AMAX HOLDING CO., LTD. AND SUBSIDIARIES

CONSOLIDATED FINANCIAL STATEMENTS AND

INDEPENDENT AUDITORS' REPORT

DECEMBER 31, 2023 AND 2022

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

AMAX HOLDING CO., LTD.
DECEMBER 31, 2023 AND 2022 CONSOLIDATED FINANCIAL STATEMENTS AND INDEPENDENT AUDITORS' REPORT
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INDEPENDENT AUDITORS' REPORT TRANSLATED FROM CHINESE

To the Board of Directors and Shareholders of AMAX Holding Co., Ltd.

Opinion

We have audited the accompanying consolidated balance sheets of AMAX Holding Co., Ltd. and subsidiaries (the "Group") as at December 31, 2023 and 2022, and the related consolidated statements of comprehensive income, of changes in equity and of cash flows for the years then ended, and notes to the consolidated financial statements, including a summary of material accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as at December 31, 2023 and 2022, and its consolidated financial performance and its consolidated cash flows for the years then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and the International Financial Reporting Standards, International Accounting Standards, IFRIC Interpretations, and SIC Interpretations that came into effect as endorsed by the Financial Supervisory Commission.

Basis for opinion

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

Key audit matters

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

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

Valuation of inventories

Description

Please refer to Note 4(11) for the accounting policies of inventories, Note 5 for the uncertainty of accounting estimations and assumptions for the valuation of inventories, and Note 6(4) for the details of inventories.

The balances of the Group’s inventories and allowance for valuation loss as of December 31, 2023 were NT$1,283,518 thousand and NT$46,282 thousand, respectively.

The Group is primarily engaged in providing cloud, data center and high performance computing sever solutions. Due to the technology innovation, the prices of the key raw materials are affected by the overall economic environment. Given that the amount and items of the inventories are significant and numerous, and the processes of valuation of inventories are subject to the management’s judgement, we considered the valuation of inventories as one of the key audit matters.

How our audit addressed the matter

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

1. Understood the policies related to the provision for inventory valuation and verified whether the policies were adopted consistently in all periods.
2. Obtained the reports of the net realisable value of inventories, reviewed the calculation logic and sampled and tested relevant parameters, including verifying supporting documents of selling prices and purchase prices, and recalculated and assessed the reasonableness of the provisions.
3. Obtained the inventory aging reports, performed the inventory aging tests, selected the inventory item numbers and matched with the record of inventory movement to validate the accuracy of the inventory aging, evaluated the reasonableness of the provisions of obsolete and slow-moving inventories assessed by the management according to the inventory aging, the clearance of the inventories and the supporting documents.

Existence of sales revenue

Description

Refer to Note 4(26) for the accounting policies on revenue recognition.

The Group generates revenue from providing cloud, data center and high performance computing sever solutions and receives orders on project and customised bases. Given that the operating revenue of the industry which the Group is engaged in was affected by the factors such as the supply and demand conditions of the market and the changes in the top ten customers of the Group’s operating revenue, we considered the existence of sales revenue of the top ten customers as one of the key audit matters.

How our audit addressed the matter

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

1. Understood and assessed the internal control procedures of sales revenue recognition and tested the effectiveness of internal controls relating to sales revenue.
2. Reviewed the relevant background information of the top ten customers and searched relevant information for verification.
3. Sampled the sales revenue transactions of the top ten customers and verified with relevant vouchers to validate the occurrence of the sales revenue transactions.
4. Reviewed whether there were any unusual or significant sales returns and discounts incurred after the balance sheet date.
5. Sent confirmation letters for the significant accounts receivable.

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

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

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

Those charged with governance, including the audit committee, are responsible for overseeing the Group's financial reporting process.

Auditors' responsibilities for the audit of the consolidated financial statements

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

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

1. Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

2. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
4. Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group to cease to continue as a going concern.
5. Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
6. Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

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

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

Andy Chang	Gregory Kuo

For and on Behalf of PricewaterhouseCoopers, Taiwan

March 12, 2024

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

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

AMAX HOLDING CO., LTD. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
DECEMBER 31, 2023 AND 2022
(Expressed in thousands of New Taiwan dollars, except as otherwise indicated)

	Assets	Notes	December 31, 2023 AMOUNT	December 31, 2022 AMOUNT
	Current assets			
1100	Cash and cash equivalents	6(1)	$ 829,807	$ 216,911
1110	Financial assets at fair value through profit or loss - current	6(2)	-	46,671
1136	Financial assets at amortised cost - current	6(3)	62,410	-
1150	Notes receivable, net		8,202	889
1170	Accounts receivable, net	6(4)	836,286	667,757
1220	Current tax assets	6(21)	5,744	4,257
130X	Inventories	6(5)	1,237,246	1,048,976
1410	Prepayments		55,368	34,360
1470	Other current assets	6(6)	146,005	92,872
11XX	**Current assets**		3,181,068	2,112,693
	Non-current assets			
1600	Property, plant and equipment	6(7)	68,486	57,487
1755	Right-of-use assets	6(8)	246,328	33,998
1840	Deferred tax assets	6(21)	116,215	49,720
1900	Other non-current assets		5,745	4,073
15XX	**Non-current assets**		436,774	145,278
1XXX	**Current tax assets**		$ 3,617,842	$ 2,257,971

(Continued)

AMAX HOLDING CO., LTD. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
DECEMBER 31, 2023 AND 2022
(Expressed in thousands of New Taiwan dollars, except as otherwise indicated)

	Liabilities and Equity	Notes	December 31, 2023 AMOUNT	December 31, 2022 AMOUNT
	Current liabilities			
2100	Short-term borrowings	6(9)	$ 281,217	$ 225,217
2130	Contract liabilities - current	6(16)	246,721	188,159
2170	Accounts payable		578,811	375,589
2180	Accounts payable to related parties	7	3,589	3,416
2200	Other payables	6(10)	211,259	162,992
2230	Current tax liabilities	6(21)	860	19,323
2250	Provisions - current		32,028	21,268
2280	Lease liabilities - current	6(8)	53,131	33,726
21XX	**Current liabilities**		1,407,616	1,029,690
	Non-current liabilities			
2550	Provisions - non-current		8,209	9,663
2570	Deferred tax liabilities	6(21)	66,549	4,462
2580	Lease liabilities - non-current	6(8)	203,796	8,552
25XX	**Non-current liabilities**		278,554	22,677
2XXX	**Liabilities**		1,686,170	1,052,367
	Equity			
	Equity attributable to owners of parent			
	Share capital			
3110	Common stock	6(13)	404,458	361,758
	Capital surplus			
3200	Capital surplus	6(12)(14)	1,268,513	801,656
	Retained earnings			
3350	Unappropriated retained earnings	6(15)	313,370	59,889
	Other equity interest			
3400	Other equity interest		(54,669)	(17,699)
3XXX	**Equity**		1,931,672	1,205,604
	Significant contingent liabilities and unrecognised contract commitments	9		
	Significant events after the balance sheet date	11		
3X2X	**Total liabilities and equity**		$ 3,617,842	$ 2,257,971

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

AMAX HOLDING CO., LTD. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
YEARS ENDED DECEMBER 31, 2023 AND 2022
(Expressed in thousands of New Taiwan dollars, except as otherwise indicated)

	Items	Notes	Year ended December 31 2023 AMOUNT	2022 AMOUNT
4000	Operating revenue	6(16)	$ 6,077,297	$ 6,748,900
5000	Operating costs	6(5)(19)	(5,087,079)	(5,912,675)
5900	Gross profit		990,218	836,225
	Operating expenses	6(19)(20) and 7		
6100	Selling expenses		(288,069)	(245,599)
6200	Administrative expenses		(242,522)	(187,157)
6300	Research and development expenses		(131,791)	(123,331)
6000	Total operating expenses		(662,382)	(556,087)
6900	Operating profit		327,836	280,138
	Non-operating income and expenses			
7100	Interest income		2,365	539
7010	Other income		3,620	8,143
7020	Other gains and losses	6(17)	219	(21,864)
7050	Finance costs	6(18)	(21,811)	(19,773)
7000	Total non-operating income and expenses		(15,607)	(32,955)
7900	**Profit before income tax**		312,229	247,183
7950	Income tax expense	6(21)	(58,748)	(62,660)
8200	**Profit for the year**		$ 253,481	$ 184,523
	Other comprehensive income (loss)			
	Components of other comprehensive income (loss) that will not be reclassified to profit or loss			
8341	Other components of other comprehensive income that will not be reclassified to profit or loss		($ 30,355)	($ 37,894)
	Components of other comprehensive income (loss) that will be reclassified to profit or loss			
8361	Exchange differences on translation		(12,908)	116,370
8399	Income tax related to components of other comprehensive income (loss) that will be reclassified to profit or loss		6,293	(7,600)
8300	**Other comprehensive (loss) income**		($ 36,970)	$ 70,876
8500	**Total comprehensive income for the year**		$ 216,511	$ 255,399
	Profit, attributable to:			
8610	Owners of parent		$ 253,481	$ 184,523
	Comprehensive income attributable to:			
8710	Owners of parent		$ 216,511	$ 255,399
	Basic earnings per share (In dollars)	6(22)		
9750	Basic earnings per share		$ 6.88	$ 5.10
	Diluted earnings per share (In dollars)	6(22)		
9850	Diluted earnings per share		$ 6.62	$ 5.10

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

AMAX HOLDING CO., LTD. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
YEARS ENDED DECEMBER 31, 2023 AND 2022
(Expressed in thousands of New Taiwan dollars, except as otherwise indicated)

		Equity attributable to owners of the parent				
	Notes	Ordinary share	Capital surplus	Unappropriated retained earnings	Exchange differences on translation of foreign financial statements	Total equity
2022						
Balance at January 1, 2022		$ 498,705	$ 34,569	$ 466,143	($ 59,791)	$ 939,626
Profit for the year		-	-	184,523	-	184,523
Other comprehensive income for the year		-	-	-	70,876	70,876
Total comprehensive income		-	-	184,523	70,876	255,399
Reorganisation	6(13)(14)	(498,380)	1,117,941	(590,777)	(28,784)	-
Reverse stock split and par value adjustment	6(13)(14)	361,433	(361,433)	-	-	-
Compensation cost recognized for employee share options	6(12)(14)	-	10,579	-	-	10,579
Balance at December 31, 2022		$ 361,758	$ 801,656	$ 59,889	($ 17,699)	$ 1,205,604
2023						
Balance at January 1, 2023		$ 361,758	$ 801,656	$ 59,889	($ 17,699)	$ 1,205,604
Profit for the year		-	-	253,481	-	253,481
Other comprehensive loss for the year		-	-	-	(36,970)	(36,970)
Total comprehensive income		-	-	253,481	(36,970)	216,511
Cash dividends from capital surplus	6(14)	-	(88,934)	-	-	(88,934)
Compensation cost recognized for employee share options	6(12)(14)	-	9,895	-	-	9,895
Employee stock option exercised	6(13)(14)	100	500	-	-	600
Cash capital increase	6(13)	42,600	545,396	-	-	587,996
Balance at December 31, 2023		$ 404,458	$ 1,268,513	$ 313,370	($ 54,669)	$ 1,931,672

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

AMAX HOLDING CO., LTD. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
YEARS ENDED DECEMBER 31, 2023 AND 2022
(Expressed in thousands of New Taiwan dollars, except as otherwise indicated)

	Notes	Year ended December 31 2023	2022
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before tax		$ 312,229	$ 247,183
Adjustments			
Adjustments to reconcile profit (loss)			
Depreciation expense	6(7)(8)(19)	71,003	63,843
Expected credit impairment loss		7,291	8,523
Losses on disposals of property,plant and equipment	6(17)	284	1,513
Gains on lease modification	6(8)(17)	(215)	(763)
Compensation cost of employee share options	6(12)	9,895	10,579
Interest income		(2,365)	(539)
Interest expense	6(18)	21,811	19,773
Changes in operating assets and liabilities			
Changes in operating assets			
Financial assets at fair value through profit or loss - current		46,671	(46,671)
Notes receivable, net		(7,313)	1,896
Accounts receivable, net		(175,340)	145,284
Other receivables due from related parties		-	194
Inventories		(191,092)	81,241
Prepayments		(21,008)	2,109
Other current assets		(54,116)	(35,155)
Changes in operating liabilities			
Contract liabilities - current		58,562	17,955
Accounts payable		203,222	(153,977)
Accounts payable to related parties		173	(57)
Other payables		39,536	(6,238)
Provisions - current		10,760	2,898
Provisions - non-current		(1,454)	630
Cash inflow generated from operations		328,534	360,221
Income taxes paid		(79,068)	(55,878)
Interest paid		-	(18)
interest received		2,365	539
Net cash flows from operating activities		251,831	304,864
CASH FLOWS FROM INVESTING ACTIVITIES			
Acquisition of property, plant and equipment	6(7)	(19,536)	(9,374)
Acquisition of financial assets at amortised cost	6(3)	(105,274)	-
Proceeds from disposal of financial assets at amortised cost	6(3)	42,864	-
Proceeds from disposal of property, plant and equipment	6(7)	-	39
Increase in refundable deposits		(1,644)	-
Net cash flows used in investing activities		(83,590)	(9,335)
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from short-term borrowings		1,620,405	2,385,610
Repayments of short-term borrowings		(1,562,013)	(2,566,782)
Repayments of principal of lease liabilities		(55,171)	(64,307)
Interest paid		(21,557)	(19,890)
Cash dividends paid	6(14)	(88,934)	-
Employee stock option exercised		600	-
Capital increase in cash	6(13)	593,996	-
Net cash flows from (used in) financing activities		487,326	(265,369)
Effects due to changes in exchange rate		(42,671)	90,275
Net increase in cash and cash equivalents		612,896	120,435
Cash and cash equivalents at beginning of year		216,911	96,476
Cash and cash equivalents at end of year		$ 829,807	$ 216,911

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

AMAX HOLDING CO., LTD. AND SUBSIDIARIES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022

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

1. History and Organization

AMAX Holding Co., Ltd. (the "Company") was incorporated in the Cayman Islands on January 4, 2022, as a holding company for the purpose of reorganization of the Company and its subsidiaries (collectively referred herein as the "Group") for the application for the list of stocks on the market of the Taiwan Stock Exchange. The Company was reorganized and issued new shares to acquire 100% equity interest in AMAX Engineering Corporation which located in the US and became the holding company of all the consolidated entities on July 31, 2022. The Group is primarily engaged in the research, development, manufacture and sales of cloud, data center and high performance computing (HPC) severs and its peripheral equipment, as well as providing scalable customised cluster as well as relevant system solution and customised service.

The stock listing application of the Company has been approved by the Board of Directors of Taiwan Stock Exchange on July 18, 2023 and the Company's stocks have been listed on the Taiwan Stock Exchange since November 8, 2023.

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

These consolidated financial statements were authorised for issuance by the Board of Directors on March 12, 2024.

3. Application of New Standards, Amendments and Interpretations

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

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

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

Except for the following, the above standards and interpretations have no significant impact to the Group's financial condition and financial performance based on the Group's assessment.

Amendments to IAS 12, 'Deferred tax related to assets and liabilities arising from a single transaction'

The amendments require an entity to recognise deferred tax on particular transactions that, on initial recognition, give rise to equal amounts of taxable and deductible temporary differences.

The Group assessed that the adoption of this amendment has no significant impact to all deductible and taxable temporary differences associated with right-of-use assets and lease liabilities as of December 31, 2022 and January 1, 2022 and therefore only resulted to an increase in deferred tax assets and deferred tax liabilities by $58,762 and $58,762 as of December 31, 2023, respectively.

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

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

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

Except for the following, the above standards and interpretations have no significant impact to the Group's financial condition and financial performance based on the Group's assessment.

Amendments to IAS 7 and IFRS 7, 'Supplier finance arrangements'

The amendments require disclosures on supplier finance arrangements, including their effects on the Group's liabilities from financing activities and exposure to liquidity risk.

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

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

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

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

4. Summary of Material Accounting Policies

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

(1) Compliance statement

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

(2) Basis of preparation

A. Except for financial assets at fair value through profit or loss, the consolidated financial statements have been prepared under the historical cost convention.

B. The preparation of financial statements in conformity with IFRSs requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements are disclosed in Note 5.

(3) Basis of consolidation

A. Basis for preparation of consolidated financial statements:

(a) The Company prepared the consolidated financial statements of the Company and its subsidiaries for the years ended December 31, 2023 and 2022 for the purpose of applying for listing on the market of the Taiwan Stock Exchange. The consolidated financial statements were prepared based on the economic substance to present a true and full picture of actual operating entities; that is, consolidating the financial position and operating performance of all actual operating entities since the date on which actual operating entities were incorporated. The information on accounts related to consolidated shareholders' equity before the reorganisation presented in submissions was based on the consolidated shareholders' equity of the actual operating entities. Upon the reorganisation, the consolidated shareholders' equity of such operating entities was adjusted as the shareholders' equity of the Company, the registrant for listing.

(b) All subsidiaries are included in the Group's consolidated financial statements. Subsidiaries are all entities controlled by the Group. The Group controls an entity when the Group is exposed, or has rights, to variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Consolidation of subsidiaries begins from the date the Group obtains control of the subsidiaries and ceases when the Group loses control of the subsidiaries.

(c) Inter-company transactions, balances and unrealised gains or losses on transactions between companies within the Group are eliminated. Accounting policies of subsidiaries have been adjusted where necessary to ensure consistency with the policies adopted by the Group.

B. Subsidiaries included in the consolidated financial statements:

Name of investor	Name of subsidiary	Main business activities	Ownership (%) December 31, 2023	Ownership (%) December 31, 2022	Description
The Company	AMAX Engineering Corporation	Manufacture and sales of server, network system, cloud computing and the peripheral equipment	100	100	Note 1
AMAX Engineering Corporation	AMAX Information Technologies Limited	Manufacture and sales of server, network system, cloud computing and the peripheral equipment	100	100	
"	AMAX Information Technology (Shanghai) Co., Ltd.	Sales of server and the peripheral equipment	100	100	
"	AMAX Information Technologies (Suzhou) Co., Ltd.	Research, development and design of computer software and manufacture and sales of server, cloud computing and the peripheral equipment	75	75	
AMAX Engineering Corporation	AMAX Information Technologies Co., Ltd.	Sales of server and the peripheral equipment and customer service	100	100	Note 2
AMAX Information Technology (Shanghai) Co., Ltd.	AMAX Information Technologies (Suzhou) Co., Ltd.	Research, development and design of computer software and manufacture and sales of server, cloud computing and the peripheral equipment	25	25	

Name of investor	Name of subsidiary	Main business activities	Ownership (%) December 31, 2023	Ownership (%) December 31, 2022	Description
AMAX Information Technologies (Suzhou) Co., Ltd.	AMAX Information Technologies (Shenzhen) Co., Ltd.	Sales of server and the peripheral equipment	100	100	
AMAX Information Technologies (Shenzhen) Co., Ltd.	XIN Max International Trading (Hong Kong) Limited	International trade	100	100	Note 3

Note 1: The Company was incorporated on January 4, 2022 and issued new shares to acquire 100% equity interest in AMAX Engineering Corporation on July 31, 2023. In accordance with the IFRS Q&A 'Accounting treatment of business combination under common control' issued by the Accounting Research and Development Foundation of the R.O.C. (ARDF) on October 26, 2018, an entity newly incorporated under the reorganisation shall be considered as if it had always been consolidated since the beginning and the preparation of the comparative financial statements is not restricted to the date of the incorporation.

Note 2: The Group invested and established AMAX Information Technologies Co., Ltd. on January 4, 2022 and held 100% of its equity interest.

Note 3: The Group invested and established XIN Max International Trading (Hong Kong) Limited on May 23, 2022 and held 100% of its equity interest.

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

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

E. Significant restrictions: None.

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

(4) Foreign currency translation

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates (the "functional currency"). The Group's functional currency is United States dollars ("USD"); however, the consolidated financial statements are presented in New Taiwan dollars ("NTD") under the regulations of the country where the consolidated financial statements are reported to the regulatory authorities.

A. Foreign currency transactions and balances

(a) Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions or valuation where items are remeasured.

Foreign exchange gains and losses resulting from the settlement of such transactions are recognised in profit or loss in the period in which they arise.

(b) Monetary assets and liabilities denominated in foreign currencies at the period end are re-translated at the exchange rates prevailing at the balance sheet date. Exchange differences arising upon re-translation at the balance sheet date are recognised in profit or loss.

(c) Non-monetary assets and liabilities denominated in foreign currencies held at fair value through profit or loss are re-translated at the exchange rates prevailing at the balance sheet date; their translation differences are recognised in profit or loss. Non-monetary assets and liabilities denominated in foreign currencies held at fair value through other comprehensive income are re-translated at the exchange rates prevailing at the balance sheet date; their translation differences are recognised in other comprehensive income. However, non-monetary assets and liabilities denominated in foreign currencies that are not measured at fair value are translated using the historical exchange rates at the dates of the initial transactions.

(d) All foreign exchange gains and losses are presented in the consolidated statement of comprehensive income within 'other gains and losses'.

B. Translation of foreign operations

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

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

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

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

(5) <u>Classification of current and non-current items</u>

A. Assets that meet one of the following criteria are classified as current assets; otherwise they are classified as non-current assets:

(a) Assets arising from operating activities that are expected to be realised, or are intended to be sold or consumed within the normal operating cycle;

(b) Assets held mainly for trading purposes;

(c) Assets that are expected to be realised within twelve months from the balance sheet date;

(d) Cash and cash equivalents, excluding restricted cash and cash equivalents and those that are to be exchanged or used to settle liabilities more than twelve months after the balance sheet date.

B. Liabilities that meet one of the following criteria are classified as current liabilities; otherwise they are classified as non-current liabilities:

(a) Liabilities that are expected to be settled within the normal operating cycle;

(b) Liabilities arising mainly from trading activities;

(c) Liabilities that are to be settled within twelve months from the balance sheet date;

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

(6) Cash equivalents

Cash equivalents refer to short-term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

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

A. Financial assets at fair value through profit or loss are financial assets that are not measured at amortised cost or fair value through other comprehensive income.

B. On a regular way purchase or sale basis, financial assets at fair value through profit or loss are recognised and derecognised using trade date accounting.

C. At initial recognition, the Group measures the financial assets at fair value and recognises the transaction costs in profit or loss. The Group subsequently measures the financial assets at fair value, and recognises the gain or loss in profit or loss.

(8) Financial assets at amortised cost

A. Financial assets at amortised cost are those that meet all of the following criteria:

(a) The objective of the Group's business model is achieved by collecting contractual cash flows.

(b) The assets' contractual cash flows represent solely payments of principal and interest.

B. On a regular way purchase or sale basis, financial assets at amortised cost are recognised and derecognised using trade date accounting.

C. At initial recognition, the Group measures the financial assets at fair value plus transaction costs. Interest income from these financial assets is included in finance income using the effective interest method. A gain or loss is recognised in profit or loss when the asset is derecognised or impaired.

D. The Group's time deposits which do not fall under cash equivalents are those with a short maturity period and are measured at initial investment amount as the effect of discounting is immaterial.

(9) Accounts and notes receivable

A. Accounts and notes receivable entitle the Group a legal right to receive consideration in exchange for transferred goods or rendered services.

B. The short-term accounts and notes receivable without bearing interest are subsequently measured at initial invoice amount as the effect of discounting is immaterial.

(10) Impairment of financial assets

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

(11) Derecognition of financial assets

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

(12) Inventories

Inventories are stated at the lower of cost and net realisable value. Cost is determined using the weighted-average method. The cost of finished goods and work in progress comprises raw materials, direct labour, other direct costs and related production overheads (allocated based on normal operating capacity). It excludes borrowing costs. The item by item approach is used in applying the lower of cost and net realisable value. Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and the related selling expenses necessary to make the sale.

(13) Property, plant and equipment

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

B. Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognised. All other repairs and maintenance are charged to profit or loss during the financial period in which they are incurred.

C. Land is not depreciated. Other property, plant and equipment apply cost model and are depreciated using the straight-line method to allocate their cost over their estimated useful lives. Each part of an item of property, plant, and equipment with a cost that is significant in relation to the total cost of the item must be depreciated separately.

D. The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted if appropriate, at each financial year-end. If expectations for the assets' residual values and useful lives differ from previous estimates or the patterns of consumption of the assets' future economic benefits embodied in the assets have changed significantly, any change is accounted for as a change in estimate under IAS 8, 'Accounting Policies, Changes in Accounting Estimates and Errors', from the date of the change. The estimated useful lives of property, plant and equipment are as follows:

Machinery and equipment	3 ~ 8	years
Computer equipment	3 ~ 8	years
Transportation equipment	5 ~ 8	years
Office equipment	5	years
Leasehold assets	5 ~ 15	years

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

A. Leases are recognised as a right-of-use asset and a corresponding lease liability at the date at which the leased asset is available for use by the Group. For short-term leases or leases of low-value assets, lease payments are recognised as an expense on a straight-line basis over the lease term.

B. Lease liabilities include the net present value of the remaining lease payments at the commencement date, discounted using the incremental borrowing interest rate.

Lease payments are comprised of fixed payments, less any lease incentives receivable.

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

C. At the commencement date, the right-of-use asset is stated at cost comprising the following:

(a) The amount of the initial measurement of lease liability;

(b) Any lease payments made at or before the commencement date; and

(c) An estimate of costs to be incurred by the lessee in dismantling and removing the underlying asset, restoring the site on which it is located or restoring the underlying asset to the condition required by the terms and conditions of the lease.

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

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

(15) Intangible assets

Computer software is stated at cost and amortised on a straight-line basis over its estimated useful life of 3 to 5 years.

(16) Impairment of non-financial assets

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

(17) Borrowings

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

(18) Accounts payable

A. Accounts payable are liabilities for purchases of raw materials, goods or services.

B. Liabilities for purchases of raw materials, goods or services through supplier finance arrangements will be recorded as accounts payable if their nature and function of the liabilities are similar to accounts payable without substantially changed.

C. The short-term notes and accounts payable without bearing interest are subsequently measured at initial invoice amount as the effect of discounting is immaterial.

(19) Derecognition of financial liabilities

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

(20) Offsetting financial instruments

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

(21) Provisions

Provisions (including warranties liabilities) are recognised when the Group has a present legal or constructive obligation as a result of past events, and it is probable that an outflow of economic resources will be required to settle the obligation and the amount of the obligation can be reliably estimated. Provisions are measured at the present value of the expenditures expected to be required to settle the obligation on the balance sheet date, which is discounted using a pre-tax discount rate that reflects the current market assessments of the time value of money and the risks specific to the obligation. When discounting is used, the increase in the provision due to passage of time is recognised as interest expense. Provisions are not recognised for future operating losses.

(22) Employee benefits

A. Short-term employee benefits

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

B. Pensions

Defined contribution plans

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

C. Employees' compensation and directors' remuneration

Employees' compensation and directors' remuneration are recognised as expense and liability, provided that such recognition is required under legal or constructive obligation and those amounts can be reliably estimated. Any difference between the resolved amounts and the subsequently actual distributed amounts is accounted for as changes in estimates.

(23) Employee share-based payment

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

(24) Income tax

A. The tax expense for the period comprises current and deferred tax. Tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or items recognised directly in equity, in which cases the tax is recognised in other comprehensive income or equity.

B. The current income tax expense is calculated on the basis of the tax laws enacted or substantively enacted at the balance sheet date in the countries where the Company and its subsidiaries operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in accordance with applicable tax regulations. It establishes provisions where appropriate based on the amounts expected to be paid to the tax authorities.

C. Deferred tax is recognised, using the balance sheet liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated balance sheet. However, the deferred tax is not accounted for if it arises from initial recognition of goodwill or of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss. Deferred tax is provided on temporary differences arising on investments in subsidiaries, except where the timing of the reversal of the temporary difference is controlled by the Group and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the balance sheet date and are expected to apply when the related deferred tax asset is realised or the deferred tax liability is settled.

D. Deferred tax assets are recognised only to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised. At each balance sheet date, unrecognised and recognised deferred tax assets are reassessed.

E. Current income tax assets and liabilities are offset and the net amount reported in the balance sheet when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously. Deferred tax assets and liabilities are offset on the balance sheet when the entity has the legally enforceable right to offset current tax assets against current tax liabilities and they are levied by the same taxation authority on either the same entity or different entities that intend to settle on a net basis or realise the asset and settle the liability simultaneously.

F. A deferred tax asset shall be recognised for the carryforward of unused tax credits resulting from acquisitions of equipment or technology, research and development expenditures and equity investments to the extent that it is possible that future taxable profit will be available against which the unused tax credits can be utilised.

(25) Share capital

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

(26) Dividends

Dividends are recorded in the Company's financial statements in the period in which they are resolved by the Company's shareholders. Cash dividends are recorded as liabilities

(27) Revenue recognition

A. The Group manufactures and sells customised electronic products. Sales are recognised when control of the products has transferred, being when the products are delivered to the buyer or picked up by the buyer, and there is no unfulfilled obligation that could affect the customer's acceptance of the products. Delivery occurs when the products have been shipped to the specific location, the risks of obsolescence and loss have been transferred to the customer, and either the customer has accepted the products in accordance with the sales contract, or the Group has objective evidence that all criteria for acceptance have been satisfied.

B. Revenue is recognised to the extent that it can be estimated reliably. Revenue is measured at the fair value of the consideration received or receivable taking into account of rebates and discounts, business tax and other sales tax for the sale of goods.

C. Service revenue is recognised based on the actual service hours provided and the agreed rate when there is reasonable assurance that it is recoverable.

D. The Group's obligation to provide a refund for faulty products under the standard warranty terms is recognised as a provision.

E. The customer pays at the time specified in the payment schedule. If the services rendered exceed the payment, a contract asset is recognised. If the payments exceed the services rendered, a contract liability is recognised.

(28) Government grants

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

(29) Operating segments

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The Group's chief operating decision maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Board of Directors that makes strategic decisions.

5. Critical Accounting Judgements, Estimates and Key Sources of Assumption Uncertainty

The preparation of these consolidated financial statements requires management to make critical judgements in applying the Group's accounting policies and make critical assumptions and estimates concerning future events. Assumptions and estimates may differ from the actual results and are continually evaluated and adjusted based on historical experience and other factors. Such assumptions and estimates have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year; and the related information is addressed below:

Critical accounting estimates and assumptions

Evaluation of inventories

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

As of December 31, 2023, the carrying amount of inventories was $1,237,246.

6. Details of Significant Accounts

(1) Cash and cash equivalents

	December 31, 2023	December 31, 2022
Cash on hand and revolving funds	$ 52	$ 41
Checking accounts and demand deposits	764,859	216,870
Time deposits	64,896	-
	$ 829,807	$ 216,911

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

B. Details of the Group's certain cash pledged to others as collateral are provided in Note 8.

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

Items	December 31, 2023	December 31, 2022
Current items:		
Financial assets mandatorily measured at fair value through profit or loss		
Non-principle protected floating income financial instruments	$ -	$ 46,671

A. Amounts recognised in profit or loss in relation to financial assets at fair value through profit or loss are listed below:

	Year ended December 31, 2023	Year ended December 31, 2022
Financial assets mandatorily measured at fair value through profit or loss		
Non-principle protected floating income financial instruments	$ 985	$ 465

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

C. Information relating to credit risk of financial assets at fair value through profit or loss is provided in Note 12(2).

(3) Financial assets at amortised cost

Items	December 31, 2023	December 31, 2022
Current items:		
Financial assets at amortised cost		
Foreign time deposits with maturity over three months	$ 62,410	$ -

(4) Accounts receivable

	December 31, 2023	December 31, 2022
Accounts receivable	$ 864,167	$ 688,827
Less: Allowance for uncollectible accounts	(27,881)	(21,070)
	$ 836,286	$ 667,757

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

	December 31, 2023	December 31, 2022
Not past due	$ 609,500	$ 508,995
Up to 30 days	150,405	86,572
31 to 90 days	76,107	63,383
91 to 180 days	12,481	16,635
Over 180 days	15,674	13,242
	$ 864,167	$ 688,827

The above aging analysis was based on past due date.

B. As of December 31, 2023, December 31, 2022, and January 1, 2022, the balances of accounts receivable from contracts with customers amounted to $864,167, $688,827, and $834,111, respectively.

C. Information relating to credit risk of accounts receivable is provided in Note 12(2).

D. Details of the Group's certain accounts receivable pledged to others as collateral are provided in Notes 6(8) and 8.

(5) Inventories

	December 31, 2023		
	Cost	Allowance for valuation loss	Book value
Raw materials	$ 813,535	($ 46,272)	$ 767,263
Work in progress	345,173	-	345,173
Finished goods	124,810	-	124,810
	$ 1,283,518	($ 46,272)	$ 1,237,246

	December 31, 2022		
	Cost	Allowance for valuation loss	Book value
Raw materials	$ 418,173	($ 77,170)	$ 341,003
Work in progress	502,719	-	502,719
Finished goods	205,254	-	205,254
	$ 1,126,146	($ 77,170)	$ 1,048,976

The cost of inventories recognised as expense for the year:

	Year ended December 31	
	2023	2022
Cost of goods sold	$ 5,109,572	$ 5,887,380
Loss on decline in market value	-	22,817
Gain on reversal of decline in market value	(30,898)	-
Others	8,405	2,478
	$ 5,087,079	$ 5,912,675

A. The Group reversed from a previous inventory write-down because of the sale of certain inventories which were previously provided with allowance.

B. Details of the Group's certain inventories pledged to others as collateral are provided in Notes 6(8) and 8.

(6) Other current assets

	December 31, 2023		December 31, 2022	
Refundable deposits	$	144,689	$	82,523
Other current assets, others		1,316		10,349
	$	146,005	$	92,872

(7) Property, plant and equipment

2023	Machinery and equipment	Office equipment	Leasehold assets	Others	Unfinished construction and equipment under acceptance	Total
At January 1						
Cost	$ 41,596	$ 45,313	$ 75,413	$ 47,991	$ -	$ 210,313
Accumulated depreciation	(30,898)	(41,485)	(37,619)	(42,824)	-	(152,826)
	$ 10,698	$ 3,828	$ 37,794	$ 5,167	$ -	$ 57,487
Opening net book amount as at January 1	$ 10,698	$ 3,828	$ 37,794	$ 5,167	$ -	$ 57,487
Additions	4,158	1,106	9,180	6,010	1,559	22,013
Disposals	(431)	(62)	(32)	(117)	-	(642)
Transfer	1,335	428	-	1,058	-	2,821
Depreciation	(2,786)	(2,219)	(6,246)	(2,035)	-	(13,286)
Effect of exchange rate changes	(260)	362	128	(137)	-	93
Closing net book amount as at December 31	$ 12,714	$ 3,443	$ 40,824	$ 9,946	$ 1,559	$ 68,486
At December 31						
Cost	$ 46,003	$ 46,406	$ 85,008	$ 48,392	$ 1,559	$ 227,368
Accumulated depreciation	(33,289)	(42,963)	(44,184)	(38,446)	-	(158,882)
	$ 12,714	$ 3,443	$ 40,824	$ 9,946	$ 1,559	$ 68,486

2022	Machinery and equipment	Office equipment	Leasehold assets	Others	Unfinished construction and equipment under acceptance	Total
At January 1						
Cost	$ 34,216	$ 42,017	$ 72,901	$ 44,360	$ -	$ 193,494
Accumulated depreciation	(28,704)	(36,276)	(38,960)	(39,355)	-	(143,295)
	$ 5,512	$ 5,741	$ 33,941	$ 5,005	$ -	$ 50,199
Opening net book amount as at January 1	$ 5,512	$ 5,741	$ 33,941	$ 5,005	$ -	$ 50,199
Additions	533	1,097	6,523	1,221	-	9,374
Disposals	(517)	(195)	(468)	(372)	-	(1,552)
Transfers (Note)	8,944	-	-	936	-	9,880
Depreciation	(4,144)	(3,124)	(5,240)	(1,725)	-	(14,233)
Effect of exchange rate changes	370	309	3,038	102	-	3,819
Closing net book amount as at December 31	$ 10,698	$ 3,828	$ 37,794	$ 5,167	$ -	$ 57,487
At December 31						
Cost	$ 41,596	$ 45,313	$ 75,413	$ 47,991	$ -	$ 210,313
Accumulated depreciation	(30,898)	(41,485)	(37,619)	(42,824)	-	(152,826)
	$ 10,698	$ 3,828	$ 37,794	$ 5,167	$ -	$ 57,487

Note: The transfers were from inventories to machinery and equipment, office equipment and other equipment.

Details of the Group's certain property, plant and equipment pledged to others as collateral are provided in Notes 6(8) and 8.

(8) Leasing arrangements - Lessee

A. The Group leases various assets including buildings and office equipment. Rental contracts are typically made for periods of 1 to 10 years. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. The lease agreements do not impose covenants, but leased assets may not be used as security for borrowing purposes.

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

The carrying amount of right-of-use assets:

	December 31, 2023	December 31, 2022
	Carrying amount	Carrying amount
Buildings	$ 246,162	$ 33,703
Office equipment	166	295
	$ 246,328	$ 33,998

The depreciation charge of right-of-use assets:

	Year ended December 31, 2023		Year ended December 31, 2022	
	Depreciation charge		Depreciation charge	
Buildings	$	57,586	$	49,367
Office equipment		131		243
	$	57,717	$	49,610

C. For the years ended December 31, 2023 and 2022, the additions to right-of-use assets were $273,281 and $2,276, respectively.

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

	Year ended December 31			
	2023		2022	
Items affecting profit or loss				
Interest expense on lease liabilities	$	14,131	$	3,595
Expense on short-term lease contracts		5,642		3,347
Expense on leases of low-value assets		82		98
Gain on lease modification	(	215)	(	763)

E. For the years ended December 31, 2023 and 2022, the Group's total cash outflow for leases were $75,026 and $71,347, respectively.

(9) Short-term borrowings

Type of borrowings	December 31, 2023		Interest rate range	Collateral
Bank borrowings				
Unsecured borrowings	$	281,217	3.15%~3.45%	None

Type of borrowings	December 31, 2022		Interest rate range	Collateral
Bank borrowings				
Secured borrowings	$	225,217	2.75%~7.00%	Notes 1 and 2

Note 1: AMAX Information Technology (Shanghai) Co., Ltd. provided guarantees for the borrowings.

Note 2: The collateral were all accounts receivable, inventories and property, plant and equipment of AMAX Engineering Corporation.

A. Interest expense on short-term borrowings that the Group recognised for the years ended December 31, 2023 and 2022 was $7,680 and $16,160, respectively.

B. The secured borrowings that AMAX Engineering Corporation, the Group's subsidiary in the US, entered into during the period from January 1, 2022 to March 31, 2023 required the Group to meet not less than US$750,000 (in dollars) for the annual profit after tax as per its financial statements.

C. The secured borrowings that AMAX Engineering Corporation, the Group's subsidiary in the US, entered into during the period from March 31, 2023 to April 15, 2024 required the Group to meet not less than 1.15 to 1.0 for the Fixed Charge Coverage Ratio as per its financial statements. As of December 31, 2023, the Group has no secured borrowings.

(10) Other payables

	December 31, 2023	December 31, 2022
Wages, salaries and bonuses payable	$ 148,987	$ 101,501
Professional service fees payable	25,707	24,794
VAT payable	4,965	15,645
Payable on machinery and equipment	2,477	-
Other accrued expenses	29,123	21,052
	$ 211,259	$ 162,992

(11) Pensions

A. AMAX Engineering Corporation, the Group's subsidiary in the US, provides its employees 401(K) plan according to subsection 401(K) of the US Internal Revenue Code. Under the plan, the Company contributes an amount monthly based on 25% of the pension fund contributed by the employees to their individual pension accounts in accordance with policies during their employment period.

B. The Group's mainland China subsidiaries, AMAX Information Technologies (Suzhou) Co., Ltd., AMAX Information Technologies (Shenzhen) Co., Ltd. and AMAX Information Technology (Shanghai) Co., Ltd., have defined contribution plans. Monthly contributions to an independent fund administered by the government in accordance with the pension regulations in the People's Republic of China (PRC) are based on certain percentage of employees' monthly salaries and wages. The contribution percentages for the year ended December 31, 2023 were 24%, 22%~24% and 23%, respectively; and the contribution percentages for the year ended December 31, 2022 were 24%, 23%~24% and 23%, respectively. Other than the monthly contributions, the Group has no further obligations.

C. The Group has established a defined contribution pension plan (the "New Plan") under the Labor Pension Act (the "Act"), covering all regular employees with R.O.C. nationality. Under the New Plan, the Company contributes monthly an amount based on 6% of the employees' monthly salaries and wages to the employees' individual pension accounts at the Bureau of Labor Insurance. The benefits accrued are paid monthly or in lump sum upon termination of employment.

D. Refer to Note 6(19) for the pension costs under defined contribution pension plans of the Group for the years ended December 31, 2023 and 2022.

(12) Share-based payment

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

Type of arrangement	Grant date	Quantity granted	Contract period	Vesting conditions	Description
Employee stock options	July 1, 2018	1,150,016	10 years	Vested one third of options every year after one year of service	Notes 1 and 2
"	April 1, 2021	1,084,020	10 years	"	"
"	October 1, 2021	372,234	10 years	"	"
"	April 15, 2023	655,998	10 years	Vested half of options after two years of service and one fourth of options every year thereafter	
"	May 15, 2023	60,000	10 years	"	
Cash capital increase reserved for employee preemption	November 6, 2023	26,000	Not applicable	Vested immediately	

Note 1: In 2022, the Group decided the Company to be the future listing entity. Therefore, the Company issued options to the employees in July 2022 to replace the original employee stock options plan of AMAX Engineering Corporation, the Group's subsidiary.

Note 2: The Company conducted a 3:1 reverse split of ordinary shares on November 30, 2022. All the quantity granted were also adjusted according to the reverse split ratio. The Company had assessed that there was no incremental compensation cost according to the new and old conditions of the employee stock options.

B. Details of the share-based payment arrangements are as follows:

	2023		2022	
	No. of options	Weighted-average exercise price (in US dollars)	No. of options	Weighted-average exercise price (in US dollars)
Options outstanding at January 1	2,690,716	$ 1.92	3,033,049	$ 1.92
Options granted	734,332	1.92	-	1.92
Options expired	(92,780)	1.92	(342,333)	1.92
Options exercised	(10,000)	1.92	-	1.92
Options outstanding at December 31	3,322,268	1.92	2,690,716	1.92
Options exercisable at December 31	2,123,815	1.92	1,670,250	1.92

C. As of December 31, 2023 and 2022, the exercise prices of stock options outstanding was both US$1.92 (in dollars) per share; the weighted-average remaining contractual periods were 6.99 years and 7.47 years, respectively.

D. The fair value of stock options granted on grant date is measured using the Black-Scholes option-pricing model. Relevant information is as follows:

Type of arrangement	Grant date	Stock price (in US dollars)	Exercise price (in US dollars)	Expected price volatility (Note)	Expected option life	Risk-free interest rate	Fair value per unit (in US dollars)
Employee stock options	July 1, 2018	$ 0.54	$ 0.64	40%	6 years	1.58%	$ 0.19
"	May 1, 2019 - December 1, 2019	0.45	0.64	55%	6 years	1.58%	0.17
"	April 1, 2020	0.48	0.64	55%	6 years	0.13%	0.20
"	April 1, 2021 - October 1, 2021	0.48	0.64	52%	6 years	1.01%	0.20
"	April 15, 2023 - May 15, 2023	1.88	1.92	45%	6 years	3.64%	0.93
Cash capital increase reserved for employee preemption	November 6, 2023	NT$147	NT$96	0%	0 years	0%	NT$96

Note: Expected price volatility rate was estimated by using the stock prices of the most recent period with length of this period approximate to the length of the stock options' expected life, and the standard deviation of return on the stock during this period.

E. Expenses incurred on share-based payment transactions are shown below:

	Year ended December 31	
	2023	2022
Equity-settled	$ 9,895	$ 10,579

(13) Share capital

A. As described in Note 4(3), the information on accounts related to consolidated shareholders' equity before the reorganisation presented in submissions was based on the consolidated shareholders' equity of AMAX Engineering Corporation, the actual operating entity.

B. On July 31, 2022, the Company was reorganised and issued 108,527 thousand new shares to acquire 100% equity interest in AMAX Engineering Corporation. As of July 31, 2022, the completion date of the reorganisation, the Company issued 108,527 thousand shares with a par value of US$0.0001 (in dollars) per share.

C. On November 30, 2022, the shareholders of the Company resolved to modify the par value of the Company's stocks to NT$10 (in dollars) per share and the authorised capital to $1,000,000 as well as conducted a 3:1 reverse split of ordinary shares resulting in 36,175,758 ordinary shares with a par value of NT$10 (in dollars) issued to adjust the equity structure in response to the Company's application for the primary listing in Taiwan.

D. In November 2023, the Company increased its capital by issuing 4,260 thousand new shares before the initial public offering application. The total amount of capital raised was $593,996 based on the weighted-average price of the bid auction of NT$153.16 (in dollars) per share and the public subscription offering price of NT$96 (in dollars) per share. All proceeds from shares issued for the capital increase have been collected. The effective date of the capital increase was on November 6, 2023. The Company's stocks have been listed on the Taiwan Stock Exchange since November 8, 2023.

E. As of December 31, 2023, the Company's authorised capital was $1,000,000 and the paid-in capital was $404,458, consisting of 40,446 thousand shares of ordinary stock, with a par value of $10 (in dollars) per share. All proceeds from shares issued have been collected.

Movements in the number of the Company's ordinary shares outstanding are as follows:

	2023	2022
At January 1	36,175,758	108,527,250
Employee stock options exercised	10,000	-
Cash capital increase	4,260,000	-
Common stock reverse split	-	(72,351,492)
At December 31	40,445,758	36,175,758

(14) Capital surplus

A. Unless otherwise provided in the Companies Act of the Cayman Islands, listed companies' regulations, and the Company's Articles of Incorporation, neither the legal reserve nor the capital reserve shall be used except for offsetting the losses of the Company. The Company shall not use the capital reserve to offset its capital losses unless the legal reserve and special reserve set aside for purposes of loss offset is insufficient to offset such losses.

	2023			
	Premium from share swap	Additional paid-in capital	Employee stock options	Total
At January 1	$ 756,508	$ -	$ 45,148	$ 801,656
Recognition of share-based payments	-	-	9,895	9,895
Cash dividends from capital surplus	(88,934)	-	-	(88,934)
Employee stock options exercised	-	659	(159)	500
Cash capital increase	-	545,396	-	545,396
At December 31	$ 667,574	$ 546,055	$ 54,884	$ 1,268,513

	2022		
	Premium from share swap	Employee stock options	Total
At January 1	$ -	$ 34,569	$ 34,569
Recognition of share-based payments	-	10,579	10,579
Reorganisation	1,117,941	-	1,117,941
Reverse stock split and par value adjustment	(361,433)	-	(361,433)
At December 31	$ 756,508	$ 45,148	$ 801,656

B. Pursuant to the Company's Articles of Incorporation, subject to the Companies Act of the Cayman Islands, where the Company incurs no loss, it may, by a special resolution, distribute its legal reserve, the share premium account and/or the income from endowments received by the Company, which are in the capital reserve which are available for distribution, in whole or in part, by issuing new, fully paid shares and/or by cash to its shareholders.

C. The shareholders of the Company resolved the cash dividends from capital surplus for the year ended December 31, 2022 amounting to US$2,894,060.64 (in dollars) (NT$88,934 thousand) at their meeting on January 17, 2023. The cash dividends distributed per share were US$0.08 (in dollars) (NT$2.46 (in dollars)).

(15) Retained earnings

A. Under the Company's Articles of Incorporation, subject to the Companies Act of the Cayman Islands, listed companies' regulations, and the Company's Articles of Incorporation, and except as otherwise provided by the rights attaching to any shares, where the Company still has annual net profit for the year, after paying all relevant taxes, offsetting losses (including losses of previous years and adjusted undistributed profits, if any), setting aside the statutory reserve of the remaining profits in accordance with the listed companies' regulations (provided that the setting aside of the statutory reserve does not apply if the aggregate amount of the statutory reserve amounts to the Company's paid-in capital), and setting aside the special reserve (if any), the Company may distribute not less than ten percent (10%) of the remaining balance (including the amounts reversed from the special reserve), plus accumulated undistributed profits of previous years (including adjusted undistributed profits) in part or in whole as determined by an ordinary resolution passed at an annual general meeting of the Company duly convened and held in accordance with the Company's Articles to the shareholders as dividends/bonuses in proportion to the number of shares held by them respectively pursuant to the Company's Articles, provided that, cash dividends/bonuses shall not be less than ten percent (10%) of the total amount of dividends/bonuses to shareholders.

B. As the Company is in the growing stage, the dividend/bonuses of the Company may be distributed in the form of cash dividends/bonuses and stock dividends/bonuses. The Company shall take into consideration the Company's capital expenditures, future expansion plans, and financial structure, funds requirement and other plans for sustainable development needs in assessing the amount of dividends/bonuses the Company wish to distribute.

C. The shareholders of the Company resolved the cash dividends from capital surplus for the year ended December 31, 2022 amounting to 88,934 at their meeting on January 17, 2023. The cash dividends distributed per share were NT$2.46 (in dollars). The appropriations of 2021 earnings were not resolved.

D. On March 12, 2024, the Board of Directors proposed the appropriations of 2023 earnings as follows:

	Year ended December 31, 2023	
	Amount	Dividends per share (in dollars)
Legal reserve	$ 25,348	
Sepcial reserve	54,669	
Cash dividends (note)	123,931	$ 3.00

Note: As of March 12, 2024, the outstanding shares of participating stock were 41,310,292 shares.

(16) Operating revenue

A. Disaggregation of revenue from contracts with customers

	Year ended December 31, 2023		
	Sales revenue	Service revenue	Total
Revenue from external customer contracts	$ 6,006,054	$ 71,243	$ 6,077,297
Timing of revenue recognition			
At a point in time	$ 6,006,054	$ 71,243	$ 6,077,297

	Year ended December 31, 2022		
	Sales revenue	Service revenue	Total
Revenue from external customer contracts	$ 6,679,057	$ 69,843	$ 6,748,900
Timing of revenue recognition			
At a point in time	$ 6,679,057	$ 69,843	$ 6,748,900

B. Contract liabilities

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

	December 31, 2023	December 31, 2022	January 1, 2022
Contract liabilities	$ 246,721	$ 188,159	$ 170,204

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

	Year ended December 31	
	2023	2022
Revenue recognised that was included in the contract liability balance at the beginning of the year	$ 187,854	$ 177,762

(17) Other gains and losses

	Year ended December 31	
	2023	2022
Foreign exchange gains (losses)	$ 1,626	($ 24,631)
Gains on financial assets at fair value through profit or loss	985	465
Gains arising from lease modifications	215	763
Losses on disposals of property, plant and equipment	(284)	(1,513)
Other (losses) gains	(2,323)	3,052
	$ 219	($ 21,864)

(18) Finance costs

	Year ended December 31	
	2023	2022
Interest expense:		
Bank borrowings	$ 7,680	$ 16,160
Interest expense from lease liability	14,131	3,595
Financial expense, others	-	18
	$ 21,811	$ 19,773

(19) Expenses by nature

	Year ended December 31	
	2023	2022
Change in inventory	$ 4,545,550	$ 5,440,569
Employee benefit expense	857,193	771,832
Technical service expense	78,431	55,081
Depreciation	71,003	63,843
Other expenses	197,284	137,437
	$ 5,749,461	$ 6,468,762

(20) Employee benefit expense

	Year ended December 31	
	2023	2022
Wages and salaries	$ 743,670	$ 665,373
Labour and health insurance fees	50,344	45,550
Pension costs	38,241	35,199
Employee stock options expenses	9,895	10,579
Other personnel expenses	15,043	15,131
	$ 857,193	$ 771,832

A. In accordance with the Articles of Incorporation of the Company, a ratio of distributable profit of the current year, after covering accumulated losses, shall be distributed as employees' compensation and directors’ remuneration. The ratio shall be at 2%~8% for employees’ compensation and shall not be higher than 2% for directors’ remuneration.

B. For the year ended December 31, 2023, employees’ compensation was accrued at $16,433 based on 5% of the Company’s profit. The aforementioned amount was recognised in salary expenses. The directors’ remuneration was not accrued as it was not expected to be paid. For the year ended December 31, 2022, the Company did not accrue employees’ compensation and directors' remuneration.

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

(21) Income tax

A. Income tax expense

(a) Components of income tax expense:

	Year ended December 31	
	2023	2022
Current tax:		
Current tax on profits for the year	$ 70,118	$ 62,634
Prior year income tax overestimation	(12,820)	-
Total current tax	$ 57,298	$ 62,634
Deferred tax:		
Origination and reversal of temporary differences	1,450	26
Total deferred tax	1,450	26
Income tax expense	$ 58,748	$ 62,660

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

	Year ended December 31	
	2023	2022
Currency translation differences	($ 6,293)	$ 7,600

B. Reconciliation between income tax expense and accounting profit

	Year ended December 31	
	2023	2022
Tax calculated based on profit before tax and statutory tax rate (note)	$ 84,817	$ 68,734
Expenses disallowed by tax regulation	1,019	197
Temporary differences not recognised as deferred tax assets	2,034	1,223
Change in assessment of realisation of deferred tax assets	(8,754)	1,310
Prior year income tax overestimation	(12,820)	-
Effect from research and development tax credits	(8,149)	(9,457)
Others	601	653
Income tax expenses	$ 58,748	$ 62,660

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

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

	2023				
	January 1	Recognised in profit or loss	Recognised in other comprehensive income	Exchange difference	December 31
Deferred tax assets:					
-Temporary differences:					
Allowance for bad debts	$ 3,905	$ 1,440	$ -	($ 73)	$ 5,272
Allowance for inventory valuation losses	19,376	(7,336)	-	25	12,065
Accrued unrealised compensation for employees' annual leave	8,507	1,215	-	(19)	9,703
Book-tax difference on intangible assets	-	3,832	-	(55)	3,777
Lease liabilities	-	62,336	-	(862)	61,474
Warranty liabilities	3,982	4,198	-	(140)	8,040
Extra tax deductions for research and development expense	6,183	(3,052)	-	(110)	3,021
Others	7,767	24	6,293	(1,221)	12,863
Total	$ 49,720	$ 62,657	$ 6,293	($ 2,455)	$ 116,215
-Deferred tax liabilities:					
Deferred income tax - State	($ 2,273)	$ 62	$ -	$ -	($ 2,211)
Book-tax difference on fixed assets	(2,189)	(3,373)	-	45	(5,517)
Right-of-use assets	-	(59,703)	-	882	(58,821)
Total	($ 4,462)	($ 63,014)	$ -	$ 927	($ 66,549)

	2022				
	January 1	Recognised in profit or loss	Recognised in other comprehensive income	Exchange difference	December 31
Deferred tax assets:					
-Temporary differences:					
Allowance for bad debts	$ 2,125	$ 1,611	$ -	$ 169	$ 3,905
Allowance for inventory valuation losses	10,841	7,526	-	1,009	19,376
Accrued unrealised compensation for employees' annual leave	6,837	894	-	776	8,507
Warranty liabilities	4,924	(1,174)	-	232	3,982
Book-tax difference on fixed assets	3,688	(3,688)	-	-	-
Extra tax deductions for research and development expense	-	6,164	-	19	6,183
Others	223	(181)	7,600	125	7,767
-Operating losses carryforward	11,404	(12,279)	-	875	-
Total	$ 40,042	($ 1,127)	$ 7,600	$ 3,205	$ 49,720
-Deferred tax liabilities:					
Deferred income tax - State	($ 4,324)	$ 2,325	$ -	($ 274)	($ 2,273)
Book-tax difference on fixed assets	-	(2,297)	-	108	(2,189)
Others	(1,109)	1,073	-	36	-
Total	($ 5,433)	$ 1,101	$ -	($ 130)	($ 4,462)

D. Expiration dates of unused tax losses and amounts of unrecognized deferred tax assets of AMAX Engineering Corporation, the Group's subsidiary, are as follows：

US California State tax:

December 31, 2022				
Year incurred	Amount field	Unused tax credits	Unrecognised deferred tax assets	Expiry year
2018	$ 44,937	$ -	$ -	2038
2019	78,721	-	-	2039
2020	72,955	18,304	-	2040
	$ 196,613	$ 18,304	$ -	

As of December 31, 2023, the Group has no unused tax losses of US California State tax.

(22) Earnings per share

	Year ended December 31, 2023		
	Amount after tax	Weighted average number of outstanding ordinary shares (share in thousands)	Earnings per share (in dollars)
Basic earnings per share			
Profit attributable to ordinary shareholders of the parent	$ 253,481	36,829	$ 6.88
Diluted earnings per share			
Profit attributable to ordinary shareholders of the parent	253,481	36,829	
Assumed conversion of all dilutive potential ordinary shares			
Employees' compensation	-	70	
Employee stock options	-	1,408	
Profit attributable to ordinary shareholders of the parent plus assumed conversion of all dilutive potential ordinary shares	$ 253,481	$ 38,307	$ 6.62

	Year ended December 31, 2022		
	Amount after tax	Weighted average number of outstanding ordinary shares (share in thousands)	Earnings per share (in dollars)
Basic earnings per share (the same as diluted earnings per share)			
Profit attributable to ordinary shareholders of the parent	$ 184,523	36,176	$ 5.10

Note: As described in Note 4(3), the information on accounts related to consolidated shareholders' equity before the reorganisation presented in submissions was based on the consolidated shareholders' equity of AMAX Engineering Corporation, the actual operating entity. However, the weighted-average number of outstanding shares were calculated retrospectively based on the weighted-average number of outstanding shares with a par value of $10 (in dollars) per share that was issued on November 30, 2022.

(23) Supplemental cash flow information

Investing activities with partial cash payments:

	Year ended December 31	
	2023	2022
Purchase of property, plant and equipment	$ 22,013	$ 9,374
Less: Ending balance of payable on equipment	(2,477)	-
Cash paid during the year	$ 19,536	$ 9,374

7. Related Party Transactions

(1) Names of related parties and relationship

Names of related parties	Relationship with the Group
Huaguan Technology Co., Ltd. (Suzhou)	The director of the Company is the director of the related party
AMAX Global Services, Inc.	"
Animated LLC	"
Sabercat Investment LLC	"
Ingrasy Technology USA Inc.	The group which the entity belonged to is an equity investor of the Group.
Foxconn Technology Co., Ltd.	"
Ingrasys Technology Inc.	"

(2) Significant related party transactions

A. Purchases

	Year ended December 31	
	2023	2022
Other related parties	$ 28,526	$ 2,829

The transaction prices and payment terms provided by the related parties were comparable to those provided by third parties.

B. Managerial services income

	Year ended December 31	
	2023	2022
Other related party	$ -	$ 1,043

The Group provides administrative and financial support related managerial services to the related party and charges based on the agreement.

C. Technical service expense

	Year ended December 31	
	2023	2022
AMAX Global Services, Inc.	$ 44,607	$ 42,277

The Group's technical service expense with related party was mainly related to the software development and consulting services provided by the related party and was paid in accordance with the contractual remuneration and payment terms.

D. Payables to related parties

	December 31, 2023	December 31, 2022
Payables to related parties		
Other related party	$ 3,589	$ 3,416

The payables to related party arise mainly from purchase transactions and technical and managerial services which would be due within one month after the date of purchase and providing services. The payables bear no interest.

E. Lease transactions－lessee

(a)The Group leases buildings and employees' dorms from Animated LLC and Sabercat Investment LLC for the periods from May 2013 to May 2028 and from January 2023 to December 2023, respectively, and the rentals were paid at the beginning of each month.

(b)Right-of-use assets:

	Year ended December 31	
	2023	2022
Animated LLC	$ 189,671	$ 12,959

For the years ended December 31, 2023 and 2022, the additions to right-of-use assets were $221,028 and $0, respectively.

(c) Lease liabilities

i. Outstanding balance:

	December 31, 2023	December 31, 2022
Animated LLC	$ 199,083	$ 20,152

ii. Interest expense

	Year ended December 31, 2023	Year ended December 31, 2022
Animated LLC	$ 11,950	$ 1,887
Other related party	51	30
	$ 12,001	$ 1,917

Rentals of the lease contracts between the Group and its related party were based on market conditions and were paid in accordance with normal terms.

(3) Key management compensation

	Year ended December 31	
	2023	2022
Short-term employee benefits	$ 85,118	$ 87,948
Share-based payments	1,012	650
Total	$ 86,130	$ 88,598

8. Pledged Assets

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

	Book value		
Pledged asset	December 31, 2023	December 31, 2022	Purpose
Cash	$ 425,501	$ 20,800	Note 1
Accounts receivable	635,610	454,240	Note 2
Other receivables	-	14,341	Note 1
Inventories	681,497	775,029	Note 2
Prepayments	3,607	3,827	Note 1
Property, plant and equipment	29,662	32,342	Note 2
Refundable deposits	147,592	84,267	Note 1
	$ 1,923,469	$ 1,384,846	

Note 1: The assets were pledged for the purpose as a security for supplier financing. AMAX Engineering Corporation, an US subsidiary of the Group, participated in the Intel Partner Financing supplier financing project (Supplier Financing), which was promoted

by Intel, and entered into a Loan and Security Agreement with De Lage Landen Financial Services ("DLL"), a financial company which was cooperated in the supplier financing project. In accordance with the agreement, AMAX Engineering Corporation agreed to pledge all its assets as a security for DLL's obligations, and DLL might execute the security interests over the assets and inventories of AMAX Engineering Corporation, to obtain the possession of the collateral or to obtain a refund of the auction price of the collateral only if an event of default occurs under agreement with AMAX Engineering Corporation, and DLL might be repaid only up to the amount of its obligation to AMAX Engineering Corporation. As of December 31, 2023 and 2022, the balance of the Group's accounts payable to DLL for the abovementioned supplier financing amounted to $342,690 and $126,896, respectively.

Note 2: The assets were pledged as collateral for short-term borrowings and for the purpose as a security for supplier financing as previously stated in Note 1.

9. Significant Contingent Liabilities and Unrecognised Contract Commitments

None.

10. Significant Disaster Loss

None.

11. Significant Events after the Balance Sheet Date

The Board of Directors proposed the appropriations of 2023 earnings on March 12, 2024. Please refer to Note 6(15) for the details.

12. Others

(1) Capital management

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern in order to provide returns for shareholders and to maintain an optimal capital structure to reduce the cost of capital. In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

(2) Financial instruments

A. Financial instruments by category

	December 31, 2023	December 31, 2022
Financial assets		
Financial assets at fair value through profit or loss		
Financial assets mandatorily measured at fair value through profit or loss	$ -	$ 46,671
Financial assets at amortised cost		
Cash and cash equivalents	$ 829,807	$ 216,911
Financial assets at amortised cost	62,410	-
Notes receivable	8,202	889
Accounts receivable	836,286	667,757
Other receivables (shown as "other current assets")	1,316	10,349
Refundable deposits	150,434	84,267
	$ 1,888,455	$ 980,173

	December 31, 2023	December 31, 2022
Financial liabilities		
Financial liabilities at amortised cost		
Short-term borrowings	$ 281,217	$ 225,217
Accounts payable	582,400	379,005
Other payables	211,259	162,992
	$ 1,074,876	$ 767,214
Lease liabilities	$ 256,927	$ 42,278

B. Financial risk management policies

The Group's activities expose it to a variety of financial risks: foreign exchange risk, credit risk and liquidity risk.

C. Significant financial risks and degrees of financial risks

(a) Market risk

Foreign exchange risk

i. The Group operates internationally and is exposed to foreign exchange risk arising from the transactions of the Company and its subsidiaries used in various functional currencies, primarily with respect to the USD, EUR and RMB. Foreign exchange risk arises from future commercial transactions and recognised assets and liabilities.

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

	December 31, 2023				
	Foreign currency amount (In thousands)		Exchange rate		Book value (In thousands of New Taiwan dollars)
(Foreign currency: functional currency)					
Financial assets					
Monetary items					
GBP: USD	$	521	1.2732	$	20,374
USD: EUR		1,583	0.9059		48,618
USD: NTD		385	30.7127		11,824
Financial liabilities					
Monetary items					
USD: RMB	$	2,959	7.0971	$	90,879

	December 31, 2022					
	Foreign currency amount (In thousands)		Exchange rate			Book value (In thousands of New Taiwan dollars)
(Foreign currency: functional currency)						
Financial assets						
Monetary items						
GBP: USD	$	521	$	1.2102	$	19,363
USD: RMB		300		6.9646		9,213
USD: EUR		1,255		0.9318		38,541
Financial liabilities						
Monetary items						
USD: RMB	$	580		6.9646	$	17,812

iii. For the years ended December 31, 2023 and 2022, the Group's monetary items have recognised exchange gain (loss) (including realised and unrealised) in the amount of $1,626 and ($24,631), respectively, due to the significant effect from the fluctuations of exchange rate.

(b) Credit risk

i Credit risk refers to the risk of financial loss to the Group arising from default by the clients or counterparties of financial instruments on the contract obligations. The main factor is that counterparties could not repay in full of the accounts receivable based on the agreed terms.

ii. The default occurs if the contract payments were past due over 180 days based on the terms.

iii. The Group assess whether there has been a significant increase in credit risk on that instrument since initial recognition:

If the contract payments were past due over 180 days based on the terms, there has been a significant increase in credit risk on that instrument since initial recognition.

iv. The following indicators are used to determine whether the credit impairment of debt instruments has occurred:

(i) It becomes probable that the issuer will enter bankruptcy or other financial reorganisation due to their financial difficulties;

(ii) The disappearance of an active market for that financial asset because of financial difficulties;

(iii) Default or delinquency in interest or principal repayments; and

(iv) Adverse changes in national or regional economic conditions that are expected to cause a default.

v. The Group estimates expected credit losses individually for individually significant accounts receivable which the default occurs. For the remaining customers, the Group classifies customers' accounts receivable in accordance with geographic area. The Group applies the modified approach using a provision matrix to estimate the expected credit loss.

vi. The Group wrote-off the financial assets, which cannot be reasonably expected to be recovered, after initiating recourse procedures. However, the Group will continue executing the recourse procedures to secure their rights.

vii. The Group used the forecastability to adjust historical and timely information to assess the default possibility of accounts receivable. On December 31, 2023 and 2022, the loss allowance for accounts receivable is as follows:

	Not past due	Up to 30 days past due	31~60 days past due	61~90 days past due	61~180 days past due	Total
December 31, 2023						
Expected loss rate	0.89%	1.44%	2.62%	20.98%	100.00%	
Total book value	$ 609,500	$ 150,405	$ 76,107	$ 12,481	$ 15,674	$ 864,167
Loss allowance	$ 5,425	$ 2,172	$ 1,992	$ 2,618	$ 15,674	$ 27,881
December 31, 2022						
Expected loss rate	0.86%	1.23%	2.59%	7.15%	100.00%	
Total book value	$ 508,995	$ 86,572	$ 63,383	$ 16,635	$ 13,242	$ 688,827
Loss allowance	$ 4,384	$ 1,066	$ 1,644	$ 1,190	$ 13,242	$ 21,526

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

	December 31, 2023	December 31, 2022
At January 1	$ 21,070	$ 11,847
Provision for impairment	7,291	8,523
Effect of exchange rate changes	(480)	700
At December 31	$ 27,881	$ 21,070

(c) Liquidity risk

i. Cash flow forecasting is performed in the operating entities of the Group and aggregated by Group treasury. Group treasury monitors rolling forecasts of the Group's liquidity requirements to ensure it has sufficient cash to meet operational needs while maintaining sufficient headroom on its undrawn committed borrowing facilities (Note 6(8)) at all times so that the Group does not breach borrowing limits or covenants (where applicable) on any of its borrowing facilities. Such forecasting takes into consideration the Group's debt financing plans, covenant compliance, compliance with internal balance sheet ratio targets and, if applicable external regulatory or legal requirements, for example, currency restrictions.

ii. The table below analyses the Group's non-derivative financial liabilities into relevant maturity groupings based on the remaining period at the balance sheet date to the contractual maturity date for non-derivative financial liabilities. The amounts disclosed in the table are the contractual undiscounted cash flows.

December 31, 2023	Less than 1 year	Between 1 and 2 years	Between 2 and 5 years	Over 5 years	Total
Non-derivative financial liabilities					
Short-term borrowings	$ 283,037	$ -	$ -	$ -	$ 283,037
Accounts payable	578,811	-	-	-	578,811
Accounts payables to related parties	3,589	-	-	-	3,589
Other payables	211,259	-	-	-	211,259
Lease liability	69,169	67,428	161,085	-	297,682
	$ 1,145,865	$ 67,428	$ 161,085	$ -	$ 1,374,378

December 31, 2022	Less than 1 year	Between 1 and 2 years	Between 2 and 5 years	Over 5 years	Total
Non-derivative financial liabilities					
Short-term borrowings	$ 227,281	$ -	$ -	$ -	$ 227,281
Accounts payable	375,589	-	-	-	375,589
Accounts payables to related parties	3,416	-	-	-	3,416
Other payables	162,992	-	-	-	162,992
Lease liability	36,026	4,995	3,992	-	45,013
	$ 805,304	$ 4,995	$ 3,992	$ -	$ 814,291

(1) Fair value information

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

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date. A market is regarded as active where a market in which transactions for the asset or liability take place with sufficient frequency and volume to provide pricing information on an ongoing basis.

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

Level 3: Unobservable inputs for the asset or liability.

B. Financial instruments not measured at fair value

The carrying amounts of the Group's cash and cash equivalents, notes receivable, accounts receivable, other receivables, refundable deposits, short-term borrowings, accounts payable, other payables and lease liabilities are approximate to their fair values.

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

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

December 31, 2022	Level 1	Level 2	Level 3	Total
Assets				
Recurring fair value measurements				
Financial assets at fair value through profit or loss				
Non-principle protected floating income financial instruments	$ -	$ 46,671	$ -	$ 46,671

At December 31, 2023, the Group had no financial and non-financial instruments measured at fair value.

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

The estimated fair values of the financial instruments acquired are all in Level 2 and are valued based on the rate of return.

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

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

13. Supplementary Disclosures

(1) Significant transactions information

A. Loans to others: Please refer to table 1.

B. Provision of endorsements and guarantees to others: Please refer to table 2.

C. Holding of marketable securities at the end of the period (not including subsidiaries, associates and joint ventures): None.

D. Acquisition or sale of the same security with the accumulated cost exceeding $300 million or 20% of the Company's paid-in capital: Please refer to table 3.

E. Acquisition of real estate reaching $300 million or 20% of paid-in capital or more: Please refer to table 4.

F. Disposal of real estate reaching $300 million or 20% of paid-in capital: None.

G. Purchases or sales of goods from or to related parties reaching $100 million or 20% of paid-in capital: Please refer to table 5.

H. Receivables from related parties reaching $100 million or 20% of paid-in capital: None.

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

J. Significant inter-company transactions during the reporting period: Please refer to table 6.

(2) Information on investees

Names, locations and other information of investee companies (not including investees in Mainland China)：Please refer to table 7.

(3) Information on investments in Mainland China

A. Basic information: Please refer to table 8.

B. Significant transactions, either directly or indirectly through a third area, with investee companies in the Mainland Area: None.

(4) Major shareholders information

Major shareholders information: Please refer to table 9.

14. Segment Information

(1) General information

The Group's core business is research, development, manufacturing and sales of cloud, data center and high performance computing (HPC) servers and its peripheral equipment, as well as providing scalable customised cluster as well as relevant system solution and customised service. The Group's Board of Directors allocates resources and assesses performance of the Group as a whole and has identified that the Group has only one reportable operating segment.

(2) Measurement of segment information

The Group's operating segment's accounting policies are in agreement with the significant accounting policy summarized in Notes of the consolidated financial statements. Segment profit (loss) is measured with the profit (loss) after tax, which is used as a basis for the Group in assessing the performance of the operating segments.

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

The Group has only one reportable operating segment, thus, the reportable information is in agreement with those in the consolidated financial statements.

(4) Reconciliation for segment income (loss)

The segment operating net income reported to the chief operating decision-maker are measured in a manner consistent with revenues and expenses in the statement of comprehensive income, and therefore the adjustments to net operating income are the same as those in the statement of comprehensive income.

(5) Information on products and services

Details of revenue are as follows:

	Year ended December 31	
	2023	2022
Sales revenue	$ 6,006,054	$ 6,679,057
Service revenue	71,243	69,843
	$ 6,077,297	$ 6,748,900

(6) Geographical information

Revenues from the Group's geographical segments are categorised based on the geographical location of customers and non-current assets are categorised based on the geographical location of the assets. Geographical information for the years ended December 31, 2023 and 2022 is as follows:

	Year ended December 31			
	2023		2022	
	Revenue	Non-current assets	Revenue	Non-current assets
United States	$ 3,851,839	$ 223,691	$ 3,170,054	$ 50,101
Asia	2,096,230	84,843	3,219,954	26,872
Europe	129,228	12,026	358,892	18,585
	$ 6,077,297	$ 320,560	$ 6,748,900	$ 95,558

(7) Major customer information

Major customer information of the Group for the years ended December 31, 2023 and 2022 is as follows:

	Year ended December 31	
	2023	2022
	Revenue	Revenue
H Company	$ 1,567,194	$ 364,160
M Company	508,694	1,041,251

AMAX Holding Co., Ltd. and subsidiaries
Loans to others
Year ended December 31, 2023

Table 1

Expressed in thousands of NTD
(Except as otherwise indicated)

Number	Creditor	Borrower	General ledger account	Is a related party	Maximum outstanding balance during the year ended December 31, 2023	Balance as at December 31, 2023	Actual amount drawn down	Interest rate	Nature of loan (Note 1)	Amount of transactions with the borrower	Reason for short-term financing	Allowance for doubtful accounts	Collateral Item	Collateral Value	Limit on loans granted to a single party (Note 2)	Ceiling on total loans granted (Note 2)	Footnote
0	AMAX Holding Co., Ltd.	AMAX Information Technologies Co., Ltd.	Other receivables	Yes	$ 12,282	$ 12,282	$ 4,606	5.00%	2	$ -	Operations	$ -	-	$ -	$ 772,669	$ 772,669	Note 2
					(USD 400,000)	(USD 400,000)	(USD 150,000)										
0	AMAX Holding Co., Ltd.	AMAX Information Technologies Co., Ltd.	Other receivables	Yes	6,141	6,141	-	Based on the contracts	2	-	Operations	-	-	-	772,669	772,669	Note 2
					(USD 200,000)	(USD 200,000)	-										
1	AMAX Engineering Corporation	AMAX Holding Co., Ltd.	Other receivables	Yes	46,058	46,058	-	5.00%	2	-	Operations	-	-	-	848,088	848,088	Note 3
					(USD 1,500,000)	(USD 1,500,000)	-										
2	AMAX Information Technologies Limited	AMAX Engineering Corporation	Other receivables	Yes	15,353	15,353	-	Based on the contracts	2	-	Operations	-	-	-	27,493	27,493	Note 3
					(USD 500,000)	(USD 500,000)	-										

Note 1: The column of 'Nature of loan' shall fill in 'Business transaction or 'Short-term financing':

(1) Fill in 1 for business transactions

(2) Fill in 2 for short-term financing

Note 2: In accordance with the loaning funds to others of the lending companies, for short-term financing, limit on loans granted for a single party and limit on total loans is 40% of the net assets of the lending companies.

Note 3: In accordance with the policy of loaning funds to others of the lending companies, for the foreign companies whose voting rights are 100% owned directly and indirectly by the lending companies, of which the loans are arising from the needs of short-term financing for both parties, limit on loans granted for a single party and limit on total loans is the lower of 50% of the net assets of the lending companies or 50% of the ultimate parent company's net assets stated in the latest financial statements.

AMAX Holding Co., Ltd. and subsidiaries
Provision of endorsements and guarantees to others
Year ended December 31, 2023

Table 2

Expressed in thousands of NTD
(Except as otherwise indicated)

Number (Note 1)	Endorser/ guarantor	Party being endorsed/guaranteed: Company name	Relationship with the endorser/ guarantor (Note 2)	Limit on endorsements/ guarantees provided for a single party	Maximum outstanding endorsement/ guarantee amount as of December 31, 2023	Outstanding endorsement/ guarantee amount as of December 31, 2023	Actual amount drawn down	Amount of endorsements/ guarantees secured with collateral	accumulated endorsement/ guarantee amount to net asset value of the endorser/ guarantor company	Ceiling on total amount of endorsements/ guarantees provided	Provision of endorsements/ guarantees by parent company to subsidiary	Provision of endorsements/ guarantees by subsidiary to parent company	Provision of endorsements/ guarantees to the party in Mainland China	Footnote
1	AMAX Information Technology (Shanghai) Co., Ltd.	AMAX Information Technologies (Suzhou) Co., Ltd.	1	$ 716,116	$ 423,989 (RMB 98,000,000)	$ -	$ -	$ -	-	$ 716,116	N	N	Y	Note 3
2	AMAX Engineering Corporation	AMAX Holding Co., Ltd.	2	1,696,175	153,525 (USD 500,000)	153,525	-	-	9%	1,696,175	N	Y	N	Note 4
3	AMAX Information Technologies (Suzhou) Co., Ltd.	XIN Max International Trading (Hong Kong) Limited	1	589,785	194,688 (RMB 45,000,000)	194,688	-	-	33%	589,785	N	N	Y	Note 5

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

(1) The Company is ‘0’.

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

Note 2: The associates is 1, and the parent company is 2.

Note 3: In accordance with AMAX Information Technology (Shanghai) Co., Ltd.’s “Procedures for Provision of Endorsements and Guarantees”, the limit between companies in which the parent company directly and indirectly owns 100% of the voting shares is the lower of 400% of the net worth of the endorsement/guarantee company's most recent financial statements which was audited or reviewed by the independent accountants or 100% of the net worth of the ultimate parent company's most recent financial statements which was audited or reviewed by the independent accountants.

Note 4: In accordance with AMAX Engineering Corporation’s “Procedures for Provision of Endorsements and Guarantees”, the limit between companies in which the parent company directly and indirectly owns 100% of the voting shares is the lower of 100% of the net worth of the endorsement/guarantee company’s most recent financial statements which was audited or reviewed by the independent accountants or 100% of the net worth of the ultimate parent company’s most recent financial statements which was audited or reviewed by the independent accountants.

Note 5: In accordance with AMAX Information Technology (Suzhou) Co., Ltd.'s "Procedures for Provision of Endorsements and Guarantees", the limit between companies in which the parent company directly and indirectly owns 100% of the voting shares is the lower of 400% of the net worth of the endorsement/guarantee company's most recent financial statements which was audited or reviewed by the independent accountants or 100% of the net worth of the ultimate parent company's most recent financial statements which was audited or reviewed by the independent accountants.

AMAX Holding Co., Ltd. and subsidiaries
Acquisition or sale of the same security with the accumulated cost exceeding $300 million or 20% of the Company's paid-in capital
Year ended December 31, 2023

Table 3

Expressed in thousands of NTD
(Except as otherwise indicated)

					Balance as at January 1, 2023		Addition		Disposal				Balance as at December 31, 2023	
Investor	Marketable securities	General ledger account	Counterparty (Note 1)	Relationship with the investor (Note 1)	Number of shares	Amount	Number of shares	Amount	Number of shares	Selling price	Book value	Gains (losses) on disposal	Number of shares	Amount
AMAX Information Technologies (Suzhou) Co., Ltd.	No 3. non-principle protected floating income financial instruments of Bank of Ningbo	Financial assets at fair value through profit or loss	-	-	-	$ -	-	$ 83,703	-	$ 83,824	$ 83,703	$ 121	-	$ -
"	No 6. non-principle protected floating income financial instruments of Bank of Ningbo	"	-	-	-	-	-	150,209	-	150,538	150,209	329	-	-
"	Non-principle protected floating income financial instruments of China Everbright Bank	"	-	-	-	28,892	-	92,425	-	121,719	121,317	402	-	-
AMAX Holding Co., Ltd.	AMAX Engineering Corporation	Investments accounted for using equity method (Note 2)	AMAX Engineering Corporation (Note 3)	Subsidiary	108,527	1,164,640	2,911	312,700	-	-	-	-	111,438	1,695,876

Note 1: Fill in the columns the counterparty and relationship if securities are accounted for under the equity method; otherwise leave the columns blank.

Note 2: Investments accounted for using equity method has been eliminated in the consolidated financial statements.

Note 3: It was the capital increase to the wholly-owned subsidiary of the Company.

AMAX Holding Co., Ltd. and subsidiaries
Acquisition of real estate reaching NT$300 million or 20% of paid-in capital
Year ended December 31, 2023

Table 4

Expressed in thousands of NTD
(Except as otherwise indicated)

								If the counterparty is a related party, information as to the last transaction of the real estate is disclosed below:						
Real estate acquired by	Real estate acquired	Date of the event	Transaction currency	Transaction amount	Status of payment	Counterparty	Relationship	Original owner who sold the real estate to the counterparty	Relationship between the original owner and the acquirer	Date of the original transaction	Amount	Basis or reference used in setting the price	Reason for acquisition of real estate and status of the real estate	Other commitments
AMAX Engineering Corporation	Right-of-use assets	March 31, 2023	USD	$ 7,051,742	Note 1	Animated LLC	Note 1	Balch Enterprises, Inc.	None	May 14, 1998	$ 9,014,521	By reference to the professional appraisal report.	Operations	None

Note 1: On March 31, 2023, the Group’s Board of Directors resolved that the U.S. subsidiary leases buildings from the related party, Animated LLC, for the use as its main operating office and factory. The lease commencement date is April 1, 2023.

AMAX Holding Co., Ltd. and subsidiaries
Purchases or sales of goods from or to related parties reaching NT$100 million or 20% of paid-in capital
Year ended December 31, 2023

Table 5

Expressed in thousands of NTD
(Except as otherwise indicated)

			Transaction				Differences in transaction termscompared to third party transactions		Notes/accounts receivable (payable)	
Purchaser/seller	Counterparty	Relationship with the counterparty	Purchases (sales)	Amount	Percentage of total purchases (sales)	Credit term	Unit price	Credit term	Balance	Percentage of total notes/accounts receivable (payable)
AMAX Information Technologies (Suzhou) Co., Ltd.	AMAX Information Technology (Shanghai) Co., Ltd.	Associate	Sales	$ 290,688	13.32%	Note 1	Note 1	Note 1	$ 39,920	13.36%
AMAX Information Technologies (Suzhou) Co., Ltd.	AMAX Information Technologies (Shenzhen) Co., Ltd.	Associate	"	307,830	14.10%	"	"	"	825	0.28%
AMAX Information Technologies (Suzhou) Co., Ltd.	AMAX Engineering Corporation	Associate	"	217,578	9.97%	"	"	"	73,330	24.54%

Note 1: The terms and sales prices were negotiated by both parties after taking into consideration products, market competition and other conditions. The collection period is 30~120 days from the end of the month of sales. The aforementioned related party transaction has been eliminated in the consolidated financial statements.

AMAX Holding Co., Ltd. and subsidiaries

Significant inter-company transactions during the reporting periods

Year ended December 31, 2023

Table 6

Expressed in thousands of NTD
(Except as otherwise indicated)

				Transaction			
No. (Note 1)	Company name	Counterparty	Relationship	General ledger account	Amount	Transaction terms	Percentage of consolidated total operating revenues or total assets (Note 4)
1	AMAX Engineering Corporation	AMAX Information Technologies Limited	Note 2	Sale	$ 23,596	Note 3	0.39%
1	AMAX Engineering Corporation	AMAX Information Technologies (Suzhou) Co., Ltd.	"	Sale	29,684	"	0.49%
1	AMAX Engineering Corporation	AMAX Information Technologies Co., Ltd.	"	Sale	22,024	"	0.36%
2	AMAX Information Technologies Limited	AMAX Engineering Corporation	"	Sale	18,650	"	0.31%
3	AMAX Information Technologies (Suzhou) Co., Ltd.	AMAX Information Technology (Shanghai) Co., Ltd.	"	Sale	290,688	"	4.78%
3	AMAX Information Technologies (Suzhou) Co., Ltd.	AMAX Information Technologies (Shenzhen) Co.,	"	Sale	307,830	"	5.07%
3	AMAX Information Technologies (Suzhou) Co., Ltd.	AMAX Engineering Corporation	"	Sale	217,578	"	3.58%
3	AMAX Information Technologies (Suzhou) Co., Ltd.	AMAX Information Technologies Co., Ltd.	"	Sale	13,999	"	0.23%
4	AMAX Information Technologies Co., Ltd.	AMAX Engineering Corporation	"	Service revenue	16,913	"	0.28%
1	AMAX Engineering Corporation	AMAX Information Technologies Limited	"	Accounts receivable	4,101	"	0.11%
3	AMAX Information Technologies (Suzhou) Co., Ltd.	AMAX Engineering Corporation	"	Accounts receivable	73,330	"	2.03%
1	AMAX Engineering Corporation	AMAX Information Technologies (Suzhou) Co., Ltd.	"	Accounts receivable	1,317	"	0.04%
1	AMAX Engineering Corporation	AMAX Information Technologies Co., Ltd.	"	Accounts receivable	21,706	"	0.60%
3	AMAX Information Technologies (Suzhou) Co., Ltd.	AMAX Information Technology (Shanghai) Co., Ltd.	"	Accounts receivable	39,920	"	1.11%
3	AMAX Information Technologies (Suzhou) Co., Ltd.	AMAX Information Technologies (Shenzhen) Co.,	"	Accounts receivable	825	"	0.02%
3	AMAX Information Technologies (Suzhou) Co., Ltd.	AMAX Information Technologies Co., Ltd.	"	Accounts receivable	13,822	"	0.38%
4	AMAX Information Technologies Co., Ltd.	AMAX Engineering Corporation	"	Accounts receivable	4,845	"	0.13%

Note 1: The subsidiaries are numbered in order starting from ‘1’.

Note 2: Relationship between transaction company and counterparty is subsidiary to subsidiary.

Note 3: The terms and sales prices were negotiated by both parties after taking into consideration products, market competition and other conditions. The collection period is 30~120 days from the end of the month of sales.

Note 4: The percentage of consolidated total assets is computed with the consolidated total assets divided by period-end balance of balance sheet accounts while the consolidated total operating revenues is computed with consolidated total operating revenues divided by accumulated amount of income statement accounts for the year. The aforementioned related party transaction has been eliminated in the consolidated financial statements.

AMAX Holding Co., Ltd. and subsidiaries
Information on investees
Year ended December 31, 2023

Table 7

Expressed in thousands of NTD
(Except as otherwise indicated)

Investor	Investee	Location	Main business activities	Initial investment amount: Balance as at December 31, 2023	Initial investment amount: Balance as at December 31, 2022	Shares held as at December 31, 2023: Number of shares	Shares held as at December 31, 2023: Ownership (%)	Shares held as at December 31, 2023: Book value	Net profit (loss) of the investee for the year ended December 31, 2023	Investment income (loss) recognised by the Company for the year ended December 31, 2023	Footnote
AMAX Holding Co., Ltd.,	AMAX Engineering Corporation	USA	Manufacturing and sales of servers, network systems and cloud computing peripherals	$ 1,477,340 (USD 48,899,134)	$ 1,164,640 (USD 38,899,134)	111,438	100%	$ 1,695,876	$ 270,167	$ 270,167	Investees accounted for using equity method
AMAX Engineering Corporation	AMAX Information Technologies Limited	Ireland	Manufacturing and sales of servers, network systems and cloud computing peripherals	3,308 (EUR 100,000)	3,308 (EUR 100,000)	100	100%	54,986	767	767	"
AMAX Engineering Corporation	AMAX Information Technologies Co., Ltd.	Taiwan	Sales and customer service of servers and peripherals	20,000	1,000	100	100%	20,214	92	92	"
AMAX Information Technologies (Shenzhen) Co., Ltd.	XIN Max International Trading (Hong Kong) Limited	Hong Kong	International trade	39 (HK 10,000)	-	10	100%	498	465	465	"

AMAX Holding Co., Ltd. and subsidiaries
Information on investments in Mainland China
Year ended December 31, 2023

Table 8

Expressed in thousands of NTD
(Except as otherwise indicated)

Investee in Mainland China	Main business activities	Paid-in Capital	Investment method (Note 1)	Accumulated amount of remittance from Taiwan to Mainland China as of January 1, 2023	Amount remitted from Taiwan to Mainland China/Amount remitted back to Taiwan for the year ended December 31, 2023		Accumulated amount of remittance from Taiwan to Mainland China as of December 31, 2023	Net Income of Investee as of December 31, 2023	Ownership held by the Company (direct or indirect)	Investment income (loss) recognised by the Company for the year ended December 31, 2023 (Note 2)	Book value of investments in back to as of 2023	Accumulated amount of investment income remitted back to Taiwan as of December 31, 2023	Footnote
					Remitted to Mainland China	Remitted back to Taiwan							
AMAX Information Technologies (Suzhou) Co., Ltd.	Research and development of computer software and manufacturing and sales of servers and cloud computing peripherals	$ 49,507 (CNY 10,000,000)	1	$ -	$ -	$ -	$ -	$ 89,017	100%	$ 89,017	$ 566,693	$ -	Investees accounted for using equity method
AMAX Information Technology (Shanghai) Co., Ltd.	Sales of servers and peripherals	38,450 (CNY 7,843,350)	1	-	-	-	-	19,746	100%	19,746	179,029	-	"
AMAX Information Technologies (Shenzhen) Co., Ltd.	Sales of servers and peripherals	13,723 (CNY 3,000,000)	1	-	-	-	-	4,319	100%	4,319	41,139	-	"

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

(1) Directly invest in a company in Mainland China.

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

(3) Others

Note 2: The financial information has been audited by the same independent accountants of the Company.

AMAX Holding Co., Ltd. and subsidiaries
Major shareholders information
December 31, 2023

Table 9

Major shareholders information	Shares	
	Number of shares held	Ownership (%)
Jerry Shih	7,355,599	18.18%
Jean Shih	5,407,564	13.36%
Chi-Lei Ni	5,349,042	13.22%
Ingrasys (Singapore) PTE. LTD.	4,656,238	11.51%
Cloud Network Technology KFT.	4,656,238	11.51%