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GENERAL PLASTIC INDUSTRIAL CO., LTD.

2023 Annual Report

(Translated from Chinese)

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- Market Observation Post System: mops.twse.com.tw
- Company website: www.gpi.com.tw

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V. Exchanges where the company's securities

are traded offshore: none

Method to access information on said offshore securities: none

VI. Company's website: www.gpi.com.tw

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One. Report to Shareholders

Dear Shareholders:

During 2023, the global economy has not only been shrouded in the haze of COVID-19, and the conflict in Russia and Ukraine has not ceased, but countries around the world still make unremitting efforts to recover their economies. However, factors such as geopolitical risks and supply chain restructuring continue to hit the manufacturing industry hard. Regarding office machine consumables, while the world's major economies have been hoping to stimulate the market economy through the stabilization of energy prices and adjustment of interest rates, the inflationary pressure on consumption still exists, resulting in an overhang of inventory in the market, which leads to the problem of inventory closeout and thus the manufacturing industry has fallen into a state of weakness. In terms of the tourist hotel operations, in response to changes in the international pandemic situation, the focus remains on engineers related to wind power generation, business travelers (meetings and events), and domestic family tourists, supplemented by direct sales incentive groups and corporate employee travel. This operational direction is coupled with actively promoting surrounding tourist itineraries and attractions by planning and marketing packaged accommodation offerings. Efforts are made to enhance the warm, family-like hospitality of "customer-first" service, differentiated products, cost reduction, and attracting new customer sources. I would like to thank all of the shareholders for their long-term support. The Company will continue to work hard in the spirit of soundness and pragmatism, seeking to increase the value to shareholders, employees and the society.

I. 2023 Business Overview

- (I) Analysis of business results, financial income and expenses, and profitability: the Company's consolidated revenue in 2023 was NT\$5,314,527 thousand, a decrease of NT\$388,680 thousand from the previous year; gross profit was NT\$2,210,683 thousand, a decrease of NT\$10,161 thousand from the previous year; gross profit margin was 41.60%, up by 2.66% year-on-year; operating income was NT\$526,248 thousand, an increase of NT\$25,197 thousand over the previous year; and the net profit after tax is NT\$433,232 thousand, decreased by NT\$245,377 thousand year-on-year. The EPS was NT\$3.40 for 2023, which was NT\$1.92 lower than the previous year.

Item/Year		2023	2022
Profitability%	Return on total assets	5.95	9.72
	Return on equity	10.66	18.72
	Net profit margin	8.15	11.89

- (II) Research and development status: The consolidated R&D expenses in 2023 was NT\$143,783 thousand, an increase of 4.72% from NT\$137,292 thousand in the previous year. The R&D expenses mainly came from the human and resources investments in design, development, testing, and patent application of the laser toner cartridge and photosensitive drum gear of the MFP consumables department. Currently, the Group holds 20 valid patents in China, 45 in the U.S., 1 in Europe, 15 in Germany, 7 in Japan, 28 in Taiwan, totaling 116, and another 31 are pending under application or approval.

II. Summary of the 2023 business plan

- (I) Business guidelines:

In terms of consumables for MFPs, the Company always faces customers with the most exquisite quality, and strive to implement the business philosophy of "do everything possible to make our products the most popular in the market; do our best so that everyone's work is absolutely respected." In addition, we insist the quality policy of "Quality First for Customer Satisfaction" to improve the quality of products and services, and continue to strengthen the supply chain relationship with upstream suppliers and downstream customers, to provide higher value-added products and services, to meet the needs of all customers at home and abroad.

In terms of tourist hotels, the Company will focus on making leisure travel plans with refined products, to give travelers a better experience and generate a sense of brand recognition. The Company will continue to actively expand customers and provide more flexible and meticulous services to achieve the concept of sustainable business management.

- (II) Important production and sales policies:

Regarding office machine consumables, General Plastic Industrial Co., Ltd. will continue to enhance the integration of resources in the Group's vertical marketing channels, from production, logistics, R&D, procurement and branding, the management will be further refined

at all aspects, in order to maintain a high level of internal responsiveness and agility to the external market. More specifically, Shangfu will commit to: (1) deepening the dual-brand strategy of Katun and Cartridge Web to maintain a balanced strategic alliance between its own channels and key accounts in Europe and the U.S.; (2) actively strengthening brand partnerships with brand clients to gain more opportunities for OEM services; (3) actively evaluating the launch of environmentally friendly product lines for the European market, where the demand for compatible supplies and consumables is the highest; (4) strengthening the relationship with toner and chip suppliers; and (5) strengthening the relationship with the European market. (4) Strengthen integration with toner and chip suppliers; (5) Establish a project team to analyze and evaluate new business opportunities.

In terms of tourist hotels, in the face of the economic turmoil at home and abroad and the environment unfavorable for consumer confidence, the Company will take measures to: (1) establish service, customer experience and brand value to improve competitiveness; (2) develop wind power generation partners; (3) maintain and expand the business traveler market; (4) deepen the cultivation of the national travel market, and continue to promote and connect with new attractions; (5) diversified online booking strategies; (6) improvement plans improving the parent-child space and various hardware and software in hotels.

III. Effects of the external environment and future development strategies

The global supply chain is gradually shifting to "localization." Major brand machine manufacturers have gradually reduced the launch of new machines, especially in the advanced economy market, and the service life of the machines has gradually been extended. Meanwhile, the market demand for smaller and more powerful machines is increasing. As a result, the demand for new products in the market is ahead of schedule, and the price competition in the market is worse than before. General Plastic will continue to develop new products and new markets, and strive to improve the Company's product brand and service value, seeking the Company's continuous growth.

With the global economic recovery and the rollout of tourism incentive policies by neighboring countries vying for tourists, the hotel industry faces external challenges and marketing competition from various national tourism bureaus. The operating team will adopt a more proactive approach, enhance service quality, develop new customer source markets, upgrade guestrooms and renovate facilities, and reduce costs to improve competitiveness. The aim is to increase profitability, create greater value, and meet customer expectations through these efforts, in light of the intensifying competition in the overall tourism industry as countries strive to attract visitors from friendly nations in their vicinity.

General Plastic will continue to insist the spirit of seeking innovation and change and being responsible and pragmatic, to provide better products and services. On behalf of all employees of the Company, I would like to express my sincere gratitude to our shareholders, customers, suppliers, and business partners for their long-term support to General Plastic, and wishes to you all the best.

GENERAL PLASTIC INDUSTRIAL CO., LTD.

Chairman: Wang, Jui-Hung

Two.Company Profile

I. Date of incorporation

July 12, 1978

Address: No. 50, Ziqiang Road, Wuqi District, Taichung City

Telephone: (04)2639-3103

II. Company history:

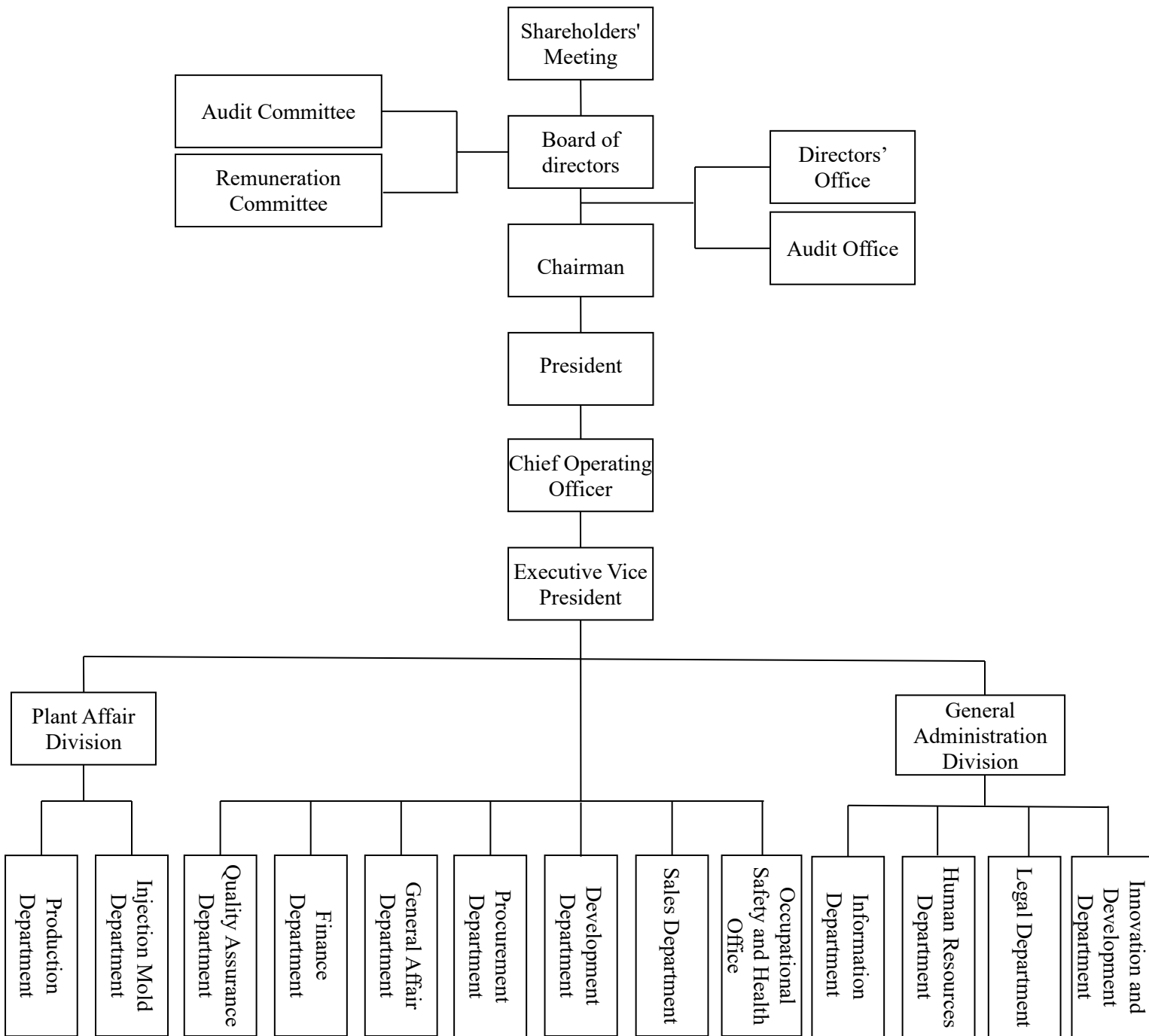
Time	Overview
1978	General Plastic was founded with the registered capital of NT\$5,700,000.
1986	Started manufacturing components such as toner cartridges for laser printers and photocopiers, and sold them worldwide under the in-house brand, GPI.
1990	Expanded the plant by 300 pings and added two production lines.
1993	Expanded the plant by 1,200 ping and increase the number of production lines to five. Production of photosensitive drum gears began in the same year.
1994	The mold department was established to develop precision molds for complex plastic products.
1995	The 2nd plant was added, and the number of production lines was increased to seven.
1996	Began to introduce ISO9002 to improve the overall quality.
1997	Purchased several precision instruments and equipment, and developed the complex molds by ourselves. In the same year, we passed the ISO9002 international quality certification from BSI, and officially entered a new milestone.
1998	The first ODM production. Public offering was planned in the same year.
1999	The OPC photoconductive pedestal was successfully developed and introduced to the market, to establish the manufacturing capability of complex OPC pedestal. Upgrade the precision gear injection process from JIS Class 5 to JIS Class 4. The R&D of the photocopier precision gear with the outer diameter of OD60mm and above was completed in October 1999, and mass production and shipment were completed.
2000	In April, renamed to General Plastic Industrial Co., Ltd. The shares became publicly offered in May. In August, the capital was increased by NT\$25,128,750 by cash and the earnings was capitalized for NT\$76,121,250. After the capital increase, the Company had issued 30,000,000 shares and the paid-in capital is NT\$300,000,000. In October, the new plant was built in Taichung Harbor Related Industrial Park, with the construction area of 3,200 pings
2001	In May, the earnings was capitalized for NT\$105,000,000. After the capital increase, the Company had issued 40,500,000 shares and the paid-in capital is NT\$405,000,000. Relocated to new plant in May. The Company filed the application for listing in Taipei Exchange in June. The Company was officially listed on Taipei Exchange in December.
2002	In the CommonWealth Magazine's ranking of the Top 1000 Manufacturers in 2001, the Company ranked 41st among the companies with the best operating performance, 15th among the companies with the best return on assets, and 28th among the companies with the best return on equity. In June, the mass production of the first toner cartridge for the all in one laser printer was started. In July, Global Views Monthly ranked among the top 200 technology companies in 2001, in which the Company ranked 7th place among the top 200 companies in terms of business performance. In August, the capital was increased by NT\$60,000,000 by cash and the earnings was capitalized for NT\$144,290,000 (the employees' bonus of NT\$2,540,000 was included). After the capital increase, the Company had issued 60,929,000 shares and the paid-in capital is NT\$609,290,000.
2003	The Company applied for re-listing in March; it was officially listed on the Taiwan Stock Exchange in June. In August, the earnings was capitalized for NT\$63,569,000 (the employees' bonus of NT\$2,640,000 was included). After the capital increase, the Company had issued 67,285,900 shares and the paid-in capital is NT\$672,859,000. In December, the overseas unsecured convertible corporate bonds were issued for totaling US\$25,000,000. December 18, 2003 to January 17, 2004 to buy back 2,500,000 shares of the Company
2004	In March, 2,500,000 treasury shares were canceled and the change registration was completed with the competent authority. After the capital decrease, the Company had issued 64,785,900 shares and the paid-in capital is NT\$647,859,000. In August, the earnings was capitalized for NT\$54,303,720 (the employees' bonus of NT\$2,475,000 was included). After the capital increase, the Company had issued 70,216,272 shares and the paid-in capital is NT\$702,162,720.
2005	In August, the earnings was capitalized for NT\$51,599,390 (the employees' bonus of NT\$2,448,000 was included). After the capital increase, the Company had issued 75,376,211 shares and the paid-in capital is NT\$753,762,110. In December, two years after the issuance of the overseas unsecured convertible corporate bond, all creditors executed the bonds and sold back, and the execution of the v unsecured convertible corporate bond was completed ahead of schedule.
2006	In August, the earnings was capitalized for NT\$19,237,890 (the employees' bonus of NT\$1,000,000 was

Time	Overview
	included). After the capital increase, the Company had issued 77,300,000 shares and the paid-in capital is NT\$773,000,000. Jiou Fu Co., Ltd. was established through a reinvestment in August.
2007	In August, the earnings was capitalized for NT\$27,000,000 (the employees' bonus of NT\$3,300,000 was included). After the capital increase, the Company had issued 80,000,000 shares and the paid-in capital is NT\$800,000,000.
2008	In May, the Company created its own brand of cartridges for laser printers, Cartridge Web, for marketing to the European and American markets. In August, the earnings was capitalized for NT\$18,000,000 (the employees' bonus of NT\$2,000,000 was included). After the capital increase, the Company had issued 81,800,000 shares and the paid-in capital is NT\$818,000,000.
2009	In August, the earnings was capitalized for NT\$19,884,590 (the employees' bonus of NT\$8,550,667, with 352,459 shares was included). After the capital increase, the Company had issued 83,788,459 shares and the paid-in capital is NT\$837,884,590.
2010	The subsidiary, Jiufu Industrial Co., Ltd. was approved by the Tourism Bureau, Ministry of Transportation and Communications, to build the general tourist hotel "Taichung Harbor Hotel" in Taichung Harbor, and officially entered the hotel business. In August, the earnings was capitalized for NT\$37,553,090 (the employees' bonus of NT\$16,595,000, with 403,771 shares was included). After the capital increase, the Company had issued 87,543,768 shares and the paid-in capital is NT\$875,437,680.
2011	Established GPI Co. (Samoa) Ltd. In July, the earnings was capitalized for NT\$35,449,720 (the employees' bonus of NT\$14,938,000, with 480,940 shares was included). After the capital increase, the Company had issued 91,088,740 shares and the paid-in capital is NT\$910,887,400.
2012	Passed the ISO14001 environmental management system certification in August.
2013	"Taichung Harbor Hotel," a tourist hotel invested by the subsidiary Jiou Fu Co., Ltd. was opened in March. In April, "Taichung Harbor Hotel" received 4-star rating from the Tourism Bureau, Ministry of Transportation and Communications.
2016	In November, 3,500,000 treasury shares were canceled and the change registration was completed with the competent authority. After the capital decrease, the Company had issued 87,588,740 shares and the paid-in capital is NT\$875,887,400.
2017	The subsidiary, GPIKT DE, INC. and GPIKT (BVI) CO., LTD were established, and are expected to acquire all the issued equity units of the US company, KATUN HOLDINGS, LP. in September. In October, "Taichung Harbor Hotel" continued to receive 4-star rating from the Tourism Bureau, Ministry of Transportation and Communications.
2018	In January, all of the equity units of KATUN HOLDINGS, LP, a U.S. company, were officially obtained. In May, the capital was increased for NT\$400,000,000 in cash. After the capital increase, the Company had issued 127,588,740 shares and the paid-in capital is NT\$1,275,887,400.
2019	In August, the Company was ranked 7th among the Top 100 Fast Growing Companies of 2019 by CommonWealth Magazine.
2020	In August, the ground breaking ceremony for the Group's headquarters building was held to combine the production resources of the Company in the vicinity to enhance the synergy of the Group's resources. In October, the construction of the medical mask factory was completed In November, the Company successively obtained the "Pharmaceutical Distributor Permit," "Factory Change Registration," and "Pharmacist Manufacturing License." The Company also completed the registrations with the US FDA and EU CE in the fourth quarter. In December, the board of directors resolved to reinvest in the establishment of WeKare Co., Ltd.
2021	In March, "Taichung Harbor Hotel" continued to receive 4-star rating from the Tourism Bureau, Ministry of Transportation and Communications. In March, passed the "Good Manufacturing Practice (GMP) for Medical Devices." In April, obtained the "Medical Device Permit" and passed the "ISO 13485:2016 Medical Device Quality Management System." In December, 100% stake of TJ OFFICE SOLUTION CO., LTD was officially obtained.
2023	Acquired ISO 45001 occupational safety and health management standard in August.
2024	The Company was awarded the title of "Potential Medium-sized Enterprise" by the Ministry of Economic Affairs in January.

Three. Corporate Governance Report

I. Organizational system

(I) Company's organization



(II) Tasks of its principal divisions

Principal divisions	Principal tasks
Directors' Office	<ol style="list-style-type: none"> 1. Planning and convening meetings of the Board of Directors, Audit Committee, and shareholders' meetings. 2. Handling of shareholders' affairs. 3. Corporate governance requirements of a listed company in accordance with the amendment of relevant laws and regulations. 4. Matters related to the Sustainability Report.
Audit Office	<ol style="list-style-type: none"> 1. Assist the management in the design, implementation, maintenance and evaluation of the Company's internal control system. 2. Plan and execute the Company's internal audit operations, propose audit reports and improvement suggestions, track the improvement of deficiencies, and report the audit implementation results to the Board of Directors on a regular basis. 3. Assist the management in identifying, assessing and managing the Company's operational risks. 4. Provide objective verification and consulting services in response to changes in the company's goals, environment, organizational structure and operations.
General Administration Division	<ol style="list-style-type: none"> 1. Provide the support and assistance required by the management, coordinate the cooperation among various departments and ensure the smooth progress of the work. 2. Responsible for executing various tasks assigned by the management, including project management, plan implementation, etc. 3. Collect, organize and report relevant information, assist management in decision-making and ensure smooth internal and external communication. 4. Assist the management in executing specific plans or projects to promote the development and growth of the Company.
Legal Department	<ol style="list-style-type: none"> 1. Provide legal advice and suggestions to the Company's other departments to ensure the legal compliance of the Company's business activities. 2. Responsible for formulating, revising and reviewing company contracts and documents, ensuring the smooth progress of the cooperative relationship between the company and its partners, reducing risks and protecting the company's rights and interests. 3. Responsible for executing legal proceedings, disputes and other legal proceedings to protect the rights and interests of the Company. 4. Assess and manage the legal risks faced by the Company, and formulate corresponding risk management strategies. 5. Ensuring that the Company complies with all applicable laws, regulations and industry standards and establishing compliance policies and procedures.
Human Resources Department	<ol style="list-style-type: none"> 1. Human resources planning and management, in response to organizational development, formulate human resources related policies. 2. Execute the recruitment operation according to the manpower needs of the enterprise. 3. Plan the organization's salary structure and employee salary-related systems to ensure compliance with labor laws and regulations and market competitiveness. 4. Formulate and implement performance management related activities to ensure that employees' performance and contribution can meet the organization's goals and expectations. 5. Formulate strategies and conduct corporate human resource training and development operations to improve the knowledge, skills, abilities and performance of employees or teams. 6. Amendment and implementation of the management system to meet the legal requirements, business needs or organizational goals and improve its applicability, effectiveness and sustainability. 7. Formulate strategies and conduct operations related to maintaining good labor relations. 8. Planning the proposals for and convening the Remuneration Committee meetings.
Information Department	<ol style="list-style-type: none"> 1. System management: Manage the organization's hardware and software systems, including servers, network equipment, operating systems, and application programs. It also monitors the operating status of the system to ensure safety and performance. 2. Information security: Responsible for protecting the information assets of the organization from unauthorized access, damage or leakage. Implement security policies, vulnerability management, intrusion detection and defense measures. 3. Data management: Manage the database system of the organization to ensure the

Principal divisions	Principal tasks
	<p>reliability, availability and security of the data. Establishment of data management strategy, including data backup, recovery and confidentiality.</p> <ol style="list-style-type: none"> 4. Network management: Manage the organization's network structure, ensure the stable operation of network equipment, handle network failures, and improve network performance. 5. Technology strategy: Formulate and implement information technology strategy to support the organization's business goals and development direction. Evaluate new information technology and make recommendations to improve the existing information technology infrastructure. 6. Compliance and compliance: Ensuring that the IT operations of the organization complies with relevant laws and standards. Handle the document reporting and regular inspection required by laws and regulations to ensure compliance. 7. User support: Provide technical support services to users in the organization to solve their hardware and software problems.
Innovation and Development Department	<ol style="list-style-type: none"> 1. Responsible for the search, evaluation, planning and introduction of innovative development projects. 2. Responsible for the search, evaluation, introduction, promotion and management of new technology projects. 3. Matters with regard to the project management of product project planning, coordination, execution and maintenance of development projects. 4. Development project product design and implementation, technology development, process planning and testing and verification. 5. Matters with regard to patent planning, search, data collection, application and management of development projects. 6. Assist marketing, sales and product promotion units in the promotion of development projects and products.
Sales Department	<ol style="list-style-type: none"> 1. Business and sales forecast evaluation and analysis and the formulation of business plans. 2. Achievement of business objectives and performance. 3. Product sales and after-sales service. 4. Collection and analysis of product, market and industry related information. 5. Customer and market development for the Company's existing and new businesses. 6. To formulate and implement corporate image, product and brand marketing strategies. 7. Exhibition evaluation, planning and execution.
Development Department	<ol style="list-style-type: none"> 1. New product planning and management, in response to various development needs, formulate and develop various regulations and procedures. 2. Develop technical solutions for new products and improve existing technologies to meet market demand by enhancing product performance and reducing costs. 3. Formulate tests related to product quality verification to ensure that product design meets quality standards and passes reliability testing, verification and mass production to verify its functionality and performance. 4. Assisting in the product introduction stage, including formulating the product introduction standard operation plan and providing technical support, so that the product can enter the trial mass production stage smoothly. 5. Manage budgets and resources for product development. Product costs and market prices are in line with the development effect principle to reduce unnecessary loss of R&D funds. 6. Applying for product patents, protecting the Company's technological innovation capabilities and R&D results and managing intellectual property-related affairs to ensure that products are protected by law. 7. Cultivate technical talents, ensure the efficient operation and growth of the team and meet various product development needs.
Occupational Safety and Health Office	<ol style="list-style-type: none"> 1. Formulate occupational safety and health management regulations and plans and guide relevant departments to implement them. 2. Establish an occupational safety and health management system and continue to promote and maintain it. 3. To plan and supervise the occupational safety and health audits and management of all departments. 4. Plan and implement the occupational safety and health education and trainings.

Principal divisions	Principal tasks
	<ol style="list-style-type: none"> 5. Plan employee health examinations and implement health management. 6. To supervise the investigation, handling and statistical analysis of occupational disasters such as illness, injury, disability, and death of employees. 7. To provide information and suggestions on occupational safety and health management.
Finance Department	<ol style="list-style-type: none"> 1. Finance: responsible for the raising, scheduling and management of the Company's funds, including bank financing, capital market financing, etc. 2. Accounting: Responsible for the preparation, review and disclosure of the Company's financial statements, as well as the establishment and implementation of related accounting systems. 3. Taxation: Responsible for the handling of the Company's taxation matters, including taxation declaration, taxation audit and taxation planning. 4. Investment: Responsible for the evaluation, decision-making and management of the Company's external investment, including the establishment, supervision, management and evaluation of the reinvested business. 5. Other matters related to the Company's finance, such as operational analysis, financial risk management, financial budget management, etc. 6. To manage the legal compliance and required affairs required by the listed company and to explain to the external communication.
General Affair Department	<ol style="list-style-type: none"> 1. Regular maintenance and management of the company's construction project management, electromechanical, fire protection, monitoring, water supply, drainage, telecommunications systems. 2. Company safety management, equipment safety inspection, and inspection and management in accordance with government regulations. 3. Management of the company's fixed assets, land and buildings. 4. Environmental disinfection and beautification management. 5. Dormitory management, group meals, switchboard, correspondence and other general affairs. 6. Identify environmental considerations in accordance with government regulations and company regulations, set goals, implement relevant programs, perform appropriate operational controls, measure major impact and implement relevant corrective and preventive measures.
Quality Assurance Department	<ol style="list-style-type: none"> 1. Quality plan and strategy formulation: Formulate the organization's quality plan and strategy to ensure that quality goals are consistent with business goals. 2. Establishment and maintenance of quality management system: responsible for establishing, implementing and maintaining the organization's quality management system to ensure that products or services comply with relevant standards and regulatory requirements. 3. Establishment, maintenance and updating of quality standards: Establishment, maintenance and updating of quality standards for products or services to ensure that they are consistent with customer expectations and industry standards. 4. Quality monitoring and testing: Monitor the production process of products or services to ensure compliance with quality standards and specifications. This includes inspection, testing and evaluation of products and taking necessary measures to solve quality problems. 5. Problem Solving and Improvement: Responsible for identifying the root causes of quality issues, taking appropriate measures to resolve problems and promoting continuous improvement activities to ensure sustained enhancement of customer satisfaction and product quality. 6. Quality training and education: Provide quality management-related training and education to enable employees to understand the importance of quality management and improve employees' quality awareness and acquire relevant skills and knowledge. 7. Supplier management: Monitor and evaluate suppliers' quality performance, ensure that the materials and services obtained from the supply chain meet the organization's quality standards and assist suppliers in improving their quality management systems. 8. Quality reporting and communication: Report the quality status to the management and other stakeholders on a regular basis and conduct necessary communication and coordination. 9. Standards and regulatory compliance: Ensure that the organization's products or services

Principal divisions	Principal tasks
	<p>comply with relevant laws, regulations, and standards, and assist the organization in obtaining relevant quality management certification.</p> <ol style="list-style-type: none"> 10. Data analysis and reporting: Collect, analyze and report quality-related data and indicators to help the management make decisions and continue to improve the quality management system. 11. Establishment of quality culture: Promote the establishment of a quality culture within the organization, encourage employees' attention and commitment to quality and achieve the goal of full participation in quality management. 12. Quality document management: Documented information related to the quality management system is controlled, distributed and retrieved to ensure its accuracy, completeness and easy access 13. Review: Conduct internal and external reviews to ensure the effectiveness and compliance of the quality management system.
Plant Affair Division	<ol style="list-style-type: none"> 1. Production planning and progress control. 2. Supervises the operation of the Company's plan affair system. 3. Management of bonded warehouses and handling of bonded matters. 4. Inventory management and control over the delivery and receipt of raw materials and semi-finished products. 5. Arrangement, notification, preparation, and confirmation of sales. 6. Responsible for the warehousing and logistics management of finished goods.
Injection Mold Department	<ol style="list-style-type: none"> 1. Evaluation, design, production and improvement of new product molds. 2. Design, production and improvement of new product molds, clamps, jigs and gauging tools. 3. Manage the manufacturing and processing of products, and keep track of the progress of production. 4. Maintenance of manufacturing related equipment and improvement of manufacturing process. 5. Supervision and deployment of personnel, education management, and SOP formulation and maintenance. 6. Execute quality and process control audit. 7. Analysis and countermeasures for quality anomalies and customer complaints.
Production Department	<ol style="list-style-type: none"> 1. Manage and optimize the production process to ensure that the production department operates effectively, produces high-quality products, and achieves the company's goals in terms of cost and time. 2. Through the self-development of jigs and molds, and the introduction of new production technology and methods, the personnel and technology encountered in the production process, including equipment failure and quality problems, are resolved. 3. Production equipment maintenance. Establish equipment data, maintenance standards, and maintenance records for maintenance personnel to refer to and perform important tasks such as regular maintenance, repair and improvement of equipment. 4. Execute work safety and health management for employees to ensure compliance with safety regulations and production procedures during the production process. 5. Formulate production performance management measures, define relevant rules and regulations for production bonuses and penalties based on production line workstations, workload intensity, technical aspects, machine operations and execution capabilities. This allows operational personnel to receive reasonable bonuses in accordance with the company's regulations.
Procurement Department	<ol style="list-style-type: none"> 1. Collect the market information of various materials to effectively control the cost of material purchase. 2. Analyze the internal and external environmental factors, determine the likelihood and impact of procurement risks and take responsive measures. 3. Collecting opinions from relevant cross-departmental units, communicating procurement strategies, and adjusting procurement strategies. 4. Select suitable third-party suppliers to meet customer orders or work orders for material procurement and outsourced processing of parts. 5. Evaluation of raw material suppliers and outsourced processing partners, periodic evaluation and vendor registration after evaluation. 6. Responsible for coordinating the payment request after the supplier's delivery and

Principal divisions	Principal tasks
	<p>acceptance, the approval and return of non-conforming products and the tracking control of the procurement progress.</p> <p>7. Supplier performance management, supplier maintenance and management and maintaining good relationship with quality suppliers.</p>

II. Information on the company's directors, president, vice-presidents, associate vice-president and the chiefs of all the company's divisions and branch units

(I) Directors

1. Information on directors

Date: April 21, 2024

Title	Nationality or place of registration	Name	Gender, age	Date of Election (Inauguration)	to current term	Date of initial election	Shareholding at the time of appointment		Current shareholding		Shares currently held by spouse and minor children		Shares held in someone else's name		Principal work experience and academic qualifications	Positions in the Company and other companies	Other officer(s), director(s), or supervisor(s) with which the person has a relationship of spouse or relative within the second degree		
							Shares	Shareholding percentage (%)	Shares	Shareholding percentage (%)	Shares	Shareholding percentage (%)	Shares	Shareholding percentage (%)			Title	Name	the issuer
Chairman	Republic of China	Kuanfu Co., Ltd.		2022.06.16	3 years	2022.06.16	27,136,380	21.27	27,136,380	21.27	—	—	—	—	General Plastic Industrial Co., Ltd. Chairman Mayor of Wuqi Township Specialty Major Program, Republic of China Military Academy	Chairman, Jiou Fu Co., Ltd. Chairman, CK ROYAL CONSTRUCTION CO., LTD. Supervisor, Taiwan Bifido Foods Inc. Director, KATUN HOLDINGS, LP. Chairman, Kuanfu Co., Ltd. Chairman, Hung-Shin-Li Co., Ltd.	Director Director concurrent President Director	Wang-Lai, Ming-Yue Wang, Jui-Chi Wang, Jui-Gong	Husband and wife Brothers
		Representative Wang, Jui-Hung	Male 71~80				8,875,000	6.96	—	—	—	—	14,787,720	11.59					
Director	Republic of China	Kuanfu Co., Ltd.		2022.06.16	3 years	2022.06.16	27,136,380	21.27	27,136,380	21.27	—	—	—	—	General Plastic Industrial Co., Ltd. Vice Chairman Shin Min High School	Supervisor, Jiou Fu Co., Ltd. Director, Kuanfu Co., Ltd. Director, Hung-Shin-Li Co., Ltd.	Chairman Director concurrent President Director	Wang, Jui-Hung Wang, Jui-Chi Wang, Jui-Gong	Husband and wife Relatives by marriage Relatives by marriage
		Representative Wang-Lai, Ming-Yue	Female 71~80				5,912,720	4.63	—	—	—	—	—	—					
Director	Republic of China	Wang, Jui-Chi	Male 61~70	2022.06.16	3 years	2001.06.15	5,694,000	4.46	5,694,000	4.46	—	—	2,362,825	1.85	General Plastic Industrial Co., Ltd. President Master in Computer Science, University of Southern California	Director, Jiou Fu Co., Ltd. Supervisor, Yoda Comm.Inc. Director, KATUN HOLDINGS, LP. Director, Kuanfu Co., Ltd.	Chairman Director Director	Wang, Jui-Hung Wang-Lai, Ming-Yue Wang, Jui-Gong	Brothers Relatives by marriage
Director	Republic of China	Wang, Mao-Yao	Male 71~80	2022.06.16	3 years	2007.06.28	767,216	0.60	767,216	0.60	—	—	—	—	Person in charge of YUEN-CHI ENTERPRISE CO., LTD. Chienkuo Junior College of Business	Chairman, YUEN-CHI ENTERPRISE CO., LTD.	—	—	—
Director	Republic of China	Wang, Sen-Yung	Male 51~60	2022.06.16	3 years	2007.06.28	15,711	0.01	15,711	0.01	—	—	—	—	Manager, CK ROYAL CONSTRUCTION CO., LTD. Taichung Agricultural Senior High School	Director and Vice President, CK ROYAL CONSTRUCTION CO., LTD. Director, Huang Pin Construction Co., Ltd.	—	—	—
Director	Republic of China	Wang, Jui-Gong	Male 81~90	2022.06.16	3 years	2022.06.16	1,931,135	1.51	1,931,135	1.51	2,193,920	1.72	—	—	Professor, Department of Business Administration, Tunghai University Master, Institute of Business Administration, National Chengchi University PhD in Business Administration, Nova Southeastern University, the U.S.	—	Chairman Director Director concurrent President	Wang, Jui-Hung Wang-Lai, Ming-Yue Wang, Jui-Chi	Brothers Relatives by marriage
Independent director	Republic of China	Wu, Chia-Yin	Male 51~60	2022.06.16	3 years	2001.06.15	90,350	0.07	90,350	0.07	—	—	—	—	Land administration Agent Department of Law, National Chengchi University	Director, Chiah Wei Co., Ltd. Supervisor, Yung-Tang Construction Co., Ltd. Person in Charge of Wu, Chia-Yin Land administration Agency	—	—	—
Independent director	Republic of China	Huang, Jui-Fen	Female 71~80	2022.06.16	3 years	2005.06.17	81,920	0.06	81,920	0.06	—	—	—	—	Assistance VP of bank Administration Junior College, National Chengchi University	—	—	—	—
Independent director	Republic of China	Wang, Deng-Chi	Male 61~70	2022.06.16	3 years	2022.06.16	70,000	0.05	75,000	0.06	—	—	—	—	Department of Textile, TAICHUNG MUNICIPAL SHA-LU INDUSTRIAL HIGH SCHOOL	Person in Charge, Hsin Guan Mei Apparel Shop Person in Charge, Chih-Feng Enterprise Person in Charge, Hsin Guan Mei Shop	—	—	—

Table 1: Major shareholders of the corporate shareholder

April 21, 2024

Name of corporate shareholder	Major shareholders of the corporate shareholder
Kuanfu Co., Ltd.	Wan-Jui Co., Ltd. (81.57%); Cifu Investment Co., Ltd. (18.43%)

Table 2: Major shareholders of major shareholders who are institutional shareholders

April 21, 2024

Name of institution	Major shareholders of corporate entities
Wan-Jui Co., Ltd.	Wang, Kuo-Ying (23.87%); Tai-Yu Holding Co., Ltd. (23.87%); Xun-Fong Co., Ltd. (9.91%); Jiu-Ching Co., Ltd. (9.75%); Yi-Shan Co., Ltd. (7.96%); Wang, Yi-Chun (7.96%); Wang, Yi-Jen (6.17%); Wang Yi-Ting (6.01%); Wang, Jui-Hung (2.47%); Wang-Lai, Ming-Yue (2.03%)
Cifu Investment Co., Ltd.	Wang, Jui-Chi (94.90%), Huang, Shen-Kuei (2.31%), Wang Mei-Yuan (0.93%), Wang, Hung-Mian (0.93%), Wang, Yi-Yun (0.93%)

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

Qualification Name	Professional qualifications and experience (Note 1)	Independence analysis (Note 2)	No. of other public companies at which the person concurrently serves as an independent director
Chairman Kuanfu Co., Ltd. Representative Wang, Jui-Hung	Graduated from Specialty Major Program, Republic of China Military Academy, and served as the Mayor of Wuqi Township; currently serving as the Company's Chairman. Possessing more than five-year work experiences in commerce and finance, as well as these required by the Company's operation. None of the circumstances in the subparagraphs of Article 30 of the Company Act.	Not applicable.	0
Director Kuanfu Co., Ltd. Representative Wang-Lai, Ming-Yue	Graduated from Shin Min High School, and currently serving as the Company's Vice Chairman. Possessing more than five-year work experiences in commerce and finance, as well as these required by the Company's operation. None of the circumstances in the subparagraphs of Article 30 of the Company Act.	Not applicable.	0
Director Wang, Jui-Chi	Graduated from USC, and currently serving as the Company's Director and President. Possessing more than five-year work experiences in commerce and finance, as well as these required by the Company's operation. None of the circumstances in the subparagraphs of Article 30 of the Company Act.	Not applicable.	0
Director Wang, Mao-Yao	Graduated from Chienkuo Junior College of Business, and currently serving as the Chairman of YUEN-CHI ENTERPRISE CO., LTD.). Possessing more than five-year work experiences in commerce and finance, as well as these required by the Company's operation. None of the circumstances in the subparagraphs of Article 30 of the Company Act.	Not applicable.	0
Director Wang, Sen-Yung	Graduated from Taichung Agricultural Senior High School, and currently serving as the Director and Vice President of CK ROYAL CONSTRUCTION CO., LTD.; possessing more than five-year working experience in commerce, finance, and required by the Company's business. None of the circumstances in the subparagraphs of Article 30 of the Company Act.	Not applicable.	0
Director Wang, Jui-Gong	PhD in Business Administration, Nova Southeastern University in the U.S. and former professor of Department of Business Administration of Tunghai University; currently serving as the Company's director; possessing the qualification as an instructor or higher in a department of commerce as required by the Company, and more than five-year working experience in commerce, finance and required by the Company's business. None of the circumstances in the subparagraphs of Article 30 of the Company Act.	Not applicable.	0
Independent director Wu, Chia-Yin	Graduated from Department of Law, National Chengchi University, and currently serving as the Company's Independent Directors. Possessing more than five-year work experiences in commerce as well as these required by the Company's operation. None of the circumstances in the subparagraphs of Article 30 of the Company Act.	During the two years before being elected or during the term of office, the assessment criteria of independence have been met	0

Independent director Huang, Jui-Fen	Graduated from National Chengchi University with a major in Administration, and former assistance vice president, team leader, and senior specialist of Chang Hwa Bank; currently serving as the Company's Independent Directors. Possessing more than five-year work experiences in commerce and finance expertise. None of the circumstances in the subparagraphs of Article 30 of the Company Act.	During the two years before being elected or during the term of office, the assessment criteria of independence have been met	0
Independent director Wang, Deng-Chi	Graduated from Department of Textile, Taichung Municipal Sha-Lu Industrial High School, and currently serving as the Company's Independent Director. Possessing more than five-year work experiences in commerce as well as these required by the Company's operation. None of the circumstances in the subparagraphs of Article 30 of the Company Act.	During the two years before being elected or during the term of office, the assessment criteria of independence have been met	0

Note 1: Professional qualifications and experience: Specify the professional qualifications and experience of each director. If a member of the Audit Committee, specify their accounting or finance background and work experience. Additionally, specify whether any circumstance under any subparagraph of Article 30 of the Company Act exists with respect to a director.

Note 2: Independent directors should explain their independence status, including but not limited to whether they, their spouses, or relatives within the second degree of kinship serve as directors, supervisors, or employees of the Company or its affiliated enterprises; the number and percentage of company shares held by them, their spouses, and relatives within the second degree of kinship (or held in the names of others); whether they serve as directors, supervisors, or employees of companies having specific relationships with the company (as specified in Articles 5 to 8 of the Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies); and the amount of remuneration received in the last two years for providing commercial, legal, financial, accounting, or other services to the Company or its affiliated enterprises.

3. Diversity and independence of the Board

All members of the board shall have the knowledge, skills, and experience necessary to perform their duties. To achieve the ideal goal of corporate governance, the board of directors shall possess the following abilities: ability to make operational judgments; ability to perform accounting and financial analysis; ability to conduct management administration; ability to conduct crisis management; knowledge of the industry; an international market perspective; ability to lead; and ability to make policy decisions, among other diversified professional backgrounds. The backgrounds of the nine board members composing the Board are diverse (six directors and three independent directors); most of them have diversified professional abilities such as the operational management, leadership and decision-making, knowledge of the industry, updated international knowledge, finance and accounting analysis, and legal background, as well as the rich operating experience. The Board of Directors comprises 9 members, including 3 independent directors, accounting for 33.33% (including 1 female independent director; female directors account for 22.22% of all board members). Two independent directors have served for more than 3 years, and one independent director has served for less than 3 years.

All of the Company's independent directors meet the requirements set forth in the "Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies." The directors and independent directors maintain independence from each other. Regarding the professional qualifications, experience, and independence status of the directors, please refer to page 13

The implementation of diversity policy by the Board is as below:

Name	Nationality	Gender	Professional background of operation and ability of management and decision-making					
			Operational management	Leadership and decision-making	Knowledge of the industry	Updated international knowledge	Finance and accounting analysis	Legal background
Chairman Kuanfu Co., Ltd. Representative Wang, Jui-Hung	Republic of China	Male	V	V	V	V		
Directors Kuanfu Co., Ltd. Representative	Republic of China	Female	V	V	V	V	V	

Wang-Lai, Ming-Yue								
Directors Wang, Jui-Chi	Republic of China	Male	V	V	V	V		
Directors Wang, Mao- Yao	Republic of China	Male	V	V	V	V		
Directors Wang, Sen- Yung	Republic of China	Male	V	V	V	V		
Directors Wang, Jui- Gong	Republic of China	Male	V	V	V	V	V	
Independent director Wu, Chia-Yin	Republic of China	Male	V	V	V	V		V
Independent director Huang, Jui- Fen	Republic of China	Female	V	V	V	V	V	
Independent director Wang, Deng- Chi	Republic of China	Male	V	V	V	V		

(II) Information on president, vice presidents, associate vice president, and the chiefs of all the company's divisions and branch units

Date: April 21, 2024

Title	Nationality	Name	Gender	Date of appointment to position	Shareholding		Shareholding of spouse and minor children		Shares held in someone else's name		Principal work experience and academic qualifications	Positions held concurrently in the company and/or in any other company	Other managerial officer(s) with which the person has a relationship of spouse or relative within the second degree		
					Shares	Shareholding percentage (%)	Shares	Shareholding percentage (%)	Shares	Shareholding percentage (%)			Title	Name	the issuer
President	Republic of China	Wang, Jui-Chi	Male	March 22, 1982	5,694,000	4.46	—	—	2,362,825	1.85	President, General Plastic Industrial Co., Ltd. Master in Computer Science, University of Southern California	Director, Jiou Fu Co., Ltd. Supervisor, Yoda Comm.Inc. Director, KATUN HOLDINGS, LP. Director, Kuanfu Co., Ltd.	—	—	—
Chief Operating Officer	Republic of China	Wang, Kuo-Ying	Male	March 14, 2024	—	—	—	—	—	—	Manager of Procurement Department, General Plastic Industrial Co., Ltd. Department of Economics, University of Washington, Seattle, the U.S.	Director, Jiou Fu Co., Ltd. Chairman, KATUN HOLDINGS, LP. Director, Kuanfu Co., Ltd.	Vice-President of Procurement Department Executive Vice President	Wang, Yi-Ting Huang, Huai-De	Sister and brother Relatives by marriage
Executive Vice President	Republic of China	Huang, Huai-De	Male	October 01, 2008	260,442	0.20	1,060,000	0.83	—	—	Analyst of Database, Bway Corporation, the U.S Master in Environmental Engineering, Georgia Institute of Technology, the U.S	Director, KATUN HOLDINGS, LP.	Chief Operating Officer Vice-President of Procurement Department	Wang, Kuo-Ying Wang, Yi-Ting	Relatives by marriage Relatives by marriage
Vice President of Factory Affairs Division	Republic of China	Wang, Chin-Chi	Male	August 01, 2004	12	0.00	—	—	—	—	Manager of Development Department, General Plastic Industrial Co., Ltd. EMBA, Feng Chia University	—	—	—	—
Vice President of Finance Department	Republic of China	Huang, Yu-Hua	Male	May 04, 2001	—	—	—	—	—	—	Project Chief, Underwriting Department, President Securities MBA, Tunghai University	—	—	—	—
Vice President of Procurement Department	Republic of China	Wang, Yi-Ting	Female	February 20, 2023	579,000	0.45	—	—	—	—	Vice President of Procurement, Katun Corporation Taiwan Branch (USA) Graduate School of Finance Analysis, University of San Francisco, the U.S.	Director, KATUN HOLDINGS, LP.	Chief Operating Officer Executive Vice President	Wang, Kuo-Ying Huang, Huai-De	Sister and brother Relatives by marriage
Vice President of Sales Department	Republic of China	Chen, Hui-Ming	Female	April 01, 2024	20,000	0.02	—	—	—	—	Section Chief of Sales Department, General Plastic Industrial Co., Ltd. Department of Applied Foreign Languages, National Kaohsiung University of Applied Sciences	—	—	—	—
Assistant Manager of Finance Department and Head of Corporate Governance	Republic of China	Huang, Ching-Hung	Male	April 18, 2022	—	—	—	—	—	—	Manager of Accounting and Management Division, Tuokai Business Co., Ltd. Department of Accounting, Tunghai University	—	—	—	—
Project Manager, Headquarters	Republic of China	Yeh, Che-Chang	Male	March 1, 2023	1,396,152	1.09	—	—	—	—	Vice Manager of Sales Department, General Plastic Industrial Co., Ltd. Master in Finance and Information Management, Mercer University, the U.S.	—	—	—	—
Manager, Sales Department	Republic of China	Lai, Yung-Jin	Male	January 1, 2023	259	0.00	4,000	0.00	—	—	Section Chief of Sales Department, General Plastic Industrial Co., Ltd. MBA, Namborough University, the UK	—	—	—	—
Manager, Development Department	Republic of China	Huang, Shih-Hsiung	Male	May 1, 2012	68,963	0.05	3,000	0.00	—	—	Senior Engineer of Development Department, General Plastic Industrial Co., Ltd. Institute of Mechanical Engineering, Feng Chia University	—	—	—	—

Title	Nationality	Name	Gender	Date of appointment to position	Shareholding		Shareholding of spouse and minor children		Shares held in someone else's name		Principal work experience and academic qualifications	Positions held concurrently in the company and/or in any other company	Other managerial officer(s) with which the person has a relationship of spouse or relative within the second degree		
					Shares	Shareholding percentage (%)	Shares	Shareholding percentage (%)	Shares	Shareholding percentage (%)			Title	Name	the issuer
Development project manager	Republic of China	Hsu, Yung-Ching	Male	January 1, 2024	30,670	0.02	21,070	0.02	—	—	Section Chief of Sales Department, General Plastic Industrial Co., Ltd. Department of Applied Foreign Languages, Southern Taiwan University of Science and Technology	—	—	—	—
Vice Manager, Development Department	Republic of China	Wu, Yi-Chia	Male	February 1, 2023	—	—	—	—	—	—	Senior Engineer of Development Department, General Plastic Industrial Co., Ltd. Institute of Mechanical Engineering, Engineering, Department of Mechanical and Computer-Aided Engineering, Feng Chia University	—	—	—	—
Manager, General Affair Department	Republic of China	Wang, Chi-Sheng	Male	May 1, 2010	—	—	—	—	—	—	Section Chief of General Affair Section, General Plastic Industrial Co., Ltd. Department of Electrical Engineering, Chienkuo Junior College of Engineering	—	—	—	—
Manager, Quality Assurance Department	Republic of China	Chang, Sheng-Hsiung	Male	January 1, 2004	10,000	0.01	—	—	—	—	Section Chief of Quality Assurance Department, General Plastic Industrial Co., Ltd. Institute of Electrical Engineering, Da-Yeh University	—	—	—	—
Manager, Injection Mold Department	Republic of China	Huang, Chien-Wen	Male	March 1, 2010	65,951	0.05	—	—	—	—	Section Chief of Injection Section, General Plastic Industrial Co., Ltd. Department of Industrial Engineering, Shude Junior College of Engineering	—	—	—	—
Manager, Production Department	Republic of China	Tsai, Er-Yuan	Male	January 1, 2019	20,000	0.02	—	—	—	—	Section Chief of Production Department, General Plastic Industrial Co., Ltd. Department of Industrial Engineering and Service Management, Chienkuo Technology University	—	—	—	—
Manager, Information Department	Republic of China	Huang, Ying-Che	Male	November 16, 2020	—	—	—	—	—	—	Manager of Information Department, General Plastic Industrial Co., Ltd. Master in Marketing Management, University of Chester, the UK	—	—	—	—
Manager, Audit Office	Republic of China	Chang-Chien, An-Ya	Female	September 1, 2022	—	—	—	—	—	—	T3EX Global Holdings Corp. Associate Vice President, Audit Department Master of Accounting and Finance Management, University of Bristol, the UK	—	—	—	—
Assistant Manager, Innovation and Development Department	Republic of China	Shih Ming-Tsung	Male	April 1, 2024	—	—	—	—	—	—	Senior Engineer of Development Department, General Plastic Industrial Co., Ltd. Kayton Taiwan Branch New product development & testing manager EMBA, Feng Chia University	—	—	—	—

III. Remunerations paid to directors, presidents and vice presidents in the most recent year

(I) Remuneration to Ordinary Directors and Independent Directors

December 31, 2023; Unit: NT\$ thousand

Title	Name	Remuneration to Directors								Sum of A+B+C+D and ratio to net income		Remuneration received by directors for concurrent service as an employee						Sum of A+B+C+D+E+F+G and ratio to net income		Remuneration received from investee enterprises other than subsidiaries		
		investment (A)		Retirement pay and pension (B)		Director profit-sharing compensation (C)		Expenses and perquisites (D)				Salaries, bonuses and allowances (E)		Retirement pay and pension (F)		Employee profit-sharing compensation (G)						
		The Company	All consolidated entities	The Company	All consolidated entities	The Company	All consolidated entities	The Company	All consolidated entities	The Company	All consolidated entities	The Company	All consolidated entities	The Company	All consolidated entities	The Company	All consolidated entities	The Company	All consolidated entities		The Company	All consolidated entities
Director	Kuan Fu Co., Ltd. Representative Wang, Jui-Hung,	-	-	-	-	1,500	1,500	-	-	0.35%	0.35%	5,306	5,306	-	-	-	-	-	-	1.57%	1.57%	-
	Kuan Fu Co., Ltd. Representative Ming-Yue Wang Lai	-	-	-	-	1,500	1,500	-	-	0.35%	0.35%	4,986	4,986	-	-	-	-	-	-	1.50%	1.50%	-
	Wang, Jui-Chi	-	-	-	-	1,500	1,500	-	-	0.35%	0.35%	6,525	6,525	-	-	573	-	573	-	1.98%	1.98%	-
	Wang, Jui-Gong	-	-	-	-	1,500	1,500	42	42	0.36%	0.36%	-	-	-	-	-	-	-	-	0.36%	0.36%	-
	Wang, Mao-Yao	-	-	-	-	1,500	1,500	42	42	0.36%	0.36%	-	-	-	-	-	-	-	-	0.36%	0.36%	-
	Wang, Sen-Yung	-	-	-	-	1,500	1,500	48	48	0.36%	0.36%	-	-	-	-	-	-	-	-	0.36%	0.36%	-
Independent director	Wu, Chia-Yin	-	-	-	-	1,500	1,500	48	48	0.36%	0.36%	-	-	-	-	-	-	-	-	0.36%	0.36%	-
	Huang, Jui-Fen	-	-	-	-	1,500	1,500	42	42	0.36%	0.36%	-	-	-	-	-	-	-	-	0.36%	0.36%	-
	Wang, Deng-Chi	-	-	-	-	1,500	1,500	48	48	0.36%	0.36%	-	-	-	-	-	-	-	-	0.36%	0.36%	-

1. Please describe the policy, system, standards and structure in place for paying remuneration to directors and describe the relationship of factors such as the duties and risks undertaken and time invested by the directors to the amount of remuneration paid: pursuant to the Company's Articles of Incorporation, where a profit is made for a year, at least 0.1% of the profit shall be provided as the employee remuneration, and no more than 5% as the director remuneration. However, if any accumulated losses, the amount to compensate shall be set aside first; the amount of director remuneration varies as the Company's profit before tax, which shall be reasonable.

2. In addition to what is disclosed in the above table, please specify the amount of remuneration received by directors in the most recent fiscal year for providing services (e.g., for serving as a non-employee consultant to the parent company /any consolidated entities / invested enterprises): 0

Note: As of the publication date of the annual report, the Company's 2023 employee remuneration and director remuneration were approved by the Board for distribution but not reported to the shareholders' meeting

(II) Remuneration to President(s) and Vice President(s)

December 31, 2023; Unit: NT\$ thousand

Title (Note 1)	Name	Salary (A)		Retirement pay and pension (B)		Bonus and special disbursements (C)		Employee profit-sharing compensation (D)				Sum of A+B+C+D and ratio to net income (%)		Remuneration received from investee enterprises other than subsidiaries
		The Company	All consolidated entities	The Company	All consolidated entities	The Company	All consolidated entities	The Company		All consolidated entities		The Company	All consolidated entities	
								Cash amount	Amount of shares	Cash amount	Amount of shares			
Chairman concurrent CEO	Wang, Jui- Hung	21,347	27,684	—	—	8,916	10,239	3,008	-	3,008	-	7.68	9.45	—
Vice CEO	Wang-Lai, Ming-Yue													
President	Wang, Jui- Chi													
Executive Vice President	Huang, Huai-De													
Vice President of Sales Department	Wang, Kuo- Ying													
Vice President of Factory Affairs Division	Wang, Chin-Chi													
Vice President of Finance Department	Huang, Yu- Hua													
Vice President of Procurement Department	Wang, Yi- Ting													

Note: 1. Mr. Wang, Jui-Hong and Ms. Wang, Lai, Ming-Yue resigned as CEO and Vice CEO, respectively. Effective date: December 31, 2023

2. Information of retirement pay and pension paid to the CEO, Vice CEO, president and vice presidents in 2023;

(1) Amount actually paid as retirement pay and pension: NT\$0. (2) Amount contributed to the new retirement system: NT\$562,660. (3) Amount contributed to the old retirement system: NT\$88,629. (4) Retirement pay and pension not contributed pursuant to the aforesaid 2 and 3: NT\$0.

Remuneration Range Table

Remuneration Range Table Paid to Each President and Vice President	Names of Presidents and Vice Presidents	
	The Company	All consolidated entities
Less than NT\$1,000,000	Wang Yi-Ting	—
NT\$1,000,000 (incl.)~NT\$2,000,000 (excl.)	—	—
NT\$2,000,000 (incl.)~NT\$3,500,000 (excl.)	Wang Kuo-Yin, Wang Jin-Chi, Huang Yu-Hua	Wang Jin-Chi, Huang Yu-Hua
NT\$3,500,000 (incl.)~NT\$5,000,000 (excl.)	Wang-Lai, Ming-Yue	Wang-Lai, Ming-Yue
NT\$5,000,000 (incl.)~NT\$10,000,000 (excl.)	Wang Jui-Hung , Wang Jui-Chi , Huang Huai-De	Wang Jui-Hung , Wang Jui-Chi , Huang Huai-De, Wang Kuo-Yin, Wang Yi-Ting
NT\$10,000,000 (incl.)~NT\$15,000,000 (excl.)	—	—
NT\$15,000,000 (incl.)~NT\$30,000,000 (excl.)	—	—
NT\$30,000,000 (incl.)~NT\$50,000,000 (excl.)	—	—
NT\$50,000,000 (incl.)~NT\$100,000,000 (excl.)	—	—
NT\$100,000,000 or above	—	—
Total	8 people	8 people

Note: As of the publication date of the annual report, the Company's 2023 employee remuneration, director remuneration were approved by the Board for distribution but not reported to the shareholders' meeting.

(III) Remuneration to the Company's top five executives (disclose the name and means of remuneration separately)

December 31, 2023; Unit: NT\$ thousand

Title	Name	Salary (A)		Retirement pay and pension (B)		Bonus and special disbursements (C)		Employee profit-sharing compensation (D)				Sum of A+B+C+D and ratio to net income (%)		Remuneration received from investee enterprises other than subsidiaries
		The Company	All consolidated entities	The Company	All consolidated entities	The Company	All consolidated entities	The Company		All consolidated entities		The Company	All consolidated entities	
								Cash amount	Amount of shares	Cash amount	Amount of shares			
President	Wang, Jui-Chi	3,851	3,851	-	-	2,674	2,674	573	-	573	-	1.64%	1.64%	-
Executive Vice President	Huang, Huai-De	3,331	3,331	-	-	2,035	2,035	666	-	666	-	1.39%	1.39%	-
Vice President of Sales Department	Wang, Kuo-Ying	2,308	4,673	-	-	388	387	598	-	598	-	0.76%	1.31%	-
Vice President of Procurement Department	Wang, Yi-Ting	226	4,197	-	-	-	1,324	-	-	-	-	0.05%	1.27%	-
Chairman concurrent CEO	Wang, Jui-Hung	4,091	4,091	-	-	1,215	1,215	-	-	-	-	1.22%	1.22%	-

(IV) Names of managerial officers who received employee compensation

December 31, 2023; Unit: NT\$ thousand

	Title	Name	Amount of shares	Cash amount	Total	Total to the net income (%)
Managerial officer	Chairman concurrent CEO	Wang, Jui-Hung	—	8,043	8,043	1.86%
	Vice CEO	Wang-Lai, Ming-Yue				
	President	Wang, Jui-Chi				
	Executive Vice President	Huang, Huai-De				
	Vice President of Factory Affairs Division	Wang, Chin-Chi				
	Vice President of Finance Department	Huang, Yu-Hua				
	Vice President of Sales Department	Wang, Kuo-Ying				
	Vice President of Procurement Department	Wang, Yi-Ting				
	Associate Vice President, Sales Department	Chen, Hui-Ming				
	Associate Vice President, Finance Department	Huang, Ching-Hung				
	Project Manager, Headquarters	Yeh, Che-Chang				
	Manager, Sales Department	Hsu, Yung-Ching				
	Manager, Sales Department	Lai, Yung-Jin				
	Manager, Information Department	Huang, Ying-Che				
	Manager, General Affair Department	Wang, Chi-Sheng				
	Manager, Quality Assurance Department	Chang, Sheng-Hsiung				
	Manager, Development Department	Huang, Shih-Hsiung				
	Vice Manager, Development Department	Wu, Yi-Chia				
	Manager, Injection Mold Department	Huang, Chien-Wen				
	Manager, Production Department	Tsai, Er-Yuan				
Manager, Audit Office	Chang-Chien, An-Ya					

- (V) Separately compare and describe total remuneration, as a percentage of net income stated in the parent company only financial reports or individual financial reports, as paid by this company and by each other company included in the consolidated financial statements during the past 2 fiscal years to directors, supervisors, general managers, and assistant general managers, and analyze and describe remuneration policies, standards, and packages, the procedure for determining remuneration, and its linkage to operating performance and future risk exposure.

1. Analysis of percentage of the total remuneration paid to directors, supervisors, president and vice presidents to net income during the past 2 fiscal years

Year \ Title	2022		2023	
	The Company	All consolidated entities	The Company	All consolidated entities
Directors	1.84%	1.84%	3.18%	3.18%
Supervisor	0.19%	0.19%	—	—
CEO and Vice CEO	5.33%	5.33%	7.68%	9.45%
Presidents and Vice Presidents				

Analysis of changes in the percentage of increase or decrease: (the change of percentage reaches 20%)

1. The increase in the total amount of remunerations to directors as a percentage of net income was mainly due to the decrease in profit in 2023.

2. Percentage of remunerations paid to CEO, Vice CEO, President and Vice President to net income increased, mainly because the 2023 profit decreased.

2. The remuneration policies, standards, and packages, and the procedure for determining remuneration are as below:

- (1) For the remunerations to directors, Article 28 of the Company's Articles of Incorporation shall be complied with, that the distribution amount is to be resolved by the Board, paid pursuant to the "Regulations Governing Remunerations to Directors" and reported to the shareholders' meeting.
- (2) The remunerations to the independent directors are paid pursuant to the "Regulations Governing Remunerations to Directors"
- (3) The policy of remunerations to managerial officers is, pursuant to the "Regulations Governing Salary to Directors" measure the operating performance of the managerial officers to the Company's strategic development, operation and finance, business development, while referring to the job duties, work experience, inflation and market level, to determine the remunerations reflecting work performance and competitive.

IV. Implementation of corporate governance

(I) Operation of the Board of Directors

1. The number of board meetings held in the most recent fiscal year (2023) was: 7 (A), The attendance by the directors was as follows:

Title	Name	No. of meetings attended in person (B)	No. of meetings attended by proxy	In-person attendance rate (%) 【 B/A 】	Remarks
Chairman	Representative of Kuanfu Co., Ltd. Wang, Jui-Hung	7	0	100.00	
Director	Representative of Kuanfu Co., Ltd. Wang-Lai, Ming-Yue	6	1	86.00	
Director	Wang, Jui-Chi	7	0	100.00	
Director	Wang, Mao-Yao	6	0	86.00	
Director	Wang, Sen-Yung	7	0	100.00	
Director	Wang, Jui-Gong	7	0	100.00	
Independent director	Wu, Chia-Yin	7	0	100.00	
Independent director	Huang, Jui-Fen	7	0	100.00	
Independent director	Wang, Deng-Chi	7	0	100.00	

2. Other information required to be disclosed for the Board

(1) If any of the following circumstances exists, specify the board meeting date, meeting session number, content of the motion(s), the opinions of all the independent directors, and the measures taken by the Company based on the opinions of the independent directors:

A. Any matter under Article 14-3 of the Securities and Exchange Act: not applicable, as the Company has established the Audit Committee and Article 14-3 of the Securities and Exchange Act is not applicable. Please refer to the “Operations of the Audit Committee” for related information.

B. In addition to the matters referred to above, any dissenting or qualified opinion of an independent director that is on record or stated in writing with respect to any board resolution: none

(2) The status of implementation of recusals of directors with respect to any motions with which they may have a conflict of interest: specify the director’s name, the content of the motion, the cause for recusal, and whether and how the director voted:

A. At the 4th meeting of the Board of Directors in 2023 (05.11.2023), the Company deliberated on the distribution of directors' and supervisors' remuneration as well as employees' compensation for 2022. As the matter of employees' compensation involved the self-interest of managers, Mr. Wang Jui-Hung (CEO), the representative of Kuan Fu Co., Ltd., Ms. Wang Lai Ming-Yue (Vice CEO), the representative of Kuan Fu Co., Ltd., Mr. Wang Jui-Qi (President), and the attendees recused themselves in accordance with the law and did not participate in the discussion or voting.

All directors present for 6 seats, except recusing directors, were unanimously approved as proposed.

B. The 7th meeting of the Board in 2023 (December 21, 2023), to discuss the remuneration of the Company's directors, as this proposal involved self-interest, the representatives of Kuan Fu Co., Ltd., Director Wang Jui-Hung and Director

Wang-Lai Ming-Yue, were requested to avoid participating in the discussion and Voting.

All directors present for 7 seats, except recusing directors, were unanimously approved as proposed.

- (3) For a TWSE or TPEx listed company, disclose information including the evaluation cycle and period(s) of the board of directors' self-evaluations (or peer evaluations) and the evaluation method and content. Additionally, complete Table 2(2) Implementation of Evaluations of the Board of Directors.

Evaluation cycle	Evaluation period	Scope of evaluation	Method of evaluation	Evaluation content	Evaluation results
Once per year	January 1, 2023 to December 31, 2023	Board of directors	Internal self-assessment of Board of Directors	1.Degree of the board's participation in the operation of the company. 2.Improvement of the quality of the board of directors' decision making; 3.Composition and structure of the board of directors. 4.Election and continuing education of the directors. 5.Internal control.	Exceeding the standards
		Individual board members	Internal self-assessment of Board of Directors	1.Alignment of the goals and mission of the company. 2.Awareness of the duties of a director. 3.Degree of the board's participation in the operation of the company. 4.Management of internal relationship and communication. 5.The director's professionalism and continuing education. 6.Internal control.	Exceeding the standards
		Functional Committee	Internal self-assessment of Board of Directors	1.Degree of the board's participation in the operation of the company. 2.Awareness of the duties of the functional committee. 3.Quality of decisions made by the functional committee. 4.Makeup of the functional committee and election of its members. 5.Internal control.	Exceeding the standards

- (4) Evaluation of targets for strengthening of the functions of the board and implementation during the current and immediately preceding fiscal years

- A. The Board is operated in accordance with the Rules of Procedure for Board of Directors Meetings. The Board has appointed three independent directors with backgrounds in finance, law, or expertise in the industry to which the Company belongs. In 2023, board members continued to participate in continuing education courses on corporate governance topics to strengthen the functions of the Board.
- B. In order to strengthen the management mechanism and improve the supervision function, the Board has established the Remuneration Committee on October 26, 2011, and the Audit Committee on June 24, 2022. The committees convenes meetings in accordance with the charters approved by the Board to deliberate and discuss proposals related to the committees' exercise of power, and the conclusion is submitted to the Board of Directors for resolution.
- C. When selecting the CPAs auditing and attesting financial reports, the AQIs information shall be obtained from the attesting CPAs; based on the AQI information provided by the firm (including five aspects the professionalism, independence, quality control, supervision, innovation ability with 13 indicators) for the detailed assessment. The engaged CPAs fully communicate and discuss in the Audit Committee meetings, as the reference when engaging the attesting CPAs.
- D. The Company takes the initiative to provide various training courses for directors and encourages them to participate in various corporate governance courses. Professional lecturers are arranged to give lectures at the Company from time to time, to strengthen the functions of board members. In 2023, a total of 18 directors were trained for a total of 54 hours.

Title	Name	Date of continuing education	Continuing Education Organizations	Name of refresher course	Hour of education
Chairman	Wang, Jui-Hung	2023.11.09	Accounting Research and Development Foundation and Development Foundation	Corporate Governance and Securities Laws and Regulations Corporate ESG (environmental, social and governance) - relevant court cases and analysis of legal liabilities	3
Director	Wang-Lai, Ming-Yue				
Director	Wang, Jui-Chi				
Director	Wang, Mao-Yao				
Director	Wang, Sen-Yung				
Director	Wang, Jui-Gong				
Independent director	Huang, Jui-Fen				
Independent director	Wu, Chia-Yin				
Independent director	Wang, Deng-Chi				
Chairman	Wang, Jui-Hung	2023.12.21	Accounting Research and Development Foundation	Corporate Governance and Securities Laws and Regulations Sustainability Disclosure: Updates to IFRS ISSSB Sustainability Disclosure Standards	3
Director	Wang-Lai, Ming-Yue				
Director	Wang, Jui-Chi				
Director	Wang, Mao-Yao				
Director	Wang, Sen-Yung				
Director	Wang, Jui-Gong				
Independent director	Huang, Jui-Fen				
Independent director	Wu, Chia-Yin				
Independent director	Wang, Deng-Chi				

(II) Operation of the Audit Committee

1. Annual key tasks and operation of the Audit Committee

To strengthen corporate governance, the Company established the Audit Committee in 2022. The Audit Committee consists of three independent directors, and the independent director, Ms. Huang, Jui-Fen was elected as the convener. The purpose of the Audit Committee is to assist the Board of Directors in fulfilling its oversight of the quality and integrity of the Company's accounting, auditing, financial reporting procedures, and financial control. The matters to be deliberated include:

- (1) The adoption of or amendments to the internal control system pursuant to Article 14-1 of the Securities and Exchange Act.
- (2) Assessment of the effectiveness of the internal control system.
- (3) The adoption or amendment, pursuant to Article 36-1 of the Securities and Exchange Act, of the procedures for handling financial or business activities of a material nature, such as acquisition or disposal of assets, derivatives trading, loaning of funds to others, and endorsements or guarantees for others.
- (4) Matters in which a director is an interested party.
- (5) Asset transactions or derivatives trading of a material nature.
- (6) Loans of funds, endorsements, or provision of guarantees of a material nature.
- (7) The offering, issuance, or private placement of equity-type securities.
- (8) The hiring or dismissal of a certified public accountant, or their compensation.
- (9) The appointment of finance, accounting, or internal audit officers.
- (10) Annual and semi-annual financial reports.
- (11) Other material matters as may be required by this Corporation or by the competent authority.

2. Major tasks of the Audit Committee for the year:

- (1) Review of financial reports: The Company has prepared the 2023 business report, financial statements and earnings distribution proposal, among which, the financial statements have been audited by Ernst & Young Global Limited, and the auditor's report has been issued. The above-mentioned business report, financial statements and earnings distribution proposal have been reviewed by the Audit Committee and there is no discrepancy.
- (2) Engagement and compensation of CPAs: The Committee has assessed independence,

competence, and professionalism of the CPAs by complying with Certified Public Accountant Act and other relevant laws and regulations, to confirm that the CPAs have no other interests and business relationship other than the fees of attestation and taxation cases with the Company. In the 11th meeting of the first Audit Committee on March 14, 2024 (the 2nd board meeting on March 14, 2024), the independence of the CPAs, Huang, Yu Ting and Tu, Chin Yuan from EY Taiwan was deliberated and approved to be qualified to serve as the Company's attesting CPAs for finance and taxation.

(3) The Audit Committee evaluates the effectiveness of the policies and procedures of the Company's internal control system, and reviews the periodic reports of the Company's Audit Department, CPAs, and management. An effective control mechanism has been established and implemented to supervise and correct the problem.

3. The number of audit committee meetings held in the most recent fiscal year (2023) was: 6
(A). The attendance by the independent directors was as follows:

Title	Name	No. of meetings attended in person (B)	No. of meetings attended by proxy	In-person attendance rate (%) 【 B / A 】	Remarks
Independent director	Wu, Chia-Yin	6	0	100.00	
Independent director	Huang, Jui-Fen	6	0	100.00	
Independent director	Wang, Deng-Chi	6	0	100.00	

Other information required to be disclosed:

I. If any of the following circumstances exists, specify the audit committee meeting date, meeting session number, content of the motion(s), the content of any dissenting or qualified opinion or significant recommendation of the independent directors, the outcomes of audit committee resolutions, and the measures taken by the Company based on the opinions of the audit committee:

(I) Any matter under Article 14-5 of the Securities and Exchange Act:

Audit Committee	Content of the motion(s)	The dissenting or qualified opinion or significant recommendation of the independent directors	The outcomes of audit committee resolutions, and the measures taken by the Company based on the opinions of the audit committee:
The 1st Audit Committee The 4th meeting 2023.01.16	The Company has finished the report on 2022 performance evaluation of the Board as a whole, Audit Committee, and Remuneration Committee, and self-evaluation of board members. The Company report on the implementation of corporate governance, ethical management, and promoting sustainable development in 2022. According to the "Roadmap for the Sustainable Development of TWSE/TPEX Listed Companies" published by the Financial Supervisory Commission in March 2022, the GHG inventory and verification schedule of the parent company	None	Approved upon the resolution of all attending Audit Committee members, and submitted to the Board for

	and subsidiaries shall be reported to the board of directors and monitored on a quarterly basis.		resolution of approval.
	The proposal to cease the operation of the Company's subsidiary, WeKare Co., Ltd.		
	The proposal to amend the Company's "Rules of Procedure for Board of Directors' Meetings".		
The 1st Audit Committee 5th meeting 2023.03.21	The internal audit report of Q4 2022 by the Audit Office.	None	Approved upon the resolution of all attending Audit Committee members, and submitted to the Board for resolution of approval.
	Report on Liability Insurance for Directors.		
	The Company's Financial Statements for FY2022.		
	The Company's Earnings Distribution for FY2022.		
	The annual review of the effectiveness of the Company's internal control system, and presence of the "Statement of Internal Control System" for 2022.		
	Amendments to the Company's "Articles of Incorporation".		
	Amendments to the Company's "Rules of Procedure for Shareholders' Meetings".		
	The date, venue and method, and convention causes of the 2023 regular shareholders' meeting and agenda.		
	The proposal to amend the "Sales and Payment Collection Cycle" of the Regulations of Internal Control System Management.		
	Proposal to amend the "Organization Charter."		
	The Company's regular assessment of the independence, competence, and the audit quality indicator (AQIs) of CPAs.		
	Proposal to replace the CPAs		
	The deliberation for the non-assurance service checklist to Ernst & Young Taiwan and its affiliates expected to be approved in 2023.		
The CPA's professional service fee for 2023 by the Company.			
The 1st Audit Committee 6th meeting May 11, 2023	2023 first quarter internal audit report.	None	Approved upon the resolution of all attending Audit Committee members, and submitted to the Board for resolution of approval.
	According to the "Roadmap for the Sustainable Development of TWSE/TPEX Listed Companies" published by the Financial Supervisory Commission in March 2022, the GHG inventory and verification schedule of the parent company and subsidiaries shall be reported to the board of directors and monitored on a quarterly basis.		
	Report on derivative transactions.		
	Consolidated financial statements of Q1 2023.		
	Deliberated the proposal of appointment and dismissal of the managerial officers. (Corporate Governance Officer)		
Amendments to the Company's "Information Security Policy."			
The 1st Audit Committee 7th meeting 112.08.10	2023 second quarter internal audit report.	None	Approved upon the resolution of all attending Audit Committee
	According to the "Roadmap for the Sustainable Development of TWSE/TPEX Listed Companies" published by the Financial Supervisory Commission in March 2022, the GHG inventory and verification schedule of the parent company and subsidiaries shall be reported to the board of		

	<p>directors and monitored on a quarterly basis.</p> <p>Report on derivative transactions.</p> <p>Sustainability Report (2022), Identification and Management of Material Topics, Identification and Communication of Stakeholders, and Risk Management Policy Report.</p> <p>Consolidated financial statements of the first half of 2023.</p>		<p>members, and submitted to the Board for resolution of approval.</p>
<p>The 1st Audit Committee The 8th meeting 2023.11.09</p>	<p>2023 third quarter internal audit report.</p> <p>Dissolution and liquidation of the reinvested subsidiary, GPI USA, INC.</p> <p>Propose the reports on "Sustainable Development Roadmap" and the GHG inventory and certification schedule of the parent company and subsidiaries to report to the Board of Directors.</p> <p>The Company has completed the preparation of the 2022 Sustainability Report.</p> <p>Consolidated financial statements of Q3 2023.</p> <p>Proposal to amend the "Regulations Governing Information."</p>	<p>None</p>	<p>Approved upon the resolution of all attending Audit Committee members, and submitted to the Board for resolution of approval.</p>
<p>The 1st Audit Committee 9th meeting 2023.12.21</p>	<p>2024 budget of the Company.</p> <p>Proposal of 2024 annual audit plan.</p> <p>Proposal to amend the Regulations of Internal Control System Management.</p> <p>The proposal to amend the Regulations of Internal Control System Management and motions of the 9 cycles.</p>	<p>None</p>	<p>Approved upon the resolution of all attending Audit Committee members, and submitted to the Board for resolution of approval.</p>

- (II) In addition to the matters referred to above, any matter that was not approved by the audit committee but was approved by a two-thirds or greater majority resolution of the board of directors: none.
- II. Implementation of recusals of independent directors with respect to any motions with which they may have a conflict of interest: specify the independent director's name, the content of the motion, the cause for recusal, and whether and how the independent director voted: none.
- III. Communication between the independent directors and the chief internal audit officer and the CPAs that serve as external auditor (including any significant matters communicated about with respect to the state of the company's finances and business and the method(s) and outcomes of the communication):
- (I) Independent directors and the internal audit officer communicate with each other by e-mail or telephone from time to time. In case of major exceptions, a meeting can be convened at any time. The communication channels are diverse and smooth.
- (II) The internal audit officer submits the audit report to the independent directors for review before the end of the next month internal audit officer also submits reports to the independent directors on the implementation of the internal audit plan in the Audit Committee every quarter. For the audit results of 2023, no material abnormality existed,

- and independent directors have no objection.
- (III) Before the end of each fiscal year, the internal audit officer submits the audit plan for the following year to the Board for resolution after being reviewed by the Audit Committee.
- (IV) Communications between independent directors and audit officer in 2023 was good, as summarized below:

Date	Communicated matters	Communication results and implementation
2023.03.21	1. The internal audit officer reported the internal audit of Q4 2022	All attending independent directors approved, and submitted to the Board for reporting
	2. The internal audit officer explained the results of the self-assessment of the internal control system in 2022 and discussed the relevant descriptions in the Statement of Internal Control System.	
2023.05.11	1. The internal audit officer explained the internal audit of Q1 2023.	All attending independent directors approved, and submitted to the Board for reporting
2023.08.10	1. The internal audit officer explained the internal audit of Q2 2023.	All attending independent directors approved, and submitted to the Board for reporting
2023.11.09	1. The internal audit officer explained the internal audit of Q3 2023.	All attending independent directors approved, and submitted to the Board for reporting
2023.12.21	1. Description on the 2024 annual audit plan by the internal audit officer.	All attending independent directors approved, and submitted to the Board for reporting

- (V) Communication between the Company's independent directors and the CPAs is arranged at least once a year to explain corporate governance or securities regulations. During the selection of the CPAs for the audit of financial statements, the AQIs information has been obtained from the CPAs to serve as a reference for the engagement of CPAs. The Audit Committee also has sufficient communications and discussion with the engaged CPAs before the Audit Committee.
- (VI) In 2023, two sessions (03.21.2023 and 11.09.2023) of "Communication with Those Charged with Governance and Management" were arranged with the certified public accountants. In accordance with auditing standards, the accountants reported on the Company's and its subsidiaries' financial condition, overall operations, and internal control audit findings during the planning and completion of the audit or review of the Company's consolidated/individual financial statements. There was also sufficient communication regarding whether there were any material adjusting entries or impacts from amendments to laws and regulations on the accounting treatments.

(III) Corporate Governance – Implementation Status and Deviations from the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies and the Reasons

Evaluation item	Implementation status (Note 1)			Deviations from the Corporate Governance Best- Practice Principles for TWSE/TPEX Listed Companies and the reasons
	Yes	No	Summary	
I. Has the Company established and disclosed its Corporate Governance Best-Practice Principles based on the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies?		V	The Company has not yet formulated the Corporate Governance Best Practice Principles, but the internal control system and various regulations incorporate the spirit of corporate governance.	No material deviation from the spirit of the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies
II. Shareholding Structure and Shareholders' Rights				
(I) Does the Company have Internal Operation Procedures for handling shareholders' suggestions, concerns, disputes and litigation matters. If yes, have these procedures been implemented accordingly?	V		(I) The Company has established a spokesperson and an acting spokesperson to handle related matters to accept suggestions or explain concerns from shareholders any time with the full supports from each functional teams under the General Administration Division to reply orally or in writing, to the satisfaction of the shareholders. In case of disputes, the Company's lawyer will be entrusted to handle such matters.	No material deviation from the spirit of the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies
(II) Does the Company know the identity of its major shareholders and the parties with ultimate control of the major shareholders?	V		(II) The Company keeps track of any increase or decrease in the shareholdings or changes in pledge of shareholders who hold 5% or more of shares, as well as any increase or decrease in shareholdings or changes in collaterals for directors and managerial officers who hold 5% or more of shares. The information of shareholders who hold more than 5% of shares is disclosed in the Company's financial report on a quarterly basis as required. Directors, managerial officers, and shareholders holding 10% or more of the shares are disclosed on a monthly basis on the information reporting website designated by the competent authority.	No material deviation from the spirit of the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies
(III) Has the Company built and implemented a risk management system and a firewall between the Company and its affiliates?	V		(III) Pursuant to the internal related regulations including "Regulations Governing Transactions with Related Parties," "Regulations Governing Supervision and Management for Subsidiaries," "Regulations Governing Making Endorsements and Guarantees," "Regulations Governing Loaning of Funds to Others" and "Operational Procedures for Acquisition and Disposal of Assets," the Company has established the proper risk control mechanisms and firewalls. All business transactions with affiliates are treated as transactions with independent third parties, to prevent non arm-length transactions.	No material deviation from the spirit of the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies
(IV) Has the Company established internal rules prohibiting insider trading of securities based on undisclosed information?	V		(IV) The Company has established the "Operational Procedures for Prevention of Insider Trading" (please visit the website: https://www.gpi.com.tw/governance-6.html). The	No material deviation from the spirit of the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies

Evaluation item	Implementation status (Note 1)			Deviations from the Corporate Governance Best- Practice Principles for TWSE/TPEX Listed Companies and the reasons
	Yes	No	Summary	
			procedures specify that the insiders are prohibited to make profit by trading securities with the information not available to the market. In 2023, the continuing education courses were conducted to the current directors for total of 54 hours; relevant education and promotion were conducted for managerial officers and employees on April 25, 2023, including the confidentiality of material information, and causes of insider trading formation, process of recognition, and explanation of example cases. The files are sent to personal mail box. For the employees who do not have a mail box, the files will be posted on the bulletin board of each department to convey the message to employees about the importance of ethics; in 2023, 100% of new employees received education and promotion.	
<p>III. Composition and responsibilities of the board of directors</p> <p>(I) Has the board of directors established a diversity policy, set specific management goals, and implemented them accordingly?</p> <p>(II) Has the Company voluntarily established other functional committees in addition to the remuneration committee and the audit committee?</p> <p>(III) Has the Company established rules and</p>	V	V	<p>(I) The nomination and selection of the Company's directors is based on the requirements of the Articles of Incorporation. Candidates are screened for their education, experience and qualifications. The opinions of stakeholders are also considered, and the "Regulations Governing the Election of Directors and Independent Directors" is complied with to ensure the diversity of the board members and independence, regardless gender or nationality. All members of the board shall have the knowledge, skills, and experience necessary to perform their duties. To achieve the ideal goal of corporate governance, the board of directors shall possess the following abilities: 1.ability to make operational judgments. 2. Ability to perform accounting and financial analysis. 3. Ability to conduct management administration. 4. Ability to conduct crisis management. 5. Knowledge of the industry. 6. An international market perspective. 7. Ability to lead. 8. Ability to make policy decisions. The Company's nine members of the Board with diverse backgrounds (six directors, three independent directors); all of them are with professional knowledge and industrial management experience, including three independent directors, accounting for 33.33% (including one female independent director; female directors accounted for 22.22% of all directors). In addition to relying on their professional leadership and decision-making ability, and professional knowledge in industry, finance and accounting, or laws to deepen the independence and</p>	<p>No material deviation from the spirit of the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies</p> <p>No material deviation from the spirit of the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies</p>

Evaluation item	Implementation status (Note 1)			Deviations from the Corporate Governance Best- Practice Principles for TWSE/TPEX Listed Companies and the reasons
	Yes	No	Summary	
<p>methodology for evaluating the performance of its Board of Directors, implemented the performance evaluations on an annual basis, and submitted the results of performance evaluations to the board of directors and used them as reference in determining salary/compensation for individual directors and their nomination and additional office terms?</p> <p>(IV) Does the Company regularly evaluate its external auditors' independence?</p>	V		<p>diversity of corporate governance, for all directors' educational background, experience, gender, professional qualification and work experience are diversified. Please refer to pages 14 of this annual report.</p> <p>(II) The Company has already set up the Remuneration Committee and Audit Committee. In the future, other functional committees will be set up in accordance with the Company's corporate governance needs.</p> <p>(III) The Company has established the "Rules for Performance Evaluation of Board of Directors," and evaluates the performance of the Board at least once a year based on the self-evaluation of individual directors, the evaluation of the Board by itself or others; and the results of the performance evaluation of are presented to the Board.</p> <p>Evaluation of the performance of the Board includes following five aspects:</p> <p>(1) Degree of the board's participation in the operation of the company.</p> <p>(2) Improvement of the quality of the board of directors' decision making;</p> <p>(3) Composition and structure of the board of directors;</p> <p>(4) Election and continuing education of the directors; and</p> <p>(5) Internal control.</p> <p>Evaluation of the performance of board member include the following six aspects:</p> <p>(1) Alignment of the goals and mission of the company;</p> <p>(2) Awareness of the duties of a director;</p> <p>(3) Degree of the board's participation in the operation of the company.</p> <p>(4) Management of internal relationship and communication;</p> <p>(5) The director's professionalism and continuing education; and</p> <p>(6) Internal control.</p> <p>The Board conducted the 2023 evaluation in January 2024, by using the overall performance evaluation of the Board, the Audit Committee, the Remuneration Committee, and the self-evaluation of the board members. The performance evaluations were all "Exceed Standards" and reported at the board meeting convened on January 16, 2024.</p>	<p>No material deviation from the spirit of the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies</p> <p>No material deviation from the spirit of the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies</p>

Evaluation item	Implementation status (Note 1)			Deviations from the Corporate Governance Best- Practice Principles for TWSE/TPEX Listed Companies and the reasons
	Yes	No	Summary	
			(IV) The Company evaluates the independence, competence and audit quality indicator (AQI) of the CPAs on a regular basis every year. Through the audits, the Company verified the independence of the CPAs that the CPAs do not hold the position of director, managerial officers, or positions with significant influence or conflict of interest, and obtained the "Declaration of CPA's Independence" from (Note 2), the assessment results of the most recent year were submitted to the Board for resolution on March 14, 2024.	
IV. Does the TWSE/TPEX listed company have in place an adequate number of qualified corporate governance officers and has it appointed a chief corporate governance officer with responsibility corporate governance practices (including but not limited to providing information necessary for directors and supervisors to perform their duties, aiding directors and supervisors in complying with laws and regulations, organizing board meetings and annual general meetings of shareholders as required by law, and compiling minutes of board meetings and annual general meetings)?	V		On May 11, 2023, the Board of Directors appointed Mr. Huang Ching-Hung, Assistant Vice President of Finance Department, to concurrently serve as the Corporate Governance Officer, responsible for corporate governance-related affairs, in order to protect the rights and interests of shareholders and strengthen the functions of the Board of Directors. Assistant Vice President, Huang Ching-Hung, served as the accounting officer of a public company for more than three years, meeting the eligibility criteria of "The Board of Directors Meetings Governing the Appointment and Exercise of Powers of TPEX Listed Companies." Handle board meetings and shareholder meetings according to laws, prepare board meeting and shareholder meeting minutes, assist directors in onboarding and continuing education, provide directors with information needed to carry out their duties, and assist directors in complying with laws and regulations, etc.	No material deviation from the spirit of the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies
V. Has the Company established channels for communicating with its stakeholders (including but not limited to shareholders, employees, customers, suppliers, etc.) and created a stakeholders section on its company website? Does the Company appropriately respond to stakeholders' questions and concerns on important corporate social responsibility issues?	V		(一) The Company has set up a stakeholder section on its website and a contact email (csr@gpi.com.tw) to handle issues of concern to stakeholders by dedicated personnel, and refer them to the relevant units for handling and response. In addition, there are communication windows and mailboxes for individual stakeholders (investors, customers, employees, suppliers, and corporate social responsibility related), seeking to quickly and properly respond to important corporate social responsibility issues that are of concern to stakeholders. (二) The topics concerned by stakeholders and the communication channels are disclosed in the Company's website https://www.gpi.com.tw/csr-4.html for details	No material deviation from the spirit of the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies
VI. Has the Company appointed a professional	V		The Company has commissioned the Shareholder Service Agency	No material deviation from the

Evaluation item	Implementation status (Note 1)			Deviations from the Corporate Governance Best- Practice Principles for TWSE/TPEX Listed Companies and the reasons
	Yes	No	Summary	
shareholder services agent to handle matters related to its shareholder meetings?			Department of KGI Securities, a professional shareholder service agency, to handle all of the Company's shareholder service.	spirit of the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies
VII. Information Disclosure				
(I) Has the Company established a corporate website to disclose information regarding its financials, business, and corporate governance status?	V		(I) The Company has set up a website (https://www.gpi.com.tw) with dedicated personnel to maintain it. The data is updated from time to time for the reference of stakeholders. The Company also discloses relevant finance, business and material information in the MOPS.	No material deviation from the spirit of the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies
(II) Does the Company use other information disclosure channels (e.g., maintaining an English-language website, designating staff to handle information collection and disclosure, appointing spokespersons, webcasting investors conference etc.)?	V		(II) Other information disclosure methods adopted by the Company: 1. The Company has set up its website in English. 2. Dedicated personnel are assigned to collect and disclose corporate information. 3. A spokesperson system is established to ensure the timely and fair disclosure of information that may affect the decision-making of shareholders and stakeholders.	No material deviation from the spirit of the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies
(III) Does the company publish and report its annual financial report within two months after the end of the fiscal year, and publish and report its financial reports for the first, second, and third quarters as well as its operating statements for each month before the specified deadlines?		V	(III) The Company publishes and reports its annual financial report within two months after the end of the fiscal year, and publishes and reports its financial reports for the first, second, and third quarters as well as its operating statements for each month by the specified deadlines.	No material deviation from the spirit of the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies
VIII. Has the Company disclosed other information to facilitate a better understanding of its corporate governance practices (including but not limited to employee rights, employee wellness, investor relations, supplier relations, rights of stakeholders, directors' and supervisors' continuing education, the implementation of risk management policies and risk evaluation standards, the implementation of customer relations policies, and purchasing liability insurance for directors and supervisors)?	V		(I) Employee rights: employees' rights and interests are handled in accordance with the Labor Standards Act and other relevant laws and regulations. "Employee Work Rules," "Regulations Governing Employee Retirement," and related personnel rules and regulations have been established as the basis for employees' conducts. An internal suggestion box has been set up for employees to express opinions, to protect the rights and interests of employees. (II) Employee care: the Company grants leave for wedding, funeral, illness, and maternity leave pursuant to the Labor Standards Act, and related welfare measures have been formulated through the Employee Welfare Committee to provide employees with care and subsidies in a timely manner. (III) Investor relations: the Company announces business-related information on a monthly basis and implements the spokesperson system to maintain good interaction with	No material deviation from the spirit of the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies

Evaluation item	Implementation status (Note 1)			Deviations from the Corporate Governance Best- Practice Principles for TWSE/TPEX Listed Companies and the reasons										
	Yes	No	Summary											
			<p>investors.</p> <p>(IV) Supplier relations: the Company values the long-term relationship with business partners, and conducts supplier evaluation and timely feedback, to maintain good relations with suppliers.</p> <p>(V) Stakeholders' rights: Stakeholders may contact the Company by phone or letter at any time with the smooth communication channels. In addition, the Company will inform all stakeholders of the amendments to the laws and regulations regarding the rights or obligations of stakeholders.</p> <p>(VI) Continuing education for directors: In 2023, a total of 18 directors received 54 hours of further education.</p> <p>(VII) Implementation of risk management policies and risk measurement standards:</p> <table border="1"> <thead> <tr> <th>Risk</th> <th>Management countermeasure</th> </tr> </thead> <tbody> <tr> <td>Interest rate</td> <td>The interest rate risk of the Company mainly comes from borrowings with floating interest rates and borrowings with fixed interest rates. However, the Company has a sound financial structure and maintains long-term cooperative relations with financial institutions with reasonable interest rate. Net interest income accounted for about 0.74% of net income before tax in 2023, which has little impact on the Company's profit or loss. In addition, the Company will continue to observe the market interest rate trends in daily operations to make necessary adjustments.</td> </tr> <tr> <td>Exchange rate fluctuations</td> <td>The Company's business activities are mainly denominated in USD. Therefore, fluctuations in exchange rates will have relative impacts on the Company. For purchases and sales denominated in foreign currencies, the recurring purchases and sales are offset against each other, for the certain hedging effect over the exchange rate fluctuations. If necessary, appropriate hedging instruments are adopted, such as sale of foreign exchange with forwards in advance, to reduce the effect of exchange rate fluctuations on the Company's profit and loss. The net foreign currency exchange gain accounted for about 5.07% of the net income before tax in 2023, which had little impact on the Company's profit or loss. Since the exchange rate of TWD are in the range of great volatility, the Company will continuously assesses proper hedging tools to lower the impacts from the exchange rate fluctuations.</td> </tr> <tr> <td>Inflation</td> <td>The Company will continue to monitor the changes in the external environment and conditions, flexibly adjust inventory and adjust product selling prices appropriately to avoid the impact of inflation on the Company's raw material costs and profits.</td> </tr> <tr> <td>Investment risk</td> <td>Policy regarding high-risk investments, highly leveraged investments, loans to other parties, endorsements, guarantees, and derivatives transactions; the main reasons for the profits/losses generated thereby; and response measures to be taken in the future: 1. Currently, the Company is not engaged in any high-risk or highly leveraged investments. 2. When making endorsements and guarantees for others, the "Regulations Governing Making Endorsements and Guarantees"</td> </tr> </tbody> </table>	Risk	Management countermeasure	Interest rate	The interest rate risk of the Company mainly comes from borrowings with floating interest rates and borrowings with fixed interest rates. However, the Company has a sound financial structure and maintains long-term cooperative relations with financial institutions with reasonable interest rate. Net interest income accounted for about 0.74% of net income before tax in 2023, which has little impact on the Company's profit or loss. In addition, the Company will continue to observe the market interest rate trends in daily operations to make necessary adjustments.	Exchange rate fluctuations	The Company's business activities are mainly denominated in USD. Therefore, fluctuations in exchange rates will have relative impacts on the Company. 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Evaluation item	Implementation status (Note 1)			Deviations from the Corporate Governance Best- Practice Principles for TWSE/TPEX Listed Companies and the reasons
	Yes	No	Summary	
			<p>are complied with, and the approval upon the Board's resolution must be obtained. Currently, endorsement and guarantee is only made to the subsidiaries, and the amount of endorsement and guarantee does not exceed 100% of the Company's net worth.</p> <p>3. When loaning of funds to others, the "Regulations Governing Loaning of Funds to Others" are complied with, and the approval upon the Board's resolution must be obtained. For short-term financing facilities, the loaning of funds shall not exceed 40% of the Company's net worth. Between the foreign companies in which 100% of shares with voting right held by the subsidiaries directly or indirectly, the total amount of loaned funds shall not exceed 200% of the lender's net worth, and 100% for the lender's net worth for each individual loan; no loans were made to others in 2023.</p> <p>4. When engaging in derivative trading, the "Operational Procedures for Acquisition and Disposal of Assets" are strictly complied with. The aim of all foreign exchange forwards tradings is to hedge the exchange risks of the foreign currency accounts receivable held, but not for unnecessary investments.</p>	
			<p>Changes in domestic and foreign policies and laws</p> <p>The Company has cooperated with the government policies and regulations of the competent authority. So far, there is no material effect on the finance and business.</p>	
			<p>Changes in technology and industry</p> <p>The Company is committed to the acquisition and R&D of new products and technologies. In addition to strategic cooperation with domestic and foreign research units from time to time, the R&D Department also keeps track of the pulse of relevant technologies and patents on the market. The Company has established the regulations of information management to implement the internal control system and maintain the information security policies. The Information Department's operations comply with the procedures required by the Company for the implementation, to ensure the completeness and security of data. During the most recent fiscal year and as they stood on the date of publication of the annual report, there was no developments in science and technology or industrial change affecting materially to the Company's finance and business.</p>	
			<p>Issue of managing the intellectual property rights</p> <p>The international competition for intellectual property rights is no longer a mere infringement forensic issue. It has evolved into a business that discourages the growth of competitors. In addition to ensuring that the products themselves do not infringe patents, General Plastic Global has also begun to prevent major international manufacturers from adopting the aforementioned business practices. In 1998, the Company set up the patent team to establish a good IP right management, and develop and sell products with proprietary patents.</p>	
			<p>Consolidation of purchases or sales</p> <p>Purchases: the largest supplier in 2023 accounted for 12.36% of the total purchase, without the risk of consolidated purchases. Sales: There was no single customer with sales revenue accounting for more than 10% of the net sales in 2023, and there is no risk of consolidated sales.</p>	
			<p>Talent demand</p> <p>Due to the rapid development of the Company, the demand for R&D talents and marketing talents has increased. In addition to recruiting external talents, the Company also provides systems such as internal training, internal rotation, improvement proposal system, and employee bonus to retain professional talents.</p>	

Evaluation item	Implementation status (Note 1)			Deviations from the Corporate Governance Best- Practice Principles for TWSE/TPEX Listed Companies and the reasons
	Yes	No	Summary	
			<p>Climate change risk</p> <p>The ESG editing team referred the framework of Task Force on Climate-Related Financial Disclosures (TCFD) issued by the Financial Stability Board (FSB) to identify risks and opportunities.</p> <ol style="list-style-type: none"> 1. Due to the nature of the Company's industry, the resource and energy dependence during the manufacturing stage is lower, and the Company is located in Wuqi Industrial Park which is at an elevated area, so there has been no loss suffered from floods. 2. Pursuant to Article 22 of the Autonomous Regulations of Low-carbon City Development in Taichung City, the Company is a power-consuming venue where the renewable energy power generation facilities are required. In 2022, the contracted power capacity of the plant is 1,360 kw, and the renewable energy generation facilities of at least 136 kw shall be installed. General Plastic has completed the installation of solar power generation facility of 999.79 kW, which is 7.4 times of the requirement in the Autonomous Regulations of Low-carbon City Development in Taichung City <p>In the future, the Company will assess the risks and opportunities possible to be faced based on the TCFD risk and opportunity identification every year continuously, and establish the related contingency plans for the items with higher risks.</p> <p>(VIII) Implementation of customer policy: The Company maintains a stable and good relationship with its customers to create corporate profits.</p> <p>(IX) The liability insurance purchased for directors: the Company has purchased liability insurance for directors, totaling US\$7 million, insured from 12:00 noon on March 1, 2024 to 12:00 noon March 1, 2025, the insurance covers the Company's directors, key staff, or employees who shall be held liable for losses suffered by a third party due to their wrongful acts during the execution of their duties pursuant to laws that is claimed for the first time for indemnity during the period of insurance, the insurance company shall be liable for indemnification based on the agreements of the insurance contract. On March 14, 2024, the insurance coverage of all directors was reported to the Board.</p>	
<p>IX. Please describe the improvements made, based on the corporate governance evaluation published in the most recent year by the Corporate Governance Center of Taiwan Stock Exchange Corporation, and propose enhancements and measures for these that have not yet been rectified.</p> <p>The Company reviews the scores that have not yet met the criteria in the most recent corporate governance evaluation results and the corporate governance evaluation indicators published in the most recent year, to schedule the improvement and actively rectify the items unqualified. Information on the Company's overview, financial information, shareholders' meeting information, shareholder services, corporate governance, and stakeholder information has been provided on the Company's website for investors' reference.</p>				

Note 1: Regardless of whether “Yes” or “No” is ticked regarding the implementation status, an explanation should still be provided in the explanation column for each item.

Note 2: Assessment of CPAs' independence :

GENERAL PLASTIC INDUSTRIAL CO., LTD.

2023 Independence and Competence Assessment Report of the Attesting CPAs

Name of Accounting Firm: Ernst & Young Taiwan

CPAs: Huang, Yu Ting and Tu, Chin Yuan

Period: January 1, 2023 to December 31, 2023

Factors Affecting Independence and Competence	Yes	No	Evaluation results
1. Has a direct or material indirect financial interest relationship with the Company.		V	No such circumstance
2. Significant and close business relationship with the Company.		V	No such circumstance
3. Members of the audit service team have potential employment relationship with the Company.		V	No such circumstance
4. Members of the audit service team have served as directors, supervisors, managerial officers, or positions that have a significant influence on audit cases of the Company in the past two years.		V	No such circumstance
5. Non-audit services provided to the Company will directly affect the important items of audit cases.		V	No such circumstance
6. Representing the Company to defense in legal cases or other disputes with third parties, except in cases permitted by law.		V	No such circumstance
7. Disclosure of business secrets without the permission of the Company or the designated authority.		V	No such circumstance
8. Publicity or brokerage of the shares or other securities issued by the Company.		V	No such circumstance
9. The members of the audit service team are relatives of the Company's directors, supervisors, managerial officers, or personnel with significant influence over the audit case.		V	No such circumstance
10. A partner CPA resigned within one year serves as a director, supervisor, managerial officer, or a position that has a significant impact over audit cases.		V	No such circumstance
11. Members of the audit service team receive gifts of great value or special offers from the Company or from the Company's directors, supervisors, managerial officers, or major shareholders.		V	No such circumstance
12. The Company coerced the members of the audit service team to accept the improper choice of accounting policies by the management or improper disclosure in the financial statements.		V	No such circumstance
13. Putting pressure on the CPAs to inappropriately reduce the audit work that should be performed in order to reduce audit fees.		V	No such circumstance
14. Any holding of the Company's shares;		V	No such circumstance
15. Possessed the CPA license, established or joined the accounting firm, and applied to the competent authority for practicing registration and joined the CPA Association as a practicing member.	V		Qualified

(IV) Operation of the Remuneration Committee
1. Information on Remuneration Committee Members

April 21, 2024

Capacity (Note 1)	Qualification Name	Professional qualifications and experience (Note 2)	Independence analysis (Note 3)	Number of other public companies at which the person concurrently serves as remuneration committee member	Remarks
Independent Director (Convener)	Wu, Chia-Yin	Department of Law, National Chengchi University Director, Chiah Wei Co., Ltd. Supervisor, Yung-Tang Construction Co., Ltd. Person in Charge of Wu, Chia-Yin Land administration Agency	Conformity to the independence	—	
Independent director	Huang, Jui-Fen	Administration Junior College, National Chengchi University Assistance VP of bank	Conformity to the independence	—	
Remuneration Committee member	Huang, Jui-Tan	Graduated from Shin Min Vocational High School of Business and Engineering Chairman, Shengxi Construction Co., Ltd. Chairman, Shengxi Real Estate Brokerage Co., Ltd.	Conformity to the independence	—	

- Note 1: For the number of years of relevant work experience, and the professional qualifications and experience, and the status of independence, of each remuneration committee member, regarding the independent directors, please refer to page 14, Table 1, (I)
 Note 2: Information on Directors and Supervisors. For “Capacity,” please specify whether the member is an independent director or other (if the member is the convener, please note that fact).
 Note 3: Professional qualifications and experience: Describe the professional qualifications and experience of each member of the remuneration committee.

Independence analysis: Describe the status of independence of each remuneration committee member, including but not limited to the following: whether the member or their spouse or relative within the second degree of kinship serves or has served as a director, supervisor, or employee of the Company or any of its affiliates; the number and ratio of shares of the Company held by the member, their spouse, and their relatives with the second degree (or through their nominees); whether the member has served as a director, supervisor or employee of a “specified company” (see Article 6, paragraph 1, subparagraphs 5 to 8 of the Regulations Governing the Appointment and Exercise of Powers by the Remuneration Committee of a Company Whose Stock is Listed on the Taiwan Stock Exchange or the Taipei Exchange); the amount(s) of any pay received by the remuneration committee member for any services such as business, legal, financial, or accounting services provided to the Company or any affiliate thereof within the past 2 years.

2. Operation of the Remuneration Committee

- (1) The Company’s remuneration committee has a total of three members.
 (2) The term of the current members is from June 16, 2022 to June 15, 2025. The number of remuneration committee meetings held in the most recent fiscal year (2023) was: four (A). The attendance by the members was as follows:

Title	Name	No. of meetings attended in person (B)	No. of meetings attended by proxy	In-person attendance rate (%) (B / A)	Remarks
Convener	Wu, Chia-Yin	4	0	100.00	
Committee members	Huang, Jui-Fen	4	0	100.00	
Committee	Huang, Jui-Tan	4	0	100.00	

Other information required to be disclosed:

- I. If the board of directors does not accept, or amends, any recommendation of the remuneration committee, specify the board meeting date, meeting session number, content of the recommendation(s), the outcome of the resolution(s) of the board of directors, and the measures taken by the Company with respect to the opinions given by of the remuneration committee (e.g., if the salary/compensation approved by the board is higher than the recommendation of the remuneration committee, specify the difference(s) and the reasons).
- II. With respect to any matter for resolution by the remuneration committee, if there is any dissenting or qualified opinion of a committee member that is on record or stated in writing, specify the remuneration committee meeting date, meeting session number, content of the motion, the opinions of all members, and the measures taken by the Company with respect to the members’ opinion: none.

Date of meeting	Content of the motion and follow-up treatment	Resolution result	Measures taken by the Company with respect to the members' opinion
2023.01.16	1. The proposal of appointment, dismissal and compensations of the managerial officers	Approved by all attending members	Submitted to the Board and approved by all attending directors.
2023.03.21	1. Proposal of 2022 remunerations distributed to employees, directors, and supervisors. 2. Proposal to distribute directors and supervisors' remunerations to each director and supervisor, and the employees' remunerations to each managerial officer. 3. The proposal of appointment, dismissal and compensations of the managerial officers.	Approved by all attending members	Submitted to the Board and approved by all attending directors.
May 11, 2023	1. Proposal of 2022 to distribute directors and supervisors' remunerations to each director and supervisor, and the employees' remunerations to each managerial officer. 2. The proposal of appointment, dismissal and compensations of the managerial officers.	Approved by all attending members	Submitted to the Board and approved by all attending directors.
2023.12.21	1. Proposal to amend the Regulations of Internal Control System Management. 2. The proposal of appointment, dismissal and compensations of the managerial officers. 3. Remuneration to the Company's directors.	Approved by all attending members	Submitted to the Board and approved by all attending directors.

III. Scope of powers:

- (I) Periodically reviewing the "Remuneration Committee Charter" established by the Company and making recommendations for amendments.
- (II) Establishing and periodically reviewing the performance assessment standards, annual and long-term performance goals, and the policies, systems, standards, and structure for the remuneration of the directors and managerial officers
- (III) Periodically assessing the degree to which performance goals for the directors, supervisors, and managerial officers of the Company have been achieved, setting the types and amounts of their individual remuneration.

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

Evaluation item	Implementation status (Note 1)			Deviations from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies						
	Yes	No	Summary							
I. Has the Company established a governance framework for promoting sustainable development, and established an exclusively (or concurrently) dedicated unit to be in charge of promoting sustainable development? Has the board of directors authorized senior management to handle related matters under the supervision of the board?	V		The Company has established the Board of Divisions' Office under the Board to take charge of affairs related to sustainable development; the General Administration Division, the Finance Department, the General Affairs Department, the Quality Assurance Department, the Procurement Department, and the Occupational Safety and Health Office have established the ESG project team. Each year, the Company convenes relevant responsible persons to review the issues of concern to stakeholders, formulate risk management systems and implementation guidelines, and compile the Sustainability Report (2022) with reference to the GRI Standards. The Board of Directors' Office summarized the operation and implementation of various social responsibility projects and reported to the Company's Board on August 10, 2023.	No material deviation from the spirit of the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies.						
II. Does the company conduct risk assessments of environmental, social and corporate governance (ESG) issues related to the company's operations in accordance with the materiality principle, and formulate relevant risk management policies or strategies? (Note 2)	V		<p>The Company's ESG team assesses the level of environmental, social and corporate governance risks of the Company, and formulates effective risk identification, measurement, monitoring, and control policies to prevent and reduce the impact and damage of related risks.</p> <table border="1" data-bbox="1025 874 1668 1461"> <thead> <tr> <th>Material Issues</th> <th>Risk Assessment Items</th> <th>Risk Management Policy</th> </tr> </thead> <tbody> <tr> <td>Environment</td> <td>Climate Change</td> <td> <p>The ESG editing team referred the framework of Task Force on Climate-Related Financial Disclosures (TCFD) issued by the Financial Stability Board (FSB) to identify risks and opportunities.</p> <ol style="list-style-type: none"> Due to the nature of the Company's industry, the resource and energy dependence during the manufacturing stage is lower, and the Company is located in Wuqi Industrial Park which is at an elevated area, so there has been no loss suffered from floods. Pursuant to Article 22 of the Autonomous Regulations of Low-carbon City Development in Taichung City, the Company is a power-consuming venue where the renewable energy power generation facilities are required. In 2023, the contracted power capacity of the plant is 1,360 kw, and the renewable energy generation facilities of at least 136 kw shall be installed. General Plastic has completed the installation of solar power generation facility of 999.79 kW, which is 7.4 times of the requirement in the Autonomous Regulations of Low-carbon City Development in Taichung City <p>In the future, the Company will assess the risks and opportunities possible to be faced based on the TCFD risk and</p> </td> </tr> </tbody> </table>	Material Issues	Risk Assessment Items	Risk Management Policy	Environment	Climate Change	<p>The ESG editing team referred the framework of Task Force on Climate-Related Financial Disclosures (TCFD) issued by the Financial Stability Board (FSB) to identify risks and opportunities.</p> <ol style="list-style-type: none"> Due to the nature of the Company's industry, the resource and energy dependence during the manufacturing stage is lower, and the Company is located in Wuqi Industrial Park which is at an elevated area, so there has been no loss suffered from floods. Pursuant to Article 22 of the Autonomous Regulations of Low-carbon City Development in Taichung City, the Company is a power-consuming venue where the renewable energy power generation facilities are required. In 2023, the contracted power capacity of the plant is 1,360 kw, and the renewable energy generation facilities of at least 136 kw shall be installed. General Plastic has completed the installation of solar power generation facility of 999.79 kW, which is 7.4 times of the requirement in the Autonomous Regulations of Low-carbon City Development in Taichung City <p>In the future, the Company will assess the risks and opportunities possible to be faced based on the TCFD risk and</p>	No material deviation from the spirit of the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies.
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			<p>opportunity identification every year continuously, and establish the related contingency plans for the items with higher risks.</p> <p>Resource Management</p> <ol style="list-style-type: none"> To effectively manage environmental issues, the Company has introduced the ISO 14001 management system; to improve the utilization efficiency of various resources, the cooling tower equipment uses a circulating water system, the industrial waste is sorted and disposed through legal processors, and the materials used in the products are all compliant with the RoHS and REACH requirements. Wastewater is discharged to a sewage treatment plant in Taichung Harbor Related Industrial Park in accordance with the Regulations Governing the Wastewater Operation. The status of wastewater is monitored on a monthly basis, and personnel are sent to investigate the condition of discharge pipelines and water discharge as appropriate. Pursuant to the "Regulation Governing Waste Gas Emission," the air pollution sources is controlled effectively, and the operation, and operate the pollution prevention equipment to have the waste gas from the Plants to meet the air pollution standards. The Company promotes energy-saving measures and replaces lights with LEDs. General Plastic Global has completed the construction of 999.79 kw solar power generation equipment. Based on the general direction of a circular economy, the Company is committed to environmental protection and energy-saving, using the 3R thinking principles (Reduce, Reuse, and Recycle) to design and develop new products with the goals of energy-saving, carbon reduction, and recyclability, and promote environmentally friendly waste toner boxes. <p>Social</p> <p>Human right</p> <ol style="list-style-type: none"> The human rights policy of the Company has been approved by the Board in accordance with international human rights regulations and the labor laws and regulations of all locations around the world where the business is operated. The Company is committed to equal employment, and a work environment free from discrimination and harassment, while respecting personal privacy rights and establishing diverse labor-management communication channels and appealing mechanisms to protect the rights and interests of workers. <p>Occupational Health and Safety</p> <ol style="list-style-type: none"> A total of 697 people participated in two fire drills conducted in 2023. In 2023, a total of 404 people at General Plastic underwent general health examination, and 172 people underwent special dust examination and 218 underwent noise examination. The total examination fee was NT\$195 thousand. In 2023, a total of 31 people participated in the weight loss competition, with a total of 63 kg lost. In 2023, the Company organized two occupational safety and health training courses, with a total of 636 hours of training. CPR+AED Lite Course, training hours for 451.5 hours (301 participants); Prevention of and countering burnout, training hours for 184.5 hours (123 participants). <p>Customer</p> <ol style="list-style-type: none"> Materials are sent to SGS regularly for testing for hazardous substances, to meet the requirements of EU 	

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Actions specific to medical masks:</p> <p>(1) Incoming material inspection: the supplier shall provide material certification, specifications, and test report, Material Safety Data Sheet (MSDS).</p> <p>(2) Production process: the conformity of dimensions, pressure difference, and ear strap tension is monitored according to the sampling plan.</p> <p>(3) Every year, the products are regularly sent to the Taiwan Textile Research Institute for testing bacterial filtration efficiency, pressure difference, anti-synthetic blood penetration resistance, sub-micron particle protection efficiency, and flame-proof method, to ensure product safety and effectiveness.</p> <p>(4) Product life test: the aging simulation test and the actual elapsed time test are adopted to ensure the safety and effectiveness of the product.</p> </td> </tr> <tr> <td>Labor/management relations</td> <td> <p>1. 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Evaluation item	Implementation status (Note 1)			Deviations from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies
	Yes	No	Summary	
			<p>Strengthen the functions of directors and fulfill their responsibilities</p> <p>1. For directors to know their rights and legal responsibilities, the continuing education of the related issues are planned for directors, and the latest regulations and system developments and policies are provided to directors every year.</p> <p>2. Directors liability insurance has been purchased to ensure that directors have fulfilled their duties as good administrator and are protected from litigation or claims.</p> <p>Stakeholder Communication</p> <p>1. Every year, the Company analyzes the key stakeholders and the key issues of their concerns.</p> <p>2. Establish various communication channels and actively communicate to reduce confrontation and misunderstanding. The Company has set up the investor mailbox, and the spokesperson is responsible for handling and responding.</p> <p>Patents</p> <p>In recent years, the Company has invested a large amount of R&D expenses to overcome the patent wall erected by the original manufacturer, and independent R&D has effectively overcome patents, the use of avoidance design, to provide consumers with another high-quality choice, and then apply for patents to prevent other companies from imitating General Plastic's products.</p>	
<p>III. Environmental Issues</p> <p>(I) Has the Company set an environmental management system designed to industry characteristics?</p> <p>(II) Does the Company endeavor to use energy more efficiently and to use renewable materials with low environmental impact?</p> <p>(III) Has the Company evaluated the potential risks and opportunities posed by climate change for its business now and in the future and adopted relevant measures to address them?</p>	<p>V</p> <p>V</p> <p>V</p>		<p>(I) The Company has established "Occupational Safety and Health Work Rules" and an Environmental Management System (ISO 14001) to strengthen occupational safety, health, and environmental management at its plants through robust systems. The Company also concretely discloses its environmental protection efforts to stakeholders. (For details, please visit the Company's website at https://www.gpi.com.tw/csr-9.html)</p> <p>(II)</p> <p>1. The mechanical equipment adopts the circulating water system to save the consumption of water resources.</p> <p>2. Classify industrial waste and have it disposed of through legal disposal service providers.</p> <p>3. In line with the EPA's garbage classification and recycling policy, the plants implement garbage classification to reduce the quantity of waste to be disposed of.</p> <p>4. All materials used in the product meet the requirements of EU ROHS and REACH. (Please refer to the Company's website https://www.gpi.com.tw/csr-7.html for details)</p> <p>(III) The potential risk of climate change to the Company is low, and relevant countermeasures will be formulated depending on the future risk and the operating status of the Company. The ESG editing team referred the framework of Task Force on</p>	<p>No material deviation from the spirit of the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies.</p> <p>No material deviation from the spirit of the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies.</p> <p>No material deviation from the spirit of the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies.</p>

Evaluation item	Implementation status (Note 1)			Deviations from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies
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(IV) Did the company collect data for the past two years on greenhouse gas emissions, volume of water consumption, and the total weight of waste, and establish policies for greenhouse gas reduction, reduction of water consumption, or management of other wastes?	V		<p>Climate-Related Financial Disclosures (TCFD) issued by the Financial Stability Board (FSB) to identify risks and opportunities.</p> <p>1. Due to the nature of the Company's industry, the resource and energy dependence during the manufacturing stage is lower, and the Company is located in Wuqi Industrial Park which is at an elevated area, so there has been no loss suffered from floods.</p> <p>2. Pursuant to Article 22 of the Autonomous Regulations of Low-carbon City Development in Taichung City, the Company is a power-consuming venue where the renewable energy power generation facilities are required. In 2023, the contracted power capacity of the plant is 1,360 kw, and the renewable energy generation facilities of at least 136 kw shall be installed. General Plastic has completed the installation of solar power generation facility of 999.79 kW, which is 7.4 times of the requirement in the Autonomous Regulations of Low-carbon City Development in Taichung City</p> <p>In the future, the Company will assess the risks and opportunities possible to be faced based on the TCFD risk and opportunity identification every year continuously, and establish the related contingency plans for the items with higher risks.</p> <p>(IV) Please refer to the Company's website https://www.gpi.com.tw/csr-7.html for details</p>	No material deviation from the spirit of the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies.
<p>IV. Social Issues</p> <p>(I) Has the company formulated relevant management policies and procedures in accordance with relevant laws and regulations and international human rights conventions?</p> <p>(II) Has the Company established and implemented reasonable employee welfare measures (include salary/compensation, leave, and other benefits), and are business performance or results appropriately reflected in employee salary/compensation?</p>	V		<p>(I) The Company complies with relevant labor laws and regulations, and has established the "Human Rights Policy" with reference to the United Nations Sustainable Development Goals (SDGs), respect for the universal labor human rights principles of the international community, to formulate the "Human Rights Policy." Please refer to https://www.gpi.com.tw/governance-6.html. The Company legally and adequately hires foreign laborers, and also hires dormitory warden, interpreter and other specific personnel to take care of the daily life of foreign laborer with two-way communication. Provide a work environment in which relatively stable wages, accommodation, education and training, and improved safety and health are provided to protect the rights and interests of employees and develop the professional capabilities of multi-skilled workers. (Please refer to the Company's website for details: https://www.gpi.com.tw/csr-9.html)</p> <p>(II) Please refer to the Company's website</p>	<p>No material deviation from the spirit of the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies.</p> <p>No material deviation from the spirit of the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies.</p>

Evaluation item	Implementation status (Note 1)			Deviations from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies
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<p>(III) Does the Company provide employees with a safe and healthy working environment, and implement regular safety and health education for employees?</p> <p>(IV) Has the Company established effective career development training programs for employees?</p> <p>(V) Does the company comply with the relevant laws and international standards with regards to customer health and safety, customer privacy, and marketing and labeling of products and services, and implement consumer protection and grievance policies?</p> <p>(VI) Has the company formulated supplier management policies requiring suppliers to comply with relevant regulations on issues such as environmental protection, occupational safety and health, or labor rights, and what is the status of their implementation?</p>	V		<p>https://www.gpi.com.tw/csr-9.html for details</p> <p>(III) Please refer to the Company's website https://www.gpi.com.tw/csr-9.html for details</p> <p>(IV) The Company organizes education and training courses for employees from time to time, including courses on health education, orientations, industrial waste, dusty work environment, new laboratory, and stationary cranes. In 2023, the total education and training hours of General Plastic reached 3005.25 hours, with a total number of 467 trainees, and the average number of hours of training per employee was 6.44 hours.</p> <p>(V) The Company maintains good communication channels with customers to provide effective handling of customer complaints about products and services, and establishes the "Regulations Governing Customer Complaint Management" and "Regulations Governing Customer Service Management" to resolve and handle customer complaints as quickly as possible. (Please refer to the Company's website https://www.gpi.com.tw/csr-9.html for details)</p> <p>(VI) The Company mainly evaluates the raw material quality and delivery date of existing suppliers, and conducts on-site evaluation. If it is found to be in violation of its corporate social responsibility policy and has significant impact on the environment and society, it will also consider suspend or termination business with them. For 2023, all assessed suppliers are qualified</p>	<p>No material deviation from the spirit of the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies.</p> <p>No material deviation from the spirit of the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies.</p> <p>No material deviation from the spirit of the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies.</p> <p>No material deviation from the spirit of the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies.</p>
V. Does the company refer to international reporting standards or guidelines when preparing its sustainability report and other reports disclosing non-financial information? Does the company obtain third party assurance or certification for the reports above?	V		The 2022 Sustainability Report has passed the BSI certification, and the standards cited were GRI Standards and AA1000 Category 1 moderate assurance level.	No material deviation from the spirit of the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies.
VI. If the Company has adopted its own sustainable development best practice principles based on the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies, please describe any deviation from the principles in the Company's operations: The Company has established the "Sustainable Development Best Practice Principles" pursuant to the "Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies" and complies with accordingly. As of now, there is no deviation.				
VII. Other important information to facilitate better understanding of the company's promotion of sustainable development: The Company has established the "Sustainable Development Best Practice Principles" and prepared the "Sustainability Report (2022)" to record the implementation of the sustainable development, and discloses such on the MOPS and the Company's website.				

Note 1: If "Yes" is ticked in the "Implementation status" column, please concretely describe the major policies, strategies, and measures adopted and the status of their implementation. If "No" is ticked in the "Implementation status" column, please explain the deviations and the reasons in the "Deviations from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and the Reasons" column and explain the Company's plans for adoption of related policies, strategies, and measures in the future.

Note 2: The materiality principle refers to focusing on environmental, social and corporate governance issues likely to have a material impact on the Company's investors and other stakeholders.

Note 3: Regarding the method for disclosure, please refer to the "SAMPLE ANNUAL REPORT" page on the website of the Taiwan Stock Exchange Corporate Governance Center.

(V-I) Climate-related information of TWSE/TPEX-listed companies

1. Climate-related information implementation

Item	Implementation
<p>1. Describe the monitoring and governance of climate-related risks and opportunities by the Board of Directors and the management.</p> <p>2. Describe how the identified climate risks and opportunities affect the Company's business, strategy and finance (short-, medium-, and long-term).</p> <p>3. Describe the financial impact of extreme climate events and transformation actions.</p> <p>4. Describe how climate risk identification, assessment, and management processes are integrated into the overall risk management system.</p> <p>5. If a scenario analysis is used to assess the resilience to climate change risks, the scenarios, parameters, assumptions, analysis factors, and main financial impacts used shall be described.</p> <p>6. If there is a transformation plan in place to manage climate-related risks, specify the content of the plan, and the indicators and targets used to identify and manage physical risks and transformation risks.</p> <p>7. If internal carbon pricing is used as a planning tool, the basis for setting the price shall be stated.</p>	<p>1. As the highest governance body for sustainable development, the Board of Directors convened a climate change identification meeting with the ESG report editorial team and sustainability consultants. Referring to the climate-related risk and opportunity sources recommended by the TCFD, including transition risks (policy and regulation, technology, market, reputation), physical risks (acute, chronic), and opportunities (resource efficiency, energy sources, products/services, markets), they discussed and identified potential risk and opportunity items, and assessed the risk/opportunity levels based on their likelihood of occurrence and financial impact. Report to the Board of Directors on a regular basis (once a year).</p> <p>2. In 2022, priority was given to high-risk/high-opportunity items (those scoring 12 points or higher in terms of likelihood x financial impact). Two potential climate change risks (related to policy and regulation - border carbon tariffs, mandatory reporting requirements) and one potential climate change opportunity (related to products and services - low-carbon product/service opportunities) were identified. Relevant departments, through the ESG reporting team, continue to track and manage these risks and opportunities based on existing measures and future actions. (Please refer to the Company's website https://www.gpi.com.tw/csr-7.html for details)</p> <p>3. The nature of the Company's industry is that the resource and energy dependence during the manufacturing stage is lower, and the Company is located in Wuqi Industrial Park which is at an elevated area, so there has been no significant losses suffered from extreme climate.</p> <p>4. The Company follows the framework of the Task Force on Climate-Related Financial Disclosures (TCFD) and the Taiwan Stock Exchange's "Rules Governing the Preparation and Filing of Sustainability Reports by TWSE Listed Companies" to address climate change. GPI conducts climate change identification meetings to identify relevant risks and opportunities based on TCFD's core elements of "governance," "strategy," "risk management," "metrics and targets."</p> <p>5. The Company has not yet utilized scenario analysis to assess its resilience against climate change risks. However, during the annual climate change identification meetings, the Company carefully evaluates whether analysis and assessment are needed to enhance its resilience to climate change risks.</p> <p>6. The Company currently has no transformation plan to manage climate-related risks, but the annual climate change identification meeting will carefully evaluate and manage climate-related risks.</p> <p>7. The Company has not yet formulated an internal carbon pricing, but will be implemented in accordance with relevant regulations when required by laws and regulations in the future.</p>
<p>8. If climate-related targets have been set, the information should include the activities covered, the scopes of greenhouse gas emissions, the planned timeline, and the annual progress achieved. If</p>	<p>8. The Company has not yet formulated climate related targets, but will be implemented in accordance with relevant regulations when required by laws and regulations in the future.</p>

Item	Implementation																
<p>carbon offsets or Renewable Energy Certificates (RECs) are used to achieve related targets, the source and quantity of the offsets or the number of RECs should be disclosed.</p> <p>9. Greenhouse gas inventory and assurance status, as well as reduction targets, strategies and concrete action plans (indicated in 1-1 and 1-2 separately).</p>	<p>9. According to the "Roadmap for the Sustainable Development of TWSE/TPEX Listed Companies" published by the Financial Supervisory Commission in March 2022, the Company's GHG inventory and verification schedule of the parent company and subsidiaries shall be reported to the board of directors on May 10, 2022, and monitored on a quarterly basis.</p> <p>The report on GHG inventory and certification schedule planning of the parent company is as follows:</p> <table border="1" data-bbox="1137 379 2080 552"> <thead> <tr> <th>Work Items</th> <th>Estimated Completion Time</th> </tr> </thead> <tbody> <tr> <td>Determining the full-time (part-time) units, the number of full-time (part-time) employees and the scope of duties</td> <td>December 2025</td> </tr> <tr> <td>Formulate the inventory plan</td> <td>December 2025</td> </tr> <tr> <td>Establish a verification plan</td> <td>December 2025</td> </tr> </tbody> </table> <p>The report on GHG inventory and certification schedule planning of subsidiaries is as follows:</p> <table border="1" data-bbox="1137 612 2101 758"> <thead> <tr> <th>Work Items</th> <th>Estimated Completion Time</th> </tr> </thead> <tbody> <tr> <td>Determining the full-time (part-time) units, the number of full-time (part-time) employees and the scope of duties</td> <td>December 2026</td> </tr> <tr> <td>Formulate the inventory plan</td> <td>December 2026</td> </tr> <tr> <td>Establish a verification plan</td> <td>December 2026</td> </tr> </tbody> </table>	Work Items	Estimated Completion Time	Determining the full-time (part-time) units, the number of full-time (part-time) employees and the scope of duties	December 2025	Formulate the inventory plan	December 2025	Establish a verification plan	December 2025	Work Items	Estimated Completion Time	Determining the full-time (part-time) units, the number of full-time (part-time) employees and the scope of duties	December 2026	Formulate the inventory plan	December 2026	Establish a verification plan	December 2026
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Establish a verification plan	December 2026																

1-1 GHG inventory and assurance in the last 2 years

1-1-1 Greenhouse Gas Inventory Information

Describe the greenhouse gas emission volume (metric tons CO₂e), intensity (metric tons CO₂e/NTD million), and data coverage for the most recent two years.

GHG emissions are categorized as direct (Scope 1) and indirect (Scope 2), where Scope 1 refers to direct GHG emissions, which come directly from sources owned or controlled by the organization, and Scope 2 is indirect energy sources, which refer to indirect GHG emissions from purchased electricity, heat or steam. In 2022, GPI's major energy use in Scope 1 is gasoline, with emissions of 21.02 tCO₂e, and the major energy use in Scope 2 is purchased electricity, with emissions of 1,780.46 tCO₂e, for a total of 1,801.48 tCO₂e, and the GHG emissions intensity is 1.21 metric tons of CO₂e per NT million.

Metrics	Unit	2021	2022
Scope 1: Direct GHG Emissions	Tons CO ₂ e	14.70	21.02
Scope 1: Indirect GHG Emissions	Tons CO ₂ e	1,734.26	1,780.46
Total Emissions: Scope 1 + Scope 2	Tons CO ₂ e	1,748.96	1,801.48
Parent Company Only Revenue	NT\$ million	1,481.04	1,487.36
Greenhouse Gas Emissions Intensity (total emission/Parent Company Only Revenue)	Tons CO ₂ e /NT\$ million	1.18	1.21

Note 1: Greenhouse gas emissions are currently being aggregated using operational control methods. The types of greenhouse gases included in the inventory are carbon dioxide (CO₂), methane (CH₄), and nitrous oxide (N₂O).

Note 2: The greenhouse gas data are not verified by a third party externally, but are only inventoried and calculated by the Company. Currently, no greenhouse gas emission base year has been set.

Note 3: Scope 1 emissions include only gasoline, primarily used in company-owned vehicles. Global warming potential (GWP) values from the IPCC 2013 Fifth Assessment Report are referenced for this calculation.

Note 4: Scope 2 emissions are primarily derived from purchased electricity. The emissions factor for electricity is based on data published by the Economic Bureau of the Ministry of Economic Affairs. The emissions factor for 2020 is 0.502 kgCO₂e per kWh, for 2021 is 0.509 kgCO₂e per kWh, and for 2022 is 0.495 kgCO₂e per kWh.

Note 5: Conversion factors used are sourced from the latest "Taiwan Environmental Protection Administration GHG Emission Factor. Management Table Version 6.0.4" published by the Climate Change Administration, Ministry of Environment.

1-1-2 Greenhouse Gas Assurance Information

Describe the status of assurance in the last 2 years up to the date of publication of the annual report, including the scope of assurance, institutions of assurance, criteria of assurance, and opinions of assurance.

The Company's greenhouse gas data are not verified by a third party externally, but are only inventoried and calculated by the Company. Currently, no base year has been set.

(VI) Ethical Corporate Management – Implementation Status and Deviations from the Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies and the Reasons

Evaluation item	Implementation status (Note 1)			Deviations from the Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies and the Reasons
	Yes	No	Summary	
<p>I. Establishment of ethical corporate management policies and programs</p> <p>(I) Does the company have an ethical corporate management policy approved by its Board of Directors, and bylaws and publicly available documents addressing its corporate conduct and ethics policy and measures, and commitment regarding implementation of such policy from the Board of Directors and the top management team?</p> <p>(II) Whether the company has established an assessment mechanism for the risk of unethical conduct; regularly analyzes and evaluates, within a business context, the business activities with a higher risk of unethical conduct; has formulated a program to prevent unethical conduct with a scope no less than the activities prescribed in Article 7, paragraph 2 of the Ethical Corporate Management Best Practice Principles for TWSE/TPE Listed Companies?</p> <p>(III) Does the company clearly set out the operating procedures, behavior guidelines, and punishment and appeal system for violations in the unethical conduct prevention program, implement it, and regularly review and revise the plan?</p>	<p>V</p> <p>V</p> <p>V</p>		<p>(I) The Company has established the “Procedures for Ethical Management and Guidelines for Conduct” and “Code of Ethical Conducts” to specify the ethics policy and measures, and establish the good mechanisms for operating management and risk control. The board members and the management are also committed to actively implement and supervise the implementation of the ethical corporate management policy.</p> <p>(II) The Company has established the “Procedures for Ethical Management and Guidelines for Conduct” to regulate the related operational procedures, and implemented accordingly. The Company has clearly stipulated the relevant rewards and penalties. It is strictly prohibited for the Company's managerial officers, employees, or persons with control capabilities within his/her powers to directly or indirectly accept any improper benefits, or to commit other acts that are in breach of ethics, law, or fiduciary obligations, to prevent fraud, embezzlement, bribetaking, secret leakage, benefit others, false reporting, and other unethical conducts.</p> <p>(III) The Company has established an effective accounting system and internal control system, and internal auditors regularly check the compliance of the aforementioned systems. The “Procedures for Ethical Management and Guidelines for Conduct” (please refer to https://www.gpi.com.tw/governance-6.html) specify that before establishing a business relationship with others, the legality of the counterparty, the ethical management policy, and whether there has been a record of unethical conduct shall be evaluated first, to ensure that the business operation is in a fair and transparent manner, without asking for, providing or accepting bribes .</p>	<p>No material deviation from the spirit of the Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies</p> <p>No material deviation from the spirit of the Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies</p> <p>No material deviation from the spirit of the Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies</p>
<p>II. Ethical Management Practice</p> <p>(I) Does the company assess the ethics records of those it has business relationships with and include ethical conduct related clauses in the business contracts?</p> <p>(II) Has the company set up a dedicated unit to promote ethical corporate management under the board of directors, and does it regularly (at least once a year) report to the board of directors on its ethical corporate management policy and program to prevent unethical conduct and monitor their implementation?</p>	<p>V</p> <p>V</p>		<p>(I) Pursuant to the “Procedures for Ethical Management and Guidelines for Conduct,” where any unethical conduct is found in business contacts or cooperation partners, the business relationships shall be stopped immediately, black-list them, to implement the Company’s ethical management policy.</p> <p>(II) The Company has established the Board of Directors’ Office under the Board to be responsible for promoting the ethical corporate management. The Board of Directors’ Office shall complete the compilation of results before the end of the first quarter of the following year and report to the Board. The most recent report was dated January 16, 2024. It mainly reported on the policies, practices, and implementation of ethical</p>	<p>No material deviation from the spirit of the Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies</p> <p>No material deviation from the spirit of the Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies</p>

Evaluation item	Implementation status (Note 1)			Deviations from the Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies and the Reasons
	Yes	No	Summary	
<p>(III) Has the company established policies to prevent conflict of interests, provided appropriate communication and complaint channels, and properly implemented such policies?</p> <p>(IV) Does the company have effective accounting and internal control systems in place to enforce ethical corporate management? Does the internal audit unit follow the results of unethical conduct risk assessments and devise audit plans to audit compliance with the systems to prevent unethical conduct or hire outside accountants to perform the audits?</p> <p>(V) Does the company provide internal and external ethical corporate management training programs on a regular basis?</p>	<p>V</p> <p>V</p> <p>V</p>		<p>corporate management. In addition, the Audit Office submits internal audit reports to the independent directors for review on a monthly basis, and reports to the Board on a regular basis. There were no reports from external parties or employees in 2023, nor was there any case of material unethical conducts.</p> <p>(III) The Company has established the Board of Directors' Office that can provide whistleblowers with channels to express their opinions. The identity of the whistleblower and content shall be kept confidential and shall be fully enforced.</p> <p>(IV) The Company has established a professional and independent internal audit operation framework, which is executed by the Audit Office under the Board of Directors. Audit plans are formulated every year to inspect the compliance with the rules and regulations, and reduce the risk of un-ethic. The Company also performs self-evaluation on the internal control system on a regular basis each year, to ensure the effective design and implementation of the system. In addition, the external CPAs perform random inspections as routine.</p> <p>(V) The Company educates incumbent directors, managerial officers, and employees on the "Operational Procedures for Prevention of Insider Trading" and related laws and regulations at least once a year, and arranges education and training for new directors and managerial officers after taking office. for new employees, the HR department will educate them and promote to the new employees during the orientation training.</p> <p>In 2023, related education and promotion were conducted to 18 incumbent directors, for a total of 54 hours; on April 25, 2023, the education and promotion were conducted to managerial officers and employees. The content of the training included the confidentiality of material information, and causes of insider trading formation, process of recognition, and explanation of example cases. The files are sent to personal mail box. For the employees who do not have a mail box, the files will be posted on the bulletin board of each department to convey the message to employees about the importance of ethics.</p>	<p>No material deviation from the spirit of the Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies</p> <p>No material deviation from the spirit of the Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies</p> <p>No material deviation from the spirit of the Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies</p>
<p>III. Implementation of Complaint Procedures</p> <p>(I) Has the company established specific whistle-blowing and reward procedures, set up conveniently accessible whistle-blowing channels, and appointed appropriate personnel specifically responsible for handling complaints received from whistle-blowers?</p> <p>(II) Has the company established standard operation procedures for investigating the complaints received, follow-up measures taken</p>	<p>V</p> <p>V</p>		<p>(I) The Company has established the specific rewarding system for whistleblowing and dedicated personnel in the "Procedures for Ethical Management and Guidelines for Conduct;" the Company's website also disclose the appealing channels for any one find the unethical conduct of the Company's personnel to report. In 2023, there were no material whistleblowing incidents.</p> <p>(II) The Company has established a whistle-blowing system, and dedicated personnel will handle the matter in accordance with</p>	<p>No material deviation from the spirit of the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies</p> <p>No material deviation from the spirit of the Corporate Governance Best</p>

Evaluation item	Implementation status (Note 1)			Deviations from the Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies and the Reasons
	Yes	No	Summary	
<p>after investigation, and mechanisms ensuring such complaints are handled in a confidential manner?</p> <p>(III) Has the company adopted proper measures to protect whistleblowers from retaliation for filing complaints?</p>	V		<p>the prescribed procedures, and declare in writing that the identity of the whistleblower and the content of the report will be kept confidential. If the whistle blowing is substantiated, the parties subject to the whistleblowing are demanded to stop the relevant conducts and take appropriate action. If necessary, compensation will be sought through legal procedures. Disciplinary actions will be taken in accordance with the Company's regulations. No such incident occurred in 2023</p> <p>(III) Confidentiality principle: during and after the investigation, the personnel undertaking the case is strictly prohibited to disclose the case and the name of the whistleblower to unrelated parties. Officers at all levels who approved the case must also maintain confidentiality, the relevant information are treated and archived as confidential documents to protect the whistleblower from undue distress or retaliation due to the whistle blowing .</p>	<p>Practice Principles for TWSE/TPEX Listed Companies</p> <p>No material deviation from the spirit of the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies</p>
<p>IV. Strengthening Information Disclosure</p> <p>Does the company disclose its ethical corporate management policies and the results of their implementation on its website and the Market Observation Post System (MOPS)?</p>	V		<p>The “Procedures for Ethical Management and Guidelines for Conduct” are disclosed in the Company’s website, and the promotional effects related to the ethical management will be fulfilled in the future.</p>	<p>No material deviation from the spirit of the Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies</p>
<p>V. If the company has adopted its own ethical corporate management best practice principles based on the Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies, please describe any deviations between the principles and their implementation: The Company has established the “Procedures for Ethical Management and Guidelines for Conduct” to comply with, and there s no deviation so far.</p>				
<p>VI. Other important information to facilitate a better understanding of the status of operation of the company’s ethical corporate management policies (e.g., the company’s reviewing and amending of its ethical corporate management best practice principles): The Company arranges directors to participate in corporate governance courses every year to enhance their abilities in corporate governance and supervision of various businesses of the Company, in hopes of improving the effectiveness of corporate governance and the implementation of ethical management.</p>				

Note 1: Regardless of whether “Yes” or “No” is ticked regarding the implementation status, an explanation should still be provided in the explanation column for each item.

(VII) Implementation of the company's internal control system

1. Statement of the Internal Control System

GENERAL PLASTIC INDUSTRIAL CO., LTD.

Statement of the Internal Control System

Date: March 14, 2024

The Company states the following with regard to its internal control system during fiscal year 2023, based on the findings of a self-assessment:

- I. The Company is fully aware that establishing, operating, and maintaining an internal control system are the responsibility of its Board of Directors and management. The Company has established such a system aimed at providing reasonable assurance of the achievement of objectives in the effectiveness and efficiency of operations (including profits, performance, and safeguard of asset security), reliability, timeliness, transparency, and regulatory compliance of reporting, and compliance with applicable laws, regulations, and bylaws.
- II. An internal control system has inherent limitations. No matter how perfectly designed, an effective internal control system can provide only reasonable assurance of accomplishing the three goals mentioned above. Furthermore, the effectiveness of an internal control system may change along with changes in environment or circumstances. The internal control system of the Company contains self-monitoring mechanisms, however, and the Company takes corrective actions as soon as a deficiency is identified.
- III. The Company judges the design and operating effectiveness of its internal control system based on the criteria provided in the Regulations Governing the Establishment of Internal Control Systems by Public Companies (herein below, the "Regulations"). The internal control system judgment criteria adopted by the Regulations divide internal control into five elements based on the process of management control: 1. control environment 2. risk assessment 3. control activities 4. information and communications 5. monitoring activities. Each element further contains several items. Please refer to the Regulations for details.
- IV. The Company has assessed the design and operating effectiveness of its internal control system according to the aforesaid criteria.
- V. Based on the findings of the assessment mentioned in the preceding paragraph, the Company believes that as of Dec 31, 2023 its internal control system (including its supervision and management of subsidiaries), encompassing internal controls for knowledge of the degree of achievement of operational effectiveness and efficiency objectives, reliability, timeliness, transparency, and regulatory compliance of reporting, and compliance with applicable laws, regulations, and bylaws, is effectively designed and operating, and reasonably assures the achievement of the above-stated objectives.
- VI. This Statement will become a major part of the content of the Company's Annual Report and Prospectus, and will be made public. Any falsehood, concealment, or other illegality in the content made public will entail legal liability under Articles 20, 32, 171, and 174 of the Securities and Exchange Act.
- VII. This Statement has been passed by the Board of Directors Meeting of the Company held on March 14, 2024, where zero of the nine attending Directors expressed dissenting opinions, and the remainder all affirmed the content of this Statement.

GENERAL PLASTIC
INDUSTRIAL CO., LTD.

Chairman: Wang, Jui-Hung
Signature/Seal

President: Wang, Jui-Chi
Signature/Seal

2. Where a CPA has been hired to carry out a special audit of the internal control system, furnish the CPA audit report: not applicable

(VIII) If there has been any legal penalty against the company or its internal personnel, or any disciplinary penalty by the company against its internal personnel for violation of the internal control system, during the most recent fiscal year or during the current fiscal year up to the publication date of the annual report, where the result of such penalty could have a material effect on shareholder equity or securities prices, the annual report shall disclose the penalty, the main

shortcomings, and condition of improvement: none.

(IX) Material resolutions of a shareholders' meeting or a board of directors meeting during the most recent fiscal year or during the current fiscal year up to the date of publication of the annual report

1. Material resolutions of a shareholders' meeting

Time	Material issues	Implementation
June 15, 2023	<p>1. The Board of Directors has approved the Financial Statements and Consolidated Financial Statements for the FY2022. The financial statements have been audited by the attesting CPAs Huang, Yu Ting and Yen, Wen-Bi of Ernst & Young Taiwan, and submitted with the business report to the Audit Committee for review, with the review report presented, please ratify. When casting votes, the shareholders voted for favor was 98.10%, exceeding the statutory percentage, and thus the proposal was approved as proposed.</p> <p>2. The Company's Earnings Distribution Proposal for FY2022 is presented for ratification. When casting votes, the shareholders voted for favor was 98.15%, exceeding the statutory percentage, and thus the proposal was approved as proposed.</p>	July 12, 2023 was set as the base date for dividend distribution, and cash dividends were distributed on July 26, 2023.

2. Material resolutions of board meetings

Time	Material issues
2023.05.11	<p>1. The report on GHG inventory and certification schedule planning of the parent company and subsidiaries</p> <p>2. Report on derivative transactions.</p> <p>3. Resolution to pass the Company's consolidated financial statements of Q1 2023.</p> <p>4. Resolution to pass the proposal to distribute directors and supervisors' remunerations to each director and supervisor, and the employees' remunerations to each managerial officer.</p> <p>5. Deliberated the proposal of appointment, dismissal and compensations of the managerial officers (corporate governance officer).</p> <p>6. Resolution to pass the amendments to the Company's "Information Security Policy."</p> <p>7. Approved to add and renew the credit limits of financial institutions upon resolution.</p>
2023.08.10	<p>1. The report on GHG inventory and certification schedule planning of the parent company and subsidiaries</p> <p>2. Report on derivative transactions.</p> <p>3. Sustainability Report (2022), Identification and Management of Material Topics, Identification and Communication of Stakeholders, and Risk Management Policy Report.</p> <p>4. Insider trading prevention.</p> <p>5. Resolution to pass the Company's consolidated financial statements of the first half of 2023.</p> <p>6. Approved to add and renew the credit limits of financial institutions upon resolution.</p>
2023.11.09	<p>1. Dissolution and liquidation of the reinvested subsidiary, GPI USA, INC.</p> <p>2. The report on GHG inventory and certification schedule planning of the parent company and subsidiaries</p> <p>3. The 2022 Sustainability Report has been prepared.</p> <p>4. Resolution to pass the Company's consolidated financial statements of Q3 2023.</p> <p>5. Approved to add and renew the credit limits of financial institutions upon resolution.</p>
2023.12.21	<p>1. Resolution to pass 2024 budget of the Company.</p> <p>2. Resolution to pass the proposal of 2024 annual audit plan.</p> <p>3. Resolution to amend the Company's internal control system management guidelines (Regulations Governing Salary, Regulations Governing Remuneration to Directors, and Regulations Governing Performance).</p> <p>4. Passed the motion to amend the Company's internal control system management guidelines and nine major cycles ("Remuneration Committee Organization Rules" and "Compensation Cycle").</p> <p>5. Deliberated the proposal of appointment, dismissal and compensations of the managerial officers.</p> <p>6. Passed the review of the remuneration of the Company's directors.</p>
2024.01.16	<p>1. The report on 2023 performance evaluation of the Board as a whole, Audit Committee, and Remuneration Committee, and self-evaluation of board members.</p> <p>2. Report on the implementation of corporate governance, ethical management, and promoting sustainable development in 2023.</p> <p>3. The report on GHG inventory and certification schedule planning of the parent company and subsidiaries</p> <p>4. Resolved to approve the proposal of compensations of directors and managerial officers.</p> <p>5. Resolved to approve the proposal to cease the operation of the Company's subsidiary, WeKare Co., Ltd.</p> <p>6. Resolved to approve the proposal of additional budget for the construction of the Minquan Plant.</p>
2024.03.14	<p>1. The liability insurance for directors and supervisors was underwritten by Insurance Company of North America, Taiwan Branch, and the coverage is USD7,000,000. The insurance term is from the noon of March 1, 2024 to noon, March 1, 2025.</p> <p>2. Resolved to approve the proposal of 2023 remunerations distributed to employees and directors.</p> <p>3. Resolved to approve the Company's financial statements for FY2023.</p> <p>4. Resolved to approve the Company's earnings distribution proposal for FY2023.</p> <p>5. Resolved to approve the annual review of the effectiveness of the Company's internal control system, and presence of the "Statement of Internal Control System" for 2023.</p> <p>6. Resolved to approve the proposal to amend the "Articles of Incorporation."</p>

Time	Material issues
	7. Resolved to approve the date, venue and method, and convention causes of the 2024 regular shareholders' meeting and agenda. 8. Approved to amend the "Organization Charter" upon resolution. 9. Resolved to approve the Company's regular assessment of the independence, competence, and the audit quality indicator (AQIs) of CPAs. 10. Resolved to approve the deliberation for the non-assurance service checklist to Ernst & Young Taiwan and its affiliates expected to be approved in 2024. 11. Resolution to approve the 2023 proposal to distribute directors and supervisors' remunerations to each director, and the employees' remunerations to each managerial officer. 12. Deliberated the proposal of appointment, dismissal and compensations of the managerial officers. 13. Approved the motion to change the corporate director of GPIKT DE, INC. to the natural-person director. 14. Approved to add and renew the credit limits of financial institutions upon resolution.

(X) Where, during the most recent fiscal year or during the current fiscal year up to the date of publication of the annual report, a director has expressed a dissenting opinion with respect to a material resolution passed by the board of directors, and said dissenting opinion has been recorded or prepared as a written declaration, disclose the principal content thereof:

(XI) A summary of resignations and dismissals, during the most recent fiscal year or during the current fiscal year up to the date of publication of the annual report, of the company's chairperson, general manager, chief accounting officer, chief financial officer, chief internal auditor, chief corporate governance officer, and chief research and development officer: None.

V. Information on the professional fees of the attesting CPAs

Information on the professional fees of the attesting CPAs (external auditors)

Unit: NT\$ thousand

Name of accounting firm	Name of CPA	Period covered by the CPA audit	Audit fees	Non-audit fees (Note)	Total	Remarks
Ernst & Young Taiwan	Huang, Yu Ting	January 1, 2023 ~ December 31, 2023	4,773	789	5,562	
	Tu, Chin Yuan					

Note: non-audit service items: NT\$154 thousand for tax filing, NT\$180 thousand for the group master file, and NT\$360 thousand for transfer pricing report.

Others amounted to NTD 95 thousand.

- (I) Non-audit fees paid to CPAs, accounting firms, and affiliated companies thereof that amount to more than 1/4 of the audit fees:
- (II) Changes in the accounting firm that result in lesser audit fees paid in comparison to the previous year: none.
- (III) Reduction of audit fees by more than 10% compared to the previous year: none

VI. Replacement of CPA: none.

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

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

(I) Changes in Shareholding of Directors, Managerial Officers, and Major Shareholders

	Name	2023		As of March 31, 2024		Remarks
		Increase (decrease) of shares held	Increase (decrease) in shares pledged	Increase (decrease) of shares held	Increase (decrease) in shares pledged	
Chairman	Kuanfu Co., Ltd.	—	—	—	—	
	Representative Wang, Jui-Hung	—	—	—	—	
Directors	Kuanfu Co., Ltd.	—	—	—	—	
	Representative Wang, Lai, Ming-Yueh	—	—	—	—	
Directors	Wang, Jui-Chi	—	(1,500,000)	—	—	
Directors	Wang, Mao-Yao	—	—	—	—	
Directors	Wang, Sen-Yung	—	—	—	—	
Directors	Wang, Jui-Gong	—	—	—	—	
Independent director	Wu, Chia-Yin	—	—	—	—	
Independent director	Huang, Jui-Fen	—	—	—	—	
Independent director	Wang, Deng-Chi	—	—	—	—	
Chief Operating Officer	Wang, Kuo-Ying	—	—	—	—	
Executive Vice President	Huang, Huai-De	—	—	—	—	
Vice President of Factory Affairs Division	Wang, Chin-Chi	—	—	—	—	
Vice President of Finance Department	Huang, Yu-Hua	—	—	—	—	
Vice President of Procurement Department	Wang, Yi-Ting	—	—	—	—	Newly appointed on February 20, 2023
Vice President of Sales Department	Chen, Hui-Ming	—	—	—	—	
Associate Vice President, Finance Department	Huang, Ching-Hung	—	—	—	—	
Li, Project Manager, General Administration Office	Yeh, Che-Chang	—	350,000	(3,000)	—	
Manager, Sales Department	Lai, Yung-Jin	—	—	—	—	
Manager, Development Department	Huang, Shih-Hsiung	—	—	—	—	
Development project manager	Hsu, Yung-Ching	—	—	(25,000)	—	
Vice Manager, Development Department	Wu, Yi-Chia	—	—	—	—	Newly appointed on February 1, 2023
Manager, General Affair Department	Wang, Chi-Sheng	(10,000)	—	—	—	

	Name	2023		As of March 31, 2024		Remarks
		Increase (decrease) of shares held	Increase (decrease) in shares pledged	Increase (decrease) of shares held	Increase (decrease) in shares pledged	
Manager, Quality Assurance Department	Chang, Sheng-Hsiung	—	—	—	—	
Manager, Procurement Department	Wu, Ming-Hsien	—	—	—	—	Dismissed on February 20, 2023
Manager, Injection Mold Department	Huang, Chien-Wen	—	—	—	—	
Manager, Production Department	Tsai, Er-Yuan	—	—	—	—	
Manager, Information Department	Huang, Ying-Che	—	—	—	—	
Manager, Audit Office	Chang-Chien, An-Ya	—	—	—	—	
Major Shareholders	Kuanfu Co., Ltd.	—	—	—	—	
Major Shareholders	Hung-Shin-Li Co., Ltd.	—	—	—	—	

(II) Information on Transfers of Shareholding: None.

(III) Information on pledge of shares: There is no situation where the counterparty of the pledge of shares is a related party.

IX. Relationship information, if among the top ten shareholders any one is a related party or a relative within the second degree of kinship of another

April 21, 2024

Name	Shares held by the owner		Shareholding of spouse and minor children		Total shareholding by nominee arrangements		Specify the name of the entity or person and their relationship to any of the other top 10 shareholders with which the person is a related party or has a relationship of spouse or relative within the 2nd degree		Remarks
	Shares	Shareholding percentage (%)	Shares	Shareholding percentage (%)	Shares	Shareholding percentage (%)	Name	the issuer	
Kuanfu Co., Ltd.	27,136,380	21.27	—	—	—	—	Hung-Shin-Li Co., Ltd. Wang, Jui-Chi Wang, Jui-Gong	The same representative Brothers Brothers	—
Representative Wang, Jui-Hung	—	—	—	—	—	—			
Hung-Shin-Li Co., Ltd.	14,787,720	11.59	—	—	—	—	Kuanfu Co., Ltd. Wang, Jui-Chi Wang, Jui-Gong	The same representative Brothers Brothers	—
Representative Wang, Jui-Hung	—	—	—	—	14,787,720	11.59			
Wang, Jui-Chi	5,694,000	4.46	—	—	2,362,825	1.85	Kuanfu Co., Ltd. Hung-Shin-Li Co., Ltd. Yifu Investment Co., Ltd. Shengfu Investment Co., Ltd. Wang, Jui-Gong	Brother of the representative Brother of the representative Father and son with the representative Spouse with the representative Brothers	Held by spouse in the name of another party
Yifu Investment Co., Ltd.	2,483,373	1.95	—	—	—	—	Wang, Jui-Chi Shengfu Investment Co., Ltd.	Father and son Mother and son with the representative	—
Representative: Wang, Yi-Yun	—	—	—	—	—	—			
Shengfu Investment Co., Ltd.	2,362,825	1.85	—	—	—	—	Wang, Jui-Chi Yifu Investment Co., Ltd.	Spouse Mother and son with the representative	—
Representative: Huang, Sheng-Kue	—	—	5,694,000	4.46	—	—			
Wang-Wu Chuan-Chi	2,193,920	1.72	1,931,135	1.51	—	—	Wang, Jui-Gong Aisco Investment Co., Ltd.	Spouse Mother and daughter with the representative	—

Everlight Chemical Industrial Corporation	2,140,000	1.68	—	—	—	—	Trend Tone Imaging, Inc.	Parent and subsidiary	—
Representative Chen, Chien-Hsin	—	—	—	—	—	—			
Trend Tone Imaging, Inc.	2,140,000	1.68	—	—	—	—	Everlight Chemical Corporation	Parent and subsidiary	—
Representative Tu, Yi-Chung	—	—	—	—	—	—			
Wang, Jui-Gong	1,931,135	1.51	2,193,920	1.72	—	—	Kuanfu Co., Ltd. Hung-Shin-Li Co., Ltd. Wang, Jui-Chi Wang-Wu Chuan-Chi Aisco Investment Co., Ltd.	Brother of the representative Brother of the representative Brothers Spouse Father and daughter with the representative	—
Aisco Investment Co., Ltd.	1,480,133	1.16	—	—	—	—	Wang, Jui-Gong Wang-Wu Chuan-Chi	Father and daughter Mother and daughter	—
Representative Wang, Hsin-Ya	364,802	0.29	—	—	—	—			

X. The total number of shares and total equity stake held in any single enterprise by the company, its directors and managerial officers, and any companies controlled either directly or indirectly by the company

Total shareholding

March 31, 2024

Invested business	The Company's investment		Investment by the Directors, Supervisors, Managerial Officers and Directly or Indirectly Controlled Entities of the Company		Comprehensive investment	
	Shares	Percentage of shareholding (%)	Shares	Percentage of shareholding (%)	Shares	Percentage of shareholding (%)
Jiou Fu Co., Ltd.	70,000,000	100.00	—	—	70,000,000	100.00
GPI Co. (Samoa) Ltd.	20,000,000	100.00	—	—	20,000,000	100.00
GPIKT (BVI) CO., LTD.	1,000	100.00	—	—	1,000	100.00
GPIKT DE, INC.	971	100.00	—	—	971	100.00
WeKare Co., Ltd.	2,000,000	100.00	—	—	2,000,000	100.00
Katun Holdings, LP	—	—	211,621	100.00	211,621	100.00
TJ OFFICE SOLUTION CO., LTD.	1,000	100.00	—	—	1,000	100.00

Four. Information on capital raising activities

I. Capital and shares

(I) Sources of Capital

1. Type of shares

Date: April 21, 2024

Shares of Stock Type	Authorized capital			Remarks
	Outstanding shares (TWSE-listed)	Unissued shares	Total	
Ordinary share	127,588,740	72,411,260	200,000,000	-

2. Formation of share capital

Month/Year	Issuance price (NT\$)	Authorized capital		Paid-in capital		Remarks				
		Shares (Shares)	Amount (NT\$)	Shares (Shares)	Amount (NT\$)	Source of capital stock (NT\$)			Capital paid in by assets other than cash	Others
						Cash capital increase	Transfer of Earnings to Increase Capital	Total		
67.07	10,000	570	5,700,000	570	5,700,000	(Incorporation) 5,700,000	—	5,700,000	—	Note 1
68.10	10,000	600	6,000,000	600	6,000,000	300,000	—	300,000	—	—
70.06	10,000	650	6,500,000	650	6,500,000	500,000	—	500,000	—	—
70.08	10,000	1,875	18,750,000	1,875	18,750,000	12,250,000	—	12,250,000	—	—
85.01	10,000	5,875	58,750,000	5,875	58,750,000	40,000,000	—	40,000,000	—	—
87.11	10	19,875,000	198,750,000	19,875,000	198,750,000	140,000,000	—	140,000,000	—	Note 2
89.08	10	60,000,000	600,000,000	30,000,000	300,000,000	25,128,750	76,121,250	101,250,000	—	Note 3
90.05	10	60,000,000	600,000,000	40,500,000	405,000,000	—	105,000,000	105,000,000	—	Note 4
91.07	10	147,000,000	1,470,000,000	60,929,000	609,290,000	60,000,000	144,290,000	204,290,000	—	Note 5
92.06	10	147,000,000	1,470,000,000	67,285,900	672,859,000	—	63,569,000	63,569,000	—	Note 6
93.03	10	147,000,000	1,470,000,000	64,785,900	647,859,000	—	—	—	—	Note 7
93.08	10	147,000,000	1,470,000,000	70,216,272	702,162,720	—	54,303,720	54,303,720	—	Note 8
94.08	10	147,000,000	1,470,000,000	75,376,211	753,762,110	—	51,599,390	51,599,390	—	Note 9
95.08	10	147,000,000	1,470,000,000	77,300,000	773,000,000	—	19,237,890	19,237,890	—	Note 10
96.08	10	147,000,000	1,470,000,000	80,000,000	800,000,000	—	27,000,000	27,000,000	—	Note 11
97.08	10	147,000,000	1,470,000,000	81,800,000	818,000,000	—	18,000,000	18,000,000	—	Note 12
98.08	10	147,000,000	1,470,000,000	83,788,459	837,884,590	—	19,884,590	19,884,590	—	Note 13
99.08	10	147,000,000	1,470,000,000	87,543,768	875,437,680	—	37,553,090	37,553,090	—	Note 14
100.07	10	147,000,000	1,470,000,000	91,088,740	910,887,400	—	35,449,720	35,449,720	—	Note 15
105.11	10	147,000,000	1,470,000,000	87,588,740	875,887,400	—	—	—	—	Note 16
107.04	10	147,000,000	1,470,000,000	127,588,740	1,275,887,400	400,000,000	—	400,000,000	—	Note 17
108.07	10	200,000,000	2,000,000,000	127,588,740	1,275,887,400	—	—	—	—	Note 18

Note 1: In 1997, the Company changed the par value per share from NT\$10,000 to NT\$10.

Note 2: The capital increase was approved for reference with the Letter MOEA (87) Shang-Zhi No.087138306

Note 3: The cash capital increase and capitalization of earnings were filed and took effect with the Letter (89) Tai-Cai-Zheng (I) No.44863 by

Note 4: the Securities and Futures Institute on May 30, 2000.

Note 5: The capitalization of earnings was filed and took effect with the Letter (90) Tai-Cai-Zheng (I) No.123350 by the Securities and Futures Institute on May 4, 2001.

Note 6: The cash capital increase was filed and took effect with the Letter (91) Tai-Cai-Zheng (I) No.09100129017 by the Securities and

Note 7: Futures Institute on June 5, 2002.

- Note 8: The capital increase was filed and took effect with the Letter (91) Tai-Cai-Zheng (I) No.120805 by the Securities and Futures Institute on May 7, 2002.
- Note 9: The capital increase was filed and took effect with the Letter Tai-Cai-Zheng (I) No.0930128571 by the Securities and Futures Institute on June 27 2003.
- Note 10: Between 2003.11.18~2004.01.17, 2,500,000 shares were repurchased, and filed and took effect with the Letter Tai-Cai-Zheng-San-Zhi No.0930101818 by he Securities and Futures Institute on January 19, 2004, and the cancellation of repurchased share was filed and
- Note 11: took effect with the Letter Tai-Cai-Zheng-Shang-Zhi No.0930006025 by the Securities and Futures Institute on March 19, 2004.
- Note 12: The capital increase was approved for reference with the Letter Zheng-Qi-Yi-Zhi No.0930130350 of the Securities and Futures
- Note 13: Bureau, Financial Supervisory Commission, Executive Yuan on July 8, 2004.
- Note 14: The capital increase was approved for reference with the Letter Jin-Guan-Zhen-Yi-Zhi No.0940127251 of the Securities and Futures
- Note 15: Bureau, Financial Supervisory Commission, Executive Yuan on July 6, 2005.
- Note 16: The capital increase was approved for reference with the Letter Jin-Guan-Zhen-Yi-Zhi No.0950130385 of the Securities and Futures
- Note 17: Bureau, Financial Supervisory Commission, Executive Yuan on July 13, 2006.
- Note 18: The capital increase was approved for reference with the Letter Jin-Guan-Zhen-Yi-Zhi No.0960038276 of the Securities and Futures
- The capital increase was approved for reference with the Letter Jin-Guan-Zhen-Yi-Zhi No.0970035723 of the Securities and Futures
- Bureau, Financial Supervisory Commission, Executive Yuan on July 16, 2008.
- The capital increase was approved for reference with the Letter Jin-Guan-Zheng-Fa-Zhi No.0980034334 of the Securities and Futures
- Bureau, Financial Supervisory Commission, Executive Yuan on July 10, 2009.
- The capital increase was approved for reference with the Letter Jin-Guan-Zheng-Fa-Zhi No.0990035752 of the Securities and Futures
- Bureau, Financial Supervisory Commission, Executive Yuan on July 12, 2010.
- The capital increase was approved for reference with the Letter Jin-Guan-Zheng-Fa-Zhi No.1000027224 of the Securities and Futures
- Bureau, Financial Supervisory Commission, Executive Yuan on June 14, 2011.
- The change registration of the capital decrease was completed on November 22, 2016 by the MOEA, and 3,500,000 common shares
- were cancelled on November 25, 2016.
- The capital increase was approved for reference with the Letter Jin-Guan-Zheng-Fa-Zhi No.1070303347 of the Securities and Futures
- Bureau, Financial Supervisory Commission, Executive Yuan on February 23, 2018.
- The increase in authorized capital was approved by MOEA on July 19, 2019 by Letter Jing-Shou-Shang-Zi No. 10801088710.

3. Information Relating to the Shelf Registration System: none

(II) Shareholders composition

April 21, 2024

Shareholders composition Quantity	Government agencies	Financial institution	Other legal entities	Individual	Foreign institutions and foreigners	China investment	Total
employees	—	3	47	7,359	76	—	7,485
number of shares held	—	258,000	56,048,124	63,925,715	7,356,901	—	127,588,740
Shareholding percentage (%)	—	0.20	43.93	50.10	5.77	—	100.00

(III) Distribution of Shareholding

April 21, 2024

Shareholding classification	No. of shareholders	number of shares held	Shareholding percentage (%)
1 to 999	2,036	282,231	0.22
1,000 to 5,000	3,949	8,091,594	6.34
5,001 to 10,000	710	5,505,361	4.31
10,001 to 15,000	214	2,679,714	2.10
15,001 to 20,000	134	2,458,433	1.93
20,001 to 30,000	137	3,518,693	2.76
30,001 to 40,000	75	2,657,034	2.08
40,001 to 50,000	27	1,255,204	0.98
50,001 to 100,000	94	6,557,438	5.14
100,001 to 200,000	47	6,796,763	5.33
200,001 to 400,000	28	7,844,562	6.15
400,001 to 600,000	10	4,891,167	3.83
600,001 to 800,000	9	6,350,157	4.98

800,001 to 1,000,000	—	—	—
1,000,001 above	15	68,700,389	53.85
Total	7,485	127,588,740	100.00

(IV) Major shareholders

List of major shareholders: List all shareholders with a stake of 5 percent or greater, and if those are fewer than 10 shareholders, also list all shareholders who rank in the top 10 in shareholding percentage, and specify the number of shares and stake held by each shareholder on the list

April 21, 2024

Name of major shareholder	number of shares held	Shareholding percentage (%)
Kuanfu Co., Ltd.	27,136,380	21.27
Hung-Shin-Li Co., Ltd.	14,787,720	11.59
Wang, Jui-Chi	5,694,000	4.46
Yifu Investment Co., Ltd.	2,483,373	1.95
Shengfu Investment Co., Ltd.	2,362,825	1.85
Wang-Wu Chuan-Chi	2,193,920	1.72
Everlight Chemical Industrial Corporation	2,140,000	1.68
Trend Tone Imaging, Inc.	2,140,000	1.68
Wang, Jui-Gong	1,931,135	1.51
Aisco Investment Co., Ltd.	1,480,133	1.16

(V) Share prices for the past 2 fiscal years, together with net worth per share, earnings per share, dividends per share, and related information

Unit: NTD \$

Item		Year	2022	2023	As of March 31, 2024 (Note 8)
Market price per share (Note 1)	The highest		32.75	36.95	41.40
	Minimum		26.65	29.40	33.10
	Average		29.07	33.77	35.47
Net Value Per Share (Note 2)	Before distribution		31.14	32.54	31.98
	After distribution		23.67	—	—
Earnings per Share (Note 3)	Weighted average shares		127,588,740	127,588,740	127,588,740
	Earnings per share	Before adjustment	5.32	3.40	0.88
		After adjustment	—	—	—
Dividends per share	Cash dividends		2.20	2.50	—
	Bonus stock dividend	Before adjustment	—	—	—
		After adjustment	—	—	—
	Accumulated undistributed dividends (Note 4)		—	—	—
Analysis of investment return	Price/earnings ratio (Note 5)		5.46	9.93	—
	Price/dividend ratio (Note 6)		13.21	13.51	—
	Cash dividend yield (Note 7)		7.57%	7.40%	—

* If shares are distributed in connection with a capital increase out of earnings or capital reserve, further disclose information on market prices and cash dividends retroactively adjusted based on the number of shares after distribution.

Note 1: List the highest and lowest market price of common shares in each fiscal year and calculate the average market price by weighing transacted

Note 2: prices against transacted volumes in each respective fiscal year.

Note 3: Calculate the net worth per share based on the number of outstanding shares at year-end. Calculate the amount of distribution based on the

Note 4: amount resolved by the board of directors or resolved in the next year's shareholders meeting.

If retrospective adjustments are required because of issuance of stock dividends, the earnings per share should be disclosed in the amounts before and after the retrospective adjustments.

Note 5: and after the retrospective adjustments.

Note 6: If equity securities are issued with terms that allow undistributed dividends to be accrued and accumulated until the year the Company makes

Note 7: profit, the amount of cumulative undistributed dividends up until the current year should be disclosed separately.

Note 8: Price/earnings ratio = average closing price per share for the year / earnings per share.

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

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

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

(VI) Company's dividend policy and implementation thereof

1. Company's dividend policy

The Company's annual net income, after deducting income taxes, shall first make up for prior years' losses and then set aside 10% of the remaining balance as statutory reserve. The remaining balance, together with the accumulated undistributed earnings, is recorded as available-for-distribution earnings after the special reserve is set aside or reversed as required by law. The Board of Directors shall prepare a proposal for distribution and submit it to the shareholders' meeting for resolution to distribute dividends to shareholders.

If the aforementioned distribution of earnings is in the form of cash dividends, the Board of Directors is authorized to approve the appropriation and report it at the shareholders' meeting.

If the accumulated legal reserve has reached the Company's paid-in capital, the Company may not set aside the statutory reserve.

The Company's dividend policy takes into account the Company's current and future expansion plans and capital requirements, and the Board of Directors prepares the proposal for the distribution of earnings each year in accordance with the law and submits it to the shareholders' meeting for approval. The total amount of dividends to shareholders shall be at least 10% of the distributable earnings, and the percentage of cash dividends to shareholders shall not be less than 10% of the total amount of dividends to shareholders, provided that if the distributable earnings are less than NT\$0.50 per share, the dividends may not be distributed.

2. Implementation status

- (1) In accordance with Article 28-1 of the Company's Articles of Incorporation, the Board of Directors is authorized to prepare a proposal for the distribution of earnings, of which cash dividends are authorized to be distributed by resolution of the Board of Directors and reported to the shareholders' meeting.
- (2) For 2023, the Company distributed NT\$318,971,850 in cash dividends to outstanding common stock. based on the Company's current outstanding shares of 127,588,740, NT\$2.5 shall be distributed for each share.
- (3) The disbursement date of the cash shareholder bonus is May 9, 2024.
- (4) The 2023 earnings distribution table is as follows:

GENERAL PLASTIC INDUSTRIAL CO., LTD.

Earnings Distribution Table

2023

Unit: NTD \$

Item	Amount	Remarks
Unappropriated retained earnings at the beginning of period	446,883,216	
2023 Other comprehensive income - remeasurement of defined benefit plans	5,285,777	
Net income after tax for 2023	433,232,304	
Subtotal	885,401,297	
Reversal of special reserve	114,265,265	
Provision for statutory reserve (10%)	(43,851,808)	
Distributable earnings	955,814,754	
Distributable items		
Dividends to shareholders - cash dividends	(318,971,850)	NTD 2.5/share
Unappropriated retained earnings at end of period	636,842,904	
Note 1: The Earnings Distribution Table is based on the priority distribution of undistributed earnings in 2023.		

Chairman: Wang, Jui-Hung President: Wang, Jui-Chi Chief Accounting Supervisor: Huang, Ching-Hung

(VII) Effect upon business performance and earnings per share of any stock dividend distribution proposed or adopted at the most recent shareholders' meeting

The Company's earnings distribution for 2023 is cash dividends, which has no impact on the Company's earnings per share.

(VIII) Remuneration to employees and directors

1. The percentages or ranges with respect to employee and director profit-sharing compensation, as set forth in the company's Articles of Incorporation.

If the Company makes a profit in a year, at least 10% of the profit shall be appropriated as remuneration to employees and not more than 5% as remuneration to directors. However, in case of the accumulated losses, certain profits shall first be reserved to cover them.

Employees' remuneration may be in the form of stock or cash.

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

The Company estimates the remunerations of employees, and directors in accordance with the Company Act and the Company's Articles of Incorporation, and estimates the remuneration in advance when preparing the interim and annual financial statements and account them for proper accounting accounts under the operating costs or operating expenses based on the nature of the remunerations of employees and directors. However, if the actual distribution amount resolved by the shareholders' meeting differs from the estimated amount subsequently, it shall be recognized as the profit or loss of the year when the shareholders' meeting is convened. The number of shares distributed as employee's remuneration is calculated based on the closing price on the day before each resolution date of the shareholders' meeting, and taking into account of the effect of ex-right and ex-dividend.

3. Information on any approval by the board of directors of distribution of remunerations

(1) The amount of any employee remunerations and director remunerations distributed in cash or shares:

The employees' remuneration was NT\$28,157,000 and paid in cash.

The directors remuneration was NT\$13,500,000.

A. If there is any discrepancy between that amount and the estimated figure for the fiscal year these expenses are recognized, the discrepancy, its cause, and the status of treatment shall be disclosed: none.

(2) The amount of any employee remunerations distributed in stocks, and the size of that amount as a percentage of the sum of the after-tax net income stated in the parent company only financial reports or individual financial reports for the current period and total employee remunerations: not applicable

4. The actual distribution of employee, director, and supervisor remunerations for the previous fiscal year

Distribution	2023 resolution adopted by the shareholders' meeting	Resolution adopted by the Board	Discrepancies
Employees' remuneration	30,243,000	30,243,000	—
Directors and supervisors' remunerations	13,500,000	13,500,000	—

(IV) Repurchase of the company's subsidiaries during the most recent fiscal year or during the current fiscal year up to the date of publication of the annual report: none.

II. Issuance of corporate bonds (overseas corporate bonds include): none.

III. Disclosure of preferred shares: none.

IV. Overseas depository receipts: none.

V. Employee stock options: none.

VI. Status of restricted stock awards (RSA): none.

VII. Issuance of new shares for acquisition or transfer of shares of other companies: none.

VIII. Implementation of the Capital Utilization Plan: none.

Five. Overview of operations

I. Business Scope

(I) Scope of business

1. Main content of the business operated

For the purpose of management, the Group has divided the operating units into two operating departments based on different strategic business units.

(1) MFP Consumables Operations: responsible for the R&D, manufacturing, and sale of MFP consumables such as photocopier cartridges, printer cartridges, and photosensitive drum gears.

(2) Others - Tourist Hotel Operation: responsible for operation related to business travel accommodation and dining.

2. Main products (services) and their weights of sales

(1) Main products (services) and their weights of sales for 2023 - parent-only

Unit: NT\$ thousand

Main products	Net sales	Weight of business
Cartridge of color copier	636,207	52.18 %
Cartridge of monochrome copiers	130,635	10.72 %
Cartridge of color printer	184,406	15.13 %
Cartridge of monochrome printer	228,123	18.71 %
Precision gears and others for photosensitive drums	39,850	3.26 %
Total	1,219,221	100.00 %

Note: Others include the sale of raw materials and toner cartridge accessories

(2) Main products (services) and their weights of sales for 2023 - consolidated

Unit: NT\$ thousand

Operating department	Net sales	Weight of business
Operation of consumables for multi function product	5,103,342	96.03 %
Other operations	211,185	3.97 %
Total	5,314,527	100.00 %

3. New products planned to be developed

(1) Operation of consumables for multi function product

- A. Empty toner cartridge for MFPs.
- B. OPC roller set of digital MFPs.
- C. Recycling chute for MFPs.
- D. Photocopiers and printer photosensitive drum gears.
- E. OPC drum unit for photocopiers.
- F. Chip development and manufacturing.
- G. Recycling chute for inkjet printers
- H. Recycled original copier/printer toner cartridge

(II) Industry Overview

1. Current status and development trend of the industry

(1) Operation of consumables for multi function product

A. Current status of the industry

(A) Toner cartridge

Toner cartridge is one of the consumables for information peripherals. It is mainly used in various photocopiers, fax machines, or printers to export images and texts. After a manufacturer produces empty toner cartridges, it is mainly used to supply the toner plants to fill with toner into "finished toner cartridges" that can be sold on the market and used by end consumers in various photocopiers, fax machines, or printers. The scope of product manufacturing covers OEM market and after-market (manufacturer's own market brand).

(B) Precision gear for photoconductive drum

The OPC photosensitive drum gear is assembled on both sides of the OPC

photosensitive drum. When used with the OPC photosensitive drum, it is installed in the printer toner cartridge or photocopier with the OPC photosensitive drum. It is an optical technology precision gear driving gear the OPC photosensitive drum, and both of them are complementary products, to each other. The gear specifications are completely designed based on the specifications of the OPC photosensitive drum.

B. Industry development trends

Office automation equipment has been continuously innovated and developed with technology. In fact, as long as there are commercial activities, this industry will not stop developing for a day, and it will only improve with each passing day. Meanwhile, the related peripherals have also been developed in the mesh network. Not only the commercial, artistic, political activities, even the family and personal activities become more and more prevalent, and with the rapid development of the Internet and mobile networks, information exchange has become very simple and convenient, and the information exchange is tens of millions of times that of a decade ago. Although the widespread applications of mobile phones and tablets, and the promotion of paperless affect the printing, the outbreak of information exchanges are far outweighed the impact in this area. Meanwhile, due to the penetration of mobile devices such as cell phones and tablets, devices with functions such as photocopying, faxing, and printing have also spread from office to every corner. Today, almost every supermarket has the device. The Company develops and sells important consumables, accessories, and parts for the above devices to supply the domestic and international markets.

In recent years, OEM photocopiers have upgraded to high-speed machines, but the medium-to-low-speed photocopiers are integrated closer to MFPs. Low-speed MFPs or low-speed color printers are moving toward low-priced and popular products, which often evolves into price-cut and sales at a loss. The consumables are still the source of OEM profits. Array inkjet printers have begun to enter the medium and high-speed printer market, but the impact on the market remains to be observed in the future.

(2) Other operation: tourist hotel operation

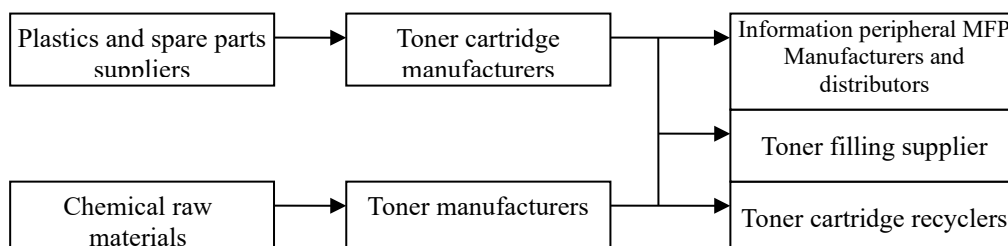
According to the statistics from the Tourism Bureau, MOTC, the government continued to actively promote Taiwan to the world and launched various tourism projects to attract international visitors to Taiwan in 2023. Overall, the number of visitors to Taiwan was about 6,486,951, a 624.02% increase over 2022. This is mainly due to the easing of the pandemic and the lifting of travel restrictions by various countries. The international business visitors are relatively high in number of lodging guests, and continuously grow steadily. In 2023, the average occupancy rate of international tourist hotels was 62.45%, and the average room price was NT\$4,891; the average occupancy rate of general tourist hotels was 55.72%, and the average room price was NT\$3,884.

Over the past decade or so, with the anticipation of growth in Taiwan's international tourism market and the influx of Chinese tourists, domestic traditional enterprises have diversified their investments into the hospitality industry, and chain hotels have expanded their scale by introducing international hotel brands or establishing hotels with different attributes to cater to different types of travelers. This has led to intensified competition and price pressures in the travel service market. As a result, we continue to contemplate how to differentiate the services and hardware of Taichung Harbor Hotel, strengthen customer management and retention, seek development aligned with local cultural characteristics, and attract both domestic and international tourists as well as business travelers. These efforts will be crucial to sustaining growth over the next decade.

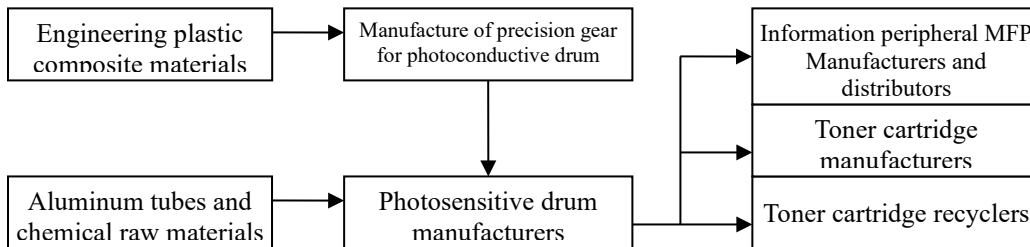
2. Linkage between the up-, mid-, and downstream of the industry

(1) Operation of consumables for multi function product

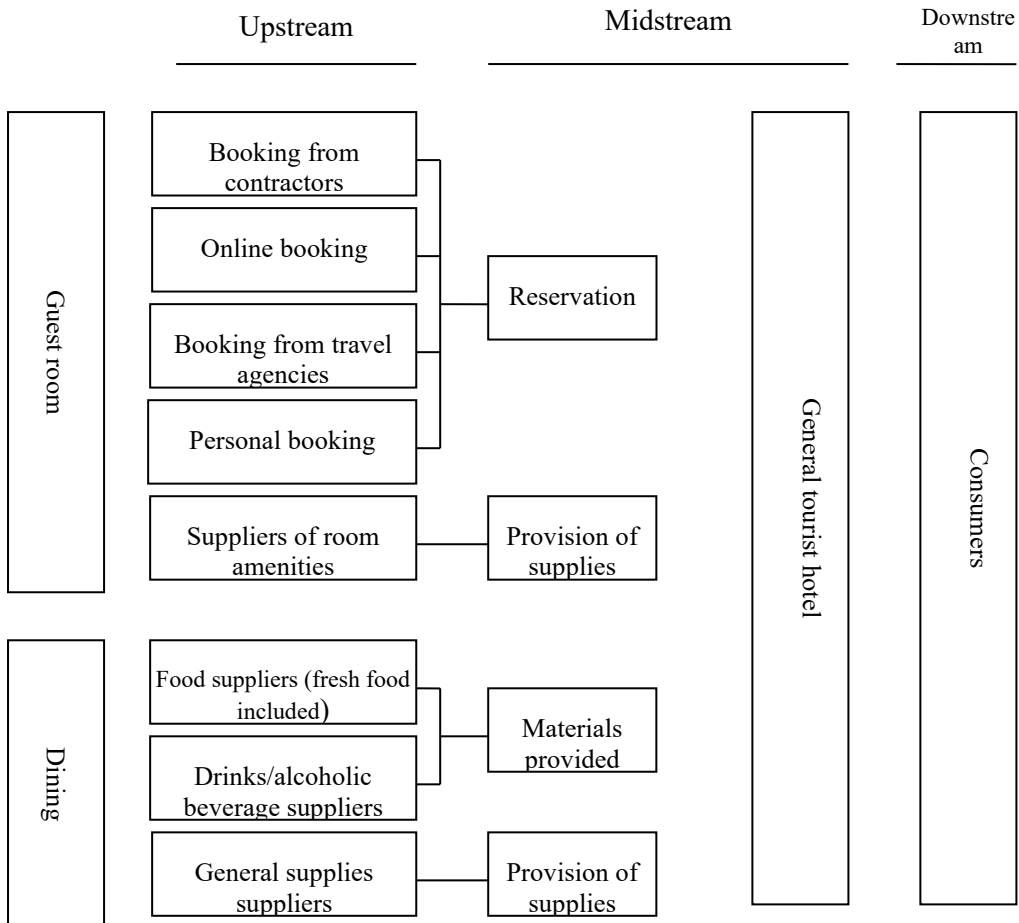
A. Toner cartridge



B.Precision gear for photoconductive drum



(2)Other operation: tourist hotel operation



3.Product development trends and competition

(1)Operation of consumables for multi function product

The MFP market is developing rapidly toward the trend of digitization and popularization of color, and the important consumables also tend to segmentation by chips, complexity, modularization, and patent protection. Japanese, European, and the US original manufacturers are taking advantage of these trends to build up their competitive advantages and increase barriers to market entry. The improvement and reputation of the Company's R&D and manufacturing capabilities and patented design capabilities in complex products in recent years have enabled the Company to the original manufacturer (OEM) and design (ODM).

The quality of the Company's consumables products is stable. Based on the long-term stable operation and reputation in the industry, coupled with the continuous investment in software and hardware devices, new product development, and patented design capabilities, the Company is superior than the competitors in the industry. In the color consumables market with higher technological difficulties, the Company is far superior to the competitors. Therefore, the Company is expected to maintain a leading position in the market of MFP consumables in the future.

In recent years, the price of the new low-end color printers and color MFPs introduced by the original manufacturers has been greatly reduced compared to the previous models. As a result, the color printers have gradually become popular in the market and the demand

for consumables has expanded. Therefore, the Company has gradually shifted its development focus to this type of products.

(2) Other operation: tourist hotel operation

Consumers' use of consumer electronics products continues to deepen, and they highly rely on technology products to deal with daily life, while using smartphones to shop, search, and inquire, which has become the new normal of travel. As the percentage of smartphone users approaching 100%, the number of customers who use the Internet to make purchases continues to increase. Internet marketing and mobile devices will become increasingly inseparable, and social networking sites will also be combined with the online shopping market. Therefore, the continuous optimization and improvement of online payment and the official website platform will become one of the essential tools for hotels to create new business opportunities. On the other hand, the public mainly receives news and consumption information through the Internet. As a result, information is received into small groups and into different groups, and the speed of change in consumer preferences will become faster and faster. Therefore, the differentiation and customization of products (services) will also have an increasingly significant impact on the development of the domestic consumer market. In addition, food safety issues have prompted consumers to pay more attention to food safety issues and change their consumption habits to value natural ingredients, environmental friendliness, and corporate social responsibility. Therefore, LOHAS and sustainable environmental protection appeal and the attitude toward corporate social responsibility will become one of the key factors to create business opportunities and influence consumers' purchasing decisions.

The competition in the domestic tourism industry has become increasingly fierce. Various hotel groups have launched new hotel brands to expand the market and differentiate themselves with different positioning. In addition to traditional tourist hotels, there are small hotels with design and cultural creativity, or hotels combining health examination and plastic surgeries to position the market one after another. Facing the increasingly intensified competition in the industry, the Company will leverage the price differentiation and segment sales strategies to develop products with diversified market attributes to capture market share. The Company will regard service quality as the foundation of brand competition, with continuous improvement and replenishment of soft- and hardware service of the hotel, to solidify the existing customer sources and actively develop response strategies for domestic travel and overseas customer sources, to improve overall revenue and performance.

(III) Overview of technologies and R&D

1. Operation of consumables for multi function product

(1) R&D expenses in the most recent two years

Unit: NT\$ thousand

Year	2022	2023
Sales revenue	5,491,663	5,103,342
R&D expenses	137,292	143,783
R&D expenses/sales revenue	2.50%	2.82%

Source: Financial statements audited and attested by CPAs

(2) The results of the research and development of various new products are as follows

Product category	Toner cartridge (piece)	Precision gear for photoconductive drum
2022	23	3
2023	31	3

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

1. Operation of consumables for multi function product

In recent years, the Company has continued to invest in the market of peripheral consumables such as toner cartridges for photocopiers, printers and MFPs, and OPC

photosensitive gears. With the business goal of "providing consumers with another best choice than OEM," and in the face of rapid changes in the domestic and foreign markets and economy, the long-term and short-term plans are formulated as follows:

(1) Long-term plans

- A. Expand market share, expand different sales channels, and enhance the breadth and depth of sales.
- B. Actively enter the niche market of full-color toner cartridges and develop the self-made capabilities for important components and chips.
- C. Development is a strategic application for both customers and suppliers.
- D. Integrate human resources and strengthen talent recruitment and training.
- E. Expand the management and utilization of intellectual property rights.
- F. Expand sales to other regions other than the main markets of Western Europe and North America to expand market influence.
- G. Look for chance of mergers and acquisitions to expand market access.
- H. Look for cross-disciplinary industries to exert the ability of precision molds.
- I. Develop and establish a product line that meets environmental regulations to fulfill environmental sustainability and social responsibilities.
- J. Self-owned brands: in view of the floods of competitors thought in the color laser toner cartridge market but without absolute dominant brand in the sub-brand market, to continue the quality leading edge as the MFP toner cartridge professional manufacturer, and strengthen the growth of General Plastics, the Company has actively invested in the strong marketing of its own brand since the second half of 2008. Through the integrated marketing of the well-rounded approach to deploy the global positioning, enabled its own brand Cartridge Web ("CW") to occupy a place in the market in the shortest time. The results as of now are as follows:

(A) A logistics warehouse is established in the U.S. with a dedicated marketing team responsible for marketing and customer service in the Americas to achieve the real-time service without time difference. Meanwhile, the Company overcomes the bottleneck of multinational brand marketing, by integrating the logistics, cash flow and online payment mechanism, and constructs an exclusive website with both functions and images, so that buyers around the world can easily connect and understand the complete product mix.

(B) The logistics warehouse is constructed in the Netherlands, to quickly satisfy the service of European customers with the geographical advantage of being located in the European logistics center .

(C) CW actively participates in industry exhibitions (Americas, Europe, and China) for continuous exposure. The original booth design has attracted the attention of many potential buyers. Through face-to-face contact with potential customers, CW is recruiting regional agents, direct online merchants and large-scale retailer. CW has multiple advantages:

- a. Supported by GPI quality assurance, supplemented by certification of ISO9001/14001, STMC and CE; meanwhile,, the "Made in Taiwan" high-tech products have been recognized by all consumers for many years with good reputations, and they are more confident to use.
- b. Diversified designs to provide consumers with different choices with the same shape and body. Customers can decide whether to use the CW brand, neutral packaging or customized exclusive packaging based on the attributes of their channels. The Company can meet the needs of customers at different levels.
- c. Emphasis is placed on 100% new and compatible product design. GPI also has the mass production capacity. Although the cost is higher than that of the general recyclers, the quality is relatively guaranteed because of the use of new key components, and it is not limited to the difficulty of recycling the cartridges made by the original manufacturers.

(D) With diversified marketing techniques, in addition to the brand website and industry exhibitions, CW is also exposed in professional industry magazines on a monthly basis. The innovative design techniques are used to deepen customer impression and increase brand visibility.

(E) Adopt patent avoidance designs that respect intellectual property rights, so that

products can be clearly differentiated and segmented from counterfeiters who copy the original design in the market.

- (F) HP and Samsung are the largest mainstream products in the market. CW has launched and sold the series of products based on the concept of recycling and environmental protection, and expanded its product lines at the same time.

15 years after its launch, the CW has been in a clear and firm direction. It has laid a solid foundation in the industry through the benefits exerted from the integrated marketing. The additional revenue and customers brought by the approach are now stable and growing with prosperity. Looking to the future, in addition to building up the strength of the brand and developing the market, we will not forget to regard the high-quality products and customer-oriented service of the Company as the support for our expansion into the world.

(2) Short-term plans

- A. Improve the production capacity and cost reduction capabilities of the partners.
- B. Enhance product quality and added value.
- C. Enhance the efficiency of EPM (Enterprise Project Management) integration.
- D. Global logistics planning and proximity to customers.
- E. The application of business intelligence (BI) software assists in market analysis and judgment.
- F. Revitalize the official website, attract business opportunities from different industries, and exert capabilities of precision molds.
- G. Identify and deploy business opportunities for array inkjet printers.
- H. Leverage Katun's global distribution network to introduce new products.
- I. Leverage the synergies of General Plastic/Katun R&D and procurement IP to improve Katun's operational efficiency.
- J. Introduced the new enterprise resource planning system (SAP) to expand the dimension and fineness of management information.
- K. Introduce a warehouse management system (WMS) to improve operational efficiency, reduce waste and costs, and improve human resources management and customer and supplier relations.

2. Other operation: tourist hotel operation

(1) Long-term plans

- A. Prudent control of operating costs and maximization of sales channels to increase operating profits.
- B. The hotel's software and hardware facilities are strengthened in stages, and customers' satisfaction and frequency of use will be increased with innovative marketing packaging, exquisite service, and a comfortable and elegant staying environment.
- C. Maintain and develop business visitors; increase the ratio of lodging and additional spending amount to maintain the high benefits brought about by the business customer base.
- D. Continue to develop new marketable products to improve software services and strive to improve customer satisfaction.
- E. Continue to invest in and improve related technology products in the hotel.

(2) Short-term plans

- A. Actively participate in the domestic business development activities planned by the Tourism Bureau, MOTC and the Tourism and Travel Bureau of Taichung City to strive for marketing exposure and cooperation opportunities.
- B. To cope with the increasing growth of digital business opportunities, the domestic and international online room reservation systems are enhanced to provide exclusive lodging package.
- C. Continue to design attractive sightseeing tours for different customer sources, and cooperate with cross-industry alliances for joint marketing to provide various product choices, thereby enrich the tours, and achieve increased corporate exposure.
- D. Improve service quality to gain customers' loyalty to the brand, to consolidate existing customer sources and actively expand customer sources from new industries.
- E. Develop an exclusive membership system to increase customers' recognition of the hotel and opportunities for returning consumptions.
- F. Strengthen professional talent training, value employee training and welfare, and give employees visions, to provide better service quality for jointly enhancement of

corporate value.

- G. Continue to exert corporate social responsibility and plan activities from the perspective of local care and feedback.

II. Overview of market, production and sales

(I) Market analysis

1. Geographic areas where the main products (services) are provided (supplied)

(1) Geographic areas where the main products (services) are provided (supplied) - parent-only

Sales area	2023 (NT\$ thousand)	Proportion (%)
The U.S.	437,683	35.90 %
The Netherlands	310,445	25.46 %
Germany	96,427	7.91 %
Japan	57,253	4.70 %
The UK	55,703	4.57 %
Italy	46,222	3.79 %
Taiwan	42,340	3.47 %
United Arab Emirates	28,850	2.37 %
Mexico	22,193	1.82 %
China	19,522	1.60 %
Other countries	102,583	8.41 %
Total	1,219,221	100.00 %

(2) Geographic areas where the main products (services) are provided (supplied) - consolidated

Sales area	2023 (NT\$ thousand)	Proportion (%)
The U.S.	1,149,651	21.63 %
The Netherlands	758,247	14.27 %
Italy	577,141	10.86 %
Mexico	487,893	9.18 %
The UK	435,460	8.19 %
France	428,778	8.07 %
Germany	394,389	7.42 %
Spain	278,373	5.24 %
Taiwan	227,539	4.28 %
Brazil	207,794	3.91 %
Other countries	369,262	6.95 %
Total	5,314,527	100.00 %

2. Main competitors

(1) Operation of consumables for multi function product

According to the research survey of the Material and Chemical Research Laboratories of ITRI, due to the limitation of original patents and development of technologies, the development of the domestic toner cartridge industry is dominated by peripheral parts and components, such as scrapers, rollers, and toner, with the maturing development; for the main body, the empty cartridges, only GENERAL PLASTIC INDUSTRIAL CO., LTD.

conduct mass production domestically; while the major foreign manufacturers including Print Rite, G&G, CET Heng (Beijing Zhonghen).

In terms of photosensitive drum gears, there is no domestic competitor. There are a few foreign photosensitive drum gear manufacturers in Japan, but most of them provide OEM to manufacturers and are not deeply involved in after-market. There are several gear makers in mainland China as the main competitors, affecting the market in mainland China.

(2) Other operation: tourist hotel operation

Located in Wuqi District, Taichung City, Taichung Harbor Hotel's main competitors in the same area are the newest international chain hotels, such as the Sinjhuang Sunflower Hotel. In the city center area, its competitors are the Taichung Formosa Hospital and the Yuanyuan Hotel, as business travelers' choice of accommodation is more limited by proximity and transportation factors. For domestic tourism, hotels such as the Taichung Classic Hotel and the Evergreen Laurel Hotel (Taichung) attract customers mainly due to their surrounding amenities and tourist attractions.

3. Market share

(1) Operation of consumables for multi function product

Based on the 2023 turnover of the listed original manufacturers, the total global value of consumables for MFPs (photocopiers and multi-function photocopiers) is estimated to be about JPY1,260.9 billion; the Company's sales of consumables in 2023 are estimated to account for about 2.40% of the global market. (This is the estimates based on the information collected internally by the Company)

(2) Other operation: tourist hotel operation

The market positioning of Taichung Harbor Hotel is to become the most outstanding and popular international four-star hotel in the middle of Taiwan (Taichung, Changhua, Yunlin, and Chiayi) and western costal travel zone. The objects of appeal include domestic and foreign business travelers, shopping mall consumers, tourists, and local guests in the industrial park around Taichung Harbor and Wuqi District. Currently, the Company is still actively expanding the visibility and fame, while seeking to promote the prosperity of the local economy, and fully participate in the development of the tourism industry in middle of Taiwan.

4. Demand and supply conditions for the market in the future, the market's growth potential

(1) Operation of consumables for multi function product

A. Demands

Although the concept of paperless and the popularity of tablets and other devices have caused the market to remain at a low level for several years, the Covid-19 global pandemic in 2020 severely impacted the entire corporate office market, but also relatively revitalized the home office market. Small and medium-sized multi-function printers with multi-function printing have become the main driving force in the market, driving the development of the toner cartridge market in this segment. In the post-pandemic era, the demand for office equipment and consumables continues to recover. However, due to product maturity, manufacturers have introduced fewer new models and at a slower pace, thereby extending the lifespan of existing equipment. The global demand for toner cartridges is exhibiting the following trends.

(A) The online content is enriched, and the export demand is maintained.

In recent years, due to the significant increase in the speed of Internet communication, mobile devices have become popular. Although most of the information does not need to be printed out, the speed of the increase in information is tens of thousands of times faster than it was a decade ago. It is inevitable that some information will need to be printed out for reading or sign-off. In addition, the content of online pages has become richer and the intended uses has become increasingly diversified. Therefore, the demand for print output continues to drive the demand for consumables.

(B) Global sales of high-end photocopiers are gradually being replaced by mid-range MFPs

The high-end photocopier market has matured, and the performance and speed of mid-range MFPs have been improving year by year, so the demand for the products has gradually shifted to mid-range MFPs as replacement.

(C) Lower prices for medium- and low-speed color laser printers boosted demand.

(D) Mobile devices have driven printing demand to professional export shops.

Photocopying equipment has become a must-have for convenience stores everywhere and driven the demand.

- (E) Countries in Europe and the US are encouraging school-age children to resume using printed teaching materials and exam papers, and to avoid using tablet computers or e-books, in order to protect children's eyesight and improve concentration.

B. Supply analysis

In terms of the supply of photocopiers, the positions of the major manufacturers are stable with little change. In terms of the supply of printers, the competition has been fierce in recent years, which in turn has driven the increase in the demand for toner cartridges.

(A) Increased printer functionality and reduced price

In recent years, printer production has matured. In order to capture the market share, major manufacturers have engaged in price wars one after another, which in turn drives the market demand and continues to increase the consumption of toner cartridges.

(B) Stable competition in the photocopier supply market

Photocopiers are a mature product in the market. Each major brand has a high and stable share of the market. The sales of consumables and services involve distribution channels and brand image, with high barriers of entry for new players; in the supply market, only moderate changes in market shares among each major manufacturers.

(C) Growing After Market

In the past, consumables such as toner cartridges were controlled by the original manufacturers, and most consumers had no second choice. However, as the market for toner cartridges continues to expand, the after-market players have joined the market. If products from the after-market are of stable quality, which is bound to increase its market share in the toner cartridge market.

(D) A promising market for recycled toner cartridges

The concept of environmental protection has been emphasized by the market. Due to the high consumption of toner cartridges worldwide, the recycling of toner cartridges in this regard has attracted the attention of the market. The market of recycled toner cartridges has a considerable development potential.

(E) Rise of counterfeit toner cartridges in China

It is a problem encountered by the original manufacturers that causes a certain degree of damage to the original manufacturers. In recent years, the original manufacturers have continued to take aggressive actions to prosecute Chinese manufacturers and importers of counterfeit products.

(F) Trade restrictions by Chinese competitors

The U.S. and Europe have imposed import restrictions on Chinese-made products for violation of forced labor or information security.

(2) Other operation: tourist hotel operation

Located close to Taichung Harbor, Gaomei Wetland, and Mitsui Outlet Park Taichung Harbor, Taichung Harbor Hotel serves the demand for accommodation of domestic and foreign tourists, local and foreign engineers in the neighboring industrial parks and related construction projects, and domestic business travelers visiting Chang-Bin Industrial Park for business. As the government continues to promote tourism, open the door to tourists from Southeast Asian countries, and promote Taiwan's tourism, the number of tourists from all countries will increase, and the hotel market will have a promising prospect. If the current Taichung Harbor Free Economic Pilot Zones can be successfully implemented in the future, the business travelers brought by the unimpeded flow of goods, and even exchange activities of individual, group travelers, or religious group may be transported by sea. The development of the hotels in the coastal tourism area in the middle of Taiwan can still be expected.

5. Competitive edges

(1) Operation of consumables for multi function product

- A. Possessing solid capabilities of R&D and design, and rich human resources.
- B. Strict control over the quality to recreate the operating performance
- C. Diversification of product mixes

- D. Continuous investment in software and hardware, to increase the product competitiveness.
 - E. Good relationship with the up- and downstream manufacturers with close collaborations.
 - F. Solid operation for a long time with good reputation.
- (2) Other operation: tourist hotel operation
- A. With the overall development and investment of the Taichung Harbor District, the continuous promotion of tourism in Taiwan to visitors from South Korea and Japan, independent tours of tourists from Europe and the United States, and the rich cultural and natural landscapes of the Taichung Coastal Area, there is more room for development in the future.
 - B. Location is an important profit factor for international tourism hotels. The Company is located in Taichung Harbor and the commercial center of Wuqi District, Taichung. There are abundant financial and commercial functions nearby. In the neighborhood, there are Tai No.61 Western Coast Expressway, Sha-Lu Railway Station and Qingshui Railway Station. It only takes about 15 minutes to drive to Taichung International Airport, and about 40 minutes to drive to Taiwan High Speed Rail Taichung Station. Taichung Harbor Hotel has the advantage of fast and international connection.
 - C. A professional management team is stationed. Professional managers are responsible for daily operational management and provide professional and high-quality services.
 - D. Location and service advantages: Combination of sea harbor and airport, and convenient transportation, exquisite service provided by elegant and considerate employees, humanistic, in-depth tourism and other characteristics.
6. Positive and negative factors affecting the Company's future development outlook and countermeasures
- (1) Operation of consumables for multi function product
- A. Positive factors for the future development
 - (A) The prospect of the global MFP and information peripheral equipment industry is optimistic.
 - (B) The deep and broad product line mixes provide customers with the convenience of one-stop shopping.
 - (C) The patented design, manufacturing capabilities and reputation not only widen the distance from the competitors, but also win OEM and ODM orders.
 - (D) The introduction of advanced equipment from Europe, the United States, and Japan will improve production efficiency, product quality, reduce manpower burden, and reduce manufacturing costs, thereby making the Company's products more competitive.
 - (E) Control the source of marketing channels and work closely with world-renowned toner manufacturers, major photosensitive drum manufacturers, and major distributors.
 - B. Negative factors for the future development and countermeasures
 - (A) Issue of the intellectual property rights

With the increasing awareness of intellectual property protection in various countries, if the landmine of patent is accidentally stepped on, the patent owner will be entitled to recourse for royalties; if the patented technology is used, the royalty must be paid first.

Countermeasures:

 - a. The Company set up the patent team in 1998 to develop and sell products with proprietary patents; as of December 2023, the Group has obtained 116 patents granted in Europe, the United States or Taiwan, with another 31 patents under application or to be certified. The Company will keep on applying for patents actively in the future to protect its own interests and avoid patent recourse issues, also serving as basis for the license exchange with competitor or original makers.
 - b. The international competition for intellectual property rights is no longer a mere infringement forensic issue. It has evolved into a business that discourages the growth of competitors. In addition to ensuring that the products themselves do not infringe patents, General Plastic has also begun to prevent major international manufacturers from adopting the aforementioned business practices.

- (B) It is a capital-, technology-, and labor-intensive industry that requires great capital and human resources.

Due to the rapid introduction of new products and the popularization of digital, modular, complex, and color products, the Company needs huge funds and strong R&D backing to continue to introduce patents and updated design and process technology to prevent products from being eliminated and ensure the Company's leadership.

Countermeasures:

- a. In terms of capital, the Company's shares has been listed, which is sufficient to obtain diversified funds, so that the Company's capital is from public and multinational in order to respond to the rapid growth of the enterprise. The Company will also leverage the diversified channels for raising funds to control the sources of funds and obtain long-term funds with relatively low cost.
- b. Regarding talents, due to the rapid development of the Company, the demand for R&D talents and marketing talents has increased. In addition to recruiting external talents, the Company also provides systems such as internal training, internal rotation, improvement proposal system, and employee bonus to retain professional talents.
- c. In terms of technology, in addition to improving chip R&D and in-house manufacturing capabilities, it is also actively looking for strategic alliances in toner technology.

(2) Other operation: tourist hotel operation

A. Positive factors for the future development

- (A) The continuous development and deployment of the government's major national industrial policy - wind power generation.
- (B) Under the Tourism Bureau's policy of "Diversified Deployment with Global Vision," efforts are made to make Taiwan the heart of Asian tourism by implementing domestic and foreign promotions, developing diverse Taiwan tourism products, improving the domestic tourism environment, and creating more tourism business opportunities.
- (C) The completion of the second phase of Mitsui Outlet Taichung Port continues to attract domestic tourists, and the opening of the future Museum of Marine Biology and Aquarium will help the hotel to develop domestic travelers and business customers.
- (D) The continuous development of nearby real estate will gradually form the center of the lifestyle and business district, which is beneficial to increase the demand for visitors and the local exposure.

B. Negative factors for the future development

- (A) As the Company's hotel has been established for ten years, the equipment is gradually getting old, and some tourists choose to stay at the newly established Golden Tulip Hotel or design B&Bs nearby.
- (B) There are many small business hotels in Taichung City. Due to their convenient transportation, complete facilities, thoughtful service, and low prices, they have attracted many travelers who value privacy or have a budget concern.
- (C) The increase in manpower and maintenance costs will affect the hotel's operating performance.
- (D) The independent operation of the hotel lacks the advantage of international brand marketing.
- (E) Hotels are aging in terms of product features and differentiation

C. Negative factors for the future development and countermeasures

- (A) Evaluate and plan the replacement of equipment over 10 years old and create memorable points in the consumer's experience and journey.
- (B) Continue to establish the Company's service culture and concept of hospitality. Under the slogan of "Comfort, Elegance, and Attentive Hospitality," the Company offers "exquisite and thoughtful localized service" to increase the rate of returning customers.
- (C) Continued promotion in Taichung Harbor, neighboring industrial areas, and commercial areas. Locality and depth Cultural sightseeing tours and preferential packages to attract domestic and foreign tourists to make reservations.

- (D) Leverage the online room booking system and various online reservation travel agencies to provide real-time and more cost-effective room reservation services and increase potential rooms.
- (E) More flexible guest room project are planned, and the cooperative relations and word of mouth with well-known travel bloggers is established domestically and internationally to increase the Company's occupancy rate.
- (F) Cooperate with credit card companies to introduce preferential programs for cardholders, increase the source of customers at restaurants and room guests, to increase the Company's revenue from guest rooms and food and beverage.
- (G) Continue to promote sustainable development goals in related equipment and suppliers, and comply with the Company's energy-saving and carbon-reduction policies, in order to comply with environmental protection and save costs.
- (H) More different industries and associations cooperate to promote exclusive travel package itineraries.

(II) Major usages and production processes of main products

1. Operation of consumables for multi function product

(1) Usage of main products

- A. Color photocopier cartridges, color printer cartridges, monochrome photocopiers cartridges, and monochrome printer cartridges:

The toner are filled by world-renowned toner plants to form "finished toner cartridges" that can be directly used in various photocopiers, fax machines, or printers.

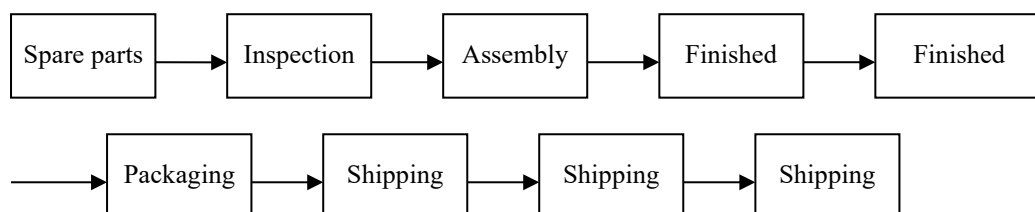
- B. Precision gear for photoconductive drum

It is supplied to world-renowned OPC photosensitive drum manufacturers to be assembled in the OPC photosensitive drum, which can be used in the imaging mechanism for various photocopiers, printers or fax machines.

- C. Others:

Provision of recyclable consumables for photocopiers, printers, and fax machines.

(2) Production process



2. Other operation: tourist hotel operation

The main product operation approach include guest room rental, provision of food and beverage, meeting rooms, gymnasium, SPA and other related facilities, all of which are aimed at the greatest satisfaction of guests.

(III) Supply situation for the company's major raw materials

1. Operation of consumables for multi function product

The main products produced by the Company are the toner cartridge bodies and accessories. The main raw materials of the Company's products are plastic raw materials, packaging materials, imaging components, chips, toner and foam. In terms of raw material procurement amount, the amount of raw materials purchased in 2023 decreased by 26.89% compared to 2022. In terms of material usage, domestic procurement accounts for about 58.41%. Whether it is domestically purchased or imported from abroad, the supply of goods is quite stable.

2. Other operation: tourist hotel operation

The Company mainly engages in guest room rental and catering services. The main raw materials are customer supplies and fresh food. There are many substitutes for these spare parts and food ingredients, and the supply market is not oligopolistic or monopolistic, so the material supply is stable.

(IV) Customers accounting for 10 percent or more of the Company's total purchases (sales) amount in the 2 most recent fiscal years and the amounts sold to each and the percentage of total purchase (sales) accounted for by each

1. Suppliers accounting for 10 percent or more of the Company's total purchase amount in the 2 most recent fiscal years and the amounts sold to each and the percentage of total purchase accounted for by each

2022				2023				Up to the first quarter of 2024			
Name	Amount (NT\$ thousand)	Ratio to the net purchase of whole year	Relationship with the issuer	Name	Amount (NT\$ thousand)	Ratio to the net purchase of whole year	Relationship with the issuer	Name	Amount (NT\$ thousand)	Percentage of net purchase up to the preceding quarter of the current fiscal year (%)	Relationship with the issuer
Supplier A	504,491	16.40	None	Supplier A	289,876	12.36	None	Supplier A	134,447	18.46	None
Supplier B	412,518	13.41	None	Supplier B	277,406	11.83	None	Supplier B	83,416	11.45	None
Supplier C	362,693	11.79	None	Supplier C	270,321	11.53	None	Supplier C	72,896	10.01	None
Others	1,796,078	58.40		Others	1,506,818	64.28		Others	437,448	60.08	
Total	3,075,780	100.00		Total	2,344,421	100.00		Total	728,207	100.00	

2. Customers accounting for 10 percent or more of the Company's total sales amount in the 2 most recent fiscal years and the amounts sold to each and the percentage of total sales accounted for by each

2022				2023				Up to the first quarter of 2024			
Name	Amount (NT\$ thousand)	Percentage of annual net sales (%)	Relationship with the issuer	Name	Amount (NT\$ thousand)	Percentage of annual net sales (%)	Relationship with the issuer	Name	Amount (NT\$ thousand)	Percentage of net sales up to the preceding quarter of the current fiscal year (%)	Relationship with the issuer
	-	-	None		-	-	None		-	-	None
	-	-	None		-	-	None		-	-	None
Others	5,703,207	100.00		Others	5,314,527	100.00		Others	1,374,416	100.00	
Total	5,703,207	100.00		Total	5,314,527	100.00		Total	1,374,416	100.00	

(V) Production Volume and Value in the Most Recent 2 Fiscal Years

Unit for production capacity and volume: thousand pcs; unit for production value: NT\$ thousand
Cost unit of room: thousand rooms; unit of production volume for food and beverage: thousand people

Production volume and value	2022		2023			
	Production capacity	Production volume	Production value	Production capacity	Production volume	Production value
Cartridge of color copier	10,187	9,678	541,067	6,775	6,436	410,660
Cartridge of color printer	1,162	1,104	75,379	818	777	76,250
Cartridge of monochrome copiers	2,376	2,257	111,672	1,489	1,415	83,851
Cartridge of monochrome printer	1,411	1,340	97,284	1,404	1,334	122,156

Precision gear for photoconductive drum	4,318	4,102	32,756	4,509	4,284	33,767
Consumables of medical purpose	74	70	4,186	-	-	-
Others	12,999	12,349	246,978	9,762	9,274	185,484
Cost of guest rooms	-	55	54,258	-	52	53,298
Cost of food and beverage	-	102	18,547	-	91	18,528
Other costs	-	-	4,645	-	-	5,256
Total	32,527	31,057	1,186,772	24,757	23,663	989,250

(VI) Sales Volume and Value in the Most Recent 2 Fiscal Years

Unit for sales volume: thousand pcs; unit for sales value: NT\$ thousand
Sales unit of room revenue: thousand rooms; unit of sales volume for food and beverage: thousand people

Sales volume and value Main products	Year		2022				2023			
			Domestic sales		Export		Domestic sales		Export	
	Volume	Value	Volume	Value	Volume	Value	Volume	Value		
Cartridge of color copier	211	28,725	5,347	3,097,091	159	17,879	4,589	2,727,022		
Cartridge of color printer	46	9,939	886	331,735	38	10,282	778	369,185		
Cartridge of monochrome copiers	121	13,866	2,262	898,017	123	17,571	1,712	799,570		
Cartridge of monochrome printer	15	709	2,121	684,480	28	1,815	1,934	729,487		
Precision gear for photoconductive drum	29	231	4,658	43,375	1	9	4,181	40,118		
Consumables of medical purpose	145	6,295	-	-	20	401	-	-		
Others (Note 1)	502	732	2,564	381,668	713	430	2,536	389,745		
Incomes from guest rooms	55	163,876	-	-	52	171,244	-	-		
Incomes from food and beverage	102	34,300	-	-	91	31,759	-	-		
Other revenue (Note 2)	-	7,283	-	885	-	7,015	-	995		
Total	1,226	265,956	17,838	5,437,251	1,225	258,405	15,729	5,056,122		

Note 1: Others include the sale of raw materials and toner cartridge accessories

Note 2: Other income includes lease income, other food and beverage service income, and incomes from products.

III. The number of employees, average years of service, average age and educational background of employees for the most recent two years and up to the date of publication of the annual report

Year		2022	2023	As of March 31
Number of employees	Directly	341	326	324
	Indirect	581	607	615
	Total	922	933	939
Average age		41.00	42	41
Average years of service		10.77	11	11
Education distribution ratio (%)	Doctoral Degree	0.43	0.43	0.43
	University of Bristol, the UK	8.57	9.11	9.27
	Junior College	39.18	39.82	39.53
	Senior High School	39.18	37.94	38.36
	Under senior high school	12.64	12.70	12.41

IV. Disbursements for environmental protection

- (I) Any losses suffered by the company in the most recent fiscal year and up to the annual report publication date due to environmental pollution incidents (including any compensation paid and any violations of environmental protection laws or regulations found in environmental inspection, specifying the disposition dates, disposition reference numbers, the articles of law violated, and the content of the dispositions), and disclosing an estimate of possible expenses that could be incurred currently and in the future and measures being or to be taken: none.
- (II) Measures being or to be taken in the future (including the estimated amount of possible loss, disposition and compensation; if a reasonable estimate cannot be made, an explanation of the facts of why it cannot be made shall be provided): none.

V. Labor/management relations

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

1. Employee benefit plans, continuing education, and training

The formulation and promotion of various benefits of the Company are mainly to maintain the welfare of employees and establish a healthy organization. In addition, the Employee Welfare Committee organized by the employees makes the employees more willing to participate in the planning and execution of practical activities. In addition to the organization and operation of the Employee Welfare Committee, other related benefits are as follows:

- (1) Bonuses are distributed monthly based on production and operating conditions.
- (2) Employees are enrolled in Labor and National Health Insurance upon onboarding.
- (3) The Company provides dormitory free of charge for employees living far away.
- (4) The Company provides free lunch in the cafeteria, and also provides dinner or meal allowance to employees if overtime.
- (5) The year-end party is held at the end of the year.
- (6) The Company encourages employees to pursue further education and arranges trainings inside and outside the Plants from time to time.
- (7) Regular health examination are held on a yearly basis.

2. Retirement systems and the implementation thereof

- (1) An employee may apply for voluntary retirement under any of the following conditions:
 - A. Where the employee attains the age of fifty-five and has worked for fifteen years.
 - B. Where the employee has worked for more than twenty-five years.
 - C. Where the employee attains the age of sixty and has worked for ten years.
- (2) An employee shall not force a worker to retire unless any of the following situations has occurred:

A. Where the employee attains the age of sixty-five.

B. Where the worker is unable to perform his/ her duties due to mentally or physically disability, head of his/her department may request the approval by the Chairman for his/her retirement.

The Company may request the central competent authority to adjust the age prescribed in Subparagraph 1 of the preceding paragraph if the specific job entails risk, requires substantial physical strength or otherwise of a special nature; provided, however, that the age shall not be reduced below fifty-five.

The mentally or physically disability referred in subparagraph 2, shall comply with the disability from Level 1 to Level 10 of the Labor Insurance.

(3) The standards to grant the labor pension are as below

A. For the tenure before the application of the Labor Standards Act, the calculation shall comply with the applicable laws and regulations at the time; where no applicable law and regulation is available, the regulations specified by the entity or the negotiation between the employer and employee shall be followed.

B. For the tenure after the application of the Labor Standards Act, two bases are given for each full year of service rendered. But for the rest of the years over 15 years, one base is given for each full year of service rendered. The total number of bases shall be no more than 45. The length of service is calculated as half year when it is less than six months and as one year when it is more than six months. As set forth in Subparagraph 2 of Paragraph 1 of Article 5, an additional 20% on top of the amount calculated according to the preceding subparagraph shall be given to workers forced to retire due to disability incurred from the execution of their duties. The standard for the base of pension refers to the average one-month wage when the retirement is approved.

C. For employees eligible for retirement under the Labor Pension Act, the Company contributes 6% of their monthly wages to their individual pension accounts on a monthly basis.

D. Pension fund

(A) The Company has set up the Labor Pension Reserve Supervisory Committee since July 1987 and appropriated the pension fund pursuant to laws.

(B) The Company has engaged actuaries to calculate and account such in accordance with the regulations of the Financial Supervisory Commission since 2000.

E. Employees onboarded after July 1, 2005, the Labor Pension Act shall be complied with

(4) The implementation is as follows

For employees on-board before June 30, 2005 (inclusive), the Company may select them based on their wishes. For those with the old system pension, the Company shall contribute the pension on a monthly basis, i.e. at least 2% of the monthly salary for each employee with the old system pension are credited to the special labor pension account to protect the rights and interests of employees; for employees onboarded from July 1, 2005, the Company is required by law to contribute no less than 6% of their monthly wages as labor pension on a monthly basis, to be paid to in the individual pension account. The Company has made full contribution of pension in 2023. Currently, 175 (37.47%) employees are eligible for the old labor pension system; another 292 employees (62.53%) are eligible for the new pension system, with a total contribution of NT\$14,245,898 (New system: NT\$12,074,270 + Old system: NT\$2,171,628).

3. Agreements between labor and management and various employee rights protection measures

All regulations of the Company are complied with laws, and the relationship between labor and management is harmonious. Employees may report any opinions they have at work to their supervisors. They may also reflect such by telephone, letter, or e-mail, to maintain good interaction between employers and employees. The quarterly labor-management meetings are held to communicate and coordinate matters such as the Company's overview and the promotion of labor-management harmony.

(II) List any losses suffered by the company in the most recent fiscal year and up to the annual report publication date due to labor disputes (including any violations of the Labor Standards Act found in labor inspection, specifying the disposition dates, disposition reference numbers, the articles of law violated, the substance of the legal violations, and the content of the

dispositions), and disclosing an estimate of possible expenses that could be incurred currently and in the future and measures being or to be taken.

The Company values employee benefits and maintains harmonious labor-management relations. There have been no major labor disputes in the past two years and up to the publication date of the annual report, so there is no risk of related losses.

VI. Cyber security management

- (I) Describe the cyber security risk management framework, cyber security policies, concrete management programs, and investments in resources for cyber security management.

1. Information security risk management framework

The Company has assigned an information security officer, at least one information security personnel, and appropriate equipment to plan, monitor, and execute information security management in accordance with the laws and regulations of the relevant government departments. The Information Department is responsible for planning, coordinating, and executing information security measures for information security risk management of information system access, network, and servers; the programs of information security management and solutions are promoted every year based on the information security plans, and reported to the responsible security officer. The internal audit unit performs the review to ensure that the information security policy is implemented.

2. Cyber security policy and specific management programs

- (1) All personnel of the Company are responsible for maintaining information security and shall comply with the information security management regulations of the Company.
- (2) Formulate the internal audit plan for the information security management system, regularly review all personnel and the use of equipment within the scope of the information security management system, while formulating and implementing corrective and preventive measures according to the audit report.
- (3) The responsible unit for information security shall adjust and establish in accordance with the government's cyber security management policy, governmental laws and regulations, technologies, and the latest development of the Company's business.
- (4) The permission to use the information and network system is clearly regulated to prevent unauthorized access.
- (5) Establish the management mechanisms for system servers and network usage to coordinate the allocation and utilization of resources.
- (6) Before new systems and equipment are built and onboarded, risks and security factors must be taken into consideration to prevent situations that endanger information security.
- (7) Establish physical and environmental security protection measures for the data center, and perform related maintenance and services on a regular basis.
- (8) Establish business continuity management/ backup/ restore drills to ensure the continuous operation of the Company's business.
- (9) Conduct information security training on a regular basis to disseminate information security policies and related implementation regulations.
- (10) If there is a need for sub-contracting when performing the Company's outsourced business, the information security risk related to the sub-contracted business shall be assessed. Outsourced contractors were also required to supervise and manage subcontractors in accordance with information security-related regulations.
- (11) In the process of managing internal and external projects, the information security requirements related to the projects shall be clearly defined and stated to ensure the confidentiality, integrity and availability of internal and external project information, and to reduce the leakage of sensitive information (including personal information) and risk of non-compliance with laws and regulations.

3. Resources invested in cyber security management

The Company continues to invest resources in information security-related fields. Resource invested include improving the governance and technical infrastructure, strengthening information security defense equipment, intelligence monitoring and analysis, incident response exercises, and education and training, to comprehensively improve information security capabilities.

- (II) List any losses suffered by the company in 2023 and up to the annual report publication date due to significant cyber security incidents, the possible impacts therefrom, and measures being or to be taken: none.

VII. Important contract

As of now, the Company has not entered any important contract.

Six. Overview of financial status

I. Condensed Balance Sheet and Statement of Comprehensive Income for the Most Recent Five Years

(I) Condensed Balance Sheet
1. Parent-Only Condensed Balance Sheet

Unit: NT\$ thousand

Item	Year	Financial Information for the Most Recent Five Years				
		2019	2020	2021	2022	2023
Current asset		676,750	560,091	721,996	674,582	686,526
Property, Plant and Equipment		737,379	840,991	945,390	1,098,113	1,246,272
Intangible Assets		19,290	32,413	51,702	40,978	39,711
Other assets		3,867,325	3,740,479	3,764,105	4,425,895	4,764,287
Total assets		5,300,744	5,173,974	5,483,193	6,239,568	6,736,796
Current liabilities	Before distribution	1,337,959	1,659,987	1,847,865	2,011,025	2,466,708
	After distribution	1,644,172	1,787,576	2,103,043	2,291,720	2,785,680 (Note 2)
Non-current liabilities		503,144	348,552	360,443	255,100	118,571
Total liabilities	Before distribution	1,841,103	2,008,538	2,208,308	2,266,125	2,585,279
	After distribution	2,147,316	2,136,127	2,463,486	2,546,820	2,904,251 (Note 2)
Equity attributable to the owners of the parent company		3,459,641	3,165,435	3,274,885	3,973,443	4,151,517
Share capital		1,275,887	1,275,887	1,275,887	1,275,887	1,275,887
Additional paid-in capital	Before distribution	1,239,317	1,239,317	1,239,317	1,213,799	1,213,799
	After distribution	1,239,317	1,239,317	1,213,799	1,213,799	1,213,799
Retained earnings	Before distribution	937,353	764,496	972,201	1,424,384	1,582,207
	After distribution	631,140	636,907	742,541	1,143,689	1,263,235 (Note 2)
Other equity		7,084	(114,265)	(212,520)	59,373	79,624
Treasury shares		—	—	—	—	—
non-controlling interest		—	—	—	—	—
Total equity	Before distribution	3,459,641	3,165,435	3,274,885	3,973,443	4,151,517
	After distribution	3,153,428	3,037,846	3,019,707	3,692,750	3,832,545 (Note 2)

Note 1: All financial information above are audited by the CPAs.

Note 2: 2023 cash dividend was resolved by the Board of Directors on March 14, 2024.

2. Condensed Consolidated Balance Sheet

Unit: NT\$ thousand

Item	Year	Financial Information for the Most Recent Five Years					Up to 2024 March 31
		2019	2020	2021	2022	2023	
Current asset		2,514,546	2,295,753	2,707,320	3,231,340	3,534,048	3,653,555
Property, Plant and Equipment		1,395,247	1,472,345	1,575,044	1,747,251	1,942,798	2,002,066
Intangible Assets		1,973,406	1,782,286	1,645,363	1,690,492	1,591,282	1,640,757
Other assets		1,098,736	973,073	856,426	1,153,042	1,153,588	1,171,009
Total assets		6,981,935	6,523,457	6,784,153	7,822,125	8,221,716	8,467,387
Current liabilities	Before distribution	2,303,646	2,552,011	2,852,675	2,878,573	3,301,027	3,285,977
	After distribution	2,609,859	2,679,600	3,107,853	3,159,268	3,619,999 (Note 2)	3,285,977 (Note 2)
Non-current liabilities		1,218,648	806,011	656,593	970,109	769,172	1,101,252
Total liabilities	Before distribution	3,522,294	3,358,022	3,509,268	3,848,682	4,070,199	4,387,229
	After distribution	3,828,507	3,485,611	3,764,446	4,129,377	4,389,171 (Note 2)	4,387,229 (Note 2)
Equity attributable to the owners of the parent company		3,459,641	3,165,435	3,274,885	3,973,443	4,151,517	4,080,158
Share capital		1,275,887	1,275,887	1,275,887	1,275,887	1,275,887	1,275,887
Additional paid-in capital	Before distribution	1,239,317	1,239,317	1,239,317	1,213,799	1,213,799	1,213,799
	After distribution	1,239,317	1,239,317	1,213,799	1,213,799	1,213,799	1,213,799
Retained earnings	Before distribution	937,353	764,496	972,201	1,424,384	1,582,207	1,375,580
	After distribution	631,140	636,907	742,541	1,143,689	1,263,235 (Note 2)	1,375,580 (Note 2)
Other equity		7,084	(114,265)	(212,520)	59,373	79,624	214,892
Treasury shares		—	—	—	—	—	—
non-controlling interest		—	—	—	—	—	—
Total equity	Before distribution	3,459,641	3,165,435	3,274,885	3,973,443	4,151,517	4,080,158
	After distribution	3,153,428	3,037,846	3,019,707	3,692,748	3,832,545 (Note 2)	4,080,158 (Note 2)

Note 1: All financial information of each year above are audited by the CPAs, and the financial information for Q1 of the current year is reviewed by the CPAs

Note 2: 2023 cash dividend was resolved by the Board of Directors on March 14, 2023.

(II) Statement of Comprehensive Income

1. Parent-Only Statement of Comprehensive Income

Unit: NT\$ thousand

Item	Year	Financial Information for the Most Recent Five Years				
		2019	2020	2021	2022	2023
Operating Revenue		1,540,790	1,039,286	1,481,043	1,487,361	1,219,221
Gross Profit		698,379	415,788	491,473	570,960	533,567
Operating Income		415,914	185,606	225,567	281,961	253,711
Non-operating income and expenses		22,177	(15,794)	196,282	485,571	281,069
Net profit before tax		438,091	169,812	421,849	767,532	534,780
Net income for the period from continuing operations		352,096	148,632	336,590	678,609	433,232
Loss from discontinued operations		—	—	—	—	—
Net income (loss) for the period		352,096	148,632	336,590	678,609	433,232
Other comprehensive income (loss) for the period (net of Income Tax)		(69,180)	(136,625)	(99,551)	275,127	25,537
Total comprehensive income for the period		282,916	12,007	237,039	953,736	458,769
Net income attributable to owners of parent		352,096	148,632	336,590	678,609	433,232
Net income (loss) attributable to non-controlling interests		—	—	—	—	—
Total comprehensive income attributable to owners of parent		282,916	12,007	237,039	953,736	458,769
Total comprehensive income, attributable to non-controlling interests		—	—	—	—	—
Earnings per Share		2.76	1.16	2.64	5.32	3.40

Note 1: All financial information above are audited by the CPAs.

2. Consolidated Statement of Comprehensive Income

Unit: NT\$ thousand

Item	Year	Financial Information for the Most Recent Five Years					Up to 2024 March 31
		2019	2020	2021	2022	2023	
Operating Revenue		6,294,771	4,239,384	4,924,208	5,703,207	5,314,527	1,374,416
Gross Profit		2,234,971	1,595,788	1,953,227	2,220,844	2,210,683	576,216
Operating Income		469,235	61,914	422,310	501,051	526,248	129,853
Non-operating income and expenses		(24,892)	135,076	39,980	287,419	17,032	8,615
Net profit before tax		444,343	196,990	462,290	788,470	543,280	138,468
Net income for the period from continuing operations		352,096	148,632	336,590	678,609	433,232	112,345
Loss from discontinued operations		—	—	—	—	—	—
Net income (loss) for the period		352,096	148,632	336,590	678,609	433,232	112,345
Other comprehensive income (loss) for the period (net of Income Tax)		(69,180)	(136,625)	(99,551)	275,127	25,537	135,268
Total comprehensive income for the period		282,916	12,007	237,039	953,736	458,769	247,613
Net income attributable to owners of parent		352,096	148,632	336,590	678,609	433,232	112,345
Net income (loss) attributable to non-controlling interests		—	—	—	—	—	—
Total comprehensive income attributable to owners of parent		282,916	12,007	237,039	953,736	458,769	247,613
Total comprehensive income, attributable to non-controlling interests		—	—	—	—	—	—
Earnings per Share		2.76	1.16	2.64	5.32	3.40	0.88

Note 1: All financial information of each year above are audited by the CPAs, and the financial information for Q1 of the current

year is reviewed by the CPAs

(III) Names of CPAs and audit opinion thereof

Year	Name of CPA	Audit Opinion
2019	Huang, Zhi-Ping and Yen, Wen-Bi, EY Taiwan	Unqualified opinion
2020	Huang, Zhi-Ping and Huang, Yu Ting, EY Taiwan	Unqualified opinion
2021	Huang, Zhi-Ping and Huang, Yu Ting, EY Taiwan	Unqualified opinion
2022	Huang, Yu Ting and Yen, Wen-Bi, EY Taiwan	Unqualified opinion
112	Huang, Yu Ting and Tu, Chin Yuan, EY Taiwan	Unqualified opinion

II. Financial Analysis for the Most Recent Five Years

(I) Financial Analysis for the Most Recent Five Years (Parent-Company Only) - IFRSs Adopted

Item (Note 2)		Fiscal year (Note 1)	Financial Information for the Most Recent Five Years				
			2019	2020	2021	2022	2023
Financial structure (%)	Debt to assets ratio		34.73	38.82	40.27	36.31	38.37
	Ratio of long-term capital to property, plant and equipment		537.09	417.58	383.59	384.36	341.93
Solvency (%)	Current ratio		50.58	33.74	39.07	33.54	27.83
	Quick ratio		33.44	18.50	28.21	23.47	20.00
	Times interest earned		26.55	12.74	31.28	39.07	19.57
Operating performance	Accounts receivable turnover (times)		5.84	5.03	5.89	4.55	3.87
	Average collection days		62.50	72.56	61.96	80.21	94.31
	Inventory turnover (times)		3.53	2.54	4.30	4.55	3.48
	Accounts payable turnover (times)		8.92	6.58	9.72	10.99	10.03
	Average collection days		103.39	143.70	84.88	80.21	104.88
	Property, plant and equipment turnover (times)		2.41	1.31	1.65	1.45	1.04
	Total asset turnover (times)		0.29	0.19	0.27	0.25	0.18
Profitability	Return on total assets (%)		6.94	3.05	6.52	11.85	7.03
	Return on equity (%)		10.21	4.48	10.45	18.72	10.66
	Ratio of income before tax to paid-in capital (%) (Note 7)		34.33	13.30	33.06	60.15	41.91
	Net profit margin (%)		22.85	14.30	22.72	45.62	35.53
	Earnings per share (NT\$)		2.76	1.16	2.64	5.32	3.40
financing activities	Cash flow ratio (%)		36.99	12.55	13.53	19.06	8.63
	Cash flow adequacy ratio (%)		39.99	32.62	28.16	30.96	67.13
	Cash reinvestment ratio (%)		5.46	(2.48)	3.02	2.74	(1.43)
Leverage	Operating leverage		1.19	1.36	1.74	1.36	1.16
	Financial leverage		1.04	1.08	1.06	1.07	1.13

The causes of changes in the financial ratios in the most recent 2 fiscal years (increase or decrease is 20% or more) are described as below:

1. Lower interest coverage ratio: mainly due to lower profits.
2. Decrease in inventory turnover: mainly due to the decrease in cost of goods sold.
3. Increase in average sales days: mainly due to the decrease in sales cost.
4. Decrease in the turnover rate of property, plant and equipment: mainly due to the increase in property, plant and equipment and the decrease in net sales.
5. Decrease in the turnover rate of total assets: mainly due to the increase in total assets and the decrease in net sales.
6. Lower return on assets: mainly due to lower profits.
7. Lower return on equity: mainly due to lower profits.
8. Decrease in the ratio of net income before tax to paid-in capital: mainly due to the decrease in profit.
9. Decrease in net profit margin: mainly due to the decrease in profit.
10. The decrease in earnings per share (NTD) is mainly due to the decrease in profits.
11. Cash flow ratio decrease: mainly due to the increase of current liabilities and the decrease of net cash flow from operating activities.
12. Increase in cash flow adequacy ratio: mainly due to the decrease in capital expenditure.
13. Cash reinvestment ratio decreased: mainly due to the decrease in net cash flow from operating activities.

Note 1: All financial information above are audited by the CPAs.

(II) Financial Analysis for the Most Recent Five Years (Consolidated) - IFRSs Adopted

Fiscal year (Note 1)	Financial Information for the Most Recent Five Years	As of 2024
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Item (Note 2)		2019	2020	2021	2022	2023	M a r c h 3 1
Financial structure (%)	Debt to assets ratio	50.44	51.47	51.72	49.20	49.50	51.81
	Ratio of long-term capital to property, plant and equipment	315.53	261.70	247.27	257.34	230.97	237.76
Solvency (%)	Current ratio	109.15	89.95	94.90	112.25	107.05	111.18
	Quick ratio	69.77	58.39	60.94	67.14	76.27	78.70
	Times interest earned	9.86	6.26	18.09	36.48	10.85	11.57
Operating performance	Accounts receivable turnover (times)	6.01	5.08	6.55	7.12	6.37	6.01
	Average collection days	60.73	71.85	55.72	51.26	57.29	60.73
	Inventory turnover (times)	4.69	2.97	3.19	3.00	2.64	3.05
	Accounts payable turnover (times)	6.94	5.86	6.75	6.87	6.58	6.92
	Average collection days	77.82	122.89	114.42	121.66	138.25	119.67
	Property, plant and equipment turnover (times)	4.65	2.95	3.23	3.43	2.88	2.78
	Total asset turnover (times)	0.91	0.62	0.74	0.78	0.66	0.65
Profitability	Return on total assets (%)	5.71	2.64	5.38	9.72	5.95	5.89
	Return on equity (%)	10.21	4.48	10.45	18.72	10.66	2.72
	Ratio of income before tax to paid-in capital (%) (Note 7)	34.82	15.43	36.22	61.79	42.58	10.85
	Net profit margin (%)	5.59	3.50	6.83	11.89	8.15	8.17
	Earnings per share (NT\$)	2.76	1.16	2.64	5.32	3.40	0.88
financing activities	Cash flow ratio (%)	30.58	15.49	21.31	15.93	25.14	2.92
	Cash flow adequacy ratio (%)	44.16	41.13	41.86	43.79	94.19	54.41
	Cash reinvestment ratio (%)	17.01	3.82	18.53	7.12	16.08	2.65
Leverage	Operating leverage	1.85	7.73	2.01	1.85	1.72	1.78
	Financial leverage	1.11	2.54	1.06	1.08	1.11	1.11

The causes of changes in the financial ratios in the most recent 2 fiscal years (increase or decrease is 20% or more) are described as below:

1. Lower interest coverage ratio: mainly due to lower profits.
2. Lower return on assets: mainly due to lower profits.
3. Lower return on equity: mainly due to lower profits.
4. Decrease in the ratio of net income before tax to paid-in capital: mainly due to the decrease in profit.
5. Decrease in net profit margin: mainly due to the decrease in profit.
6. The decrease in earnings per share (NTD) is mainly due to the decrease in profits.
7. Increase in cash flow ratio: mainly due to the increase in the net cash flow from operating activities.
8. Increase in cash flow adequacy ratio: mainly due to the decrease in capital expenditure.
9. Increase of cash reinvestment ratio: mainly due to the increase of cash inflow from net operating activities.

Note 1: All financial information of each year above are audited by the CPAs, and the financial information for Q1 of the

Note 2: current year is reviewed by the CPAs.

As of the publication date of the annual report, if there is any information of the TWSE or OTC listed company for

Note 3: the most recent fiscal year has been audited and attested, or reviewed by the CPAs.

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

1. Financial structure

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

2. Solvency:

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

3. Operating performance:

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

(7) Total asset turnover = net sales / average total assets.

4. Profitability:

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

5. Cash flow

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

Note 4:

6. Leverage

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

Special attention should be paid to the following when calculating earnings per share by the above equation:

1. The weighted average quantity of outstanding common shares shall be taken as the standard, not the quantity of outstanding shares at the end of the year.

Note 5:

2. If there is any cash capital increase or treasury stock transaction, take the circulation periods into account when calculating the weighted average quantity of outstanding shares.
3. If there is any capitalization of retained earnings or capital surplus, the annual and semi-annual earnings per share of past years shall be retrospectively adjusted pro rata to the size of the capital increase, without considering the issuance period of the capital increase.
4. If the preferred shares are non-convertible cumulative preferred shares, the dividend for the fiscal year (whether it

Note 6:

has been distributed or not) shall be deducted from the net income after tax or added to the net loss after tax. If the preferred shares are non-cumulative, the dividend shall be deducted from the net income after tax if there is

Note 7:

net income after tax and no adjustment is required in case there is loss.

Special attention shall be paid to the following when making the calculations for cash flow analysis:

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

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

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

III. Latest Review Report of the Audit Committee for the Financial Report of the Most Recent Year

GENERAL PLASTIC INDUSTRIAL CO., LTD.
Review Report of the Audit Committee

The Board of Directors has duly prepared the Company's Business Report, Financial Statements (including Consolidated Financial Statements) and Proposal for Earnings Distribution for the 2023. The financial statements have been audited by the attesting CPAs Huang, Yu Ting and Tu, Chin Yuan of Ernst and Young Taiwan and an Auditor's Report has been issued thereon.

The Company's Business Report, Financial Statements (including Consolidated Financial Statements) and Proposal for Earnings Distribution for the 2023 were reviewed by the Audit Committee and found to be in order. In accordance with Article 14-4 of the Securities and Exchange Act and Article 219 of the Company Act, the accompanying report has is hereby prepared and presented for review.

Yours faithfully,

2024 Annual General Shareholders' Meeting, General Plastic Industrial Co., Ltd.

Audit Committee Convener:

March 14, 2024

IV. Financial statement for the most recent fiscal year, including an auditor's report prepared by a certified public accountant, and 2-year comparative balance sheet, statement of comprehensive income, statement of changes in equity, cash flow chart and any related footnotes or attached appendices:

Please refer to Page 99 to Page 196.

V. Parent-only financial recent of the most recent year audited and attested by the CPAs but not including the statements of major accounting items.

Please refer to Page 197 to Page 280.

VI. If the company or its affiliates have experienced financial difficulties in the most recent fiscal year or during the current fiscal year up to the date of publication of the annual report, the annual report shall explain how said difficulties will affect the company's financial situation: None.

Seven. Review and analysis of financial position and financial performance, and a listing of risks

I. Financial position

(I) Comparison and analysis table of financial position - consolidated

Item \ Year	2023	2022	Difference	
			Amount	%
Current asset	3,534,048	3,231,340	302,708	9.37
Property, Plant and Equipment	1,942,798	1,747,251	195,547	11.19
Intangible Assets	1,591,282	1,690,492	(99,210)	(5.87)
Other assets	1,153,588	1,153,042	546	0.05
Total assets	8,221,716	7,822,125	399,591	5.11
Current liabilities	3,301,027	2,878,573	422,454	14.68
Non-current liabilities	769,172	970,109	(200,937)	(20.71)
Total liabilities	4,070,199	3,848,682	221,517	5.76
Equity attributable to the owners of the parent company	4,151,517	3,973,443	178,074	4.48
Share capital	1,275,887	1,275,887	0	0.00
Additional paid-in capital	1,213,799	1,213,799	0	0.00
Retained earnings	1,582,207	1,424,384	157,823	11.08
Other equity	79,624	59,373	20,251	34.11
Total equity	4,151,517	3,973,443	178,074	4.48

The causes of changes in the financial ratios in the most recent 2 fiscal years are described as below (increase or decrease is 20% or more):

1. Decrease in non-current liabilities: mainly due to the decrease in long-term borrowings.
2. Increase in other equity: mainly due to the changes in exchange difference from the translation of financial statements of investment in foreign operations.

II. Financial performance

(I) Main reasons for any material change in operating revenues, operating income, or income before tax during the past 2 fiscal years

Unit: NT\$ thousand

Item	Year	2023	2022	Increase/decrease	
				Amount	Percentage of change %
Net operating revenue		5,314,527	5,703,207	(388,680)	(6.82)
Operating costs		(3,103,844)	(3,482,363)	378,519	(10.87)
Gross Profit		2,210,683	2,220,844	(10,161)	(0.46)
Operating expenses		(1,684,435)	(1,719,793)	35,358	(2.06)
Net operating profit		526,248	501,051	25,197	5.03
Non-operating income and expenses		17,032	287,419	(270,387)	(94.07)
Net profit before tax		543,280	788,470	(245,190)	(31.10)
Income tax expense		(110,048)	(109,861)	(187)	0.17
Net profit of the period		433,232	678,609	(245,377)	(36.16)
Total other comprehensive income (net amount after tax)		25,537	275,127	(249,590)	(90.72)
Total comprehensive income for the period		458,769	953,736	(494,967)	(51.90)

Analysis of changes in the percentage of increase or decrease: (the change of percentage reaches 20%)

1. Increase in non-operating income and expenses: mainly due to the gains from the sales of lands in Cambodia in 2022.
2. Increase in net profit before tax: mainly due to the gains from the sales of lands in Cambodia in 2022.
3. Increase in net profit of the period: mainly due to the gains from the sales of lands in Cambodia in 2022.
4. Increase in total other comprehensive income: mainly due to the changes in exchange difference from the translation of financial statements of investment in foreign operations.
5. Increase in total comprehensive income of the period: mainly due to the gains from the sales of lands in Cambodia in 2022.

(II) Sales volume forecast and the basis therefor, and describe the effect upon the company's financial operations as well as measures to be taken in response

The Company's sales volume of toner cartridges and photosensitive drum precision gears in 2024 are expected to be 9,306 thousand pcs and 4,897 thousand pcs, respectively. The sales of guest rooms and food and beverage of Others - Tourist Hotel Division are estimated to be 55 thousand rooms and 113 thousand customers, respectively. The Company's existing production capacity and financial status are sufficient to meet the sales needs, and there is no significant effect. However, it is still necessary to strengthen product development, marketing and cost control to increase the Company's overall revenue and profitability.

III. financing activities

(I) Analysis of liquidity for the most two recent years

Item	Year	2023	2022	Percentage of increase (decrease) (%)
	Cash flow ratio		25.14	15.93
Cash flow adequacy ratio		94.19	43.79	115.09%
Cash reinvestment ratio		16.08	7.12	125.84%
The causes of increase or decrease of 20% or more)				
1. Increase in cash flow ratio: mainly due to the increase in net cash flow from operating activities.				
2. Increase in cash flow adequacy ratio: mainly due to the decrease in capital expenditure.				
3. Increase of cash reinvestment ratio: mainly due to the increase of cash inflow from net operating activities.				

(II) Liquidity analysis for the coming year

Unit: NT\$ thousand

Cash balance, beginning (1)	Expected net cash flow from operating activities (2)	Expected net cash flow from investing activities for the year (3)	Expected net cash flow from financing activities for the year (4)	Projected cash surplus (deficit) (1)+(2)+(3)+(4)	Remedial measures for cash deficits or supplementary measures to retain certain cash balance	
					Investing activities	Financing activities
175,900	112,100	(234,885)	164,778	217,893	—	—

IV. Effect upon financial operations of any major capital expenditures during the most recent fiscal year: none.

V. The reinvestment policy for the most recent fiscal year, the main reasons for the profits/losses generated thereby, the plan for improving re-investment profitability, and investment plans for the coming year

(I) The most recent year

1. Information on reinvestees

Name of Investment Company	Name of investee	Location	Main business	Original amount invested		Holding at the end of period			Investee profit or loss for the period	The profit or loss recognized by the Company	Remarks
				End of the period	End of the previous period	Shares	Ratio	Carrying amount			
GENERAL PLASTIC INDUSTRIAL CO., LTD.	Jiou Fu Co., Ltd.	Taiwan	Real estate transaction, land development, and tourist hotels	\$700,000	\$700,000	70,000,000 shares	100%	\$680,531	\$61,237	\$61,237	
GENERAL PLASTIC INDUSTRIAL CO., LTD.	GPI Co.(SAMOA) Ltd.	Samoa	Investment and holding	\$595,932 (USD20,000,000)	\$595,932 (USD20,000,000)	20,000,000 shares	100%	\$905,653	\$17,558	\$17,558	
GENERAL PLASTIC INDUSTRIAL CO., LTD.	GPIKT (BVI) CO., LTD	British Virgin Islands	Investment and holding	\$30 (USD1,000)	\$30 (USD1,000)	1,000 shares	100%	\$31	\$-	\$-	
GENERAL PLASTIC INDUSTRIAL CO., LTD.	GPIKT DE, INC.	The U.S.	Investment and holding	\$2,858,666 (USD97,100,000)	\$2,858,666 (USD97,100,000)	971 shares	100%	\$3,080,967	\$199,635	\$189,957	Note 1, Note 3
GENERAL PLASTIC INDUSTRIAL CO., LTD.	TJ Office Solution Co.,Ltd.	Cambodia	Leases of copier	\$9,648 (USD347,529)	\$9,648 (USD347,529)	1,000 shares	100%	\$3,824	\$(639)	\$(639)	
GENERAL PLASTIC INDUSTRIAL CO., LTD.	WeKare Co., Ltd.	Taiwan	Wholesale and retail of medical devices	\$20,000	\$20,000	2,000,000 shares	100%	\$1,120	\$(1,583)	\$(1,760)	Note 2
GPIKT DE, INC.	KATUN HOLDINGS LP	The U.S.	Investment and holding	\$2,831,108 (USD96,132,708)	\$2,831,108 (USD96,132,708)	211,621 shares	100%	\$2,805,669	\$241,939	Consolidated into subsidiaries	

Note 1: The investment income of investees recognized in the current period includes the investment income of reinvested companies recognized by these companies.

Note 2: The investment income of the investees recognized in the current period include the investment income of these companies generated from the up-stream and down-stream transactions.

Note 3: If a public company has a foreign holding company that prepares consolidated financial statements as its primary financial statement in accordance with local laws and regulations, the disclosure of the foreign invested company information may be only these related to the holding company.

(2) Investment plan for the coming year: the investment plan will be arranged depending on the operational needs of the Company and the invested enterprise.

VI. Risks

(I) Effect upon the company's profits (losses) of interest and exchange rate fluctuations and changes in the inflation rate, and response measures to be taken in the future

1. Interest rate: the interest rate risk of the Company mainly comes from borrowings with floating interest rates and borrowings with fixed interest rates. However, the Company has a sound financial structure and maintains long-term cooperative relations with financial institutions with reasonable interest rate. Net interest income accounted for approximately 0.74% of the net income before tax in 2023, which has little impact on the Company's profit or loss. In addition, the Company will continue to observe the market interest rate trends in daily operations and make necessary adjustments.
2. Exchange rate: the Company's business activities are mainly denominated in USD. Therefore, fluctuations in exchange rates will have relative impacts on the Company. For purchases and sales denominated in foreign currencies, the recurring purchases and sales are offset against each other, for the certain hedging effect over the exchange rate fluctuations. If necessary, appropriate hedging instruments are adopted, such as sale of foreign exchange with forwards in advance, to reduce the effect of exchange rate fluctuations on the Company's profit and loss. The net foreign currency exchange gain accounted for about 5.07% of the pre-tax net profit in 2023, which had little impact on the Company's profit or loss. Since the exchange rate of TWD are in the range of great volatility, the Company will continuously assesses proper hedging tools to lower the impacts from the exchange rate fluctuations.
3. Inflation: The Company will continue to monitor the changes in the external environment and conditions, flexibly adjust inventory and adjust product selling prices appropriately to avoid the impact of inflation on the Company's raw material costs and profits.

(II) Policy regarding high-risk investments, highly leveraged investments, loans to other parties, endorsements, guarantees, and derivatives transactions; the main reasons for the profits/losses generated thereby; and response measures to be taken in the future

1. Currently, the Company is not engaged in any high-risk or highly leveraged investments.
2. When making endorsements and guarantees for others, the "Regulations Governing Making Endorsements and Guarantees" are complied with, and the approval upon the Board's resolution must be obtained. Currently, the Company only makes endorsement and guarantee to the subsidiaries, and the amount of endorsement and guarantee does not exceed 100% of the Company's net worth.
3. When loaning of funds to others, the "Regulations Governing Loaning of Funds to Others" are complied with, and the approval upon the Board's resolution must be obtained. For short-term financing facilities, the loaning of funds shall not exceed 40% of the Company's net worth. Between the foreign companies in which 100% of shares with voting right held by the subsidiaries directly or indirectly, the total amount of loaned funds shall not exceed 200% of the lender's net worth, and 100% for the lender's net worth for each individual loan; no loans were made to others in 2023.
4. When engaging in derivative trading, the "Operational Procedures for Acquisition and Disposal of Assets" are strictly complied with. The aim of all foreign exchange forwards tradings is to hedge the exchange risks of the foreign currency accounts receivable held, but not for unnecessary investments.

(III) Future R&D plans and expected expenses invested in R&D

In 2024, the Company plans to develop black and color toner cartridges, as well as drum units, for Kyocera, Canon, Ricoh, Sharp, Konica Minolta, Toshiba series. Kyocera's new generation of models will be gradually launched this year, which is one of the important products. As for the newly developed gear components, they will not only be applied to printer and copier consumables but also expanded to different fields. Under the trend of energy-saving and carbon reduction, recycled and environmentally friendly materials will be extensively used in new products, subject to functional feasibility. Additionally, the Company will increase Canon product items for refilling empty OEM cartridges to expand the product line. Regarding chips, the company will continue to

invest in the research and development of high-difficulty chips with partners, while also increasing the projects for remanufacturing OEM chips. The goal is to continuously enhance the Company's competitiveness and provide users with environmentally friendly, high-quality, and reasonably priced products. The projected research and development expenditure is NT\$165,063 thousand.

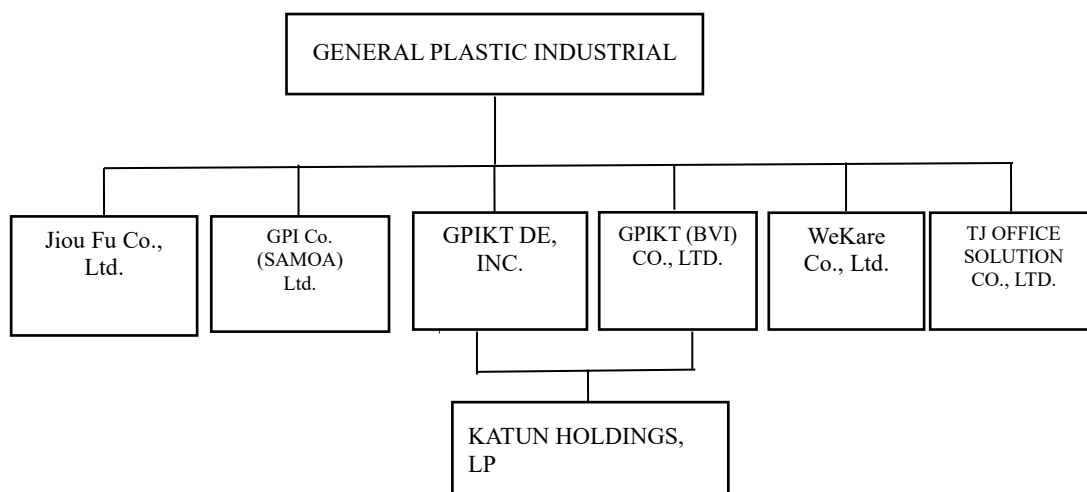
- (IV) Effect on the company's financial operations of important policies adopted and changes in the legal environment at home and abroad
The Company has cooperated with the government policies and regulations of the competent authority. So far, there is no material effect on the finance and business.
- (V) Effect on the company's financial operations of developments in science and technology as well as industrial changes
The Company is committed to the acquisition and R&D of new products and technologies. In addition to strategic cooperation with domestic and foreign research units from time to time, the R&D Department also keeps track of the pulse of relevant technologies and patents on the market. The Company has established the regulations of information management to implement the internal control system and maintain the information security policies. The Information Department's operations comply with the procedures required by the Company for the implementation, to ensure the completeness and security of data. During the most recent fiscal year and as they stood on the date of publication of the annual report, there was no developments in science and technology or industrial change affecting materially to the Company's finance and business.
- (VI) Effect on the company's crisis management of changes in the company's corporate image
The Company has been committed to maintaining its corporate image and complying with regulations over the years. As of now, no circumstance affecting the corporate image has occurred.
- (VII) Expected benefits and possible risks associated with any merger and acquisitions, and mitigation measures being or to be taken: as of the publication date of the annual report, there has been no plans for merger and acquisition
- (VIII) Expected benefits and possible risks associated with any plant expansion, and mitigation measures being or to be taken: the Company is constructing the new operating headquarter will continue to focus on the vertical integration of the Group's units of global procurement, development, production, and logistics, and the Company will further improve the management to maintain the internal high responsive capability to the external market, improve management efficiency, and streamline related expenses; it is expected to be used by the end of 2023 (depending on the actual on-site conditions).
- (IX) Risks associated with any consolidation of sales or purchasing operations and mitigation measures being or to be taken.
1. Purchases: the Company's largest purchaser accounted for 12.36% of the total purchases in 2023. Therefore, there is no risk of consolidation of purchases.
 2. Sales: The Company did not have sales to a single customer that accounted for 10% or more of the net sales in 2023, so there is no risk of concentration of sales.
- (X) Effect upon and risk to the company in the event a major quantity of shares belonging to a director or shareholder holding greater than a 10 percent stake in the company has been transferred or has otherwise changed hands, and mitigation measures being or to be taken: none.
- (XI) Effect upon and risk to company associated with any change in governance personnel or top management, and mitigation measures being or to be taken: not applicable
- (XII) Major litigious, non-litigious or administrative disputes that: (1) involve the company and/or any company director, the general manager, any person with actual responsibility for the firm, any major shareholder holding a stake of greater than 10 percent, and/or any company or companies controlled by the company; and (2) have been concluded by means of a final and unappealable judgment, or are still under litigation. Where such a dispute could materially affect shareholders' equity or the prices of the company's securities, the annual report shall disclose the facts of the dispute, amount of money at stake in the dispute, the date of litigation commencement, the main parties to the dispute, and the status of the dispute as of the date of publication of the annual report
- (XIII) Other important risks, and mitigation measures being or to be taken: none.

VII. Other important matters: none

Eight: Special Items to be Included

I. Information related to the company's affiliates (Note)

(I) Organizational chart of affiliates



(II) Name, date of incorporation, address, paid-in capital and main business of each affiliates

Unit: NT\$ thousand

Name of company	Date of incorporation	Location	Original investment amount at the end of 2023	Percentage of shareholding	Main business
Jiou Fu Co., Ltd.	2006.10.18	No. 388, Section 2, Dazhi Road, Wuqi District, Taichung City	\$700,000	100%	Real estate transaction, land development, and tourist hotels
GPI Co. (Samoa) Ltd.	2011.03.29	Offshore chambers ,P.O.Box 217, Apia, Samoa	\$595,932	100%	Investment and holding
GPIKT (BVI) CO., LTD.	2017.8.21	Sertus Chambers,3 rd Floor, Quastisky Building, Road Town, Tortola, British Virgin Island	\$30	100%	Investment and holding
GPIKT DE, INC.	2017.08.24	3500 South Dupont Highway,Dover,Delaware19901,USA	\$2,858,666	100%	Investment and holding
KATUN HOLDINGS, LP	2018.01.08	1209 Orange Street, Wilmington, DE 19801,New Castle County	\$2,831,108	100%	Investment and holding
WeKare Co., Ltd.	2021.01.05	1F., No. 498-1, Sec. 1, Yongxing Rd., Wuqi Dist., Taichung City	\$20,000	100%	Wholesale and retail of medical devices
TJ OFFICE SOLUTION CO., LTD.	2021.12.23	TJ's address:No.363,Street590, SangkatBoeungKakTiPi,KhanToul Kork, PhnomPenh, Cambodia.	\$9,648	100%	Leases of copier

(III) Information on directors, supervisors, and president of each affiliates

Name of company:	Title	Name or representative	Shareholding	
			Number of shares or amount of capital paid	Percentage
Jiou Fu Co., Ltd.	Chairman Directors Supervisor	Representative of General Plastic Industrial Co., Ltd. Wang, Jui-Hung Representative of General Plastic Industrial Co., Ltd. Wang, Jui-Chi, Wang, Kuo-Yin Representative of General Plastic Industrial Co., Ltd. Wang-Lai, Ming-Yue	70,000,000 shares	100%
GPI Co. (Samoa) Ltd.	Chairman	Representative of General Plastic Industrial Co., Ltd. Wang, Kuo-Ying	20,000,000 shares	100%
GPIKT (BVI) CO., LTD.	Chairman	Representative of General Plastic Industrial Co., Ltd. Wang, Jui-Hung	1,000 shares	100%
GPIKT DE, INC.	Director	Wang, Kuo-Ying	971 shares	100%
KATUN HOLDINGS, LP	Chairman Director Director Director Director	Wang, Kuo-Ying Wang, Jui-Hung Wang, Jui-Chi Huang, Huai-De Wang, Yi-Ting	211,621 shares	100%
WeKare Co., Ltd.	Chairman	Representative of General Plastic Industrial Co., Ltd. Wang, Kuo-Ying	2,000,000 shares	100%
TJ OFFICE SOLUTION CO., LTD.	Chairman	Representative of General Plastic Industrial Co., Ltd. Wang, Kuo-Yin	1,000 shares	100%

(IV) Operational overview of each affiliated enterprise

Name of company	Paid-up capital	Total assets	Total liabilities	per share	Operating Revenue	Operating income (loss)	Unit: NTS thousand	
							Profit and loss of the period (after tax)	Earnings per Share (NTS) (after tax)
Jiou Fu Co., Ltd.	700,000	737,166	56,635	680,531	210,754	65,984	61,237	—
GPI Co. (Samoa)Ltd.	595,932	912,982	7,329	905,653	-	(14,501)	17,558	—
GPIKT (BVI) CO., LTD.	30	31	-	31	-	-	-	—
GPIKT DE, INC.	2,858,666	3,325,422	194,451	3,130,971	-	(116,703)	199,635	—
KATUN HOLDINGS, LP	2,831,108	2,938,503	1,462,821	1,475,682	4,598,734	338,939	241,939	—
WeKare Co., Ltd.	20,000	1,120	-	1,120	172	(592)	(1,583)	—
TJ OFFICE SOLUTION CO., LTD.	9,648	4,307	483	3,824	995	(639)	(639)	—

(V) Reports on affiliations: please refer to page 99

Note: the information on affiliates are disclosed as the information of reinvestees in the notes to financial statements.

II. Private placement of securities during the most recent fiscal year or during the current fiscal year up to the date of publication of the annual report: None.

III. Holding or disposal of shares in the company by the company's subsidiaries during the most recent fiscal year or during the current fiscal year up to the date of publication of the annual report: None.

IV. Other matters that require additional description: None.

V. Any situation listed in Article 36, paragraph 3, subparagraph 2 of the Securities and Exchange Act, which might materially affect shareholders' equity or the price of the company's securities, has occurred during the most recent fiscal year or during the current fiscal year up to the date of publication of the annual report: None.

REPRESENTATION LETTER

The entities that are required to be included in the combined financial statements of GENERAL PLASTIC INDUSTRIAL CO., LTD. as of and for the year ended December 31, 2023, under the Criteria Governing the Preparation of Affiliation Reports, Consolidated Business Reports and Consolidated Financial Statements of Affiliated Enterprises are the same as those included in the consolidated financial statements prepared in conformity with the International Financial Reporting Standard 10 “Consolidated Financial Statements”. In addition, the information required to be disclosed in the combined financial statements is included in the consolidated financial statements. Consequently, GENERAL PLASTIC INDUSTRIAL CO., LTD. and subsidiaries do not prepare a separate set of combined financial statements.

Hereby certified.

GENERAL PLASTIC INDUSTRIAL CO., LTD.

Wang, Jui-Hung
Chairman

March 14, 2024

Independent Auditors' Report Translated from Chinese

To GENERAL PLASTIC INDUSTRIAL CO., LTD.

Opinion

We have audited the accompanying consolidated balance sheets of GENERAL PLASTIC INDUSTRIAL CO., LTD. and its subsidiaries (the “Group”) as of December 31, 2023 and 2022, and the related consolidated statements of comprehensive income, changes in equity and cash flows for the years ended December 31, 2023 and 2022, and notes to the consolidated financial statements, including the summary of material accounting policies (together “the consolidated financial statements”).

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the consolidated financial position of the Group as of December 31, 2023 and 2022, and its consolidated financial performance and cash flows for the years ended December 31, 2023 and 2022, in conformity with the requirements of the Regulations Governing the Preparation of Financial Reports by Securities Issuers and International Financial Reporting Standards, International Accounting Standards, Interpretations developed by the International Financial Reporting Interpretations Committee or the former Standing Interpretations Committee as endorsed and became effective by Financial Supervisory Commission of the Republic of China.

Basis for Opinion

We conducted our audits in accordance with the Regulations Governing Financial Statement Audit and Attestation Engagements of Certified Public Accountants and the Standards on Auditing of the Republic of China. Our responsibilities under those standards are further described in the *Auditors' Responsibilities for the Audit of the Consolidated Financial Statements* section of our report. We are independent of the Group in accordance with the Norm of Professional Ethics for Certified Public Accountant of the Republic of China (the “Norm”), and we have fulfilled our other ethical responsibilities in accordance with the Norm. 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 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, and we do not provide a separate opinion on these matters.

Inventory Valuation

As of December 31, 2023, the amount of net inventories of the Group was NTD959,522 thousand, which represented 11% of the total consolidated assets and was significant to the financial statements. The Group specializes in manufacturing and selling toner cartridges of photocopiers, laser printers and OPC Drum Gears. The determination of the provisions for obsolete inventories involved a high level of management judgment, and were subject to uncertainty due to product diversity. Furthermore, the cost of inventory included direct labor, raw material, and overhead, and the calculation and allocation were complex. Also, the allocation basis could have a material impact on the financial statements. As such, we determined this to be a key audit matter. Our audit procedures included, but were not limited to, understanding and testing the design and operating effectiveness of internal control over inventory cost and allowance for inventory; performing inventory price testing to verify the allocation of cost, direct labor, and overhead is reasonable; assessing the appropriateness of the policy of provision for excess and obsolete inventory by testing the accuracy of inventory ageing and analyzing movement of the ageing, analyzing the difference between the policy of the current year and the prior year, and analyzing the difference between the historical provisions and the actual write-off amount; verifying that inventories were valued at the lower of cost or net realizable value by comparing the book value of inventories at the balance sheet date with recent sales price on selected samples; verifying the existence and completeness of inventories by tracing items on the final inventory listing to the physical inventory compilation; attending inventory counts to understand the status of the inventories and evaluate the appropriateness of the excess and obsolescence provision. We also considered the appropriateness of the disclosure of inventory in Note 6 to the consolidated financial statements.

Goodwill Impairment

As of December 31, 2023, the carrying value of goodwill amounted to NTD1,039,915 thousand, which represented 12% of the total assets. The Company performed impairment testing on the cash-generating units according to the International Financial Reporting Standards. The recoverable amount of the cash-generating units has been determined based on the value in use because their fair value cannot be reliably measured. The impairment testing indicated that the value in the use of certain cash-generating units was higher than their carrying amount. Because the carrying amounts of goodwill were significant to the Group, the determination of value in use was complex, as it involved significant management judgment when making assumptions about cash flow forecasts. We identified goodwill impairment as a key audit matter. Our audit procedures include, but are not limited to, evaluating the management's assessment approaches and assumptions of value in use; evaluating the reasonableness of key assumptions used by management, such as growth rates, discount rates, gross margin, and evaluating the reasonableness of key components of discount rates, such as cost of equity, company-specific risk premium and market risk premium by comparing them to other companies of similar size with the cash-generating units; interviewing management and assessing the reasonableness of assumptions used in their financial forecast, such as cash flows, gross margin, growth rates, the overall market and economic conditions; comparing the actual financials to date with previously forecast financials and analyzing the Group's historical data and performance to assess the reasonableness of the cash flow forecast. We also assessed the adequacy of the disclosures related to the result of impairment test and assumption's sensitivity in Notes 4 and 6 to the consolidated financial statements.

Revenue Recognition

The primary source of income of the Group is derived from sale of OEM-compatible imaging consumables and supplies, such as toner cartridges and drum gears for office equipment. Based on the varying contract terms in different distribution channels and sales models, it is significant to determine the timing when the control of goods is transferred and performance obligation is satisfied for the consolidated financial statements. We identified revenue recognition as a key audit matter. Our audit procedures include, but are not limited to, understanding and testing the effectiveness of internal controls related to revenue recognition in the sales cycle; selecting samples to perform the test of details of the sales transactions; reviewing the performance obligations of the orders or contracts and confirming the timing of performance obligation satisfaction against the related supporting documents to verify the correctness of the timing of revenue recognition; performing the cut-off testing for periods before and after the balance sheet date; and conducting analytical procedures for goods sold based on product types, regions, monthly sales revenue, and gross margin. We also considered the appropriateness of the disclosure of operating revenue in Note 6 to the consolidated financial statements.

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 requirements of the Regulations Governing the Preparation of Financial Reports by Securities Issuers and International Financial Reporting Standards, International Accounting Standards, Interpretations developed by the International Financial Reporting Interpretations Committee or the former Standing Interpretations Committee as endorsed by Financial Supervisory Commission of the Republic of China and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the ability to continue as a going concern, of the Group 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 financial reporting process of the Group.

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 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 internal control of the Group.
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 ability to continue as a going concern of the Group. 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 accompanying notes, 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 2023 consolidated financial statements 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.

Others

We have audited and expressed an unqualified opinion on the parent company only financial statements of the Company as of and for the years ended December 31, 2023 and 2022.

Huang, Yu Ting

Tu, Chin Yuan

Ernst & Young, Taiwan

March 14, 2024

Notice to Readers

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

English Translation of the Consolidated Financial Statements Originally Issued in Chinese
GENERAL PLASTIC INDUSTRIAL CO., LTD. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
December 31, 2023 and 2022
(Expressed in Thousands of New Taiwan Dollars)

		As of December 31,			
		2023		2022	
Assets	Notes	Amount	%	Amount	%
Current assets					
Cash and cash equivalents	4, 6(1)	\$1,346,553	16	\$679,675	9
Financial assets at fair value through profit or loss, current	4, 6(2)	219,600	3	-	-
Financial assets measured at amortized cost, current	4, 6(3), 8	56,598	1	299,069	3
Notes receivable, net	6(4)	198	-	431	-
Accounts receivable, net	6(4)	808,797	10	752,056	10
Other receivables		82,521	1	170,678	2
Current tax assets	4	3,412	-	30,906	-
Inventories	4, 6(5)	959,522	11	1,253,372	16
Prepayments		56,774	1	45,106	1
Other current assets		73	-	47	-
Total current assets		<u>3,534,048</u>	<u>43</u>	<u>3,231,340</u>	<u>41</u>
Non-current assets					
Financial assets at fair value through other comprehensive income, non-current	4, 6(6)	99,000	1	99,016	1
Financial assets measured at amortized cost, non-current	4, 6(3)	8,845	-	-	-
Property, plant and equipment	4, 6(7), 8	1,942,798	24	1,747,251	23
Right-of-use assets	4, 6(19)	480,032	6	496,608	6
Investment property, net	4, 6(8)	381,722	5	391,774	5
Intangible assets	4, 6(9)	551,367	7	650,407	8
Goodwill	4, 6(10)	1,039,915	12	1,040,085	14
Deferred tax assets	4, 6(23)	84,651	1	102,583	1
Other non-current assets		99,338	1	63,061	1
Total non-current assets		<u>4,687,668</u>	<u>57</u>	<u>4,590,785</u>	<u>59</u>
Total assets		<u>\$8,221,716</u>	<u>100</u>	<u>\$7,822,125</u>	<u>100</u>

(The accompanying notes are an integral part of the consolidated financial statements)

(continued)

English Translation of the Consolidated Financial Statements Originally Issued in Chinese
GENERAL PLASTIC INDUSTRIAL CO., LTD. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS (Continued)
December 31, 2023 and 2022
(Expressed in Thousands of New Taiwan Dollars)

Liabilities and Equity	Notes	As of December 31,			
		2023		2022	
		Amount	%	Amount	%
Current liabilities					
Short-term loans	4, 6(11)	\$1,965,000	24	\$1,465,000	19
Short-term notes and bills payable	4, 6(12)	100,898	1	150,779	2
Financial liabilities for hedging, current	4	1,019	-	1,534	-
Contract liabilities, current	6(18)	9,245	-	12,639	-
Notes payable		743	-	351	-
Accounts payable		449,965	6	492,420	6
Other payables	6(13)	466,070	6	498,796	7
Current tax liabilities	4	37,113	-	74,908	1
Provisions, current	4, 6(14)	12,020	-	16,578	-
Lease liabilities, current	4, 6(19)	85,075	1	66,698	1
Current portion of long-term loans	4, 6(15)	171,250	2	95,000	1
Other current liabilities		2,629	-	3,870	-
Total current liabilities		3,301,027	40	2,878,573	37
Non-current liabilities					
Long-term loans	4, 6(15)	-	-	171,250	2
Provisions, non-current	4, 6(14)	24,543	1	21,730	-
Deferred tax liabilities	4, 6(23)	248,350	3	259,413	3
Lease liabilities, non-current	4, 6(19)	433,345	5	447,062	6
Net defined benefit liabilities, non-current	4, 6(16)	56,064	1	63,921	1
Other non-current liabilities		6,870	-	6,733	-
Total non-current liabilities		769,172	10	970,109	12
Total liabilities		4,070,199	50	3,848,682	49
Equity attributable to the parent company					
Capital					
Common stock	6(17)	1,275,887	15	1,275,887	16
Additional paid-in capital	6(17)	1,213,799	15	1,213,799	16
Retained earnings	6(17)				
Legal reserve		582,539	7	514,355	6
Special reserve		114,265	1	212,520	3
Unappropriated earnings		885,403	11	697,509	9
Total retained earnings		1,582,207	19	1,424,384	18
Other components of equity					
Exchange differences on translation of foreign operations		94,375	1	60,844	1
Unrealized gains or losses from financial assets measured at fair value through other comprehensive income		(13,992)	-	(13,994)	-
Gains or losses on hedging instruments		(759)	-	12,523	-
Total other components of equity		79,624	1	59,373	1
Total equity		4,151,517	50	3,973,443	51
Total liabilities and equity		\$8,221,716	100	\$7,822,125	100

(The accompanying notes are an integral part of the consolidated financial statements)

English Translation of the Consolidated Financial Statements Originally Issued in Chinese
GENERAL PLASTIC INDUSTRIAL CO., LTD. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
For the Years Ended December 31, 2023 and 2022
(Expressed in Thousands of New Taiwan Dollars, Except for Earnings per Share)

	Notes	For the Years Ended December 31,			
		2023	%	2022	%
Operating revenues	4, 6(18), 7	\$5,314,527	100	\$5,703,207	100
Operating costs	6(5)(20), 7	(3,103,844)	(58)	(3,482,363)	(61)
Gross profit from operations		2,210,683	42	2,220,844	39
Operating expenses	6(20)				
Selling and marketing expenses		(542,743)	(10)	(555,058)	(10)
General and administrative expenses		(988,742)	(19)	(1,024,347)	(18)
Research and development expenses		(143,783)	(3)	(137,292)	(2)
Expected credit impairment losses	6(4)	(9,167)	-	(3,096)	-
Total operating expenses		(1,684,435)	(32)	(1,719,793)	(30)
Operating Income		526,248	10	501,051	9
Non-operating income and expenses	6(21)				
Interest income		59,674	1	14,839	-
Other income		28,575	1	21,560	-
Other gains and losses		(15,555)	-	290,870	5
Finance costs		(55,662)	(1)	(39,850)	-
Total non-operating income and expenses		17,032	1	287,419	5
Income from continuing operations before income tax		543,280	11	788,470	14
Income tax expense	4, 6(23)	(110,048)	(2)	(109,861)	(2)
Net income		433,232	9	678,609	12
Other comprehensive income (loss)					
Items that may not be reclassified subsequently to profit or loss	6(22)(23)				
Remeasurements of defined benefit plans		6,607	-	4,042	-
Unrealized (losses) gains from investments in equity instruments measured at fair value through other comprehensive income		2	-	(1,383)	-
Income tax related to items that may not be reclassified subsequently		(1,321)	-	(808)	-
Items that may be reclassified subsequently to profit or loss					
Exchange differences on translation of foreign operations		42,017	-	341,277	6
Gains or losses on hedging instruments		(13,282)	-	(854)	-
Income tax related to items that may be reclassified subsequently		(8,486)	-	(67,147)	(1)
Total other comprehensive income (loss), net of income tax		25,537	-	275,127	5
Total comprehensive income		\$458,769	9	\$953,736	17
Net income attributable to:					
Stockholders of the parent		\$433,232		\$678,609	
Non-controlling interests		-		-	
		\$433,232		\$678,609	
Comprehensive income attributable to:					
Stockholder of the parent		\$458,769		\$953,736	
Non-controlling interests		-		-	
		\$458,769		\$953,736	
Earnings per share (NTD)	4, 6(24)				
Earnings per share-basic		\$3.40		\$5.32	
Earnings per share-diluted		\$3.37		\$5.28	

(The accompanying notes are an integral part of the consolidated financial statements)

English Translation of the Consolidated Financial Statements Originally Issued in Chinese
GENERAL PLASTIC INDUSTRIAL CO., LTD. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
For the Years Ended December 31, 2023 and 2022
(Expressed in Thousands of New Taiwan Dollars)

	Common Stock	Additional Paid-in Capital	Retained Earnings			Other Components of Equity			Total Equity
			Legal Reserve	Special Reserve	Unappropriated Earnings	Exchange Differences on Translation of Foreign Operations	Unrealized Gains or Losses from Financial Assets Measured at Fair Value through Other Comprehensive Income	Gains or Losses on Hedging Instruments	
Balance as of January 1, 2022	\$1,275,887	\$1,239,317	\$480,826	\$114,265	\$377,110	\$(213,286)	\$(12,611)	\$13,377	\$3,274,885
Appropriations and distributions of earnings, 2021:									
Legal reserve			33,529		(33,529)				
Special reserve				98,255	(98,255)				
Cash dividends					(229,660)				(229,660)
Cash dividends from additional paid-in capital		(25,518)							(25,518)
Net income in 2022					678,609				678,609
Other comprehensive income (loss), net of income tax in 2022					3,234	274,130	(1,383)	(854)	275,127
Total comprehensive income (loss)					681,843	274,130	(1,383)	(854)	953,736
Balance as of December 31, 2022	\$1,275,887	\$1,213,799	\$514,355	\$212,520	\$697,509	\$60,844	\$(13,994)	\$12,523	\$3,973,443
Balance as of January 1, 2023	\$1,275,887	\$1,213,799	\$514,355	\$212,520	\$697,509	\$60,844	\$(13,994)	\$12,523	\$3,973,443
Appropriations and distributions of earnings, 2022:									
Legal reserve			68,184		(68,184)				
Special reserve				(98,255)	98,255				
Cash dividends					(280,695)				(280,695)
Net income in 2023					433,232				433,232
Other comprehensive income (loss), net of income tax in 2023					5,286	33,531	2	(13,282)	25,537
Total comprehensive income (loss)					438,518	33,531	2	(13,282)	458,769
Balance as of December 31, 2023	\$1,275,887	\$1,213,799	\$582,539	\$114,265	\$885,403	\$94,375	\$(13,992)	\$(759)	\$4,151,517

(The accompanying notes are an integral part of the consolidated financial statements)

English Translation of the Consolidated Financial Statements Originally Issued in Chinese
GENERAL PLASTIC INDUSTRIAL CO., LTD. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
For the Years Ended December 31, 2023 and 2022
(Expressed in Thousands of New Taiwan Dollars)

	For the Years Ended December 31,			For the Years Ended December 31,	
	2023	2022		2023	2022
Cash flows from operating activities:			Cash flows from investing activities:		
Net income before tax	\$543,280	\$788,470	Increase in financial assets measured at amortized cost	-	(226,078)
Adjustments to reconcile net income before tax to net cash provided by (used in) operating activities:			Proceeds from disposal of financial assets at amortised cost	236,957	-
Depreciation	182,963	250,231	Acquisition of financial assets at fair value through profit or loss	(222,208)	-
Amortization	132,314	136,334	Acquisition of property, plant and equipment	(265,462)	(239,091)
Expected credit impairment losses	9,167	3,096	Proceeds from disposal of property, plant and equipment	570	1,444
Net gain on financial assets at fair value through profit or loss	(775)	-	Increase in refundable deposits	-	(18,598)
Financial costs	55,662	39,850	Decrease in refundable deposits	13,029	-
Interest income	(59,674)	(14,839)	Acquisition of intangible assets	(29,960)	(10,642)
Gain on disposal of property, plant and equipment	(183)	(391)	Disposal of investment property	-	407,366
Property, plan and equipment transferred to expenses	815	646	Increase in prepayments for equipment	(27,174)	(31,298)
Gain on disposal of investment property	-	(334,454)	Net cash used in investing activities	(294,248)	(116,897)
Loss on disposal of intangible assets	479	289	Cash flows from financing activities:		
Loss for market price decline, obsolete and slow-moving inventories	10,645	9,331	Increase in short-term loans	6,569,000	8,235,000
Changes in operating assets and liabilities:			Decrease in short-term loans	(6,069,000)	(7,885,000)
(Increase) decrease in accounts receivable and notes receivable	(66,356)	75,550	Increase in short term notes and bills payable	1,342,220	1,483,045
Decrease (increase) in other receivables	87,627	(8,977)	Decrease in short term notes and bills payable	(1,392,101)	(1,651,980)
Decrease (increase) in inventories	288,026	(233,172)	Repayments of long-term loans	(95,000)	(238,084)
Increase in prepayments	(11,777)	(5,720)	Increase in guaranteed deposits received	-	18
(Increase) decrease in other current assets	(26)	2	Decrease in guaranteed deposits received	(58)	-
Increase in other non-current assets	(35,349)	(14)	Repayments of the leasing principal	(83,776)	(167,160)
(Decrease) increase in derivative financial liability for hedging, current	(523)	1,146	Cash dividends paid	(280,695)	(255,178)
(Decrease) increase in contract liabilities	(3,395)	4,197	Net cash used in financing activities	(9,410)	(479,339)
Increase (decrease) in notes payable	392	(272)	Effect of exchange rate changes on cash and cash equivalents	140,361	49,553
Decrease in accounts payable	(43,422)	(101,047)	Net increase (decrease) in cash and cash equivalents	666,878	(88,028)
Decrease in other payables	(26,904)	(34,530)	Cash and cash equivalents at beginning of period	679,675	767,703
Decrease in provisions	(1,765)	(17,472)	Cash and cash equivalents at end of period	\$1,346,553	\$679,675
(Decrease) increase in other current liabilities	(1,241)	422			
Increase in other non-current liabilities	198	-			
Decrease in defined benefit liabilities	(1,250)	(7,047)			
Cash generated from operations	1,058,928	551,629			
Interest received	61,531	11,351			
Interest paid	(55,178)	(22,704)			
Income tax paid	(235,106)	(81,621)			
Net cash generated from operating activities	830,175	458,655			

(The accompanying notes are an integral part of the consolidated financial statements)

GENERAL PLASTIC INDUSTRIAL CO., LTD. AND SUBSIDIARIES
Notes to Consolidated Financial Statements
For the years ended December 31, 2023 and 2022
(Expressed in Thousands of New Taiwan Dollars unless Otherwise Specified)

1. History and organization

GENERAL PLASTIC INDUSTRIAL CO., LTD. (“the Company”) was incorporated in July 1978. The Company is mainly engaged in manufacturing and selling of toner cartridges of photocopiers, laser printers, OPC drum gears and other related business.

The Company completed the retroactive handing of public issuance procedures with the consent of the competent securities authorities in May 2000. The Company's shares were listed on the OTC on December 25, 2001 and were listed on the Taiwan Stock Exchange on June 16, 2003. The principal place of business of the Company is located at No.50, Tzu-Chiang Rd., Wu-Chi District, Taichung City, Taiwan.

The principal operating activities of the Company and its subsidiaries (“the Group”) are set out in detail in Note 4(3).

2. Date and procedures of authorization of financial statements for issue

The consolidated financial statements of the Group for the years ended December 31, 2023 and 2022 were authorized for issue in accordance with a resolution of the Board of Directors’ meeting on March 14, 2024.

3. Newly issued or revised standards and interpretations

(1) Changes in accounting policies resulting from applying for the first-time certain standards and amendments

The Group applied for the first time International Financial Reporting Standards, International Accounting Standards, and Interpretations issued, revised or amended which are recognized by Financial Supervisory Commission (“FSC”) and become effective for annual periods beginning on or after January 1, 2023. The adoption of these new standards and amendments had no material impact on the Group.

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- (2) Standards or interpretations issued, revised or amended, by International Accounting Standards Board (“IASB”) which are endorsed by FSC, but not yet adopted by the Group as at the end of the reporting period are listed below.

Items	New, Revised or Amended Standards and Interpretations	Effective Date issued by IASB
a	Classification of Liabilities as Current or Non-current – Amendments to IAS 1	1 January 2024
b	Lease Liability in a Sale and Leaseback – Amendments to IFRS 16	1 January 2024
c	Non-current Liabilities with Covenants – Amendments to IAS 1	1 January 2024
d	Supplier Finance Arrangements – Amendments to IAS 7 and IFRS 7	1 January 2024

The abovementioned standards and interpretations were issued by IASB and endorsed by FSC so that they are applicable for annual periods beginning on or after January 1, 2024. The new or amended standards and interpretations have no material impact on the Group.

- (3) Standards or interpretations issued, revised or amended, by IASB which are not endorsed by FSC, but not yet adopted by the Group as at the end of the reporting period are listed below.

Items	New, Revised or Amended Standards and Interpretations	Effective Date issued by IASB
a	IFRS 10 “Consolidated Financial Statements” and IAS 28 “Investments in Associates and Joint Ventures” — Sale or Contribution of Assets between an Investor and its Associate or Joint Ventures	To be determined by IASB
b	IFRS 17 “Insurance Contracts”	January 1, 2023
c	Lack of Exchangeability – Amendments to IAS 21	January 1, 2025

The abovementioned standards and interpretations issued by IASB have not yet endorsed by FSC at the date when the Group’s financial statements were authorized for issue, the local effective dates are to be determined by FSC. These new or amended standards and interpretations have no material impact on the Group.

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4. Summary of material accounting polices

(1) Statement of compliance

The consolidated financial statements of the Group for the years ended December 31, 2023 and 2022 have been prepared in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers (“the Regulations”) and International Financial Reporting Standards, International Accounting Standards, and Interpretations developed by the International Financial Reporting Interpretations Committee, which are endorsed and became effective by the FSC.

(2) Basis of preparation

The consolidated financial statements have been prepared on a historical cost basis, except for financial instruments that have been measured at fair value. The consolidated financial statements are expressed in thousands of New Taiwan Dollars (“NTD”) unless otherwise stated.

(3) Basis of consolidation

Preparation principle of consolidated financial statement

Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the Group controls an investee if and only if the Group has:

- A. Power over the investee (i.e. existing rights that give it the current ability to direct the relevant activities of the investee).
- B. Exposure, or rights, to variable returns from its involvement with the investee.
- C. The ability to use its power over the investee to affect its returns.

When the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

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- A. The contractual arrangement with the other vote holders of the investee.
- B. Rights arising from other contractual arrangements.
- C. The Group's voting rights and potential voting rights.

The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control.

Subsidiaries are fully consolidated from the acquisition date, being the date on which the Group obtains control, and continue to be consolidated until the date that such control ceases. The financial statements of the subsidiaries are prepared for the same reporting period as the parent company, using uniform accounting policies. All intra-group balances, income and expenses, unrealized gains and losses and dividends resulting from intra-group transactions are eliminated in full.

A change in the ownership interest of a subsidiary, without a change of control, is accounted for as an equity transaction.

Total comprehensive income of the subsidiaries is attributed to the owners of the parent and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

If the Group loses control of a subsidiary, it:

- A. Derecognizes the assets (including goodwill) and liabilities of the subsidiary;
- B. Derecognizes the carrying amount of any non-controlling interest;
- C. Recognizes the fair value of the consideration received;
- D. Recognizes the fair value of any investment retained;
- E. Reclassifies the parent's share of components previously recognized in other comprehensive income to profit or loss, or transfer directly to retained earnings if required by other IFRSs; and
- F. Recognizes any resulting difference in profit or loss.

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The consolidated entities are listed as follows:

Investor	Subsidiary	Main Business	Percentage of ownership (%)	
			December 31, 2023	December 31, 2022
The Company	JIOU FU CO., LTD.	Property trading, land development business and tourist hotel	100%	100%
The Company	GPI USA, INC.	General import and export trade business	-	100%
			(Note 9)	
The Company	GPI CO. (SAMOA) LTD.	Investment holding	100%	100%
The Company	GPIKT DE, INC.	Investment holding	100%	100%
The Company	GPIKT (BVI) CO., LTD	Investment holding	100%	100%
The Company	WEKARE CO., LTD.	Selling of medical supplies	100%	100%
The Company	TJ OFFICE SOLUTION CO., LTD	Photocopiers rental	100%	100%
GPIKT DE, INC.	Katun Holdings, LP.	Investment holding	100%	100%
Katun Holdings, LP.	Katun Corporation	Distributors of cartridges and consumables for printers, photocopiers, fax machines and multi-function machine	100%	100%
Katun Corporation	Katun EuroHoldings, LLC (USA)	Investment holding	100%	100%
Katun Corporation	Katun EuroHoldings II, LLC (USA)	Investment holding	100%	100%
Katun Corporation	PNA Holdings Mexico, S.A. de C.V.	Distributors of cartridges and consumables for printers, photocopiers, fax machines and multi-function machine	98%	98%
			(Note 1)	(Note 1)
Katun Corporation	KDM Employment Services, S.A. de C.V.	Distributors of cartridges and consumables for printers, photocopiers, fax machines and multi-function machine	98%	98%
			(Note 2)	(Note 2)
Katun Corporation	Katun (Bermuda) Ltd.	Investment holding	100%	100%
Katun Corporation	Katun Corporation Taiwan branch	RD, Procurement and Supply Planning Service	100%	100%
Katun Corporation	Katun Asia Pte Ltd. (Singapore)	Distributors of cartridges and consumables for printers, photocopiers, fax machines and multi-function machine	100%	100%
Katun Asia Pte Ltd. (Singapore)	Katun (Shanghai) Trading Co., Ltd.	Distributors of cartridges and consumables for printers, photocopiers, fax machines and multi-function machine	100%	100%
Katun EuroHoldings, LLC (USA)	Coöperatieve Katun DutchHoldco U.A.	Investment holding	65%	65%
			(Note 3)	(Note 3)
Coöperatieve Katun DutchHoldco U.A.	Katun (E.D.C.) B.V.	Distributors of cartridges and consumables for printers, photocopiers, fax machines and multi-function machine	100%	100%
Coöperatieve Katun DutchHoldco U.A.	Katun Benelux B.V.	Distributors of cartridges and consumables for printers, photocopiers, fax machines and multi-function machine	100%	100%
Coöperatieve Katun DutchHoldco U.A.	Katun Germany GmbH	Distributors of cartridges and consumables for printers, photocopiers, fax machines and multi-function machine	100%	100%

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Investor	Subsidiary	Main Business	Percentage of ownership (%)	
			December 31, 2023	December 31, 2022
Coöperatieve Katun DutchHoldco U.A.	Katun U.K. Ltd.	Distributors of cartridges and consumables for printers, photocopiers, fax machines and multi-function machine	100%	100%
Coöperatieve Katun DutchHoldco U.A.	Katun France S.A.R.L.	Distributors of cartridges and consumables for printers, photocopiers, fax machines and multi-function machine	99.8% (Note 4)	99.8% (Note 4)
Coöperatieve Katun DutchHoldco U.A.	Katun Spain S.A.	Distributors of cartridges and consumables for printers, photocopiers, fax machines and multi-function machine	100%	100%
Coöperatieve Katun DutchHoldco U.A.	Katun Portugal S.A.	Distributors of cartridges and consumables for printers, photocopiers, fax machines and multi-function machine	100%	100%
Coöperatieve Katun DutchHoldco U.A.	Katun Italy S.R.L.	Distributors of cartridges and consumables for printers, photocopiers, fax machines and multi-function machine	99.999% (Note 5)	99.999% (Note 5)
Coöperatieve Katun DutchHoldco U.A.	Katun Brasil Comercio de Suprimentos, Pecas e Equipamentos Ltda.	Distributors of cartridges and consumables for printers, photocopiers, fax machines and multi-function machine	99.9997% (Note 6)	99.9997% (Note 6)
Coöperatieve Katun DutchHoldco U.A.	Katun Switzerland AG	Distributors of cartridges and consumables for printers, photocopiers, fax machines and multi-function machine	100%	100%
Katun (Bermuda) Ltd.	Katun Uruguay S.R.L.	Distributors of cartridges and consumables for printers, photocopiers, fax machines and multi-function machine	99.5413% (Note 7)	99.5413% (Note 7)
Katun (Bermuda) Ltd.	Katun Argentina SRL	Distributors of cartridges and consumables for printers, photocopiers, fax machines and multi-function machine	94.1713% (Note 8)	94.1713% (Note 8)
Katun (Bermuda) Ltd.	Katun Delaware LLC (USA)	Investment holding	100%	100%

Note. 1: Katun (Bermuda) Ltd. holds 2% ownership of PNA Holdings Mexico, S. A. de C.V..

Note. 2: PNA Holdings Mexico, S. A. de C.V. holds 2% ownership of KDM Employment Services, S. A. de C.V..

Note. 3: Katun EuroHoldings II, LLC (USA) holds 35% ownership of Coöperatieve Katun DutchHoldco U.A..

Note. 4: Katun (E.D.C) B.V. holds 0.2% ownership of Katun France S.A.R.L..

Note. 5: Katun Germany GmbH holds 0.001% ownership of Katun Italy S.R.L..

Note. 6: Katun Delaware LLC (USA) holds 0.0003% ownership of Katun Brasil Comercio de Suprimentos, Pecas e Equipamentos Ltda.

Note. 7: Katun Delaware LLC (USA) holds 0.4587% ownership of Katun Uruguay S.R.L..

Note. 8: Katun Delaware LLC (USA) holds 5.8287% ownership of Katun Argentina SRL.

Note. 9: The Board of Directors approved the resolution on 22 August 2023 to work on dissolution and liquidation of GPI USA, INC. and complete the process on 3 November 2023 with the capital back to parent.

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(4) Foreign currency transactions

The Group's consolidated financial statements are presented in NTD, which is also the Company's functional currency. Each entity in the Group determines its own functional currency and items included in the financial statements of each entity are measured using that functional currency.

Transactions in foreign currencies are initially recorded by the Group entities at their respective functional currency rates prevailing at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated at the functional currency closing rate of exchange ruling at the reporting date. Non-monetary items measured at fair value in foreign currencies are translated using the exchange rates at the date when the fair value is determined. Non-monetary items that are measured at historical cost in foreign currencies are translated using the exchange rates as of the dates of the initial transactions.

All exchange differences arising on the settlement of monetary items or on translating monetary items are taken to profit or loss in the period in which they arise except for the following:

- A. Exchange differences arising from foreign currency borrowings for an acquisition of a qualifying asset to the extent that they are regarded as an adjustment to interest costs are included in the borrowing costs that are eligible for capitalization.
- B. Foreign currency items within the scope of IFRS 9 *Financial Instruments* are accounted for based on the accounting policy for financial instruments.
- C. Exchange differences arising on a monetary item that is part of a reporting entity's net investment in a foreign operation are recognized initially in other comprehensive income and reclassified from equity to profit or loss upon disposal of the net investment.

When a gain or loss on a non-monetary item is recognized in other comprehensive income, any exchange component of that gain or loss is recognized in other comprehensive income. When a gain or loss on a non-monetary item is recognized in profit or loss, any exchange component of that gain or loss is recognized in profit or loss.

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(5) Translation of financial statements in foreign currency

The assets and liabilities of foreign operations are translated into NTD at the closing rate of exchange prevailing at the reporting date, and their income and expenses are translated at an average exchange rate for the period. The exchange differences arising on the translation are recognized in other comprehensive income. On disposal of a foreign operation, the cumulative amount of the exchange differences relating to that foreign operation, recognized in other comprehensive income and accumulated in the separate component of equity, is reclassified from equity to profit or loss when the gain or loss on disposal is recognized. When partial disposal involves the loss of control of a subsidiary that includes a foreign operation and when the retained interest after partial disposal of an interest in a joint venture or a partial disposal of an interest in an associate that includes a foreign operation is a financial asset that includes a foreign operation, the cumulative amount of the exchange differences recognized in other comprehensive income is reclassified to profit or loss upon the disposal of a foreign operation.

On partial disposal of a subsidiary that includes a foreign operation that does not result in a loss of control, the proportionate share of the cumulative amount of the exchange differences recognized in other comprehensive income is re-attributed to the non-controlling interests in that foreign operation. On partial disposal of an associate or joint venture that includes a foreign operation that does not result in a loss of significant influence or joint control, only the proportionate share of the cumulative amount of the exchange differences recognized in other comprehensive income is reclassified to profit or loss.

Any goodwill and any fair value adjustments to the carrying amounts of assets and liabilities arising on the acquisition of a foreign operation are treated as assets and liabilities of the foreign operation and expressed in its functional currency.

(6) Current and non-current distinction

An asset is classified as current when:

- A. The Group expects to realize the asset, or intends to sell or consume it, in its normal operating cycle;
- B. The Group holds the asset primarily for the purpose of trading;
- C. The Group expects to realize the asset within twelve months after the reporting period;
- D. The asset is cash or cash equivalent unless the asset is restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

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A liability is classified as current when:

- A. The Group expects to settle the liability in its normal operating cycle;
- B. The Group holds the liability primarily for the purpose of trading;
- C. The liability is due to be settled within twelve months after the reporting period;
- D. The Group does not have an unconditional right to defer settlement of the liability for at least twelve months after the reporting period. 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.

All other liabilities are classified as non-current.

(7) Cash and cash equivalents

Cash and cash equivalents comprise cash on hand, demand deposits and short-term, highly liquid time deposits (including ones that have maturity within three months) or investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

(8) Financial instruments

Financial assets and financial liabilities are recognized when the Group becomes a party to the contractual provisions of the instrument.

Financial assets and financial liabilities within the scope of IFRS 9 *Financial Instruments* are recognized initially at fair value plus or minus, in the case of investments not at fair value through profit or loss, directly attributable transaction costs.

A. Financial instruments: Recognition and Measurement

The Group accounts for regular way purchase or sales of financial assets on the trade date.

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The Group classified financial assets as subsequently measured at amortized cost, fair value through other comprehensive income or fair value through profit or loss considering both factors below:

- (a) the Group's business model for managing the financial assets and
- (b) the contractual cash flow characteristics of the financial asset.

Financial assets measured at amortized cost

A financial asset is measured at amortized cost if both of the following conditions are met and presented as notes receivable, accounts receivable financial assets measured at amortized cost and other receivables etc., on balance sheet as at the reporting date:

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

Such financial assets are subsequently measured at amortized cost (the amount at which the financial asset is measured at initial recognition minus the principal repayments, plus or minus the cumulative amortization using the effective interest method of any difference between the initial amount and the maturity amount and adjusted for any loss allowance) and is not part of a hedging relationship. A gain or loss is recognized in profit or loss when the financial asset is derecognized, through the amortization process or in order to recognize the impairment gains or losses.

Interest revenue is calculated by using the effective interest method. This is calculated by applying the effective interest rate to the gross carrying amount of a financial asset except for:

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- (a) purchased or originated credit-impaired financial assets. For those financial assets, the Group applies the credit-adjusted effective interest rate to the amortized cost of the financial asset from initial recognition.
- (b) financial assets that are not purchased or originated credit-impaired financial assets but subsequently have become credit-impaired financial assets. For those financial assets, the Group applies the effective interest rate to the amortized cost of the financial asset in subsequent reporting periods.

Financial asset measured at fair value through other comprehensive income

A financial asset is measured at fair value through other comprehensive income if both of the following conditions are met:

- (a) the financial asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and
- (b) the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Recognition of gain or loss on a financial asset measured at fair value through other comprehensive income are described as below:

- (a) A gain or loss on a financial asset measured at fair value through other comprehensive income recognized in other comprehensive income, except for impairment gains or losses and foreign exchange gains and losses, until the financial asset is derecognized or reclassified.
- (b) When the financial asset is derecognized the cumulative gain or loss previously recognized in other comprehensive income is reclassified from equity to profit or loss as a reclassification adjustment.
- (c) Interest revenue is calculated by using the effective interest method. This is calculated by applying the effective interest rate to the gross carrying amount of a financial asset except for:

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- (i) Purchased or originated credit-impaired financial assets. For those financial assets, the Group applies the credit-adjusted effective interest rate to the amortized cost of the financial asset from initial recognition.
- (ii) Financial assets that are not purchased or originated credit-impaired financial assets but subsequently have become credit-impaired financial assets. For those financial assets, the Group applies the effective interest rate to the amortized cost of the financial asset in subsequent reporting periods.

Besides, for certain equity investments within the scope of IFRS 9 that is neither held for trading nor contingent consideration recognized by an acquirer in a business combination to which IFRS 3 applies, the Group made an irrevocable election to present the changes of the fair value in other comprehensive income at initial recognition. Amounts presented in other comprehensive income shall not be subsequently transferred to profit or loss (when disposal of such equity instrument, its cumulated amount included in other components of equity is transferred directly to the retained earnings) and these investments should be presented as financial assets measured at fair value through other comprehensive income on the balance sheet. Dividends on such investment are recognized in profit or loss unless the dividends clearly represent a recovery of part of the cost of investment.

Financial asset measured at fair value through profit or loss

Financial assets were classified as measured at amortized cost or measured at fair value through other comprehensive income based on aforementioned criteria. All other financial assets were measured at fair value through profit or loss and presented on the balance sheet as financial assets measured at fair value through profit or loss.

Such financial assets are measured at fair value, the gains or losses resulting from remeasurement is recognized in profit or loss which includes any dividend or interest received on such financial assets.

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B. Impairment of financial assets

The Group recognizes a loss allowance for expected credit losses on debt instrument investments measured at fair value through other comprehensive income and financial asset measured at amortized cost. The loss allowance on debt instrument investments measured at fair value through other comprehensive income is recognized in other comprehensive income and not reduce the carrying amount in the balance sheet.

The Group measures expected credit losses of a financial instrument in a way that reflects:

- (a) An unbiased and probability-weighted amount that is determined by evaluating a range of possible outcomes;
- (b) The time value of money; and
- (c) Reasonable and supportable information that is available without undue cost or effort at the reporting date about past events, current conditions and forecasts of future economic conditions.

The loss allowance is measures as follows:

- (a) At an amount equal to 12-month expected credit losses: the credit risk on a financial asset has not increased significantly since initial recognition or the financial asset is determined to have low credit risk at the reporting date. In addition, the Group measures the loss allowance at an amount equal to lifetime expected credit losses in the previous reporting period, but determines at the current reporting date that the credit risk on a financial asset has increased significantly since initial recognition is no longer met.
- (b) At an amount equal to the lifetime expected credit losses: the credit risk on a financial asset has increased significantly since initial recognition or financial asset that is purchased or originated credit-impaired financial asset.
- (c) For accounts receivable or contract assets arising from transactions within the scope of IFRS 15, the Group measures the loss allowance at an amount equal to lifetime expected credit losses.

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- (d) For lease receivables arising from transactions within the scope of IFRS 16, the Group measures the loss allowance at an amount equal to lifetime expected credit losses.

At each reporting date, the Group needs to assess whether the credit risk on a financial asset has increased significantly since initial recognition by comparing the risk of a default occurring at the reporting date and the risk of default occurring at initial recognition. Please refer to Note 12 for further details on credit risk.

C. Derecognition of financial assets

A financial asset is derecognized when:

- (a) The rights to receive cash flows from the asset have expired;
- (b) The Group has transferred the asset and substantially all the risks and rewards of the asset have been transferred;
- (c) The Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

On derecognition of a financial asset in its entirety, the difference between the carrying amount and the consideration received or receivable including any cumulative gain or loss that had been recognized in other comprehensive income, is recognized in profit or loss.

D. Financial liabilities and equity

Financial liabilities

Financial liabilities within the scope of IFRS 9 *Financial Instruments* are classified as financial liabilities at fair value through profit or loss or financial liabilities measured at amortized cost upon initial recognition.

Financial liabilities at fair value through profit or loss

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Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated as at fair value through profit or loss. A financial liability is classified as held for trading if:

- (a) It is acquired or incurred principally for the purpose of selling or repurchasing it in the near term;
- (b) On initial recognition it is part of a portfolio of identified financial instruments that are managed together and for which there is evidence of a recent actual pattern of short-term profit-taking; or
- (c) It is a derivative (except for a derivative that is a financial guarantee contract or a designated and effective hedging instrument).

If a contract contains one or more embedded derivatives, the entire hybrid (combined) contract may be designated as a financial liability at fair value through profit or loss; or a financial liability may be designated as at fair value through profit or loss when doing so results in more relevant information, because either:

- (a) It eliminates or significantly reduces a measurement or recognition inconsistency; or
- (b) A group of financial liabilities or financial assets and financial liabilities is managed and its performance is evaluated on a fair value basis, in accordance with a documented risk management or investment strategy, and information about the group is provided internally on that basis to the key management personnel.

Gains or losses on the subsequent measurement of liabilities at fair value through profit or loss including interest paid are recognized in profit or loss.

Financial liabilities at amortized cost

Financial liabilities measured at amortized cost include interest bearing loans and borrowings that are subsequently measured using the effective interest rate method after initial recognition. Gains and losses are recognized in profit or loss when the liabilities are derecognized as well as through the effective interest rate method amortization process.

Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or transaction costs.

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Derecognition of financial liabilities

A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expires.

When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified (whether or not attributable to the financial difficulty of the debtor), such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognized in profit or loss.

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount reported in the balance sheet if, and only if, there is a currently enforceable legal right to offset the recognized amounts and there is an intention to settle on a net basis, or to realize the assets and settle the liabilities simultaneously.

(9) Derivative instrument

The Group uses derivative instruments to hedge its foreign currency risks and interest rate risks. A derivative is classified in the balance sheet as financial assets or liabilities at fair value through profit or loss except for derivatives that are designated as and effective hedging instruments which are classified as financial assets or liabilities for hedging.

Derivative instruments are initially recognized at fair value on the date on which a derivative contract is entered into and are subsequently remeasured at fair value. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative. The changes in fair value of derivatives are taken directly to profit or loss, except for the effective portion of hedges, which is recognized in either profit or loss or equity according to types of hedges used.

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The Group's expecting transaction complies with cash flow hedge. For the effective portion of the hedge, changes in the fair value of the hedging instrument are recognized in other comprehensive income. For the ineffective portion of the hedge, changes in the fair value of the hedging instrument (if any) is recognized directly in profit or loss.

The accumulated gains and losses recorded in equity should be reclassified to profit or loss in the same period or periods when the hedged expected future cash flows affect profit or loss. A hedged forecast transaction for a non-financial asset or a nonfinancial liability for which fair value hedge accounting is applied, the carrying value of that item must be adjusted for the accumulated gains or losses recognized directly in equity.

When a forecast transaction or a firm commitment is expected not to occur, the accumulated gain or loss under equity needs to be reclassified to profit or loss. If the hedging instrument has been sold, terminated, canceled, or implemented and not replaced or extended, or the originally designated risk management objective has been canceled, the amount recognized under equity should be put in equity before the forecast transaction or a firm commitment affect profit or loss.

(10) Fair value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- A. In the principal market for the asset or liability, or
- B. In the absence of a principal market, in the most advantageous market for the asset or liability.

The principal or the most advantageous market must be accessible to by the Group.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

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The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

(11) Inventories

The inventory value includes costs incurred in bringing the inventory to its present location and condition. Raw materials and goods are stated at weighted average of actual purchase costs; finished goods and work in progress are stated at the cost of direct materials and labor and a proportion of manufacturing overheads based on normal operating capacity. Inventories are valued at lower of cost and net realizable value item by item. Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale. Allowance are also estimated and recognized appropriately for slow moving and damaged inventories.

Rendering of services is accounted in accordance with IFRS 15 and not within the scope of inventories.

(12) Property, plant and equipment

Property, plant and equipment are stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. Such cost includes the cost of dismantling and removing the item and restoring the site on which it is located and borrowing costs for construction in progress if the recognition criteria are met. 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 is depreciated separately. When significant parts of property, plant and equipment are required to be replaced in intervals, the Group recognizes such parts as individual assets with specific useful lives and depreciation, respectively. The carrying amount of those parts that are replaced is derecognized in accordance with the derecognition provisions of IAS 16 *Property, plant and equipment*. When a major inspection is performed, its cost is recognized in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognized in profit or loss as incurred.

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Depreciation is calculated on a straight-line basis over the estimated useful lives of the following assets:

Item	Estimated useful lives
Buildings	5~50 years
Machinery and equipment	2~20 years
Transportation equipment	4~12 years
Office equipment	2~15 years
Other equipment	2~12 years

An item of property, plant and equipment and any significant part initially recognized is derecognized upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising from derecognition of the asset is recognized in profit or loss.

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate. The differences resulted from previous estimation are regarded as changes in accounting estimates.

(13) Investment property

The Group's owned investment properties are measured initially at cost, including transaction costs. The carrying amount includes the cost of replacing part of an existing investment property at the time that cost is incurred if the recognition criteria are met and excludes the costs of day-to-day servicing of an investment property. Subsequent to initial recognition, other than those that meet the criteria to be classified as held for sale (or are included in a disposal group that is classified as held for sale) in accordance with IFRS 5 *Non-current Assets Held for Sale and Discontinued Operations*, investment properties are measured using the cost model in accordance with the requirements of IAS 16 *Property, plant and equipment* for that model. If investment properties are held by a lessee as right-of-use assets and is not held for sale in accordance with IFRS 5, investment properties are measured in accordance with the requirements of IFRS 16.

Depreciation is calculated on a straight-line basis over the estimated useful lives of the following assets:

Item	Estimated useful lives
Buildings	5~35 years

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Investment properties are derecognized when either they have been disposed of or when the investment property is permanently withdrawn from use and no future economic benefit is expected from its disposal. The difference between the net disposal proceeds and the carrying amount of the asset is recognized in profit or loss in the period of derecognition.

The Group transfers to or from investment properties when there is a change in use for these assets. Properties are transferred to or from investment properties when the properties meet, or cease to meet, the definition of investment property and there is evidence of the change in use.

(14) Leases

The Group assesses whether the contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset for a period of time, the Group assesses whether, throughout the period of use, has both of the following:

- A. the right to obtain substantially all of the economic benefits from use of the identified asset; and
- B. the right to direct the use of the identified asset.

For a contract that is, or contains, a lease, the Group accounts for each lease component within the contract as a lease separately from non-lease components of the contract. For a contract that contains a lease component and one or more additional lease or non-lease components, the Group allocates the consideration in the contract to each lease component on the basis of the relative stand-alone price of the lease component and the aggregate stand-alone price of the non-lease components. The relative stand-alone price of lease and non-lease components shall be determined on the basis of the price the lessor, or a similar supplier, would charge the Group for that component, or a similar component, separately. If an observable stand-alone price is not readily available, the Group estimates the stand-alone price, maximising the use of observable information.

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The Group as a lessee

Except for leases that meet and elect short-term leases or leases of low-value assets, the Group recognizes right-of-use asset and lease liability for all leases which the Group is the lessee of those lease contracts.

At the commencement date, the Group measures the lease liability at the present value of the lease payments that are not paid at that date. The lease payments are discounted using the interest rate implicit in the lease, if that rate can be readily determined. If that rate cannot be readily determined, the Group uses its incremental borrowing rate. At the commencement date, the lease payments included in the measurement of the lease liability comprise the following payments for the right to use the underlying asset during the lease term that are not paid at the commencement date:

- A. fixed payments (including in-substance fixed payments), less any lease incentives receivable;
- B. variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
- C. amounts expected to be payable by the lessee under residual value guarantees;
- D. the exercise price of a purchase option if the Group is reasonably certain to exercise that option; and
- E. payments of penalties for terminating the lease, if the lease term reflects the lessee exercising an option to terminate the lease.

After the commencement date, the Group measures the lease liability on an amortised cost basis, which increases the carrying amount to reflect interest on the lease liability by using an effective interest method; and reduces the carrying amount to reflect the lease payments made.

At the commencement date, the Group measures the right-of-use asset at cost. The cost of the right-of-use asset comprises:

- A. the amount of the initial measurement of the lease liability;
- B. any lease payments made at or before the commencement date, less any lease incentives received;
- C. any initial direct costs incurred by the lessee; and
- D. an estimate of costs to be incurred by the lessee in dismantling and removing the underlying asset, restoring the site on which it is located or restoring the underlying asset to the condition required by the terms and conditions of the lease.

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For subsequent measurement of the right-of-use asset, the Group measures the right-of-use asset at cost less any accumulated depreciation and any accumulated impairment losses. That is, the Group measures the right-of-use applying a cost model.

If the lease transfers ownership of the underlying asset to the Group by the end of the lease term or if the cost of the right-of-use asset reflects that the Group will exercise a purchase option, the Group depreciates the right-of-use asset from the commencement date to the end of the useful life of the underlying asset. Otherwise, the Group depreciates the right-of-use asset from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term.

The Group applies IAS 36 *Impairment of Assets* to determine whether the right-of-use asset is impaired and to account for any impairment loss identified.

Except for those leases that the Group accounted for as short-term leases or leases of low-value assets, the Group presents right-of-use assets and lease liabilities in the balance sheet and separately presents lease-related interest expense and depreciation charge in the statements of comprehensive income.

For short-term leases or leases of low-value assets, the Group elects to recognize the lease payments associated with those leases as an expense on either a straight-line basis over the lease term or another systematic basis.

The Group as a lessor

At inception of a contract, the Group classifies each of its leases as either an operating lease or a finance lease. A lease is classified as a finance lease if it transfers substantially all the risks and rewards incidental to ownership of an underlying asset. A lease is classified as an operating lease if it does not transfer substantially all the risks and rewards incidental to ownership of an underlying asset. At the commencement date, the Group recognizes assets held under a finance lease in its balance sheet and present them as a receivable at an amount equal to the net investment in the lease.

For a contract that contains lease components and non-lease components, the Group allocates the consideration in the contract applying IFRS 15.

The Group recognizes lease payments from operating leases as rental income on either a straight-line basis or another systematic basis. Variable lease payments for operating leases that do not depend on an index or a rate are recognized as rental income when incurred.

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(15) Intangible assets

Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired in a business combination is its fair value as of the date of acquisition. Following initial recognition, intangible assets are carried at cost less any accumulated amortization and accumulated impairment losses, if any. Internally generated intangible assets which fail to meet the recognition criteria are not capitalized and expenditure are reflected in profit or loss in the period incurred.

The useful lives of intangible assets are assessed as either finite or indefinite.

Intangible assets with finite useful lives are amortized over the useful life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortization period and the amortization method for an intangible asset with a finite useful life are reviewed at least at the end of each fiscal year. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset is accounted for by changing the amortization period or method, as appropriate, and is treated as changes in accounting estimates.

Intangible assets with indefinite useful lives are not amortized, but are tested for impairment annually, either individually or at the cash-generating unit (CGU) level. The assessment of indefinite useful life is reviewed annually to determine whether the indefinite useful life continues to be supportable. If not, the change in useful life from indefinite to finite is made on a prospective basis.

Gains or losses arising from derecognition of an intangible asset are recognized in profit or loss.

Accounting policies of the Group's intangible assets are summarized as follows:

	Computer software	Customer Relationships	Trademarks	Patents	Goodwill
Useful lives	1~10 years	10 years	11 years	6~ 26 years	Indefinite
Method of Amortization	Amortized on a straight- line basis	Amortized on a straight- line basis	Amortized on a straight- line basis	Amortized on a straight- line basis	No amortization
Acquired from	Externally acquired	Externally acquired	Externally acquired	Externally acquired	Externally acquired

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(16) Impairment of non-financial assets

The Group assesses at the end of each reporting period whether there is any indication that an asset in the scope of IAS 36 *Impairment of Assets* may be impaired. If any such indication exists, or when annual impairment testing for an asset is required, the Group completes impairment testing for an individual asset or the CGU to which the individual assets belong. Where the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's ("CGU") fair value less costs to sell and its value in use.

For assets excluding goodwill, an assessment is made at each reporting date as to whether there is any indication that previously recognized impairment losses may no longer exist or may have decreased. If such indication exists, the Group estimates the asset's or cash-generating unit's recoverable amount. A previously recognized impairment loss is reversed only if there has been an increase in the estimated service potential of an asset which in turn increases the recoverable amount. However, the reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognized for the asset in prior years.

A cash generating unit, or groups of cash-generating units, to which goodwill has been allocated is tested for impairment annually at the same time, irrespective of whether there is any indication of impairment. If an impairment loss is to be recognized, it is first allocated to reduce the carrying amount of any goodwill allocated to the cash generating unit (group of units), then to the other assets of the unit (group of units) pro rata on the basis of the carrying amount of each asset in the unit (group of units). Impairment losses relating to goodwill cannot be reversed in future periods for any reason.

An impairment loss of continuing operations or a reversal of such impairment loss is recognized in profit or loss.

(17) Provisions

Provisions are recognized when the Group has a present obligation (legal or constructive) as a result of a past event, it is probably that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Where the Group expects some or all of a provision to be reimbursed, the reimbursement is recognized as a separate asset but only when the reimbursement is virtually certain. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects the risks specific to the liability. Where discounting is used, the increase in the provision due to the passage of time is recognized as a finance cost.

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Provision for warranties

A provision is recognized for expected warranty claims on products sold, based on past experience, management's judgement and other known factors.

(18) Revenue recognition

The Group's revenue being recognized when control of the products or rendering of services is transferred to the customers to satisfy the performance obligation. The accounting policies are explained as follows:

Sale of goods

The Group manufactures and sells products. Sales are recognized when control of the products is transferred to the customers and the products are delivered to the customers (the customers obtains the right and carrying value of the products). For certain sales of products transactions, they are usually accompanied by volume discounts (based on the accumulated total sales amount for a specified period). Therefore, revenue from these sales is recognized based on the price specified in the contract, net of the estimated volume discounts to the Group estimates the discounts using the expected value method based on historical experiences. Revenue is only recognized to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognized will not occur and when the uncertainty associated with the variable consideration is subsequently resolved. During the period specified in the contract, refund liability is recognized for the expected volume discounts.

The Group provides its customer with a warranty with the purchase of the products. The warranty provides assurance that the products will operate as expected by the customers. And the warranty is accounted in accordance with IAS 37.

Other operating revenues

The Group provides rooms, catering and other related services and acknowledges the revenues when providing services or sales to customers. Contractual assets are included when the services provided by the Group exceed the amount payable by the client, if payments due by customers in excess of the services provided by the Group are classified as contractual liabilities.

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- A. Room accommodation is recognized as revenue during the financial reporting period in which the service is provided to the customer. The customer pays the contract price according to the agreed payment schedule.
- B. Catering services are recognized when food and beverages are sold to customers. The transaction price of the catering service is charged to the customer immediately upon purchase of the catering service.
- C. Others are recognized when all or most of the profit-making process has been completed and realized or can be realized, and the relevant costs are recognized according to the principle of matching revenue.

In the contract signed by the Group with the customer. The period between the transfers of products or services and collects the payments is no longer than one year; therefore, there is no significant financing component to the accounts receivable.

(19) Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalized as part of the cost of the respective assets. All other borrowing costs are expensed in the period they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

(20) Government grants

Government grants are recognized where there is reasonable assurance that the grant will be received and all attached conditions will be complied with. Where the grant relates to an asset, it is recognized as deferred income and released to income in equal amounts over the expected useful life of the related asset. When the grant relates to an expense item, it is recognized as income over the period necessary to match the grant on a systematic basis to the costs that it is intended to compensate.

(21) Post-employment benefits

All regular employees of the Company and its domestic subsidiaries are entitled to a pension plan that is managed by an independently administered pension fund committee. Fund assets are deposited under the committee's name in the specific bank account and hence, not associated with the Company and its domestic subsidiaries. Therefore, fund assets are not included in the consolidated financial statements. Pension benefits for employees of the overseas subsidiaries and the branches are provided in accordance with the respective local regulations.

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For the defined contribution plan, the Company and its domestic subsidiaries will make a monthly contribution and recognize expenses for the current period of no less than 6% of the monthly wages of the employees subject to the plan. Overseas subsidiaries and branches make contribution to the plan based on the requirements of local regulations.

Post-employment benefit plan that is classified as a defined benefit plan uses the Projected Unit Credit Method to measure its obligations and costs based on actuarial assumptions. Re-measurements, comprising of the effect of the actuarial gains and losses, the effect of the asset ceiling (excluding net interest) and the return on plan assets, excluding net interest, are recognized as other comprehensive income with a corresponding debit or credit to retained earnings in the period in which they occur. Past service costs are recognized in profit or loss on the earlier of:

- A. The date of the plan amendment or curtailment, and
- B. The date that the Group recognizes restructuring-related costs

Net interest is calculated by applying the discount rate to the net defined benefit liability or asset, both as determined at the start of the annual reporting period, taking account of any changes in the net defined benefit liability (asset) during the period as a result of contribution and benefit payment.

(22) Income taxes

Income tax expense (income) is the aggregate amount included in the determination of profit or loss for the period in respect of current tax and deferred tax.

Current income tax

Current income tax assets and liabilities for the current and prior periods are measured using the tax rates and tax laws that have been enacted or substantively enacted by the end of the reporting period. Current income tax relating to items recognized in other comprehensive income or directly in equity is recognized in other comprehensive income or equity and not in profit or loss.

The income tax for undistributed earnings is recognized as income tax expense in the subsequent year when the distribution proposal is approved by the Shareholders' meeting.

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Deferred income tax

Deferred income tax is provided on temporary differences between the tax bases of assets and liabilities and their carrying amounts in financial statement at the reporting date.

Deferred tax liabilities are recognized for all taxable temporary differences, except:

- A. Where the deferred tax liability arises from the initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination; at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and at the time of the transaction, does not give rise to equal taxable and deductible temporary differences.
- B. In respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, where the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognized for all deductible temporary differences, carryforward of unused tax credits and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carryforward of unused tax credits and unused tax losses can be utilized, except:

- A. Where the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination; at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and at the time of the transaction, does not give rise to equal taxable and deductible temporary differences.
- B. In respect of deductible temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, deferred tax assets are recognized only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilized.

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Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realized or the liability is settled, based on tax rates and tax laws that have been enacted or substantively enacted at the reporting date.

The measurement of deferred tax assets and deferred tax liabilities reflects the tax consequences that would follow from the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities. Deferred tax relating to items recognized outside profit or loss is recognized outside profit or loss. Deferred tax items are recognized in correlation to the underlying transaction either in other comprehensive income or directly in equity. Deferred tax assets are reassessed at each reporting date and are recognized accordingly.

Deferred tax assets and deferred tax liabilities are offset, if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

(23) Business combinations and goodwill

Business combinations are accounted for using the acquisition method. The consideration transferred, the identifiable assets acquired and liabilities assumed are measured at acquisition date fair value. For each business combination, the acquirer measures any non-controlling interest in the acquiree either at fair value or at the non-controlling interest's proportionate share of the acquiree's identifiable net assets. Acquisition-related costs are accounted for as expenses in the periods in which the costs are incurred and are classified under administrative expenses.

When the Group acquires a business, it assesses the assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions as at the acquisition date. This includes the separation of embedded derivatives in host contracts by the acquiree.

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If the business combination is achieved in stages, the acquisition date fair value of the acquirer's previously held equity interest in the acquiree is remeasured to fair value at the acquisition date through profit or loss.

Any contingent consideration to be transferred by the acquirer will be recognized at the acquisition-date fair value. Subsequent changes to the fair value of the contingent consideration which is deemed to be an asset or liability, will be recognized in accordance with IFRS 9 *Financial Instruments* either in profit or loss or as a change to other comprehensive income. However, if the contingent consideration is classified as equity, it should not be remeasured until it is finally settled within equity.

Goodwill is initially measured as the amount of the excess of the aggregate of the consideration transferred and the non-controlling interest over the net fair value of the identifiable assets acquired and the liabilities assumed. If this aggregate is lower than the fair value of the net assets acquired, the difference is recognized in profit or loss.

After initial recognition, goodwill is measured at cost less any accumulated impairment losses.

When disposing a cash-generating unit to which goodwill has been allocated, the carrying amount of the disposed unit shall include the goodwill associated with the operation. Goodwill disposed of in this circumstance is measured based on the relative recoverable amounts of the operation being disposed of and the portion of the cash-generating unit retained.

5. Significant accounting judgements, estimates and assumptions

The preparation of the Group's consolidated financial statements requires management to make judgements, estimates and assumptions at the end of the reporting period that affect the reported amounts of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities. However, uncertainty about these assumption and estimate could result in outcomes that require a material adjustment to the carrying amount of the asset or liability affected in future periods.

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(1) Judgement

In the process of applying the Group's accounting policies, management has made the following judgements, which have the most significant effect on the amounts recognized in the consolidated financial statements:

Investment property

Certain properties of the Group comprise a portion that is held to earn rentals or for capital appreciation and another portion that is owner-occupied. If these portions could be sold separately, the Group accounts for the portions separately as investment property and property, plant and equipment. If the portions could not be sold separately, the property is classified as investment property in its entirety only if the portion of owner-occupied is not significant to total property.

(2) Estimates and assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date that would have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next fiscal year are discussed below.

A. Impairment of non-financial assets

An impairment exists when the carrying value of an asset or cash generating unit exceeds its recoverable amount, which is the higher of its fair value less costs to sell and its value in use. The fair value less costs to sell calculation is based on the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date less incremental costs that would be directly attributable to the disposal of the asset or cash generating unit. The value in use calculation is based on a discounted cash flow model. The cash flows projections are derived from the budget for the next five years and do not include restructuring activities that the Group is not yet committed to or significant future investments that will enhance the asset's performance of the cash generating unit being tested. The recoverable amount is most sensitive to the discount rate used for the discounted cash flow model as well as the expected future cash-inflows and the growth rate used for extrapolation purposes. The key assumptions used to determine the recoverable amount for the different cash generating units, including a sensitivity analysis, are further explained in Note 6.

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B. Income tax

Uncertainties exist with respect to the interpretation of complex tax regulations and the amount and timing of future taxable income. Given the wide range of international business relationships and the long-term nature and complexity of existing contractual agreements, differences arising between the actual results and the assumptions made, or future changes to such assumptions, could necessitate future adjustments to tax income and expense already recorded. The Group establishes provisions, based on reasonable estimates, for possible consequences of audits by the tax authorities of the respective counties in which it operates. The amount of such provisions is based on various factors, such as experience of previous tax audits and differing interpretations of tax regulations by the taxable entity and the responsible tax authority. Such differences of interpretation may arise on a wide variety of issues depending on the conditions prevailing in the respective Group entities' domicile.

Deferred tax assets are recognized for all carryforward of unused tax losses and unused tax credits and deductible temporary differences to the extent that it is probable that taxable profit will be available or there are sufficient taxable temporary differences against which the unused tax losses, unused tax credits or deductible temporary differences can be utilized. The amount of deferred tax assets determined to be recognized is based upon the likely timing and the level of future taxable profits and taxable temporary differences together with future tax planning strategies.

C. Accounts receivable - estimation of impairment loss

The Group estimates the impairment loss of accounts receivable at an amount equal to lifetime expected credit losses. The credit loss is the present value of the difference between the contractual cash flows that are due under the contract (carrying amount) and the cash flows that are expected to receive (by evaluating forward looking information). However, as the impact from the discounting of short-term receivables is not material, the credit loss is measured by the undiscounted cash flows. Please refer to Note 6 for more details.

D. Inventory valuation

Estimates of net realizable value of inventories take into consideration that inventories may be damaged, become wholly or partially obsolete, or their selling prices have declined. The estimates are based on the most reliable evidence available at the time the estimates are made. Please refer to Note 6 for more details.

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6. Contents of significant accounts

(1) Cash and cash equivalents

	As of December 31,	
	2023	2022
Checking and savings accounts	\$1,345,736	\$678,668
Cash on hand	817	1,007
Total	<u>\$1,346,553</u>	<u>\$679,675</u>

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

	As of December 31,	
	2023	2022
Mandatorily measured at fair value through profit or loss:		
Fund beneficiary certificate	\$144,234	\$-
Corporate bonds	75,366	-
Total	<u>\$219,600</u>	<u>\$-</u>

(3) Financial assets measured at amortized cost

	As of December 31,	
	2023	2022
Bank deposits - time deposits	\$54,450	\$285,399
Other receivables - pledged	10,993	13,670
Total	<u>\$65,443</u>	<u>\$299,069</u>
Current	\$56,598	\$299,069
Non-current	8,845	-
Total	<u>\$65,443</u>	<u>\$299,069</u>

As of December 31, 2023 and 2022, the Group had bank deposits of NTD10,993 thousand and NTD13,670 thousand, respectively, pledged to the banks as collateral. Please refer to Note 8 for more details on pledged assets and Note 12 for more details on credit risk.

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(4) Accounts receivable and expected credit impairment losses

A. Accounts receivable

	As of December 31,	
	2023	2022
Accounts receivable	\$866,661	\$800,301
Less: loss allowance	(57,864)	(48,245)
Total	\$808,797	\$752,056

Accounts receivable were not pledged.

The Group's collection period typically ranges from 30 to 120 days. The total carrying amount as of December 31, 2023 and 2022 were NTD866,661 thousand and NTD800,301 thousand, respectively. Please refer to Note 12 for more details on credit risk.

B. Expected credit impairment losses

	For the years ended December 31,	
	2023	2022
Operating expense- expected credit impairment losses		
Accounts receivable	\$9,167	\$3,096

The Group measures the loss allowance of its receivables (including notes receivable and accounts receivable) based on the lifetime expected credit losses. The assessment of the loss allowance is as follows:

(a) As of December 31, 2023

i. The gross carrying amount and the fully recognized loss allowance assessed individually for counterparties in certain regions were both NTD20,462 thousand.

ii. Matrix to measure credit losses:

	Not yet due (Note)	Overdue				Total	
		<=30 days	31-60 days	61-90 days	91-120days		>=121 days
Gross carrying amount	\$683,555	\$86,598	26,484	\$12,563	\$2,402	\$34,795	\$846,397
Loss ratio	0.11%~0.64%	0.11%~7.75%	0.11%~37.06%	0.11%~82.11%	0.11%~100%	100%	
Lifetime expected credit losses	(1,262)	(1,275)	(29)	(38)	(3)	(34,795)	(37,402)
Carrying amount	\$682,293	\$85,323	\$26,455	\$12,525	\$2,399	\$-	\$808,995

Note: The Group's notes receivable are not overdue.

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(b) As of December 31, 2022

The gross carrying amount and the fully recognized loss allowance assessed individually for counterparties in certain regions were both NTD22,268 thousand.

Matrix to measure credit losses:

	Not yet	Overdue					Total
	due (Note)	<=30 days	31-60 days	61-90 days	91-120days	>=121 days	
Gross carrying amount	\$ 659,274	\$ 60,052	\$16,031	\$16,221	\$5,250	\$21,636	\$778,464
Loss ratio	0.55%~0.58%	0.58%~5.07%	0.58%~26.76%	0.58%~61.68%	0.58%~79.98%	93%~100%	
Lifetime expected credit losses	(3,655)	(455)	(96)	(119)	(28)	(21,624)	(25,977)
Carrying amount	\$655,619	\$59,597	\$15,935	\$16,102	\$5,222	\$12	\$752,487

Note: The Group's notes receivable are not overdue.

The movement in the provision for impairment of notes receivable and accounts receivable for the years ended of December 31, 2023 and 2022 were as follows:

	Notes receivable	Accounts receivable
January 1, 2023	\$-	\$48,245
Addition for the current period	-	9,167
Write-off	-	(3,750)
Effect of exchange rate changes	-	4,202
December 31, 2023	\$-	\$57,864
January 1, 2022	\$-	\$42,280
Additional for the current period	-	3,096
Write-off	-	(1,400)
Effect of exchange rate changes	-	4,269
December 31, 2022	\$-	\$48,245

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(5) Inventories

	As of December 31,	
	2023	2022
Merchandises	\$822,388	\$1,083,978
Raw materials	86,400	103,265
Finished goods	32,680	41,435
Work in progress	18,054	24,694
Total	\$959,522	\$1,253,372

	For the years ended December 31,	
	2023	2022
The cost of inventories sold	\$3,050,546	\$3,428,105
Losses of write-down of inventories	10,645	9,331

No inventories were pledged.

(6) Financial assets measured at fair value through other comprehensive income

	As of December 31,	
	2023	2022
Investments in equity instruments measured at fair value through other comprehensive income, non-current:		
Unlisted stocks	\$99,000	\$99,016

Financial assets measured at fair value through other comprehensive income were not pledged.

(7) Property, plant and equipment

	As of December 31,	
	2023	2022
Owner occupied property, plant and equipment	\$1,942,798	\$1,747,251

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	Land	Buildings	Machinery and equipment	Transportation equipment	Office equipment	Other equipment	Construction in progress and equipment awaiting inspection	Total
<u>Cost:</u>								
As of January 1, 2023	\$817,476	\$822,975	\$319,929	\$27,662	\$203,052	\$157,786	\$309,790	\$2,658,670
Additions	-	39,921	14,456	1,826	22,608	37,783	142,163	258,757
Disposals	-	-	(28,845)	(612)	(8,577)	(1,792)	-	(39,826)
Transfers	-	491	-	-	-	9,745	(491)	9,745
Effect of exchange rate changes	-	(511)	(2)	844	2,559	895	(85)	3,700
As of December 31, 2023	<u>\$817,476</u>	<u>\$862,876</u>	<u>\$305,538</u>	<u>\$29,720</u>	<u>\$219,642</u>	<u>\$204,417</u>	<u>\$451,377</u>	<u>\$2,891,046</u>
<u>Depreciation and impairment:</u>								
As of January 1, 2023	\$-	\$386,951	\$278,515	\$15,923	\$130,802	\$99,228	\$-	\$911,419
Depreciation	-	18,576	16,231	2,343	18,759	18,414	-	74,323
Disposals	-	-	(28,845)	(612)	(8,190)	(1,792)	-	(39,439)
Transfers	-	-	-	-	-	-	-	-
Effect of exchange rate changes	-	(13)	(6)	762	1,117	85	-	1,945
As of December 31, 2023	<u>\$-</u>	<u>\$405,514</u>	<u>\$265,895</u>	<u>\$18,416</u>	<u>\$142,488</u>	<u>\$115,935</u>	<u>\$-</u>	<u>\$948,248</u>
<u>Cost:</u>								
As of January 1, 2022	\$775,149	\$819,032	\$336,760	\$28,156	\$155,766	\$144,672	\$201,191	\$2,460,726
Additions	42,327	3,936	11,498	2,856	45,909	21,960	108,825	237,311
Disposals	-	(219)	(31,510)	(3,742)	(16,632)	(16,590)	-	(68,693)
Transfers	-	226	2,824	-	-	12,338	(226)	15,162
Effect of exchange rate changes	-	-	357	392	18,009	(4,594)	-	14,164
As of December 31, 2022	<u>\$817,476</u>	<u>\$822,975</u>	<u>\$319,929</u>	<u>\$27,662</u>	<u>\$203,052</u>	<u>\$157,786</u>	<u>\$309,790</u>	<u>\$2,658,670</u>

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	Land	Buildings	Machinery and equipment	Transportation equipment	Office equipment	Other equipment	Construction in progress and equipment awaiting inspection	Total
<u>Depreciation and impairment:</u>								
As of January 1, 2022	\$-	\$361,976	\$279,232	\$16,179	\$124,587	\$103,708	\$-	\$885,682
Depreciation	-	25,194	30,596	2,606	13,951	9,409	-	81,756
Disposals	-	(219)	(31,510)	(3,295)	(16,510)	(16,106)	-	(67,640)
Effect of exchange rate changes	-	-	197	433	8,774	2,217	-	11,621
As of December 31, 2022	<u>\$-</u>	<u>\$386,951</u>	<u>\$278,515</u>	<u>\$15,923</u>	<u>\$130,802</u>	<u>\$99,228</u>	<u>\$-</u>	<u>\$911,419</u>
Net carrying amount:								
As of December 31, 2023	<u>\$817,476</u>	<u>\$457,362</u>	<u>\$39,643</u>	<u>\$11,304</u>	<u>\$77,154</u>	<u>\$88,482</u>	<u>\$451,377</u>	<u>\$1,942,798</u>
As of December 31, 2022	<u>\$817,476</u>	<u>\$436,024</u>	<u>\$41,414</u>	<u>\$11,739</u>	<u>\$72,250</u>	<u>\$58,558</u>	<u>\$309,790</u>	<u>\$1,747,251</u>

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- A. Components of buildings that have different useful lives are the main building structure, utility and structure reinforcement constructions and others, which are depreciated over 50 years, 10 years and 15 years, respectively.
- B. Capitalized interest payments and interest rate of property, plant and equipment

	For the years ended December 31,	
	2023	2022
Capitalized interest payments	\$6,716	\$3,107
Capitalized interest rate	1.76%	1.59%

Please refer to Note 8 for details of property, plant and equipment pledged as collateral.

(8) Investment property

The Group's investment properties are owned investment properties. The Group has entered into commercial property leases on its owned investment properties. These leases include a clause to enable upward revision of the rental charge on an annual basis according to prevailing market conditions.

	Land	Buildings	Total
Cost:			
As of January 1, 2023	\$337,398	\$149,119	\$486,517
Effect of exchange rate changes	(53)	(24)	(77)
As of December 31, 2023	\$337,345	\$149,095	\$486,440
Depreciation and impairment:			
As of January 1, 2023	\$-	\$94,743	\$94,743
Depreciation	-	10,144	10,144
Effect of exchange rate changes	-	(169)	(169)
As of December 31, 2023	\$-	\$104,718	\$104,718

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	Land	Buildings	Total
Cost:			
As of January 1, 2022	\$373,003	\$134,382	\$507,385
Disposals	(72,912)	-	(72,912)
Effect of exchange rate changes	37,307	14,737	52,044
As of December 31, 2022	<u>\$337,398</u>	<u>\$149,119</u>	<u>\$486,517</u>
Depreciation and impairment:			
As of January 1, 2022	\$-	\$76,373	\$76,373
Depreciation	-	9,714	9,714
Effect of exchange rate changes	-	8,656	8,656
As of December 31, 2022	<u>\$-</u>	<u>\$94,743</u>	<u>\$94,743</u>
Net carrying amount:			
As of December 31, 2023	<u>\$337,345</u>	<u>\$44,377</u>	<u>\$381,722</u>
As of December 31, 2022	<u>\$337,398</u>	<u>\$54,376</u>	<u>\$391,774</u>

- A. The Group has entered into commercial property leases on its investment properties with terms of 3 years. These leases include a clause to enable upward revision of the rental charge on an annual basis according to prevailing market conditions.

	For the years ended December 31,	
	2023	2022
Rental income from investment property	\$14,941	\$12,516
Less:		
Direct operating expenses from investment property generating rental income	(84)	(166)
Direct operating expenses from investment property not generating rental income	(44)	(106)
Total	<u>\$14,813</u>	<u>\$12,244</u>

- B. As of December 31, 2023, GPI CO. (SAMOA) LTD., ("SAMOA") a subsidiary of the Company, owned land and buildings in the amount of USD10,561,050 and USD1,447,616, respectively, which were registered in the name of Wang Kuoying, who has Cambodian nationality, as the real estate buyer and registered owner. Thus, both parties have entered into an agreement to register real estate under other's names to bind their rights and obligations. Mr. Wang Kuoying has also signed a waiver to relinquish ownership of the land, housing and buildings.

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C. The Board of Directors of SAMOA approved the disposal of land in Phnom Penh, Cambodia on June 9, 2022 for USD13,670 thousand. The transaction was completed and payment was collected on September 12, 2022. Please refer to Note 6(21) for details of the disposal.

D. Investment properties held by the Group are not measured at fair value but for which the fair value are disclosed. The fair value measurements of the investment properties are categorized at Level 3. The fair value has been determined based on valuations performed by an independent appraiser and measured via Comparison Method and Land Development Analysis Approach. As of December 31, 2023 and 2022, the Group's investment properties amounted to NTD1,227,540 thousand and NTD1,219,090 thousand, respectively.

E. No investment property was pledged.

(9) Intangible assets

	Computer software	Customer relationships	Trademarks and trade names	Patent	Other intangible assets	Total
<u>Cost:</u>						
As of January 1, 2023	\$212,590	\$706,734	\$526,851	\$10,729	\$9,513	\$1,466,417
Additions	29,935	-	-	25	-	29,960
Disposals	(8,939)	(73,464)	(22,194)	(836)	(2,013)	(107,446)
Transfers	2,180	-	-	133	-	2,313
Effect of exchange rate changes	(269)	1,000	251	-	-	982
As of December 31, 2023	<u>\$235,497</u>	<u>\$634,270</u>	<u>\$504,908</u>	<u>\$10,051</u>	<u>\$7,500</u>	<u>\$1,392,226</u>
<u>Amortization and impairment:</u>						
As of January 1, 2023	\$168,482	\$385,918	\$249,620	\$3,310	\$8,680	\$816,010
Amortization	16,261	67,235	47,339	646	833	132,314
Disposals	(8,939)	(73,464)	(22,194)	(357)	(2,013)	(106,967)
Effect of exchange rate changes	(108)	31	(421)	-	-	(498)
As of December 31, 2023	<u>\$175,696</u>	<u>\$379,720</u>	<u>\$274,344</u>	<u>\$3,599</u>	<u>\$7,500</u>	<u>\$840,859</u>

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	Computer software	Customer relationships	Trademarks and trade names	Patent	Other intangible assets	Total
<u>Cost:</u>						
As of January 1, 2022	\$189,034	\$639,717	\$474,602	\$11,017	\$7,790	\$1,322,160
Additions	10,044	-	369	229	-	10,642
Disposals	(2,234)	-	-	(1,016)	-	(3,250)
Transfers	4,598	-	-	499	(313)	4,784
Others	-	-	-	-	2,013	2,013
Effect of exchange rate changes	11,148	67,017	51,880	-	23	130,068
As of December 31, 2022	<u>\$212,590</u>	<u>\$706,734</u>	<u>\$526,851</u>	<u>\$10,729</u>	<u>\$9,513</u>	<u>\$1,466,417</u>
<u>Amortization and impairment:</u>						
As of January 1, 2022	\$138,680	\$286,318	\$181,557	\$3,372	\$4,167	\$614,094
Amortization	17,131	69,112	46,926	665	2,500	136,334
Disposals	(2,234)	-	-	(727)	-	(2,961)
Transfers	4,598	-	-	-	-	4,598
Others	-	-	-	-	2,013	2,013
Effect of exchange rate changes	10,307	30,488	21,137	-	-	61,932
As of December 31, 2022	<u>\$168,482</u>	<u>\$385,918</u>	<u>\$249,620</u>	<u>\$3,310</u>	<u>\$8,680</u>	<u>\$816,010</u>
<u>Net carrying amount:</u>						
As of December 31, 2023	<u>\$59,801</u>	<u>\$254,550</u>	<u>\$230,564</u>	<u>\$6,452</u>	<u>\$-</u>	<u>\$551,367</u>
As of December 31, 2022	<u>\$44,108</u>	<u>\$320,816</u>	<u>\$277,231</u>	<u>\$7,419</u>	<u>\$833</u>	<u>\$650,407</u>

Please refer to Note 6(20) for recognition of amortization expenses of intangible assets.

(10) Goodwill

For impairment testing, the book value of goodwill cash generating units acquired through business combination is as follows:

	For the years ended December 31,	
	2023	2022
Opening balance	\$1,040,085	\$937,297
Effect of exchange rate changes	(170)	102,788
Closing balance	<u>\$1,039,915</u>	<u>\$1,040,085</u>

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Katun Holdings, LP's cash generating unit

The recoverable amount of the cash generating unit has been determined based on a value in use calculation using cash flow projections from financial budgets approved by management covering a five-year period. The projected cash flows have been updated to reflect the change in demand for products and services. The pre-tax discount rate applied to cash flow projections was 15.68% on December 31, 2023 and cash flows beyond the five-year period were extrapolated using a 2% growth rate on December 31, 2023, which was the same as the long-term average growth rate for the electronics industry. As a result of this analysis, management considered that the goodwill of the cash generating units in the amount of NTD1,039,915 thousand has not been repaired.

Key assumptions used in value-in-use calculations

The calculation of value-in-use for unit is most sensitive to the following assumptions:

- A. Gross margin
- B. Discount rates
- C. Market share during the budget period
- D. Growth rate used to extrapolate cash flows beyond the budget period

Gross margins – Gross margins are based on average values achieved in the five years preceding the start of the budget period.

Discount rates – Discount rates reflect the current market assessment of the risks specific to each cash-generating unit (including the time value of money and the risks specific to the asset for which the future cash flow estimates have not been adjusted). The discount rate was estimated based on the weighted average cost of capital (WACC) for the Group, taking into account the particular situations of the Group and its operating segments. The WACC includes both the cost of liabilities and cost of equities. The cost of equities is derived from the expected returns of the Group's investors on capital, where the cost of liabilities is measured by the interest bearing loans that the Group has obligation to settle. Specific risk relating to the operating segments is accounted for by considering the individual beta factor which is evaluated annually and based on available market information.

Market share assumptions – These assumptions are important to the Management when using industry data to estimate growth rates (as noted below) and assessing how the unit's market position would change, relative to its competitors over the budget period.

Growth rate estimates – Rates are based on published data of industry research.

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Sensitivity to changes in assumptions

With regard to the assessment of value-in-use of the cash-generating unit, management believes that no reasonably possible change in any of the above key assumptions would cause the carrying value of the unit to materially exceed its recoverable amount.

(11) Short-term loans

A. As of December 31, 2023

	<u>As of December 31, 2023</u>	<u>Interest Rates (%)</u>
Unsecured bank loans	\$1,365,000	1.5790%~2.1076%
Secured bank loans	600,000	1.7500%
Total	<u>\$1,965,000</u>	

B. As of December 31, 2022

	<u>As of December 31, 2023</u>	<u>Interest Rates (%)</u>
Unsecured bank loans	\$1,005,000	1.1749%~1.95%
Secured bank loans	460,000	2.050%
Total	<u>\$1,465,000</u>	

The Group's unused short-term lines of credits amounted to NTD2,752,212 thousand and NTD2,423,750 thousand as of December 31, 2023 and 2022, respectively. The secured bank loans are secured by the land and buildings. Please refer to Note 8 for details of the assets pledged as collateral for these loans.

(12) Short-term notes and bills payable

	<u>As of December 31,</u>	
	<u>2023</u>	<u>2022</u>
Unsecured commercial paper payable	\$80,000	\$130,000
Secured commercial paper payable	21,000	21,000
Less: discount on commercial paper payable	(102)	(221)
Total	<u>\$100,898</u>	<u>\$150,779</u>
Interest rates	1.888%~2.388% 1.908%~2.050%	

Please refer to Note 8 for details of the assets pledged as collateral for these loans.

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(13) Other payables

	As of December 31,	
	2023	2022
Payroll	\$102,282	\$183,476
Business tax payable	41,668	41,227
Payables on remuneration to employees	28,157	30,243
Payable on machinery and equipment	27,627	23,041
Payables on remuneration to directors and supervisors	13,500	13,500
Other payables	252,836	207,309
Total	\$466,070	\$498,796

(14) Provisions

	Maintenance warranties	Sales returns and discounts	Onerous lease contract	Employee benefit	Total
As of January 1, 2023	\$5,028	\$11,550	\$-	\$21,730	\$38,308
Additions (utilized)	(949)	(3,676)	-	1,878	(2,747)
Effect of exchange rate changes	14	53	-	935	1,002
As of December 31, 2023	\$4,093	\$7,927	\$-	\$24,543	\$36,563
Current - as of December 31, 2023	\$4,093	\$7,927	\$-	\$-	\$12,020
Non-current - as of December 31, 2023	\$-	\$-	\$-	\$24,543	\$24,543
As of January 1, 2022	\$4,647	\$8,110	\$11,478	\$26,487	\$50,722
Additions (utilized)	(123)	2,436	(12,164)	3,112	(6,739)
Reclassified	-	-	-	(8,623)	(8,623)
Effect of exchange rate changes	504	1,004	686	754	2,948
As of December 31, 2022	\$5,028	\$11,550	\$-	\$21,730	\$38,308
Current - as of December 31, 2022	\$5,028	\$11,550	\$-	\$-	\$16,578
Non-current - as of December 31, 2022	\$-	\$-	\$-	\$21,730	\$21,730

Maintenance warranties

A provision is recognized for expected warranty claims on products sold, based on past experience, management's judgement and other known factors.

Sales returns and discounts

Sales returns and discounts were estimated based on historical experiences and other known reasons and were recognized against revenue at the time of goods sold. The aforementioned estimates of sales returns and discounts are based on the premises that it is highly likely a significant reversal in the amount of cumulative revenue recognized will not occur.

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Onerous lease contract

An onerous contract is defined when the inevitable cost of meeting the contractual obligation exceeds the expected economic benefit to be received under the contract. The Group accrued a provision of onerous lease contract based on the unavoidable cost of fulfilling the lease contract.

Employee benefit

A provision of employee benefit is an estimate of the related liabilities prepared by the Group for the employee's reserve funds or the employee's additional pension benefits.

(15) Long-term loans

	As of December 31,	
	2023	2022
Secured loans	\$140,000	\$150,000
Unsecured loans	31,250	116,250
Subtotal	171,250	\$266,250
Less: current portion	(171,250)	(95,000)
	\$-	\$171,250
Interest rates	1.870%~1.950%	1.490%~1.856%
Maturity date	Successively due from February 2024	Successively due from February 2024

As of December 31, 2023 and 2022, the Group's unused credit of long-term loans amounted to NTD0 thousand and NTD100,000 thousand, respectively.

Please refer to Note 8 for details of the assets pledged as collateral for these loans .

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(16) Post-employment benefits

Defined contribution plan

The Company and its domestic subsidiaries adopt a defined contribution plan in accordance with the Labor Pension Act of the R.O.C. Under the Labor Pension Act, the Company and its domestic subsidiaries has made monthly contributions of no less than 6% of the employees' monthly wages to the employees' individual pension accounts. Pension benefits for employees of overseas subsidiaries and branches are provided in accordance with the local regulations.

Pension expenses under the defined contribution plan for the years ended December 31, 2023 and 2022 were NTD28,234 thousand and NTD27,271 thousand, respectively.

Defined benefits plan

The Company and its domestic subsidiaries adopt a defined benefit plan in accordance with the Labor Standards Act of the R.O.C. The pension benefits are disbursed based on the units of service years and the average salaries in the last month of the service year. Two units per year are awarded for the first 15 years of services while one unit per year is awarded after the completion of the 15th year. The total units shall not exceed 45 units. Under the Labor Standards Act, the Company and its domestic subsidiaries contribute an amount equivalent to 2% of the employees' total salaries and wages on a monthly basis to the pension fund deposited at the Bank of Taiwan in the name of the administered pension fund committee. Before the end of each year, the Company and its domestic subsidiaries assess the balance in the designated labor pension fund. If the amount is inadequate to pay pensions to the workers retiring in the same year, the Company and its domestic subsidiaries are required to make up the difference in one appropriation before the end of March the following year.

The Company expects to contribute NTD2,172 thousand to its defined benefit plan during the 12 months beginning after December 31, 2023.

The weighted average duration of the defined benefits plan obligation as of December 31, 2023 and 2022 were 15 years and 14 years, respectively.

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Pension costs recognized in profit or loss are as follows:

	For the years ended December 31,	
	2023	2022
Current period service costs	\$34	\$100
Net interest on the net defined benefit liabilities (assets)	888	562
Total	\$922	\$662

Reconciliations in the defined benefit obligation and fair value of plan assets are as follows:

	As of December 31,	
	2023	2022
Present value of defined benefit obligation	\$122,345	\$129,918
Plan assets at fair value	(66,281)	(65,997)
Net defined benefit liabilities, non-current	\$56,064	\$63,921

Reconciliation of liability (asset) of the defined benefit plan is as follows:

	Present value of defined benefit obligation	Fair value of plan assets	Net defined benefit liability (asset)
As of January 1, 2022	\$134,265	\$(59,255)	\$75,010
Current period service costs	100	-	100
Net interest expense (income)	1,007	(445)	562
Subtotal	135,372	(59,700)	75,672
Remeasurements of the net defined benefit liabilities (assets):			
Actuarial gains and losses arising from changes in financial assumptions	13,789	-	13,789
Experience adjustments	(13,286)	-	(13,286)
Return on plan assets	-	(4,544)	(4,544)
Subtotal	503	(4,544)	(4,041)
Benefits paid	(5,957)	5,957	-
Contributions by employer	-	(7,710)	(7,710)
As of December 31, 2022	129,918	(65,997)	63,921
Current period service costs	34	-	34
Net interest expense (income)	1,805	(917)	888
Subtotal	131,757	(66,914)	64,843

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	Present value of defined benefit obligation	Fair value of plan assets	Net defined benefit liability (asset)
Remeasurements of the net defined benefit liabilities (assets):			
Actuarial gains and losses arising from changes in financial assumptions	1,985	-	1,985
Experience adjustments	(8,401)	-	(8,401)
Return on plan assets	-	(191)	(191)
Subtotal	(6,416)	(191)	(6,607)
Benefits paid	(2,996)	2,996	-
Contributions by employer	-	(2,172)	(2,172)
As of December 31, 2023	\$122,345	\$(66,281)	\$56,064

The following significant actuarial assumptions are used in determining the Group's defined benefit plan:

	As of December 31,	
	2023	2022
Discount rate	1.31%	1.39%
Expected rate of salary increases	3.00%	3.00%

Sensitivity analysis for significant assumptions are shown below:

	For the years ended December 31,			
	2023		2022	
	Increase in defined benefit obligation	Decrease in defined benefit obligation	Increase in defined benefit obligation	Decrease in defined benefit obligation
Discount rate increase by 0.5%	\$-	\$(8,853)	\$-	\$(8,380)
Discount rate decrease by 0.5%	9,678	-	9,204	-
Future salary increase by 0.5%	9,464	-	9,008	-
Future salary decrease by 0.5%	-	(8,754)	-	(8,294)

The sensitivity analyses above are based on a change in a significant assumption (for example: change in discount rate or future salary), keeping all other assumptions constant. The sensitivity analyses may not be representative of an actual change in the defined benefit obligation as it is unlikely that changes in assumptions would occur in isolation of one another.

There was no change in the methods and assumptions used in preparing the sensitivity analyses compared to the previous period.

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(17) Equity

A. Common stock

The Company's authorized capital were both NT\$2,000,000 thousand divided into 200,000 thousand shares with par value of NTD10 as of December 31, 2023, and 2022. The Company's issued capital were both NT\$1,275,887 thousand divided into 127,589 thousand shares with par value of NTD10 each as of December 31, 2023, and 2022. Each share has one voting right and a right to receive dividends.

B. Additional paid-in capital

According to the Company Act, the additional paid-in capital shall not be used except for making up the deficit of the company. When a company incurs no loss, it may distribute the additional paid-in capital related to the income derived from the issuance of new shares at a premium or income from donations received by the Company. The distribution could be made in cash or in the form of dividend shares to its shareholders in proportion to the number of shares being held by each of them.

	As of December 31,	
	2023	2022
Share Premium	\$1,200,346	\$1,200,346
Employee stock	13,453	13,453
Total	\$1,213,799	\$1,213,799

C. Distribution of retained earnings and dividend policies

(a) According to the Company's Articles of Incorporation, current year's earnings, if any, shall be distributed in the following order:

- (i) Payment of tax;
- (ii) Offsetting accumulated deficits, if any;
- (iii) Setting aside 10% for legal reserve;
- (iv) Appropriating or reversing special reserve in compliance with the Company Act or Securities and Exchange Act;
- (v) The distribution of the remaining portion, if any, will be proposed by the Board of Directors and resolved in the shareholders' meeting;
- (vi) If the distribution mentioned above distribute in the form of cash dividends would be authorized to the special resolution held by the Board of Directors and resolved in the shareholders' meeting.

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The Company's policy of distribution is base on capital expenditure, business expansion and sustainable development. The board of directors shall propose the distribution plan and resolve in the shareholders' meeting. The shareholders' dividends shall be more than 10% of distributable earnings. The cash dividends shall not be less than 10% of total shareholders' dividends. The Company may choose not to distribute earnings if the earnings are insufficient to fund appropriation of a NTD0.5 dividend per share.

- (b) Pursuant to the Company Act, the company is required to set aside amount to legal reserve until the accumulated legal reserve equals total paid-in capital. The legal reserve can be used to make up the deficit. When a company incurs no loss, it may distribute the portion of legal serve which exceeds 25% of the paid-in capital by issuing new shares or by cash in proportion to the number of shares being held by each of the shareholders.
- (c) Details of the 2023 and 2022 earnings distribution and dividends per share as resolved by the Board of Director's meeting and the shareholders' meeting held on March 14, 2024 and June 15, 2023, respectively, are as follows:

	Appropriation of earnings		Dividend per share (NTD)	
	2023	2022	2023	2022
Reversal of special reserve	\$(114,265)	\$(98,255)		
Legal reserve	43,852	68,184		
Cash dividends (Note)	318,972	280,695	\$2.5	\$2.2

Note: The Group was authorized according to the Articles of Association and passed by special resolution on March 14, 2024 and March 21, 2023 the proposal to distribute common share cash dividends of 2023 and 2022, respectively.

Please refer to Note 6(20) for details of employees' compensation and remuneration to directors and supervisors.

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(18) Operating revenues

	For the years ended December 31,	
	2023	2022
Revenue from contracts with customers		
Sale of goods	\$5,103,342	\$5,491,663
Other operating revenue	211,185	211,544
Total	\$5,314,527	\$5,703,207

Information of revenues from contracts with customers during the years ended December 31, 2023 and 2022 are as follows:

A. Disaggregation of revenue

For the year ended December 31, 2023:

	Office equipment supplies department	Other department	Total
Sale of goods	\$5,103,342	\$-	\$5,103,342
Others	-	211,185	211,185
Total	\$5,103,342	\$211,185	\$5,314,527

Timing of revenue recognition:

At a point in time	\$5,103,342	\$-	\$5,103,342
Over time	-	211,185	211,185
Total	\$5,103,342	\$211,185	\$5,314,527

For the year ended December 31, 2022:

	Office equipment supplies department	International Tourist hotel department	Total
Sale of goods	\$5,491,663	\$-	\$5,491,663
Rendering of services	-	211,544	211,544
Total	\$5,491,663	\$211,544	\$5,703,207

Timing of revenue recognition:

At a point in time	\$5,491,663	\$-	\$5,491,663
Over time	-	211,544	211,544
Total	\$5,491,663	\$211,544	\$5,703,207

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B. Contract balances

Contract liabilities - current

	For the years ended December 31,	
	2023	2022
Sales of goods	\$5,682	\$3,526
Others	3,563	9,113
Total	\$9,245	\$12,639

(19) Leases

A. The Group as a lessee

The Group leases various properties, including real estate such as land and buildings, transportation equipment, office equipment and other equipment. The lease terms range from 1 to 7 years.

The Group's leases effect on the financial position, financial performance and cash flows are as follows:

(a) Amounts recognized in the balance sheet

(i) Right-of-use assets

The carrying amount of right-of-use assets

	As of December 31,	
	2023	2022
Buildings	\$425,881	\$444,581
Office equipment	26,307	28,439
Transportation equipment	18,577	15,387
Land	9,267	8,201
Total	\$480,032	\$496,608

For the years ended December 31, 2023 and 2022, the Group's additions to right-of-use assets amount to NT\$73,204 thousand and NT\$499,692 thousand, respectively.

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(ii) Lease liabilities

	As of December 31,	
	2023	2022
Current	\$85,075	\$66,698
Non-current	433,345	447,062
Total	\$518,420	\$513,760

Please refer to Note 6(21)(D) for the interest on lease liabilities recognized for the years ended December 31, 2023 and 2022 and refer to Note 12(5) Liquidity risk management for the maturity analysis for lease liabilities as of December 31, 2023 and 2022.

(b) Amounts recognized in the statement of comprehensive income

Depreciation charge for right-of-use assets

	For the years ended December 31,	
	2023	2022
Buildings	\$81,467	\$144,310
Transportation equipment	7,930	7,155
Office equipment	7,413	5,618
Land	1,686	1,678
Total	\$98,496	\$158,761

(c) Income and expenses relating to leasing activities

	For the years ended December 31,	
	2023	2023
The expenses relating to short-term leases	\$12,027	\$15,875
The expenses relating to leases of low-value assets (Not including the expenses relating to short-term leases of low-value assets)	6,600	5,353
Total	\$18,627	\$21,228

(d) Cash outflow relating to leasing activities

The Group's total cash outflows for leases for the years ended December 31, 2023 and 2022 were NTD123,955 thousand and NTD205,330 thousand, respectively.

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B. The Group as a lessor

Please refer to Note 6(8) for details on the Group's owned investment properties. Leases of owned investment properties are classified as operating leases as they do not transfer substantially all the risks and rewards incidental to ownership of underlying assets.

	For the years ended December 31,	
	2023	2022
Lease income for operating leases		
Income relating to fixed lease payments and variable lease payments that depend on an index or a rate	\$14,941	\$12,516

For operating leases entered by the Group, the undiscounted lease payments to be received and a total of the amounts for the remaining years as of December 31, 2023 and 2022 are as follows:

	As of December 31,	
	2023	2022
Not later than one year	\$14,659	\$14,303
Later than one year but not later than two years	15,651	14,304
Later than two years but not later than three years	13,658	17,879
Total	\$43,968	\$46,486

(20) Summarized statement of employee benefits, depreciation and amortization expenses by function for the years ended December 31, 2023 and 2022:

Function Nature	For the years ended December 31,					
	2023			2022		
	Operating costs	Operating expenses	Total amount	Operating costs	Operating expenses	Total amount
Employee benefits expense						
Salaries	\$200,153	\$654,589	\$854,742	\$215,325	\$616,877	\$832,202
Labor and health insurance	23,394	38,154	61,548	22,395	34,411	56,806
Pension	9,180	19,976	29,156	9,135	18,798	27,933
Other employee benefits expenses	7,293	287,410	294,703	8,176	322,722	330,898
Depreciation	41,968	140,995	182,963	54,407	195,824	250,231
Amortization	225	132,089	132,314	324	136,010	136,334

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According to the Articles of Incorporation, at least 0.1% of profit of the current year is distributable as employees' compensation and no more than 5% of profit of the current year is distributable as remuneration to directors and supervisors. However, the Company's accumulated losses shall have been covered. The aforementioned profit refers to the profit before tax in the current year after deducting the distribution of employee remuneration and the remuneration of directors and supervisors.

The Company may, by a resolution adopted by a majority vote at a meeting of Board of Directors attended by two-thirds of the total number of directors, have the profit distributable as employees' compensation in the form of shares or in cash; and in addition thereto a report of such distribution is submitted to the shareholders' meeting. Information on the Board of Directors' resolution regarding the employees' compensation and remuneration to directors and supervisors can be obtained from the "Market Observation Post System" on the website of the TWSE.

For the years ended December 31, 2023 and 2022, the Group recognized employees' compensation and remuneration to directors and supervisors based on 6.2% and 3.6% of profit of current year, respectively. The details of employees' compensation and remuneration to directors and supervisors were as follows:

	For the years ended December 31,	
	2023	2023
Employees' compensation	\$28,157	\$30,243
Remuneration to directors and supervisors	13,500	13,500

A resolution was approved at the Board of Directors meeting held on March 14, 2024 to distribute NTD28,157 thousand and NTD13,500 thousand in cash as the employee's compensation and remuneration to directors and supervisors, respectively. There was no material differences between the estimated amount and the actual distribution of the employee's compensation and remuneration to directors and supervisors for the year ended December 31, 2023.

There was no material differences between the estimated amount and the actual distribution of the employee's compensation and remuneration to directors and supervisors for the year ended December 31, 2022.

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(21) Non-operating income and expenses

A. Interest income

	For the years ended December 31,	
	2023	2022
Cash and cash equivalent	\$59,156	\$7,874
Financial assets measured at amortized cost	518	6,965
Total	\$59,674	\$14,839

B. Other income

	For the years ended December 31,	
	2023	2022
Rental income	\$15,520	\$13,102
Others	13,055	8,458
Total	\$28,575	\$21,560

C. Other gains and losses

	For the years ended December 31,	
	2023	2022
Foreign exchange gains, net	\$27,545	\$67,041
Gains on financial assets at fair value through profit or loss	775	-
Gains on disposal of property, plant and equipment, net	183	391
Gains on disposal of investment property (Note)	-	269,362
Restoration Costs	-	(37,598)
Losses on disposal of intangible assets	(479)	(289)
Miscellaneous expenditure	(43,579)	(8,037)
Total	\$(15,555)	\$290,870

Note: The gains on disposal of investment property has deducted related disposal fees.

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D. Finance costs

	For the years ended December 31,	
	2023	2022
Interest on loans from bank	\$40,824	\$26,014
Less: Capitalized interest payments	(6,716)	(3,107)
Subtotal	34,108	22,907
Interest on lease liabilities	21,552	16,942
Imputed interest on deposit	2	1
Total	\$55,662	\$39,850

(22) Components of other comprehensive income (loss)

A. For the year ended December 31, 2023

	Arising during the period	Reclassification adjustments during the period	Other comprehensive income, before tax	Income tax expense	Other comprehensive income, net of tax
Items that may not be reclassified subsequently to profit or loss:					
Remeasurements of defined benefit plans	\$6,607	\$-	\$6,607	\$(1,321)	\$5,286
Unrealized gains (losses) from investments in equity instruments measured at fair value through other comprehensive income	2	-	2	-	2
Items that may be reclassified subsequently to profit or loss:					
Exchange differences on translation of foreign operations	42,017	-	42,017	(8,486)	33,531
Gains (losses) on hedging instruments	(13,282)	-	(13,282)	-	(13,282)
Total other comprehensive income (loss)	\$35,344	\$-	\$35,344	\$(9,807)	\$25,537

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B. For the year ended December 31, 2022

	Arising during the period	Reclassification adjustments during the period	Other comprehensive income, before tax	Income tax expense	Other comprehensive income, net of tax
Items that may not be reclassified subsequently to profit or loss:					
Remeasurements of defined benefit plans	\$4,042	\$-	\$4,042	\$(808)	\$3,234
Unrealized gains (losses) from investments in equity instruments measured at fair value through other comprehensive income	(1,383)	-	(1,383)	-	(1,383)
Items that may be reclassified subsequently to profit or loss:					
Exchange differences on translation of foreign operations	341,277	-	341,277	(67,147)	274,130
Gains (losses) on hedging instruments	(854)	-	(854)	-	(854)
Total other comprehensive income (loss)	\$343,082	\$-	\$343,082	\$(67,955)	\$275,127

(23) Income tax

A. The major components of income tax expense were as follows:

(a) Income tax expense recognized in profit or loss

	For the years ended December 31,	
	2023	2022
Current income tax expense (income):		
Current income tax charge	\$99,961	\$87,435
Undistributed surplus for income tax	15,112	-
Adjustments in respect of current income tax of prior periods	(1,318)	(379)
Deferred income tax expense (income):		
Deferred income tax expense relating to origination and reversal of temporary differences	(3,707)	22,805
Total income tax expense	\$110,048	\$109,861

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(b) Income tax relating to components of other comprehensive income

	For the years ended December 31,	
	2023	2022
Deferred income tax expense (income):		
Exchange differences on translation of foreign operations	\$8,486	\$67,147
Remeasurements of defined benefit plans	1,321	808
Income tax relating to components of other comprehensive income	<u>\$9,807</u>	<u>\$67,955</u>

(c) A reconciliation between tax expense and accounting profit multiplied
by applicable tax rates were as follows:

	For the years ended December 31,	
	2023	2022
Accounting profit before tax from continuing operations	\$543,280	\$788,470
Tax calculated based on statutory tax rate	<u>\$165,662</u>	<u>\$170,594</u>
Undistributed surplus for income tax	15,112	-
Other income tax effects adjusted according to tax laws	3,354	-
Tax effect of expenses not deductible for tax purposes	116	-
Adjustments in respect of current income tax of prior periods	(1,318)	(379)
Tax effect of revenues exempt from taxation	(24,017)	(62,024)
Tax effect of deferred tax assets/liabilities	<u>(48,861)</u>	<u>1,670</u>
Total income tax expense recognized in profit or loss	<u>\$110,048</u>	<u>\$109,861</u>

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(d) Amounts and components of deferred tax assets (liabilities) were as follows:

(i) For the year ended December 31, 2023

	Beginning balance as of January 1, 2023	Recognized in profit or loss	Recognized in other comprehensive income	Effect of exchange rate changes	Ending balance as of December 31, 2023
Temporary differences					
Exchange differences on translation of foreign operations-GENERAL PLASTIC INDUSTRIAL CO., LTD	\$(11,135)	\$-	\$(8,486)	\$-	\$(19,621)
Investments accounted for using the equity method-GENERAL PLASTIC INDUSTRIAL CO., LTD	6,345	(39,363)	-	-	(33,018)
Investments accounted for using the equity method-GPIKT DE, INC.	(119,730)	24,231	-	(348)	(95,847)
Gains (losses) on financial assets at fair value through profit or loss	422	(164)	-	2	260
Unrealized intragroup profits and losses	23,389	(10,096)	-	(1)	13,292
Unrealized foreign exchange gains or losses	818	1,368	-	-	2,186
Allowance for doubtful accounts	9,359	3,333	-	(46)	12,646
Allowance to reduce inventory to market value	5,676	(597)	-	7	5,086
Defined benefit liability, non-current	12,784	(250)	(1,321)	-	11,213
Unused taxable losses	20,218	(10,323)	-	25	9,920
Unrealized sales revenue	46	(39)	-	(1)	6
Depreciation	(58)	336	-	(6)	272
Prepaid expenses	-	368	-	(5)	363
Accrued expenses	17,987	(2,656)	-	38	15,369
Other deferred tax assets	1,088	8,318	-	(126)	9,280
Other deferred tax liabilities	(115)	-	-	115	-
Deferred tax liabilities acquired from a business combination	(127,422)	29,241	-	(423)	(98,604)
Unrealized gains (losses) from investments in equity instruments measured at fair value through other comprehensive income	3,498	-	-	-	3,498
Deferred tax income (expense)		<u>\$3,707</u>	<u>\$(9,807)</u>	<u>\$(769)</u>	
Net deferred tax assets (liabilities)	<u>\$(156,830)</u>				<u>\$(163,699)</u>
Reflected in balance sheet as follows:					
Deferred tax assets	<u>\$102,583</u>				<u>\$84,651</u>
Deferred tax liabilities	<u>\$(259,413)</u>				<u>\$(248,350)</u>

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(ii) For the year ended December 31, 2022

	Beginning balance as of January 1, 2022	Recognized in profit or loss	Recognized in other comprehensive income	Recognized in equity (Note 1)	Effect of exchange rate changes	Ending balance as of December 31, 2022
Temporary differences						
Exchange differences on translation of foreign operations-GENERAL PLASTIC INDUSTRIAL CO., LTD	\$56,012	\$-	\$(67,147)	\$-	\$-	\$(11,135)
Investments accounted for using the equity method-GENERAL PLASTIC INDUSTRIAL CO., LTD	16,976	(10,631)	-	-	-	6,345
Investments accounted for using the equity method-GPIKT DE, INC.	(71,982)	(38,735)	-	-	(9,013)	(119,730)
Gains (losses) on financial assets at fair value through profit or loss	112	292	-	-	18	422
Unrealized intragroup profits and losses	19,236	4,152	-	-	1	23,389
Unrealized foreign exchange gains or losses	320	498	-	-	-	818
Allowance for doubtful accounts	7,503	987	-	-	869	9,359
Allowance to reduce inventory to market value	3,799	1,632	-	-	245	5,676
Defined benefit liability, non-current	15,002	(1,410)	(808)	-	-	12,784
Unused taxable losses	20,239	(837)	-	-	816	20,218
Unrealized sales revenue	128	(82)	-	-	-	46
Depreciation	(142)	97	-	-	(13)	(58)
Accrued expenses	13,950	2,437	-	-	1,600	17,987
Other deferred tax assets	707	295	-	-	86	1,088
Other deferred tax liabilities	(185)	-	-	-	70	(115)
Deferred tax assets acquired from a business combination	2,410	(2,599)	-	-	189	-
Deferred tax liabilities acquired from a business combination	(134,393)	21,099	-	-	(14,128)	(127,422)
Unrealized gains (losses) from investments in equity instruments measured at fair value through other comprehensive income	3,153	-	-	-	345	3,498
Deferred tax expense		\$(22,805)	\$(67,955)	\$-	\$(18,915)	
Net deferred tax assets (liabilities)	\$(47,155)					\$(156,830)
Reflected in balance sheet as follows:						
Deferred tax assets	\$159,721					\$102,583
Deferred tax liabilities	\$(206,876)					\$(259,413)

Note 1: Samoa, one of the subsidiaries of the Group, reinvested in micro-banks, which has been presented in the consolidated statements of changes in equity through unrealized losses from financial assets measured at fair value through other comprehensive income.

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B. The unused accumulated taxable losses of the Group were as follows:

Year	Taxable losses for the period	Unused taxable losses		Expiration year (Note)
		As of December 31,		
		2023	2022	
2009	\$22,394	\$12,783	\$19,426	(Note1)
2010	5,331	5,331	5,331	(Note1)
2011	16,088	6,008	6,024	(Note1)
2014	51,010	-	16,209	2024
2015	37,492	-	37,109	2025
2016	18,509	1,981	18,502	2026
2017	17,879	17,879	17,879	2027
2021	2,290	-	2,290	(Note2)
2022	4,889	-	4,889	(Note2)
		<u>\$43,982</u>	<u>\$127,659</u>	

Note1: The loss deduction of Katun U.K. has no expiration year as long as the trade continues.

Note2: All loss deduction of Katun Shanghai were used up in 2023.

C. Unrecognized deferred tax assets

As of December 31, 2023 and 2022, temporary differences not recognized as deferred tax assets amounted to NTD321,876 thousand and NTD97,360 thousand, respectively.

D. The assessment of income tax return

As of December 31, 2023, the assessment of the income tax returns of the Company and its domestic subsidiaries is as follows:

	<u>The assessment of income tax returns</u>
The Company	Assessed and approved up to 2021
Subsidiary-JIOU FU CO., LTD.	Assessed and approved up to 2021
Subsidiary-CHI FU CO., LTD.	Assessed and approved up to 2021

As of December 31, 2023, the income tax returns of the Company's foreign subsidiaries have been filed up to 2022.

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(24) Earnings per share

Basic earnings per share amounts are calculated by dividing net profit for the year attributable to ordinary equity holders of the parent entity by the weighted average number of ordinary shares outstanding during the year.

Diluted earnings per share amounts are calculated by dividing the net profit attributable to ordinary equity holders of the parent entity (after adjusting for interest on the convertible bonds) by the weighted average number of ordinary shares outstanding during the year plus the weighted average number of ordinary shares that would be issued on conversion of all the dilutive potential ordinary shares into ordinary shares.

	For the years ended December 31,	
	2023	2022
A. Basic earnings per share		
Net income attributable to ordinary equity holders of the parent (in thousand of NTD)	\$433,232	\$678,609
Weighted average number of ordinary shares outstanding for basic earnings per share (in thousands)	127,589	127,589
Basic earnings per share (NTD)	\$3.40	\$5.32
B. Diluted earnings per share		
Net income attributable to ordinary equity holders of the parent (in thousand of NTD)	\$433,232	\$678,609
Net income attributable to ordinary equity holders of the parent after dilution (in thousand of NTD)	\$433,232	\$678,609
Weighted average number of ordinary shares outstanding for basic earnings per share (in thousands)	127,589	127,589
Effect of dilution:		
Employees compensation - stock (in thousands)	1,008	1,027
Weighted average number of ordinary shares outstanding after dilution (in thousands)	128,597	128,616
Diluted earnings per share (NTD)	\$3.37	\$5.28

There have been no other transactions involving ordinary shares or potential ordinary shares between the reporting date and the issuance date of financial statements.

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7. Related party transactions

The related parties who had transactions with the Group during the financial reporting Period were as follows:

Related parties and relationship

<u>Related Party</u>	<u>Relationship</u>
Wang, Jui-Hung and 11 others	Board of Directors or vice presidents and above
CK ROYAL CONSTRUCTION CO., LTD.	The Chairman of the related party is the Chairman of the Company

Significant transactions with related parties

(1) The cost, assets and liabilities related to the construction of the building

	<u>Construction in progress</u>		<u>Payable to related parties</u>	
	<u>112.12.31</u>	<u>111.12.31</u>	<u>112.12.31</u>	<u>111.12.31</u>
CK ROYAL CONSTRUC- TION CO., LTD.	\$1,080	\$-	\$-	\$-

(2) Key management compensation

	<u>For the years ended December 31,</u>	
	<u>2023</u>	<u>2022</u>
Short-term employee benefits	\$93,332	\$85,397
Defined benefit obligation	1,284	1,302
Total	<u>\$94,616</u>	<u>\$86,699</u>

8. Assets pledged as collateral

The following table lists assets of the Group pledged as collateral for leasing contracts of distribution center in north america and office, customs clearance of imported goods, bank loan and notes and bills payable:

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Item	Carrying amount	
	As of December 31,	
	2023	2022
Property, plant and equipment -		
land and buildings	\$1,065,682	\$878,410
Financial assets measured at amortized cost	10,993	13,670
Total	\$1,076,675	\$892,080

9. Significant Contingent Liabilities and Unrecognized Commitments

(1) The Group has available amounts of NTD28,191 thousand under unused letters of credit as of December 31, 2023.

(2) The important contractual commitment

As of December 31, 2023, the details of the contracts the Group has signed but not yet completed, recognized as construction in progress, are as follows:

Contracting parties	Contract target	Total contract amount	Contract amount unpaid as of December 31, 2023
Company A	Plants and buildings	\$80,040	\$3,482
Company B	Plants and buildings	69,450	8,471
Company C	Plants and buildings	46,500	14,262
Company D	Plants and buildings	33,000	29,700
Company E	Plants and buildings	15,920	1,592
Company F	Plants and buildings	13,916	3,250
Company G	Plants and buildings	11,144	7,801

10. Significant losses from disasters

None.

11. Significant subsequent events

None.

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12. Other

(1) Categories of financial instruments

<u>Financial assets</u>	As of December 31,	
	2023	2022
Financial assets at fair value through other comprehensive income:		
Financial assets at fair value through other comprehensive income, non-current	\$99,000	\$99,016
Financial assets at fair value through profit or loss:		
Mandatorily measured at fair value through profit or loss	219,600	-
Financial assets measured at amortized cost:		
Cash and cash equivalents (excluding cash on hand)	1,345,736	678,668
Financial assets measured at amortized cost, current	56,598	299,069
Financial assets measured at amortized cost, non-current	8,845	-
Notes receivable and accounts receivable	808,995	752,487
Other receivables	82,521	170,678
Total	<u>\$2,621,295</u>	<u>\$1,999,918</u>
 <u>Financial liabilities</u>		
Financial liabilities at amortized cost:		
Short-term loans	\$1,965,000	\$1,465,000
Short-term notes and bills payable	100,898	150,779
Accounts payable	450,708	492,771
Lease liabilities	518,420	513,760
Other payables	466,070	498,796
Long-term loans (including current portion)	171,250	266,250
Subtotal	<u>3,672,346</u>	<u>3,387,356</u>
Derivative financial liability for hedging	1,019	1,534
Total	<u>\$3,673,365</u>	<u>\$3,388,890</u>

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(2) Financial risk management objectives and policies

The Group's principal financial risk management objective is to manage the market risk, credit risk and liquidity risk related to its operating activities. The Group identifies measures and manages the aforementioned risks based on the Group's policy and risk appetite.

The Group has established appropriate policies, procedures and internal controls for financial risk management. Before entering into significant transactions, due approval process by the Board of Directors and the Audit Committee must be carried out based on related protocols and internal control procedures. The Group complies with its financial risk management policies at all times.

(3) Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of the changes in market prices. Market risks comprise foreign currency risk, interest rate risk and other price risk (such as equity instrument).

In practice, it is rarely the case that a single risk variable will change independently from other risk variables; there are usually interdependencies between risk variables. However the sensitivity analysis disclosed below does not take into account the interdependencies between risk variables.

Foreign currency risk

The Group's exposure to the risk of changes in foreign exchange rates relates primarily to the Group's operating activities (when revenue or expense are denominated in a currency different from the Group's functional currency) and the Group's net investments in foreign subsidiaries.

The Group's main revenues and expenses are foreign currency transactions and are exposed to the risk of foreign currency exchange rate fluctuations. To hedge exchange rate risks resulting in reduced value and future cash flow fluctuations, the Group uses financial instruments such as forward exchange contracts to hedge the foreign currency risk that may arise from some expected and highly probable risks. The above hedging operation only reduces part of the financial impact caused by exchange rate changes.

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The foreign currency sensitivity analysis of the possible change in foreign exchange rates on the Group's profit is performed on significant monetary items denominated in foreign currencies as of the end of the reporting period.

The Group's foreign currency risk is mainly related to the volatility in the exchange rates for USD and EUR. Sensitivity analysis as follows:

When NTD strengthens/weakens against foreign currency USD by 1%, the profit for the years ended December 31, 2023 and 2022 decreases/increases by NTD7,521 thousand and NTD4,313 thousand, respectively.

When NTD strengthens/weakens against foreign currency EUR by 1%, the profit for the years ended December 31, 2023 and 2022 decreases/increases by NTD1,018 thousand and NTD1,199 thousand, respectively.

When NTD strengthens/weakens against foreign currency MXN by 1%, the profit for the years ended December 31, 2023 and 2022 decreases/increases by NTD936 thousand and NTD2,775 thousand, respectively.

When NTD strengthens/weakens against foreign currency BRL by 1%, the profit for the years ended December 31, 2023 and 2022 decreases/increases by NTD756 thousand and NTD1,117 thousand, respectively.

Interest rate risk

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Group's exposure to the risk of changes in market interest rates relates primarily to the Group's bank borrowings with fixed interest rates and variable interest rates.

The interest rate sensitivity analysis is performed on items exposed to interest rate risk as of the end of the reporting period, including investments and borrowings with variable interest rates and interest rate swaps. At the reporting date, a change of 10 basis points of interest rate in a reporting period could cause the profit for the years ended December 31, 2023 and 2022 to decrease /increase by NTD2,136 thousand and NTD1,731 thousand, respectively.

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Equity price risk

The fair value of the Group's unlisted equity securities is susceptible to market price risk arising from uncertainties about future values of the investment securities. The Group's unlisted equity securities are classified under investments measured at fair value through other comprehensive income. The Group manages the equity price risk through diversification and placing limits on individual and total equity instruments. Reports on the equity portfolio are submitted to the Group's senior management on a regular basis. The Group's Board of Directors reviews and approves all equity investment decisions.

Please refer to Note 12(9) for sensitivity analysis information of other equity instruments or derivatives that are linked to such equity instruments whose fair value measurement is categorized under Level 3.

(4) Credit risk management

Credit risk is the risk that a counterparty will not meet its obligations under a contract, leading to a financial loss. The Group is exposed to credit risk from operating activities (primarily for accounts receivable and notes receivable) and from its financing activities, including bank deposits and other financial instruments.

Credit risk is managed by each business unit subject to the Group's established policy, procedures and control relating to credit risk management. Credit limits are established for all counter parties based on their financial position, rating from credit rating agencies, historical experience, prevailing economic condition and the Group's internal rating criteria etc. Certain counter parties' credit risk will also be managed by taking credit enhancing procedures, such as requesting for prepayment or insurance.

As of December 31, 2023 and 2022, the accounts receivable of top ten customers accounted for 13% and 15% of the total accounts receivable of the Group, respectively. The credit concentration risk of other accounts receivable is insignificant.

Credit risk of bank deposits, fixed income securities and other financial instruments is managed by the Group's treasury department in accordance with the Group's policy. The Group only transacts with counterparties approved by the internal control procedures, which are banks and financial institutions, companies and government entities with good credit rating. Consequently, there is no significant credit risk for these counter parties.

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(5) Liquidity risk management

The Group's objective is to maintain a balance between continuity of funding and flexibility through the use of cash and cash equivalents, highly liquid equity investments and bank borrowings. The table below summarizes the maturity profile of the Group's financial liabilities based on the contractual undiscounted payments and contractual maturity. The payment amount includes the contractual interest. The undiscounted payment relating to borrowings with variable interest rates is extrapolated based on the estimated interest rate yield curve as of the end of the reporting period.

Non-derivative financial liabilities

	Less than 1 year	2 to 3 years	4 to 5 years	> 5 years	Total
As of December 31, 2023					
Short-term loans	\$1,971,284	\$-	\$-	\$-	\$1,971,284
Short-term notes and bills payable	100,898	-	-	-	100,898
Accounts payable	450,708	-	-	-	450,708
Other payables	466,070	-	-	-	466,070
Lease liabilities	106,307	186,007	129,603	158,963	580,880
Long-term loans	171,980	-	-	-	171,980
As of December 31, 2022					
Short-term loans	\$1,472,893	\$-	\$-	\$-	\$1,472,893
Short-term notes and bills payable	150,779	-	-	-	150,779
Accounts payable	492,771	-	-	-	492,771
Other payables	497,036	-	-	-	497,036
Lease liabilities	99,611	163,197	135,969	173,308	572,085
Long-term loans	98,931	171,927	-	-	270,858

(6) Reconciliation of liabilities arising from financing activities

Reconciliation of liabilities for year ended December 31, 2023:

	Short-term loans	Short-term notes and bills payable	Long-term loans (including current portion)	Leases liabilities	Total liabilities from financing activities
As of January 1, 2023	\$1,465,000	\$150,779	\$266,250	\$513,760	\$2,395,789
Cash flows	500,000	(49,881)	(95,000)	(105,328)	249,791
Non-cash changes	-	-	-	94,768	94,768
Effect of exchange rate changes	-	-	-	15,220	15,220
As of December 31, 2023	<u>\$1,965,000</u>	<u>\$100,898</u>	<u>\$171,250</u>	<u>\$518,420</u>	<u>\$2,755,568</u>

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Reconciliation of liabilities for year ended December 31, 2022:

	Short-term loans	Short-term notes and bills payable	Long-term loans (including current portion)	Leases liabilities	Total liabilities from financing activities
As of January 1, 2022	\$1,115,000	\$319,714	\$504,334	\$144,008	\$2,083,056
Cash flows	350,000	(168,935)	(238,084)	(167,160)	(224,179)
Non-cash changes	-	-	-	516,363	516,363
Effect of exchange rate changes	-	-	-	20,549	20,549
As of December 31, 2022	<u>\$1,465,000</u>	<u>\$150,779</u>	<u>\$266,250</u>	<u>\$513,760</u>	<u>\$2,395,789</u>

(7) Fair values of financial instruments

A. The methods and assumptions applied in determining the fair value of financial instruments:

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The following methods and assumptions were used by the Group to measure or disclose the fair values of financial assets and financial liabilities:

- (a) The carrying amount of cash and cash equivalents, accounts receivable, accounts payable and other current liabilities approximate their fair value due to their short maturities.
- (b) For financial assets and liabilities traded in an active market with standard terms and conditions, their fair value is determined based on market quotation price (including listed equity securities, beneficiary certificates, bonds and futures etc.) at the reporting date.
- (c) Fair value of equity instruments without market quotations (including private placement of listed equity securities, unquoted public company and private company equity securities) are estimated using the market method valuation techniques based on parameters such as prices based on market transactions of equity instruments of identical or comparable entities and other relevant information (for example, inputs such as discount for lack of marketability, P/E ratio of similar entities and Price-Book ratio of similar entities).

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(d) Fair value of debt instruments without market quotations, bank loans, and other non-current liabilities are determined based on the counterparty prices or valuation method. The valuation method uses DCF method as a basis, and the assumptions such as the interest rate and discount rate are primarily based on relevant information of similar instrument (such as yield curves published by Taipei Exchange, average prices for Fixed Rate Commercial Paper published by Reuters and credit risk, etc.)

B. Fair value of financial instruments measured at amortized cost

The carrying amounts of the Group's financial assets and financial liabilities are measured at amortized cost approximate their fair value.

C. Fair value measurement hierarchy for financial instruments

Please refer to Note 12(9) for fair value measurement hierarchy for financial instruments of the Group.

(8) Derivative financial instruments

The related information of the Group's derivative financial instruments not yet settled as of December 31, 2023 and 2022 is as follows:

Forward currency contracts

The Group entered into forward currency contracts to manage its exposure to financial risk due to purchases of inventory and sales in GBP, EUR and USD. These contracts are designated as hedging instruments. The table below lists the information related to forward currency contracts:

As of December 31, 2023

Items	Notional amount (in thousands)	Contract period
Forward currency contract		
Sell EUR / Buy USD	EUR 1,200 / USD 1,296	October 2023 to March 2024
Buy EUR / Sell GBP	EUR 298 / GBP 260	October 2023 to March 2024

As of December 31, 2022

Items	Notional amount (in thousands)	Contract period
Forward currency contract		
Sell EUR / Buy USD	EUR 1,200 / USD 1,230	October 2022 to March 2023
Buy EUR / Sell GBP	EUR 300 / GBP 260	October 2022 to March 2023

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(9) Fair value measurement hierarchy

A. Fair value measurement hierarchy

All asset and liabilities for which fair value is measured or disclosed in the financial statements are categorized within the fair value hierarchy, based on the lowest level input that is significant to the fair value measurement as a whole. Level 1, 2 and 3 inputs are described as follows:

Level 1 – Quoted (unadjusted) market prices in active markets for identical assets or liabilities that the entity can access at the measurement date

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

For assets and liabilities that are recognized in the financial statements on a recurring basis, the Group determines whether transfers have occurred between Levels in the hierarchy by re-assessing categorization at the end of each reporting period.

B. Fair value measurement hierarchy of the Group's assets and liabilities

The Group does not have assets that are measured at fair value on a non-recurring basis. Fair value measurement hierarchy of the Group's assets and liabilities measured at fair value on a recurring basis were as follows:

As of December 31, 2023

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Financial assets:				
Financial assets measured at fair value through profit or loss				
Fund beneficiary certificate	\$144,234	\$-	\$-	\$144,234
Corporate bonds	75,366	-	-	75,366
Financial assets measured at fair value through other comprehensive income				
Equity instrument measured at fair value through other comprehensive income	-	-	99,000	99,000

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As of December 31, 2022

	Level 1	Level 2	Level 3	Total
Financial assets:				
Financial assets measured at fair value through other comprehensive income				
Equity instrument measured at fair value through other comprehensive income	\$-	\$-	\$99,016	\$99,016

Transfers between Level 1 and Level 2 during the period

For the years ended December 31, 2023 and 2022, there were no transfers between Level 1 and Level 2 fair value measurements.

The detail movement of recurring fair value measurements in Level 3

Reconciliation for recurring fair value measurements in Level 3 of the fair value hierarchy for movements during the period is as follows:

	Assets	
	Measured at fair value through other comprehensive income	
	Stocks	
	2023	2022
Beginning balance	\$99,016	\$89,230
Effect of exchange rate changes	(16)	9,786
Ending balance	\$99,000	\$99,016

Information on significant unobservable inputs to valuation of fair value measurements categorized within Level 3 of the fair value hierarchy

Description of significant unobservable inputs to valuation of recurring fair value measurements categorized within Level 3 of the fair value hierarchy is as follows:

As of December 31, 2023

	Valuation techniques	Significant unobservable inputs	Quantitative information	Relationship between inputs and fair value	Sensitivity analysis of the input to fair value
Financial assets: Financial assets measured at fair value through other comprehensive income Stocks	Market approach	discount for lack of marketability	10%~30%	The higher the discount for lack of marketability, the lower the fair value of the stocks	10% increase (decrease) in the discount for lack of marketability would result in increase (decrease) in the Group's equity by NTD9,900 thousand

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As of December 31, 2022

	Valuation techniques	Significant unobservable inputs	Quantitative information	Relationship between inputs and fair value	Sensitivity analysis of the input to fair value
Financial assets: Financial assets measured at fair value through other comprehensive income Stocks	Market approach	discount for lack of marketability	10%~30%	The higher the discount for lack of marketability, the lower the fair value of the stocks	10% increase (decrease) in the discount for lack of marketability would result in increase (decrease) in the Group's equity by NTD9,902 thousand

Valuation process used for fair value measurements categorized within Level 3 of the fair value hierarchy

The Group's Finance Department is responsible for validating the fair value measurements and ensuring that the results of the valuation are in line with market conditions, based on independent and reliable inputs which are consistent with other information, and represent exercisable prices. The Department analyses the movements in the values of assets and liabilities which are required to be re-measured or re-assessed as per the Group's accounting policies at each reporting date.

C. Fair value measurement hierarchy of the Group's assets and liabilities not measured at fair value but for which the fair value is disclosed

As of December 31, 2023

	Level 1	Level 2	Level 3	Total
Financial assets not measured at fair value but for which the fair value is disclosed:				
Investment properties (please refer to Note 6(8))	\$-	\$-	\$1,227,540	\$1,227,540

As of December 31, 2022

	Level 1	Level 2	Level 3	Total
Financial assets not measured at fair value but for which the fair value is disclosed:				
Investment properties (please refer to Note 6(8))	\$-	\$-	\$1,219,090	\$1,219,090

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(10) Significant assets and liabilities denominated in foreign currencies

Information regarding the significant assets and liabilities denominated in foreign currencies were listed below:

	As of December 31, 2023		
	Foreign currencies (thousands)	Exchange rate	NTD (thousands)
Financial assets			
Monetary items:			
USD	\$36,922	30.6550	\$1,131,844
EUR	14,955	33.7800	505,180
MXN	78,188	1.8117	141,653
BRL	17,545	6.3320	111,095
Financial liabilities			
Monetary items:			
USD	\$12,388	30.6550	379,754
EUR	11,942	33.7800	403,401
	As of December 31, 2022		
	Foreign currencies (thousands)	Exchange rate	NTD (thousands)
Financial assets			
Monetary items:			
USD	\$28,549	30.6600	\$875,312
EUR	16,705	32.5200	543,247
MXN	63,374	1.5793	100,087
BRL	24,937	5.8761	146,532
Financial liabilities			
Monetary items:			
USD	\$14,481	30.6600	\$443,987
EUR	13,017	32.5200	423,313

Due to the wide variety of individual functional currencies of the Group, the Group is not able to disclose the information of exchange gains and losses of monetary financial assets and liabilities by each significant assets and liabilities denominated in foreign currencies. The Group recognized NTD27,545 thousand and NTD67,041 thousand for foreign exchange gain for the years ended December 31, 2023 and 2022, respectively.

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(11)Capital management

The primary objective of the Group's capital management is to ensure that it maintains a strong credit rating and healthy capital ratios in order to support its business and maximize shareholder value. The Group manages its capital structure and makes adjustments to it, in light of changes in economic conditions. To maintain or adjust the capital structure, the Group may adjust dividend payment to shareholders, return capital to shareholders or issue new shares.

13. Other disclosure

A. Information of significant transactions

A. Loans to others: The following transactions were written off when the consolidated financial statements were prepared.

No	Lender	Borrower	Financial statement account	Related parties	Maximum balance for the period	Ending balance (By resolution of the Board of Directors)	Amount actually drawn	Interest rate (%)	Nature of financing	Transaction amount	Reasons for short-term financing	Allowance for doubtful account	Collateral		Financing limits for a single borrowing company (Note1)	Limits on total loans granted (Note1)
													Item	value		
1	JIOU FU CO., LTD.	GENERAL PLASTIC INDUSTRIAL CO., LTD.	Other receivables due from related parties	Yes	\$200,000	\$-	\$-	2.05%	The need for short-term financing	\$-	Operating Purposes and group financial allocation	\$-	No	\$-	\$272,213	\$272,213
2	GPI CO. (SAMOA) LTD.	GENERAL PLASTIC INDUSTRIAL CO., LTD.	Other receivables due from related parties	Yes	\$306,550 (USD 10,000,000)	\$-	\$-	2.05%	The need for short-term financing	\$-	Operating Purposes and group financial allocation	\$-	No	\$-	\$362,261	\$362,261

Note: 1.The Company's total lending amounts shall be limited to 80% of the Company's net value.

2.If the Company provides financing to a corporation or entity it already had a business transaction with, the total lending amount shall be limited to 40% of the Company's net value; and the individual lending amount shall not exceed the total transaction amount between the two parties in the latest year. The transaction amount referred to above shall mean the higher of purchase or sales amount between the two parties.

3.The total lending amounts shall not exceed 40% of the Company's net value when providing financing to companies that require short-term loans; and the individual lending amount shall not exceed 40% of the Company's net value.

JIOU FU CO., LTD. : NTD680,532 thousand *40%= NTD272,213 thousand

GPI CO. (SAMOA) LTD. : USD29,543,387*30.655*40%= NTD362,261 thousand

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B. Endorsement/Guarantee provided to others for the year ended December 31, 2023:

No	Endorser/ guarantor	Party being endorsed/guaranteed		Limit on endorsements/ guarantees amount to a single party	Maximum balance for the period	Ending balance	Actual amount provided	Amount of endorsement/ guarantee collateralized by properties	Ratio of accumulated amount of guarantee provided to net equity of the latest financial statements	Limit on total endorsements/ guarantees amount provided (Note 1)	Guarantee Provided by Parent Company	Guarantee Provided by Subsidiary	Guarantee Provided to Subsidiaries in Mainland China
		Company name	Relationship										
1	Katun Holdings, LP	Katun Corporation	2	\$1,475,681	\$352,874 (USD11,511,135)	\$319,692 (USD10,428,710)	\$1,976 (USD64,455)	\$-	7.70%	\$1,475,681	N	N	N
2	Katun Corporation	PNA Holdings de Mexico S.A. de C.V.	2	\$790,867	\$8,325 (USD271,566)	\$757 (USD24,688)	\$757 (USD24,688)	\$-	0.02%	\$790,867	N	N	N
2	Katun Corporation	Katun Brasil Comercio de Suprimentos, Pecas e Equipamentos Ltda	2	\$790,867	\$107,293 (USD3,500,000)	\$107,293 (USD3,500,000)	\$41,118 (USD1,341,309)	\$-	2.58%	\$790,867	N	N	N
3	Coöperative Katun DutchHoldco U.A.	Coöperative Katun DutchHoldco U.A.'s Subsidiaries	2	\$467,214	\$9,197 (USD300,000)	\$9,197 (USD300,000)	\$9,197 (USD300,000)	\$-	0.22%	\$467,214	N	N	N

Note: 1. a. The Company's total endorsement/guarantee amounts shall not exceed 100% of the Company's net value.

The guarantee limit for endorsement of a single enterprise shall not exceed 100% of the Company's net worth. In addition to the above limit regulations, the amount of endorsement guarantee shall not exceed the total amount of transactions with the Company in the most recent year.

b. The calculation of individual and total limits is as follows:

Katun Holdings, LP.: $USD48,138,360.71 * 100\% * 30.655 = NTD1,475,681$ thousand

Katun Corporation: $USD25,798,971.77 * 100\% * 30.655 = NTD790,867$ thousand

Coöperative Katun DutchHoldco U.A.: $USD15,241,049.52 * 100\% * 30.655 = NTD467,214$ thousand

- The total endorsement/guarantee amounts shall not exceed 100% of lending company's net value. The Group endorsement/guarantee to a single enterprise shall not exceed 100% of the Company's net value. The Group policy requires that if the total amount of the endorsement/guarantee reaches more than 50% of the Company's net value, it shall be reported to the shareholders' meeting to explain its necessity and rationality.
- The net value of the Company referred to above are based on the latest audited or reviewed financial statements.

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4. According to the "Guidelines Governing the Preparation of Financial Reports by Securities Issuers" issued by the R.O.C. Securities and Futures Bureau, receiving parties should be disclosed as one of the following:
1. A company with which it does business.
 2. A company in which the public company directly and indirectly holds more than 50% of the voting shares.
 3. A company that directly and indirectly holds more than 50% of the voting shares in the public company.
 4. A company in which the public company holds, directly or indirectly, 90% or more of the voting shares.
 5. A company that fulfills its contractual obligations by providing mutual endorsements/guarantees for another company in the same industry or for joint builders for purposes of undertaking a construction project.
 6. A company that all capital contributing shareholders make endorsements/guarantees for their jointly invested company in proportion to their shareholding percentages.
 7. Companies in the same industry provide among themselves joint and several security for a performance guarantee of a sales contract for pre-construction homes pursuant to the Consumer Protection Act for each other.

C. Securities held at the end of the period:

Held company	Securities type and name	Relationship with the securities issuer	Financial statement account	End of period				Note
				Shares/Units	Book value	Ownership (%)	Market price/ Fair value	
GPI Co. (SAMOA) LTD.	<u>Fund</u> MS USD LIQUID QUALIF ACC FUND LVNAV (LUX LISTING)		Financial assets measured at fair value through profit or loss, current	41,134.93	\$144,234	-	\$144,234	
GPI Co. (SAMOA) LTD.	<u>Bond</u> AMAZON.COM INC		Financial assets measured at fair value through profit or loss, current	790,000	\$16,126	-	\$16,126	
GPI Co. (SAMOA) LTD.	APPLE INC		Financial assets measured at fair value through profit or loss, current	720,000	\$14,569	-	\$14,569	
GPI Co. (SAMOA) LTD.	INTEL CORP		Financial assets measured at fair value through profit or loss, current	480,000	\$14,965	-	\$14,965	
GPI Co. (SAMOA) LTD.	INTERNATIONAL BUSINESS MACHINES		Financial assets measured at fair value through profit or loss, current	480,000	\$14,793	-	\$14,793	
GPI Co. (SAMOA) LTD.	MICROSOFT CORP		Financial assets measured at fair value through profit or loss, current	710,000	\$14,913	-	\$14,913	
GPI Co. (SAMOA) LTD.	<u>Stock</u> KHMER CAPITAL MICROFINANCE INSTITUTION PLC.	Related party	Financial assets measured at fair value through other comprehensive income, non-current	3,800,000	\$99,000	19%	\$99,000	

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D. Individual securities acquired or disposed of at costs or prices with accumulated amount at least of NTD300 million or 20% of the paid-in capital for the year ended December 31, 2023: None.

E. Acquisition of individual real estate at costs reaching NTD300 million or 20% of the paid-in capital for the year ended December 31, 2023: None.

F. Disposal of individual real estate at prices reaching NTD300 million or 20% of the paid-in capital for the year ended December 31, 2023: None.

G. Related party transactions for purchases and sales amounts reaching NTD100 million or 20% of the paid-in capital for the year ended December 31, 2023:

Company name	Counter-party	Relationship (Note1)	Transactions				Details of non-arm's length transaction		Notes and accounts receivable (payable)	
			Purchases (Sales)	Amount	Percentage of total purchases (sales)	Term	Unit price	Term	Balance	Percentage of total receivables (payable)
GENERAL PLASTIC INDUSTRIAL CO., LTD.	Katun EDC (B.V.)	1	Sales	\$310,411	5.84%	Regular	Regular	Regular	\$102,883	12.72%
GENERAL PLASTIC INDUSTRIAL CO., LTD.	Katun Corporation	1	Sales	\$257,132	4.84%	Regular	Regular	Regular	\$104,105	12.87%
Katun Corporation	PNA Holding Mexico S.A. DE C.V.	2	Sales	\$215,596	4.06%	Regular	Regular	Regular	\$59,123	7.31%
Katun Corporation	Katun Brasil Comercio De Suprimentos Peças E Equipamentos LTDA	2	Sales	\$116,179	2.19%	Regular	Regular	Regular	\$42,942	5.31%
Katun Corporation	Katun EDC (B.V.)	2	Sales	\$322,791	6.07%	Regular	Regular	Regular	\$76,993	9.52%
Katun EDC (B.V.)	Katun Benelux B.V.	2	Sales	\$383,439	7.21%	Regular	Regular	Regular	\$31,702	3.92%
Katun EDC (B.V.)	Katun Germany GMBH	2	Sales	\$240,154	4.52%	Regular	Regular	Regular	\$(7,215)	(1.60)%
Katun EDC (B.V.)	Katun U.K. LTD.	2	Sales	\$319,238	6.01%	Regular	Regular	Regular	\$(24,837)	(5.51)%
Katun EDC (B.V.)	Katun France SARL	2	Sales	\$346,284	6.52%	Regular	Regular	Regular	\$18,292	2.26%
Katun EDC (B.V.)	Katun Spain, SA	2	Sales	\$221,755	4.17%	Regular	Regular	Regular	\$4,213	0.52%
Katun EDC (B.V.)	Katun Italy S.R.L.	2	Sales	\$437,994	8.24%	Regular	Regular	Regular	\$74,218	9.17%

Note 1: The transaction relationships with the counterparties are as follows:

- (1) Parent company to subsidiary.
- (2) Subsidiary to another subsidiary.

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H. Receivables from related parties reaching NTD100 million or 20% of paid-in capital for the year ended December 31, 2023:

Company name	Related Party	Relationship (Note1)	Ending Balance	Turnover rate (times)	Overdue receivables		Amount received in subsequent period	Allowance for bad debts	Note
					Amount	Measure			
GENERAL PLASTIC INDUSTRIAL CO., LTD.	Katun EDC (B.V.)	1	\$102,883	2.95	\$-	-	\$23,248	\$-	Accounts receivable
GENERAL PLASTIC INDUSTRIAL CO., LTD.	Katun Corporation	1	\$104,105	2.34	\$-	-	\$13,858	\$-	Accounts receivable
Katun EDC (B.V.)	Coöperatieve Katun DutchHoldco U.A.	2	\$101,779	(Note2)	\$-	-	\$-	\$-	Other receivable

Note: 1. The transaction relationships with the counterparties are as follows:

- (1) Parent company to subsidiary.
 - (2) Subsidiary to another subsidiary.
2. The calculation of turnover rate does not include other receivables - related parties.

I. Transactions of financial instruments and derivatives:

Please refer to Note 12(8) for more details.

J. Significant intercompany transactions between parent company and subsidiaries:

No (Note1)	Company name	Counter party	Nature of relationship (Note2)	Intercompany Transactions			
				Financial statements item	Amount	Terms	Percentage of consolidated total gross sales or total assets (%) (Note3)
0	GENERAL PLASTIC INDUSTRIAL CO., LTD	Katun EDC (B.V.)	1	Sales	\$310,411	T/T120 days	5.84%
0	GENERAL PLASTIC INDUSTRIAL CO., LTD	Katun EDC (B.V.)	1	Accounts receivable	\$102,883	T/T120 days	1.25%
0	GENERAL PLASTIC INDUSTRIAL CO., LTD	Katun Corporation	1	Sales	\$257,132	T/T120 days	4.84%
0	GENERAL PLASTIC INDUSTRIAL CO., LTD	Katun Corporation	1	Accounts receivable	\$104,105	T/T120 days	1.27%
1	Katun Corporation	PNA Holding Mexico S.A. DE C.V.	3	Sales	\$215,596	T/T60 days	4.06%
1	Katun Corporation	Katun Brasil Comercio de Suprimentos, Pecas e Equipamentos Ltda.	3	Sales	\$116,179	T/T150 days	2.19%
1	Katun Corporation	Katun EDC (B.V.)	3	Sales	\$322,791	T/T60 days	6.07%
1	Katun Corporation	Katun EDC (B.V.)	3	Other income	\$289,442	(Note4)	5.45%
2	Katun EDC (B.V.)	Coöperatieve Katun DutchHoldco U.A.	3	Other receivables	\$101,779	T/T60 days	1.24%
2	Katun EDC (B.V.)	Katun Benelux B.V.	3	Sales	\$383,439	T/T60 days	7.21%
2	Katun EDC (B.V.)	Katun Germany GMBH	3	Sales	\$240,154	T/T60 days	4.52%
2	Katun EDC (B.V.)	Katun U.K. LTD.	3	Sales	\$319,238	T/T60 days	6.01%
2	Katun EDC (B.V.)	Katun France SARL	3	Sales	\$346,284	T/T60 days	6.52%
2	Katun EDC (B.V.)	Katun Spain, SA	3	Sales	\$221,755	T/T60 days	4.17%
2	Katun EDC (B.V.)	Katun Italy S.R.L.	3	Sales	\$437,994	T/T60 days	8.24%

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Note 1: The information of transactions between the Company and the consolidated subsidiaries should be noted in “Number” column.

(1) Number 0 represents parent company.

(2) The consolidated subsidiaries are numbered in order from number 1.

Note 2: The transaction relationships with the counterparties are as follows:

(1) Parent company to subsidiary.

(2) Subsidiary to parent company.

(3) Subsidiary to subsidiary.

Note 3: Ratio of transaction amount to the consolidated income or assets is calculated as follows: for balance sheet accounts, the ratio is accounted as the ending balance to consolidated total assets; for income statement accounts, the ratio is based on interim accumulated amount to consolidated total revenue.

Note 4: Other income was the income that the company generated from providing management service.

B. Information of investees

Names, locations, main businesses and products, original investment amount, ownership, net income (loss) of investee company and investment income (loss) recognized as of December 31, 2023 (excluding investees in Mainland China):

Investor	Investee	Location	Main businesses and products	Original investment amount		Shares held at the end of period			Investment income (loss)	Investment income (loss) recognized by the Company	Note
				Ending balance	Prior ending balance	Number of shares	Ownership (%)	Book value			
GENERAL PLASTIC INDUSTRIAL CO., LTD	JIOU FU CO., LTD.	Taiwan	Real Estate Trading, Land Development Business and Tourist Hotel	\$700,000	\$700,000	70,000,000 shares	100%	\$680,531	\$61,237	\$61,237	
GENERAL PLASTIC INDUSTRIAL CO., LTD	GPI CO. (SAMOA) LTD.	Samoa	Investment and holding	\$595,932 (USD20,000,000)	\$595,932 (USD20,000,000)	20,000,000 shares	100%	\$905,653	\$17,558	\$17,558	
GENERAL PLASTIC INDUSTRIAL CO., LTD	GPIKT (BVI) CO., LTD	British Virgin Island	Investment and holding	\$30 (USD1,000)	\$30 (USD1,000)	1,000 shares	100%	\$31	\$-	\$-	
GENERAL PLASTIC INDUSTRIAL CO., LTD	GPIKT DE, INC.	USA	Investment and holding	\$2,858,666 (USD97,100,000)	\$2,858,666 (USD97,100,000)	971 shares	100%	\$3,080,967	\$199,635	\$189,957	Note 1 Note 3
GENERAL PLASTIC INDUSTRIAL CO., LTD	TJ OFFICE SOLUTION CO.,LTD.	Cambodia	Photocopiers rental	\$9,648 (USD347,529)	\$9,648 (USD347,529)	1,000 shares	100%	\$3,824	\$(639)	\$(639)	
GENERAL PLASTIC INDUSTRIAL CO., LTD	WEKARE CO., LTD.	Taiwan	Retail sale and wholesale of drugs, medical goods	\$20,000	\$20,000	2,000,000 shares	100%	\$1,120	\$(1,583)	\$(1,760)	Note 2
GPIKT DE, INC.	KATUN HOLDINGS, LP.	USA	Investment and holding	\$2,831,108 (USD96,132,708)	\$2,831,108 (USD96,132,708)	211,621 shares	100%	\$2,805,669	\$241,939	Consolidated with subsidiary	

Note: 1. The investment income (loss) recognized by the Company for the period includes the investment income (loss) of the Company’s direct subsidiary.

2. The investment income (loss) of the investees recognized by the Company for the period includes the investment income (loss) arising from these downstream and upstream transactions.

3. If a public company holds a foreign holding company and regards the consolidated financial statements as the main financial statements pursuant to local laws and regulations, it could only disclose the related information of the foreign holding company.

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C. Information on investments in Mainland China:

(1) The Company invested in Mainland China through Katun Asia Pte Ltd.(Singapore), and the related information is as follows:

Investee company	Main businesses and products	Total amount of paid-in capital	Method of investment (Note1)	Beginning accumulated outflow of investment from Taiwan	Investment flows for the period		Ending accumulated outflow of investment from Taiwan	Net income (loss) of investee company	Percentage of ownership	Investment income (loss) recognized	Carrying value as at end of the period	Accumulated inward remittance of earnings as at end of the period
					Outflow	Inflow						
Katun (Shanghai) Co., Ltd.	Distributors of cartridges and consumables for printers, photocopiers, fax machines and multi-function machine	\$9,681 (USD315,800)	(2)	\$-	\$-	\$-	\$-	\$(3,099) (USD99,567)	100%	\$(3,099) (USD99,567)	\$355 (USD11,581)	None

Accumulated investment in Mainland China as of December 31, 2023	Investment amounts authorized by investment commission, MOEA (Note 2)	Upper limit on investment
		The lender's net accounts value×60%
\$-	\$9,681 (USD315,800)	\$2,490,910

Note1: Three types of investment methods:

- (1) Direct investments.
- (2) Indirect investments through a third-region company (please specify the investment company in the third region).
- (3) Others.

Note2: The figures in this table are presented in New Taiwan Dollar. Current profit and investment income are converted by average exchange rate and others are converted by year end exchange rate.

(2) The information on significant transactions and prices, payments, etc. between the Company and the investee in Mainland China as of December, 31, 2023: None.

D. Information on major shareholders

As of December 31, 2023

Name	Shareholding	Shares	Percentage of ownership (%)
KuanFu Co.,Ltd.		27,136,380	21.26%
Hong Xi Li Co.,Ltd.		14,787,720	11.59%

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14. Segment information

For management purposes, the Group segregates the business units based on their products and services and has two reportable operating segments as follows:

- (1) Office Imaging Equipment Supplies segment: Responsible for the R&D, manufacturing and sales of imaging consumables, cartridges for photocopiers and printers, and photoreceptor drum gears, etc.
- (2) Other Operations segment: Responsible for operations except Office Imaging Equipment Supplies segment.

No operating segments have been aggregated to form the above reportable operating segments.

Management monitors the operating results of its business units separately for the purpose of making decisions about resources allocation and performance assessment. Segment performance is evaluated based on operating profit or loss and is measured based on accounting policies consistent with those in the consolidated financial statements. However income taxes are managed on a group basis and are not allocated to operating segments.

Transfer pricing between operating segment is on an arm's length basis in a manner similar to transactions with third parties.

A. Information on profit or loss, assets and liabilities of the reportable segment:

For the year ended December 31, 2023

	Office Imaging Equipment Supplies segment	Other segment	Adjustment and elimination	Total
Net sales				
External customers	\$5,103,342	\$211,185	\$-	\$5,314,527
Inter-segment	715,665	736	(716,401)	-
Total net sales	<u>\$5,819,007</u>	<u>\$211,921</u>	<u>\$(716,401)</u>	<u>\$5,314,527</u>
Interest expenses	\$56,561	\$580	\$(1,479)	\$55,662
Depreciation and amortization	289,875	25,404	(2)	315,277
Tax expenses	91,349	8,602	10,097	110,048
Segment profit or loss	<u>\$724,217</u>	<u>\$85,191</u>	<u>\$(266,128)</u>	<u>\$543,280</u>
Assets				
Capital expenditure of non-current assets				
Segment assets	<u>\$11,522,936</u>	<u>\$1,655,606</u>	<u>\$(4,956,826)</u>	<u>\$8,221,716</u>
Segment liabilities	<u>\$4,240,448</u>	<u>\$64,447</u>	<u>\$(234,696)</u>	<u>\$4,070,199</u>

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For the year ended December 31, 2022

	Office Imaging Equipment Supplies segment	Other segment	Adjustment and elimination	Total
Net sales				
External customers	\$5,491,663	\$211,544	\$-	\$5,703,207
Inter-segment	924,492	507	(924,999)	-
Total net sales	<u>\$6,416,155</u>	<u>\$212,051</u>	<u>\$(924,999)</u>	<u>\$5,703,207</u>
Interest expenses	\$38,846	\$1,013	\$(9)	\$39,850
Depreciation and amortization	356,003	30,562	-	386,565
Tax expenses	114,013	-	(4,152)	109,861
Segment profit or loss	<u>\$860,903</u>	<u>\$324,347</u>	<u>\$(396,780)</u>	<u>\$788,470</u>
Assets				
Capital expenditure of non-current assets				
Segment assets	<u>\$10,976,102</u>	<u>\$1,584,935</u>	<u>\$(4,738,912)</u>	<u>\$7,822,125</u>
Segment liabilities	<u>\$4,086,646</u>	<u>\$69,947</u>	<u>\$(307,911)</u>	<u>\$3,848,682</u>

B. No reconciliations of revenue, profit or loss, assets, liabilities and other material items of reportable segments are needed.

C. Geographical information

Net Sales from external customers

	For the years ended December 31,	
	2023	2022
United States	\$1,149,651	\$1,470,826
Netherlands	758,247	910,754
Italy	577,141	535,024
Mexico	487,893	447,183
United Kingdom	435,460	402,687
France	428,778	480,506
Germany	394,389	389,418
Spain	278,373	270,947
Taiwan	227,539	231,700
Brazil	207,794	208,535
Other countries	369,262	355,627
Total	<u>\$5,314,527</u>	<u>\$5,703,207</u>

Net sales are classified by customers' countries.

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Non-current assets

	<u>As of December 31,</u>	
	<u>2023</u>	<u>2022</u>
Asia (including Taiwan and Cambodia)	\$2,444,187	\$2,331,402
North America	1,625,928	1,941,114
Europe	531,080	272,466
Central and South America	86,473	45,803
Total	<u>\$4,687,668</u>	<u>\$4,590,785</u>

(3) Information about major customers

No single customer of the Group accounts for more than 10% of net sales for the years ended December 31, 2023 and 2022.

Independent Auditor’s Report Translated from Chinese

To GENERAL PLASTIC INDUSTRIAL CO., LTD.

Opinion

We have audited the accompanying parent company only balance sheets of GENERAL PLASTIC INDUSTRIAL CO., LTD. (the “Company”) as of December 31, 2023 and 2022, and the related parent company only statements of comprehensive income, changes in equity and cash flows for the years ended December 31, 2023 and 2022, and notes to the parent company only financial statements, including the summary of material accounting policies (together “the parent company only financial statements”).

In our opinion, the parent company only financial statements referred to above present fairly, in all material respects, the financial position of the Company as of December 31, 2023 and 2022, and its financial performance and cash flows for the years ended December 31, 2023 and 2022, in conformity with the requirements of the Regulations Governing the Preparation of Financial Reports by Securities Issuers.

Basis for Opinion

We conducted our audits in accordance with the Regulations Governing Financial Statement Audit and Attestation Engagements of Certified Public Accountants and the Standards on Auditing of the Republic of China. Our responsibilities under those standards are further described in the *Auditor’s Responsibilities for the Audit of the Parent company only Financial Statements* section of our report. We are independent of the Company in accordance with the Norm of Professional Ethics for Certified Public Accountant of the Republic of China (the “Norm”), and we have fulfilled our other ethical responsibilities in accordance with the Norm. 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 2023 parent company only financial statements. These matters were addressed in the context of our audit of the parent company only financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Inventory Valuation

The Company specializes in manufacturing and selling toner cartridges of photocopiers, laser printers and OPC Drum Gears. The determination of the provisions for obsolete inventories involved a high level of management judgment, and were subject to uncertainty due to product diversity. Furthermore, the cost of inventory included direct labor, raw material, and overhead, and the calculation and allocation were complex. Also, the allocation basis could have a material impact on the financial statements. As such, we determined this to be a key audit matter. Our audit procedures included, but were not limited to, understanding and testing the design and operating effectiveness of internal control over inventory cost and allowance for inventory; performing inventory price testing to verify the allocation of cost, direct labor, and overhead is reasonable; assessing the appropriateness of the policy of provision for excess and obsolete inventory by testing the accuracy of inventory ageing and analyzing movement of the ageing, analyzing the difference between the policy of the current year and the prior year, and analyzing the difference between the historical provisions and the actual write-off amount; verifying that inventories were valued at the lower of cost or net realizable value by comparing the book value of inventories at the balance sheet date with recent sales price on selected samples; verifying the existence and completeness of inventories by tracing items on the final inventory listing to the physical inventory compilation; attending inventory counts to understand the status of the inventories and evaluate the appropriateness of the excess and obsolescence provision. We also considered the appropriateness of the disclosure of inventory in Note 6 to the parent company only financial statements.

Investments accounted for using the equity method- subsidiaries' goodwill impairment

The amount of goodwill of the Company and its subsidiaries was significant to the financial statements. The Company performed impairment testing on the cash-generating units according to the International Financial Reporting Standards. The recoverable amount of the cash-generating units has been determined based on the value in use because their fair value cannot be reliably measured. The impairment testing indicated that the value in the use of certain cash-generating units was higher than their carrying amount. Because the carrying amounts of goodwill were significant to the Company and its subsidiaries, the determination of value in use was complex, as it involved significant management judgment when making assumptions about cash flow forecasts. We identified goodwill impairment as a key audit matter. Our audit procedures include, but are not limited to, evaluating whether the components of the cash-generating units have significantly changed, including analyzing the sales model and regions involved; evaluating the management's assessment approaches and assumptions of value in use; evaluating the reasonableness of key assumptions used by management, such as growth rates, discount rates, gross margin, and evaluating the reasonableness of key components of discount rates, such as cost of equity, company-specific risk premium and market risk premium by comparing them to other companies of similar size with the cash-generating units; interviewing management and assessing the reasonableness of assumptions used in their financial forecast, such as cash flows, gross margin, growth rates, the overall market and economic conditions; comparing the actual financials to date with previously forecast financials and analyzing the Company's historical data and performance to assess the reasonableness of the cash flow forecast. We also assessed the adequacy of the disclosures related to the result of impairment test and assumption's sensitivity in Notes 4 and 6 to the consolidated financial statements.

Revenue Recognition

The primary source of income of the Company is derived from sale of OEM-compatible imaging consumables and supplies, such as toner cartridges and drum gears for office equipment. Based on the varying contract terms in different distribution channels and sales models, it is significant to determine the timing when the control of goods is transferred and performance obligation is satisfied for the parent company only financial statements. We identified revenue recognition as a key audit matter. Our audit procedures include, but are not limited to, understanding and testing the effectiveness of internal controls related to revenue recognition in the sales cycle; selecting samples to perform the test of details of the sales transactions; reviewing the performance obligations of the orders or contracts and confirming the timing of performance obligations satisfaction against the related supporting documents to verify the correctness of the timing of revenue recognition; performing the cut-off testing for periods before and after the balance sheet date; and conducting analytical procedures for goods sold based on product types, regions, monthly sales revenue, and gross margin. We also considered the appropriateness of the disclosure of operating revenue in Note 6 to the parent company only financial statements.

Responsibilities of Management and Those Charged with Governance for the Parent Company Only Financial Statements

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

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

Those charged with governance, including the audit committee, are responsible for overseeing the financial reporting process of the Company.

Auditor's Responsibilities for the Audit of the Parent Company Only Financial Statements

Our objectives are to obtain reasonable assurance about whether the parent company only financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's 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 parent company only financial statements.

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

1. Identify and assess the risks of material misstatement of the parent company only financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
2. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control of the Company.
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 ability to continue as a going concern of the Company. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the parent company only financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
5. Evaluate the overall presentation, structure and content of the parent company only financial statements, including the accompanying notes, and whether the parent company only 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 Company to express an opinion on the parent company only 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 2023 parent company only financial statements and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Huang, Yu Ting

Tu, Chin Yuan

Ernst & Young, Taiwan

March 14, 2024

Notice to Readers

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

Accordingly, the accompanying parent company only financial statements and report of independent auditors are not intended for use by those who are not informed about the accounting principles or Standards on Auditing of the Republic of China, and their applications in practice. As the financial statements are the responsibility of the management, Ernst & Young 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.

English Translation of Parent Company Only Financial Statements Originally Issued in Chinese
GENERAL PLASTIC INDUSTRIAL CO., LTD.
PARENT COMPANY ONLY BALANCE SHEETS
December 31, 2023 and 2022
(Expressed in Thousands of New Taiwan Dollars)

		As of December 31,			
		2023		2022	
Assets	Notes	Amount	%	Amount	%
Current assets					
Cash and cash equivalents	4, 6(1)	\$175,900	3	\$131,855	2
Financial assets measured at amortized cost, current	8	1,802	-	26,335	-
Notes receivable, net	6(2)	82	-	241	-
Accounts receivable, net	6(2)	103,543	1	77,226	1
Accounts receivable - related parties, net	6(2), 7	206,996	3	230,891	4
Other receivable		5,241	-	5,500	-
Inventories	4, 6(3)	181,704	3	195,768	3
Prepayments		11,258	-	6,766	-
Total current assets		686,526	10	674,582	10
Non-current assets					
Investments accounted for using the equity method	4, 6(4)	4,672,126	69	4,342,974	70
Property, plant and equipment	4, 6(5), 8	1,246,272	19	1,098,113	18
Right-of-use assets	4, 6(15)	10,272	-	9,523	-
Investment property, net	4, 6(6)	13,596	-	13,596	-
Intangible assets	4, 6(7)	39,711	1	40,978	1
Deferred tax assets	4, 6(19)	16,874	-	22,977	-
Other non-current assets		51,419	1	36,825	1
Total non-current assets		6,050,270	90	5,564,986	90
Total assets		\$6,736,796	100	\$6,239,568	100

(The accompanying notes are an integral part of the parent company only financial statements)

(continued)

English Translation of Parent Company Only Financial Statements Originally Issued in Chinese
GENERAL PLASTIC INDUSTRIAL CO., LTD.
PARENT COMPANY ONLY BALANCE SHEETS (Continued)
December 31, 2023 and 2022
(Expressed in Thousands of New Taiwan Dollars)

		As of December 31,			
		2023		2022	
Liabilities and Equity	Notes	Amount	%	Amount	%
Current liabilities					
Short-term loans	4, 6(8), 7	\$1,955,000	29	\$1,510,000	24
Short-term notes and bills payable	4, 6(9)	79,971	1	129,794	2
Contract liabilities, current	4, 6(14)	5,683	-	3,474	-
Notes payable		-	-	163	-
Accounts payable		72,758	1	60,972	1
Accounts payable-related parties, net	7	817	-	1,922	-
Other payables	6(10), 7	152,516	2	155,282	2
Current tax liabilities	4	24,750	-	49,177	1
Lease liabilities, current	4, 6(15)	1,809	-	1,847	-
Current portion of long-term loans	4, 6(11)	171,250	3	95,000	2
Other current liabilities		2,154	-	3,394	-
Total current liabilities		2,466,708	36	2,011,025	32
Non-current liabilities					
Long-term loans	4, 6(11)	-	-	171,250	3
Deferred tax liabilities	4, 6(19)	53,900	1	12,146	-
Lease liabilities, non-current	4, 6(15)	8,607	-	7,783	-
Net defined benefit liabilities, non-current	4, 6(12)	56,064	1	63,921	1
Total non-current liabilities		118,571	2	255,100	4
Total liabilities		2,585,279	38	2,266,125	36
Equity					
Capital					
Common stock	6(13)	1,275,887	19	1,275,887	20
Additional paid-in capital	6(13)	1,213,799	18	1,213,799	20
Retained earnings					
Legal reserve	6(13)	582,539	9	514,355	8
Special reserve		114,265	2	212,520	4
Unappropriated earnings		885,403	13	697,509	11
Total retained earnings		1,582,207	24	1,424,384	23
Other components of equity					
Exchange differences on translation of foreign operations		94,375	1	60,844	1
Unrealized gains or losses from financial assets measured at fair value through other comprehensive income		(13,992)	-	(13,994)	-
Gains or losses on hedging instruments		(759)	-	12,523	-
Total other components of equity		79,624	1	59,373	1
Total equity		4,151,517	62	3,973,443	64
Total liabilities and equity		\$6,736,796	100	\$6,239,568	100

(The accompanying notes are an integral part of the parent company only financial statements)

English Translation of Parent Company Only Financial Statements Originally Issued in Chinese
GENERAL PLASTIC INDUSTRIAL CO., LTD.
PARENT COMPANY ONLY STATEMENTS OF COMPREHENSIVE INCOME
For the year Ended December 31, 2023 and 2022
(Expressed in Thousands of New Taiwan Dollars, Except for Earnings per Share)

	Notes	For the Years Ended December 31,			
		2023	%	2022	%
Operating revenues	4, 6(14), 7	\$1,219,221	100	\$1,487,361	100
Operating costs	6(3)(16), 7	(733,774)	(60)	(896,668)	(60)
Gross profit from operations		485,447	40	590,693	40
Unrealized gross profit		(63,297)	(5)	(111,417)	(7)
Realized gross profit		111,417	9	91,684	6
Net gross profit		533,567	44	570,960	39
Operating expenses	6(16)				
Selling and marketing expenses		(76,315)	(6)	(96,094)	(7)
General and administrative expenses		(143,514)	(12)	(128,334)	(9)
Research and development expenses		(58,058)	(5)	(60,080)	(4)
Expected credit impairment losses	6(2)	(1,969)	-	(4,491)	-
Total operating expenses		(279,856)	(23)	(288,999)	(20)
Operating Income		253,711	21	281,961	19
Non-operating income and expenses	6(17), 7				
Interest income		1,302	-	2,466	-
Other income		46,409	4	43,263	3
Other gains and losses		(1,290)	-	63,647	4
Finance costs		(29,283)	(2)	(20,584)	(1)
Share of profit or loss of associates and joint ventures accounted for using the equity method	6(4)	263,931	21	396,779	27
Total non-operating income and expenses		281,069	23	485,571	33
Income from continuing operations before income tax		534,780	44	767,532	52
Income tax expense	4, 6(19)	(101,548)	(8)	(88,923)	(6)
Net income		433,232	36	678,609	46
Other comprehensive income (loss)	6(18)				
Items that may not be reclassified subsequently to profit or loss					
Remeasurements of defined benefit plans		6,607	1	4,042	-
Unrealized gains or losses from investments in equity instruments measured at fair value through other comprehensive income		2	-	(1,383)	-
Income tax related to items that may not be reclassified subsequently		(1,321)	-	(808)	-
Items that may be reclassified subsequently to profit or loss					
Exchange differences on translation of foreign operations		42,017	3	341,277	23
Gains or losses on hedging instruments		(13,282)	(1)	(854)	-
Income tax related to items that may be reclassified subsequently		(8,486)	(1)	(67,147)	(5)
Total other comprehensive income (loss), net of income tax		25,537	2	275,127	18
Total comprehensive income		\$458,769	38	\$953,736	64
Earnings per share (NTD)	4, 6(20)				
Earnings per share-basic		\$3.40		\$5.32	
Earnings per share-diluted		\$3.37		\$5.28	

(The accompanying notes are an integral part of the parent company only financial statements)

English Translation of Parent Company Only Financial Statements Originally Issued in Chinese

GENERAL PLASTIC INDUSTRIAL CO., LTD.

PARENT COMPANY ONLY STATEMENTS OF CHANGES IN EQUITY

For the year Ended December 31, 2023 and 2022

(Expressed in Thousands of New Taiwan Dollars)

	Common Stock	Additional Paid-in Capital	Retained Earnings			Other Components of Equity			Total Equity
			Legal Reserve	Special Reserve	Unappropriated Earnings	Exchange Differences on Translation of Foreign Operations	Unrealized Gains or Losses from Financial Assets Measured at Fair Value through Other Comprehensive Income	Gains or Losses on Hedging Instruments	
Balance as of January 2022	\$1,275,887	\$1,239,317	\$480,826	\$114,265	\$377,110	\$(213,286)	\$(12,611)	\$13,377	\$3,274,885
Appropriations and distributions of earnings, 2021:									
Legal reserve			33,529		(33,529)				-
Special reserve				98,255	(98,255)				-
Cash dividends					(229,660)				(229,660)
Cash dividends from additional paid-in capital		(25,518)							(25,518)
Net income in 2022					678,609				678,609
Other comprehensive income (loss), net of income tax in 2022					3,234	274,130	(1,383)	(854)	275,127
Total comprehensive income (loss)	-	-	-	-	681,843	274,130	(1,383)	(854)	953,736
Balance as of December 31, 2022	\$1,275,887	\$1,213,799	\$514,355	\$212,520	\$697,509	\$60,844	\$(13,994)	\$12,523	\$3,973,443
Balance as of January 1, 2023	\$1,275,887	\$1,213,799	\$514,355	\$212,520	\$697,509	\$60,844	\$(13,994)	\$12,523	\$3,973,443
Appropriations and distributions of earnings, 2022:									
Legal reserve			68,184		(68,184)				-
Special reserve				(98,255)	98,255				-
Cash dividends					(280,695)				(280,695)
Net income in 2023					433,232				433,232
Other comprehensive income (loss), net of income tax in 2023					5,286	33,531	2	(13,282)	25,537
Total comprehensive income (loss)	-	-	-	-	438,518	33,531	2	(13,282)	458,769
Balance as of December 31, 2023	\$1,275,887	\$1,213,799	\$582,539	\$114,265	\$885,403	\$94,375	\$(13,992)	\$ 759	\$4,151,517

(The accompanying notes are an integral part of the parent company only financial statements)

English Translation of Parent Company Only Financial Statements Originally Issued in Chinese
GENERAL PLASTIC INDUSTRIAL CO., LTD.
PARENT COMPANY ONLY STATEMENTS OF CASH FLOWS
For the year Ended December 31, 2023 and 2022
(Expressed in Thousands of New Taiwan Dollars)

	For the Years Ended December 31,			For the Years Ended December 31,	
	2023	2022		2023	2022
Cash flows from operating activities:			Cash flows from investing activities:		
Net income before tax	\$534,780	\$767,532	Acquisition of financial assets measured at amortized cost	(5,116)	(24,520)
Adjustments to reconcile net income before tax to net cash provided by (used in) operating activities:			Proceeds from disposal of financial assets measured at amortized cost	29,649	-
Depreciation	44,540	52,997	Acquisition of property, plant and equipment	(187,011)	(191,645)
Amortization	11,422	14,250	Proceeds from disposal of property, plant and equipment	81	20
Expected credit impairment losses	1,969	4,491	Return of capital from disposal of subsidiaries	11,636	620
Gain for market price decline, obsolete and slow-moving inventories	(531)	(2,249)	Acquisition of intangible assets	(8,641)	(3,316)
Financial costs	29,283	20,584	Increase in prepayments for equipment	(27,144)	(31,477)
Interest income	(1,302)	(2,466)	Increase in refundable deposits	(3)	(5)
Share of profit of subsidiaries, associates and joint ventures	(263,931)	(396,779)	Net cash used in investing activities	(186,549)	(250,323)
(Gain) loss on disposal of property, plant and equipment	(38)	150	Cash flows from financing activities:		
Loss on disposal of intangible assets	479	289	Increase in short-term loans	6,609,000	8,290,000
Net unrealized gross (profit) loss	(48,120)	19,733	Decrease in short-term loans	(6,164,000)	(7,870,000)
Changes in operating assets and liabilities:			Increase in short term notes and bills payable	1,173,734	1,252,143
Decrease (increase) in notes receivable	159	(101)	Decrease in short term notes and bills payable	(1,223,557)	(1,442,063)
(Increase) decrease in accounts receivable	(4,391)	26,806	Repayments of long-term loans	(95,000)	(145,000)
(Increase) decrease in other receivables	(221)	4,245	Cash dividends paid	(280,695)	(255,178)
Decrease (increase) in inventories	14,595	(5,544)	Repayment of leasing principal	(1,965)	(1,879)
(Increase) decrease in prepayments	(4,492)	5,889	Net cash generated from (used in) financing activities	17,517	(171,977)
Increase in contract liabilities	2,209	2,549	Net increase (decrease) in cash and cash equivalents	44,045	(38,878)
Decrease in notes payable	(163)	(435)	Cash and cash equivalents at beginning of period	131,855	170,733
Increase (decrease) in accounts payable	10,681	(40,098)	Cash and cash equivalents at end of period	\$175,900	\$131,855
Increase in other payables	3,592	4,441			
(Decrease) increase in other current liabilities	(1,240)	264			
Decrease in defined benefit liabilities	(1,250)	(7,047)			
Cash generated from operations	328,030	469,501			
Interest received	1,782	1,985			
Interest paid	(28,810)	(20,169)			
Income tax paid	(87,925)	(67,895)			
Net cash generated from operating activities	213,077	383,422			

(The accompanying notes are an integral part of the parent company only financial statements)

GENERAL PLASTIC INDUSTRIAL CO., LTD
NOTES TO PARENT COMPANY ONLY FINANCIAL STATEMENTS
For the years ended December 31, 2023 and 2022
(Expressed in Thousands of New Taiwan Dollars unless Otherwise Specified)

1. History and organization

GENERAL PLASTIC INDUSTRIAL CO., LTD. (“the Company”) was incorporated in July 1978. The Company is mainly engaged in manufacturing and selling of toner cartridges of photocopiers, laser printers, OPC drum gears and other related business.

The Company completed the retroactive handing of public issuance procedures with the consent of the competent securities authorities in May 2000. The Company's shares were listed on the OTC on December 25, 2001 and were listed on the Taiwan Stock Exchange on June 16, 2003. The principal place of business of the Company is located at No.50, Tzu-Chiang Rd., Wu-Chi District, Taichung City, Taiwan.

2. Date and procedures of authorization of financial statements for issue

The parent company only financial statements of the Company for the years ended December 31, 2023 and 2022 were authorized for issue in accordance with a resolution of the Board of Directors’ meeting on March 14, 2024.

3. Newly issued or revised standards and interpretations

(1) Changes in accounting policies resulting from applying for the first-time certain standards and amendments

The Company applied for the first time International Financial Reporting Standards, International Accounting Standards, and Interpretations issued, revised or amended which are recognized by Financial Supervisory Commission (“FSC”) and become effective for annual periods beginning on or after January 1, 2023. The adoption of these new standards and amendments had no material impact on the Company.

GENERAL PLASTIC INDUSTRIAL CO., LTD
NOTES TO PARENT COMPANY ONLY FINANCIAL STATEMENTS
For the years ended December 31, 2023 and 2022
(Expressed in Thousands of New Taiwan Dollars unless Otherwise Specified)

- (2) Standards or interpretations issued, revised or amended, by International Accounting Standards Board (“IASB”) which are endorsed by FSC, but not yet adopted by the Company as at the end of the reporting period are listed below.

Items	New, Revised or Amended Standards and Interpretations	Effective Date issued by IASB
a	Classification of Liabilities as Current or Non-current – Amendments to IAS 1	1 January 2024
b	Lease Liability in a Sale and Leaseback – Amendments to IFRS 16	1 January 2024
c	Non-current Liabilities with Covenants – Amendments to IAS 1	1 January 2024
d	Supplier Finance Arrangements – Amendments to IAS 7 and IFRS 7	1 January 2024

The abovementioned standards and interpretations were issued by IASB and endorsed by FSC so that they are applicable for annual periods beginning on or after January 1, 2024. The new or amended standards and interpretations have no material impact on the Company.

- (3) Standards or interpretations issued, revised or amended, by IASB which are not endorsed by FSC, but not yet adopted by the Company as at the end of the reporting period are listed below.

Items	New, Revised or Amended Standards and Interpretations	Effective Date issued by IASB
a	IFRS 10 “Consolidated Financial Statements” and IAS 28 “Investments in Associates and Joint Ventures” — Sale or Contribution of Assets between an Investor and its Associate or Joint Ventures	To be determined by IASB
b	IFRS 17 “Insurance Contracts”	January 1, 2023
c	Lack of Exchangeability – Amendments to IAS 21	January 1, 2025

The abovementioned standards and interpretations issued by IASB have not yet endorsed by FSC at the date when the Company’s financial statements were authorized for issue, the local effective dates are to be determined by FSC. These new or amended standards and interpretations have no material impact on the Company.

GENERAL PLASTIC INDUSTRIAL CO., LTD
NOTES TO PARENT COMPANY ONLY FINANCIAL STATEMENTS
For the years ended December 31, 2023 and 2022
(Expressed in Thousands of New Taiwan Dollars unless Otherwise Specified)

4. Summary of material accounting polices

(1) Statement of compliance

The parent company only financial statements of the Company for the years ended December 31, 2023 and 2022 have been prepared in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers (“the Regulations”).

(2) Basis of preparation

The Company prepared the parent company only financial statements in accordance with Article 21 of the Regulation, which provided that the profit or loss and other comprehensive income for the period presented in the parent company only financial statements shall be the same as the profit or loss and other comprehensive income attributable to stockholders of the parent presented in the consolidated financial statements for the period, and the total equity presented in the parent company only financial statements shall be the same as the equity attributable to the parent company presented in the consolidated financial statements. Therefore, the Company accounted for its investments in subsidiaries using the equity method and, accordingly, made necessary adjustments.

The parent company only financial statements have been prepared on a historical cost basis, except for financial instruments that have been measured at fair value. The parent company only financial statements are expressed in thousands of New Taiwan Dollars (“NTD”) unless otherwise stated.

(3) Foreign currency transactions

The Company’s parent company only financial statements are presented in NTD, which is also the Company’s functional currency. Items included in the financial statements are measured using that functional currency.

Transactions in foreign currencies are initially recorded by the Company at the functional currency rates prevailing at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated at the functional currency closing rate of exchange ruling at the reporting date. Non-monetary items measured at fair value in foreign currencies are translated

GENERAL PLASTIC INDUSTRIAL CO., LTD
NOTES TO PARENT COMPANY ONLY FINANCIAL STATEMENTS
For the years ended December 31, 2023 and 2022
(Expressed in Thousands of New Taiwan Dollars unless Otherwise Specified)

using the exchange rates at the date when the fair value is determined. Non-monetary items that are measured at historical cost in foreign currencies are translated using the exchange rates as of the dates of the initial transactions.

All exchange differences arising on the settlement of monetary items or on translating monetary items are taken to profit or loss in the period in which they arise except for the following:

- A. Exchange differences arising from foreign currency borrowings for an acquisition of a qualifying asset to the extent that they are regarded as an adjustment to interest costs are included in the borrowing costs that are eligible for capitalization.
- B. Foreign currency items within the scope of IFRS 9 *Financial Instruments* are accounted for based on the accounting policy for financial instruments.
- C. Exchange differences arising on a monetary item that is part of a reporting entity's net investment in a foreign operation are recognized initially in other comprehensive income and reclassified from equity to profit or loss upon disposal of the net investment.

When a gain or loss on a non-monetary item is recognized in other comprehensive income, any exchange component of that gain or loss is recognized in other comprehensive income. When a gain or loss on a non-monetary item is recognized in profit or loss, any exchange component of that gain or loss is recognized in profit or loss.

(4) Translation of financial statements in foreign currency

The assets and liabilities of foreign operations are translated into NTD at the closing rate of exchange prevailing at the reporting date, and their income and expenses are translated at an average exchange rate for the period. The exchange differences arising on the translation are recognized in other comprehensive income. On disposal of a foreign operation, the cumulative amount of the exchange differences relating to that foreign operation, recognized in other comprehensive income and accumulated in the separate component of equity, is reclassified from equity to profit or loss when the gain or loss on disposal is recognized. When partial disposal involves the loss of control of a subsidiary that includes a foreign operation and when the retained interest after partial disposal of an interest in a joint venture or a partial disposal of an interest in an associate that includes a foreign operation is a financial asset that includes a foreign operation, the cumulative amount of the exchange differences recognized in other comprehensive income is reclassified to profit or loss upon the disposal of a foreign operation.

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On partial disposal of a subsidiary that includes a foreign operation that does not result in a loss of control, the proportionate share of the cumulative amount of the exchange differences recognized in other comprehensive income is re-attributed to the non-controlling interests in that foreign operation. On partial disposal of an associate or joint venture that includes a foreign operation that does not result in a loss of significant influence or joint control, only the proportionate share of the cumulative amount of the exchange differences recognized in other comprehensive income is reclassified to profit or loss.

Any goodwill and any fair value adjustments to the carrying amounts of assets and liabilities arising on the acquisition of a foreign operation are treated as assets and liabilities of the foreign operation and expressed in its functional currency.

(5) Current and non-current distinction

An asset is classified as current when:

- A. The Company expects to realize the asset, or intends to sell or consume it, in its normal operating cycle;
- B. The Company holds the asset primarily for the purpose of trading;
- C. The Company expects to realize the asset within twelve months after the reporting period;
- D. The asset is cash or cash equivalent unless the asset is restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

A liability is classified as current when:

- A. The Company expects to settle the liability in its normal operating cycle;
- B. The Company holds the liability primarily for the purpose of trading;
- C. The liability is due to be settled within twelve months after the reporting period;
- D. The Company does not have an unconditional right to defer settlement of the liability for at least twelve months after the reporting period. 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.

All other liabilities are classified as non-current.

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(6) Cash and cash equivalents

Cash and cash equivalents comprise cash on hand, demand deposits and short-term, highly liquid time deposits (including ones that have maturity within three months) or investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

(7) Financial instruments

Financial assets and financial liabilities are recognized when the Company becomes a party to the contractual provisions of the instrument.

Financial assets and financial liabilities within the scope of IFRS 9 *Financial Instruments* are recognized initially at fair value plus or minus, in the case of investments not at fair value through profit or loss, directly attributable transaction costs.

A. Financial instruments: Recognition and Measurement

The Company accounts for regular way purchase or sales of financial assets on the trade date.

The Company classified financial assets as subsequently measured at amortized cost or fair value through other comprehensive income considering both factors below:

- (a) the Company's business model for managing the financial assets and
- (b) the contractual cash flow characteristics of the financial asset.

Financial assets measured at amortized cost

A financial asset is measured at amortized cost if both of the following conditions are met and presented as notes receivable, accounts receivable financial assets measured at amortized cost and other receivables etc., on balance sheet as at the reporting date:

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

Such financial assets are subsequently measured at amortized cost (the amount at which the financial asset is measured at initial recognition minus the principal repayments, plus or minus the cumulative amortization using the effective interest method of any difference between the initial amount and the maturity amount and adjusted for any loss allowance) and is not part of a hedging relationship. A gain or loss is recognized in profit or loss when the financial asset is derecognized, through the amortization process or in order to recognize the impairment gains or losses.

Interest revenue is calculated by using the effective interest method. This is calculated by applying the effective interest rate to the gross carrying amount of a financial asset except for:

- (a) purchased or originated credit-impaired financial assets. For those financial assets, the Company applies the credit-adjusted effective interest rate to the amortized cost of the financial asset from initial recognition.
- (b) financial assets that are not purchased or originated credit-impaired financial assets but subsequently have become credit-impaired financial assets. For those financial assets, the Company applies the effective interest rate to the amortized cost of the financial asset in subsequent reporting periods.

B. Impairment of financial assets

The Company recognizes a loss allowance for expected credit losses on financial asset measured at amortized cost.

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The Company measures expected credit losses of a financial instrument in a way that reflects:

- (a) an unbiased and probability-weighted amount that is determined by evaluating a range of possible outcomes;
- (b) the time value of money; and
- (c) reasonable and supportable information that is available without undue cost or effort at the reporting date about past events, current conditions and forecasts of future economic conditions.

The loss allowance is measures as follows:

- (a) At an amount equal to 12-month expected credit losses: the credit risk on a financial asset has not increased significantly since initial recognition or the financial asset is determined to have low credit risk at the reporting date. In addition, the Company measures the loss allowance at an amount equal to lifetime expected credit losses in the previous reporting period, but determines at the current reporting date that the credit risk on a financial asset has increased significantly since initial recognition is no longer met.
- (b) At an amount equal to the lifetime expected credit losses: the credit risk on a financial asset has increased significantly since initial recognition or financial asset that is purchased or originated credit-impaired financial asset.
- (c) For accounts receivable or contract assets arising from transactions within the scope of IFRS 15, the Company measures the loss allowance at an amount equal to lifetime expected credit losses.
- (d) For lease receivables arising from transactions within the scope of IFRS 16, the Company measures the loss allowance at an amount equal to lifetime expected credit losses.

At each reporting date, the Company needs to assess whether the credit risk on a financial asset has increased significantly since initial recognition by comparing the risk of a default occurring at the reporting date and the risk of default occurring at initial recognition. Please refer to Note 12 for further details on credit risk.

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C. Derecognition of financial assets

A financial asset is derecognized when:

- (a) The rights to receive cash flows from the asset have expired;
- (b) The Company has transferred the asset and substantially all the risks and rewards of the asset have been transferred;
- (c) The Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

On derecognition of a financial asset in its entirety, the difference between the carrying amount and the consideration received or receivable including any cumulative gain or loss that had been recognized in other comprehensive income, is recognized in profit or loss.

D. Financial liabilities and equity

Financial liabilities

Financial liabilities within the scope of IFRS 9 *Financial Instruments* are classified as financial liabilities at fair value through profit or loss or financial liabilities measured at amortized cost upon initial recognition.

Financial liabilities at amortized cost

Financial liabilities measured at amortized cost include interest bearing loans and borrowings that are subsequently measured using the effective interest rate method after initial recognition. Gains and losses are recognized in profit or loss when the liabilities are derecognized as well as through the effective interest rate method amortization process.

Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or transaction costs.

Derecognition of financial liabilities

A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expires.

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When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified (whether or not attributable to the financial difficulty of the debtor), such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognized in profit or loss.

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount reported in the balance sheet if, and only if, there is a currently enforceable legal right to offset the recognized amounts and there is an intention to settle on a net basis, or to realize the assets and settle the liabilities simultaneously.

(8) Fair value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- A. In the principal market for the asset or liability, or
- B. In the absence of a principal market, in the most advantageous market for the asset or liability.

The principal or the most advantageous market must be accessible to by the Company.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

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The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

(9) Inventories

The inventory value includes costs incurred in bringing the inventory to its present location and condition. Raw materials and goods are stated at weighted average of actual purchase costs; finished goods and work in progress are stated at the cost of direct materials and labor and a proportion of manufacturing overheads based on normal operating capacity. Inventories are valued at lower of cost and net realizable value item by item. Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale. Allowance are also estimated and recognized appropriately for slow moving and damaged inventories.

(10) Investments accounted for using the equity method

According to Article 21 of the Regulations, the Company's investment in subsidiaries was presented as "Investments accounted for using the equity method and made necessary adjustments. The profit or loss during the period and other comprehensive income presented in the parent company only financial statements shall be the same as the allocations of profit or loss during the period and of other comprehensive income attributable to shareholders of the parent presented in the financial statements prepared on a consolidated basis, and the shareholders' equity presented in the parent company only financial statements shall be the same as the equity attributable to shareholders of the parent presented in the financial statements prepared on a consolidated basis. The adjustments are considered the difference between investment in subsidiaries in consolidated financial statements prepared in accordance with IFRS 10 *Consolidated Financial Statements* and the application of IFRS to different reporting entities. The adjustments are made by debiting or crediting "Investment accounted for using the equity method", "Share of profit or loss of subsidiaries, associates and joint ventures accounted for using the equity method" or "Share of other comprehensive profit or loss of subsidiaries, associates and joint ventures accounted for using the equity method" etc.

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The Company's investment in its associate is accounted for using the equity method other than those that meet the criteria to be classified as held for sale. An associate is an entity over which the Company has significant influence.

Under the equity method, the investment in the associate is carried in the balance sheet at cost and adjusted thereafter for the post-acquisition change in the Company's share of net assets of the associate. After the interest in the associate is reduced to zero, additional losses are provided for, and a liability is recognized, only to the extent that the Company has incurred legal or constructive obligations or made payments on behalf of the associate. Unrealized gains and losses resulting from transactions between the Company and the associate are eliminated to the extent of the Company's related interest in the associate.

When changes in the net assets of an associate occur and not those that are recognized in profit or loss or other comprehensive income and do not affect the Company's percentage of ownership interests in the associate, the Company recognizes such changes in equity based on its percentage of ownership interests. The resulting capital surplus recognized will be reclassified to profit or loss at the time of disposing the associate on a pro-rata basis.

When the associate issues new stock, and the Company's interest in an associate is reduced or increased as the Company fails to acquire shares newly issued in the associate proportionately to its original ownership interest, the increase or decrease in the interest in the associate is recognized in "Additional paid-in Capital" and "Investment accounted for using the equity method". When the interest in the associate is reduced, the cumulative amounts previously recognized in other comprehensive income are reclassified to profit or loss or other appropriate items. The aforementioned capital surplus recognized is reclassified to profit or loss on a pro-rata basis when the Company disposes the associate.

The financial statements of the associate are prepared for the same reporting period as the Company. Where necessary, adjustments are made to bring the accounting policies in line with those of the Company.

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The Company determines at each reporting date whether there is any objective evidence that the investment in the associate is impaired in accordance with *IAS 28 Investments in Associates and Joint Ventures*. If this is the case the Company calculates the amount of impairment as the difference between the recoverable amount of the associate and its carrying value and recognizes the amount in the ‘share of profit or loss of an associate’ in the statement of comprehensive income in accordance with *IAS 36 Impairment of Assets*. In determining the value in use of the investment, the Company estimates:

The present value of the estimated future cash flows expected to arise from dividends to be received from the investment and from its ultimate disposal.

Because goodwill that forms part of the carrying amount of an investment in an associate is not separately recognized, it is not tested for impairment separately by applying the requirements for impairment testing goodwill in *IAS 36 Impairment of Assets*.

Upon loss of significant influence over the associate, the Company measures and recognizes any retaining investment at its fair value. Any difference between the carrying amount of the associate upon loss of significant influence and the fair value of the retaining investment and proceeds from disposal is recognized in profit or loss. Furthermore, if an investment in an associate becomes an investment in a joint venture or an investment in a joint venture becomes an investment in an associate, the entity continues to apply the equity method and does not remeasure the retained interest.

(11) Property, plant and equipment

Property, plant and equipment are stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. Such cost includes the cost of dismantling and removing the item and restoring the site on which it is located and borrowing costs for construction in progress if the recognition criteria are met. 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 is depreciated separately. When significant parts of property, plant and equipment are required to be replaced in intervals, the Company recognizes such parts as individual assets with specific useful lives and depreciation, respectively. The carrying amount of those parts that are replaced is derecognized in accordance with the derecognition provisions of *IAS 16 Property, plant and equipment*. When a major inspection is performed, its cost is recognized in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognized in profit or loss as incurred.

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Depreciation is calculated on a straight-line basis over the estimated useful lives of the following assets:

<u>Item</u>	<u>Estimated useful lives</u>
Buildings	2~50 years
Machinery and equipment	2~20 years
Transportation equipment	4~12 years
Office equipment	2~10 years
Other equipment	2~12 years

An item of property, plant and equipment and any significant part initially recognized is derecognized upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising from derecognition of the asset is recognized in profit or loss.

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate. The differences resulted from previous estimation are regarded as changes in accounting estimates.

(12) Investment property

The Company's owned investment properties are measured initially at cost, including transaction costs. The carrying amount includes the cost of replacing part of an existing investment property at the time that cost is incurred if the recognition criteria are met and excludes the costs of day-to-day servicing of an investment property. Subsequent to initial recognition, other than those that meet the criteria to be classified as held for sale (or are included in a disposal group that is classified as held for sale) in accordance with IFRS 5 *Non-current Assets Held for Sale and Discontinued Operations*, investment properties are measured using the cost model in accordance with the requirements of IAS 16 *Property, plant and equipment* for that model. If investment properties are held by a lessee as right-of-use assets and is not held for sale in accordance with IFRS 5, investment properties are measured in accordance with the requirements of IFRS 16.

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Investment properties are derecognized when either they have been disposed of or when the investment property is permanently withdrawn from use and no future economic benefit is expected from its disposal. The difference between the net disposal proceeds and the carrying amount of the asset is recognized in profit or loss in the period of derecognition.

The Company transfers to or from investment properties when there is a change in use for these assets. Properties are transferred to or from investment properties when the properties meet, or cease to meet, the definition of investment property and there is evidence of the change in use.

(13) Leases

The Company assesses whether the contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset for a period of time, the Company assesses whether, throughout the period of use, has both of the following:

- A. the right to obtain substantially all of the economic benefits from use of the identified asset; and
- B. the right to direct the use of the identified asset.

For a contract that is, or contains, a lease, the Company accounts for each lease component within the contract as a lease separately from non-lease components of the contract. For a contract that contains a lease component and one or more additional lease or non-lease components, the Company allocates the consideration in the contract to each lease component on the basis of the relative stand-alone price of the lease component and the aggregate stand-alone price of the non-lease components. The relative stand-alone price of lease and non-lease components shall be determined on the basis of the price the lessor, or a similar supplier, would charge the Company for that component, or a similar component, separately. If an observable stand-alone price is not readily available, the Company estimates the stand-alone price, maximising the use of observable information.

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The Company as a lessee

Except for leases that meet and elect short-term leases or leases of low-value assets, the Company recognizes right-of-use asset and lease liability for all leases which the Company is the lessee of those lease contracts.

At the commencement date, the Company measures the lease liability at the present value of the lease payments that are not paid at that date. The lease payments are discounted using the interest rate implicit in the lease, if that rate can be readily determined. If that rate cannot be readily determined, the Company uses its incremental borrowing rate. At the commencement date, the lease payments included in the measurement of the lease liability comprise the following payments for the right to use the underlying asset during the lease term that are not paid at the commencement date:

- A. fixed payments (including in-substance fixed payments), less any lease incentives receivable;
- B. variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
- C. amounts expected to be payable by the lessee under residual value guarantees;
- D. the exercise price of a purchase option if the Company is reasonably certain to exercise that option; and
- E. payments of penalties for terminating the lease, if the lease term reflects the lessee exercising an option to terminate the lease.

After the commencement date, the Company measures the lease liability on an amortised cost basis, which increases the carrying amount to reflect interest on the lease liability by using an effective interest method; and reduces the carrying amount to reflect the lease payments made.

At the commencement date, the Company measures the right-of-use asset at cost. The cost of the right-of-use asset comprises:

- A. the amount of the initial measurement of the lease liability;
- B. any lease payments made at or before the commencement date, less any lease incentives received;
- C. any initial direct costs incurred by the lessee; and
- D. an estimate of costs to be incurred by the lessee in dismantling and removing the underlying asset, restoring the site on which it is located or restoring the underlying asset to the condition required by the terms and conditions of the lease.

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For subsequent measurement of the right-of-use asset, the Company measures the right-of-use asset at cost less any accumulated depreciation and any accumulated impairment losses. That is, the Company measures the right-of-use applying a cost model.

If the lease transfers ownership of the underlying asset to the Company by the end of the lease term or if the cost of the right-of-use asset reflects that the Company will exercise a purchase option, the Company depreciates the right-of-use asset from the commencement date to the end of the useful life of the underlying asset. Otherwise, the Company depreciates the right-of-use asset from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term.

The Company applies IAS 36 *Impairment of Assets* to determine whether the right-of-use asset is impaired and to account for any impairment loss identified.

Except for those leases that the Company accounted for as short-term leases or leases of low-value assets, the Company presents right-of-use assets and lease liabilities in the balance sheet and separately presents lease-related interest expense and depreciation charge in the statements of comprehensive income.

For short-term leases or leases of low-value assets, the Company elects to recognize the lease payments associated with those leases as an expense on either a straight-line basis over the lease term or another systematic basis.

The Company as a lessor

At inception of a contract, the Company classifies each of its leases as either an operating lease or a finance lease. A lease is classified as a finance lease if it transfers substantially all the risks and rewards incidental to ownership of an underlying asset. A lease is classified as an operating lease if it does not transfer substantially all the risks and rewards incidental to ownership of an underlying asset. At the commencement date, the Company recognizes assets held under a finance lease in its balance sheet and present them as a receivable at an amount equal to the net investment in the lease.

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For a contract that contains lease components and non-lease components, the Company allocates the consideration in the contract applying IFRS 15.

The Company recognizes lease payments from operating leases as rental income on either a straight-line basis or another systematic basis. Variable lease payments for operating leases that do not depend on an index or a rate are recognized as rental income when incurred.

(14) Intangible assets

Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired in a business combination is its fair value as of the date of acquisition. Following initial recognition, intangible assets are carried at cost less any accumulated amortization and accumulated impairment losses, if any. Internally generated intangible assets which fail to meet the recognition criteria are not capitalized and expenditure are reflected in profit or loss in the period incurred.

The useful lives of intangible assets are assessed as either finite or indefinite.

Intangible assets with finite useful lives are amortized over the useful life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortization period and the amortization method for an intangible asset with a finite useful life are reviewed at least at the end of each fiscal year. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset is accounted for by changing the amortization period or method, as appropriate, and is treated as changes in accounting estimates.

Intangible assets with indefinite useful lives are not amortized, but are tested for impairment annually, either individually or at the cash-generating unit (CGU) level. The assessment of indefinite useful life is reviewed annually to determine whether the indefinite useful life continues to be supportable. If not, the change in useful life from indefinite to finite is made on a prospective basis.

Gains or losses arising from derecognition of an intangible asset are recognized in profit or loss.

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Accounting policies of the Company's intangible assets are summarized as follows:

	Computer software	Other intangible assets
Useful lives	1~10 years	3~ ⁹¹ 26 years
Method of Amortization	Amortized on a straight- line basis	Amortized on a straight- line basis
Acquired from	Exterally acquired	Exterally acquired

(15) Impairment of non-financial assets

The Company assesses at the end of each reporting period whether there is any indication that an asset in the scope of IAS 36 *Impairment of Assets* may be impaired. If any such indication exists, or when annual impairment testing for an asset is required, the Company completes impairment testing for an individual asset or the CGU to which the individual assets belong. Where the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's ("CGU") fair value less costs to sell and its value in use.

For assets excluding goodwill, an assessment is made at each reporting date as to whether there is any indication that previously recognized impairment losses may no longer exist or may have decreased. If such indication exists, the Company estimates the asset's or cash-generating unit's recoverable amount. A previously recognized impairment loss is reversed only if there has been an increase in the estimated service potential of an asset which in turn increases the recoverable amount. However, the reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognized for the asset in prior years.

A cash generating unit, or groups of cash-generating units, to which goodwill has been allocated is tested for impairment annually at the same time, irrespective of whether there is any indication of impairment. If an impairment loss is to be recognized, it is first allocated to reduce the carrying amount of any goodwill allocated to the cash generating unit (group of units), then to the other assets of the unit (group of units) pro rata on the basis of the carrying amount of each asset in the unit (group of units). Impairment losses relating to goodwill cannot be reversed in future periods for any reason.

An impairment loss of continuing operations or a reversal of such impairment loss is recognized in profit or loss.

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(16) Provisions

Provisions are recognized when the Company has a present obligation (legal or constructive) as a result of a past event, it is probably that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Where the Company expects some or all of a provision to be reimbursed, the reimbursement is recognized as a separate asset but only when the reimbursement is virtually certain. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects the risks specific to the liability. Where discounting is used, the increase in the provision due to the passage of time is recognized as a finance cost.

(17) Revenue recognition

The Company's revenue being recognized when control of the products or rendering of services is transferred to the customers to satisfy the performance obligation. The accounting policies are explained as follows:

Sale of goods

The Company manufactures and sells products. Sales are recognized when control of the products is transferred to the customers and the products are delivered to the customers (the customers obtains the right and carrying value of the products). For certain sales of products transactions, they are usually accompanied by volume discounts (based on the accumulated total sales amount for a specified period). Therefore, revenue from these sales is recognized based on the price specified in the contract, net of the estimated volume discounts to the Company estimates the discounts using the expected value method based on historical experiences. Revenue is only recognized to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognized will not occur and when the uncertainty associated with the variable consideration is subsequently resolved.

The Company provides its customer with a warranty with the purchase of the products. The warranty provides assurance that the products will operate as expected by the customers. And the warranty is accounted in accordance with IAS 37.

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The credit period of the Company's sale of goods is from 30 to 180 days. For most of the contracts, when the Company transfers the products to customers and has a right to an amount of consideration that is unconditional, these contracts are recognized as accounts receivable. The Company usually collects the payments shortly after transfer of products to customers; therefore, there is no significant financing component to the contract.

(18) Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalized as part of the cost of the respective assets. All other borrowing costs are expensed in the period they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

(19) Government grants

Government grants are recognized where there is reasonable assurance that the grant will be received and all attached conditions will be complied with. Where the grant relates to an asset, it is recognized as deferred income and released to income in equal amounts over the expected useful life of the related asset. When the grant relates to an expense item, it is recognized as income over the period necessary to match the grant on a systematic basis to the costs that it is intended to compensate.

(20) Post-employment benefits

All regular employees of the Company are entitled to a pension plan that is managed by an independently administered pension fund committee. Fund assets are deposited under the committee's name in the specific bank account and hence, not associated with the Company. Therefore, fund assets are not included in the parent company only financial statements.

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For the defined contribution plan, the Company will make a monthly contribution and recognize expenses for the current period of no less than 6% of the monthly wages of the employees subject to the plan. The Company recognizes expenses for the defined contribution plan in the period in which the contribution becomes due.

Post-employment benefit plan that is classified as a defined benefit plan uses the Projected Unit Credit Method to measure its obligations and costs based on actuarial assumptions. Re-measurements, comprising of the effect of the actuarial gains and losses, the effect of the asset ceiling (excluding net interest) and the return on plan assets, excluding net interest, are recognized as other comprehensive income with a corresponding debit or credit to retained earnings in the period in which they occur. Past service costs are recognized in profit or loss on the earlier of:

- A. The date of the plan amendment or curtailment, and
- B. The date that the Company recognizes restructuring-related costs

Net interest is calculated by applying the discount rate to the net defined benefit liability or asset, both as determined at the start of the annual reporting period, taking account of any changes in the net defined benefit liability (asset) during the period as a result of contribution and benefit payment.

(21) Income taxes

Income tax expense (income) is the aggregate amount included in the determination of profit or loss for the period in respect of current tax and deferred tax.

Current income tax

Current income tax assets and liabilities for the current and prior periods are measured using the tax rates and tax laws that have been enacted or substantively enacted by the end of the reporting period. Current income tax relating to items recognized in other comprehensive income or directly in equity is recognized in other comprehensive income or equity and not in profit or loss.

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The income tax for undistributed earnings is recognized as income tax expense in the subsequent year when the distribution proposal is approved by the Shareholders' meeting.

Deferred income tax

Deferred income tax is provided on temporary differences between the tax bases of assets and liabilities and their carrying amounts in financial statement at the reporting date.

Deferred tax liabilities are recognized for all taxable temporary differences, except:

- A. Where the deferred tax liability arises from the initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination; at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and at the time of the transaction, does not give rise to equal taxable and deductible temporary differences.
- B. In respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, where the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognized for all deductible temporary differences, carryforward of unused tax credits and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carryforward of unused tax credits and unused tax losses can be utilized, except:

- A. Where the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination; at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and at the time of the transaction, does not give rise to equal taxable and deductible temporary differences.

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B. In respect of deductible temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, deferred tax assets are recognized only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilized.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realized or the liability is settled, based on tax rates and tax laws that have been enacted or substantively enacted at the reporting date.

The measurement of deferred tax assets and deferred tax liabilities reflects the tax consequences that would follow from the manner in which the Company expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities. Deferred tax relating to items recognized outside profit or loss is recognized outside profit or loss. Deferred tax items are recognized in correlation to the underlying transaction either in other comprehensive income or directly in equity. Deferred tax assets are reassessed at each reporting date and are recognized accordingly.

Deferred tax assets and deferred tax liabilities are offset, if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

5. Significant accounting judgements, estimates and assumptions

The preparation of the Company's parent company only financial statements requires management to make judgements, estimates and assumptions at the end of the reporting period that affect the reported amounts of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities. However, uncertainty about these assumption and estimate could result in outcomes that require a material adjustment to the carrying amount of the asset or liability affected in future periods.

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(1) Judgement

In the process of applying the Company's accounting policies, management has made the following judgements, which have the most significant effect on the amounts recognized in the consolidated financial statements:

Investment property

Certain properties of the Company comprise a portion that is held to earn rentals or for capital appreciation and another portion that is owner-occupied. If these portions could be sold separately, the Company accounts for the portions separately as investment property and property, plant and equipment. If the portions could not be sold separately, the property is classified as investment property in its entirety only if the portion of owner-occupied is not significant to total property.

(2) Estimates and assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date that would have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next fiscal year are discussed below.

A. Impairment of non-financial assets

An impairment exists when the carrying value of an asset or cash generating unit exceeds its recoverable amount, which is the higher of its fair value less costs to sell and its value in use. The fair value less costs to sell calculation is based on the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date less incremental costs that would be directly attributable to the disposal of the asset or cash generating unit. The value in use calculation is based on a discounted cash flow model. The cash flows projections are derived from the budget for the next five years and do not include restructuring activities that the Company is not yet committed to or significant future investments that will enhance the asset's performance of the cash generating unit being tested. The recoverable amount is most sensitive to the discount rate used for the discounted cash flow model as well as the expected future cash-inflows and the growth rate used for extrapolation purposes. The key assumptions used to determine the recoverable amount for the different cash generating units, including a sensitivity analysis, are further explained in Note 6.

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B. Income tax

Uncertainties exist with respect to the interpretation of complex tax regulations and the amount and timing of future taxable income. Given the wide range of international business relationships and the long-term nature and complexity of existing contractual agreements, differences arising between the actual results and the assumptions made, or future changes to such assumptions, could necessitate future adjustments to tax income and expense already recorded. The Company establishes provisions, based on reasonable estimates, for possible consequences of audits by the tax authorities of the respective counties in which it operates. The amount of such provisions is based on various factors, such as experience of previous tax audits and differing interpretations of tax regulations by the taxable entity and the responsible tax authority. Such differences of interpretation may arise on a wide variety of issues depending on the conditions prevailing in the respective Company entities' domicile.

Deferred tax assets are recognized for all carryforward of unused tax losses and unused tax credits and deductible temporary differences to the extent that it is probable that taxable profit will be available or there are sufficient taxable temporary differences against which the unused tax losses, unused tax credits or deductible temporary differences can be utilized. The amount of deferred tax assets determined to be recognized is based upon the likely timing and the level of future taxable profits and taxable temporary differences together with future tax planning strategies.

C. Accounts receivable - estimation of impairment loss

The Company estimates the impairment loss of accounts receivable at an amount equal to lifetime expected credit losses. The credit loss is the present value of the difference between the contractual cash flows that are due under the contract (carrying amount) and the cash flows that are expected to receive (by evaluating forward looking information). However, as the impact from the discounting of short-term receivables is not material, the credit loss is measured by the undiscounted cash flows. Where the actual future cash flows are lower than expected, a material impairment loss may arise. Please refer to Note 6 for more details.

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D. Inventory valuation

Estimates of net realizable value of inventories take into consideration that inventories may be damaged, become wholly or partially obsolete, or their selling prices have declined. The estimates are based on the most reliable evidence available at the time the estimates are made. Please refer to Note 6 for more details.

6. Contents of significant accounts

(1) Cash and cash equivalents

	<u>As of December 31,</u>	
	<u>2023</u>	<u>2022</u>
Checking and savings accounts	\$175,679	\$131,439
Cash on hand	221	416
Total	<u>\$175,900</u>	<u>\$131,855</u>

(2) Accounts receivable and expected credit impairment losses

A. Accounts receivable

	<u>As of December 31,</u>	
	<u>2023</u>	<u>2022</u>
Accounts receivable	\$110,079	\$81,793
Less: loss allowance	(6,536)	(4,567)
Subtotal	103,543	77,226
Accounts receivable- related parties	206,996	230,891
Total	<u>\$310,539</u>	<u>\$308,117</u>

Accounts receivable were not pledged.

The Company's collection period typically ranges from 30 to 120 days. The total carrying amount as of December 31, 2023 and 2022 were NTD317,075 thousand and NTD312,684 thousand, respectively. Please refer to Note 12 for more details on credit risk.

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B. Expected credit impairment losses

	For the years ended December 31,	
	2023	2022
Operating expense- expected credit impairment losses		
Accounts receivable	\$1,969	\$4,491

Please refer to Note 12 for more details on credit risk.

The Company measures the loss allowance of its receivables (including notes receivable and accounts receivable) based on the lifetime expected credit losses. The assessment of the loss allowance is as follows:

(a) As of December 31, 2023

	Not yet due (note)	Overdue						Total	
		<=30 days	31-60 days	61-90 days	91-120 days	121-150 days	151-180 days		<=181 days
Gross carrying amount	\$296,952	\$15,459	\$-	\$29	\$-	\$-	\$-	\$4,717	\$317,157
Loss ratio	0.64%	7.75%	37.06%	82.11%	100%	100%	100%	100%	
Lifetime expected credit losses	(598)	(1,198)	-	(23)	-	-	-	(4,717)	(6,536)
Carrying amount	\$296,354	\$14,261	\$-	\$6	\$-	\$-	\$-	\$-	\$310,621

Note: The Company's notes receivable are not overdue.

(b) As of December 31, 2022

	Not yet due (note)	Overdue						Total	
		<=30 days	31-60 days	61-90 days	91-120 days	121-150 days	151-180 days		<=181 days
Gross carrying amount	\$305,216	\$3,647	\$36	\$51	\$-	\$172	\$53	\$3,750	\$312,925
Loss ratio	1%	5%	27%	62%	80%	93%	100%	100%	
Lifetime expected credit losses	(417)	(146)	(10)	(31)	-	(160)	(53)	(3,750)	(4,567)
Carrying amount	\$304,799	\$3,501	\$26	\$20	\$-	\$12	\$-	\$-	\$308,358

Note: The Company's notes receivable are not overdue.

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The movement in the provision for impairment of notes receivable and accounts receivable for the years ended of December 31, 2023 and 2022 were as follows:

	Notes receivable	Accounts receivable
January 1, 2023	\$-	\$4,567
Addition for the current period	-	1,969
December 31, 2023	\$-	\$6,536
January 1, 2022	\$-	\$76
Addition for the current period	-	4,491
December 31, 2022	\$-	\$4,567

(3) Inventories

	As of December 31,	
	2023	2022
Raw materials	\$86,050	\$102,747
Merchandises	47,846	37,647
Finished goods	32,680	41,435
Work in progress	15,128	13,939
Total	\$181,704	\$195,768

The cost of inventories recognized in expenses amounts to NTD733,774 thousand and NTD896,668 thousand for the years ended of December 31, 2023 and 2022. The expense and income related to the inventory were as follows:

	For the years ended December 31,	
	2023	2022
Reversal of write-down of inventories	\$(531)	\$(2,249)
Inventories surplus	2,084	1,644

No inventories were pledged. The reversal of write-down of inventories was due to destocking.

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(4) Investments accounted for using the equity method

The following table lists the investments accounted for using the equity method of the Company:

Investees	As of December 31,			
	2023		2022	
	Amount	%	Amount	%
GPI CO. (SAMOA) LTD.	\$905,653	100%	\$888,506	100%
JIOU FU CO., LTD.	680,531	100%	619,294	100%
GPI USA, INC.	-	-	12,701	100%
GPIKT DE, INC.	3,080,967	100%	2,815,991	100%
GPIKT (BVI) CO., LTD.	31	100%	31	100%
WEKARE CO., LTD.	1,120	100%	1,997	100%
TJ OFFICE SOLUTION CO., LTD	3,824	100%	4,454	100%
Total	<u>\$4,672,126</u>		<u>\$4,342,974</u>	

- A. On March 29, 2011, the Company established GPI CO.(SAMOA) LTD. to expand its oversea business. The Company invested a total of NTD16,297 thousand in 2015. As of December 31, 2023, the total investment in GPI CO.(SAMOA) LTD. amounted to NTD595,932 thousand.
- B. On October 15, 2006, in accordance with the overall business planning, the Company establish a wholly owned subsidiary – JIOU FU CO., LTD. by investing NTD100,000 thousand for 10,000,000 shares at \$10 per share. Subsequently, the Company made additional investments of NTD270,000 thousand and NTD330,000 thousand on July 19, 2007 and September 2, 2011, respectively. As of December 31, 2023, the total investment in JIOU FU CO., LTD. amounted to NTD700,000 thousand.
- C. On July 5, 2016, in accordance with the overall business planning, the Board of Directors of the Company approved a resolution to increase investments of NTD9,645 thousand (USD300 thousand) in GPI USA, INC. Subsequently, the Company increased its investment by NTD5,693 thousand (USD200 thousand) on November 11, 2022. After the increase, the total investment in GPI USA, INC. amounted to NTD15,681 thousand. However, on August 22, 2023, the Board of Directors approved the resolution to work on dissolution and liquidation of GPI USA, INC, and remitted capital back to the Company.

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- D. On December 28, 2017, the Company invested in the establishment of GPIKT (BVI) CO., LTD. and GPIKT DE, INC. to integrate the business of cartridges. The original investments were NTD30 thousand and NTD2,986 thousand, respectively. On January 8, 2018, the Company further invested NTD2,855,680 thousand in GPIKT DE, INC. to acquire Katun Holdings, LP. in the USA. As of December 31, 2023, the total investments in GPIKT (BVI) CO., LTD. and GPIKT DE, INC. amounted to NTD30 thousand and NTD2,858,666 thousand, respectively.
- E. On December 25, 2020, the Board of Directors of the Company approved the resolution to establish a wholly owned subsidiary – WEKARE CO., LTD. to expand the Company’s business scope. The Company prepaid NTD5,000 thousand for the investment on December 31, 2020, and the establishment registration of WEKARE CO., LTD. was completed on January 5, 2021. As of December 31, 2023, the total investment in WEKARE CO., LTD. amounted to NTD20,000 thousand.
- F. On March 25, 2020, in order to develop new business, the Board of Directors of the Company approved a resolution to acquire entire equity of TJ OFFICE SOLUTION CO., LTD. (“TJ”), which is engaged in renting and selling photocopiers in Cambodia, from Mr. Wang Kuoying. The equity transfer procedure of TJ was completed in Cambodia on September 3, 2020. The investment amounted to USD297,529 according to the net value in August 2020, which was one month before the share equity settlement date. The Company remitted NTD8,264 thousand and increased investment of NTD1,384 thousand in TJ on December 22, 2021 and December 27, 2021, respectively. As of December 31, 2023, the total investment amounted in TJ to NTD9,648 thousand.
- G. For the years ended December 31, 2023 and 2022, the Company recognized the share of profit or loss of associates and joint ventures and exchange differences on translation of foreign financial statements accounted for the using equity method. The details are as follows:

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(a) Share of profit or loss of associates and joint ventures accounted for the using equity method in 2023 and 2022 are as follows:

Investees	For the years ended December 31,	
	2023	2022
GPI CO. (SAMOA) LTD.	\$17,558	\$272,324
JIOU FU CO., LTD.	61,237	64,566
GPI USA, INC.	(2,422)	(1,105)
GPIKT DE, INC.	189,957	73,703
GPIKT (BVI) CO., LTD.	-	-
WEKARE CO., LTD.	(1,760)	(10,431)
TJ OFFICE SOLUTION CO., LTD	(639)	(2,278)
Total	<u>\$263,931</u>	<u>\$396,779</u>

(b) Exchange differences on translation of foreign financial statements in 2023 and 2022 are as follows:

Investees	For the years ended December 31,	
	2023	2022
GPI CO. (SAMOA) LTD.	\$(413)	\$69,369
JIOU FU CO., LTD.	-	-
GPI USA, INC.	208	1,401
GPIKT DE, INC.	42,213	269,828
GPIKT (BVI) CO., LTD.	-	3
WEKARE CO., LTD.	-	-
TJ OFFICE SOLUTION CO., LTD	9	676
Total	<u>\$42,017</u>	<u>\$341,277</u>

(5) Property, plant and equipment

	As of December 31,	
	2023	2022
Owner occupied property, plant and equipment	<u>\$1,246,272</u>	<u>\$1,098,113</u>

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	Land	Buildings	Machinery and equipment	Transportation equipment	Office equipment	Other equipment	Construction in progress and equipment awaiting inspection	Total
<u>Cost:</u>								
As of January 1, 2023	\$631,659	\$214,044	\$315,598	\$23,755	\$54,276	\$50,440	\$309,790	\$1,599,562
Additions	-	4,366	14,389	745	771	23,327	136,582	180,180
Disposals	-	-	(28,765)	(419)	(693)	(1,143)	-	(31,020)
Transfers	-	491	-	-	-	10,560	(491)	10,560
As of December 31, 2023	<u>\$631,659</u>	<u>\$218,901</u>	<u>\$301,222</u>	<u>\$24,081</u>	<u>\$54,354</u>	<u>\$83,184</u>	<u>\$445,881</u>	<u>\$1,759,282</u>
<u>Depreciation and impairment:</u>								
As of January 1, 2023	\$-	\$153,591	\$275,360	\$14,216	\$33,958	\$24,324	\$-	\$501,449
Depreciation	-	5,184	15,847	1,808	5,523	14,176	-	42,538
Disposals	-	-	(28,765)	(419)	(650)	(1,143)	-	(30,977)
As of December 31, 2023	<u>\$-</u>	<u>\$158,775</u>	<u>\$262,442</u>	<u>\$15,605</u>	<u>\$38,831</u>	<u>\$37,357</u>	<u>\$-</u>	<u>\$513,010</u>
<u>Cost:</u>								
As of January 1, 2022	\$589,332	\$211,593	\$332,698	\$23,194	\$48,373	\$23,031	\$201,191	\$1,429,412
Additions	42,327	2,444	11,466	1,300	7,160	14,502	108,825	188,024
Disposals	-	(219)	(31,390)	(739)	(1,257)	(77)	-	(33,682)
Transfers	-	226	2,824	-	-	12,984	(226)	15,808
As of December 31, 2022	<u>\$631,659</u>	<u>\$214,044</u>	<u>\$315,598</u>	<u>\$23,755</u>	<u>\$54,276</u>	<u>\$50,440</u>	<u>\$309,790</u>	<u>\$1,599,562</u>

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	Land	Buildings	Machinery and equipment	Transportation equipment	Office equipment	Other equipment	Construction in progress and equipment awaiting inspection	Total
<u>Depreciation and impairment:</u>								
As of January 1, 2022	\$-	\$146,504	\$276,778	\$12,511	\$30,448	\$17,781	\$-	\$484,022
Depreciation	-	7,306	29,972	2,274	4,767	6,620	-	50,939
Disposals	-	(219)	(31,390)	(569)	(1,257)	(77)	-	(33,512)
As of December 31, 2022	<u>\$-</u>	<u>\$153,591</u>	<u>\$275,360</u>	<u>\$14,216</u>	<u>\$33,958</u>	<u>\$24,324</u>	<u>\$-</u>	<u>\$501,449</u>
<u>Net carrying amount:</u>								
As of December 31, 2023	<u>\$631,659</u>	<u>\$60,126</u>	<u>\$38,780</u>	<u>\$8,476</u>	<u>\$15,524</u>	<u>\$45,826</u>	<u>\$445,881</u>	<u>\$1,246,272</u>
As of December 31, 2022	<u>\$631,659</u>	<u>\$60,453</u>	<u>\$40,238</u>	<u>\$9,539</u>	<u>\$20,318</u>	<u>\$26,116</u>	<u>\$309,790</u>	<u>\$1,098,113</u>

- A. Components of buildings that have different useful lives are the main building structure, utility and structure reinforcement constructions and others, which are depreciated over 50 years, 10 years and 15 years, respectively.
- B. Capitalized interest payments and interest rate of property, plant and equipment

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	For the years ended December 31,	
	2023	2022
Capitalized interest payments	\$6,716	\$3,107
Capitalized interest rate	1.76%	1.59%

Please refer to Note 8 for details of property, plant and equipment pledged as collateral.

(6) Investment property

	As of December 31,	
	2023	2022
Land	\$13,596	\$13,596

No investment property was pledged.

Investment properties held by the Company are not measured at fair value, but for which the fair value are disclosed. The fair value measurements of the investment properties are categorized at Level 3. The fair value has been determined based on valuations performed by an independent appraiser and measured via Comparison Method and Land Development Analysis Approach. As of December 31, 2023 and 2022, the Company's investment properties were amounted to NTD18,696 thousand and NTD15,777 thousand, respectively.

(7) Intangible assets

	For the years ended December 31, 2023		
	Computer software	Other intangible assets	Total
<u>Cost:</u>			
As of January 1, 2023	\$87,882	\$21,514	\$109,396
Additions	8,616	25	8,641
Transfers	1,860	133	1,993
Disposals	-	(2,850)	(2,850)
As of December 31, 2023	\$98,358	\$18,822	\$117,180
<u>Amortization and impairment:</u>			
As of January 1, 2023	\$55,256	\$13,162	\$68,418
Amortization	9,922	1,500	11,422
Disposals	-	(2,371)	(2,371)
As of December 31, 2023	\$65,178	\$12,291	\$77,469

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	For the years ended December 31, 2022		
	Computer software	Other intangible assets	Total
<u>Cost:</u>			
As of January 1, 2022	\$87,031	\$21,801	\$108,832
Additions	3,086	230	3,316
Transfers	-	499	499
Disposals	(2,235)	(1,016)	(3,251)
As of December 31, 2022	\$87,882	\$21,514	\$109,396
<u>Amortization and impairment:</u>			
As of January 1, 2022	\$46,431	\$10,699	\$57,130
Amortization	11,060	3,190	14,250
Disposals	(2,235)	(727)	(2,962)
As of December 31, 2022	\$55,256	\$13,162	\$68,418
<u>Net carrying amount:</u>			
As of December 31, 2023	\$33,180	\$6,531	\$39,711
As of December 31, 2022	\$32,626	\$8,352	\$40,978

Please refer to Note 6(16) for recognition of amortization expenses of intangible assets.

(8) Short-term loans

A. As of December 31, 2023

	As of December 31, 2023	Interest Rates (%)
Unsecured bank loans	\$1,355,000	1.5790%~2.1076%
Secured bank loans	600,000	1.7500%
Total	\$1,955,000	

B. As of December 31, 2022

	As of December 31, 2022	Interest Rates (%)
Unsecured bank loans	\$995,000	1.1750%~1.9500%
Secured bank loans	460,000	2.0500%
Others - related parties	55,000	2.0500%
Total	\$1,510,000	

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The Company's unused short-term lines of credit amounted to NTD1,680,000 thousand and NTD1,583,750 thousand as of December 31, 2023 and 2022, respectively. The secured bank loans are secured by the land and buildings. Please refer to Note 8 for details of the assets pledged as collateral for these loans.

(9) Short-term notes and bills payable

	As of December 31,	
	2023	2022
Unsecured commercial paper payable	\$80,000	\$130,000
Less: discount on commercial paper payable	(29)	(206)
	\$79,971	\$129,794

Interest rates	1.888%	1.908%~1.968%
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As of December 31, 2023 and 2022, no assets pledged as collateral for these commercial paper payables.

(10) Other payables

	As of December 31,	
	2023	2022
Payroll	\$55,040	\$61,210
Payables for equipment	27,570	22,743
Other accrued expenses	13,530	16,226
Payables on remuneration to employees	28,157	30,243
Payables on remuneration to directors and supervisors	13,500	13,500
Other payables – related parties	535	601
Payables for equipment – related parties	10	126
Other payables – others	14,174	10,633
Total	\$152,516	\$155,282

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(11) Long-term loans

	As of December 31,	
	2023	2022
Secured loans	\$140,000	\$150,000
Unsecured loans	31,250	116,250
Subtotal	171,250	\$266,250
Less: current portion	(171,250)	(95,000)
Total	\$-	\$171,250
Interest rates	1.870%~1.950%	1.490%~1.856%
Maturity date	Successively due from February 2024	Successively due from February 2024

As of December 31, 2023 and 2022, the Company's unused credit of long-term loans amounted to NTD0 thousand and NTD100,000 thousand, respectively.

Please refer to Note 8 for details of the assets pledged as collateral for these loans.

(12) Post-employment benefits

Defined contribution plan

The Company adopts a defined contribution plan in accordance with the Labor Pension Act of the R.O.C. Under the Labor Pension Act, the Company has made monthly contributions of no less than 6% of the employees' monthly wages to the employees' individual pension accounts. The Company has made monthly contributions of 6% of each individual employee's salaries or wages to employees' pension accounts.

Pension expenses under the defined contribution plan for the years ended December 31, 2023 and 2022 were NTD12,075 thousand and NTD11,787 thousand, respectively.

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Defined benefits plan

The Company adopts a defined benefit plan in accordance with the Labor Standards Act of the R.O.C. The pension benefits are disbursed based on the units of service years and the average salaries in the last month of the service year. Two units per year are awarded for the first 15 years of services while one unit per year is awarded after the completion of the 15th year. The total units shall not exceed 45 units. Under the Labor Standards Act, the Company contributes an amount equivalent to 2% of the employees' total salaries and wages on a monthly basis to the pension fund deposited at the Bank of Taiwan in the name of the administered pension fund committee. Before the end of each year, the Company assesses the balance in the designated labor pension fund. If the amount is inadequate to pay pensions to the workers retiring in the same year, the Company will make up the difference in one appropriation before the end of March the following year.

The Company expects to contribute NTD2,172 thousand to its defined benefit plan during the 12 months beginning after December 31, 2023.

The weighted average duration of the defined benefits plan obligation as of December 31, 2023 and 2022 were 15 years and 14 years, respectively.

Pension costs recognized in profit or loss are as follows:

	<u>For the years ended December 31</u>	
	<u>2023</u>	<u>2022</u>
Current period service costs	\$34	\$100
Net interest on the net defined benefit liabilities (assets)	888	562
Total	<u>\$922</u>	<u>\$662</u>

Reconciliations in the defined benefit obligation and fair value of plan assets are as follows:

	<u>As of December 31,</u>	
	<u>2023</u>	<u>2022</u>
Present value of defined benefit obligation	\$122,345	\$129,918
Plan assets at fair value	(66,281)	(65,997)
Net defined benefit liabilities, non-current	<u>\$56,064</u>	<u>\$63,921</u>

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Reconciliation of liability (asset) of the defined benefit plan is as follows:

	Present value of defined benefit obligation	Fair value of plan assets	Net defined benefit liability (asset)
As of January 1, 2022	\$134,265	\$(59,255)	\$75,010
Current period service costs	100	-	100
Net interest expense (income)	1,007	(445)	562
Subtotal	<u>135,372</u>	<u>(59,700)</u>	<u>75,672</u>
Remeasurements of the net defined benefit liabilities (assets):			
Actuarial gains and losses arising from changes in financial assumptions	13,789	-	13,789
Experience adjustments	(13,286)	-	(13,286)
Return on plan assets	-	(4,544)	(4,544)
Subtotal	<u>503</u>	<u>(4,544)</u>	<u>(4,041)</u>
Benefits paid	(5,957)	5,957	-
Contributions by employer	-	(7,710)	(7,710)
As of December 31, 2022	<u>\$129,918</u>	<u>\$(65,997)</u>	<u>\$63,921</u>
Current period service costs	34	-	34
Net interest expense (income)	1,805	(917)	888
Subtotal	<u>131,757</u>	<u>(66,914)</u>	<u>64,843</u>
Remeasurements of the net defined benefit liabilities (assets):			
Actuarial gains and losses arising from changes in financial assumptions	1,985	-	1,985
Experience adjustments	(8,401)	-	(8,401)
Return on plan assets	-	(191)	(191)
Subtotal	<u>(6,416)</u>	<u>(191)</u>	<u>(6,607)</u>
Benefits paid	(2,996)	2,996	-
Contributions by employer	-	(2,172)	(2,172)
As of December 31, 2023	<u>\$122,345</u>	<u>\$(66,281)</u>	<u>\$56,064</u>

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The following significant actuarial assumptions are used in determining the Company's defined benefit plan:

	As of December 31,	
	2023	2022
Discount rate	1.31%	1.39%
Expected rate of salary increases	3.00%	3.00%

Sensitivity analysis for significant assumptions are shown below:

	For the years ended December 31,			
	2023		2022	
	Increase in defined benefit obligation	Decrease in defined benefit obligation	Increase in defined benefit obligation	Decrease in defined benefit obligation
Discount rate increase by 0.5%	\$-	\$(8,853)	\$-	\$(8,380)
Discount rate decrease by 0.5%	9,678	-	9,204	-
Future salary increase by 0.5%	9,464	-	9,008	-
Future salary decrease by 0.5%	-	(8,754)	-	(8,294)

The sensitivity analyses above are based on a change in a significant assumption (for example: change in discount rate or future salary), keeping all other assumptions constant. The sensitivity analyses may not be representative of an actual change in the defined benefit obligation as it is unlikely that changes in assumptions would occur in isolation of one another.

There was no change in the methods and assumptions used in preparing the sensitivity analyses compared to the previous period.

(13) Equity

A. Common stock

The Company's authorized capital were both NTD2,000,000 thousand divided into 200,000 thousand shares with par value of NTD10 as of December 31, 2023, and 2022. The Company's issued capital were both NTD1,275,887 thousand divided into 127,589 thousand shares with par value of NTD10 each as of December 31, 2023, and 2022. Each share has one voting right and a right to receive dividends.

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B. Additional paid-in capital

According to the Company Act, the additional paid-in capital shall not be used except for making up the deficit of the company. When a company incurs no loss, it may distribute the additional paid-in capital related to the income derived from the issuance of new shares at a premium or income from donations received by the Company. The distribution could be made in cash or in the form of dividend shares to its shareholders in proportion to the number of shares being held by each of them.

	As of December 31,	
	2023	2022
Share Premium	\$1,200,346	\$1,200,346
Employee stock	13,453	13,453
Total	\$1,213,799	\$1,213,799

C. Distribution of retained earnings and dividend policies

(a) According to the Company's Articles of Incorporation, current year's earnings, if any, shall be distributed in the following order:

- (i) Payment of tax;
- (ii) Offsetting accumulated deficits, if any;
- (iii) Setting aside 10% for legal reserve;
- (iv) Appropriating or reversing special reserve in compliance with the Company Act or Securities and Exchange Act;
- (v) The distribution of the remaining portion, if any, will be proposed by the Board of Directors and resolved in the shareholders' meeting;
- (vi) If the distribution mentioned above distribute in the form of cash dividends would be authorized to the special resolution held by the Board of Directors and resolved in the shareholders' meeting.

The Company's policy of distribution is base on capital expenditure, business expansion and sustainable development. The board of directors shall propose the distribution plan and resolve in the shareholders' meeting. The shareholders' dividends shall be more than 10% of distributable earnings. The cash dividends shall not be less than 10% of total shareholders' dividends. The Company may choose not to distribute earnings if the earnings are insufficient to fund appropriation of a NTD0.5 dividend per share.

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(b) Pursuant to the Company Act, the company is required to set aside amount to legal reserve until the accumulated legal reserve equals total paid-in capital. The legal reserve can be used to make up the deficit. When a company incurs no loss, it may distribute the portion of legal serve which exceeds 25% of the paid-in capital by issuing new shares or by cash in proportion to the number of shares being held by each of the shareholders.

(c) Details of the 2023 and 2022 earnings distribution and dividends per share as resolved by the Board of Director's meeting and the shareholders' meeting held on March 14, 2024 and June 15, 2023, respectively, are as follows:

	Appropriation of earnings		Dividend per share (NTD)	
	2023	2022	2023	2022
Reversal of special reserve	\$(114,265)			
Legal reserve	43,852	\$(98,255) 68,184		
Cash dividends (Note)	318,972	280,695	\$2.5	\$2.2

Note: The Company was authorized according to the Articles of Association and passed by special resolution on March 14, 2024 and March 21, 2023 the proposal to distribute common share cash dividends of 2023 and 2022, respectively.

Please refer to Note 6(16) for details of employees' compensation and remuneration to directors and supervisors.

(14) Operating revenues

	For the years ended December 31,	
	2023	2022
Revenue from contracts with customers		
Sale of goods	\$1,219,221	\$1,487,361

Information of revenues from contracts with customers during the years ended Decmeber 31, 2023 and 2022 are as follows:

A. Disaggregation of revenue

The Company recognized revenues at a point in time for both the years ended December 31, 2023 and 2022.

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B. Contract balances

Contract liabilities - current

	As of December 31,	
	2023	2022
Sales of goods	\$5,683	\$3,474

(15) Leases

A. The Company as a lessee

The Company leases various properties, including real estate (such as land and buildings), transportation equipment, office equipment and other equipment. The lease terms range from 1 to 7 years.

The Company's leases effect on the financial position, financial performance and cash flows are as follows:

(a) Amounts recognized in the balance sheet

(i) Right-of-use assets

The carrying amount of right-of-use assets

	As of December 31,	
	2023	2022
Land	\$9,267	\$8,201
Office equipment	1,005	1,322
Total	\$10,272	\$9,523

For the years ended December 31, 2023 and 2022, the Company's additions to right-of-use assets amounting to NTD2,751 thousand and NTD814 thousand, respectively.

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(ii) Lease liabilities

	As of December 31,	
	2023	2022
Current	\$1,809	\$1,847
Non-current	8,607	7,783
Total	\$10,416	\$9,630

Please refer to Note 6(17)(D) for the interest on lease liabilities recognized for the years ended December 31, 2023 and 2022 and refer to Note 12(5) Liquidity risk management for the maturity analysis for lease liabilities as of December 31, 2023 and 2022.

(b) Amounts recognized in the statement of comprehensive income

Depreciation charge for right-of-use assets

	For the years ended December 31,	
	2023	2022
Land	\$1,686	\$1,678
Office equipment	316	380
Total	\$2,002	\$2,058

(c) Income and expenses relating to leasing activities

	For the years ended December 31,	
	2023	2023
The expenses relating to short-term leases	\$3,529	\$3,270
The expenses relating to leases of low-value assets (Not including the expenses relating to short-term leases of low-value assets)	209	251
Total	\$3,738	\$3,521

(d) Cash outflow relating to leasing activities

The Company's total cash outflows for leases for the years ended December 31, 2023 and 2022 were NTD5,836 thousand and NTD5,536 thousand, respectively.

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(16) Summarized statement of employee benefits, depreciation and amortization expenses by function for the years ended December 31, 2023 and 2022:

Function Nature	For the years ended December 31,					
	2023			2022		
	Operating costs	Operating expenses	Total amount	Operating costs	Operating expenses	Total amount
Employee benefits expense						
Salaries	\$178,921	120,099	\$299,020	\$196,445	\$121,176	\$317,621
Labor and health insurance	21,079	9,417	30,496	20,174	8,302	28,476
Pension	8,177	4,820	12,997	8,161	4,288	12,449
Remuneration to directors	-	13,770	13,770	-	12,520	12,520
Other employee benefits expenses	6,322	4,322	10,644	7,425	3,744	11,169
Depreciation	30,801	13,739	44,540	39,634	13,363	52,997
Amortization	225	11,197	11,422	324	13,926	14,250

Note: As of December 31, 2023 and 2022, the Company's employees were 477 and 464, respectively; the number of directors who were not concurrently employees were 6 and 4, respectively.

For the years ended December 31, 2023 and 2022, the average of employees benefits expense of the Company were NTD750 thousand and NTD 804 thousand, respectively. For the years ended December 31, 2023 and 2022, the average of employees salaries expenses of the Company were NTD635 thousand and NTD690 thousand, respectively; the average salary expense adjustment decreased by 7.97%.

For the years ended December 31, 2023 and 2022, the remuneration to supervisors of the Company were NTD0 thousand and NTD1,304 thousand, respectively.

The Company established the audit committee on July 24, 2022 and thus there are no remuneration to supervisors of the Company in 2023.

The Company's policy for compensation of directors, managers and employees is as follows:

According to the Articles of Incorporation, at least 0.1% of profit of the current year is distributable as employees' compensation and no more than 5% of profit of the current year is distributable as remuneration to directors and supervisors. However, the Company's accumulated losses shall have been covered. The aforementioned profit refers to the profit before tax in the current year after deducting the distribution of employee remuneration and the remuneration of directors and supervisors.

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The manager's remuneration policy is based on consideration of the manager's performance on the company's strategic development, operating finance, and business development, as well as factors such as work responsibilities, work experience, price inflation, and market standards, to set a competitive policy that reflects work performance remuneration.

The Company may, by a resolution adopted by a majority vote at a meeting of Board of Directors attended by two-thirds of the total number of directors, have the profit distributable as employees' compensation in the form of shares or in cash; and in addition thereto a report of such distribution is submitted to the shareholders' meeting. Information on the Board of Directors' resolution regarding the employees' compensation and remuneration to directors and supervisors can be obtained from the "Market Observation Post System" on the website of the TWSE.

For the years ended December 31, 2023 and 2022, the Company recognized employees' compensation and remuneration to directors and supervisors based on 6.2% and 3.6% of profit of current year, respectively. The details of employees' compensation and remuneration to directors and supervisors were as follows:

	<u>For the years ended December 31,</u>	
	<u>2023</u>	<u>2022</u>
Employees' compensation	\$28,157	\$30,243
Remuneration to directors and supervisors	13,500	13,500

A resolution was approved at the Board of Directors' meeting held on March 14, 2024 to distribute NTD28,157 thousand and NTD13,500 thousand in cash as the employee's compensation and remuneration to directors and supervisors, respectively. There was no material differences between the estimated amount and the actual distribution of the employee's compensation and remuneration to directors and supervisors for the year ended December 31, 2023.

There was no material differences between the estimated amount and the actual distribution of the employee compensation and remuneration to directors and supervisors for the year ended December 31, 2022.

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(17) Non-operating income and expenses

A. Interest income

	For the years ended December 31,	
	2023	2022
Cash and cash equivalent	\$784	\$280
Financial assets measured at amortized cost	518	2,186
Total	<u>\$1,302</u>	<u>\$2,466</u>

B. Other income

	For the years ended December 31,	
	2023	2022
Management income	\$37,301	\$35,804
Rental income	686	1,055
Others	8,422	6,404
Total	<u>\$46,409</u>	<u>\$43,263</u>

C. Other gains and losses

	For the years ended December 31,	
	2023	2022
Foreign exchange gains (losses), net	\$1,767	\$65,469
Gains (losses) on disposal of property, plant and equipment, net	38	(150)
Losses on disposal of intangible asset, net	(479)	(289)
Miscellaneous expenditure	(2,616)	(1,383)
Total	<u>\$(1,290)</u>	<u>\$63,647</u>

D. Finance costs

	For the years ended December 31,	
	2023	2022
Interest on loans from bank	\$34,387	\$23,546
Less: Capitalized interest payments	(6,716)	(3,107)
Subtotal	27,671	20,439
Interest on lease liabilities	133	136
Interest on loans from related parties	1,479	9
Total	<u>\$29,283</u>	<u>\$20,584</u>

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(18) Components of other comprehensive income (loss)

A. For the year ended December 31, 2023

	Arising during the period	Reclassification adjustments during the period	Other comprehensive income, before tax	Income tax expense	Other comprehensive income, net of tax
Items that may not be reclassified subsequently to profit or loss:					
Remeasurements of defined benefit plans	\$6,607	\$-	\$6,607	\$(1,321)	\$5,286
Unrealized gains (losses) from investments in equity instruments measured at fair value through other comprehensive income	2	-	2	-	2
Items that may be reclassified subsequently to profit or loss:					
Exchange differences on translation of foreign operations	42,017	-	42,017	(8,486)	33,531
Gains (losses) on hedging instruments	(13,282)	-	(13,282)	-	(13,282)
Total other comprehensive income (loss)	<u>\$35,344</u>	<u>\$-</u>	<u>\$35,344</u>	<u>\$(9,807)</u>	<u>\$25,537</u>

B. For the year ended December 31, 2022

	Arising during the period	Reclassification adjustments during the period	Other comprehensive income, before tax	Income tax expense	Other comprehensiv e income, net of tax
Items that may not be reclassified subsequently to profit or loss:					
Remeasurements of defined benefit plans	\$4,042	\$-	\$4,042	\$(808)	\$3,234
Unrealized gains (losses) from investments in equity instruments measured at fair value through other comprehensive income	(1,383)	-	(1,383)	-	(1,383)
Items that may be reclassified subsequently to profit or loss:					
Exchange differences on translation of foreign operations	341,277	-	341,277	(67,147)	274,130
Gains (losses) on hedging instruments	(854)	-	(854)	-	(854)
Total other comprehensive income (loss)	<u>\$343,082</u>	<u>\$-</u>	<u>\$343,082</u>	<u>\$(67,955)</u>	<u>\$275,127</u>

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(19) Income tax

A. The major components of income tax expense were as follows:

(a) Income tax expense recognized in profit or loss

	For the years ended	
	December 31,	
	2023	2022
Current income tax expense (income):		
Current income tax charge	\$48,390	\$77,440
Undistributed surplus for income tax	15,112	-
Adjustments in respect of current income tax of prior periods	(4)	-
Deferred income tax expense:		
Deferred income tax expense relating to origination and reversal of temporary differences	38,050	11,483
Total income tax expense	<u>\$101,548</u>	<u>\$88,923</u>

(b) Income tax relating to components of other comprehensive income

	For the years ended	
	December 31,	
	2023	2022
Deferred income tax expense:		
Remeasurements of defined benefit plans	\$1,321	\$808
Exchange differences on translation of foreign operations	8,486	67,147
Income tax relating to components of other comprehensive income	<u>\$9,807</u>	<u>\$67,955</u>

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(c) A reconciliation between tax expense and accounting profit multiplied by applicable tax rates were as follows:

	For the years ended December 31,	
	2023	2022
Accounting profit before tax from continuing operations	\$534,780	\$767,532
Tax calculated based on statutory tax rate	\$106,956	\$153,506
Tax effect of revenues exempt from taxation	(24,017)	(62,013)
Tax effect of expenses not deductible for tax purposes	115	-
Tax effect of deferred tax assets/liabilities	32	(2,570)
Undistributed surplus for income tax	15,112	-
Adjustments in respect of current income tax of prior periods	(4)	-
Other income tax effects adjusted according to tax laws	3,354	-
Total income tax expense recognized in profit or loss	\$101,548	\$88,923

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(d) Amounts and components of deferred tax assets (liabilities) were as follows:

(i) For the year ended December 31, 2023

	Beginning balance as of January 1, 2023	Recognized in profit or loss	Recognized in other comprehensive income	Ending balance as of December 31, 2023
Temporary differences				
Exchange differences on translation of foreign operations	\$(11,135)	\$-	\$(8,486)	\$(19,621)
Investments accounted for using the equity method	6,345	(39,363)	-	(33,018)
Gains (losses) on financial assets at fair value through profit or loss	31	(31)	-	-
Unrealized foreign exchange gains or losses	818	1,368	-	2,186
Allowance for doubtful accounts	277	372	-	649
Allowance to reduce inventory to market value	1,665	(106)	-	1,559
Defined benefit liability, non-current	12,784	(250)	(1,321)	11,213
Unrealized sales revenue	46	(40)	-	6
Deferred tax (expense) income		<u>\$(38,050)</u>	<u>\$(9,807)</u>	
Net deferred tax assets (liabilities)	<u>\$10,831</u>			<u>\$(37,026)</u>
Reflected in balance sheet as follows:				
Deferred tax assets	<u>\$22,977</u>			<u>\$16,874</u>
Deferred tax liabilities	<u>\$(12,146)</u>			<u>\$(53,900)</u>

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(ii) For the year ended December 31, 2022

	Beginning balance as of January 1, 2022	Recognized in profit or loss	Recognized in other comprehensive income	Ending balance as of December 31, 2022
Temporary differences				
Exchange differences on translation of foreign operations	\$56,012	\$-	\$(67,147)	\$(11,135)
Investments accounted for using the equity method	16,976	(10,631)	-	6,345
Gains (losses) on financial assets at fair value through profit or loss	31	-	-	31
Unrealized foreign exchange gains or losses	320	498	-	818
Allowance for doubtful accounts	(315)	592	-	277
Allowance to reduce inventory to market value	2,115	(450)	-	1,665
Defined benefit liability, non-current	15,002	(1,410)	(808)	12,784
Unrealized sales revenue	128	(82)	-	46
Deferred tax (expense) income		<u>\$(11,483)</u>	<u>\$(67,955)</u>	
Net deferred tax assets (liabilities)	<u>\$90,269</u>			<u>\$10,831</u>
Reflected in balance sheet as follows:				
Deferred tax assets	<u>\$90,584</u>			<u>\$22,977</u>
Deferred tax liabilities	<u>\$(315)</u>			<u>\$(12,146)</u>

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B. As of December 31, 2023, the Company's income tax returns for all the fiscal years up to 2021 have been assessed and approved by the tax authority.

(20) Earnings per share

Basic earnings per share amounts are calculated by dividing net profit for the year attributable to ordinary equity holders of the parent entity by the weighted average number of ordinary shares outstanding during the year.

Diluted earnings per share amounts are calculated by dividing the net profit attributable to ordinary equity holders of the parent entity (after adjusting for interest on the convertible bonds) by the weighted average number of ordinary shares outstanding during the year plus the weighted average number of ordinary shares that would be issued on conversion of all the dilutive potential ordinary shares into ordinary shares.

	For the years ended December 31,	
	2023	2022
A. Basic earnings per share		
Net income attributable to ordinary equity holders of the parent (in thousand of NTD)	\$433,232	\$678,609
Weighted average number of ordinary shares outstanding for basic earnings per share (in thousands)	127,589	127,589
Basic earnings per share (NTD)	\$3.40	\$5.32
B. Diluted earnings per share		
Net income attributable to ordinary equity holders of the parent (in thousand of NTD)	\$433,232	\$678,609
Net income attributable to ordinary equity holders of the parent after dilution (in thousand of NTD)	\$433,232	\$678,609
Weighted average number of ordinary shares outstanding for basic earnings per share (in thousands)	127,589	127,589
Effect of dilution:		
Employees compensation - stock (in thousands)	1,008	1,027
Weighted average number of ordinary shares outstanding after dilution (in thousands)	128,597	128,616
Diluted earnings per share (NTD)	\$3.37	\$5.28

There have been no other transactions involving ordinary shares or potential ordinary shares between the reporting date and the issuance date of financial statements.

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7. Related party transactions

The related parties who had transactions with the Company during the financial reporting Period were as follows:

Related parties and relationship

<u>Related Party</u>	<u>Relationship</u>
GPI USA,INC.	Subsidiary
Katun Corporation	Subsidiary
Katun EDC (B.V.)	Subsidiary
PNA Holding Mexico S.A. DE C.V.	Subsidiary
KATUN ASIA	Subsidiary
Katun Corporation Taiwan Branch (USA)	Subsidiary
JIOU FU CO., LTD.	Subsidiary
WEKARE CO., LTD.	Subsidiary
CK ROYAL CONSTRUCTION CO., LTD.	The Chairman of the related party is the Chairman of the Company
Wang, Jui-Hung and 11 others	Board of Directors or vice presidents and above

(1) Sales

	<u>For the years ended December 31,</u>	
	<u>2023</u>	<u>2022</u>
Katun EDC (B.V.)	\$310,411	\$329,921
Katun Corporation	257,132	361,588
Other	14,562	24,205
Total	<u>\$582,105</u>	<u>\$715,714</u>

The price at which the Company sold to related parties was negotiated based on the market price by both parties; the payment term was 70 to 120 days (120 days was the majority). The outstanding amount was not secured and cash-payment only, and no interest was accrued as of December 31, 2023. The accounts receivable from related parties were not pledged.

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(2) Purchases

	For the years ended December 31,	
	2023	2022
Katun Corporation	\$5,286	\$14,181
Others	-	43
Total	<u>\$5,286</u>	<u>\$14,224</u>

The purchase price from the above related parties was determined through mutual agreement based on the market rates. The payment terms from the related party suppliers were comparable with third party suppliers and were 60 days.

(3) Accounts receivable - related parties

	As of December 31,	
	2023	2022
Katun Corporation	\$104,105	\$115,947
Katun EDC (B.V.)	102,883	107,512
PNA Holding Mexico S.A. DE C.V.	8	6,412
Others	-	1,020
Total	<u>\$206,996</u>	<u>\$230,891</u>

(4) Short-term loans

	As of December 31,	
	2023	2022
JIOU FU CO., LTD.	<u>\$-</u>	<u>\$55,000</u>

(5) Accounts payable - related parties

	As of December 31,	
	2023	2022
Katun ASIA	\$713	\$-
Katun Corporation	104	1,922
Total	<u>\$817</u>	<u>\$1,922</u>

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(6) Other payables

	As of December 31,	
	2023	2022
Katun EDC (B.V.)	\$222	\$334
JIOU FU CO., LTD.	42	34
Other	281	359
Total	\$545	\$727

(7) Other income

	For the years ended December 31,	
	2023	2022
Katun Corporation	\$39,001	\$36,025
WEKARE CO., LTD.	1,174	-
Other	1	94
Total	\$40,176	\$36,119

(8) The cost, assets and liabilities related to the construction of the building

The Company entered into a consultancy contract with a related party, CK ROYAL CONSTRUCTION CO., LTD., for the construction of the building, and paid a monthly consultancy fee of \$180 thousand, which has been capitalized to the construction in progress and its outstanding balance were as follows:

	Construction in progress		Payable to related parties	
	112.12.31	111.12.31	112.12.31	111.12.31
CK ROYAL CONSTRUCTION CO., LTD.	\$1,080	\$-	\$-	\$-

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(9) Key management compensation

	For the years ended December 31,	
	2023	2022
Short-term employee benefits	\$47,040	\$48,697
Defined benefit obligation	651	647
Total	\$47,691	\$49,344

For more information about key management compensation mentioned above, please refer to Annual Report.

8. Assets pledged as collateral

The following table lists assets of the Company pledged as collateral for customs clearance of imported goods and bank loans:

Item	Carrying amount	
	As of December 31,	
	2023	2022
Property, plant and equipment - land and buildings	\$539,872	\$344,324
Financial assets measured at amortized cost	1,802	26,335
Total	\$541,674	\$370,659

9. Significant Contingent Liabilities and Unrecognized Commitments

(1) The Company has available amounts of NTD28,191 thousand under unused letters of credit as of December 31, 2023.

(2) The important contractual commitment

As of December 31, 2023, the details of the contracts the Company has signed but not yet completed, recognized as construction in progress, are as follows:

Contracting parties	Contract target	Total contract amount	Contract amount unpaid as of December 31, 2023
Company A	Plants and buildings	\$80,040	\$3,482
Company B	Plants and buildings	69,450	8,471
Company C	Plants and buildings	46,500	14,262
Company D	Plants and buildings	33,000	29,700
Company E	Plants and buildings	15,920	1,592
Company F	Plants and buildings	13,916	3,250
Company G	Plants and buildings	11,144	7,801

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10. Significant losses from disasters

None.

11. Significant subsequent events

None.

12. Other

(1) Categories of financial instruments

<u>Financial assets</u>	<u>As of December 31,</u>	
	<u>2023</u>	<u>2022</u>
Financial assets measured at amortized cost:		
Financial assets measured at amortized cost, current	\$1,802	\$26,335
Cash and cash equivalents (excluding cash on hand)	175,679	131,439
Notes receivable and accounts receivable	310,621	308,358
Other receivables	5,241	5,500
Total	<u>\$493,343</u>	<u>\$471,632</u>

Financial liabilities

Financial liabilities at amortized cost:		
Short-term loans	\$1,955,000	\$1,510,000
Short-term notes and bills payable	79,971	129,794
Notes and accounts payable	73,575	63,057
Other payables	152,516	155,282
Lease liabilities	10,416	9,630
Long-term loans (including current portion)	171,250	266,250
Total	<u>\$2,442,728</u>	<u>\$2,134,013</u>

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(2) Financial risk management objectives and policies

The Company's principal financial risk management objective is to manage the market risk, credit risk and liquidity risk related to its operating activities. The Company identifies measures and manages the aforementioned risks based on the Company's policy and risk appetite.

The Company has established appropriate policies, procedures and internal controls for financial risk management. Before entering into significant transactions, due approval process by the Board of Directors and the Audit Committee must be carried out based on related protocols and internal control procedures. The Company complies with its financial risk management policies at all times.

(3) Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of the changes in market prices. Market risks comprise foreign currency risk, interest rate risk and other price risk (such as equity instrument).

In practice, it is rarely the case that a single risk variable will change independently from other risk variables; there are usually interdependencies between risk variables. However the sensitivity analysis disclosed below does not take into account the interdependencies between risk variables.

Foreign currency risk

The Company's exposure to the risk of changes in foreign exchange rates relates primarily to the Company's operating activities (when revenue or expense are denominated in a currency different from the Company's functional currency) and the Company's net investments in foreign subsidiaries.

The Company's main revenues and expenses are foreign currency transactions and are exposed to the risk of foreign currency exchange rate fluctuations. To hedge exchange rate risks resulting in reduced value and future cash flow fluctuations, the Company uses financial instruments such as forward exchange contracts to hedge the foreign currency risk that may arise from some expected and highly probable risks. The above hedging operation only reduces part of the financial impact caused by exchange rate changes.

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The foreign currency sensitivity analysis of the possible change in foreign exchange rates on the Company's profit is performed on significant monetary items denominated in foreign currencies as of the end of the reporting period.

The Company's foreign currency risk is mainly related to the volatility in the exchange rates for USD. Sensitivity analysis as follows:

When NTD strengthens/weakens against foreign currency USD by 1%, the profit for the years ended December 31, 2023 and 2022 decreases/increases by NTD613 thousand and NTD3,301 thousand, respectively.

When NTD strengthens/weakens against foreign currency EUR by 1%, the profit for the years ended December 31, 2023 and 2022 decreases/increases by NTD148 thousand and NTD133 thousand, respectively.

Interest rate risk

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's exposure to the risk of changes in market interest rates relates primarily to the Company's bank borrowings with fixed interest rates and variable interest rates.

The interest rate sensitivity analysis is performed on items exposed to interest rate risk as of the end of the reporting period, including investments and borrowings with variable interest rates and interest rate swaps. At the reporting date, a change of 10 basis points of interest rate in a reporting period could cause the profit for the years ended December 31, 2023 and 2022 to decrease/increase by NTD2,126 thousand and NTD1,776 thousand, respectively.

(4) Credit risk management

Credit risk is the risk that a counterparty will not meet its obligations under a contract, leading to a financial loss. The Company is exposed to credit risk from operating activities (primarily for accounts receivable and notes receivable) and from its financing activities, including bank deposits and other financial instruments.

Credit risk is managed by each business unit subject to the Company's established policy, procedures and control relating to credit risk management. Credit limits are established for all counter parties based on their financial position, rating from credit rating agencies, historical experience, prevailing economic condition and the Company's internal rating criteria etc. Certain counter parties' credit risk will also be managed by taking credit enhancing procedures, such as requesting for prepayment or insurance.

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As of December 31, 2023 and 2022, the accounts receivable of top ten customers accounted for 86% and 89% of the total accounts receivable of the Company, respectively. The credit concentration risk of other accounts receivable is insignificant.

Credit risk of bank deposits and other financial instruments is managed by the Company's treasury department in accordance with the Company's policy. The Company only transacts with counterparties approved by the internal control procedures, which are banks and financial institutions, companies and government entities with good credit rating. Consequently, there is no significant credit risk for these counter parties.

(5) Liquidity risk management

The Company's objective is to maintain a balance between continuity of funding and flexibility through the use of cash and cash equivalents, highly liquid equity investments and bank borrowings. The table below summarizes the maturity profile of the Company's financial liabilities based on the contractual undiscounted payments and contractual maturity. The payment amount includes the contractual interest. The undiscounted payment relating to borrowings with variable interest rates is extrapolated based on the estimated interest rate yield curve as of the end of the reporting period.

Non-derivative financial liabilities

	Less than 1 year	2 to 3 years	4 to 5 years	> 5 years	Total
As of December 31, 2023					
Short-term loans	\$1,961,260	\$-	\$-	\$-	\$1,961,260
Short-term notes and bills payable	79,971	-	-	-	79,971
Accounts payable	73,575	-	-	-	73,575
Other payables	152,516	-	-	-	152,516
Lease liabilities	1,960	3,681	3,453	1,804	10,898
Long-term loans	171,980	-	-	-	171,980
As of December 31, 2022					
Short-term loans	\$1,517,871	\$-	\$-	\$-	\$1,517,871
Short-term notes and bills payable	129,794	-	-	-	129,794
Accounts payable	63,057	-	-	-	63,057
Other payables	155,282	-	-	-	155,282
Lease liabilities	1,976	3,148	2,753	2,164	10,041
Long-term loans	98,931	171,927	-	-	270,858

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(6) Reconciliation of liabilities arising from financing activities

Reconciliation of liabilities for year ended December 31, 2023:

	Short-term loans	Short-term notes and bills payable	Long-term loans (including current portion)	Leases liabilities	Total liabilities from financing activities
As of January 1, 2023	\$1,510,000	\$129,794	\$266,250	\$9,630	\$1,915,674
Cash flows	445,000	(49,823)	(95,000)	(1,965)	298,212
Non-cash changes	-	-	-	2,751	2,751
As of December 31, 2023	<u>\$1,955,000</u>	<u>\$79,971</u>	<u>\$171,250</u>	<u>\$10,416</u>	<u>\$2,216,637</u>

Reconciliation of liabilities for year ended December 31, 2022:

	Short-term loans	Short-term notes and bills payable	Long-term loans (including current portion)	Leases liabilities	Total liabilities from financing activities
As of January 1, 2022	\$1,090,000	\$319,714	\$411,250	\$10,831	\$1,831,795
Cash flows	420,000	(189,920)	(145,000)	(1,879)	83,201
Non-cash changes	-	-	-	678	678
As of December 31, 2022	<u>\$1,510,000</u>	<u>\$129,794</u>	<u>\$266,250</u>	<u>\$9,630</u>	<u>\$1,915,674</u>

(7) Fair values of financial instruments

A. The methods and assumptions applied in determining the fair value of financial instruments:

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The following methods and assumptions were used by the Company to measure or disclose the fair values of financial assets and financial liabilities:

- (a) The carrying amount of cash and cash equivalents, accounts receivable, accounts payable and other current liabilities approximate their fair value due to their short maturities.
- (b) Fair value of equity instruments without market quotations (including private company equity securities) are estimated using the market method valuation techniques based on parameters such as prices based on market transactions of equity instruments of identical or comparable entities and other relevant information (for example, inputs such as discount for lack of marketability, P/E ratio of similar entities and Price-Book ratio of similar entities).

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(c) Fair value of debt instruments without market quotations, bank loans and other non-current liabilities are determined based on the counterparty prices or valuation method. The valuation method uses DCF method as a basis, and the assumptions such as the interest rate and discount rate are primarily based on relevant information of similar instrument (such as yield curves published by Taipei Exchange, average prices for Fixed Rate Commercial Paper published by Reuters and credit risk, etc.)

B. Fair value of financial instruments measured at amortized cost

The carrying amounts of the Company's financial assets and financial liabilities are measured at amortized cost approximate their fair value.

C. Fair value measurement hierarchy for financial instruments

Please refer to Note 12(8) for fair value measurement hierarchy for financial instruments of the Company.

(8) Derivative financial instruments

As of December 31, 2023 and 2022, the Company didn't hold any derivative financial instruments held for trading.

(9) Fair value measurement hierarchy

A. Fair value measurement hierarchy

All asset and liabilities for which fair value is measured or disclosed in the financial statements are categorized within the fair value hierarchy, based on the lowest level input that is significant to the fair value measurement as a whole. Level 1, 2 and 3 inputs are described as follows:

Level 1 – Quoted (unadjusted) market prices in active markets for identical assets or liabilities that the entity can access at the measurement date

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

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For assets and liabilities that are recognized in the financial statements on a recurring basis, the Company determines whether transfers have occurred between Levels in the hierarchy by re-assessing categorization at the end of each reporting period.

B. Fair value measurement hierarchy of the Company's assets and liabilities

The Company does not have assets that are measured at fair value on a non-recurring basis. Fair value measurement hierarchy of the Company's assets and liabilities measured at fair value on a recurring basis were as follows:

As of December 31, 2023

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Financial assets not measured at fair value but for which the fair value is disclosed:				
Investment properties (please refer to Note 6(6))	\$-	\$-	\$18,696	\$18,696

As of December 31, 2022

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Financial assets not measured at fair value but for which the fair value is disclosed:				
Investment properties (please refer to Note 6(6))	\$-	\$-	\$15,777	\$15,777

(10) Significant assets and liabilities denominated in foreign currencies

Information regarding the significant assets and liabilities denominated in foreign currencies were listed below:

	<u>As of December 31, 2023</u>		
	<u>Foreign currencies (thousands)</u>	<u>Exchange rate</u>	<u>NTD (thousands)</u>
Financial assets			
Monetary items:			
USD	\$2,797	30.655	\$85,742
EUR	473	33.780	15,978
Financial liabilities			
Monetary items:			
USD	\$796	30.655	\$24,401
EUR	35	33.780	1,182

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	As of December 31, 2022		
	Foreign currencies (thousands)	Exchange rate	NTD (thousands)
Financial assets			
Monetary items:			
USD	\$11,196	30.660	\$343,269
EUR	440	32.520	14,309
Financial liabilities			
Monetary items:			
USD	\$430	30.660	\$13,184
EUR	30	32.520	976

Due to the wide variety of individual functional currencies of the Company, the Company is not able to disclose the information of exchange gains and losses of monetary financial assets and liabilities by each significant assets and liabilities denominated in foreign currencies. The Company recognized NTD1,767 thousand and NTD65,469 thousand for foreign exchange gain for the years ended December 31, 2023 and 2022, respectively.

(11) Capital management

The primary objective of the Company's capital management is to ensure that it maintains a strong credit rating and healthy capital ratios in order to support its business and maximize shareholder value. The Company manages its capital structure and makes adjustments to it, in light of changes in economic conditions. To maintain or adjust the capital structure, the Company may adjust dividend payment to shareholders, return capital to shareholders or issue new shares.

13. Other disclosure

(1) Information of significant transactions

A. Loans to others: The following transactions were written off when the parent company only financial statements were prepared.

No	Lender	Borrower	Financial statement account	Related parties	Maximum balance for the period	Ending balance (By resolution of the Board of Directors)	Amount actually drawn	Interest rate (%)	Nature of financing	Transaction amount	Reasons for short-term financing	Allowance for doubtful account	Collateral		Financing limits for a single borrowing company (Note1)	Limits on total loans granted (Note1)
													Item	value		
1	JIOU FU CO., LTD.	GENERAL PLASTIC INDUSTRIAL CO., LTD.	Other receivables due from related parties	Yes	\$200,000	\$-	\$-	2.05%	The need for short-term financing	\$-	Operating Purposes and group financial allocation	\$-	No	\$-	\$272,213	\$272,213

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No	Lender	Borrower	Financial statement account	Related parties	Maximum balance for the period	Ending balance (By resolution of the Board of Directors)	Amount actually drawn	Interest rate (%)	Nature of financing	Transaction amount	Reasons for short-term financing	Allowance for doubtful account	Collateral		Financing limits for a single borrowing company (Note1)	Limits on total loans granted (Note1)
													Item	value		
2	GPI CO. (SAMOA) LTD.	GENERAL PLASTIC INDUSTRIAL CO., LTD.	Other receivables due from related parties	Yes	\$306,550 (USD 10,000,000)	\$-	\$-	2.05%	The need for short-term financing	\$-	Operating Purposes and group financial allocation	\$-	No	\$-	\$362,261	\$362,261

Note: 1. The Company's total lending amounts shall be limited to 80% of the Company's net value.

2. If the Company provides financing to a corporation or entity it already had a business transaction with, the total lending amount shall be limited to 40% of the Company's net value; and the individual lending amount shall not exceed the total transaction amount between the two parties in the latest year. The transaction amount referred to above shall mean the higher of purchase or sales amount between the two parties.

3. The total lending amounts shall not exceed 40% of the Company's net value when providing financing to companies that require short-term loans; and the individual lending amount shall not exceed 40% of the Company's net value.

JIOU FU CO., LTD.: NTD680,532 thousand*40%= NTD272,213 thousand

GPI CO. (SAMOA) LTD.: USD29,543,387*30.655*40%= NTD362,261 thousand

B. Endorsement/Guarantee provided to others for the year ended December 31, 2023:

No	Endorser/guarantor	Party being endorsed/guaranteed		Limit on endorsements/guarantees amount to a single party	Maximum balance for the period	Ending balance	Actual amount provided	Amount of endorsement/guarantee collateralized by properties	Ratio of accumulated amount of guarantee provided to net equity of the latest financial statements	Limit on total endorsements/guarantees amount provided (Note 1)	Guarantee Provided by Parent Company	Guarantee Provided by Subsidiary	Guarantee Provided to Subsidiaries in Mainland China
		Company name	Relationship										
1	Katun Holdings, LP	Katun Corporation	2	\$1,475,681	\$352,874 (USD11,511,135)	\$319,692 (USD10,428,710)	\$1,976 (USD64,455)	\$-	7.70%	\$1,475,681	N	N	N
2	Katun Corporation	PNA Holdings de Mexico S.A. de C.V.	2	\$790,867	\$8,325 (USD271,566)	\$757 (USD24,688)	\$757 (USD24,688)	\$-	0.02%	\$790,867	N	N	N
2	Katun Corporation	Katun Brasil Comercio de Suprimentos, Pecas e Equipamentos Ltda	2	\$790,867	\$107,293 (USD3,500,000)	\$107,293 (USD3,500,000)	\$41,118 (USD1,341,309)	\$-	2.58%	\$790,867	N	N	N
3	Coöperative Katun DutchHoldco U.A.	Coöperative Katun DutchHoldco U.A.'s Subsidiaries	2	\$467,214	\$9,197 (USD300,000)	\$9,197 (USD300,000)	\$9,197 (USD300,000)	\$-	0.22%	\$467,214	N	N	N

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Note: 1. a. The Company's total endorsement/guarantee amounts shall not exceed 100% of the Company's net value. The guarantee limit for endorsement of a single enterprise shall not exceed 100% of the Company's net worth. In addition to the above limit regulations, the amount of endorsement guarantee shall not exceed the total amount of transactions with the Company in the most recent year.

b. The calculation of individual and total limits is as follows:

Katun Holdings, LP.: $USD48,138,360.71 * 100\% * 30.655 = NTD1,475,681$ thousand

Katun Corporation: $USD25,798,971.77 * 100\% * 30.655 = NTD790,867$ thousand

Coöperative Katun DutchHoldco U.A.: $USD15,241,049.52 * 100\% * 30.655 = NTD467,214$ thousand

2. The total endorsement/guarantee amounts shall not exceed 100% of lending company's net value. The Group endorsement/guarantee to a single enterprise shall not exceed 100% of the Company's net value. The Group policy requires that if the total amount of the endorsement/guarantee reaches more than 50% of the Company's net value, it shall be reported to the shareholders' meeting to explain its necessity and rationality.

3. The net value of the Company referred to above are based on the latest audited or reviewed financial statements.

4. According to the "Guidelines Governing the Preparation of Financial Reports by Securities Issuers" issued by the R.O.C. Securities and Futures Bureau, receiving parties should be disclosed as one of the following:

1. A company with which it does business.
2. A company in which the public company directly and indirectly holds more than 50% of the voting shares.
3. A company that directly and indirectly holds more than 50% of the voting shares in the public company.
4. A company in which the public company holds, directly or indirectly, 90% or more of the voting shares.
5. A company that fulfills its contractual obligations by providing mutual endorsements/guarantees for another company in the same industry or for joint builders for purposes of undertaking a construction project.
6. A company that all capital contributing shareholders make endorsements/guarantees for their jointly invested company in proportion to their shareholding percentages.
7. Companies in the same industry provide among themselves joint and several security for a performance guarantee of a sales contract for pre-construction homes pursuant to the Consumer Protection Act for each other.

C. Securities held at the end of the period:

Held company	Securities type and name	Relationship with the securities issuer	Financial statement account	End of period				Note
				Shares/Units	Book value	Ownership (%)	Market price/Fair value	
GPI CO. (SAMOA) LTD.	Fund MS USD LIQUID QUALIF ACC FUND LVNAV (LUX LISTING)		Financial assets measured at fair value through profit or loss, current	41,134.93	\$144,234	-	\$144,234	

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Held company	Securities type and name	Relationship with the securities issuer	Financial statement account	End of period				Note
				Shares/Units	Book value	Ownership (%)	Market price/ Fair value	
GPI CO. (SAMOA) LTD.	<u>Bond</u> AMAZON.COM INC		Financial assets measured at fair value through profit or loss, current	790,000	\$16,126	-	\$16,126	
GPI CO. (SAMOA) LTD.	APPLE INC		Financial assets measured at fair value through profit or loss, current	720,000	\$14,569	-	\$14,569	
GPI CO. (SAMOA) LTD.	INTEL CORP		Financial assets measured at fair value through profit or loss, current	480,000	\$14,965	-	\$14,965	
GPI CO. (SAMOA) LTD.	INTERNATIONAL BUSINESS MACHINES		Financial assets measured at fair value through profit or loss, current	480,000	\$14,793	-	\$14,793	
GPI CO. (SAMOA) LTD.	MICROSOFT CORP		Financial assets measured at fair value through profit or loss, current	710,000	\$14,913	-	\$14,913	
GPI CO. (SAMOA) LTD.	<u>Stock</u> KHMER CAPITAL MICROFINANCE INSTITUTION PLC.	Related party	Financial assets measured at fair value through other comprehensive income, non-current	3,800,000	\$99,000	19%	\$99,000	

D. Individual securities acquired or disposed of at costs or prices with accumulated amount at least of NTD300 million or 20% of the paid-in capital for the year ended December 31, 2023: None.

E. Acquisition of individual real estate at costs reaching NTD300 million or 20% of the paid-in capital for the year ended December 31, 2023: None.

F. Disposal of individual real estate at prices reaching NTD300 million or 20% of the paid-in capital for the year ended December 31, 2023: None.

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G. Related party transactions for purchases and sales amounts reaching
NTD100 million or 20% of the paid-in capital for the year ended December
31, 2023:

Company name	Counter-party	Relationship (Note1)	Transactions				Details of non-arm's length transaction		Notes and accounts receivable (payable)	
			Purchases (Sales)	Amount	Percentage of total purchases (sales)	Term	Unit price	Term	Balance	Percentage of total receivables (payable)
GENERAL PLASTIC INDUSTRIAL CO., LTD.	Katun EDC (B.V.)	1	Sales	\$310,411	5.84%	Regular	Regular	Regular	\$102,883	12.72%
GENERAL PLASTIC INDUSTRIAL CO., LTD.	Katun Corporation	1	Sales	\$257,132	4.84%	Regular	Regular	Regular	\$104,105	12.87%
Katun Corporation	PNA Holding Mexico S.A. DE C.V.	2	Sales	\$215,596	4.06%	Regular	Regular	Regular	\$59,123	7.31%
Katun Corporation	Katun Brasil Comercio De Suprimentos Peças E Equipamentos LTDA	2	Sales	\$116,179	2.19%	Regular	Regular	Regular	\$42,942	5.31%
Katun Corporation	Katun EDC (B.V.)	2	Sales	\$322,791	6.07%	Regular	Regular	Regular	\$76,993	9.52%
Katun EDC (B.V.)	Katun Benelux B.V.	2	Sales	\$383,439	7.21%	Regular	Regular	Regular	\$31,702	3.92%
Katun EDC (B.V.)	Katun Germany GMBH	2	Sales	\$240,154	4.52%	Regular	Regular	Regular	\$(7,215)	(1.60)%
Katun EDC (B.V.)	Katun U.K. LTD.	2	Sales	\$319,238	6.01%	Regular	Regular	Regular	\$(24,837)	(5.51)%
Katun EDC (B.V.)	Katun France SARL	2	Sales	\$346,284	6.52%	Regular	Regular	Regular	\$18,292	2.26%
Katun EDC (B.V.)	Katun Spain, SA	2	Sales	\$221,755	4.17%	Regular	Regular	Regular	\$4,213	0.52%
Katun EDC (B.V.)	Katun Italy S.R.L.	2	Sales	\$437,994	8.24%	Regular	Regular	Regular	\$74,218	9.17%

Note 1: The transaction relationships with the counterparties are as follows:

- (1) Parent company to subsidiary.
- (2) Subsidiary to another subsidiary.

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H. Receivables from related parties reaching NTD100 million or 20% of paid-in capital for the year ended December 31, 2023:

Company name	Related Party	Relationship (Note1)	Ending Balance	Turnover rate (times)	Overdue receivables		Amount received in subsequent period	Allowance for bad debts	Note
					Amount	Measure			
GENERAL PLASTIC INDUSTRIAL CO., LTD.	Katun EDC (B.V.)	1	\$102,883	2.95	\$-	-	\$23,248	\$-	Accounts receivable
GENERAL PLASTIC INDUSTRIAL CO., LTD.	Katun Corporation	1	\$104,105	2.34	\$-	-	\$13,858	\$-	Accounts receivable
Katun EDC (B.V.)	Coöperatieve Katun DutchHoldco U.A.	2	\$101,779	(Note2)	\$-	-	\$-	\$-	Other receivable

Note: 1. The transaction relationships with the counterparties are as follows:

- (1) Parent company to subsidiary.
 - (2) Subsidiary to another subsidiary.
2. The calculation of turnover rate does not include other receivables - related parties.

I. Transactions of financial instruments and derivatives:

Company name	Items	Transaction	Nominal amount	Contract period	Fair value
Katun EDC (B.V.)	Forward currency contracts	Buy	USD thousand	2023/10-2024/3	\$968
Katun EDC (B.V.)	Forward currency contracts	Sell	GBP thousand	2023/10-2024/3	\$51

J. Significant intercompany transactions between parent company and subsidiaries:

No (Note1)	Company name	Counter party	Nature of relationship (Note2)	Intercompany Transactions			
				Financial statements item	Amount	Terms	Percentage of consolidated total gross sales or total assets (%) (Note3)
0	GENERAL PLASTIC INDUSTRIAL CO., LTD	Katun EDC (B.V.)	1	Sales	\$310,411	T/T120 days	5.84%
0	GENERAL PLASTIC INDUSTRIAL CO., LTD	Katun EDC (B.V.)	1	Accounts receivable	\$102,883	T/T120 days	1.25%
0	GENERAL PLASTIC INDUSTRIAL CO., LTD	Katun Corporation	1	Sales	\$257,132	T/T120 days	4.84%
0	GENERAL PLASTIC INDUSTRIAL CO., LTD	Katun Corporation	1	Accounts receivable	\$104,105	T/T120 days	1.27%
1	Katun Corporation	PNA Holding Mexico S.A. DE C.V.	3	Sales	\$215,596	T/T60 days	4.06%
1	Katun Corporation	Katun Brasil Comercio De Suprimentos Peças E Equipamentos LTDA	3	Sales	\$116,179	T/T150 days	2.19%

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No (Note1)	Company name	Counter party	Nature of relationship (Note2)	Intercompany Transactions			
				Financial statements item	Amount	Terms	Percentage of consolidated total gross sales or total assets (%) (Note3)
1	Katun Corporation	Katun EDC (B.V.)	3	Sales	\$322,791	T/T60 days	6.07%
1	Katun Corporation	Katun EDC (B.V.)	3	Other income	\$289,442	(Note4)	5.45%
2	Katun EDC (B.V.)	Coöperatieve Katun DutchHoldco U.A.	3	Other receivables	\$101,779	T/T60 days	1.24%
2	Katun EDC (B.V.)	Katun Benelux B.V.	3	Sales	\$383,439	T/T60 days	7.21%
2	Katun EDC (B.V.)	Katun Germany GMBH	3	Sales	\$240,154	T/T60 days	4.52%
2	Katun EDC (B.V.)	Katun U.K. LTD.	3	Sales	\$319,238	T/T60 days	6.01%
2	Katun EDC (B.V.)	Katun France SARL	3	Sales	\$346,284	T/T60 days	6.52%
2	Katun EDC (B.V.)	Katun Spain, SA	3	Sales	\$221,755	T/T60 days	4.17%
2	Katun EDC (B.V.)	Katun Italy S.R.L.	3	Sales	\$437,994	T/T60 days	8.24%

Note 1: The information of transactions between the Company and the consolidated subsidiaries should be noted in "Number" column.

(1) Number 0 represents parent company.

(2) The consolidated subsidiaries are numbered in order from number 1.

Note 2: The transaction relationships with the counterparties are as follows:

(1) Parent company to subsidiary.

(2) Subsidiary to parent company.

(3) Subsidiary to subsidiary.

Note 3: Ratio of transaction amount to the consolidated income or assets is calculated as follows: for balance sheet accounts, the ratio is accounted as the ending balance to consolidated total assets; for income statement accounts, the ratio is based on interim accumulated amount to consolidated total revenue.

Note 4: Other income was the income that the company generated from providing management service.

(2) Information of investees

Names, locations, main businesses and products, original investment amount, ownership, net income (loss) of investee company and investment income (loss) recognized as of December 31, 2023 (excluding investees in Mainland China):

Investor	Investee	Location	Main businesses and products	Original investment amount		Shares held at the end of period			Investment income (loss)	Investment income (loss) recognized by the Company	Note
				Ending balance	Prior ending balance	Number of shares	Ownership (%)	Book value			
GENERAL PLASTIC	JIOU FU CO., LTD.	Taiwan	Real Estate Trading, Land Development	\$700,000	\$700,000	70,000,000 shares	100%	\$680,531	\$61,237	\$61,237	

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Investor	Investee	Location	Main businesses and products	Original investment amount		Shares held at the end of period			Investment income (loss)	Investment income (loss) recognized by the Company	Note
				Ending balance	Prior ending balance	Number of shares	Ownership (%)	Book value			
INDUSTRIAL CO., LTD			Business and Tourist Hotel								
GENERAL PLASTIC INDUSTRIAL CO., LTD	GPI CO.(SAMOA) LTD.	Samoa	Investment and holding	\$595,932 (USD20,000,000)	\$595,932 (USD20,000,000)	20,000,000 shares	100%	\$905,653	\$17,558	\$17,558	
GENERAL PLASTIC INDUSTRIAL CO., LTD	GPIKT (BVI) CO., LTD	British Virgin Island	Investment and holding	\$30 (USD1,000)	\$30 (USD1,000)	1,000 shares	100%	\$31	\$-	\$-	
GENERAL PLASTIC INDUSTRIAL CO., LTD	GPIKT DE, INC.	USA	Investment and holding	\$2,858,666 (USD97,100,000)	\$2,858,666 (USD97,100,000)	971 shares	100%	\$3,080,967	\$199,635	\$189,957	Note 1 Note 3
GENERAL PLASTIC INDUSTRIAL CO., LTD	TJ Office Solution Co.,Ltd.	Cambodia	Photocopiers rental	\$9,648 (USD347,529)	\$9,648 (USD347,529)	1,000 shares	100%	\$3,824	\$(639)	\$(639)	
GENERAL PLASTIC INDUSTRIAL CO., LTD	WEKARE Co., Ltd.	Taiwan	Retail sale and wholesale of drugs, medical goods	\$20,000	\$20,000	2,000,000 shares	100%	\$1,120	\$(1,583)	\$(1,760)	Note 2
GPIKT DE, INC.	KATUN HOLDING, LP.	USA	Investment and holding	\$2,831,108 (USD96,132,708)	\$2,831,108 (USD96,132,708)	211,621 shares	100%	\$2,805,669	\$241,939	Consolidated with subsidiary	

Note 1. The investment income (loss) recognized by the Company for the period includes the investment income (loss) of the Company's direct subsidiary.

2. The investment income (loss) of the investees recognized by the Company for the period includes the investment income (loss) arising from these downstream and upstream transactions.
3. If a public company holds a foreign holding company and regards the consolidated financial statements as the main financial statements pursuant to local laws and regulations, it could only disclose the related information of the foreign holding company.

(3) Information on investments in Mainland China:

A. The Group invested in Mainland China through Katun Asia Pte Ltd.(Singapore)

Investee company	Main businesses and products	Total amount of paid-in capital	Method of investment (Note1)	Beginning accumulated outflow of investment from Taiwan	Investment flows for the period		Ending accumulated outflow of investment from Taiwan	Net income (loss) of investee company	Percentage of ownership	Investment income (loss) recognized	Carrying value as at end of the period	Accumulated inward remittance of earnings as at end of the period
					Outflow	Inflow						
Katun (Shanghai) Co., Ltd.	Distributors of cartridges and consumables for printers, photocopiers, fax machines and multi-function machine	\$9,681 (USD315,800)	(2)	\$-	\$-	\$-	\$-	\$(3,099) (USD99,567)	100%	\$(3,099) (USD99,567)	\$355 (USD11,581)	None

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Accumulated investment in Mainland China as of December 31, 2023	Investment amounts authorized by investment commission, MOEA (Note 2)	Upper limit on investment
		The lender's net accounts value×60%
\$-	\$9,681 (USD315,800)	\$2,490,910

Note1: Three types of investment methods:

- (1) Direct investments.
- (2) Indirect investments through a third-region company (please specify the investment company in the third region).
- (3) Others.

Note2: The figures in this table are presented in New Taiwan Dollar. Current profit and investment income are converted by average exchange rate and others are converted by year end exchange rate.

- B. The information on significant transactions and prices, payments, etc. between the Company and the investee in Mainland China as of December, 31, 2023: None.

(4) Information on major shareholders

As of December 31, 2023

Name	Shareholding	Shares	Percentage of ownership (%)
KuanFu Co.,Ltd.		27,136,380	21.26%
Hong Xi Li Co.,Ltd.		14,787,720	11.59%