are translated at average exchange rates of that period; and

(c) All resulting exchange differences are recognised in other comprehensive income.

(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 realised, 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 realised 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) 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 amortised 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 recognises the transaction costs in profit or loss. The Group subsequently measures the financial assets at fair value, and recognises the gain or loss in profit or loss.

D. The Group recognises the gain or loss in profit or loss 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.

(7) Financial assets at amortised cost

A. Financial assets at amortised 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 amortised 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.

(8) 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.

(9) Impairment of financial assets

For financial assets at amortised cost, at each reporting date, the Group recognises the impairment provision for 12 months expected credit losses if there has not been a significant increase in credit risk since initial recognition or recognises 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 that do not contain a significant financing component, the Group recognises the impairment provision for lifetime ECLs.

(10) Derecognition of financial assets

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

(11) Leasing arrangements (lessor)－operating leases

Lease income from an operating lease (net of any incentives given to the lessee) is recognised in profit or loss on a straight-line basis over the lease term.

(12) 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 comparison of cost and net realisable value. Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and the estimated costs necessary to make the sale.

(13) Property, plant and equipment

A. Property, plant and equipment are are initially recorded at cost.

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 financial year-end. 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	10 ~ 50 years
Transportation equipment	10 ~ 15 years
Office equipment	2 ~ 5 years

(14) 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 fixed payments, less any lease incentives receivable.

The Group subsequently measures the lease liability at amortised cost using the interest method and recognises 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.

(15) Intangible assets

Intangible assets, mainly computer software, are stated at cost and amortised on a straight-line basis over their estimated useful lives of 1 to 3 year(s).

(16) Impairment of non-financial assets

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. When the circumstances or reasons for recognising 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 amortised historical cost would have been if the impairment had not been recognised.

(17) Borrowings

Borrowings comprise short-term bank borrowings. Borrowings are recognised initially at fair value, net of transaction costs incurred. Borrowings are subsequently stated at amortised 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.

(18) 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.

(19) Derecognition of financial liabilities

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

(20) 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 government bonds (at the balance sheet date) of a currency and term consistent with the currency and term of the employment benefit obligations.

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.

C. Employees' compensation and directors' and supervisors' remuneration

Employees' compensation and directors' and supervisors' remuneration are recognised as expense and liability, provided that such recognition is required under legal or constructive obligation and those amounts can be reliably estimated. Any difference between the resolved amounts and the subsequently actual distributed amounts is accounted for as changes in estimates. If employee compensation is paid by shares, the Group calculates the number of shares based on the closing price at the previous day of the board meeting resolution.

(21) 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 Group operates and generates 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 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. Deferred tax is provided on temporary differences arising on investments in subsidiaries, 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 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 tax asset is realised or the deferred tax liability is settled.

D. Deferred 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 utilised. At each balance sheet date, unrecognised and recognised deferred 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 realise the asset and settle the liability simultaneously. Deferred 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 realise the asset and settle the liability simultaneously.

(22) Share capital

A. 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.

B. Where the Company repurchases the Company’s equity share capital that has been issued, the consideration paid, including any directly attributable incremental costs (net of income taxes) is deducted from equity attributable to the Company’s equity holders. Where such shares are subsequently reissued, the difference between their book value and any consideration received, net of any directly attributable incremental transaction costs and the related income tax effects, is included in equity attributable to the Company’s equity holders.

(23) Dividends

The cash dividends distributed from earnings were recorded as liabilities in the Company financial statements in which they are resolved by the Board of Directors at their special meeting in accordance with the Articles of Incorporation of the Company. In addition, stock dividends are recorded as stock dividends to be distributed in the period in which they are resolved by the Group's shareholders and are reclassified to ordinary shares on the effective date of new shares issuance.

(24) Revenue recognition

A. The Group sells electronic components and other related 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. The goods are often sold with sales discounts and allowances based on aggregate sales. Revenue from these sales is recognised based on the price specified in the contract, net of the estimated sales discounts and allowances. Accumulated experience is used to estimate and provide for the sales discounts and allowances, using the expected value method, and revenue is only recognised to the extent that it is highly probable that a significant reversal will not occur. The estimation is subject to an assessment at each reporting date. 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.

C. The sales are made with a major credit term of 90 to 120 days. As the time interval between the transfer of committed goods or service and the payment of customer does not exceed one year, the Group does not adjust the transaction price to reflect the time value of money.

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.

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. Such assumptions and estimates have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year; and the related information is addressed below:

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

Revenue recognition on a net/gross basis

The Group determines whether the nature of its performance obligation is to provide the specified goods itself or to arrange for the other party to provide those goods based on the transaction model and its economic substance. The Group is a principal if it controls a promised good or service before it transfers the good to a customer. The Group recognises revenue at gross amount of consideration to which it expects to be entitled in exchange for those goods transferred. The Group is an agent if its performance obligation is to arrange for the provision of goods by another party. The Group recognises revenue at the amount of any fee or commission to which it expects to be entitled in exchange for arranging for the other party to provide its goods.

Indicators that the Group controls the good before it is provided to a customer include the following:

A. The Group is primarily responsible for the provision of goods or services;

B. The Group assumes the inventory risk before transferring the specified goods or services to the customer or after transferring control of the goods or services to the customer.

C. The Group has discretion in establishing prices for the goods or services.

(2) Critical accounting estimates and assumptions

A. Bad debts assessment of accounts receivable

The Group manages the collections of accounts receivable and overdue accounts from customers and bears relevant credit risk. The management assesses the credit quality and collection of customers periodically to adjust the credit policy on customers timely. In addition, the impairment assessment of accounts receivable applies the modified approach to estimate the expected credit loss based on IFRS 9. The management calculates the expected loss rate according to various factors which might affect the customers' payment ability such as the past due period on the balance sheet date and in the past, the financial position and the economic position as well as using the forecastability.

As of December 31, 2023, the carrying amount of accounts receivable is provided in Note 6(3).

B. Evaluation of inventories

As inventories are stated at the lower of cost and net realisable value, the Group must determine the net realisable 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 realisable 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 changes to the evaluation.

As of December 31, 2023, the carrying amount of inventories is provided in Note 6(4).

6. Details of Significant Accounts

(1) Cash and cash equivalents

	December 31, 2023	December 31, 2022
Cash on hand and revolving funds	$ 454	$ 555
Checking accounts	554	1,016
Demand deposits	485,408	377,257
	$ 486,416	$ 378,828

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.

C. The Group had classified the time deposits with maturity over three months and within one year amounting to $395,385 and $132,040 to current financial assets at amortised cost on December 31, 2023 and 2022, respectively. Details of the interest income from time deposits recognised for the years ended December 31, 2023 and 2022 are provided in Note 6(12). The Group has no current financial assets at amortised cost pledged to others.

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

	December 31, 2023	December 31, 2022
Current items:		
Financial assets mandatorily measured at fair through profit or loss		
Listed stocks	$ 40,947	$ 22,347
Private equity fund investment	-	19,193
Valuation adjustment	(2,346)	(5,178)
	$ 38,511	$ 36,362
Non-current items:		
Financial assets mandatorily measured at fair through profit or loss		
Convertible bonds	$ 23,200	$ -

A. The Group recognised net (loss) profit on financial assets mandatorily measured at fair value through profit or loss held for the years ended December 31, 2023 and 2022 are provided in Note 6(14).

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

C. Information relating to fair value is provided in Note 12(3).

(3) Notes and accounts receivable

	December 31, 2023	December 31, 2022
Notes receivable	$ 656	$ 489
Accounts receivable	1,672,019	2,221,444
Less: Allowance for uncollectible accounts	(5,318)	(13,302)
	$ 1,666,701	$ 2,208,142

A. The Group has no notes receivable that were past due. Information relating to ageing analysis and credit risk of notes and accounts receivable is provided in Note 12(2).

B. As of December 31, 2023 and 2022, notes and accounts receivable were all from contracts with customers. Also, as of January 1, 2022, the balance of notes and accounts receivable from contracts with customers amounted to $2,875,968.

C. Details of the Group's accounts receivable pledged to others as collateral to replace the drawing of guarantee deposits for purchases are provided in Note 8.

D. The Group did not hold any collateral for the abovementioned notes and accounts receivable.

(4) Inventories

	December 31, 2023		
	Cost	Allowance for valuation loss	Book value
Merchandise inventory	$ 680,733	$ 75,205	$ 605,528

	December 31, 2022		
	Cost	Allowance for valuation loss	Book value
Merchandise inventory	$ 1,301,341	($ 83,146)	$ 1,218,195

A. Details of the abovementioned inventories pledged to others as collateral to replace the payment of guarantee deposits for purchases are provided in Note 8.

B. The cost of inventories recognised as expense for the year:

	Years ended December 31	
	2023	2022
Cost of goods sold	$ 4,745,445	$ 5,545,161
Loss on inventory obsolescence (net of claim income)	11,975	5,298
(Gain on reversal of) loss on decline in market value	(7,510)	43,658
(Gain) loss on merchandise	7	-
	$ 4,749,917	$ 5,594,117

The Group reversed a previous inventory write-down which resulted in a decrease in allowance for valuation loss because of the sales of inventories which were previously provided with allowance.

(5) Property, plant and equipment

	2023				
	Land	Buildings and structures	Transportation equipment	Office equipment	
	Owner-occupied	Owner-occupied	Owner-occupied	Owner-occupied	Total
At January 1					
Cost	$ 66,463	$ 80,671	$ 2,472	$ 14,855	$ 164,461
Accumulated depreciation	-	(39,127)	(1,214)	(8,342)	(48,683)
	$ 66,463	$ 41,544	$ 1,258	$ 6,513	$ 115,778
Opening net book amount as at January 1	$ 66,463	$ 41,544	$ 1,258	$ 6,513	$ 115,778
Additions	-	-	-	6,286	6,286
Cost of assets disposed	-	-	-	(4,168)	(4,168)
Depreciation of assets disposed	-	-	-	4,168	4,168
Depreciation charge	-	(2,281)	(179)	(3,745)	(6,205)
Net exchange differences	-	(42)	-	2	(40)
Closing net book amount as at December 31	$ 66,463	$ 39,221	$ 1,079	$ 9,056	$ 115,819
At December 31					
Cost	$ 66,463	$ 80,518	$ 2,472	$ 16,993	$ 166,446
Accumulated depreciation	-	(41,297)	(1,393)	(7,937)	(50,627)
	$ 66,463	$ 39,221	$ 1,079	$ 9,056	$ 115,819

	2022				
	Land	Buildings and structures	Transportation equipment	Office equipment	
	Owner-occupied	Owner-occupied	Owner-occupied	Owner-occupied	Total
At January 1					
Cost	$ 66,463	$ 80,170	$ 2,472	$ 12,105	$ 161,210
Accumulated depreciation	-	(36,588)	(1,027)	(6,488)	(44,103)
	$ 66,463	$ 43,582	$ 1,445	$ 5,617	$ 117,107
Opening net book amount as at January 1	$ 66,463	$ 43,582	$ 1,445	$ 5,617	$ 117,107
Additions	-	-	-	4,243	4,243
Cost of assets disposed	-	-	-	(1,825)	(1,825)
Depreciation of assets disposed	-	-	-	1,825	1,825
Depreciation charge	-	(2,279)	(187)	(3,433)	(5,899)
Net exchange differences	-	241	-	86	327
Closing net book amount as at December 31	$ 66,463	$ 41,544	$ 1,258	$ 6,513	$ 115,778
At December 31					
Cost	$ 66,463	$ 80,671	$ 2,472	$ 14,855	$ 164,461
Accumulated depreciation	-	(39,127)	(1,214)	(8,342)	(48,683)
	$ 66,463	$ 41,544	$ 1,258	$ 6,513	$ 115,778

A. The significant components of buildings and structures mainly include office buildings and decorations, which are depreciated over their estimated useful lives of 20~50 and 10 years, respectively.

B. Information about the Group's property, plant and equipment that were pledged to others as guarantee for purchases from Taiwan Taiyo Yuden Co., Ltd. is provided in Note 8.

C. There was no interest capitalised as part of the Group's property, plant and equipment.

(6) Leasing arrangements - lessee

A. The Group leases various assets including buildings and parking spaces. Rental contracts are from 2019 to 2024. 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 assets may not be subleased, lend or sold, buildings may not be used by others in any different form and leasehold may not be transferred to others.

B. The carrying amount of right-of-use assets arising from the buildings leased by the Company and the depreciation charge are as follows:

	2023	2022
At January 1	$ 5,558	$ 12,244
Additions	9,722	-
Depreciation charge	(5,759)	(7,330)
Net exchange differences	23	644
At December 31	$ 9,544	$ 5,558

C. The information on profit or loss accounts relating to lease contracts is as follows:

	Years ended December 31	
	2023	2022
Items affecting profit or loss		
Interest expense on lease liabilities	$ 299	$ 178
Expense on short-term lease contracts	4,745	3,718
	$ 5,044	$ 3,896

D. For the years ended December 31, 2023 and 2022, except for the cash outflow for expenses relating to leases described in Note 6(6)C. above, the cash outflow arising from repayments of principal of lease liabilities is provided in Note 6(21).

(7) Pensions

A. Defined benefit pension plan

(a) The Group has a defined benefit pension plan in accordance with the Labor Standards Act, covering all regular employees' service years prior to the enforcement of the Labor Pension Act on July 1, 2005 and service years thereafter of employees who chose to continue to be subject to the pension mechanism under the Labor Standards Act. Under the defined benefit pension plan, two units are accrued for each year of service for the first 15 years and one unit for each additional year thereafter, subject to a maximum of 45 units. Pension benefits are based on the number of units accrued and the average monthly salaries and wages of the last

6 months prior to retirement. The Group contributes monthly an amount equal to 2% of the employees' monthly salaries and wages to the retirement fund deposited with Bank of Taiwan, the trustee, under the name of the independent retirement fund committee. Also, the Company would assess the balance in the aforementioned labor pension reserve account by December 31, every year. If the account balance is insufficient to pay the pension calculated by the aforementioned method to the employees expected to qualify for retirement in the following year, the Company will make contributions for the deficit by next March.

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

	December 31, 2023	December 31, 2022
Present value of defined benefit obligations	$ 30,014	$ 29,789
Fair value of plan assets	(14,901)	(14,553)
Net defined benefit liability (shown as other non-current liabilities)	$ 15,113	$ 15,236

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

	Present value of defined benefit obligations	Fair value of plan assets	Net defined benefit liability
2023			
At January 1	$ 29,789	($ 14,553)	$ 15,236
Current service cost	-	-	-
Interest expense (income)	358	(175)	183
	30,147	(14,728)	15,419
Remeasurements:			
Return on plan assets	-	(72)	(72)
(excluding amounts included in	-	-	-
interest income or expense)	-	-	-
Change in demographic assumptions	-	-	-
Change in financial assumptions	-	-	-
Experience adjustments	(133)	-	(133)
	(133)	(72)	(205)
Pension fund contribution	-	(101)	(101)
Paid pension	-	-	-
At December 31	$ 30,014	($ 14,901)	$ 15,113

	Present value of defined benefit obligations	Fair value of plan assets	Net defined benefit liability
2022			
At January 1	$ 30,333	($ 13,356)	$ 16,977
Current service cost		-	
Interest expense (income)	213	(94)	119
	30,546	(13,450)	17,096
Remeasurements:			
Return on plan assets (excluding amounts included in interest income or expense)	-	(1,002)	(1,002)
Change in demographic assumptions			
Change in financial assumptions	(843)	-	(843)
Experience adjustments	86	-	86
	(757)	(1,002)	(1,759)
Pension fund contribution	-	(101)	(101)
Paid pension	-	-	-
At December 31	$ 29,789	($ 14,553)	$ 15,236

(d) The Bank of Taiwan was commissioned to manage the Fund of the Group's defined benefit pension plan in accordance with the Fund's annual investment and utilisation plan and the "Regulations for Revenues, Expenditures, Safeguard and Utilisation of the Labor Retirement Fund" (Article 6: The scope of utilisation 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 securitisation products, etc.). With regard to the utilisation 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 is less than aforementioned rates, government shall make payment for the deficit after being authorised by the Regulator. The Company has no right to participate in managing and operating that fund and hence the Company is unable to disclose the classification of plan assets fair value in accordance with IAS 19 paragraph 142. The composition of fair value of plan assets as of December 31, 2023 and 2022 is given in the Annual Labor Retirement Fund Utilisation Report announced by the government.

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

	Years ended December 31	
	2023	2022
Discount rate	1.20%	1.20%
Future salary increases	3.00%	3.00%

Assumptions regarding future mortality experience are set based on the 6th Taiwan Standard Ordinary Experience Mortality Table.

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

	Discount rate		Future salary increases	
December 31, 2023	Increase 0.25%	Decrease 0.25%	Increase 0.25%	Decrease 0.25%
Effect on present value of defined benefit obligation	($ 387)	$ 397	$ 315	($ 310)

	Discount rate		Future salary increases	
December 31, 2022	Increase 0.25%	Decrease 0.25%	Increase 0.25%	Decrease 0.25%
Effect on present value of defined benefit obligation	($ 405)	$ 416	$ 334	($ 327)

The sensitivity analysis above is 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 analysing sensitivity and the method of calculating net pension liability in the balance sheet are the same.

Except for discount rates and future salary increases, the methods and types of assumptions used in preparing the sensitivity analysis did not change compared to the previous period.

(f) Expected contributions to the defined benefit pension plans of the Group for the year ending December 31, 2024 amount to $101.

(g) As of December 31, 2023, the weighted average duration of the retirement plan is 6 years. The analysis of timing of the future pension payment was as follows:

	Amount
Within 1 year	$ 3,187
1-2 year(s)	4,768
2-5 years	14,370
Over 5 years	5,095
	$ 27,420

B. Defined contribution pension plan

Effective July 1, 2005, the Company has 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 contributes 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 defined contribution pension plans of the Company for the years ended December 31, 2023 and 2022 were $3,289 and $3,168, respectively.

C. According to the The Government of the Hong Kong Special Administrative Region's "Mandatory Provident Fund Scheme Regulations" (MPF Scheme), Multileader Co., Ltd can allocate 5% of the total salary to the retirement fund for employees who have been employed for more than 60 consecutive days. The pension costs recognized in 2023 and 2022 were $214 and $202, respectively.

D. According to the Social Insurance Law of the People's Republic of China, Honey Hope Honesty Shanghai allocates pension insurance funds according to a certain ratio of the total salary of local employees every month, and the allocation rate is 20%. The retirement pension of each employee is managed and arranged by the government, and the Group has no further obligations other than the monthly appropriation. The pension costs recognized in 2023 and 2022 were $936 and $930, respectively.

(8) Share capital

A. As of December 31, 2023, the Company's authorised capital was $1,200,000 (including $70,000 reserved for employee stock options), consisting of 120,000 thousand shares of ordinary stock, and the paid-in capital was $799,072 with a par value of NT$10 (in dollars) per share. All proceeds from shares issued have been collected. In addition, movements in the number of the Company's ordinary shares outstanding are as follows:

(Unit: share in thousands)

	2023	2022
Share capital		
At January 1	79,907	79,907
Treasury stocks		
At January 1 (that is, ending balance at December 31)	(776)	(776)
Number of shares outstanding at December 31	79,131	79,131

B. Treasury stocks

(a) Reason for share reacquisition and movements in the number of the Company's treasury stocks are as follows:

Name of company holding the shares	Reason for reacquisition	December 31, 2023 Number of shares (in thousands)	Carrying amount
The Company	To be reissued to employees	776	$ 22,770

Name of company holding the shares	Reason for reacquisition	December 31, 2022 Number of shares (in thousands)	Carrying amount
The Company	To be reissued to employees	776	$ 22,770

(b) Pursuant to the R.O.C. Securities and Exchange Act, the number of shares bought back as treasury stocks should not exceed 10% of the number of the Company's issued and outstanding shares and the amount bought back should not exceed the sum of retained earnings, paid-in capital in excess of par value and realised capital surplus.

(c) Pursuant to the R.O.C. Securities and Exchange Act, treasury stocks should not be pledged as collateral and is not entitled to dividends before it is reissued.

(d) Pursuant to the R.O.C. Securities and Exchange Act, treasury stocks should be reissued to the employees within five years from the reacquisition date and shares not reissued within the five-year period are to be retired. Treasury stocks to enhance the Company's credit rating and the stockholders' equity should be retired within six months of acquisition. The transfer period of the treasury stocks shown as of December 31, 2023 is as follows:

Year repurchased	Number of shares (in thousands)	Amount	Expiry year
May 2021 to July 2021	776	$ 22,770	May 2026 to July 2026

(9) Capital surplus

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 capitalised 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. In addition, there were no movements in the Company's capital surplus for the years ended December 31, 2023 and 2022.

(10) Retained earnings / events after the balance sheet date

A. Where the Company has net profit after tax at the end of the fiscal year, after paying all relevant taxes and making up losses of previous years, the Company shall set aside ten percent of net profit as legal reserve and a special reserve shall be set aside or reversed in accordance with Article 41 of the Securities and Exchange Act. Where such legal reserve amounts to the total paid-in capital, this provision shall not apply. If there is still remaining net profit, the remaining net profit plus the beginning unappropriated earnings are the cumulative distributable surplus of shareholders, and shall be distributed to shareholders according to the distribution plan proposed by the Board of Directors and submitted to the shareholders' meeting for approval.

The distributable bonuses, capital reserve and legal reserve in whole or in part may be paid in cash after a resolution has been adopted by a majority vote at a meeting of the board of directors attended by two-thirds of the total number of directors, and in addition thereto a report of such distribution shall be submitted to the shareholders' meeting, and the provisions of the preceding paragraph requiring the resolution of the shareholders' meeting shall not apply.

The Corporation will take into account the environment and growth of the Corporation, its future capital requirements and long-term financial planning, as well as the shareholders' need for cash, and distribute dividends and bonus to shareholders on the distributable surplus, of which cash dividends and bonus shall not be less than ten percent of the total dividends and bonus. The shareholders' meeting may adjust the ratio of aforesaid cash dividends and bonus according to actual amount profits, capital needs and operational needs of the Corporation.

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 distribution of the reserve is limited to the portion in excess of 25% of the Company's paid-in capital.

C. Special reserve

(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-1090150022, dated March 31,2021, shall be reversed proportionately when the relevant assets are used, disposed of or reclassified subsequently. The balance of special reserve transferred because of the initial application of IFRSs was $13,611 on January 1, 2013.

D. The Company's appropriations of earnings are as follows:

(a) The appropriations of 2022 and 2021 earnings as resolved by the shareholders at their meetings on June 12, 2023 and June 27, 2022 are as follows:

	2022		2021	
	Amount	Dividends per share (in dollars)	Amount	Dividends per share (in dollars)
Legal reserve	$ 15,228		$ 14,108	
Special reserve	(26,998)		10,324	
Cash dividends	85,462	1.08	79,131	1.00
	$ 73,692		$ 103,563	

(b) The appropriation of 2023 earnings as proposed by the Board of Directors on March 8, 2024 is as follows:

	2023	
	Amount	Dividends per share (in dollars)
Special reserve	13,088	
Cash dividends	15,826	0.20
	$ 28,914	

(11) Operating revenue

A. Disaggregation of revenue from contracts with customers

The details of the Group derives revenue from the transfer of goods at a point in time provided in Note 14(3).

B. Contract liabilities

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

	December 31, 2023	December 31, 2022	January 1, 2022
Contract liabilities - sales of goods	$ 42,561	$ 43,155	$ 354,171

(b) The Group had recognised revenue-related contract liabilities amounting to $935 and $311,952 for the years ended December 31, 2023 and 2022, respectively.

(12) Interest income

	Years ended December 31	
	2023	2022
Interest income from bank deposits	$ 5,257	$ 1,169
Interest income from financial assets measured at amortised cost	5,437	5,062
Other	5,160	1,541
	$ 15,854	$ 7,772

(13) Other income

	Years ended December 31	
	2023	2022
Government grants income	$ 874	$ 882
Rent income	137	137
Dividend income	19,876	1,420
Other	677	37,834
	$ 21,564	$ 40,273

(14) Other gains and losses

	Years ended December 31	
	2023	2022
Net foreign exchange gains	$ 15,725	$ 120,631
Net losses on financial assets at fair value through profit or loss	(15,845)	(11,609)
Other	(80)	(21)
	($ 200)	$ 109,001

(15) Finance costs

	Years ended December 31	
	2023	2022
Interest expense on bank borrowings	$ 579	$ 425
Interest expense on lease liabilities	299	178
	$ 878	$ 603

(16) Expenses by nature

	Years ended December 31	
	2023	2022
Employee benefit expense	$ 109,041	$ 135,581
Depreciation charges on property, plant and equipment	$ 6,205	$ 5,899
Depreciation charges on right-of-use assets	$ 5,759	$ 7,330
Amortisation charges on intangible assets	$ 5,793	$ 5,708
Amortisation charges on other non-current assets	$ 528	$ 4,038

(17) Employee benefit expense

	Years ended December 31	
	2023	2022
Wages and salaries	$ 91,634	$ 113,897
Labour and health insurance fees	8,275	8,042
Pension costs	4,622	4,419
Directors' remuneration	-	3,904
Others (Note)	4,510	5,319
	$ 109,041	$ 135,581

Note: Including various expenses such as meal expense, employee benefits and training expense.

A. In accordance with the Articles of Incorporation of the Company, a ratio of pre-tax profit of the current year before deducting employees' compensation and director's remuneration, after reserving an amount to cover losses, shall be distributed as employees' compensation and directors' remuneration. The ratio shall be 5%~15% for employees' compensation and shall not be higher than 2% for directors' remuneration.

B. For the years ended December 31, 2023 and 2022, employees' compensation was accrued at $0 and $20,462, respectively; while directors' remuneration was accrued at $0 and $3,904, respectively. The aforementioned amounts were recognised in salary expenses.

   The employees' compensation and directors' remuneration were not estimated and accrued as there was loss for the year ended December 31, 2023.

   Employees' compensation and directors' remuneration for 2022 amounting to $20,462 and $3,904, respectively, as resolved at the meeting of Board of Directors on March 10, 2023 were in agreement with those amounts recognised in the 2022 financial statements.

C. Information about employees' compensation and directors' remuneration of the Company as resolved by the Board of Directors will be posted in the "Market Observation Post System" at the website of the Taiwan Stock Exchange.

(18) Income tax

A. Income tax expense

(a) Components of income tax expense：

	Years ended December 31	
	2023	2022
Current tax:		
Current tax (assets) liabilities	$ (15,706)	$ 32,218
Receivable (payable) on prior year income tax (unpaid) uncollected	(209)	-
Prior year income tax (over) underestimation	4,177	3,430
Withholding and provisional tax	21,780	12,329
Tax on undistributed surplus earnings	(2,672)	(1,876)
Total current tax	7,370	46,101
Deferred tax:		
Origination and reversal of temporary differences	(7,937)	(764)
Others:		
Tax on undistributed surplus earnings	2,672	1,876
Net exchange differences	-	1
Income tax expense	$ 2,105	$ 47,214

(b) The income tax (credit)/charge relating to components of other comprehensive income is as follows:

	Years ended December 31	
	2023	2022
Remeasurement of defined benefit obligations	$ 41	$ 352

(c) The Company had no income tax (charge)/credit relating to components of other comprehensive income and income tax charged/(credited) to equity during the years ended December 31, 2023 and 2022.

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)	($ 3,023)	$ 40,935
Expenses disallowed by tax regulation	30	-
Taxable loss not recognised as deferred tax assets	5,566	-
Tax exemption of income from domestic marketable securities transactions	-	(955)
Tax exemption of domestic dividend income	(78)	(284)
Temporary difference not recognised as deferred tax assets	(6,797)	-
Tax on undistributed earnings	2,672	1,876
Prior year income tax (over) underestimation	4,177	3,430
Others	(442)	2,212
Income tax expense	$ 2,105	$ 47,214

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

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

	2023			
	January 1	Recognised in (loss) profit	Recognised in other comprehensive (loss) income	December 31
Deferred tax assets:				
-Temporary differences				
Unrealised inventory valuation loss	$ 8,118	$ 2,261	$ -	$ 10,379
Unrealised profit from sales	930	(669)	-	261
Unrealised sales discounts and allowances	1,766	1,186	-	2,952
Unrealised exchange loss	-	3,302	-	3,302
Uncontributed pension funds	3,048	16	(41)	3,023
Unused compensated absences	753	9	-	762
Loss on valuation of financial asset at fair value through profit or loss	107	(107)	-	-
Others	2,960	(2,568)	-	392
	17,682	3,430	(41)	21,071
Deferred tax liabilities:				
-Temporary differences				-
Unrealised foreign exchange gain	(2,588)	2,588	-	-
Gain on investments accounted for using the equity method	(163,055)	1,919	-	(161,136)
	(165,643)	4,507	-	(161,136)
	($ 147,961)	$ 7,937	($ 41)	($ 140,065)

	2022			
	January 1	Recognised in (loss) profit	Recognised in other comprehensive (loss) income	December 31
Deferred tax assets:				
-Temporary differences				
Unrealised inventory valuation loss	$ 3,909	$ 4,209	$ -	$ 8,118
Unrealised profit from sales	506	424	-	930
Unrealised sales discounts and allowances	3,331	(1,565)	-	1,766
Unrealised exchange loss	816	(816)	-	-
Uncontributed pension funds	3,396	4	(352)	3,048
Unused compensated absences	693	60	-	753
Revaluation losses on financial assets measured at fair value through loss	-	107	-	107
Others	2,239	721	-	2,960
	14,890	3,144	(352)	17,682
Deferred tax liabilities:				
-Temporary differences				
Gain on financial assets at fair value through profit or loss	(1,169)	1,169	-	-
Unrealised foreign exchange gain	-	(2,588)	-	(2,588)
Gain on investments accounted for using the equity method	(162,094)	(961)	-	(163,055)
	(163,263)	(2,380)	-	(165,643)
	($ 148,373)	$ 764	($ 352)	($ 147,961)

D. Expiration dates of unused tax losses and amounts of unrecognized deferred tax assets are as follows:

	Year ended December 31, 2023				
	Year incurred	Tax losses amount	Unused amount	Unrecognised deferred	Expiry year
Honey Hope Honesty International Trading (Shanghai) Co.,Ltd	2023 - filed	$ 22,266	$ 22,266	$ 22,266	117

There were no such transactions as of December 31, 2022.

E. The amounts of deductible temporary difference that are not recognized as deferred tax assets are as follows

	Years ended December 31	
	2023	2022
Deductible temporary differences	$ 26,075	$ 53,584

F.The Company's profit-making enterprise income tax has been approved by the tax collection authority until 2021.

(19) (Loss) earnings per share

	Year ended December 31, 2023		
	Amount after tax	Weighted average number of ordinary shares outstanding (share in thousands)	Losses per share (in dollars)
Basic loss per share			
Loss attributable to ordinary shareholders of the parents	($ 19,060)	79,131	(0.24)
Diluted loss per share			
Loss attributable to ordinary shareholders of the parents	($ 19,060)	79,131	
Assumed conversion of all dilutive potential ordinary shares			
- Employees' compensation	-	-	
Loss plus assumed conversion of all dilutive potential ordinary shares	($ 19,060)	79,131	(0.24)

	Year ended December 31, 2022		
	Amount after tax	Weighted average number of ordinary shares outstanding (share in thousands)	Earnings per share (in dollars)
Basic earnings per share			
Profit attributable to ordinary shareholders	$ 150,875	79,131	1.91
Diluted earnings per share			
Profit attributable to ordinary shareholders	$ 150,875	79,131	
Assumed conversion of all dilutive potential ordinary shares			
- Employees' compensation	-	832	
Profit plus assumed conversion of all dilutive potential ordinary shares	$ 150,875	79,963	1.89

(20) Supplemental cash flow information

Investing activities with partial cash payments:

	Year ended December 31, 2023	Year ended December 31, 2022
Purchase of property, plant and equipment	$ 6,286	$ 4,243
Less: Ending balance of payable on equipment	(512)	-
Cash paid during the year	$ 5,774	$ 4,243

	Year ended December 31, 2023	Year ended December 31, 2022
Purchase of intangible assets	$ 6,639	$ 4,857
Less: Ending balance of payable on software	(952)	-
Cash paid during the year	$ 5,687	$ 4,857

(21) Changes in liabilities from financing activities

	Short-term borrowings	Dividends payable (shown as other payables)	Lease liabilities (Current/Non-current)
At January 1, 2023	$ -	$ -	$ 5,636
Proceeds from borrowings	536,259	-	-
Repayments of borrowings	(536,259)	-	-
Dividends declared	-	85,462	-
Dividends distributed	-	(85,462)	-
Repayments of principal portion of lease liabilities	-	-	(5,694)
Increase in lease liabilities			9,722
Net exchange differences	-	-	23
At December 31, 2023	$ -	$ -	$ 9,687

	Short-term borrowings	Dividends payable (shown as other payables)	Lease liabilities (Current/Non-current)
At January 1, 2022	$ 138,400	$ -	$ 12,144
Proceeds from borrowings	1,239,954	-	-
Repayments of borrowings	(1,378,354)	-	-
Dividends declared	-	79,131	-
Dividends distributed	-	(79,131)	
Repayments of principal portion of lease liabilities	-	-	(7,156)
Net exchange differences	-	-	648
At December 31, 2022	$ -	$ -	$ 5,636

7. Related Party Transactions

(1) Names of related parties and relationship

Names of related parties	Relationship with the Company
Taiwan Taiyo Yuden Co., Ltd (Taiwan Taiyo Yuden)	Shareholder that holds more than 10% of the Company's shares
Taiyo Yuden Co., Ltd	Parent company of the shareholder that holds more than 10% of the Company's shares
Hong Kong Taiyo Co.,Ltd	Affiliated company of Taiwan Taiyo Yuden
All directors, independent directors, general manager and vice general manager	Key management personnel and those charged with governance of the Company

(2) Significant related party transactions

A. Purchases

Details of purchasing from related parties are as follows:

	Years ended December 31	
	2023	2022
Taiwan Taiyo Yuden	$ 2,949,532	$ 5,190,164
Hong Kong Taiyo Yuden	12,271	24,265
	$ 2,961,803	$ 5,214,429

The Group mainly acts as an agent of and sells products produced by Taiwan Taiyo Yuden. The purchase prices of the Group to the aforementioned related parties are determined based on mutual agreements. The payment terms are 60~90 days after monthly billings that would be available to general suppliers. Refer to Note 8 for details of the assets pledged to related parties for the purpose of providing guarantee for purchases and repayment of accounts payable.

B. Accounts payable

Details of accounts payable from purchases to related parties are as follows:

	December 31, 2023	December 31, 2022
Taiwan Taiyo Yuden	$ 785,702	$ 1,394,231
Hong Kong Taiyo Yuden	2,099	2,930
	$ 787,801	$ 1,397,161

C. Other non-current assets - guarantee deposits paid

The Group had paid guarantee deposits of $377,454 and $277,454 to Taiwan Taiyo Yuden as guarantee for purchases and repayment of accounts payable on December 31, 2023 and 2022, respectively. Refer to Note 8 for details. The interest income arising from the aforementioned transactions with related parties was $4,835 and $1,541 for the years ended December 31, 2023 and 2022, respectively. There were no other receivables - interest receivable on December 31, 2023 and 2022.

(3) Key management compensation

	Years ended December 31	
	2023	2022
Short-term employee benefits	$ 17,592	$ 27,063
Post-employment benefits	520	465
	$ 18,112	$ 27,528

8. Pledged Assets

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

Pledged asset	Book value December 31, 2023	Book value December 31, 2022	Purpose
Property, plant and equipment	$ -	$ 97,296	Guarantee for purchases from Taiwan Taiyo Yuden
Other non-current assets guarantee deposits paid	377,454	277,454	Guarantee for purchases from Taiwan Taiyo Yuden
	$ 377,454	$ 374,750	

Except for the abovementioned pledged assets as guarantee for purchases, the Group entered into a relevant contract with the main supplier, Taiwan Taiyo Yuden Co., Ltd (Taiwan Taiyo Yuden). The main content of the contract is as follows:

(1) In order to fulfill the guarantee deposit requirements in the agency contract that it entered into with the main supplier, Taiwan Taiyo Yuden, the Company entered into the 'Contract of Transferring Aggregate Claims (Accounts Receivable) as Guarantee' and 'Contract of Transferring Aggregations (Inventories) as Guarantee' with Taiwan Taiyo Yuden on January 15, 2009 to replace the payment of guarantee deposits for purchases.

(2) The abovementioned contracts can prevent the Company from paying actual cash so as to achieve the purpose of reducing cost of capital and maintaining the flexibility of capital procurement.

(3) The subsidiary of the Company, Honey Hope Honesty International Trading (Shanghai) Co., Ltd (Honey Hope Honesty Shanghai), also entered into the 'Contract of Transferring Aggregate Claims (Accounts Receivable) as Guarantee' and 'Contract of Transferring Aggregations (Inventories) as Guarantee' with Taiwan Taiyo Yuden to assist the Company in fulfilling the abovementioned contracts.

(4) In order to safeguard the interests of the Company, the contracts stipulated that limit on the total transfer amount of the aggregate claims (accounts receivable) and aggregations (inventories) from the Company and Honey Hope Honesty Shanghai is the Company's accounts payable to Taiwan Taiyo Yuden.

9. Significant Contingent Liabilities and Unrecognised Contract Commitments

(1) Significant Contingent Liabilities

None.

(2) Significant Unrecognised Contract Commitments

A. The Group's letters of guarantee issued by the bank for the fast customs clearance of imported goods both amounted to $2,000 on December 31, 2023 and 2022.

10. Significant Disaster Loss

None.

11. Significant Events after the Balance Sheet Date

Refer to Note 6(10) for details of the appropriation of 2023 earnings as resolved by the Board of Directors on March 8, 2024.

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 in order to provide returns for shareholders and to maintain an optimal capital structure to reduce the cost of capital. In order to maintain or adjust to the optimal capital structure, the Group may adjust the amount of dividends paid to shareholders, return capital to shareholders or issue new shares. The Group monitors capital on the basis of the gearing ratio. This ratio is calculated as total liabilities divided by total capital. Total liabilities refer to total liabilities as shown in the consolidated balance sheet. Total capital is calculated as 'equity' as shown in the consolidated balance sheet plus total liabilities.

During the year ended December 31, 2023, the Group's strategy was unchanged from 2022.For the Group's debt-to-capital ratio, please refer to the consolidated balance sheet.

(2) Financial instruments

A. Financial instruments by category

The information of the Company's financial assets (including cash and cash equivalents,financial assets at fair value through profit or loss (current and non-current), non-current financial assets atamortised cost, notes receivable,accounts receivable (including related parties), other receivables, guarantee deposits paid and financial liabilities(including notes payable, accounts payable (including related parties),other payables, lease liabilities (current and non-current)) are provided in parent company only balance sheet and Note 6.

B. Financial risk management policies

(a) The Group's activities expose it to a variety of financial risks: market risk (including foreign exchange risk, price risk and interest rate risk), credit risk and liquidity risk.

(b) Risk management is carried out by a central treasury department (Group treasury) under policies approved by the Board of Directors. Group treasury identifies, evaluates and hedges financial risks in close co-operation with the Group's operating units. The Board provides written principles for overall risk management, as well as written policies covering specific areas and matters, such as foreign exchange risk, interest rate risk, credit risk, use of derivative financial instruments and non-derivative financial instruments, and investment of excess liquidity.

C. Significant financial risks and degrees of financial risks

(a) Market risk

i. Foreign exchange risk

(i) The Group operates internationally and is exposed to foreign exchange risk arising from the transactions used in various currencies, primarily with respect to the USD. Foreign exchange rate risk arises from future commercial transactions and recognised assets and liabilities.

(ii) Management has set up a policy to require group segments to manage their foreign exchange risk against their functional currency. The Company is required to hedge their entire foreign exchange risk exposure with the Company treasury.

(iii) The Group's businesses involve some non-functional currency operations (the Company's functional currency: NTD; the subsidiaries' functional currency: USD, HKD, and RMB). 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)			
Financial assets			
Monetary items			
USD:NTD	53,930	30.7100	$ 1,656,190
USD:HKD	4,858	7.8162	149,189
USD:RMB	29,007	7.0973	890,805
Non-monetary items			
CAD:NTD	1,000	23.2000	$ 23,200
Financial liabilities			
Monetary items			
USD:NTD	32,687	30.7100	$ 1,003,818
USD:HKD	712	7.8162	21,866
USD:RMB	17,743	7.0973	544,888

	December 31, 2022		
	Foreign currency amount (in thousands)	Exchange rate	Book value (NTD)
(Foreign currency: functional currency)			
Financial assets			
Monetary items			
USD:NTD	77,693	30.7100	$ 2,385,952
USD:HKD	4,703	7.7984	144,429
USD:RMB	56,245	6.9669	1,727,284
Non-monetary items			
USD:NTD	608	30.7100	$ 18,659
Financial liabilities			
Monetary items			
USD:NTD	48,099	30.7100	$ 1,477,120
USD:HKD	1,596	7.7984	49,013
USD:RMB	61,537	6.9669	1,889,801

(iv) The total exchange (loss) gain, including realised and unrealised, arising from significant foreign exchange variation on the monetary items held by the Group for the years ended December 31, 2023 and 2022 are provided in Note 6(14).

(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 (loss) profit	Effect on other comprehensive (loss) income
(Foreign currency: functional currency)			
Financial assets			
Monetary items			
USD:NTD	1%	$ 16,562	$ -
USD:HKD	1%	1,492	-
USD:RMB	1%	8,908	-
Non-monetary items			
CAD:NTD	1%	$ 232	$ -
Financial liabilities			
Monetary items			
USD:NTD	1%	($ 10,038)	$ -
USD:HKD	1%	(219)	-
USD:RMB	1%	(5,449)	-

	Year ended December 31, 2022		
	Sensitivity analysis		
	Degree of variation	Effect on (loss) profit	Effect on other comprehensive (loss) income
(Foreign currency: functional currency)			
Financial assets			
Monetary items			
USD:NTD	1%	$ 23,860	$ -
USD:HKD	1%	1,444	-
USD:RMB	1%	17,273	-
Non-monetary items			
USD:NTD	1%	$ 187	$ -
Financial liabilities			
Monetary items			
USD:NTD	1%	($ 14,771)	$ -
USD:HKD	1%	(490)	-
USD:RMB	1%	(18,898)	-

ii. Price risk

(i) The Group's equity securities, which are exposed to price risk, are the held financial assets at fair value through profit or loss and available-for-sale financial assets. To manage its price risk arising from investments in equity securities, the Company diversifies its portfolio. Diversification of the portfolio is done in accordance with the limits set by the Group.

(ii) The Group's investments in financial instruments comprise domestic and foreign listed shares, and beneficiary certificates. The prices of financial instruments would change due to the change of the future value of investee companies. If the prices of these financial instruments had increased/decreased by 1% with all other variables held constant, profit before tax for the years ended December 31, 2023 and 2022 would have increased/decreased by $617 and $364, respectively, as a result of gains/losses on financial instruments classified as at fair value through profit or loss.

iii. Cash flow and fair value interest rate risk

(i) The Company's short-term borrowings are at fixed rate. Borrowings with fixed rates expose the Company to fair value interest rate risk.

(ii) On December 31, 2023 and 2022, if the borrowing interest rate had increased by 1% with all other variables held constant, profit before tax for the years ended December 31, 2023 and 2022 would all have decreased by $0 ,respectively.

(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. The main factor is that counterparties could not repay in full the accounts receivable based on the agreed terms, and the contract cash flows of debt instruments stated at amortised cost and at fair value through profit or loss.

ii. The Group manages their credit risk taking into consideration the entire Group's concern. According to the Group's credit policy, each local entity in the Company is responsible for managing and analysing the credit risk for each of their new clients before standard payment and delivery terms and conditions are offered. Internal risk control assesses the credit quality of the customers, taking into account their financial position, past experience and other factors. Individual risk limits are set based on internal or external ratings. The utilisation of credit limits is regularly monitored.

iii. 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:
If the contract payments were past due over 30 days based on the terms, there has been a significant increase in credit risk on that instrument since initial recognition.

iv. The Group adopts the assumptions under IFRS 9, the default occurs when the contract payments are past due over 90 days.

v. The Group applies the modified approach using a provision matrix based on the customer types to estimate the expected credit loss.

vi. 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.

vii. The Group used the forecastability to adjust historical and timely information to assess the default possibility of notes and accounts receivable. The provision matrix is as follows:

	Not past due	Up to 30 days past due	31~90 days past due	Over 90 days past due	Total
December 31, 2023					
Expected loss rate	0.14%~0.88%	0.40%~4.29%	0.60%~100.00%	100.00%	
Notes and accounts receivable, gross	$ 1,644,260	$ 26,768	$ 1,546	$ 101	$ 1,672,675
Loss allowance	$ 3,098	$ 1,073	$ 1,046	$ 101	$ 5,318

	Not past due	Up to 30 days past due	31~90 days past due	Over 90 days past due	Total
December 31, 2022					
Expected loss rate	0.07%~0.68%	0.45%~4.35%	0.50%~54.39%	100.00%	
Notes and accounts receivable, gross	$ 2,200,673	$ 19,736	$ 1,408	$ 116	$ 2,221,933
Loss allowance	$ 12,401	$ 284	$ 501	$ 116	$ 13,302

The above ageing analysis was based on past due date.

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

	2023	2022
At January 1	$ 13,302	$ 17,357
Expected credit (gain) loss	(7,920)	(4,331)
Net exchange differences	(64)	276
At December 31	$ 5,318	$ 13,302

(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 to ensure it has sufficient cash to meet operational needs while maintaining sufficient headroom on its undrawn committed borrowing facilities at all times. Such forecasting takes into consideration the Group's debt financing plans, covenant compliance and compliance with internal balance sheet ratio targets.

ii. Treasury of each operating entity invests surplus cash held by the operating entity over and above balance required for working capital management in marketable securities, choosing instruments with appropriate maturities or sufficient liquidity to provide sufficient headroom as determined by the above-mentioned forecasts. As at December 31, 2023 and 2022, the Group held marketable securities of $38,511 and $36,362, respectively, that are expected to readily generate cash inflows for managing liquidity risk.

iii. The Group had no derivative financial liabilities. In addition, except for those listed in the table below, non-derivative financial liabilities grouped based on the remaining period at the balance sheet date to the contractual maturity date were all expiring within a year and approximate to the amounts shown in the balance sheets. The amounts disclosed in the table are the contractual undiscounted cash flows.

December 31, 2023		Less than 1 year		Over 1 year		Total
Lease liability(Current/Non-Current)	$	7,330	$	2,587	$	9,917

December 31, 2022		Less than 1 year		Over 1 year		Total
Lease liability(Current/Non-Current)	$	3,482	$	2,264	$	5,746

(3) Fair value information

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 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. The fair value of the Group's investment in private equity fund investment without active market is included in Level 3.

B. Financial instruments not measured at fair value

The carrying amounts of the Group's financial instruments not measured at fair value, including cash and cash equivalents, current financial assets at amortised cost, notes receivable, accounts receivable, other receivables, guarantee deposits paid, short-term borrowings, notes payable, accounts payable (including related parties), other payables, current lease liabilities, non-current lease liabilities and other current liabilities - refund liabilities, are approximate to their fair values.

C. 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 are as follows:

(a) The related information of natures of the assets and liabilities is as follows:

December 31, 2023		Level 1		Level 2		Level 3		Total
Assets - recurring fair value measurements:								
Financial assets at fair value through profit or loss								
Equity instruments	$	38,511	$	-	$	-	$	38,511
Conversion of convertible bonds		-		-		23,200		23,200
	$	38,511	$	-	$	23,200	$	61,711

December 31, 2022	Level 1	Level 2	Level 3	Total
Assets - recurring fair value measurements:				
Financial assets at fair value through profit or loss				
Equity instruments	$ 17,703	$ -	$ -	$ 17,703
Private equity fund investment	-	-	18,659	18,659
	$ 17,703	$ -	$ 18,659	$ 36,362

(b) The methods and assumptions the Group used to measure fair value are as follows:

i. The instruments the Group used market quoted prices as their fair values (that is, Level 1) are listed below by characteristics:

	Listed shares
Market quoted price	Closing price

ii. Except for financial instruments with active markets, the fair value of other financial instruments is measured by using valuation techniques. The fair value of financial instruments measured by using valuation techniques can be referred to current fair value of instruments with similar terms and characteristics in substance, discounted cash flow method or other valuation methods, including calculated by applying model using market information available at the balance sheet date. The output of valuation model is an estimated value and the valuation technique may not be able to capture all relevant factors of the Group's financial and non-financial instruments.

iii. The Group takes into account adjustments for credit risks to measure the fair value of financial and non-financial instruments to reflect credit risk of the counterparty and the Group's credit quality.

D. For the years ended December 31, 2023 and 2022, there was no transfer between Level 1 and Level 2.

E. The following chart is the movement of Level 3:

	2023	2022
At January 1	$ 18,659	$ 35,832
Losses (gains) recognised in profit or loss	(18,052)	(5,323)
Acquired in the year	23,200	-
Sold in the year	(607)	(11,850)
At December 31	$ 23,200	$ 18,659

F. For the years ended December 31, 2023 and 2022, there was no transfer in or out from Level 3.

G. 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
Hybrid instrument					
		Binary Tree	Volatility/	32.6%	The higher the volatility, the higher the fair value
Convertible bond	$ 23,200	Model	Discount Rate	6.40%	The higher the discount rate, 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:					
Private equity fund investment	$ 18,659	Net asset value	Not applicable	Not applicable	Not applicable

H. The Group has carefully assessed the valuation models and assumptions used to measure fair value. However, use of different valuation models or assumptions may result in different measurement. There was no significant effect of profit or loss for the years ended December 31, 2023 and 2022 from financial assets categorised within Level 3 if the inputs used to valuation models have increased or decreased by 0.1%.

13. Supplementary Disclosures

(1) Significant transactions information

A. Loans to others: None.

B. Provision of endorsements and guarantees to others: None.

C. Holding of marketable securities at the end of the period (not including subsidiaries, associates and joint ventures): Please refer to table 1.

D. Acquisition or sale of the same security with the accumulated cost exceeding $300 million or 20% of the Company's paid-in capital: None.

E. Acquisition of real estate reaching $300 million or 20% of paid-in capital or more: None.

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 2.

H. Receivables from related parties reaching $100 million or 20% of paid-in capital or more: Please refer to table 3.

I. Trading in derivative instruments undertaken during the reporting periods: None.

J. Significant inter-company transactions during the reporting periods: Please refer to table 4.

(2) Information on investees

Names, locations and other information of investee companies (not including investees in Mainland China): Please refer to table 5.

(3) Information on investments in Mainland China

A. Basic information: Please refer to table 6.

B. Significant transactions, either directly or indirectly through a third area, with investee companies in the Mainland Area: Please refer to table 13(1)10.

(4) Major shareholders information

Major shareholders information: Please refer to table 7.

14. Segment Information

(1) General information

Management has determined the reportable operating segments based on the reports reviewed by the chief operating decision-maker that are used to make strategic decisions.

The chief operating decision-maker considers the business from a geographic type perspective; the Group currently focuses on trading of electronic parts and agency for the distribution of domestic and foreign manufacturers' products in Taiwan and Asia.

Overseas holding company is excluded in the report to the chief operating decision-maker; therefore, is not disclosed in the reportable operating segments. The operating results are expressed in 'others'.

(2) Measurement of segment information

The chief operating decision-maker uses profit after tax as the basis for assessing segment income (loss). The measure amounts are provided to the chief operating decision-maker to allocate resources to segments and measure their performance; the measure amounts of resources are not provided to the chief operating decision-maker.

(3) Information about segment profit or loss, assets and liabilities

The segment information provided to the chief operating decision-maker for the reportable segments is as follows:

Year ended December 31, 2023	Taiwan	Asia	Other	Adjustments (Note 1)	Total
Revenue from external customers	$ 2,062,093	$ 2,823,577	$ -	$ -	$ 4,885,670
Inter-segment revenue	2,767,436	176,904	-	(2,944,340)	-
Total segment revenue	$ 4,829,529	$ 3,000,481	$ -	($ 2,944,340)	$ 4,885,670
Depreciation	$ 8,370	$ 3,594	$ -	$ -	$ 11,964
Expense of income tax	($ 2,060)	$ 4,165	$ -	$ -	$ 2,105
Segment income (loss)	($ 19,060)	($ 9,557)	$ 575	$ 8,982	($ 19,060)
Segment assets	$ 3,823,304	$ 1,426,172	$ 688,311	($ 2,096,073)	$ 3,841,714

Year ended December 31, 2022	Taiwan	Asia	Other	Adjustments (Note 1)	Total
Revenue from external customers	$ 1,755,219	$ 4,091,911	$ -	$ -	$ 5,847,130
Inter-segment revenue	4,005,384	175,274	-	(4,180,658)	-
Total segment revenue	$ 5,760,603	$ 4,267,185	$ -	($ 4,180,658)	$ 5,847,130
Depreciation	$ 9,437	$ 3,792	$ -	$ -	$ 13,229
Expense of income tax	$ 44,070	$ 3,144	$ -	$ -	$ 47,214
Segment income (loss)	$ 150,875	$ 4,852	$ 4,528	($ 9,380)	$ 150,875
Segment assets	$ 4,454,705	$ 2,824,913	$ 700,567	($ 3,502,685)	$ 4,477,500

Note 1: Eliminate the segment revenue and segment income(loss).

Note 2: The Group did not provide the operating decision of liability. Therefore, the item was not disclosed.

(4) Reconciliation for segment income (loss)

Sales between segments are carried out at arm’s length. The revenue from external customers reported to the chief operating decision-maker is measured in a manner consistent with that in the statement of comprehensive income.

The performance of the reportable segments was assessed based on profit/(loss) after tax, which is consistent with the income/(loss) after tax from continuing operations. Therefore, no additional reconciliation was needed.

The amounts provided to the chief operating decision-maker with respect to total assets and total liabilities are measured in a manner consistent with that of the financial statements.

(5) Information on products and services

Revenue from external customers is mainly from selling of electronic component.

Details of revenue are as follows:

	Year ended December 31, 2023	Year ended December 31, 2022
Sales revenue of electronic component	$ 4,885,670	$ 5,847,130

(6) Geographical information

Geographical information of the group is as follows:

	Year ended December 31, 2023		Year ended December 31, 2022	
	Revenue	Non-current assets	Revenue	Non-current assets
Taiwan	$ 387,835	$ 122,866	$ 625,622	$ 114,837
Asia and Others	4,497,835	7,326	5,221,508	10,979
	$ 4,885,670	$ 130,192	$ 5,847,130	$ 125,816

(7) Major customer information

Major customer information of the Group is as follows:

	Year ended December 31, 2023		Year ended December 31, 2022	
	Revenue	Segment	Revenue	Segment
Company GHI	$ 1,588,146	Asia	$ 1,858,167	Asia
Company MNO	311,879	Asia	736,524	Asia
	$ 1,900,025		$ 2,594,691	

HONEY HOPE HONESTY ENTERPRISE CO., LTD. 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 1

Expressed in thousands of NTD

(Except as otherwise indicated)

Securities held by	Marketable securities	Relationship with the securities issuer	General ledger account	As of December 31, 2023				Footnote
				Number of shares	Book value	Ownership (%)	Fair value	
Honey Hope Honesty Enterprise Co., Ltd.	Domestic listed common stock - Cathay Financial Holding Co., Ltd.	None	Current financial assets at fair value through profit or loss	432,647	$ 19,794	-	$ 19,794	-
Honey Hope Honesty Enterprise Co., Ltd.	Domestic listed preferred stock - Shin Kong Financial Holding Co., Ltd.	None	Current financial assets at fair value through profit or loss	11,070	317	-	317	-
Honey Hope Honesty Enterprise Co., Ltd.	Domestic listed common stock - Giant Manufacturing Co., Ltd.	None	Current financial assets at fair value through profit or loss	6,400	18,400	-	18,400	-
				Total	$ 38,511		$ 38,511	
Honey Hope Honesty Enterprise Co., Ltd.	Convertible corporate bonds of foreign unlisted convertible bonds - FTEX Inc.	None	Non-current financial assets at fair value through profit or loss	-	$ 23,200	-	$ 23,200	

HONEY HOPE HONESTY ENTERPRISE CO., LTD. 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 2

Expressed in thousands of NTD

(Except as otherwise indicated)

			Transaction				Differences in transaction terms compared to third party transactions		Notes/accounts receivable (payable)		
Purchaser/seller	Counterparty	Relationship with the counterparty	Purchases (sales)	Amount	Percentage of purchases (sales)	Credit term	Unit price	Credit term	Balance	Percentage of notes/accounts receivable (payable)	Footnote
Honey Hope Honesty Enterprise Co., Ltd.	Honey Hope Honesty International Trading(Shanghai) Co.,Ltd	Second-tier subsidiary	(Sales)	($ 2,544,816)	(53)	135 days after monthly billings	Note 1	Note 1	$ 233,310	22	
Honey Hope Honesty Enterprise Co., Ltd.	Multileader Co., Ltd	Subsidiaries	(Sales)	(222,620)	(5)	90 days after monthly billings	Note 1	Note 1	19,535	2	
Honey Hope Honesty Enterprise Co., Ltd.	Taiwan Taiyo Yuden Co., Ltd	Shareholder that holds more than 10% of the Company's shares	Purchases	2,949,532	72	90 days after monthly billings	Note 2	Note 2	(785,702)	(78)	
Honey Hope Honesty International Trading(Shanghai) Co.,Ltd	Honey Hope Honesty Enterprise Co., Ltd.	Parent company	Purchases	2,544,816	92	135 days after monthly billings	Note 1	Note 1	(233,310)	(90)	
Honey Hope Honesty International Trading(Shanghai) Co.,Ltd	Multileader Co., Ltd	Fellow subsidiary	Purchases	176,705	8	90 days after monthly billings	Note 2	Note 2	(56,730)	(10)	
Multileader Co., Ltd	Honey Hope Honesty Enterprise Co., Ltd.	Parent company	Purchases	222,620	95	90 days after monthly billings	Note 1	Note 1	(19,535)	(90)	
Multileader Co., Ltd	Honey Hope Honesty International Trading(Shanghai) Co.,Ltd	Fellow subsidiary	(Sales)	(176,705)	(63)	90 days after monthly billings	Note 2	Note 2	56,730	56	

Note 1: The collection terms of the transactions of the Company's sales to related parties are 90~135 days after monthly billings which are longer than the terms for major customers of 90~120 days after monthly billings as considering the subsidiaries still need time to organise after collecting payments. The prices of sales to related parties are determined based on normal sales condition that would be available to third parties.

Note 2: The purchase prices to related parties are determined based on mutual agreements. The payment terms are 60~90 days after monthly billings that would be available to general suppliers.

HONEY HOPE HONESTY ENTERPRISE CO., LTD. AND SUBSIDIARIES

Receivables from related parties reaching NT$100 million or 20% of paid-in capital or more

Year ended December 31, 2023

Table 3

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		
Honey Hope Honesty Enterprise Co., Ltd.	Honey Hope Honesty International Trading(Shanghai) Co.,Ltd	Second-tier subsidiary	$ 233,310	4.03	$ -	-	$ 554,672	$ -

HONEY HOPE HONESTY ENTERPRISE CO., LTD. AND SUBSIDIARIES

Significant inter-company transactions during the reporting periods

Year ended December 31, 2023

Table 4

Expressed in thousands of NTD

(Except as otherwise indicated)

				Transaction			
Number (Note 1)	Company name	Counterparty	Relationship (Note 2)	General ledger account	Amount	Transaction terms	Percentage of consolidated total operating revenues or total assets (Note 3)
0	Honey Hope Honesty Enterprise Co., Ltd.	Honey Hope Honesty International Trading(Shanghai) Co.,Ltd	(1)	Operating revenue	$ 2,544,816	(Note 4)	52
0	Honey Hope Honesty Enterprise Co., Ltd.	Honey Hope Honesty International Trading(Shanghai) Co.,Ltd	(1)	Notes and accounts receivable	233,310	(Note 5)	6
0	Honey Hope Honesty Enterprise Co., Ltd.	Multileader Co., Ltd	(1)	Operating revenue	222,620	(Note 4)	5
0	Honey Hope Honesty Enterprise Co., Ltd.	Multileader Co., Ltd	(1)	Notes and accounts receivable	19,535	(Note 5)	1
1	Honey Hope Honesty International Trading(Shanghai) Co.,Ltd	Multileader Co., Ltd	(3)	Operating costs	176,705	(Note 4)	4
1	Honey Hope Honesty International Trading(Shanghai) Co.,Ltd	Multileader Co., Ltd	(3)	Notes and accounts receivable	56,730	(Note 5)	1

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: Relationship between transaction company and counterparty is classified into the following three categories; fill in the number of category each case belongs to (If transactions between parent company and subsidiaries or between subsidiaries refer to the same transaction, it is not required to disclose twice. For example, if the parent company has already disclosed its transaction with a subsidiary, then the subsidiary is not required to disclose the transaction; for transactions between two subsidiaries, if one of the subsidiaries has disclosed the transaction, then the other is not required to disclose the transaction.):

(1) Parent company to subsidiary.

(2) Subsidiary to parent company.

(3) Subsidiary to subsidiary.

Note 3: Regarding percentage of transaction amount to consolidated total operating revenues or total assets, it is computed based on period-end balance of transaction to consolidated total assets for balance sheet accounts and based on accumulated transaction amount for the period to consolidated total operating revenues for income statement accounts.

Note 4: The prices of sales to related parties are determined based on normal sales condition that would be available to third parties.

Note 5: The collection terms are 90~135 days after monthly billings for the transactions of the Company’s sales to related parties and 90~120 days after monthly billings for major customers.

Note 6: No disclosure will be made if the transaction amount is less than NT$10 million.

HONEY HOPE HONESTY ENTERPRISE CO., LTD. AND SUBSIDIARIES

Information on investees

Year ended December 31, 2023

Table 5

Expressed in thousands of NTD

(Except as otherwise indicated)

				Initial investment amount		Shares held as at December 31, 2023					
Investor	Investee	Location	Main business activities	Balance as at December 31, 2023	Balance as at December 31, 2022	Number of shares	Ownership (%)	Book value	Net (loss) profit of the investee for the year ended December 31, 2023	Investment (loss) income recognised by the Company for the year ended December 31, 2023	Footnote
Honey Hope Honesty Enterprise Co., Ltd.	OUTRANGE STAR LIMITED	British Virgin IS.	Investment of various businesses	$ 10,749	$ 10,749	350,000	100	$ 688,311	$ 575	$ 575	Note 1
Honey Hope Honesty Enterprise Co., Ltd.	Multileader Co., Ltd	Hong Kong	Trading of electronic parts	50,291	50,406	12,800,000	100	157,272	(10,168)	(10,168)	Note 2

Note 1: Balance of the initial investment amount as at January 1,2023 and December 31, 2023 is expressed in US:NT=1:30.7100 and US:NT=1:30.7050. The original currency is US$350 thousand.

Note 2: Balance of the initial investment amount as at January 1,2023 and December 31, 2023 is expressed in HK:NT=1:3.9380 and HK:NT=1:3.9290. The original currency is HK$12,800 thousand.

HONEY HOPE HONESTY ENTERPRISE CO., LTD. AND SUBSIDIARIES

Information on investments in Mainland China

Year ended December 31, 2023

Table 6

Expressed in thousands of NTD

(Except as otherwise indicated)

Investee in Mainland China	Main business activities	Paid-in capital (Note 3)	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: Remitted to Mainland China	Amount remitted from Taiwan to Mainland China/Amount remitted back to Taiwan for the year ended December 31, 2023: Remitted back to Taiwan	Accumulated amount of remittance from Taiwan to Mainland China as of December 31, 2023	Net (loss) income of investee as of December 31, 2023	Ownership held by the Company (direct or indirect)	Investment (loss) income recognised by the Company for the 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
Honey Hope Honesty International Trading(Shanghai) Co.,Ltd	Trading of electronic parts	$ 6,142	(2)	$ 6,142	$ -	$ -	$ 6,142	$ 611	100	$ 611	$ 685,602	$ -	Note 4

Note 1: Investment methods are classified into the following three categories; fill in the number of category each case belongs to:

(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.

Note 2: Investment income (loss) recognised by the Company for the year ended December 31, 2023 was recognised according to the audited financial statements of the investee for the corresponding period.

Note 3: Expressed in US:NT=1:30.71. The original currency is US$200 thousand.

Note 4: On March 28, 2003, the Board of Directors resolved the Company to incorporate Honey Hope Honesty International Trading(Shanghai) Co.,Ltd in Mainland China through OUTRANGE STAR LIMITED.

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 (Note 5)
Honey Hope Honesty Enterprise Co., Ltd.	$ 6,142	$ 6,142	$ 1,511,986

Note 5: Celling is 60% of net assets according to the regulations.

HONEY HOPE HONESTY ENTERPRISE CO., LTD. AND SUBSIDIARIES

Major shareholders information

December 31, 2023

Table 7

Name of major shareholders	Shares	
	Number of shares held	Ownership (%)
Taiwan Taiyo Yuden Co., Ltd	11,548,398	14.45%
Yuanqiang Investment Co., Ltd.	6,961,489	8.71%
LIN HSUN-MIN	5,759,139	7.20%
CHEN LU-HSI	4,044,877	5.06%

Note: (1) The major shareholders' information was derived from the data using the Company issued common shares (including treasury shares) in dematerialised form which were held by the shareholders above 5% on the operating date of each quarter and was calculated by Taiwan Depository & Clearing Corporation. The share capital which was recorded on the financial statements may be different from the actual number of shares in dematerialised form due to the difference of calculation basis.

(2) If the aforementioned data contains shares which were kept in the trust by the shareholders, the data was disclosed as a separate account of the client which was set by the trustee. As for the shareholder who equity as an insider whose shareholding ratio was greater than 10% in accordance with Securities and Exchange Act, the shareholding ratio included the self-owned shares and trusted shares, at the same time, persons who have power to decide how to allocate the trust assets. For the information on reported share equity of insiders, please refer to the Market Observation Post System.