Cryomax Cooling System Corp. and Its Subsidiaries
Consolidated Financial Statements
and Auditor's Report
For the Year Ended 2023 and 2022

(Stock Code: 1587)

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

Cryomax Cooling System Corp. and Its Subsidiaries

Cryomax Cooling System Corp. and Its Subsidiaries Consolidated Financial Report and Auditor's Report for the Year Ended 2023 and 2022

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Cryomax Cooling System Corp.

Affidavit of Consolidated Financial Statements of Affiliated Enterprises

It is hereby certified

The companies that shall be included in the consolidated financial statements of affiliated enterprises in the Fiscal Year of 2023 (from January 1, 2023 to December 31, 2023) based on the Criteria Governing the Preparation of Affiliation Reports, Consolidated Business Reports, and Consolidated Financial Statements of Affiliated Enterprises are the same as those to be included in the parent-subsidiary consolidated financial statements based on IFRS No. 10, and the relevant information that to is disclosed in the above-mentioned parent-subsidiary consolidated financial statements has all been disclosed, which will not be prepared separately in the consolidated financial statements of affiliated enterprises.

Company Name: Cryomax Cooling System Corp.

Person in-charge: LIU, YEN TI

March 13, 2024

CPA Audit Report

(2024) Tsai-shen-bao-zi No. 23004043

To: Cryomax Cooling System Corp.

Audit Opinions

Cryomax Cooling System Corp. and subsidiaries (the Cryomax Group) financial statement of December 31 of 2023 and 2022, the comprehensive income statement, statement of changes of equity, and cash flow statement from January 1 to December 31 of 2023 and 2022, and the notes to the financial statements (including the summary of major accounting policies) have been audited by the CPA of the Firm.

According to the opinions of the CPA, based on the audit results of our accountant and the audit reports of other accountants (please refer to the Other Matters section), the above-mentioned parent company only financial statements are prepared in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers in all material aspects, which are sufficient to express the financial status of the Cryomax Group on December 31, 2023 and 2022, and financial performance and cash flow from January 1 to December 31 in 2023 and 2022.

Basis for Audit Opinions

The CPA performs the audit work in accordance with the Regulations Governing Auditing and Attestation of Financial Statements by Certified Public Accountants and the Regulations Governing the Preparation of Financial Reports by Securities Issuers. The CPA's responsibilities under these standards will be further explained in the section of the CPA's responsibilities for reviewing and auditing financial statements. The personnel of the accounting firm the CPA affiliates have maintained detached independence from the Cryomax Group in accordance with the professional code of ethics for CPA of the Republic of China, and have fulfilled other responsibilities of the code. The CPA believes that sufficient and appropriate audit evidence as a basis for expressing the audit opinions has been obtained.

Emphasized Matters

As stated in Note 3(1) of the financial statements, Cryomax Cooling System Corp. and its subsidiaries have been affected by the amendments to IAS 12, "Deferred income tax relating to assets and liabilities arising from a single transaction", effective from January 1, 2023. Consequently, retrospective application of this accounting standard has been made, adjusting the affected items in the prior financial statements. The CPA has not amended the audit opinion due to this matter.

Key Items for Auditing

Key audit items refer to the most important items in the audit of the 2023 financial statements of the Cryomax Group based on the professional judgment of the CPA. These matters have been treated in the process of reviewing and auditing the financial statements as a whole and forming audit opinions, and the CPA does not express independent opinions on these matters.

The key audit items of the Cryomax Group's financial statements in 2023 are as follows:

Correctness of Sales Revenue Cut-off

Descriptions

For the accounting policy of sales revenue, please refer to Note 4(25) of the parent company only financial statements; for the description of accounting items for sales revenue, please refer to Note 6(17) of the parent company only financial statements, and the daily operating revenue in the parent company only financial statement from January 1 to December 31, 2023, is NT$2,122,061 thousand.

Cryomax Group's revenue comes from manufacturing and selling metal water tank-related products for various vehicles, the sales to customers involve different types of transaction conditions. The sales to customers are based on the transaction conditions agreed by individual customers and the transfer of control of the products is confirmed after shipment, and revenue is recognized. In particular, whether the control of the shipped products has been transferred to the buyer in accordance with the agreed transaction conditions before the end of the reporting period will affect the financial statement period to which the sales revenue belongs. Therefore, the CPA believes that the correctness of the cut-off of sales revenue is one of the most important matters in the audit of this fiscal year.

Procedures for Auditing

The major audit procedures performed by CPA are as follows:

1. The internal control of the Group at the time of recognition of sales revenue has been understood and evaluated, and the effectiveness of such control has been tested.
2. Perform cut-off test for sales transactions within a certain period before and after the end date of the financial reporting period to evaluate the correctness of the timing of revenue recognition.

Appraisal of Loss from Valuation of Inventory Allowance

Descriptions

For the accounting policy of inventories, please refer to Note 4(12) of the Consolidated financial statements; for the key accounting estimates and assumptions of inventory evaluation, please refer to Note 5(2) of the consolidated financial statements; for the description of inventory accounting items, please refer to Note 6 (4) to the consolidated financial statements. On December 31, 2023, the cost of inventory and the balance of allowance appraisal losses were NT$768,994 thousand and NT$40,327 thousand respectively.

Considering the service life of vehicles and the small-in-quantity but diverse features of products in the after-sales service market, the Company needs to prepare sufficient inventory in order to gain market share, resulting in higher risk of inventory depreciation loss or obsolescence. Its various inventories are measured by costs and net realizable value (whichever is lower), which are assessed for normal wear and tear, obsolescence or changes in sales prices, and the loss of price reduction is provided accordingly. Because the estimation of the net realizable value of the inventory is considered, and the adjustment of obsolete inventory exceeding the age of the specified period involves the subjectivity of the management level, judging and assessing the amount of inventory allowance appraisal loss has a significant impact on the financial statements, so the CPA lists the inventory allowance appraisal loss as one of the most important matters for the audit of this fiscal year.

Procedures for Auditing

The major audit procedures performed by CPA are as follows:

1. Understand and evaluate the rationality of the Group's inventory evaluation policy.
2. Review the Group's annual inventory plan and participate in the annual inventory actions to evaluate the effectiveness of the management's division and control of obsolete inventory.
3. Obtain the statement used to evaluate the net realizable value of the inventory, verify the completeness of the statement and test the correctness of the net realizable value and related calculations, and then evaluate the rationality of the Cryomax Group's decision to provide an allowance for price decrease losses.
4. Obtain the inventory age report to check the relevant supporting documents of the date of the inventory change, and confirm that the classification of the inventory age range is correct and consistent with its policy.

Other Matters– Mention of Audit by Other CPAs

Subsidiary and included in the individual financial statements of Cryomax Cooling System Corp., their financial statements have not been audited by our firm but by other CPAs. Therefore, in the CPA’s opinion expressed regarding the consolidated financial statements mentioned above, the amounts presented in the financial statements of such companies and related information disclosed in Note 13 are based on the audit reports of other CPAs. The total assets of the investee as of December 31, 2023 were NT$565,374 thousand, accounting for 16.96% of the total assets. The operating income from January 1 to December 31, 2023 was NT $0 thousand, accounting for 0.00% of the net consolidated operating income.

Miscellaneous– Parent Company Only Financial Statements

Cryomax Cooling System Corp. has prepared parent company only financial statements for 2023 and 2022, and the audit reports issued by CPA with unqualified opinion and other matters, as well as an unqualified opinion, are on file and are prepared for reference.

Responsibilities of Management Level and Governing Units for Financial Statements

The responsibilities of the management level are to prepare financial statements that are reasonably expressed in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and the International Financial Reporting Standards, International Accounting Standards, Interpretations and Notes approved and issued by the Financial Supervisory Commission, and to maintain necessary internal control related to preparation of consolidated financial statements related to ensure that there is no material misrepresentation in the consolidated financial statements due to fraud or error.

When preparing the financial statements, the responsibilities of the management level also include assessing the ability of the Group in terms of going concern, the disclosure of related matters, and the adoption of an accounting basis for the going concern, unless the management level intends to liquidate the Cryomax Group or cease operations, or that except for liquidation or suspension, there is no other alternative practically available.

Governing units(including the Audit Committee) of the Cryomax Group are responsible for supervising the financial reporting process.

Responsibilities of CPAs to Audit Financial Statements

The purpose of CPA's review and audit of the financial statements is to obtain reasonable assurance as to whether there are material misrepresentations in the financial statements as a whole resulting from fraud or error, and to issue an audit report. Reasonable certainty is of high degree of certainty, but the audit work performed in accordance with the ROC Audit Standards do not warrant that it will be able to detect material misrepresentations in financial statements. Misrepresentation may result from fraud or error. Misrepresentation of individual amounts or aggregate amounts is considered material if it can reasonably be expected to affect economic decisions made by users of financial statements.

The CPA adopts professional judgment and skepticism when auditing in accordance with the ROC Audit Standards. The CPA also performs the following tasks:

1. Identify and assess the risk of material misrepresentation of financial statements due to fraud or error; design and implement appropriate countermeasures for the assessed risks; and obtain sufficient and appropriate audit evidence as the basis for audit opinions. Because fraud may involve collusion, forgery, willful omissions, misrepresentations, or the violation of internal controls, and hence, the risk of failing to detect the material misrepresentation resulting from fraud is higher than those resulting from error.
2. Obtain the necessary understanding of the internal control related to the audit, so as to design the appropriate audit procedures under the circumstances, but the purpose is not to express opinions on the effectiveness of the internal control of the Group
3. Assess the appropriateness of the accounting policies adopted by the management level, and the reasonableness of the accounting estimates and relevant disclosures made.
4. Based on the audit evidence obtained reach conclusions on the appropriateness of the management level to adopt the going-concern accounting basis, and whether there are major uncertainties in events or circumstances that may cast significant doubt on the ability of going concern of the Group. If the CPA believes that there are major uncertainties in such events or situations, he/she shall remind the users of parent company only financial statements to pay additional attention to the relevant disclosures in the parent company only financial statements in the audit report, or revise the audit opinions when the disclosures are inappropriate. The CPA's conclusions are based on the audit evidence obtained up to the date of the audit report. However, future events or conditions may cause the Cryomax Group to lose the ability to go concerned.
5. Assess the overall presentation, structure and content of financial statements (including relevant notes), and whether financial statements are appropriate to express relevant transactions and events.
6. Obtain sufficient and appropriate audit evidence for the financial information of the individual constituents of the Group to express opinions on the financial statements. The CPA is responsible for the guidance, supervision and execution of individual audit cases, and is responsible for forming audit opinions on financial statements.

The matters communicated by the CPA with the governing unit include the planned scope and time of the audit, as well as major audit findings (including significant deficiencies in internal control identified during the audit).

The CPA also provides the governing unit with the statement that the personnel of the accounting firm that is subject to independence regulations have complied with the independence statement in the professional code of ethics for certified public accounts of the Republic of China, and communicates with the governing unit all relationships that may be considered to affect the independence of the CPA and other matters (including relevant protective measures).

From the matters communicated with the governing unit, the CPA hereby decided the key items for auditing the 2023 financial statements of the Cryomax Group. The CPA states 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.

PwC Taiwan

Lai, Chih Wei

CPAs

Wang, Yu-Chuan

FSC
License Number: Jin Guan Zheng Shen Zi No. 1120348565
Jin Guan Zheng Shen Zi No. 1020028992

March 13, 2024

Cryomax Cooling System Corp. and Its Subsidiaries
Consolidated Balance Sheet
December 31, 2023, December 31, 2022 and January 1, 2022

Unit: NT$1,000

	Assets	Notes	December 31, 2023 Amount	%	(After adjustment) December 31, 2022 Amount	%	(After adjustment) January 1, 2022 Amount	%
	Current Assets							
1100	Cash and cash equivalents	6 (1)	$ 553,889	17	$ 544,846	17	$ 379,997	12
1110	Current Financial Assets at Fair Value through Profit or Loss	6 (2)	10,151	-	13,925	-	18,236	-
1150	Net notes receivable	6 (3)	52,127	2	49,998	2	50,130	2
1170	Net accounts receivable	6 (3)	306,996	9	281,919	9	275,356	9
1180	Accounts receivable - Net of related parties	7 (2)	49,924	1	81,011	3	61,779	2
130X	Inventory	6 (4)	728,667	22	920,269	29	952,711	31
1470	Other current assets	6 (5)	90,313	3	38,728	1	53,917	2
11XX	**Total Current Assets**		1,792,067	54	1,930,696	61	1,792,126	58
	Non-current assets							
1600	Property, plant and equipment	6 (6) and 8	1,296,742	39	982,674	31	979,243	32
1755	Right-of-use assets	6 (7) and 8	154,554	5	147,071	5	177,770	6
1840	Deferred income tax assets	6 (23)	71,781	2	79,455	2	101,775	3
1900	Other non-current assets		19,205	-	22,311	1	16,577	1
15XX	**Total Non-current Assets**		1,542,282	46	1,231,511	39	1,275,365	42
1XXX	**Total Assets**		$ 3,334,349	100	$ 3,162,207	100	$ 3,067,491	100

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Cryomax Cooling System Corp. and Its Subsidiaries
Consolidated Balance Sheet
December 31, 2023, December 31, 2022 and January 1, 2022

Unit: NT$1,000

	Liabilities and Equity	Notes	December 31, 2023 Amount	%	(After adjustment) December 31, 2022 Amount	%	(After adjustment) January 1, 2022 Amount	%
	Current Liabilities							
2100	Short-term loan	6 (8) and 8	$ 871,519	26	$ 926,475	29	$ 800,258	26
2110	Short-term notes payable	6 (9)	59,923	2	49,852	2	135,945	5
2130	Current contract liabilities	6 (17)	4,733	-	13,727	1	14,928	1
2150	Notes payable		120	-	3,273	-	5,948	-
2170	Accounts payable		241,564	7	226,765	7	187,738	6
2180	Accounts payable-Related parties	7 (2)	451	-	3,646	-	5,470	-
2200	Other accounts payable	6 (10)	153,598	5	162,452	5	159,642	5
2220	Other accounts payable-Related parties	7 (2)	6,059	-	9,078	-	4,066	-
2230	Current tax liabilities		5,949	-	5,275	-	32,213	1
2280	Lease liabilities－Current		40,519	1	37,952	1	34,457	1
2320	Long term liabilities due within one year	6 (12)	47,874	1	31,393	1	28,419	1
2399	Other current liabilities	6 (11) (17)	14,920	1	21,990	1	38,432	1
21XX	**Total Current Liabilities**		1,447,229	43	1,491,878	47	1,447,516	47
	Non-current liabilities							
2540	Long-term loan	6 (12) and 8	324,777	10	93,548	3	123,827	4
2570	Deferred income tax liabilities		90,515	3	83,214	3	75,611	3
2580	Non-current lease liabilities		97,183	3	90,410	3	121,588	4
2600	Other non-current liabilities	6 (13)	2,639	-	4,999	-	13,143	-
25XX	**Total Non-current Liabilities**		515,114	16	272,171	9	334,169	11
2XXX	**Total Liabilities**		1,962,343	59	1,764,049	56	1,781,685	58
	Shareholder equity							
	Share capital	6 (14)						
3110	Capital - common stock		686,244	21	686,244	22	686,244	22
	Capital surplus	6 (15)						
3200	Capital surplus		376,078	12	376,078	11	376,078	12
	Retained Earnings	6 (16)						
3310	Legal reserve		133,847	4	119,582	4	109,230	4
3320	Special reserve		50,296	1	89,317	3	78,087	3
3350	Undistributed surplus earnings		176,011	5	177,233	6	125,484	4
	Other Equity							
3400	Other Equity		(50,470)	(2)	(50,296)	(2)	(89,317)	(3)
3XXX	**Total Equity**		1,372,006	41	1,398,158	44	1,285,806	42
	Significant contingent liability and unrecognized contractual commitments	9						
	Significant subsequent matters	11						
3X2X	**Total Liabilities and Equity**		$ 3,334,349	100	$ 3,162,207	100	$ 3,067,491	100

The notes attached to the consolidated financial statements constitute a part of this consolidated financial statements for overall reference.

Chairman: Liu Yen Ti　　General Manager: Liu Yen Ti　　Accounting Supervisor: Hsu Nai Lung

Cryomax Cooling System Corp. and Its Subsidiaries
Consolidated Comprehensive Income Statement
January 1 to December 31, 2023 and 2022

Unit: NT$1,000
(NT$1 for EPS)

	Items	Notes	For the Year Ended December 31, 2023 Amount	%	(After adjustment) For the Year Ended December 31, 2022 Amount	%
4000	Operating revenue	6 (17) and 7 (2)	$ 2,122,061	100	$ 2,535,296	100
5000	Operating costs	6 (4)(22) and 7 (2)	(1,677,394)	(79)	(1,945,906)	(77)
5900	Gross profit		444,667	21	589,390	23
	Operating expenses	6 (22) and 7(2)				
6100	Selling and marketing expenses		(212,725)	(10)	(245,777)	(10)
6200	Administrative expenses		(133,003)	(6)	(116,529)	(4)
6300	Research and development expenses		(44,027)	(2)	(60,726)	(2)
6000	Total operating expenses		(389,755)	(18)	(423,032)	(16)
6900	Operating income		54,912	3	166,358	7
	Non-operating income and expense					
7100	Interest revenue	6 (18)	9,735	-	1,673	-
7010	Other revenue	6 (19)	11,040	-	14,811	1
7020	Other gains and losses	6 (20)	13,524	1	34,341	1
7050	Financial costs	6 (21)	(31,054)	(1)	(21,212)	(1)
7000	Total non-operating income and expenses		3,245	-	29,613	1
7900	**Pre-tax income**		58,157	3	195,971	8
7950	Income tax expense	6 (23)	(16,096)	(1)	(59,066)	(3)
8200	**Net profit for the period**		$ 42,061	2	$ 136,905	5
	Other comprehensive income					
8311	Defined benefits plans remeasured	6 (13)	$ 731	-	$ 6,313	-
8349	Income tax relating to items that will not be reclassified	6 (23)	(146)	-	(1,263)	-
8310	Total items that will not be reclassified to profit or loss		585	-	5,050	-
	Components of other comprehensive income that will be reclassified to profit or loss					
8361	Exchange differences in the translation of foreign financial statements		(218)	-	48,776	2
8399	Income tax related to components of other comprehensive income that will be reclassified	6 (23)	44	-	(9,755)	-
8360	Components of other comprehensive income that will be reclassified to profit or loss		(174)	-	39,021	2
8300	**Other comprehensive income**		$ 411	-	$ 44,071	2
8500	**Comprehensive income of the current period**		$ 42,472	2	$ 180,976	7
	Net profit attributable to:					
8610	Parent company owner		$ 42,061	2	$ 136,905	5
	Total comprehensive income attributable to:					
8710	Parent company owner		$ 42,472	2	$ 180,976	7
	Earnings per share	6 (24)				
9750	Basic		$	0.61	$	2.00
9850	Diluted		$	0.61	$	1.99

The notes attached to the consolidated financial statements constitute a part of this consolidated financial statements for overall reference.

Chairman: Liu Yen Ti General Manager: Liu Yen Ti Accounting Supervisor: Hsu Nai Lung

Cryomax Cooling System Corp. and Its Subsidiaries
Consolidated Statement of Changes in Equity
January 1 to December 31, 2023 and 2022

Unit: NT$1,000

		Equity attributable to Parent Company								
			Capital surplus			Retained Earnings				
	Notes	Capital - common stock	Common Stock in Excess of Par	Treasury Stock Trading	Others	Legal reserve	Special reserve	Undistributed surplus earnings	Earnings Exchange Differences on Translation of Foreign Financial Statements Exchange differences	Total Equity
For the Year Ended December 31, 2022										
Balance as of January 1, 2022		$ 686,244	$ 353,570	$ 4,790	$ 17,718	$ 109,230	$ 78,087	$ 126,066	($ 89,317)	$ 1,286,388
Retrospective applied to impact of IAS 12		-	-	-	-	-	-	(582)	-	(582)
Adjustments After the Balance as of January 1		686,244	353,570	4,790	17,718	109,230	78,087	125,484	(89,317)	1,285,806
Net profit for the period		-	-	-	-	-	-	136,905	-	136,905
Other comprehensive income (loss) in the period		-	-	-	-	-	-	5,050	39,021	44,071
Comprehensive income of the current period		-	-	-	-	-	-	141,955	39,021	180,976
Surplus earnings distribution for 2021	6 (16)									
Legal reserve		-	-	-	-	10,352	-	(10,352)	-	-
Special reserve		-	-	-	-	-	11,230	(11,230)	-	-
Cash dividend		-	-	-	-	-	-	(68,624)	-	(68,624)
Balance as of December 31, 2022		$ 686,244	$ 353,570	$ 4,790	$ 17,718	$ 119,582	$ 89,317	$ 177,233	($ 50,296)	$ 1,398,158
For the Year Ended December 31, 2023										
Balance as of January 1, 2023		$ 686,244	$ 353,570	$ 4,790	$ 17,718	$ 119,582	$ 89,317	$ 177,233	($ 50,296)	$ 1,398,158
Net profit for the period		-	-	-	-	-	-	42,061	-	42,061
Other comprehensive income (loss) in the period		-	-	-	-	-	-	585	(174)	411
Comprehensive income of the current period		-	-	-	-	-	-	42,646	(174)	42,472
Surplus earnings distribution for 2022:	6 (16)									
Legal reserve		-	-	-	-	14,265	-	(14,265)	-	-
Special reserve		-	-	-	-	-	(39,021)	39,021	-	-
Cash dividend		-	-	-	-	-	-	(68,624)	-	(68,624)
Balance as of December 31, 2023		$ 686,244	$ 353,570	$ 4,790	$ 17,718	$ 133,847	$ 50,296	$ 176,011	($ 50,470)	$ 1,372,006

The notes attached to the consolidated financial statements constitute a part of this consolidated financial statements for overall reference.

Chairman: Liu Yen Ti　　General Manager:: Liu Yen Ti　　Accounting Supervisor: Hsu Nai Lung

Cryomax Cooling System Corp. and Its Subsidiaries
Consolidated Cash Flow Statement
January 1 to December 31, 2023 and 2022

Unit: NT$1,000

	Notes	January 1 to December 31 2023	January 1 to December 31 2022
Operating Cash Flow			
Pre-tax income of the current period		$ 58,157	$ 195,971
Adjusted items			
Adjustments to reconcile profit (loss)			
Depreciation Expense	6 (6)(22)	137,093	140,825
Depreciation Expense-Right-of-use asset	6 (7)(22)	40,335	39,280
Amortization Expense	6 (22)	264	235
Net gain on financial assets at FVTPL	6 (2)(20)	(4,203)	(11,649)
Interest rate expense	6 (21)	26,999	16,197
Interest expense - Lease liability	6 (7)(21)	4,055	5,015
Interest revenue	6 (18)	(9,735)	(1,673)
Dividend income	6 (19)	-	(174)
Disposal of interests in property, plant and equipment	6 (20)	(704)	(226)
Gains and losses of unrealized foreign currency exchange		8,372	1,643
Changes in assets/liabilities related to operating activities			
Net change in assets related to operating activities			
Financial assets mandatorily at FVTPL		7,977	15,960
Notes Receivable		(2,129)	132
Account Receivable		(30,925)	(8,249)
Accounts receivable - Net of related parties		27,984	(21,035)
Inventory		191,602	32,442
Other current assets		(27,949)	15,189
Other non-current assets		138	482
Net change in liabilities related to operating activities			
Contract liabilities		(8,994)	(1,201)
Notes payable		(3,153)	(2,675)
Accounts payable		14,420	38,461
Accounts payable-Related parties		(3,195)	(1,824)
Other accounts payable		(25,103)	13,601
Other accounts payable-Related parties		(3,019)	5,012
Other current liabilities		(7,070)	(16,442)
Other non-current liabilities		(1,629)	(1,831)
Cash inflow generated from operations		389,588	453,466
Interest received		9,735	1,673
Dividend received		-	174
Interest paid		(29,666)	(21,153)
Income tax paid		(24,185)	(67,441)
Net cash flows from operating activities		345,472	366,719

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Cryomax Cooling System Corp. and Its Subsidiaries
Consolidated Cash Flow Statement
January 1 to December 31, 2023 and 2022

Unit: NT$1,000

	Notes	January 1 to December 31 2023	January 1 to December 31 2022
Cash flows from investment activities			
Acquisition of property, plant and equipment	6 (25)	($ 457,504)	($ 161,617)
Disposal of property, plant and equipment		29,516	16,995
Increase in refundable deposit		(528)	(1,521)
Decrease in refundable deposit		40	-
Acquisition of intangible assets		(270)	(18)
Cash flows from investing activities		(428,746)	(146,161)
Cash flow from finance activities			
Increase in short-term loan	6 (26)	408,326	447,390
Decrease in short-term loan	6 (26)	(461,496)	(323,378)
Increase in short-term notes and bills payable	6 (26)	10,000	-
Decrease in short-term bills payable	6 (26)	-	(86,000)
Borrowing long-term loan	6 (26)	360,000	-
Repayments of long-term loan	6 (26)	(112,053)	(29,004)
Payments of lease liabilities	6 (7)(26)	(38,852)	(36,124)
Cash dividends paid	6 (16)	(68,624)	(68,624)
Net cash inflows (outflows) in financing activities		97,301	(95,740)
Effects of exchange rate changes		(4,984)	40,031
NET INCREASE IN CASH AND CASH EQUIVALENTS		9,043	164,849
Cash and cash equivalents at beginning of period	6 (1)	544,846	379,997
Cash and cash equivalents at end of period	6 (1)	$ 553,889	$ 544,846

The notes attached to the consolidated financial statements constitute a part of this consolidated financial statements for overall reference.

Chairman: Liu Yen Ti General Manager: Liu Yen Ti Accounting Supervisor: Hsu Nai Lung

Cryomax Cooling System Corp. and Its Subsidiaries
Notes to Consolidated Financial Statements
For the year ended 2023 and 2022

Unit: NT$1,000
(unless otherwise specified)

1. History

Cryomax Cooling System Corp. (hereinafter referred to as the "Company") was established in the Republic of China. The main business items of the Company and its subsidiaries (hereinafter collectively referred to as the "Group") are the manufacturing, processing, trading and exporting of metal water tanks for various vehicles.

2. Date and procedure for approval of financial report

This financial report was approved and issued by the board of directors on March 13, 2024.

3. Application of newly released and revised standards and interpretations

(1) The impact of implementing the newly released and revised International Financial Reporting Standard Standards approved and issued by the Financial Supervisory Commission (hereinafter referred to as the "FSC")

The following table summarizes the newly released, revised and revised standards and notes of the applicable International Financial Reporting Standard Standards for 2023 approved and issued by the FSC:

Newly issued/amended/revised standards and notes	Effective date of publication by the International Accounting Standards Board
Amendments to IAS 1 "Disclosure of Accounting Policies"	January 1, 2023
Amendments to IAS 8 "Definition of Accounting Estimates"	January 1, 2023
Amendments to IAS 12 "Deferred income tax relating to assets and liabilities arising from a single transaction"	January 1, 2023
Amendments to International Accounting Standard 12 "International Tax Reform - Pillar Two Model Rules"	May 23, 2023

The Group has assessed that the above standards and interpretations have no material impact on the Group's financial position and financial performance:

Amendments to IAS 12 "Deferred income tax relating to assets and liabilities arising from a single transaction"

This amendment requires enterprises to recognize related deferred income tax assets and liabilities for specific transactions that generate the same amount of taxable and deductible temporary differences at the time of original recognition.

The Group recognized deferred income tax assets and liabilities for all deductible and taxable temporary differences related to (1) the right-of-use assets and lease liabilities and (2) decommissioning liabilities and the corresponding recognition of property, plant, and equipment as of January 1, 2022. As of December 31, 2023, and January 1 and December 31, 2022, increased deferred income tax assets respectively, were NT$29,793, NT$41,085 and NT$33,206, along with deferred income tax liabilities of NT$30,976, NT$41,667 and NT$34,488, retained earnings were reduced by NT$1,213, NT$582 and NT$1,282. Also, reduce the income tax expenses for the years 2023 and 2022 by NT$69 and increase by NT$700, respectively, along with a reduction of NT$0.01 per share in earnings for the year 2022. However, the year 2022 did not affect earnings per share.

(2) The impact of not yet adopted the newly released and revised International Financial Reporting Standard Standards approved by the Financial Supervisory Commission referred to as the "FSC"

The following table summarizes the newly released and revised standards and notes of the International Financial Reporting Standard Standards applicable in 2024 recognized by the FSC:

Newly issued/amended/revised standards and notes	Effective date of publication by the International Accounting Standards Board
Amendments to IFRS 16 "Lease liabilities in sale and leaseback"	January 1, 2024
Amendments to IAS 1 "Classification of Liabilities as Current or Non-Current"	January 1, 2024
Amendments to IAS 1 "Non-current liabilities with contractual terms"	January 1, 2024
No.7 to International Accounting Standard and Amendments to International Financial Reporting Standards No.7 “Supplier Finance Arrangements”	January 1, 2024

The Group has assessed that the above standards and interpretations have no material impact on the Group's financial position and financial performance.

(3) The impact of the International Financial Reporting Standard Standards issued by the International Accounting Standards Board but not yet approved by the FSC

The following table summarizes the newly issued, revised and corrected standards and explanations that have been issued by the International Accounting Standards Board but have not yet been incorporated into the International Financial Reporting Standards recognized by the FSC:

Newly issued/amended/revised standards and notes	Effective date of publication by the International Accounting Standards Board
Amendments to IFRS 10 and IAS 28 "Sales or contributions of assets between an investor and its affiliates or joint ventures"	To be determined by the International Accounting Standards Board
IFRS 17 "Contracts of Insurance"	January 1, 2023
Amendments to IFRS 17 "Contracts of Insurance"	January 1, 2023
Amendments to IFRS 17 "Initial Application of IFRS 17 and IFRS 9 - Comparative Information"	January 1, 2023
Amendments to IAS 21 "Lack of Exchangeability"	January 1, 2025

The Group has assessed that the above standards and interpretations have no material impact on the Group's financial position and financial performance.

4. Summary of important accounting policies

The major accounting policies adopted in the preparation of the financial report are described below. These policies apply consistently throughout all reporting periods.

(1) Compliance statement

The financial report is prepared in accordance with the Financial Reporting Standards for Securities Issuers and the International Financial Reporting Standards, International Accounting Standards, Interpretations and Notes (hereinafter referred to as IFRSs) recognized and issued by the Financial Supervisory Commission.

(2) <u>Basis of preparation</u>

1. Except for the following important items, this consolidated financial report is prepared at historical cost:
   (1) Financial assets and liabilities (including derivatives) measured at fair value through profit or loss.
   (2) Defined benefit liabilities recognized as the net amount of pension fund assets minus the present value of defined benefit obligations.
2. The preparation of financial reports in compliance with IFRS requires the use of some important accounting estimate value. In the process of applying the Group's accounting policies, the management level also needs to adopt its judgments involving items with a high degree of judgment or complexity or major assumptions in financial reports, or one may refer to Note 5 for the estimated items.

(3) <u>Basis of consolidation</u>

1. Principles for the preparation of the financial report
   (1) The Group includes all subsidiaries as entities for the preparation of consolidated financial statements. A subsidiary is an entity controlled by the Group when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and, through its power over the entity, has the ability to affect those returns. That is, control the individual. Subsidiaries are included in the consolidated financial report from the date when the Group obtains control, and are terminated from the date when control is lost.
   (2) Intra-group transactions, balances and unrealized gains and losses are eliminated. The accounting policies of the subsidiaries have been adjusted as necessary to be consistent with the policies adopted by the Group.
   (3) Each component of profit or loss and other comprehensive profit or loss is attributable to the owners of the parent company and non-controlling interests; the total comprehensive profit or loss is also attributable to the owners of the parent company and non-controlling interests, even if it results in a loss balance for the non-controlling interests.
   (4) If the change of the subsidiary's shareholding does not lead to the loss of control (transaction with non-controlling interests), it is treated as an equity transaction, that is, it is regarded as a transaction with the owner. The difference between the adjusted amount for the non-controlling interest and the fair value of the consideration paid or received is recognized directly in equity.
   (5) When the Group loses control of the subsidiary, the remaining investment in the former subsidiary is remeasured at fair value and used as the fair value of the originally recognized financial asset or the cost of the originally recognized investment in an affiliated enterprise or joint venture, and the difference between the fair value and the carrying amount is recognized as current profit or loss. For all amounts previously recognized in other comprehensive profit or loss related to the subsidiary, the accounting treatment is the same as if the Group directly disposes of related assets or liabilities, Hence, if the profit or loss previously recognized as other comprehensive profit or loss will be reclassified as profit or loss when disposing of related assets or liabilities, then when the control of the subsidiary is lost, the profit or loss will be reclassified from equity to profit or loss.

2. Subsidiaries incorporated into the consolidated financial report:

Investment Company Name	Subsidiary Name	Business type	Percentage of equity held December 31, 2023	Percentage of equity held December 31, 2022	Notes
The Company	CRYOMAX INTERNATIONAL LTD.	General investment	100%	100%	
The Company	CRYOMAX U.S.A.INC.	Purchase and sell the same products as the Company	100%	100%	
CRYOMAX INTERNATIONAL LTD.	CROHAN INTERNATIONAL LTD.	General investment	100%	100%	
CROHAN INTERNATIONAL LTD.	COOL MAX-WAY AUTO PARTS CO., LTD.	Manufacturing and trading of auto parts	100%	100%	
CROHAN INTERNATIONAL LTD.	NANJING CRYOMAX AUTO PARTS CO., LTD	Manufacturing and trading of auto parts	100%	100%	
The Company	CRYOMAX MEXICO S.A. de C.V.	Manufacturing and trading of auto parts	90%	90%	Note
CRYOMAX U.S.A.INC.	CRYOMAX MEXICO S.A. de C.V.	Manufacturing and trading of auto parts	10%	10%	Note

Note: The company established CRYOMAX MEXICO S.A. de C.V. in Mexico due to the resolution of the board of directors on January 16, 2022. Due to operational needs and future development, this subsidiary completed the local establishment registration procedures in June 2022. The registered capital for 50,000 Mexican pesos. The company and 100% holding subsidiary CRYOMAX U.S.A.INC. (Hereinafter referred to as the US subsidiary) provided capital of 45,000 and 5,000 Mexican pesos on October 18, 2022, respectively, and acquired 90% and 10% of the company's equity, with a comprehensive shareholding ratio of 100%. On September 23, 2022, the board of directors of the company approved the cash capital increase plan of the subsidiary. The company and the company's 100% subsidiary CRYOMAX U.S. A INC. will jointly increase capital and shareholdings. The amount of contribution is USD 15,000 thousand, depending on the capital needs of the subsidiary CRYOMAX MEXICO S.A. de C.V., remitted in installments. The Company imported USD 400,000, USD 8,600,000, and USD 900,000 on May 3, 2023, May 8, 2023, and November 28, 2023, respectively. Additionally, the Company's subsidiary in the United States imported USD 1,000,000 and USD 100,000 on May 4, 2023, and November 28, 2023, respectively. In total, USD 11,000,000 has been imported.

3. Unappropriated Subsidiaries included in the consolidated financial statements

   N/A.

4. Adjustments and treatment methods for different accounting periods of subsidiaries

   N/A.

5. Major Restrictions

   N/A.

6. Subsidiaries with significant non-controlling interests in the Group

   N/A.

(4) Foreign currency conversion

Items included in the financial reports of each entity in the Group are measured in the currency of the primary economic environment in which that entity operates (ie the functional currency). The financial report is presented using the Company's functional currency "New Taiwan Dollar" (NT$) as the expression currency.

1. Foreign currency transactions and balances
   (1) Foreign currency transactions are translated into functional currencies using the spot exchange rate on the transaction date or measurement date, and the translation differences arising from the translation of these transactions are recognized as current profit or loss.
   (2) The balance of foreign currency monetary assets and liabilities is evaluated and adjusted according to the spot exchange rate on the balance sheet date, and the translation difference arising from the adjustment is recognized as current profit or loss.
   (3) The balance of foreign currency non-monetary assets and liabilities, which are measured at fair value through profit or loss, are adjusted according to the spot exchange rate on the balance sheet date, and the exchange difference arising from the adjustment is recognized as current profit or loss; If the comprehensive profit or loss is measured by fair value, it shall be adjusted according to the spot exchange rate on the balance sheet date, and the exchange difference arising from the adjustment shall be recognized in other comprehensive profit or loss items; exchange rate measurement.
   (4) All other exchange gains and losses are presented in "Other profits and losses" in the income statement according to the nature of the transaction.
2. Conversion by foreign operating institutions

   The operating results and financial status of all group entities, affiliated enterprises and joint agreements whose functional currency is different from the expression currency shall be converted into the expression currency in the following manner:
   (1) The assets and liabilities expressed in each balance sheet are translated at the closing exchange rate on the balance sheet date;
   (2) The income and expenses expressed in each consolidated income statement are translated at the current average exchange rate; and
   (3) All exchange differences arising from translation are recognized in other comprehensive profits or losses.

(5) Classification standards for classifying assets and liabilities into current and non-current items

1. Assets that meet one of the following conditions are classified as current assets:
   (1) The asset is expected to be realized in the normal business cycle, or is intended to be sold or consumed.
   (2) Those held primarily for trading purposes.
   (3) Those expected to be realized within twelve months after the balance sheet date.
   (4) Cash or cash equivalents, unless exchanged or used to settle liabilities is restricted at least twelve months after the balance sheet date.

   The Group classifies all assets that do not meet the above conditions as non-current.
2. Liabilities that meet one of the following conditions are classified as current liabilities:
   (1) Those that are expected to be settled in the normal business cycle.
   (2) Those held primarily for trading purposes.
   (3) Those that are expected to be paid off within twelve months after the balance sheet date.
   (4) The repayment period cannot be unconditionally postponed to at least twelve months after the balance sheet date. The terms of the liability, which may, at the option of the counterparty, result in liquidation through the issuance of equity instruments do not affect its classification.

   The Group classifies all liabilities that do not meet the above standards as non-current.

(6) Cash equivalents

Cash equivalents refer to short-term and highly liquid investments that can be converted into fixed amounts of cash at any time and are subject to insignificant risk of changes in value. Time deposits that meet the aforementioned definition and are held for the purpose of meeting short- term cash commitments in operations are classified as cash equivalents.

(7) Financial assets at FVTPL

1. It refers to financial assets that are not measured at amortized cost or at fair value through other comprehensive income.
2. The Group adopts transaction-day accounting for financial assets measured at fair value through profit or loss that conform to customary transactions.
3. The Group measures it at fair value at the time of initial recognition, and the relevant transaction costs are recognized in profit or loss, and subsequently measured at fair value, with the benefit or loss recognized in profit or loss.
4. When the right to receive dividends is established, the economic benefits related to dividends are likely to flow in, and the number of dividends can be measured reliably, the Group recognizes dividend income in profit or loss.

(8) Accounts and notes receivable

1. It refers to accounts and notes that have the unconditional right to receive the consideration amount in exchange for the transfer of goods or services in accordance with the contract.
2. For unpaid short-term accounts and notes receivable, since discounting has little effect, the Group measures them based on the original invoice amount.

(9) Impairment of financial assets

The Group on each balance sheet date considers all reasonable and supporting information (including forward-looking items) for financial assets measured at amortized cost and accounts receivable that contain significant financial components. For those whose credit risk has not increased significantly after the original recognition, the allowance loss shall be measured according to the amount of expected credit loss in 12 months; for those whose credit risk has increased significantly since the original recognition, the allowance loss shall be measured according to the amount of expected credit loss during the duration; For accounts receivable that do not include significant financial components, the allowance loss is measured based on the expected credit loss amount during the duration.

(10) Declassification of financial assets

The Group will declassify financial assets when one of the following situations is met:

1. The contractual right to receive cash flows from the financial asset lapses.
2. The contractual right to receive the cash flow of the financial asset is transferred, and almost all the risks and rewards of ownership of the financial asset have been transferred.
3. Transfer of contractual rights to receive cash flows from any financial asset without retaining control over the financial asset.

(11) Lease transaction of the lessor - business lease

The lease income from operating leases is amortized on a straight-line basis over the lease term and recognized as current profit or loss after deducting any incentives to the lessee.

(12) Inventory

Inventories are measured by the lower of cost and net realizable value, and the perpetual inventory system is adopted, and the cost is determined by the weighted average method. The cost of finished products and work in progress includes raw materials, direct labor costs, other direct costs and overhead related to production (based on normal production capacity), but excludes borrowing costs. When comparing the lower of the cost and the net realizable value, the item-by-item comparison method is adopted. The net realizable value refers to the estimated selling price in the normal course of business minus the estimated cost to be invested to complete the project and the estimated cost required to complete the sale. balance.

(13) Property, plant and equipment

1. Property, plant and equipment are recorded on the basis of acquisition cost, and relevant interest during the acquisition and construction period is capitalized.
2. Subsequent costs are included in the book value of the asset or recognized as a separate asset only when the future economic benefits related to the item are likely to flow into the Group and the cost of the item can be measured reliably. The book value of the replaced part shall be delisted. All other maintenance expenses are recognized as current profit or loss when incurred.
3. The subsequent measurement of property, plant and equipment adopts the cost model. Except for land, depreciation is not provided, and other depreciation is calculated by the straight-line method based on the estimated service life. If each component of real estate, plant and equipment is significant, it shall be depreciated separately.
4. The Group examines the residual value, useful life and depreciation method of each asset at the end of each financial year. If the expected value of the residual value and useful life is different from the previous estimate, or the future economic value contained in the asset If there is a significant change in the expected consumption pattern of benefits, it shall be handled in accordance with the accounting estimate change provisions of International Accounting Standard No. 8 "Accounting Policies, Changes in Accounting Estimates and Errors" from the date of the change. The service life of each asset is as follows:

House and building	2-41 years
Machinery equipment	2-16 years
Mold equipment	2-12 years
Transportation equipment	5-10 years
Office equipment	3-10 years
Other Equipment	2-15 years

(14) Lease transactions by lessees - right-of-use assets/lease liabilities

1. Lease assets are recognized as right-of-use assets and lease liabilities on the date they become available to the Group. When the lease contract is a short-term lease or a lease of low-value underlying assets, the lease payment shall be recognized as an expense during the lease period using the straight-line method.
2. Lease liabilities are recognized at the present value of unpaid lease payments discounted at the Group's incremental borrowing rate on the lease commencement date. Lease payments include payments, less be received any lease.

   Subsequent adoption of the interest method is measured by the amortized cost method, and interest expenses are provided during the lease period. When the lease term or lease payment changes due to non-contract modification, the lease liability will be reassessed, and the remeasurement amount will be adjusted to the right-of-use asset.

3. The right-of-use asset is recognized at cost on the lease commencement date, and the cost includes:

   (1) The original measure of the lease liability;

   (2) Any lease payments incurred on or before the Commencement Date;

   (3) Any original direct costs incurred;

   Subsequent measurement is made using the cost model, and depreciation expenses are provided when the useful life of the right-of-use asset expires or when the lease period expires, whichever is earlier. When the lease liability is reassessed, the right-of-use asset will adjust any remeasurement of the lease liability.

(15) <u>Intangible Assets</u>

Computer software

Computer software is recognized at acquisition cost and amortized using the straight-line method over estimated useful lives of 2 to 5 years.

(16) <u>Impairment of non-financial assets</u>

The Group on the balance sheet date estimates the recoverable amount of assets with signs of impairment, and recognizes the impairment loss when the recoverable amount is lower than its book value. The recoverable amount is the higher of an asset's fair value less costs of disposal or its value in use. When the asset impairment recognized in the previous year does not exist or decreases, the impairment loss shall be reversed, but the book value of the asset increased by the reversal of the impairment loss shall not exceed the depreciation or amortization of the asset if no impairment loss is recognized Subsequent carrying amount.

(17) <u>Loan</u>

It refers to long-term and short-term funds borrowed from banks. The Group measured it at its fair value less transaction costs at the time of original recognition and subsequently recognized any difference between the price after deducting transaction costs and the redemption value, using the effective interest method and amortizing procedures to recognize interest expenses during the circulation period in profit and loss.

(18) <u>Accounts and notes payable</u>

1. It refers to the debts incurred due to the purchase of raw materials, commodities or labor services on credit, and the notes payable incurred due to business and non-business factors.

2. For unpaid short-term accounts and notes payable, since discounting has little effect, the Group measures them based on the original invoice amount.

(19) <u>Declassification of financial liabilities</u>

The Group declassifies financial liabilities when the contractual obligations are fulfilled, canceled or expire.

(20) <u>Embedded derivatives</u>

The financial asset mixed contract embedded in the derivative instrument is determined according to the terms of the contract at the time of original recognition. The classification of the overall hybrid instrument is determined by financial assets at fair value through profit or loss, and financial assets at fair value through other comprehensive financial assets measured at cost.

(21) Employee benefits

1. Short-term employee benefits

   The short-term employee benefits are measured at non-discounted amounts expected to be paid and are recognized as an expense when the related services are rendered.

2. Pension

   (1) Determine the allocation plan

   For the definite appropriation plan, the amount of the pension fund that should be appropriated is recognized as the current pension cost on the accrual basis. Advance payments are recognized as assets to the extent that they are refundable in cash or reduce future payments.

   (2) Determine the benefit plan

   A. The net obligation under the defined benefit plan is calculated by discounting the amount of future benefits earned by the employee in the current period or past service, and the fair value of the plan assets is subtracted from the present value of the defined benefit obligation on the balance sheet date. The net obligation to determine benefits is calculated annually by the actuary using the projected unit benefit method. The discount rate is the market yield on government bonds (at the balance sheet date) that is consistent with the currency and period of the defined benefit plan at the balance sheet date.

   B. The remeasured amount arising from the defined benefit plan is recognized in other comprehensive profit or loss in the period in which it occurs, and expressed in retained earnings.

   C. Expenses related to prior service costs are recognized immediately in profit or loss.

3. Severance benefits

   Severance benefits are benefits provided when the employee's employment is terminated before the normal retirement date or when the employee decides to accept the company's welfare offer in exchange for the termination of employment. The Group recognizes an expense when it is no longer possible to rescind the offer of termination benefits or when the related restructuring costs are recognized, whichever is earlier. Benefits that are not expected to be fully settled within 12 months after the balance sheet date should be discounted.

4. Employees remuneration and remuneration of directors

   Employees remuneration and remuneration of directors are recognized as expenses and liabilities when there is a legal or constructive obligation and the amount can be estimated reasonably. If there is a discrepancy between the actual distribution amount and the estimated amount in subsequent resolutions, it shall be treated as a change in accounting estimate value. In addition, if the employees remuneration is paid by stock, the eligibility requirements shall be determined by the board of directors.

(22) Income tax

1. Income tax expense includes current and deferred income tax. Income taxes are recognized in profit or loss, except for income taxes that relate to items that are recognized in other comprehensive profit or loss or directly in equity, respectively.

2. The Group calculates the current amount of income tax based on the tax rate that has been enacted or substantively enacted on the balance sheet date in the country where the Group operates and generates taxable income. The management level regularly assesses the status of income tax filings with respect to applicable income tax regulations and, where applicable, estimates income tax liabilities based on the expected tax payments to the taxing authorities. Income tax on undistributed earnings is levied in accordance with the Income Tax Act, in the year following the year in

which the earnings are generated, the undistributed earnings income tax expenses shall be recognized based on the distribution of the actual earnings after the shareholders' meeting approves the earnings distribution proposal.

3. The balance sheet method is adopted for deferred income tax, which is recognized according to the temporary difference between the tax base of assets and liabilities and their carrying amount in the consolidated balance sheet. Deferred income tax liabilities arising from goodwill initially recognized are not recognized if the deferred income tax arises from the original recognition of an asset or liability in a transaction (excluding a business merger) and at the time of the transaction If it does not affect accounting profit or taxable income (tax loss), and no equal taxable and deductible temporary differences have been generated either, then it will not be recognized. If there is a temporary difference arising from investment in a subsidiary, the Group can control the timing of the reversal of the temporary difference, and the temporary difference is not recognized if it is very likely that it will not reverse in the foreseeable future. The deferred income tax is based on the tax rate (and tax laws) that has been enacted or substantively enacted on the balance sheet date and is expected to be applicable when the relevant deferred income tax assets are realized or the deferred income tax liabilities are settled.
4. Deferred income tax assets are recognized within the scope that temporary differences are likely to be used to offset future taxable income, and unrecognized and recognized deferred income tax assets are reassessed on each balance sheet date.
5. When there is a legally enforceable right to offset the recognized current income tax assets and liabilities and there is an intention to pay off on a net basis or realize the assets and liabilities at the same time, the current income tax assets and current income tax liabilities will be offset; and when there is legal enforcement power to offset the current income tax assets and current income tax liabilities, and the deferred income tax assets and liabilities are provided by the same tax authority Deferred income tax assets and liabilities can only be offset against each other when the same taxpayer that is levying income tax or different taxpayers intend to pay off on a net basis or realize assets and pay off liabilities at the same time.

(23) Share capital

1. Common stock is classified as equity. The incremental costs directly attributable to the issuance of new shares or stock options are recorded as a deduction of the price in equity after deducting income tax.
2. When the company repurchases issued stocks, the consideration paid, including any directly attributable incremental costs, shall be recognized as a deduction of shareholders' equity at a net amount after tax. When the repurchased shares are subsequently reissued, the difference between the consideration received after deducting any directly attributable incremental costs and income tax effects and the book value is recognized as an adjustment to shareholders' equity.

(24) Dividend distribution

Distributed to shareholders are recognized as liabilities in the financial report when the Company's board of directors resolves to distribute, and the distribution of stock dividends shall be recognized as stock dividends to be distributed in the financial report when the Company's shareholders' meeting decides to distribute and shall be transferred to ordinary shares on the base date of issuance of new shares.

(25) Revenue recognition

Sales of products

1. The Group manufactures and sells metal water tank related products for various vehicles. Sales revenue is recognized when the control of the product is transferred to the customer, that is when the product is delivered to the customer, the customer has discretion over the channel and price of product sales, and the Group has no outstanding performance obligations that may affect the customer’s acceptance of the

product. Delivery of products occurs when the product is delivered to the designated place, the risk of obsolescence and loss has been transferred to the customer, and the customer accepts the product in accordance with the sales contract, or there is objective evidence indicating that all acceptance standards have been met.

2. The Group's sales revenue from the sales of metal water tanks for various vehicles is recognized at the net amount of the contract price less estimated sales discounts and price reductions. The Group estimates sales discounts and price reductions based on historical experience, and the recognized amount of revenue is limited to the part that is highly unlikely to have a significant reversal in the future, and the estimates are updated on each balance sheet date. Estimated sales discounts and price concessions payable to customers related to sales up to the balance sheet date are recognized as refund liabilities. The payment collection conditions for sales transactions are usually due within 30 days to 90 days after the monthly balance. Since the time interval between the transfer of the promised products or services to the customer and the customer's payment has not exceeded one year, the Group has not adjusted transaction prices to reflect the time value of money (TVM).

3. Accounts receivable are recognized when the goods are delivered to the customer, since the Group has an unconditional right to the contract price from that point in time, and it only takes time to collect the consideration from the customer.

(26) Government subsidies

1. Government subsidies are recognized at fair value when it is reasonably certain that the enterprise will comply with the conditions attached to the government grant and will be able to receive the grant. If the nature of the government grant is to compensate the expenses incurred by the Group, the government grant shall be recognized as current profit or loss on a systematic basis during the period in which the relevant expenses are incurred.

2. Government subsidies related to real estate, plant and equipment are recognized as a deduction of the book value of the asset, and the grant is recognized in profit or loss through the reduction of depreciation expenses during the service life of the assets.

(27) Operating segment

Information on the Group's operating segment is reported in a manner consistent with the internal management reports provided to the chief operating decision-maker. The chief operating decision maker is responsible for allocating resources to operating departments and evaluating their performance.

5. Major sources of uncertainty in major accounting judgments, estimates and assumptions

When the Group prepared the financial report, the management level used its judgment to determine the accounting policies adopted and made accounting estimate values and assumptions based on the current situation on the balance sheet date and reasonable expectations of future events. The major accounting estimates values and assumptions made may differ from the actual results, and will be continuously evaluated and adjusted taking into account historical experience and other factors. These estimates and assumptions have a risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year. Please explain in detail the following explanations on the uncertainty of major accounting judgments, estimates and assumptions:

(1) Important judgments on the adoption of accounting policies

N/A.

(2) Important accounting estimates values and assumptions

The accounting estimate values by the Group are based on reasonable expectations of future events based on the current situation on a specific date, but the actual results may differ from the estimates. For the estimates and assumptions that there may be a risk of major adjustments to the book value of assets and liabilities in the next financial year, please refer to the following details:

Inventory evaluation

Since inventories must be priced at the lower of cost and net realizable value, the Group must use judgment and estimation to determine the net realizable value of inventories on the balance sheet date. The Group evaluates the amount of inventory due to normal wear and tear, obsolescence or no market value on the balance sheet date, and writes down the inventory cost to the net realizable value. The inventory evaluation is mainly based on the estimated demand for products in a specific period in the future, so there may be major changes.

On December 31, 2023, the book value of the Group's inventory was NT$728,667.

6. Explanation of important accounting items

(1) Cash and cash equivalents

	December 31, 2023	December 31, 2022
Cash on hand and working capital	$ 867	$ 957
Check deposits and demand deposits	531,832	543,889
Time deposits	21,190	-
Total	$ 553,889	$ 544,846

1. The credit quality of the financial institutions that the Group deals with is good, and the Group deals with several financial institutions to diversify credit risk, and the risk of default is expected to be minor.
2. The Group has not pledged cash and cash equivalents.

(2) Financial assets at FVTPL

Items	December 31, 2023	December 31, 2022
Current:		
Financial assets mandatorily at FVTPL		
Stocks of listed (OTC) companies	$ -	$ 13,738
Non listed, over-the-counter, and emerging stocks	9,000	-
	9,000	13,738
Evaluation adjustment	1,151	187
Total	$ 10,151	$ 13,925

1. The details of financial assets measured at fair value through profit or loss recognized in profit or loss are as follows:

	For the Year Ended December 31, 2023	For the Year Ended December 31, 2022
Financial assets mandatorily at FVTPL		
Equity instrument	$ 4,203	$ 11,649

2. Please refer to Note 12, (2) for information on the credit risk of financial assets measured at fair value through profit or loss.

(3) Notes and accounts receivable

	December 31, 2023	December 31, 2022
Notes Receivable	$ 52,127	$ 49,998
Account Receivable	$ 308,382	$ 283,311
Less: Allowance for losses	(1,386)	(1,392)
	$ 306,996	$ 281,919

1. The aging analysis of accounts receivable and notes receivable is as follows:

	December 31, 2023		December 31, 2022	
	Account Receivable	Notes Receivable	Account Receivable	Notes Receivable
Not overdue	$ 252,669	$ 52,127	$ 214,672	$ 49,998
Within 30 days	36,447	-	43,890	-
31-90 days	12,892	-	21,524	-
91-180 days	5,599	-	2,825	-
Over 181 days	775	-	400	-
	$ 308,382	$ 52,127	$ 283,311	$ 49,998

The above is an aging analysis based on the number of days overdue.

2. The balances of accounts receivable and notes receivable on December 31, 2023 and 2022 were all due to customer contracts, and the balance of accounts receivable on January 1, 2022 was NT$325,486.
3. The Group has insured the accounts receivable with the insurance company since July 2013 (regularly renewing the new contract every year). The insurance company will review and grant the amount, and compensate 90% of the amount in case of default. As of December 31, 2023 and 2022, the balances of insured accounts receivable were NT$86,045 and NT$89,937, respectively.
4. The Group has not provided pledge collateral for accounts receivable and notes receivable.
5. Without considering the collateral held or other credit enhancements, the maximum exposure amount that best represents the group's bills receivable credit risk on December 31, 2023 and 2022 is $52,127 and $49,998 respectively; and the most representative amount of risk exposure on December 31, 2023 and 2022 of the Group's accounts receivable were NT$306,996 and NT$281,919 respectively.
6. Please refer to Note 12 (2) for the credit risk information of relevant accounts receivable and notes receivable.

(4) Inventory

	December 31, 2023		
	Costs	Provisions for Evaluation loss	Carrying Amount
Raw materials	$ 178,054	($ 15,367)	$ 162,687
WIP	54,900	(1,446)	53,454
Semi-finished products	116,895	(6,498)	110,397
Finished goods	390,793	(15,619)	375,174
Commodity inventory	28,352	(1,397)	26,955
Total	$ 768,994	($ 40,327)	$ 728,667

	December 31, 2022		
	Costs	Provisions for Evaluation loss	Carrying Amount
Raw materials	$ 195,017	($ 10,724)	$ 184,293
WIP	58,461	(2,196)	56,265
Semi-finished products	160,234	(7,868)	152,366
Finished goods	492,136	(13,800)	478,336
Commodity inventory	50,553	(1,544)	49,009
Total	$ 956,401	($ 36,132)	$ 920,269

Inventory cost recognized as expense and loss by the Group in the current period:

	For the Year Ended December 31, 2023	For the Year Ended December 31, 2022
Cost of Inventory Sold	$ 1,672,575	$ 1,957,703
Inventory Outrage	(2,650)	(3,658)
Income from sale of scrap	(4,683)	(12,779)
Inventory sluggish and falling price Loss (recovery benefits)	4,196	(2,063)
Inventory scrap loss	8,456	7,187
Revenue from the sale of scrap products	(500)	(484)
	$ 1,677,394	$ 1,945,906

The benefit of inventory recovery in 2022 was due to the removal of certain inventories that had been depreciated or sluggish, resulting in an increase in the net realizable value of inventories.

(5) Other current assets

	December 31, 2023	December 31, 2022
Income tax payable	$ 23,686	$ 56
Other prepaid expenses	14,489	13,553
Tax refund receivable	8,827	6,220
Residual tax credit	2,827	8,065
Advance payment	2,374	1,932
Other receivables	3,398	4,302
Others	34,712	4,600
	$ 90,313	$ 38,728

(6) Property, plant and equipment

	For the Year Ended December 31, 2023					
	Beginning balance	Increase During the Period	Decrease During the Period	Transfer During the Period	Net Exchange Difference	Ending balance
Costs						
Land	$ 334,823	$ 221,658	$ -	$ -	$ 7,921	$ 564,402
House and building	397,240	78,777	(3,783)	3	2,046	474,283
Machinery equipment	338,434	60,062	(49,632)	742	8,600	358,206
Mold equipment	416,871	26,114	(80,096)	1,470	(6,836)	357,523
Transportation equipment	23,529	4,506	(2,456)	1	703	26,283
Office equipment	14,535	999	(1,207)	226	(84)	14,469
Other Equipment	88,438	10,506	(12,881)	926	(1,440)	85,549
Unfinished construction and equipment pending acceptance	1,716	73,342	-	(3,368)	(11,121)	60,569
Total	$ 1,615,586	$ 475,964	($ 150,055)	$ -	($ 211)	$ 1,941,284
Accumulated depreciation						
House and building	($ 155,044)	($ 21,339)	$ 3,783	$ -	$ 991	($ 171,609)
Machinery equipment	(159,439)	(34,122)	27,680	-	1,034	(164,847)
Mold equipment	(251,999)	(63,050)	78,468	-	1,297	(235,284)
Transportation equipment	(12,525)	(4,078)	2,191	-	40	(14,372)
Office equipment	(11,670)	(1,252)	1,207	-	66	(11,649)
Other Equipment	(42,235)	(13,252)	7,914	-	792	(46,781)
Total	($ 632,912)	($ 137,093)	$ 121,243	$ -	$ 4,220	($ 644,542)
Grand Total	$ 982,674					$ 1,296,742

	For the Year Ended December 31, 2022					
	Beginning balance	Increase During the Period	Decrease During the Period	Transfer During the Period	Net Exchange Difference	Ending balance
Costs						
Land	$ 333,546	$ -	$ -	$ -	$ 1,277	$ 334,823
House and building	391,367	1,372	(894)	-	5,395	397,240
Machinery equipment	295,129	52,443	(33,655)	18,944	5,573	338,434
Mold equipment	464,258	82,344	(141,899)	576	11,592	416,871
Transportation equipment	21,594	3,112	(1,527)	180	170	23,529
Office equipment	14,948	82	(1,585)	-	1,090	14,535
Other Equipment	78,825	10,904	(4,293)	1,666	1,336	88,438
Unfinished construction and equipment pending acceptance	22,248	520	-	(21,366)	314	1,716
Total	$ 1,621,915	$ 150,777	($ 183,853)	$ -	$ 26,747	$ 1,615,586
Accumulated depreciation						
House and building	($ 136,692)	($ 18,046)	$ 894	$ -	($ 1,200)	($ 155,044)
Machinery equipment	(143,641)	(34,042)	21,577	-	(3,333)	(159,439)
Mold equipment	(308,168)	(71,116)	137,826	-	(10,541)	(251,999)
Transportation equipment	(10,195)	(3,736)	1,527	-	(121)	(12,525)
Office equipment	(11,091)	(1,413)	1,585	-	(751)	(11,670)
Other Equipment	(32,885)	(12,472)	3,675	-	(553)	(42,235)
Total	($ 642,672)	($ 140,825)	$ 167,084	$ -	($ 16,499)	($ 632,912)
Grand Total	$ 979,243					$ 982,674

1. There is no capitalization of borrowing costs for property, plant and equipment.
2. Please refer to Note 8 for information on providing guarantees with property, plant and equipment.

(7) Lease transactions - lessees

1. The target assets leased by the Group include land use rights, buildings and buildings, except for land use rights whose lease period is between 30 and 50 years, the term of other lease contracts is 5 years. The lease contract is negotiated individually and contains various terms and conditions, except that the leased assets of land use rights cannot be used as loan guarantees, and no other restrictions are imposed.
2. The short-term leases and low-value targets leased by our group are factory buildings and equipment.
3. The book value of the right-of-use asset and the recognized depreciation expenses are as follows:

	December 31, 2023	December 31, 2022
	Carrying Amount	Carrying Amount
Carrying Amount Long-term prepaid rent (land use rights)	$ 22,182	$ 23,376
House and building	132,372	123,695
	$ 154,554	$ 147,071

	For the Year Ended December 31, 2023	For the Year Ended December 31, 2022
	Depreciation Expense	Depreciation Expense
Carrying Amount Long-term prepaid rent (land use rights)	$ 777	$ 781
House and building	39,558	38,499
	$ 40,335	$ 39,280

4. The Group's increase in the right-of-use assets in 2023 was NT$49,609. In 2022 had no addition of right-of-use assets.
5. The profit and loss items related to the lease contract are as follows:

	For the Year Ended December 31, 2023	For the Year Ended December 31, 2022
Items that affect the profit and loss of the current period		
Interest expense of lease liabilities	$ 4,055	$ 5,015
Expense of short-term lease contracts	$ 10,132	$ 8,889

6. The Group's total lease cash outflows in 2023 and 2022 were NT$53,039 and NT$50,028 respectively.
7. Please refer to Note 8 for information on guarantees provided by right-of-use assets.

(8) Short-term loan

Nature of loan	December 31, 2023	The range of interest rate	Collateral
Bank loan			
Secured loan	$ 666,519	1.84%~6.94%	Land, buildings and right-of-use assets
Credit loan	205,000	1.81%~1.97%	-
	$ 871,519		

Nature of loan	December 31, 2022	The range of interest rate	Collateral
Bank loan			
Secured loan	$ 635,475	1.66%~3.90%	Land, buildings and right-of-use assets
Credit loan	291,000	1.65%~2.08%	-
	$ 926,475		

(9) Short-term notes payable

	December 31, 2023	December 31, 2022
Commercial note payable	$ 60,000	$ 50,000
Less: Discount of commercial paper payable	(77)	(148)
	$ 59,923	$ 49,852
The range of interest rate	1.88%	2.07%

The above-mentioned commercial notes payable are guaranteed by China Bills Finance.

(10) Other accounts payable

	December 31, 2023	December 31, 2022
Payables for salaries and bonuses	$ 37,476	$ 45,354
Mainland China social insurance premium payable	32,355	29,977
Payable for equipment	19,254	4,322
Employees remuneration payable	1,886	5,460
Directors’ remuneration payable	1,835	5,460
Others	60,792	71,879
	$ 153,598	$ 162,452

(11) Other current liabilities

	December 31, 2023	December 31, 2022
Refund liabilities	$ 13,301	$ 20,057
Other current liabilities	1,619	1,933
	$ 14,920	$ 21,990

(12) Long-term loan

Nature of loan	Loan period and repayment method	The range of interest rate	Collateral	December 31, 2023
Loans subject to repayment in installment				
Credit loan	From November 14, 2023 to September 14, 2030, and repaid on a monthly basis from the second year	2.01%	-	$ 160,000
Secured loan	From May 2, 2023 to May 3, 2028, and repaid on a monthly basis from the second year	1.98%~2.27%	Land and buildings	150,000
Secured loan	From May 31, 2013 to May 31, 2028, and repaid on a monthly basis	1.98%	Land and buildings	62,651
				372,651
Less: Long-term loans due within one year or one business cycle				(47,874)
				$ 324,777

Nature of loan	Loan period and repayment method	The range of interest rate	Collateral	December 31, 2023
Loans subject to repayment in installment				
Secured loan	From May 31, 2013 to May 31, 2028, and repaid on a monthly basis	1.73%~1.76%	Land and buildings	$ 78,929
Credit loan	From January 4, 2019 to December 25, 2023, and repaid every three months	2.71%	-	11,512
Credit loan	From May 27, 2020 to May 27, 2025, and repaid on a monthly basis	1.76%	-	34,500
				124,941
Less: Long-term loans due within one year or one business cycle				(31,393)
				$ 93,548

(13) Pension

1. (1) According to the provisions of the "Labor Standards Act", the company has established a retirement method with defined benefits, which applies to the service years of all regular employees before the implementation of the "Labor Pension Act " on July 1, 2005, and after its implementation, the follow-up service years of employees who choose to continue to apply the Labor Standards Act. For employees who meet the retirement requirements, the pension payment is calculated based on the service years and the average salary for the 6 months before retirement. Those with a period of service years within 15 years (included) will be given two bases for each full year, and one base is given for each full year for a period of service years over 15 years, but the cumulative maximum shall not exceed 45 bases. The Company allocates 2% of the total salary to the retirement fund on a monthly basis and deposits it in a special account in the name of the Labor Retirement Reserve Fund Supervisory Committee in the Bank of Taiwan. In addition, before the end of each year, the company estimates the balance of the special account for labor retirement reserves in the preceding paragraph, If the balance is insufficient to pay the estimated amount of pension

calculated above for employees who are eligible for retirement in the next year, the company will allocate the difference before the end of March of the next year.

(2) The amount recognized in the balance sheet is as follows:

	December 31, 2023	December 31, 2022
Present value of funded defined benefit obligation	$ 25,389	$ 28,809
Planned assets at fair value	(22,750)	(23,810)
Net defined benefit liabilities	$ 2,639	$ 4,999

(3) Changes in net defined benefit liabilities are as follows:

	Present value of funded defined benefit obligation	Planned assets at fair value	Net defined benefit liabilities
2023			
Balance as of January 1	$ 28,809	($ 23,810)	$ 4,999
Current service cost	-	-	-
Interest expense (income)	403	(333)	70
	29,212	(24,143)	5,069
Remeasurement:			
Changes in demographic assumptions Impact number	-	-	-
Changes in financial assumptions Impact number	485	-	485
Experience adjustment	(1,145)	-	(1,145)
Return on planned assets	-	(71)	(71)
	(660)	(71)	(731)
Contribution to pension funds	-	(1,699)	(1,699)
Payment of pension	(3,163)	3,163	-
Balance as of December 31	$ 25,389	($ 22,750)	$ 2,639

	Present value of funded defined benefit obligation	Planned assets at fair value	Net defined benefit liabilities
2022			
Balance as of January 1	$ 35,226	($ 22,083)	$ 13,143
Current service cost	26	-	26
Interest expense (income)	246	(155)	91
	35,498	(22,238)	13,260
Remeasurement:			
Changes in demographic assumptions Impact number	-	-	-
Changes in financial assumptions Impact number	(2,166)	-	(2,166)
Experience adjustment	(2,527)	-	(2,527)
Return on planned assets	-	(1,620)	(1,620)
	(4,693)	(1,620)	(6,313)
Contribution to pension funds	-	(1,948)	(1,948)
Payment of pension	(1,996)	1,996	-
Balance as of December 31	$ 28,809	($ 23,810)	$ 4,999

(4) The assets of the company's defined benefit pension plan fund are entrusted by the Bank of Taiwan according to the ratio and amount of the fund's annual investment and use plan, and the items in accordance with Article 6 of the Regulations for Revenues, Expenditures, Safeguard and Utilization of the Labor Retirement Fund (i.e. depositing in financial institutions at home and abroad, investing in domestic and foreign listed, over-the-counter or privately placed equity securities, and investing in domestic and foreign real estate securitization products, etc.) to handle entrusted operations, and the relevant use is supervised by the Labor Pension Fund Supervisory Committee. For the use of this fund, the minimum income distributed by the annual final accounts shall not be lower than the income calculated according to the local bank's two-year fixed deposit interest rate. If there is any shortage, it shall be made up by the national treasury after approval by the competent authority. Since the Company has no right to participate in the operation and management of the fund, it is unable to disclose the classification of the fair value of plan assets in accordance with paragraph 142 of International Accounting Standards No. 19. For the fair value of the fund's total assets on December 31, 2023 and 2022, please refer to the annual report on the use of labor pension funds announced by the government.

(5) Actuarial assumptions related to pensions are summarized as follows:

	For the Year Ended December 31, 2023	For the Year Ended December 31, 2022
Discount rate	1.20%	1.40%
Future salary increase	3.00%	3.00%

The assumptions for future mortality in 2023 and 2022 are estimated based on the sixth empirical life table of Taiwan's life insurance industry.

(6) The analysis of the present value of the definite benefit obligations affected by changes in the main actuarial assumptions adopted is as follows:

	Discount rate		Future salary increase	
	Decrease 0.25%	Increase 0.25%	Decrease 0.25%	Increase 0.25%
December 31, 2023				
Impact on the present value of defined benefit obligations	($ 603)	$ 626	$ 550	($ 534)
December 31, 2022				
Impact on the present value of defined benefit obligations	($ 721)	$ 748	$ 662	($ 643)

The above sensitivity analysis is based on the analysis of the impact of a single assumption change under the condition that other assumptions remain unchanged. In practice, changes in many assumptions may be linked. The sensitivity analysis is consistent with the methodology used to calculate the net pension liability on the balance sheet.

The methods and assumptions used in preparing the sensitivity analysis in the current period are the same as those in the previous period.

(7) In 2024, the Group expects to pay NT$1,676 to the pension plan.

(8) As of December 31, 2023, the weighted average duration of the pension plan was 10 years. The maturity analysis of pension payment is as follows:

Less than 1 year	$ 2,011
1-2 years	579
2-5 years	6,150
Over 5 years	8,043
	$ 16,783

2. (1) Since July 1, 2005, the Company and its domestic subsidiaries have formulated a retirement method with a definite contribution in accordance with the "Labor Pension Act", which is applicable to employees of their nationality. The Company and its domestic subsidiaries choose to apply the part of the labor pension system stipulated in the "Labor Pension Act" for employees, and contribute labor pensions to the individual accounts of the labor insurance bureau at the rate of 6% of salary every month. The payment of employee pensions is based on the employee The amount of personal pension special account and accumulated income is collected in the form of monthly pension or one-time pension.

(2) The sub-subsidiaries COOL MAX-WAY and NANJING CRYOMAX follow the pension insurance system stipulated by the government of the People's Republic of China to allocate pension insurance funds according to a certain ratio of the total salary of local employees every month, which is 14%～ 16%. The retirement pension of each employee is managed and arranged by the government, and the Group has no further obligations other than the monthly appropriation.

(3) The subsidiaries - CRYOMAX INTERNATIONAL LTD., CRYOMAX U.S.A INC. and CRYOMAX MEXICO S.A. de C.V. have no pension plan currently.

(4) In 2023 and 2022, the pension cost recognized by the Group according to the above pension method was NT$23,463 and NT$23,499 respectively.

(14) Share capital

1. As of December 31, 2023, the Company's rated capital was NT$1,000 thousand, divided into 100,000 thousand shares, and the paid-in capital was NT$686,244 thousand, with a par value of NT$10 per share.

2. The number of outstanding shares of our common stock at the beginning and end of the period has not changed a total of 68,624 shares.

(15) Capital surplus

Due to the provisions of the Company Act, the surplus from the issuance of stocks exceeding the par value and the capital reserve from the receipt of gifts may be used to make up for losses. When the company has no accumulated losses, new shares or cash. In addition, in accordance with the relevant provisions of the Securities and Exchange Act, when the above-mentioned capital reserve is allocated to capital, the total amount shall not exceed 10% of the paid-in capital each year. If the company still has insufficient surplus reserves to cover capital losses, it may not use capital reserves to make up for it.

(16) Retained Earnings

1. According to the Articles of Association of the Company, profit distribution or loss compensation may be distributed in the following order after the end of each half of the fiscal year:

   (1) Pay taxes according to laws.
   (2) Make up for accumulated losses.
   (3) After deducting items (1) and (2), if there is any balance, 10% is withdrawn as the legal reserve, but this does not apply in the event that the legal reserve has reached the amount of paid-in capital.
   (4) Allocate or reverse the special reserve according to laws and regulations or necessary for operation.
   (5) After deducting the balance of items (1) to (4), the accumulate undistributed surplus in previous years will be the distributable amount of shareholder dividends.

2. With the presence of more than two-thirds of the directors and the resolution of more than half of the directors present, the Company may distribute all or part of the dividends and bonuses in the form of cash distribution and report to the shareholders' meeting. The preceding paragraph does not apply It shall be subject to the resolution of the shareholders' meeting.

3. The legal reserve shall not be used except to make up for the Company's losses and to issue new shares or cash in proportion to the shareholders' original shares. However, if the issue of new shares or cash is issued, the reserve shall exceed 25% of the paid-in capital.

4. (1) When the Company distributes surplus, it is required by laws and regulations that the debit balance of other equity items on the balance sheet date of the current year shall be allocated as a special surplus reserve before distribution.

   (2) When using IFRS for the first time, the special surplus reserve designated in Letter No. 1090150022 of the FSC issued on March 31, 2021, When the Company subsequently uses, disposes or reclassifies related assets, the original special reserve will be reversed based on the allocated proportion. If the above-mentioned relevant assets are investment real estate, the part belonging to the land shall be reversed during disposal or reclassification, and the part other than the land shall be reversed period by period during the period of use.

5. On March 23, 2023, the Company passed the 2022 surplus distribution plan through the resolution of the board of directors and on March 25, 2022, the board of directors resolved to approve the 2021 surplus distribution plan as follows:

	For the Year Ended December 31, 2022		For the Year Ended December 31, 2021	
	Amount (NT)		Amount (NT)	
Legal reserve	$ 14,265		$ 10,352	
Special reserve	(39,021)		11,230	
Cash dividend	68,624	1.00	68,624	1.00

   (1) The legal reserve, special reserve and cash dividends of the 2021 surplus distribution plan were approved by the shareholders' meeting on May 27, 2022.

(2) The legal reserve, special reserve and reversal of the 2022 surplus distribution plan were approved by the shareholders' meeting on June 2, 2023.

6. On August 10, 2023 and 2022, the Company passed the resolution of the board of directors of not distributing earnings of the first half of 2023 and 2022.

7. On March 13, 2024, the Company passed a resolution of the board of directors to distribute a cash dividend of NT$0.5 and a Stock dividend of NT$0.5 per share for ordinary shares in 2023. The total dividend was NT$68,624 thousand. However, the cash dividend has not yet been reported to the shareholders' meeting, the stock dividend is waiting for the shareholders' meeting resolution.

(17) Operating revenue

	For the Year Ended December 31, 2023	For the Year Ended December 31, 2022
Customer contract revenue	$ 2,122,061	$ 2,535,296

1. Breakdown of customer contract revenue

The Group's revenue is derived from the supply of commodities that are transferred at a certain point in time.

	For the Year Ended December 31, 2023			
	Taiwan	USA	China	Total
Major geographic regions				
America	$ 845,137	$ 499,590	$ -	$ 1,344,727
Taiwan	270,643	-	124	270,767
Europe	46,468	-	-	46,468
Asia	8,738	-	357,680	366,418
Others	74,541	-	19,140	93,681
Total	$ 1,245,527	$ 499,590	$ 376,944	$ 2,122,061

	For the Year Ended December 31, 2023			
	Taiwan	USA	China	Total
Major geographic regions				
America	$ 1,024,250	$ 734,961	$ -	$ 1,759,211
Taiwan	264,067	-	-	264,067
Europe	62,660	-	-	62,660
Asia	36,151	-	299,033	335,184
Others	101,423	-	12,751	114,174
Total	$ 1,488,551	$ 734,961	$ 311,784	$ 2,535,296

2. Contract liabilities and refund liabilities

The Group recognizes contract liabilities related to customer contract revenue as follows:

	December 31, 2023		December 31, 2022		January 1, 2022	
Contract liabilities:						
Contract liabilities - advance receipts	$	4,733	$	13,727	$	14,928
Refund liabilities (Note)	$	13,301	$	20,057	$	36,777

Other current liabilities are recognized as refund liabilities, mainly due to estimated sales discounts.

Contract liabilities at the beginning of the period are recognized as revenue of the current period

	For the Year Ended December 31, 2023		For the Year Ended December 31, 2022	
Beginning balance of contractual liabilities recognized as income in the current period	$	12,205	$	13,653

(18) Interest revenue

	For the Year Ended December 31, 2023		For the Year Ended December 31, 2022	
Interest from bank deposits	$	9,735	$	1,673

(19) Other revenue

	For the Year Ended December 31, 2023		For the Year Ended December 31, 2022	
Subsidy income	$	8,702	$	6,990
Rent income		379		379
Dividend income		-		174
Other revenue		1,959		7,268
	$	11,040	$	14,811

(20) Other gains and losses

	For the Year Ended December 31, 2023		For the Year Ended December 31, 2022	
Disposal of interests in property, plant and equipment	$	704	$	226
Net foreign exchange profit		11,122		22,995
Gain on financial assets at FVTPL		4,203		11,649
Other losses	(	2,505)	(	529)
	$	13,524	$	34,341

(21) Financial costs

	For the Year Ended December 31, 2023		For the Year Ended December 31, 2022	
Interest rate expense				
Bank loan	$	26,011	$	15,118
Lease liabilities		4,055		5,015
Short-term coupon discount payable		988		1,079
	$	31,054	$	21,212

(22) Additional information on the nature of fees

	For the Year Ended December 31, 2023		
	Operating costs	Operating expenses	Total
Employee Benefit Expenses			
Salary Expenses	$ 160,799	$ 103,048	$ 263,847
NHI and Labor Insurance Premium	13,587	7,046	20,633
Pension Expenses	17,706	5,827	23,533
Directors' remuneration	-	3,355	3,355
Other employment expenses	14,448	7,197	21,645
Subtotal	$ 206,540	$ 126,473	$ 333,013
Property, plant and equipment depreciation expense	$ 107,142	$ 29,951	$ 137,093
Depreciation expense on right-of- use assets	$ 9,765	$ 30,570	$ 40,335
Amortization expense of intangible assets	$ -	$ 264	$ 264

	For the Year Ended December 31, 2023		
	Operating costs	Operating expenses	Total
Employee Benefit Expenses			
Salary Expenses	$ 197,859	$ 104,351	$ 302,210
NHI and Labor Insurance Premium	15,641	6,001	21,642
Pension Expenses	17,948	5,668	23,616
Directors' remuneration	-	7,015	7,015
Other employment expenses	16,541	6,519	23,060
Subtotal	$ 247,989	$ 129,554	$ 377,543
Property, plant and equipment depreciation expense	$ 106,489	$ 34,336	$ 140,825
Depreciation expense on right-of- use assets	$ 9,905	$ 29,375	$ 39,280
Amortization expense of intangible assets	$ -	$ 235	$ 235

1. According to the Articles of Association of the Company, if the Company makes a profit in the year, the employee's remuneration should not be less than 1% and not higher than 5%; the director's remuneration should not be higher than 5%. However, if the company still has accumulated losses, it shall reserve the amount to make up the losses in advance. The remuneration of employees referred to in the preceding paragraph shall be distributed in stock or cash, and those qualified to receive the distributed remuneration may include employees of affiliated enterprises who meet certain conditions such as rank and performance, and the qualification conditions shall be determined by the board of directors.
2. The Company's employees' remuneration and directors' remuneration in 2023 and 2022 are estimated as follows:

	For the Year Ended December 31, 2023	For the Year Ended December 31, 2022
Employees' compensation	$ 1,835	$ 5,460
Remuneration of Directors	1,835	5,460
Total	$ 3,670	$ 10,920

For the years 2023 and 2022, it is estimated at 3% based on the profit as of the current period.

The amount of employees' remuneration and directors' remuneration for 2022 approved by the board of directors is consistent with the amount recognized in the financial report of 2022. The above-mentioned employees' remuneration will be paid in cash.

Information about employees and directors' remuneration approved by the company's board of directors is available at the official site of MOPS.

(23) Income tax

1. Income tax expense

(1) Components of income tax expense:

	For the Year Ended December 31, 2023	For the Year Ended December 31, 2022
Current income tax:		
Income tax generated from current income	$ 4,295	$ 38,908
Surtax on undistributed earnings	4,540	-
Income tax under (over) estimation for previous years	(7,612)	1,253
Total current income tax	$ 1,223	$ 40,161
Deferred income tax:		
Origin and reversal of temporary differences	14,873	18,905
Total deferred income tax	14,873	18,905
Income tax expense	$ 16,096	$ 59,066

(2) Amount of income tax related to other comprehensive (profit) or loss:

	For the Year Ended December 31, 2023	For the Year Ended December 31, 2022
Recognized for the period：		
Conversion difference of foreign operating institutions	$ 44	($ 9,755)
Cash Flows under hedge accounting	-	-
Remeasurements of the Defined Benefit Obligation	(146)	(1,263)
	($ 102)	($ 11,018)

2. Relationship between income tax expense and accounting profit:

	For the Year Ended December 31, 2023	For the Year Ended December 31, 2022
Income tax calculated on net profit before tax according to statutory tax rate	$ 19,687	$ 60,885
Expenses to be excluded according to the tax law	198	690
Income exempted from tax according to the tax law	(648)	(2,052)
Not recognized deferred income tax (asset) liabilities Impact number	(69)	700
Changes in assessment of realizability of deferred tax assets	-	(2,410)
Income tax under (over) estimation for previous years	(7,612)	1,253
Surtax on undistributed earnings	4,540	-
Income tax expense	$ 16,096	$ 59,066

3. The amounts of deferred income tax assets or liabilities arising from temporary differences, tax losses and investment deduction are as follows:

	2023			
	Beginning balance	Amounts recognized in profit or loss	Recognized in other comprehensive net income	Ending balance
Temporary differences:				
Deferred tax assets:				
Provisions for sales returns and discount	$ 3,803	($ 1,533)	$ -	$ 2,270
Provisions for inventory Evaluation loss	5,766	355	-	6,121
Pension cost	999	(326)	(146)	527
Unrealized benefit from the sale of molds	1,004	530	-	1,534
Conversion difference of foreign operating institutions	12,573	-	44	12,617
Depreciation of fixed assets	2,841	(1,188)	-	1,653
Benefits payable	5,474	554	-	6,028
Government subsidies	6,124	(321)	-	5,803
Right-of-use assets	33,206	(3,443)	-	29,763
Loss carryforwards	5,629	(2,385)	-	3,244
Others	2,036	185	-	2,221
	$ 79,455	($ 7,572)	($ 102)	$ 71,781
Deferred tax liabilities:				
Foreign long-term investment benefits	($ 47,792)	($ 10,620)	$ -	($ 58,412)
Land Value Increment Tax Provision	(897)	-	-	(897)
Lease liabilities	(34,488)	3,512	-	(30,976)
Others	(37)	(193)	-	(230)
	($ 83,214)	($ 7,301)	$ -	($ 90,515)
		($ 14,873)	($ 102)	

	2022			
	Beginning balance	Amounts recognized in profit or loss	Recognized in other comprehensive net income	Ending balance
Temporary differences:				
Deferred tax assets:				
Provisions for sales returns and discount	$ 7,148	($ 3,345)	$ -	$ 3,803
Provisions for inventory Evaluation loss	6,492	(726)	-	5,766
Pension cost	2,628	(366)	(1,263)	999
Unrealized benefit from the sale of molds	1,263	(259)	-	1,004
Conversion difference of foreign operating institutions	22,328	-	(9,755)	12,573
Depreciation of fixed assets	2,590	251	-	2,841
Benefits payable	4,722	752	-	5,474
Government subsidies	6,244	(120)	-	6,124
Right-of-use assets	41,085	(7,879)	-	33,206
Loss carryforwards	5,643	(14)	-	5,629
Others	1,632	404	-	2,036
	$101,775	($ 11,302)	($ 11,018)	$ 79,455
Deferred tax liabilities:				
Foreign long-term investment benefits	($ 33,047)	($ 14,745)	$ -	($ 47,792)
Land Value Increment Tax Provision	(897)	-	-	(897)
Lease liabilities	(41,667)	7,179	-	(34,488)
Others	-	(37)	-	(37)
	($ 75,611)	($ 7,603)	$ -	($ 83,214)
		($ 18,905)	($ 11,018)	

4. The effective period of the group subsidiary of the unused tax losses and the relevant amount of unrecognized deferred income tax assets are as follows:

December 31, 2023				
Year of occurrence	Declared number/ approved number	Undeducted amount	Unrecognized deferred tax assets	Year of the final deduction
The year of 2022	Approved number	$ 16,780	$ -	The year of 2032
The year of 2021	Approved number	4,846	-	The year of 2026

December 31, 2022				
Year of occurrence	Declared number/ approved number	Undeducted amount	Unrecognized deferred tax assets	Year of the final deduction
The year of 2021	Approved number	$ 37,526	$ -	The year of 2026

The undeducted amount mentioned above is generated by Nanjing Jimao, and the use tax rate is 15%.

5. The Company's profit-seeking income tax has been approved by the tax collection agency until 2021.

(24) Earnings per share

	For the Year Ended December 31, 2023		
	After-tax amount	Weighted average number of outstanding shares (1,000 shares)	Earnings per share (NT$)
Basic earnings per share			
Net profit for the period attributable to ordinary shareholders of the parent company	$ 42,061	68,624	$ 0.61
Diluted earnings per share			
Net profit for the period attributable to ordinary shareholders of the parent company	$ 42,061	68,624	
Effect of dilutive potential common stocks			
-Employees Remuneration	-	132	
Net profit for the period attributable to ordinary shareholders of the parent company plus the impact of potential common stocks	$ 42,061	68,756	$ 0.61

	For the Year Ended December 31, 2022		
	After-tax amount	Weighted average number of outstanding shares (1,000 shares)	Earnings per share (NT$)
Basic earnings per share			
Net profit for the period attributable to ordinary shareholders of the parent company	$ 136,905	68,624	$ 2.00
Diluted earnings per share			
Net profit for the period attributable to ordinary shareholders of the parent company	$ 136,905	68,624	
Effect of dilutive potential common stocks			
-Employees Remuneration	-	280	
Net profit for the period attributable to ordinary shareholders of the parent company plus the impact of potential common stocks	$ 136,905	68,904	$ 1.99

When calculating diluted earnings per share, it is assumed that employee remuneration will be fully issued in the current period, and the weighted average number of outstanding shares will be included when the potential ordinary shares have a dilutive effect.

(25) Supplementary cash flow information

Investment activities with only partial cash payments:

	For the Year Ended December 31, 2023	For the Year Ended December 31, 2022
Acquisition of property, plant and equipment	$ 475,964	$ 150,777
Add: Equipment payment payable at the beginning of the period	4,322	10,250
Less: Equipment payment payable at the end of the period	(19,254)	(4,322)
Less: Prepayment for equipment at the beginning of the period	(15,389)	(10,477)
Add: advance payment for equipment at the end of the period	11,861	15,389
Payable cash for this period	$ 457,504	$ 161,617

(26) Changes in liabilities from financing activities

	Short-term loan	Long-term loans (including due within one year or within one business cycle)	Short-term notes payable	Dividends payable	Lease liabilities (including non-current)	Total liabilities from financing activities
January 1, 2023	$ 926,475	$ 124,941	$ 49,852	$ -	$ 128,362	$ 1,229,630
Changes in financing cash flow	(53,170)	247,947	10,000	(68,624)	(38,852)	97,301
Effect of exchange rate changes	(828)	(237)	-	-	(1,417)	(2,482)
Other non-cash changes	(958)	-	71	68,624	49,609	117,346
December 31, 2023	$ 871,519	$ 372,651	$ 59,923	$ -	$ 137,702	$ 1,441,795

	Short-term loan	Long-term loans (including due within one year or within one business cycle)	Short-term notes payable	Dividends payable	Lease liabilities (including non-current)	Total liabilities from financing activities
January 1, 2022	$ 800,258	$ 152,246	$ 135,945	$ -	$ 156,045	$ 1,244,494
Changes in financing cash flow	124,012	(29,004)	(86,000)	(68,624)	(36,124)	(95,740)
Effect of exchange rate changes	4,410	1,699	-	-	8,441	14,550
Other non-cash changes	(2,205)	-	(93)	68,624	-	66,326
December 31, 2022	$ 926,475	$ 124,941	$ 49,852	$ -	$ 128,362	$ 1,229,630

7. Transactions with related parties

(1) Name of the Related Parties and Relations

Related Parties	Relations
DENSO PRODUCTS AND SERVICES AMERICAS, INC.(DPAM)	Other related party
DENSO INTERNATIONAL ASIA PTE. LTD.(DIAS)	Other related party
DENSO MANUFACTURING ARGENTINA S.A.(DNAR)	Other related party
DENSO DO BRASIL LTDA(DNBR)	Other related party
Denso (Tianjin) Thermal Products Co., Ltd. (DMTT)	Other related party
Denso (CHINA) Investment Co., Ltd. (DICH)	Other related party (Note)
DENSO TAIWAN	Other related party
DENSO Corporation (DENSO)	Individuals with significant influence on the company
DENSO MANUFACTURING MICHIGAN, INC(DMMI)	Other related party
Denso Auto Parts Sales (Tianjin) Co., Ltd. (DSCH)	Other related party (Note)

Note: Due to considerations for business integration and optimization, the Denso Group transferred all business operations and employees of Denso Auto Parts Sales (Tianjin) Co., Ltd. to Electrical Equipment (China) Investment Co., Ltd. in November 2022. From the date of transfer onwards, subsequent orders will be fulfilled by Electric (China) Investment Co., Ltd., while Electric Parts Automotive Parts Trading (Tianjin) Co., Ltd. will cease external transactions.

(2) Significant transactions with related parties

1. Operating revenue

	For the Year Ended December 31, 2023	For the Year Ended December 31, 2022
Sale of goods:		
DPAM	$ 194,549	$ 269,052
Other related party	256,663	176,073
	$ 451,212	$ 445,125

The aforementioned transaction price for selling goods is based on the agreement between both parties, the payment condition is that the payment shall be received within 60 days after the monthly settlement, and the general customer shall receive the payment within 30-90 days after the monthly settlement.

2. Purchase

	For the Year Ended December 31, 2023	For the Year Ended December 31, 2022
Purchase of goods:		
Other related party	$ 1,072	$ 1,372

There is no similar transaction related to the purchase price of the above-mentioned purchase transaction. The payment terms are T/T within 30~90 days of monthly settlement, and the general supplier pays within 30~120 days of monthly settlement.

3. Operating expenses

	For the Year Ended December 31, 2023	For the Year Ended December 31, 2022
Individuals with significant influence on the company	$ 1,209	$ 9,073

The operating expenses above are related to royalties and are paid every six months.

4. Account Receivable

	December 31, 2023	December 31, 2022
Accounts Receivable:		
DPAM	$ 26,265	$ 44,665
Other related party	23,659	36,346
	$ 49,924	$ 81,011

5. Accounts payable

	December 31, 2023	December 31, 2022
(1) Accounts payable:		
Other related party	$ 451	$ 3,646

	December 31, 2023	December 31, 2022
(2) Other payables:		
Individuals with significant influence on the company	$ 6,059	$ 9,078

Payables mentioned above are royalties paid every six months.

(3) Salary of major management level

	For the Year Ended December 31, 2023	For the Year Ended December 31, 2022
Salary and other short-term employee benefits	$ 18,268	$ 22,324
Pension benefits	409	324
Grand Total	$ 18,677	$ 22,648

8. Pledged assets

The Company's asset guarantees or restricted assets are as follows:

	Carrying Value		
Assets	December 31, 2023	December 31, 2022	Purpose
Property, plant and equipment	$ 453,683	$ 543,211	Long-term and short-term loan
Right-of-use assets	22,182	23,376	Short-term loan
	$ 475,865	$ 566,587	

9. Significant contingent liability and unrecognized contractual commitments

(1) Contingencies

N/A.

(2) Commitments

Capital expenditures already contracted but not yet incurred

	December 31, 2023	December 31, 2022
Property, plant and equipment	$ 47,460	$ -

10. Major disaster loss

N/A.

11. Significant subsequent matters

(1) On January 27, 2024, the Company, following a decision by the Board of Directors, initiated a treasury stock transaction between January 29, 2024, and March 28, 2024, repurchasing 500 thousand shares of treasury stock to uphold credit and shareholder equity.

(2) On March 13, 2024, the Company passed a resolution of the board of directors for the surplus distribution plan for the fiscal year 2023, please refer to Note 6 (16) 7's detail.

12. Others

(1) Capital risk management

The Group's capital management objectives are to ensure the Group can continue to operate, maintain an optimal capital structure to reduce capital costs, and provide shareholders with remuneration. In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders or issue new shares to reduce debt. The Group monitors its capital using the debt-to-assets ratio, which is calculated by dividing total liabilities by total assets.

(2) Financial instruments

1. Types of financial instruments

	December 31, 2023		December 31, 2022	
Financial assets				
Financial assets at FVTPL				
Financial assets mandatorily at FVTPL	$	10,151	$	13,925
Financial assets/Loans and receivables measured at amortized cost				
Cash and cash equivalents	$	553,889	$	544,846
Notes Receivable		52,127		49,998
Account Receivable		306,996		281,919
Accounts receivable - related party		49,924		81,011
Other receivables		9,893		4,302
Refundable deposits		6,491		6,088
	$	979,320	$	968,164
Financial liabilities				
Financial liabilities at fair value through profit or loss				
Short-term loan	$	871,519	$	926,475
Short-term notes payable		59,923		49,852
Notes payable		120		3,273
Accounts payable		241,564		226,765
Accounts payable-related party		451		3,646
Other accounts payable		153,598		162,452
Other Accounts payable-related party		6,059		9,078
Long-term loans (including due within one year or within one business cycle)		372,651		124,941
	$	1,705,885	$	1,506,482
Lease liabilities (including non-current)	$	137,702	$	128,362

2. Risk management policy

(1) The daily operation of the Group is affected by various financial risks, including market risk (including exchange rate risk, interest rate risk, and price risk), credit risk and liquidity risk.

(2) The risk management work is carried out by the finance department of the Group in accordance with the policies approved by the board of directors. The Group's Finance Department is responsible for identifying, assessing and avoiding financial risks through close cooperation with various operating units within the Group. The board of directors has written principles for overall risk management, and also provides written policies for specific areas and matters, such as exchange rate risk, interest rate risk, credit risk, use of derivative and non-derivative financial instruments, and investment of surplus liquidity.

3. The nature and extent of material financial risks

(1) Market risk

Exchange rate risk

A. The Group operates on an international scale, so it is subject to exchange rate risks arising from transactions that are relatively different from the functional currencies of the Company and its subsidiaries, mainly US dollars, Euros and Renminbi (Chinese Yuan). The related exchange rate risk arises from future commercial transactions and recognized assets and liabilities.

B. The Group's management has established policies requiring each unit within the Group to manage exchange rate risk relative to its functional currency. Exchange rate risk is measured through anticipated transactions of highly probable expenditures in US dollars, Euros and Renminbi. Each unit should hedge its overall exchange rate risk through the Finance Department of the Group.

C. The Group's business involves certain non-functional currencies (the functional currency of the company is New Taiwan dollars, and the functional currencies of some subsidiaries are US dollars, Renminbi and Mexico Pesos). Therefore, subject to the impact of exchange rate fluctuations, the foreign currency assets and liabilities with significant exchange rate fluctuations are as follows:

	December 31, 2023		
	Foreign Currency (1,000)	Exchange	Carrying Amount (NTD)
(Foreign currency: Functional currency)			
Financial assets			
Monetary items			
USD/NTD	$ 7,659	30.71	$ 235,208
EUR/NTD	495	33.98	16,820
RMB/NTD	946	4.327	4,093
USD/RMB	2,213	7.10	67,961
USD/MXN	3,246	16.89	99,685
Financial liabilities			
Monetary items			
USD/NTD	$ 2,168	30.71	$ 66,579

	December 31, 2022		
	Foreign Currency (1,000)	Exchange	Carrying Amount (NTD)
(Foreign currency: Functional currency)			
Financial assets			
Monetary items			
USD/NTD	$ 11,726	30.71	$ 360,105
EUR/NTD	492	32.72	16,098
RMB/NTD	15,225	4.41	67,142
USD/RMB	4,627	6.97	142,223
Financial liabilities			
Monetary items			
USD/NTD	$ 3,141	30.71	$ 96,460
USD/RMB	144	6.97	4,426

D. The Group's monetary items have a significant impact on exchange rate fluctuations. The aggregated amounts of all exchange gains recognized in 2023 and 2022 (including realized and unrealized) are net gains of NT$11,121 and NT$22,995.

E. The Group's foreign currency market risk analysis due to major exchange rate fluctuations is as follows:

	For the Year Ended December 31, 2023		
	Sensitivity Analysis		
	Extent of Change	Profit and Loss Affected	Other Comprehensive Profit and Loss Affected
(Foreign currency: Functional currency)			
Financial assets			
Monetary items			
USD/NTD	1%	$ 2,352	$ -
EUR/NTD	1%	168	-
RMB/NTD	1%	41	-
USD/RMB	1%	680	-
USD/MXN	1%	997	-
Financial liabilities			
Monetary items			
USD/NTD	1%	($ 666)	$ -

	For the Year Ended December 31, 2022		
	Sensitivity Analysis		
	Extent of Change	Profit and Loss Affected	Other Comprehensive Profit and Loss Affected
(Foreign currency: Functional currency)			
Financial assets			
Monetary items			
USD/NTD	1%	$ 3,601	$ -
EUR/NTD	1%	161	-
RMB/NTD	1%	671	-
USD/RMB	1%	1,422	-
Financial liabilities			
Monetary items			
USD/NTD	1%	($ 965)	$ -
USD/RMB	1%	(44)	-

Cash flow and fair value interest rate risk

A. The Group's interest rate risk mainly comes from long-term and short-term loans issued at floating rates, which expose the Group to cash flow interest rate risk. It is the Group's policy to maintain at least a certain percentage of its borrowings at fixed rates, which will be achieved through interest rate changes when necessary. In 2023 and 2022, the Group's loans issued at floating rates were mainly denominated in NT dollars and US dollars.

B. The Group's borrowings are measured at cost after amortization, and the annual interest rate will be re-priced according to the contract, so the Group is exposed to the risk of future market interest rate changes.

C. When the loan interest rate rises or falls by 0.25%, and all other factors remain unchanged, the after-tax net profit in 2023 and 2022 will decrease or increase by NT$2,488 and NT$2,103 respectively, mainly due to changes in interest expenses due to floating rate of loans.

(2) Credit risk

A. The Group's credit risk is the risk of financial loss to the Group due to the inability of customers or counterparties of financial instruments to perform their contractual obligations, which is mainly due to the inability of the counterparty to pay off the accounts receivable paid according to the payment terms.

B. The Group establishes credit risk management from a group perspective. For the banks and financial institutions with which they communicate, the credit of bank deposit banks is checked according to the ratings of external credit agencies. According to the internally specified credit policy, each operating entity within the group and each new customer must conduct management and credit risk analysis before setting payment and proposing the terms and conditions of delivery. Internal risk control is to assess the credit quality of customers by considering their financial status, past experience and other factors. Limits for individual risks are established by the board of directors based on internal or external assessments, and the use of credit limits is regularly monitored.

C. The Group adopts IFRS 9 to provide the presumption that when the contract payment is overdue for more than 90 days according to the agreed payment terms, it is deemed to have breached the contract.

D. The Group adopts the assumptions provided by IFRS 9 as the basis for determining whether the credit risk of financial instruments has increased significantly since the original recognition:

"When the contract payment is overdue for more than 30 days according to the agreed payment terms, it is considered that the credit risk of the financial asset has increased significantly since the original recognition."

E. The Group classifies accounts receivable of customers according to the characteristics of customer types, and uses a simplified method to estimate expected credit losses based on the provision matrix.

F. The indicators used by the Group to determine debt instrument investment as credit- impaired are as follows:

(A) The issuer is in significant financial difficulty, or has a significantly increased likelihood of going into bankruptcy or other financial reorganization;

(B) The active market for the financial asset has ceased to exist due to the issuer's financial difficulties;

(C) Delay or non-payment of interest or principal by the issuer;

(D) Any adverse changes in national or regional economic conditions that cause the issuer to default.

G. After the recourse procedure, the Group will write off the amount of financial assets that cannot be reasonably expected to be recovered, but the Group will continue to carry out legal procedures for recourse to preserve the right of creditor's rights.

H. The Group adjusted the loss rate established based on the historical and current information of a specific period by taking into account the forward-looking consideration of the future to estimate the provision loss of accounts receivable, as the end of December 31 2022, the prepare the matrix as follows:

	Not overdue	Within 30 days	31-90 days	91-180 days	Over 181 days	Total
December 31, 2023						
Expected loss rate	0.00%	0.12%	0.47%	10.89%	86.58%	
Total book value	$ 252,669	$ 36,447	$ 12,892	$ 5,599	$ 775	$ 308,382
Allowance for losses	$ -	$ 45	$ 60	$ 610	$ 671	$ 1,386

	Not overdue	Within 30 days	31-90 days	91-180 days	Over 181 days	Total
December 31, 2022						
Expected loss rate	0.15%	0.62%	1.29%	4.25%	100%	
Total book value	$ 214,672	$ 43,890	$ 21,524	$ 2,825	$ 400	$ 283,311
Allowance for losses	$ 322	$ 273	$ 277	$ 120	$ 400	$ 1,392

I. The Group adopts the simplified method to change the account receivable allowance loss change statement as follows:

	2023		2022	
	Account Receivable		Account Receivable	
January 1	$	1,392	$	1,360
Effects of exchange rate changes	(	6)		32
December 31	$	1,386	$	1,392

(3) Liquidity risk

A. The cash flow forecast is carried out by each operating unit within the Group and summarized by the Group Finance Department. The cash flow forecast is carried out by each operating unit within the Group and summarized by the Finance Department which monitors the forecast of the Group's liquidity needs to ensure that it has sufficient funds to meet operating needs and maintain sufficient unused borrowing commitments at any time.

B.If there are surplus funds, the financial units of the Group will invest in interest-bearing demand deposits, time deposits, money market deposits and securities at their discretion, and the instruments they choose have appropriate maturity dates or sufficient liquidity to meet the above-mentioned forecast and provide sufficient dispatch level.

C.The details of the Group's unused loan amount are as follows:

	December 31, 2023		December 31, 2022	
Floating interest rate				
Due within one year	$	428,793	$	197,000
Due over one year later		-		-
	$	428,793	$	197,000

D. The following table demonstrates the Group's non-derivative financial liabilities, which are classified according to the relevant maturity dates. Non-derivative financial liabilities are analyzed based on the remaining period from the balance sheet date to the contractual maturity date. The contractual cash flow amounts disclosed in the table below are undiscounted amounts.

Non-derivative financial liabilities

December 31, 2023	Within 1 year		1-2 years		Over 2 years		Total	
Short-term loan	$	879,271	$	-	$	-	$	879,271
Short-term notes payable		60,000		-		-		60,000
Notes payable		120		-		-		120
Accounts payable		241,564		-		-		241,564
Accounts payable-related party		451		-		-		451
Other accounts payable		153,598		-		-		153,598
Other Accounts payable-related party		6,059		-		-		6,059
Lease liabilities (including non-current)		45,494		46,520		56,973		148,987
Long-term loans (including due within one year or within one business cycle)		51,464		102,596		257,077		411,137

Non-derivative financial liabilities

December 31, 2022	Within 1 year	1-2 years	Over 2 years	Total
Short-term loan	$ 942,469	$ -	$ -	$ 942,469
Short-term notes payable	50,000	-	-	50,000
Notes payable	3,273	-	-	3,273
Accounts payable	226,765	-	-	226,765
Accounts payable-related party	3,646	-	-	3,646
Other accounts payable	162,452	-	-	162,452
Other Accounts payable-related party	9,078	-	-	9,078
Lease liabilities (including non-current)	41,778	35,489	59,361	136,628
Long-term loans (including due within one year or within one business cycle)	33,158	26,074	74,048	133,280

(3) Fair value information

1. The definitions of each level of evaluation techniques used to measure the fair value of financial and non-financial instruments are as follows:

   Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities available to the enterprise on the measurement date. An active market is one in which transactions in assets or liabilities occur with sufficient frequency and volume to provide pricing information on an ongoing basis. The fair value of the over-the-counter stock investment invested by the Group belongs to this category.

   Level 2: Observable inputs, directly or indirectly, for the asset or liability other than quoted prices included in level 1. The fair value of structured deposits invested by the Group is not.

   Level 3: Unobservable inputs to the assets or liabilities.

2. Financial instruments not measured at fair value

   Financial instruments not measured at fair value by the Group include cash and cash equivalents, notes receivable, accounts receivable, accounts receivable - related parties, other receivables, deposits, short-term loans, Short-term notes payable , notes payable, accounts payable, accounts payable - related parties, other payables, other payables - related parties, long-term loans (including due within one year or within one business cycle), and the carrying amount of the lease liability is a reasonable approximation of the fair value.

3. Financial and non-financial instruments measured by fair value are classified by the Group based on the nature, characteristics and risks of assets and liabilities and the basis of fair value levels. The relevant information is as follows:

(1) The Group is classified according to the nature of assets and liabilities, and the relevant information is as follows:

December 31, 2023	Level 1	Level 2	Level 3	Total
Assets				
Recurring fair value				
Financial assets at FVTPL				
Equity securities	$ -	$ -	$ 10,151	$ 10,151

December 31, 2022	Level 1	Level 2	Level 3	Total
Assets				
Recurring fair value				
Financial assets at FVTPL				
Equity securities	$ 13,925	$ -	$ -	$ 13,925

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

A. If the Group adopts market quotations as the input value of the fair value (i.e. Level 1) for the year end of December 31, 2022, then it is classified according to the characteristics of the instrument as follows:

	Stocks of listed (OTC) companies
Market quotation	Closing price

B. The Group evaluated financial assets measured at fair value through profit or loss as of December 31, 2023, using the market approach (price-to-net-asset-value ratio) valuation technique. This involved utilizing the price-to-net-asset-value ratios of comparable entities in the market as observable input values to estimate the fair value of these financial assets.

C. The estimated values derived from the valuation model are approximate outputs of the estimation system, while the valuation technique may not fully reflect all relevant factors concerning the Group's holdings of financial and non-financial instruments. Therefore, the estimated values from the valuation model are appropriately adjusted based on additional parameters, such as model risk or liquidity risk. According to the Group's fair value assessment model management policy and related control procedures, the management believes that evaluation adjustments are appropriately and necessarily made to accurately represent the fair value of financial and non-financial instruments in the balance sheet. The price invested by information and parameters used in the evaluation Remeasurements carefully assessed and adjusted appropriately based on current market conditions.

4. In 2023 and 2022, there was no transfer between levels 1 and 2.

5. The table below illustrates the changes: Level 3 for the year ended December 31, 2023:

	2023
January 1	$ -
Recognized in gain or loss (accounted for in other benefits and losses)	1,151
Purchased in the current period	9,000
December 31	$ 10,151

Year 2022: N/A.

6. In 2023 and 2022, there was no inward and outward transfer from Level 3.

7. The Group applied the valuation techniques and inputs for level 3 fair value measurement for its independent fair value authentication of financial instruments which was carried out by the financial department. Through information from independent resources, the Company keeps the results close to the market state and confirms that the data source is independent, reliable, consistent with other resources, and represents executable prices, and regularly calibrates the evaluation model, conducts back-testing, updates the input values and data required for the evaluation model, and make any necessary fair value adjustments reviews such results periodically to ensure that they are reasonable.

8. Quantitative information on significant unobservable inputs used in the valuation models for Level 3 fair value measurements and sensitivity analysis of significant changes in unobservable inputs are as follows:

	December 31, 2023 Fair value	Evaluation on Techniques	Significant Unobservable Inputs:	Range (Weighted Average):	Relationship between input value and fair value
Non derivative equity instruments:					
Non Stocks of OTC companies	$ 10,151	Simulated listing and OTC company method	Price-to-net-asset-value ratio multiplier Lack of market liquidity discount	1.87% 30%	The higher the multiplier premium, the higher the fair value. The higher the market liquidity discount, the lower the fair value.

December 31, 2022: N/A.

9. The Group selected evaluation models and parameters applied to different evaluation models or parameters, which may yield different results. For financial assets and liabilities classified as Level 3, the impact on the current period's profit or loss due to changes in evaluation parameters is as follows:

			December 31, 2023	
			Amounts recognized in profit or loss	
	Input Values	Change	Favorable changes	Unfavorable changes
Financial assets				
Equity instrument	Price-to-net-asset-value ratio	±10%	$ 1,015	($ 1,015)
	Market liquidity discount	±5%	$ 725	($ 725)

December 31, 2022: N/A.

13. Disclosures

(1) Information about major transactions

1. Funds loaned to others: Please see Table 1.
2. Endorsement/guarantee for others: Please see Table 2.
3. The situation of securities held at the end of the period (excluding investment subsidiaries, affiliated enterprises and joint venture control parts): Please see Table 3.
4. The accumulative purchase or sale of the same securities reaches NT$300 million or more than 20% of the paid-in capital: Please see Table 4.
5. The amount of real estate acquired reaches NT$300 million or more than 20% of the paid-in capital: Please see Table 5.
6. The amount of real estate disposed of reaches NT$300 million or more than 20% of the paid-in capital: N/A.
7. Purchases and sales of goods with related parties reach NT$100 million or more than 20% of the paid-in capital: Please see Table 6.

8. Receivables from related parties amount to NT$100 million or more than 20% of the paid-in capital: N/A.
9. Trading in derivative instruments: N/A.
10. The business relationship between the parent company and its subsidiaries and between each subsidiary and the status and amount of important transactions: Please see Table 7.

(2) Information about reinvested business

Relevant information such as the name and location of the invested enterprises (excluding invested enterprises from mainland China): Please see Table 8.

(3) Information of investment at the mainland China

1. Basic information: Please see Table 9.
2. Significant transactions that occurred directly or indirectly through enterprises in third regions and invested enterprises reinvested in mainland China: Please see Table 7.

(4) Information on major shareholders

Information on major shareholders: Please see Table 10.

14. Segment information

(1) General information

The management level of the Group has identified the reportable segments based on the reported information used by the chief operating decision makers when making decisions, and divided the business organizations into organizations of Taiwan, the United States and the mainland China according to the operating regions.

(2) Measurement of segment information

The Group's chief operating decision maker assesses the performance of operating segments based on adjusted profit or loss before tax, a measure that excludes the impact of non- recurring expenses in operating segments. Such measurement also excludes the impact of settlement of share-based payment in the form of equity and unrealized gains and losses of financial products.

(3) Segment information

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

	For the Year Ended December 31, 2023				
	Taiwan	USA	China	Mexico	Total
External income	$ 1,245,526	$ 499,590	$ 376,945	$ -	$ 2,122,061
Internal income	248,235	-	907,871	-	1,156,106
Segment income	$ 1,493,761	$ 499,590	$ 1,284,816	$ -	$ 3,278,167
Segment Profit and Loss Before Tax	$ 4,837	($ 3,483)	$ 59,810	($ 9,314)	$ 51,850
Segment P&L includes:					
Interest rate expense	$ 24,204	$ 1,427	$ 5,423	$ -	$ 31,054
Depreciation and amortization	27,868	23,603	121,856	4,365	177,692
Income tax expense	15,430	(6,444)	7,109	1	16,096

	For the Year Ended December 31, 2022				
	Taiwan	USA	China	Mexico	Total
External income	$ 1,488,551	$ 734,961	$ 311,784	$ -	$ 2,535,296
Internal income	311,506	-	1,251,965	-	1,563,471
Segment income	$ 1,800,057	$ 734,961	$ 1,563,749	$ -	$ 4,098,767
Segment Profit and Loss Before Tax	$ 87,303	$ 71,108	$ 26,300	$ -	$ 184,711
Segment P&L includes:					
Interest rate expense	$ 14,403	$ 1,638	$ 5,171	$ -	$ 21,212
Depreciation and amortization	28,625	22,436	129,279	-	180,340
Income tax expense	33,478	20,859	4,729	-	59,066

(4) Adjustment information of profit and loss of segments

Sales between segments are carried out on the basis of the principle of arm's length transactions. External revenue reported to the chief operating decision maker is measured in the same manner as revenue in the income statement.

1. The adjusted total income of the current period and the total income of segments of ongoing concern are adjusted as follows:

	For the Year Ended December 31, 2023	For the Year Ended December 31, 2022
Reportable operating segment adjusted revenue	$ 3,278,167	$ 4,098,767
Eliminated inter-segment revenue	(1,156,106)	(1,563,471)
Total consolidated operating revenue	$ 2,122,061	$ 2,535,296

2. The adjusted pre-tax profit and loss of the current period and the pre-tax profit and loss of the segments of ongoing concern are adjusted as follows:

	For the Year Ended December 31, 2023	For the Year Ended December 31, 2022
Reportable operating segment adjusted profit or loss before tax	$ 51,850	$ 184,711
Adjusted profit or loss before tax in other operating segments	-	-
Total of operating segments	51,850	184,711
Eliminated intra-segment profit and loss	6,307	11,260
Consolidated profit and loss before tax	$ 58,157	$ 195,971

(5) Information on products and services

The Group mainly engages in the production and sales of automobile water tanks.

(6) Regional information

The Group's regional information in 2023 and 2022 is as follows:

	For the Year Ended December 31, 2023		For the Year Ended December 31, 2022	
	Revenue	Non-current assets	Revenue	Non-current assets
America	$ 1,344,727	$ 547,095	$ 1,759,210	$ 93,448
Taiwan	270,767	462,781	264,067	487,595
Asia	366,419	454,135	335,184	564,925
Europe	46,467	-	62,660	-
Others	93,681	-	114,174	-
Total	$ 2,122,061	$ 1,464,011	$ 2,535,296	$ 1,145,968

The Group's regional income is calculated based on the sales country. Non-current assets refer to real property, plant and equipment, right-of-use assets, intangible assets and other assets, excluding financial instruments, deferred income tax assets and deferred pension costs.

(7) Important customers information

The important customer information of the Group in 2023 and 2022 is as follows:

	For the Year Ended December 31, 2023		For the Year Ended December 31, 2022	
	Revenue	Segment	Revenue	Segment
Customer A	$ 365,173	Taiwan	$ 496,312	Taiwan
Customer B	345,292	USA	383,391	USA
Customer C	194,549	Taiwan, USA and China	269,052	Taiwan, USA and China

Cryomax Cooling System Corp. and Its Subsidiaries
Loans to Others
January 1 to December 31, 2023

TABLE 1

Unit: NT$1,000
(unless otherwise specified)

No. (Note 1)	Borrowed from	Lent to	Type	Related Party (Yes/No)	Highest Amount for the Period	Ending balance	Actual Borrowing Amount	The range of interest rate	Nature of Financing	Business Transaction Amounts	Reason for Short-term Financing	Allowance for Impairment Loss	Collateral Name	Collateral Value	Financing Limit for Each Borrower (Note 2)	Aggregate Financing Limit (Note 3)	Remarks
0	Cryomax Cooling System Corp.	NANJING CRYOMAX AUTO PARTS CO., LTD	Other receivable-related party	Y	$ 137,423	$ 64,905	$ 43,270	2%	Short-term Financing	$ -	Turnover	$ -	None	$ -	$ 274,401	$548,802	Note 4
0	Cryomax Cooling System Corp.	CRYOMAX MEXICO S.A. de C.V.	Other receivable-related party	Y	251,360	122,840	92,130	0%	Short-term Financing	-	Turnover	-	None	-	274,401	548,802	Note 4
1	COOL MAX-WAY AUTO PARTS CO., LTD.	NANJING CRYOMAX AUTO PARTS CO., LTD	Other receivable-related party	Y	41,124	30,752	30,752	0%~4.687%	Business Interaction	70,829	N/A	-	None	-	80,926	161,853	Note 4
2	CRYOMAX U.S.A. INC.	CRYOMAX MEXICO S.A. de C.V.	Other receivable-related party	Y	125,040	122,840	92,130	0%	Short-term Financing	-	Turnover	-	None	-	167,901	167,901	Note 4

Note 1: The description of the numbering column is as follows:

(1). 0 for the issuer.

(2). Invested companies are numbered sequentially starting from the Arabic numeral 1 by company.

Note 2: The description of the loan and limit of funds for individual objects is as follows:

(1). For companies that need short-term financing, the amount of each loan shall not exceed 20% of the net value of the latest financial statement.

(2). For those who have business contacts, the amount of each loan shall not exceed the higher of the estimated actual purchase and sales amount in the latest year or the next year, and shall not exceed 20% of the net value of the latest financial statement.

(3). CRYOMAX MEXICO S.A. de C.V. is a subsidiary jointly held by CRYOMAX U.S.A INC. and Cryomax Precision Co., Ltd., with a combined ownership stake of 100%. The loan amount is limited to no more than 40% of the Company's latest financial statement net worth.

Note 3: The total loan amount shall not exceed 40% of the net value of the lending company's latest financial statement.

Note 4: Already written off in the consolidated statement.

Cryomax Cooling System Corp. and Its Subsidiaries
Endorsement/Guarantee to Others
January 1 to December 31, 2023

TABLE 2

Unit: NT$1,000
(unless otherwise specified)

No. (Note 1)	Endorser/ Guarantor Company	Endorsed/ Guaranteed Company	Relation (Note 2)	Limits on Endorsement/ Guarantee Made for Each Party (Note 3)	Maximum Balance Endorsed/ Guaranteed During the Period	Outstanding Endorsement/ Guarantee at the End of the Period (Note 5)	Actual Borrowing Amount	Amount Endorsed/Guaranteed by Collateral	Ratio of Accumulated Endorsement/ Guarantee to Net Equity in Latest Financial Statements	Aggregate Endorsement/ Guarantee Limit (Note 4)	Endorsement/ Guarantee Made by Parent for Subsidiaries	Endorsement/ Guarantee Made by Subsidiaries for Parent	Endorsement/ Guarantee Made for Companies in Mainland China	Remarks
	Cryomax Cooling System Corp.	NANJING CRYOMAX AUTO PARTS CO., LTD	2	$ 686,003	$ 46,125	$ -	$ -	$ -	0.00	$ 686,003	Y	N	Y	

Note 1: The description of the numbering column is as follows:

(1). 0 for the issuer.

(2). Invested companies are numbered sequentially starting from the Arabic numeral 1 by company.

Note 2: The relationship between the endorser and the endorsed has the following 7 types:

(1). Companies with transaction relations.

(2). Companies in which the Company directly or indirectly holds more than 50% of the voting shares.

(3). Companies that directly and indirectly hold more than 50% of the Company's voting shares.

(4). Companies in which the Company directly or indirectly holds more than 90% of the voting shares.

(5). Based on the needs of contracting projects, companies of the same industry or co-constructors that are mutually guaranteed according to the contract.

(6). Companies endorsed and guaranteed by all the contributing shareholders in accordance with their shareholding ratio due to joint investment relationship.

(7). Inter-industry conducts performance guarantees and joint guarantees for pre-sale housing contracts in accordance with the Consumer Protection Act.

Note 3: The Company's endorsement and guarantee amount for a single enterprise, except that the Company directly and indirectly holds 100% of the voting shares shall not exceed 50% of the Company's latest financial statement net value, and the rest shall not exceed 20% of the company's latest financial statement net worth.

Note 4: The total amount of the Company's endorsement and guarantee liability is limited to 50% of the net worth of the Company's latest financial statement.

Note 5: The amount approved by the board of directors shall be filled in. However, when the board of directors authorizes the chairman to make a decision in accordance with Subparagraph 8 of Article 12 of the Regulations Governing Loaning of Funds and Making of Endorsements/Guarantees by Public Companies, it refers to the amount decided by the chairman.

Cryomax Cooling System Corp. and Its Subsidiaries
Securities held at the end of the period (excluding investment subsidiaries, affiliated enterprises and joint venture control parts)
December 31, 2023

TABLE 3

Unit: NT$1,000
(unless otherwise specified)

Holder	Type and Name of the Securities (Note)	Relation with the securities issuer	Item	Ending				Remarks
				Number of shares	Carrying Amount	Shareholding Ratio	Fair value	
Cryomax Cooling System Corp.	Stock/ KING SHING INDUSTRIAL CO., LTD.	None	Financial assets at fair value through profit or loss - current	300,000	$ 10,151	0.5%	$ 10,151	

Note: The securities mentioned in this table refer to stocks, bonds, beneficiary certificates and securities derived from the above items within the scope of IFRS 9 "Financial Instruments".

Cryomax Cooling System Corp. and Its Subsidiaries
The accumulative purchase or sale of the same securities reaches NT$300 million or more than 20% of the paid-in capital
January 1 to December 31, 2023

TABLE 4

Unit: NT$1,000
(unless otherwise specified)

Buyer/Seller	Type and Name of the Securities	Item	Counterparty	Relation	Beginning Number of shares	Beginning Amount	Acquisition Number of shares	Acquisition Amount	Disposal Number of Shares	Disposal Selling price	Disposal Carrying Cost	Disposal gain (lost)	Ending Number of Shares	Ending Amount (note)
Cryomax Cooling System Corp.	CRYOMAX MEXICO S.A. de C.V.	Investments accounted for using the equity method	Conducting cash capital increase	-	45,000	$ 45	175,516,650	$ 304,570	-	$ -	$ -	$ -	175,561,650	$ 310,434
CRYOMAX U.S.A.INC.	CRYOMAX MEXICO S.A. de C.V.	Investments accounted for using the equity method	Conducting cash capital increase	-	5,000	5	19,501,850	33,871	-	-	-	-	19,506,850	34,493

Note: Already written off in the consolidated statement.

Cryomax Cooling System Corp. and Its Subsidiaries
The amount of real estate acquired reaches NT$300 million or more than 20% of the paid-in capital
January 1 to December 31, 2023

TABLE 5

Unit: NT$1,000
(unless otherwise specified)

Company acquiring real estate	Asset Name	Date of occurrence	Transaction Amount	Payment status	Counterparty	Relation	Transaction involving related parties, with previous transfer data: Owner	Relation with the issuer	Transfer date	Amount	The Basis for Price Determination	Purpose and utilization of acquisitions	Other Agreed Matters
CRYOMAX MEXICO S.A. de C.V.	Land and plant	111.9.23	$ 287,117	$ 287,117	JMP MEXICO S.A. DE C.V.	None	-	-	-	$ -	Negotiation between both parties (Reference to valuation report issued by professional appraisers)	Operating Use	-

Cryomax Cooling System Corp. and Its Subsidiaries
Purchase and sale of goods with related parties amount to NT$100 million or more than 20% of the paid-in capital
January 1 to December 31, 2023

TABLE 6

Unit: NT$1,000
(unless otherwise specified)

Companies of Purchase (Sale)	Counterparty	Relation	Transaction				Situations and reasons why transaction conditions are different from general transactions		Notes/accounts receivable (payable)		Remarks
			Purchase (Sale)	Amount	Ratio to Total Purchase (Sales)	Credit Period	Unit Price	Credit Period	Balance	Ratio to Total Notes or Accounts Receivable (Payable)	
Cryomax Cooling System Corp.	CRYOMAX U.S.A INC.	Subsidiary	Sale	231,527	15.50%	Collected within 60 days to 90 days receivable after monthly settlement	Note 1	Collected within 60 days to 90 days receivable after monthly settlement	43,593	12.81%	Note 3
Cryomax Cooling System Corp.	NANJING CRYOMAX AUTO PARTS CO., LTD	Subsidiary	Purchase	650,745	57.15%	Payment within 60 days after monthly settlement	Note 2	Payment within 60 days after monthly settlement	113,020	50.04%	Note 3
Cryomax Cooling System Corp.	COOL MAX-WAY AUTO PARTS CO., LTD.	Subsidiary	Purchase	180,601	15.86%	Payment within 60 days after monthly settlement	Note 2	Payment within 60 days after monthly settlement	49,671	21.99%	Note 3
Cryomax Cooling System Corp.	DENSO PRODUCTS AND SERVICES AMERICAS,INC.(DPAM)	Other related party	Sale	194,549	13.02%	Collected within 60 after monthly settlement	Note 1	Collected within 60 after monthly settlement	26,265	7.72%	-
NANJING CRYOMAX AUTO PARTS CO., LTD	DENSO INTERNATIONAL ASIA PTE. LTD.(DIAS)	Other related party	Sale	192,975	20.33%	Collected within 60 after monthly settlement	Note 1	Collected within 60 after monthly settlement	17,916	10.36%	-

Note 1: Priced according to the general sales price.

Note 2: Priced based on general purchase price.

Note 3: Already written off in the consolidated statement.

Cryomax Cooling System Corp. and Its Subsidiaries
Business relationship between the parent company and its subsidiaries and each subsidiary, as well as the status and amount of important transactions
January 1 to December 31, 2023

TABLE 7

Unit: NT$1,000
(unless otherwise specified)

No. (Note 1)	Company	Counterparty	Relations (Note 2)	Details: Item	Details: Amount	Details: Transaction terms	Details: Ratio to total revenue or assets (Note 3)
0	Cryomax Cooling System Corp.	CRYOMAX U.S.A INC.	1	Sale revenue	$ 231,527	Priced at general sales price	10.91
0	Cryomax Cooling System Corp.	CRYOMAX U.S.A INC.	1	Account Receivable	43,593	Collected within 60 days to 90 days receivable after monthly settlement	1.31
0	Cryomax Cooling System Corp.	COOL MAX-WAY AUTO PARTS CO., LTD.	1	Purchase	180,601	Priced at general purchase price	8.51
0	Cryomax Cooling System Corp.	COOL MAX-WAY AUTO PARTS CO., LTD.	1	Accounts payable	49,671	Payment within 60 days after monthly settlement	1.49
0	Cryomax Cooling System Corp.	NANJING CRYOMAX AUTO PARTS CO., LTD	1	Sale revenue	12,836	Priced at general sales price	0.60
0	Cryomax Cooling System Corp.	NANJING CRYOMAX AUTO PARTS CO., LTD	1	Purchase	650,745	Priced at general Purchase price	30.67
0	Cryomax Cooling System Corp.	NANJING CRYOMAX AUTO PARTS CO., LTD	1	Accounts payable	113,020	Payment within 60 days after monthly settlement	3.39
0	Cryomax Cooling System Corp.	NANJING CRYOMAX AUTO PARTS CO., LTD	1	Other receivables	43,780	According to the agreement of both parties	1.31
0	Cryomax Cooling System Corp.	CRYOMAX MEXICO S.A. de C.V.	1	Other receivables	92,130	According to the agreement of both parties	2.76
1	COOL MAX-WAY AUTO PARTS CO., LTD.	NANJING CRYOMAX AUTO PARTS CO., LTD	3	Sale revenue	70,829	Priced at general sales price	3.34
1	COOL MAX-WAY AUTO PARTS CO., LTD.	NANJING CRYOMAX AUTO PARTS CO., LTD	3	Account Receivable	55,692	Collected within 60 days to 180 days receivable after monthly settlement	1.67
1	COOL MAX-WAY AUTO PARTS CO., LTD.	NANJING CRYOMAX AUTO PARTS CO., LTD	3	Other receivables	30,752	Collected within 60 days to 180 days receivable after monthly settlement	0.92
2	NANJING CRYOMAX AUTO PARTS CO., LTD	CRYOMAX U.S.A INC.	3	Sale revenue	43,297	Priced at general sales price	2.04
2	NANJING CRYOMAX AUTO PARTS CO., LTD	CRYOMAX MEXICO S.A. de C.V.	3	Account Receivable	13,555	Collected within 90 after monthly settlement	0.41
2	NANJING CRYOMAX AUTO PARTS CO., LTD	CRYOMAX MEXICO S.A. de C.V.	3	Sale of property, plant and equipment	11,067	According to the agreement of both parties	0.52
3	CRYOMAX U.S.A INC.	CRYOMAX MEXICO S.A. de C.V.	3	Other receivables	92,130	According to the agreement of both parties	2.76

Note 1: The business transaction information between the parent company and its subsidiaries should be indicated in the number column respectively. The method of filling in the number is as follows:

(1) 0 for parent company.

(2) Subsidiaries are numbered sequentially starting from the Arabic numeral 1 according to the company.

Note 2: There are the following three types of relationship with the trader, and the type of indication is sufficient (if it is the same transaction between a parent company and a subsidiary company or between subsidiaries, there is no need to disclose it repeatedly. For example: for a transaction between a parent company and a subsidiary company, if the parent company has disclosed it, then the subsidiary part does not need to be repeatedly disclosed; for a subsidiary company-to-subsidiary transaction, if one subsidiary company has disclosed it, the other subsidiary company does not need to disclose it repeatedly):

(1) Parent company to subsidiary.

(2) Subsidiary to parent company.

(3) Subsidiary to subsidiary.

Note 3: The calculation of the ratio of the transaction amount to the consolidated total revenue or total assets, if it is an asset and liability item, is calculated by the balance at the end of the period as a percentage of the consolidated total assets; if it is a profit and loss item, the accumulated amount in the period is used to account for the consolidated total The method of receipt is calculated.

Note 4: If the transaction amount is less than NT$10 million, it will not be disclosed.

Note 5: Already written off in the consolidated statement.

Cryomax Cooling System Corp. and Its Subsidiaries
Invested company name, location and other relevant information(excluding mainland Chinese invested companies)
January 1 to December 31, 2023

TABLE 8

Unit: NT$1,000
(unless otherwise specified)

Investment Companies	Investee Company name (Note 1)	Location	Business item	Original investment		Number held at the end of the period			Investee Company Periodic Profit and Loss	Recognized in the current period Capital Profit and Loss	Remarks
				Ending of current period	End of last year	Number of Shares	Ratio	Carrying Amount			
Cryomax Cooling System Corp.	CRYOMAX INTERNATIONAL LTD.	BVI	General investment	$ 688,895	$ 688,895	22,432,284	100.00	$ 828,858	$ 55,740	$ 59,008	Note 2 and 3
Cryomax Cooling System Corp.	CRYOMAX U.S.A INC.	USA	Trading of auto parts	307,100	307,100	10,000,000	100.00	434,934	1,826	2,030	Note 3
CRYOMAX INTERNATIONAL LTD.	CROHAN INTERNATIONAL LTD.	Samoa	General investment	717,426	717,426	23,361,325	100.00	860,406	55,758	59,008	Note 3
Cryomax Cooling System Corp.	CRYOMAX MEXICO S.A. de C.V.	Mexico	Manufacturing and trading of auto parts	319,146	70	175,561,650	90.00	310,434	(8,383)	(8,383)	Note 4
CRYOMAX U.S.A.INC.	CRYOMAX MEXICO S.A. de C.V.	Mexico	Manufacturing and trading of auto parts	35,461	8	19,506,850	10.00	34,492	(931)	(931)	Note 4

Note 1: Relevant figures in this table refer to foreign currencies, which are converted into New Taiwan dollars at the exchange rate on the balance sheet date.

Note 2: The investment profit and loss recognized in the current period includes the amount of profit and loss write-off and realization of the reverse transaction of the invested company.

Note 3: Already written off in the consolidated statement.

Note 4: The Company established CRYOMAX MEXICO S.A. de C.V. in Mexico in June 2022 with a registered capital of 50,000 Mexican pesos. The Company and its subsidiary, CRYOMAX U.S.A. INC., injected 45,000 and 5,000 Mexican pesos, respectively, on October 18, 2022. The Company further injected 160,076,700 Mexican pesos on May 3, 2023, and May 8, 2023. Additionally, on May 4, 2023, the Company and its subsidiary jointly injected 17,786,300 Mexican pesos. Furthermore, on November 28, 2023, the Company and its subsidiary CRYOMAX U.S.A.INC. injected 15,439,950 and 1,715,550 Mexican pesos, respectively, acquiring 90% and 10% ownership stakes in the company, resulting in a combined ownership of 100%.

Cryomax Cooling System Corp. and Its Subsidiaries
Mainland China Investment Information - Basic Information
January 1 to December 31, 2023

TABLE 9

Unit: NT$1,000
(unless otherwise specified)

Investee Company of Mainland	Business item	Paid-in Capital	Method of Investment (Note 1)	Accumulated Outflow of Investment from Taiwan as of the beginning of the Period	Share of Profit (Loss) for the recognized period		Accumulated Outflow of Investment from Taiwan as of the End of Period	Current profit and loss of the invested company Investment Company	Ownership of Direct or Indirect Investment	Share of Profit (Loss) for the recognized period (Note 2)	Carrying Amount as of the End of Period	Accumulated Repatriation of Investment Income as of the End of Period	Remarks
					Outflow	Inflow							
COOL MAX-WAY AUTO PARTS CO., LTD.	Manufacturing and trading of auto parts	$ 307,100	2	$ 307,100	$ -	$ -	$ 307,100	$ 11,923	100.00	$ 14,845	$ 399,594	$ -	Note 3 and 4
NANJING CRYOMAX AUTO PARTS CO., LTD	Manufacturing and trading of auto parts	504,258	2	374,662	-	-	374,662	40,913	100.00	40,913	457,141	-	Note 3 and 4

Note 1: The investment methods are divided into the following three types, which can be simply marked as:
(1) Directly investment in the mainland China
(2) Reinvest in mainland China through the third-party company (CROHAN INTERNATIONAL LTD.)
(3) Other investment methods
Note 2: The financial report was audited by the certified public accountants of the parent company in Taiwan
Note 3: Relevant figures in this table involve foreign currencies, which are converted into New Taiwan dollars at the exchange rate on the balance sheet date.
Note 4: Already written off in the consolidated statement.

Company	Ending balance Accumulated during the current period from Outflow Taiwan to Mainland China region Investment Amount (Note 5)	Investment Commission, MOEA Investment Amounts Authorized (Note 6)	In accordance with the Investment Commission, MOEA The provisions for mainland companies Investment Limit (Note 7)
Cryomax Cooling System Corp.	$ 681,762	$ 813,385	$ 823,204

Note 5: At the end of the current period, the accumulative investment amount remitted from Taiwan to mainland China was US$22,200,000, calculated based on the actual remittance exchange rate.
Note 6: The approved amount is USD26,486 thousand, converted according to the average exchange rate of buying and selling on December 31, 2023.
Note 7: Calculated according to the limit stipulated by the Ministry of Economic Affairs in the "Principles for the Review of Investment or Technical Cooperation in the Mainland China Area" (60% of the net worth).

Cryomax Cooling System Corp. and Its Subsidiaries

Information on major shareholders

December 31, 2023

TABLE 10

Major shareholders	Shares	
	Shares held	Shareholding Ratio
DENSO	14,147,072	20.61%
Yida Investment Co., Ltd.	4,120,000	6.00%