Stock Code:2009

FIRST COPPER TECHNOLOGY CO., LTD.

Financial Statements

With Independent Auditors' Report
For the Years Ended December 31, 2023 and 2022

Address: 4F, No. 170, Chung Cheng 4th Road, Kaohsiung, Taiwan, R.O.C.
Telephone: 886-7-281-4161

Table of contents

Contents	Page
1. Cover Page	1
2. Table of Contents	2
3. Independent Auditors' Report	3
4. Balance Sheets	4
5. Statements of Comprehensive Income	5
6. Statements of Changes in Equity	6
7. Statements of Cash Flows	7
8. Notes to the Financial Statements	
(1) Company history	8
(2) Approval date and procedures of the financial statements	8
(3) New standards, amendments and interpretations adopted	8～9
(4) Summary of material accounting policies	9～25
(5) Significant accounting assumptions and judgments, and major sources of estimation uncertainty	25～26
(6) Explanation of significant accounts	26～55
(7) Related-party transactions	55～57
(8) Assets Pledged as security	57
(9) Commitments and contingencies	57
(10) Losses Due to Major Disasters	57
(11) Subsequent Events	57
(12) Other	57～58
(13) Other disclosures	
(a) Information on significant transactions	59～60
(b) Information on investees	60
(c) Information on investment in Mainland China	60
(d) Major shareholders	61
(14) Segment information	61～62
9. Statements of major accounting items	63～83

KPMG
安侯建業聯合會計師事務所
KPMG
高雄市前金區801301中正四路211號12樓之6
12th Fl., - 6, No. 211, Chung Cheng 4th Road,
Kaohsiung, 801301, Taiwan (R.O.C.)
電 話 Tel + 886 7 213 0888
傳 真 Fax + 886 7 271 3721
網 址 Web kpmg.com/tw

Independent Auditors' Report

To the Board of Directors FIRST COPPER TECHNOLOGY CO., LTD.

Opinion

We have audited the financial statements of FIRST COPPER TECHNOLOGY CO., LTD.("the Company"), which comprise the balance sheet as of December 31, 2023 and 2022, the statement of comprehensive income, changes in equity and cash flows for the years then ended, and notes to the financial statements, including a summary of material accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as of December 31, 2023 and 2022, and its financial performance and its cash flows for the years then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and with the International Financial Reporting Standards ("IFRSs"), International Accounting Standards (" IASs"), Interpretations developed by the International Financial Reporting Interpretations Committee ("IFRIC") or the former Standing Interpretations Committee ("SIC") endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China.

Basis for Opinion

We conducted our audit 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 Financial Statements section of our report. We are independent of the Company in accordance with the Norm of Professional Ethics for Certified Public Accountant or 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 of 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 financial statements of the Company for the year ended December 31, 2023. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report:

1. **Valuation of inventory**

   Please refer to Note 4(g) for significant accounting policies on inventories and Note 5(a) for significant accounting assumptions and judgment, and major sources of estimation uncertainty. Information regarding the inventory is shown in Note 6(f) of the financial statements.

Description of Key Audit Matter:

The Company's inventories are copper products which are measured at the lower of cost and net realizable value. Since the selling price is affected by copper price fluctuations, and the international copper price is highly volatile, the valuation of inventory is one of the key areas our audit focused on.

How the matter was addressed in our audit:

In relation to the key audit matter above, our principal audit procedures include assessing whether the valuation of inventories is in compliance with the accounting policy of the Company, obtaining information on the lower of cost and net realizable value of inventories and ageing statements prepared by management,performing reviews of estimated selling price on a sample basis to recent sales records and analyzing such data with respect to fluctuations in the international price of copper, and testing on a sample basis the correctness of the ageing statements of inventories, as well as evaluating the basis for management's estimation of the net realizable value of inventories and the reasonableness of the estimation.

2. **Non-financial assets impairment (Non-Goodwill)**

Please refer to Note 4(m) for significant accounting policies of non-financial assets impairment, Note 5(b) for significant accounting assumptions and judgment and major sources of estimation uncertainty, and Note 6(h) for non-financial assets impairment of the financial statements.

Description of Key Audit Matter:

The Company was affected by the economic fluctuations of its industry, the indication that an asset may be impaired caused considerable concern. The impairment of assets test includes identifying the cash generating units, determining the evaluation methods, setting important assumptions and calculating the recoverable amount. This subjective judgment and assumption of the management is an accounting estimate with highly estimated uncertainly. Therefore, the non-financial assets impairment is one of the key areas our audit focused on.

How the matter was addressed in our audit:

In relation to the key audit matter above, our principal audit procedures include assessing whether there are impairment indications for the identified cash-generating units of the Company; understanding and assessing the appropriateness of the valuation model used by the management in the impairment assessment, and the significant assumptions used to determine related assets' future cash flows projection, as well as the weighted-average cost of capital; retrospectively reviewing the accuracy of assumptions used in prior-period estimates and performing a sensitivity analysis of key assumptions and results; performing an inquiry of the management and identifying any event after the balance sheet date whether they are able to affect the results of the impairment assessment; as well as evaluating the adequacy of the Company's disclosures of its policy on assets impairment and other related disclosures.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and with the IFRSs, IASs, IFRC, SIC endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Those charged with governance (including the Audit Committee) are responsible for overseeing the Company's financial reporting process.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the 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 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 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 Company'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 Company'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 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 Company to cease to continue as a going concern.

5. Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

6. Obtain sufficient and appropriate audit evidence regarding the financial information of the investment in other entities accounted for using the equity method to express an opinion on this financial statements. We are responsible for the direction, supervision and performance of the 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 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.

The engagement partners on the audit resulting in this independent auditors' report are Yung Hsiang, Chen and Yen Ta, Su.

KPMG

Taipei, Taiwan (Republic of China)
March 4, 2024

Notes to Readers

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

The independent auditors' audit report and the accompanying financial statements are the English translation of the Chinese version prepared and used in the Republic of China. If there is any conflict between, or any difference in the interpretation of the English and Chinese language independent auditors' audit report and financial statements, the Chinese version shall prevail.

(English Translation of Financial Statements Originally Issued in Chinese)

FIRST COPPER TECHNOLOGY CO., LTD.

Balance Sheets

December 31, 2023 and 2022

(Expressed in Thousands of New Taiwan Dollars)

	Assets	December 31, 2023 Amount	%	December 31, 2022 Amount	%
	Current assets:				
1100	Cash and cash equivalents (note 6(a))	$ 68,575	1	86,585	1
1110	Current financial assets at fair value through profit or loss (note 6(b))	-	-	40,770	1
1150	Notes receivable (note 6(d))	-	-	1,481	-
1172	Accounts receivable (notes 6(d))	238,646	3	168,668	3
1180	Accounts receivable from related parties (notes 6(d) and 7)	-	-	713	-
1200	Other receivables (notes 6(d)(e))	90,604	1	32,529	1
1220	Current tax assets	34	-	7	-
130X	Inventories (note 6(f))	1,754,821	22	1,984,726	30
1470	Other current assets (note 6(k))	8,220	-	20,669	-
	Total current assets	2,160,900	27	2,336,148	36
	Non-current assets:				
1517	Non-current financial assets at fair value through other comprehensive income(note 6(c))	4,473,694	57	2,857,689	44
1550	Investments accounted for using equity method (note 6(g))	134	-	168	-
1600	Property, plant and equipment (notes 6(h))	1,037,336	13	1,070,805	16
1760	Investment property, net (note 6(i)(o))	219,271	3	222,411	3
1780	Intangible assets (note 6(j))	84	-	132	-
1840	Deferred tax assets(note 6(q))	24,293	-	39,995	1
1915	Prepayments for equipment	10,636	-	10,467	-
1920	Refundable deposits (note 6(e))	10	-	7	-
1975	Net defined benefit asset, non-current (note 6(p))	9,824	-	14,327	-
	Total non-current assets	5,775,282	73	4,216,001	64
	Total assets	**$ 7,936,182**	**100**	**6,552,149**	**100**

	Liabilities and Equity	December 31, 2023 Amount	%	December 31, 2022 Amount	%
	Current liabilities:				
2100	Short-term borrowings (note 6(l))	$ 803,219	10	1,115,280	17
2110	Short-term notes and bills payable (note 6(l)(m))	749,629	10	499,386	8
2130	Current contract liabilities (note 6(t))	4,869	-	17,453	-
2150	Notes payable (note 6(p))	2,520	-	2,890	-
2170	Accounts payable	67,221	1	57,512	1
2200	Other payables (note 6(p))	56,531	1	61,887	1
2300	Other current liabilities (notes 6(n))	5,500	-	7,919	-
	Total current liabilities	1,689,489	22	1,762,327	27
	Non-Current liabilities:				
2570	Deferred tax liabilities (note 6(q))	266,851	3	268,423	4
	Total non-current liabilities	266,851	3	268,423	4
	Total liabilities	1,956,340	25	2,030,750	31
	Equity (note 6(r)):				
3110	Ordinary share	3,596,222	45	3,596,222	55
3300	Retained earnings:				
3310	Legal reserve	61,996	1	41,018	1
3320	Special reserve	262,845	3	262,845	4
3350	Unappropriated retained earnings	41,149	1	219,322	3
		365,990	5	523,185	8
3400	Other equity	2,017,630	25	401,992	6
	Total equity	5,979,842	75	4,521,399	69
	Total liabilities and equity	**$ 7,936,182**	**100**	**6,552,149**	**100**

See accompanying notes to financial statements.

(English Translation of Financial Statements Originally Issued in Chinese)

FIRST COPPER TECHNOLOGY CO., LTD.

Statements of Comprehensive Income

For the years ended December 31, 2023 and 2022

(Expressed in Thousands of New Taiwan Dollars , Except for Earnings per share)

		2023		2022	
		Amount	%	Amount	%
4000	**Operating revenues (notes 6(t) and 7)**	$ 2,646,149	100	2,895,412	100
5000	**Operating costs (notes 6(f)(p)(u), 7 and 12)**	2,657,368	100	2,943,882	101
5900	**Gross loss**	(11,219)	-	(48,470)	(1)
6000	**Operating expenses (notes 6(p)(u), 7 and 12)**	56,130	2	62,609	2
6900	**Operating loss**	(67,349)	(2)	(111,079)	(3)
7000	**Non-operating income and expenses (notes 6(g)(v)):**				
7100	Interest income	452	-	182	-
7010	Other income	100,767	4	329,548	11
7020	Other gains and losses, net	(1,204)	-	(27,983)	(1)
7050	Finance costs	(26,890)	(1)	(16,297)	(1)
7060	Share of profit (loss) of associates accounted for using equity method, net	2	-	40	-
		73,127	3	285,490	9
7900	**Profit before income tax**	5,778	1	174,411	6
7950	Less: Income tax expenses (benefit) (note 6(q))	15,272	1	(22,529)	(1)
8200	**Profit(Loss)**	(9,494)	-	196,940	7
	Other comprehensive income (loss):				
8310	**Item that may not be reclassified subsequently to profit or loss**				
8311	Remeasurements of defined benefit plans	(5,713)	-	16,048	1
8316	Unrealized gains (losses) from investments in equity instruments measured at fair value through other comprehensive income (note 6(r))	1,616,358	61	(1,772,802)	(61)
8320	Share of other comprehensive income of associates accounted for using equity method, components of other comprehensive income that will not be reclassified to profit or loss (note 6(g))	(1)	-	1	-
8349	Income tax related to components of other comprehensive income that will not be reclassified to profit or loss (note 6(q))	(1,142)	-	3,209	-
		1,611,786	61	(1,759,962)	(60)
	Other comprehensive income (after tax)	1,611,786	61	(1,759,962)	(60)
8500	**Comprehensive income**	**$ 1,602,292**	**61**	**(1,563,022)**	**(53)**
	Earnings per share (note 6(s)):				
9750	**Basic earnings per share (in New Taiwan Dollars)**	**$ (0.03)**		**0.55**	
9850	**Diluted earnings per share (in New Taiwan Dollars)**	**$ (0.03)**		**0.55**	

See accompanying notes to financial statements.

(English Translation of Financial Statements Originally Issued in Chinese)

FIRST COPPER TECHNOLOGY CO., LTD.

Statements of Changes in Equity

For the years ended December 31, 2023 and 2022

(Expressed in Thousands of New Taiwan Dollars)

		Retained earnings			Other equity	
	Ordinary shares	Legal reserve	Special reserve	Unappropriated retained earnings	Unrealized gains (losses) from financial assets measured at fair value through other comprehensive income	Total equity
Balance at January 1, 2022	$ 3,596,222	**-**	262,845	410,183	2,174,794	6,444,044
Profit for the year ended December 31, 2022	-	-	-	196,940	-	196,940
Other comprehensive income for the year ended December 31, 2022	-	-	-	12,840	(1,772,802)	(1,759,962)
Total comprehensive income for the year ended December 31, 2022	-	-	-	209,780	(1,772,802)	(1,563,022)
Appropriation and distribution of retained earnings:						
Legal reserve	-	41,018	-	(41,018)	-	-
Cash dividends of ordinary shares	-	-	-	(359,623)	-	(359,623)
Balance at December 31, 2022	**3,596,222**	**41,018**	**262,845**	**219,322**	**401,992**	**4,521,399**
Loss for the year ended December 31, 2023	-	-	-	(9,494)	-	(9,494)
Other comprehensive income for the year ended December 31, 2023	-	-	-	(4,572)	1,616,358	1,611,786
Total comprehensive income for the year ended December 31, 2023	-	-	-	(14,066)	1,616,358	1,602,292
Appropriation and distribution of retained earnings:						
Legal reserve	-	20,978	-	(20,978)	-	-
Cash dividends of ordinary shares	-	-	-	(143,849)	-	(143,849)
Disposal of investments in equity instruments measured at fair value through other comprehensive income	-	-	-	720	(720)	-
Balance at December 31, 2023	**$ 3,596,222**	**61,996**	**262,845**	**41,149**	**2,017,630**	**5,979,842**

See accompanying notes to financial statements.

(English Translation of Financial Statements Originally Issued in Chinese)

FIRST COPPER TECHNOLOGY CO., LTD.

Statements of Cash Flows

For the years ended December 31, 2023 and 2022

(Expressed in Thousands of New Taiwan Dollars)

	2023	2022
Cash flows from (used in) operating activities:		
Profit before tax	$ 5,778	174,411
Adjustments:		
Adjustments to reconcile profit (loss):		
Depreciation expense	84,631	80,190
Amortization expense	48	12
Net (gain) loss on financial assets at fair value through profit or loss	(8,517)	22,237
Interest expense	26,890	16,297
Interest income	(452)	(182)
Dividend income	(83,458)	(313,439)
Share of profit of associates accounted for using equity method	(2)	(40)
Gain on disposal of property, plant and equipment	(155)	(870)
Reversal for liabilities	(508)	(321)
Total adjustments to reconcile profit (loss)	18,477	(196,116)
Changes in operating assets and liabilities:		
Net changes in operating assets:		
Decrease in notes receivable	1,481	3,360
(Increase) decrease in accounts receivable	(69,978)	145,290
Decrease (increase) in accounts receivable from related parties	713	(713)
Increase in other receivables	(58,306)	(58)
Decrease (increase) in inventories	229,905	(267,629)
Decrease in other current assets	12,449	11,260
Total net changes in operating assets	116,264	(108,490)
Net changes in operating liabilities:		
Decrease in current contract liabilities	(12,584)	(48,072)
Decrease in notes payable	(370)	(1,205)
Increase (decrease) in accounts payable	9,709	(64,183)
Decrease in accounts payable to related parties	-	(4,991)
Decrease in other payables	(3,718)	(37,820)
Decrease in other current liabilities	(1,911)	(9,200)
Increase in net defined benefit assets and decrease in net defined benefit liability	(1,210)	(8,371)
Total net changes in operating liabilities	(10,084)	(173,842)
Total net changes in operating assets and liabilities	106,180	(282,332)
Total adjustments	124,657	(478,448)
Cash inflow (outflow) generated from operations	130,435	(304,037)
Interest received	452	182
Dividends received	83,724	313,223
Interest paid	(16,267)	(9,715)
Income taxes paid	(27)	(6,831)
Net cash flows from (used in) operating activities	198,317	(7,178)
Cash flows from (used in) investing activities:		
Acquisition of financial assets at fair value through profit or loss	-	(47,457)
Proceeds from disposal of financial assets at fair value through profit or loss	49,287	67,517
Acquisition of property, plant and equipment	(50,545)	(78,839)
Proceeds from disposal of property, plant and equipment	562	944
Increase in refundable deposits	(3)	-
Proceeds from liquidation in financial assets at fair value through other comprehensive income - non-current	353	-
Acquisition of intangible assets	-	(144)
Increase in prepayments for equipment	(169)	(111)
Net cash flows used in investing activities	(515)	(58,090)
Cash flows from (used in) financing activities:		
(Decrease) increase in short-term borrowings	(312,061)	660,254
Increase (decrease) in short-term notes and bills payable	239,088	(306,137)
(Decrease) increase in guarantee deposits received	(98)	196
Cash dividends paid	(142,741)	(356,281)
Net cash flows used in financing activities	(215,812)	(1,968)
Net decrease in cash and cash equivalents	(18,010)	(67,236)
Cash and cash equivalents at beginning of period	86,585	153,821
Cash and cash equivalents at end of period	**$ 68,575**	**86,585**

See accompanying notes to financial statements.

(1) Company history:

First Copper Technology Co., Ltd. (the Company) was incorporated on July 8, 1969. The Company's registered address is 4F, No. 170, Chung Cheng 4th Road, Kaohsiung, Taiwan. The Company is engaged in the manufacture and sale of copper wire and copper plate, and the processing of scrap iron and copper. The Company's common shares were listed on the Taiwan Stock Exchange (TWSE).

The Company's parent company is Hua Eng Wire & Cable Co., Ltd.

(2) Approval date and procedures of the financial statements:

The financial statements were authorized for issue by the Board of Directors on March 4, 2024 .

(3) New standards, amendments and interpretations adopted:

(a) The impact of the International Financial Reporting Standards ("IFRSs") endorsed by the Financial Supervisory Commission, R.O.C. which have already been adopted.

The Company has initially adopted the following new amendments, which do not have a significant impact on its financial statements, from January 1, 2023:

- Amendments to IAS 1 "Disclosure of Accounting Policies"
- Amendments to IAS 8 "Definition of Accounting Estimates"
- Amendments to IAS 12 "Deferred Tax related to Assets and Liabilities arising from a Single Transaction"

The Company has initially adopted the following new amendment, which do not have a significant impact on its financial statements, from May 23, 2023:

- Amendments to IAS 12 "International Tax Reform—Pillar Two Model Rules"

(b) The impact of IFRS issued by the FSC but not yet effective

The Company assesses that the adoption of the following new amendments, effective for annual period beginning on January 1, 2024, would not have a significant impact on its financial statements:

- Amendments to IAS 1 "Classification of Liabilities as Current or Non-current"
- Amendments to IAS 1 "Non-current Liabilities with Covenants"
- Amendments to IAS 7 and IFRS 7 "Supplier Finance Arrangements"
- Amendments to IFRS 16 "Lease Liability in a Sale and Leaseback"

(Continued)

FIRST COPPER TECHNOLOGY CO., LTD.
Notes to the Financial Statements

(c) The impact of IFRS issued by IASB but not yet endorsed by the FSC

The Company does not expect the following new and amended standards, which have yet to be endorsed by the FSC, to have a significant impact on its financial statements:

- Amendments to IFRS 10 and IAS 28 "Sale or Contribution of Assets Between an Investor and Its Associate or Joint Venture"
- IFRS 17 " Insurance Contracts" and amendments to IFRS 17 " Insurance Contracts"
- Amendments to IFRS 17 "Initial Application of IFRS 17 and IFRS 9 – Comparative Information"
- Amendments to IAS21 "Lack of Exchangeability"

(4) Summary of material accounting policies:

The material accounting policies presented in the financial statements are summarized as follows. Except for those specifically indicated, the following accounting policies were applied consistently throughout the periods presented in the financial statements.

(a) Statement of compliance

These financial statements have been prepared in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers (hereinafter referred to as "the Regulations") and the International Financial Reporting Standards, International Accounting Standards, IFRIC Interpretations, and SIC Interpretations endorsed and issued into effect by the Financial Supervisory Commission, R.O.C. (hereinafter referred to as the IFRSs endorsed by the FSC).

(b) Basis of preparation

(i) Basis of measurement

Except for the following significant accounts, the financial statements have been prepared on the historical cost basis:

1) Financial assets at fair value through profit or loss are measured at fair value;

2) Financial assets at fair value through other comprehensive income are measured at fair value;

3) The defined benefit liabilities (assets) are recognized as the present value of the defined benefit obligation less the fair value of pension fund assets and the re-measurement of the effect of the asset ceiling as stated in note 4(p).

(ii) Functional and presentation currency

The functional currency of entity is determined based on the primary economic environment in which the entity operates.

The financial statements are presented in New Taiwan Dollar, which is the Company' s functional currency. All financial information presented in New Taiwan Dollar has been rounded to the nearest thousand.

(Continued)

FIRST COPPER TECHNOLOGY CO., LTD.
Notes to the Financial Statements

(c) Foreign currencies

Transactions in foreign currencies are translated into the respective functional currencies of the Company at exchange rates at the dates of the transactions. At the end of each subsequent reporting period, monetary items denominated in foreign currencies are translated into the functional currencies using the exchange rate at that date. Non-monetary items denominated in foreign currencies that are measured at fair value are translated into the functional currencies using the exchange rate at the date that the fair value was determined. Non-monetary items denominated in foreign currencies that are measured based on historical cost are translated using the exchange rate at the date of translation.

Exchange differences are generally recognized in profit or loss.

(d) Classification of current and non-current assets and liabilities

An asset is classified as current under one of the following criteria, and all other assets are classified as non-current.

(i) It is expected to be realized, or intended to be sold or consumed, in the normal operating cycle;

(ii) It is held primarily for the purpose of trading;

(iii) It is expected to be realized within twelve months after the reporting period; or

(iv) The asset is cash and cash equivalent unless the asset is restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

A liability is classified as current under one of the following criteria, and all other liabilities are classified as non-current.

(i) It is expected to be settled in the normal operating cycle;

(ii) It is held primarily for the purpose of trading;

(iii) It is due to be settled within twelve months after the reporting period; or

(iv) It does not have an unconditional right to defer settlement of the liability for at least twelve months after the reporting period. Terms of a liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification.

(e) Cash and cash equivalents

Cash comprises cash on hand and demand deposits. Cash equivalents are short-term, highly liquid investments that are readily convertible to known amounts of cash and are subject to an insignificant risk of changes in value. Time deposits which meet the above definition and are held for the purpose of meeting short-term cash commitments rather than for investment or other purposes should be recognized as cash equivalents.

(Continued)

(f) Financial instruments

Accounts receivables and debt securities issued are initially recognized when they are originated. All other financial assets and financial liabilities are initially recognized when the Company becomes a party to the contractual provisions of the instrument. A financial asset (unless it is a trade receivable without a significant financing component) or financial liability is initially measured at fair value plus, for an item not at fair value through profit or loss (FVTPL), transaction costs that are directly attributable to its acquisition or issue. A trade receivable without a significant financing component is initially measured at the transaction price.

(i) Financial assets

All regular way purchases or sales of financial assets are recognized and derecognized on a trade date or settlement date basis.

On initial recognition, a financial asset is classified as measured at: amortized cost; Fair value through other comprehensive income (FVOCI) – debt investment; FVOCI – equity investment; or FVTPL.

Financial assets are not reclassified subsequent to their initial recognition unless the Company changes its business model for managing financial assets, in which case all affected financial assets are reclassified on the first day of the first reporting period following the change in the business model.

1) Financial assets measured at amortized cost

A financial asset is measured at amortized cost if it meets both of the following conditions and is not designated as at FVTPL：

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

These assets are subsequently measured at amortized cost, which is the amount at which the financial asset is measured at initial recognition, plus/minus, the cumulative amortization using the effective interest method, adjusted for any loss allowance. Interest income, foreign exchange gains and losses, as well as impairment, are recognized in profit or loss. Any gain or loss on derecognition is recognized in profit or loss.

2) Financial assets at fair value through other comprehensive income (FVOCI)

A debt investment is measured at FVOCI if it meets both of the following conditions and is not designated as at FVTPL：

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

(Continued)

FIRST COPPER TECHNOLOGY CO., LTD.
Notes to the Financial Statements

Some accounts receivables are held within a business model whose objective is achieved by both collecting contractual cash flows and selling by the Company, therefore, those receivables are measured at FVOCI and presented as accounts receivable.

On initial recognition of an equity investment that is not held for trading, the Company may irrevocably elect to present subsequent changes in the investment's fair value in other comprehensive income. This election is made on an instrument-by-instrument basis.

Debt investments at FVOCI are subsequently measured at fair value. Interest income calculated using the effective interest method, foreign exchange gains and losses and impairment are recognized in profit or loss. Other net gains and losses are recognized in other comprehensive income. On derecognition, gains and losses accumulated in other comprehensive income are reclassified to profit or loss.

Equity investments at FVOCI are subsequently measured at fair value. Dividends are recognized as income in profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognized in other comprehensive income and are never reclassified to profit or loss.

Dividend income is recognized in profit or loss on the date on which the Company's right to receive payment is established, which is normally the ex-dividend date.

3) Financial assets at fair value through profit or loss (FVTPL)

All financial assets not classified as amortized cost or FVOCI described as above (eg. finanical assets held for trading) are measured at FVTPL , including derivative financial assets. On initial recognition, the Company may irrevocably designate a financial asset, which meets the requirements to be measured at amortized cost or at FVOCI, as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognized in profit or loss.

4) Business model assessment

The Company makes an assessment of the objective of the business model in which a financial asset is held at portfolio level because this best reflects the way the business is managed and information is provided to management. The information considered includes：

- the stated policies and objectives for the portfolio and the operation of those policies in practice. These include whether the management's strategy focuses on earning contractual cashflows, maintaining a particular interest rate profile, matching the duration of the financial assets to the duration of any related liabilities, or expected cash outflows, or realizing cash flows through the sale of the assets;
- how the performance of the portfolio is evaluated and reported to the Company's management;

- the risks that affect the performance of the business model (and the financial assets held within that business model) and how those risks are managed;
- how managers of the business are compensated ─ e.g. whether compensation is based on the fair value of the assets managed or the contractual cash flows collected; and
- the frequency, volume and timing of sales of financial assets in prior periods, the reasons for such sales and expectations about future sales activity.

Transfers of financial assets to third parties in transactions that do not qualify for derecognition are not considered as sales for this purpose, and are consistent with the Company's continuing recognition of the assets.

Financial assets that are held for trading or are managed, and whose performance is evaluated on a fair value basis, are measured at FVTPL.

5) Assessment whether contractual cash flows are solely payments of principal and interest

For the purposes of this assessment, 'principal' is defined as the fair value of the financial assets on initial recognition. 'Interest' is defined as consideration for the time value of money and for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs, as well as a profit margin.

In assessing whether the contractual cash flows are solely payments of principal and interest, the Company considers the contractual terms of the instrument. This includes assessing whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows, such that it would not meet this condition. In making this assessment, the Company considers：

- contingent events that would change the amount or timing of cash flows；
- terms that may adjust the contractual coupon rate, including variable rate features；
- prepayment and extension features；and
- terms that limit the Company's claim to cash flows from specified assets (e.g. non-recourse features).

6) Impairment of financial assets

The Company recognizes loss allowances for expected credit losses (ECL) on financial assets measured at amortized cost (including cash and cash equivalents, notes and accounts receivable, other receivables and refundable deposits), debt investments measured at FVOCI and contract assets.

The Company measures loss allowances at an amount equal to lifetime ECL, except for the following which are measured as 12-month ECL：

- debt securities that are determined to have low credit risk at the reporting date；and

· other debt securities and bank deposit for which credit risk (i.e. the risk of default occurring over the expected life of the financial instrument) has not increased significantly since initial recognition.

Loss allowance for accounts receivable and contract assets are always measured at an amount equal to lifetime ECL.

The Company considers its financial instrument to have low credit risk when it is in low default risk, and the debtor has strong ability to perform contractual obligations to the current cash flow if adverse change in economic and business conditions may (not necessarily) reduce the debtor's ability to perform its obligations to the cash flow over a longer period of time.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECL, the Company considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis based on the Company's historical experience and informed credit assessment as well as forward-looking information.

The Company assumes that the credit risk on a financial asset has increased significantly if it is more than 30 days past due.

The Company considers a financial asset to be in default when the financial asset is more than 180 days past due or the debtor is unlikely to pay its credit obligations to the Company in full.

Lifetime ECL are the ECL that result from all possible default events over the expected life of a financial instrument.

12-month ECL are the portion of ECL that result from default events that are possible within the 12 months after the reporting date (or a shorter period if the expected life of the instrument is less than 12 months).

The maximum period considered when estimating ECL is the maximum contractual period over which the Company is exposed to credit risk.

ECL are a probability-weighted estimate of credit losses. Credit losses are measured as the present value of all cash shortfalls (i.e the difference between the cash flows due to the Company in accordance with the contract and the cash flows that the Company expects to receive). ECL are discounted at the effective interest rate of the financial asset.

At each reporting date, the Company assesses whether financial assets carried at amortized cost and debt instrument at FVOCI are credit-impaired. A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred. Evidence that a financial assets is credit-impaired includes the following observable data:

- significant financial difficulty of the borrower or issuer；
- a breach of contract such as a default or being more than 180 days past due；
- the lender of the borrower, for economic or contractual reasons relating to the borrower's financial difficulty, having granted to the borrower a concession that the lender would not otherwise consider；
- it is probable that the borrower will enter bankruptcy or other financial reorganization；or
- the disappearance of an active market for a security because of financial difficulties.

Loss allowances for financial assets measured at amortized cost are deducted from the gross carrying amount of the assets. For debt securities at FVOCI, the loss allowance is charged to profit or loss and is recognized in other comprehensive income instead of reducing the carrying amount of the asset.

The gross carrying amount of a financial asset is written off when the Company has no reasonable expectations of recovering a financial asset in its entirety or a portion thereof. For corporate customers, the Company individually makes an assessment with respect to the timing and amount of write-off based on whether there is a reasonable expectation of recovery. The Company expects no significant recovery from the amount written off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Company's procedures for recovery of amounts due.

7) Derecognition of financial assets

The Company derecognizes a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Company neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset.

The Company enters into transactions whereby it transfers assets recognized in its statement of balance sheet, but retains either all or substantially all of the risks and rewards of the transferred assets. In these cases, the transferred assets are not derecognized.

(ii) Financial liabilities and equity instruments

1) Classification of debt or equity

Debt and equity instruments issued by the Company are classified as financial liabilities or equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

2) Equity instrument

An equity instrument is any contract that evidences residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued are recognized as the amount of consideration received, less the direct cost of issuing.

3) Financial liabilities

Financial liabilities are classified as measured at amortized cost or FVTPL. A financial liability is classified as at FVTPL if it is classified as held-for-trading, it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognized in profit or loss.

Other financial liabilities are subsequently measured at amortized cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognized in profit or loss. Any gain or loss on derecognition is also recognized in profit or loss.

4) Derecognition of financial liabilities

The Company derecognizes a financial liability when its contractual obligations are discharged or cancelled, or expire. The Company also derecognizes a financial liability when its terms are modified and the cash flows of the modified liability are substantially different, in which case a new financial liability based on the modified terms is recognized at fair value.

On derecognition of a financial liability, the difference between the carrying amount of a financial liability extinguished and the consideration paid (including any non-cash assets transferred or liabilities assumed) is recognized in profit or loss.

5) Offsetting of financial assets and liabilities

Financial assets and financial liabilities are offset and the net amount presented in the statement of balance sheet when, and only when, the Company currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realize the asset and settle the liability simultaneously.

(g) Inventories

Inventories are measured at the lower of cost and net realizable value. The cost of inventories is based on weighted average costing principle and includes expenditure incurred in acquiring the inventories, production or conversion costs, and other costs incurred in bringing them to their present location and condition. In the case of manufactured inventories and work in progress, cost includes an appropriate share of production overheads based on normal operating capacity.

Net realizable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and selling expenses.

(h) Investment in associates

Associates are those entities in which the Company has significant influence, but not control or joint control, over the financial and operating policies.

Investments in associates are accounted for using the equity method and are recognized initially at cost. The cost of the investment includes transaction costs. The carrying amount of the investment in associates includes goodwill arising from the acquisition less any accumulated impairment losses.

The financial statements include the Company's share of the profit or loss and other comprehensive income of those associates, after adjustments to align the accounting policies with those of the Company from the date on which significant influence commences until the date on which significant influence ceases. The Company recognizes any changes of its proportionate share in the investee within capital surplus, when an associate's equity changes due to reasons other than profit and loss or comprehensive income, which did not result in changes in actual significant influence.

Unrealized gains and losses resulting from the transactions between the Company and an associate are recognized only to the extent of unrelated Company's interests in the associate.

When the Company's share of losses of an associate equals or exceeds its interest in associates, it discontinues recognizing its share of further losses. After the recognized interest is reduced to zero, additional losses are provided for, and a liability is recognized, only to the extent that the Company has incurred legal or constructive obligations or made payments on behalf of the associate.

(i) Investment property

Investment property is the property held either to earn rental income or for capital appreciation or for both, but not for sale in the ordinary course of business, for use in the production or supply of goods or services, or for administrative purposes. Investment property is measured at cost on initial recognition and subsequently at cost, less accumulated depreciation and accumulated impairment losses. Depreciation expense is calculated based on the depreciation method, useful lives, and residual value which are the same as those adopted for property, plant and equipment.

Any gain or loss on disposal of an investment property (calculated as the difference between the net proceeds from disposal and the carrying amount) is recognized in profit or loss.

Rental income from investment property is recognized as other revenue on a straight-line basis over the term of the lease. Lease incentives granted are recognized as an integral part of the total rental income, over the term of the lease.

(j) Property, plant and equipment

(i) Recognition and measurement

Items of property, plant and equipment are measured at cost, which includes capitalized borrowing costs, less accumulated depreciation and any accumulated impairment losses.

If significant parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

Any gain or loss on disposal of an item of property, plant and equipment is recognized in profit or loss.

(ii) Subsequent expenditure

Subsequent expenditure is capitalized only if it is probable that the future economic benefits associated with the expenditure will flow to the Company.

(iii) Depreciation

Depreciation is calculated on the cost of an asset less its residual value and is recognized in profit or loss on a straight-line basis over the estimated useful lives of each component of an item of property, plant and equipment.

Land is not depreciated.

The estimated useful lives for the current and comparative years are as follows:

1)	Buildings	2 to 50 years
2)	Machinery and equipment	2 to 25 years
3)	Other equipment	2 to 15 years

Depreciation methods, useful lives and residual values are reviewed at each annual reporting date and adjusted if appropriate.

(k) Lease

(i) Identifying a lease

At inception of a contract, the Company assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

(ii) As a lessee

The Company recognizes a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

FIRST COPPER TECHNOLOGY CO., LTD.
Notes to the Financial Statements

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be reliably determined, the Company's incremental borrowing rate. Generally, the Company uses its incremental borrowing rate as the discount rate.

Lease payments included in the measurement of the lease liability comprise the following:

— fixed payments, including in-substance fixed payments;

— variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;

— amounts expected to be payable under a residual value guarantee; and

— payments for purchase or termination options that are reasonably certain to be exercised.

The lease liability is measured at amortized cost using the effective interest method. It is remeasured when:

— there is a change in future lease payments arising from the change in an index or rate; or

— there is a change in the Company's estimate of the amount expected to be payable under a residual value guarantee; or

— there is a change in the lease term resulting from a change of its assessment on whether it will exercise an option to purchase the underlying asset, or

— there is a change of its assessment on whether it will exercise an extension or termination option; or

— there is any lease modification

When the lease liability is remeasured, other than lease modifications, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or in profit and loss if the carrying amount of the right-of-use asset has been reduced to zero.

When the lease liability is remeasured to reflect the partial or full termination of the lease for lease modifications that decrease the scope of the lease, the Company accounts for the remeasurement of the lease liability by decreasing the carrying amount of the right-of-use asset to reflect the partial or full termination of the lease, and recognize in profit or loss any gain or loss relating to the partial or full termination of the lease.

The Company presents right-of-use assets that do not meet the definition of investment and lease liabilities as a separate line item respectively in the statement of balance sheets.

The Company has elected not to recognize right-of-use assets and lease liabilities for short-term leases of office space and parking space that have a lease term of 12 months or less and leases of low-value assets. The Company recognizes the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

(Continued)

(iii) As a lessor

When the Company acts as a lessor, it determines at lease commencement whether each lease is a finance lease or an operating lease. To classify each lease, the Company makes an overall assessment of whether the lease transfers to the lessee substantially all of the risks and rewards of ownership incidental to ownership of the underlying asset. If this is the case, then the lease is a finance lease; if not, then the lease is an operating lease. As part of this assessment, the Company considers certain indicators such as whether the lease is for the major part of the economic life of the asset.

The Company recognizes lease payments received under operating leases as income on a straight-line basis over the lease term as part of 'rental income'.

(l) Intangible assets

(i) Recognition and measurement

Other intangible assets that are acquired by the Company and have finite useful lives are measured at cost less accumulated amortization and accumulated impairment losses.

(ii) Subsequent expenditure

Subsequent expenditure is capitalized only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure is recognized in profit or loss as incurred.

(iii) Amortization

All intangible assets are the cost of the computer software, and is recognized in profit or loss on a straight-line basis over the estimated three-years useful lives, from the date that they are available for use.

Amortization methods, useful lives and residual values are reviewed at each reporting date and adjusted if appropriate.

(m) Impairment of non-financial assets

At each reporting date, the Company reviews the carrying amounts of its non-financial assets (other than inventories and deferred tax assets and net defined benefit asset) to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated.

For impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or cash-generating units (CGUs).

The recoverable amount of an asset or CGU is the greater of its value in use and its fair value less costs to sell. Value in use is based on the estimated future cash flows, discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or CGU.

(Continued)

An impairment loss is recognized if the carrying amount of an asset or CGU exceeds its recoverable amount.

Impairment losses are recognized in profit or loss. They are allocated first to reduce the carrying amount of any goodwill allocated to the CGU, and then to reduce the carrying amounts of the other assets in the CGU on a pro rata basis.

An impairment loss in respect of goodwill is not reversed. For other assets, an impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization, if no impairment loss had been recognized.

(n) Provisions

A provision is recognized if, as a result of a past event, the Company has a present obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects the current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognized as finance cost.

A provision for warranties is recognized when the underlying product are sold. The provision is based on historical warranty data and a weighting of all possible outcomes against their associated probabilities.

(o) Revenue

(i) Revenue from contracts with customers

Revenue is measured based on the consideration to which the Company expects to be entitled in exchange for transferring goods or services to a customer. The Company recognizes revenue when it satisfies a performance obligation by transferring control of a good or a service to a customer. The accounting policies for the Company's main types of revenue are explained below.

1) Sale of goods

The Company recognizes revenue when control of the products has been transferred, being when the products are delivered to the customer, the customer has full discretion over the channel and price to sell the products, and there is no unfulfilled obligation that could affect the customer's acceptance of the products. Delivery occurs when the products have been shipped to the specific location, the risks of obsolescence and loss have been transferred to the customer, and either the customer has accepted the products in accordance with the sales contract, the acceptance provision have lapsed, or the Company has objective evidence that all criteria for acceptance have been satisfied.

(Continued)

The Company grants its customers the right to return the product within a period. Therefore, the Company reduces revenue by the amount of expected returns and recognizes a refund liability and a right to the returned goods. Accumulated experience is used to estimate such returns at the time of sale in past. Because the number of products returned has been steady for years, it is highly probable that a significant reversal in the cumulative revenue recognized will not occur. At each reporting date, the Company reassesses the estimated amount of expected returns.

A receivable is recognized when the goods are delivered as this is the point in time that the Company has a right to an amount of consideration that is unconditional.

2) Financing components

The Company does not expect to have any contracts where the period between the transfer of the promised goods or services to the customer and the payment by the customer exceeds one year. As a consequence, the Company does not adjust any of the transaction prices for the time value of money.

(ii) Contract costs

1) Incremental costs of obtaining a contract

The Company recognizes as an asset the incremental costs of obtaining a contract with a customer if the Company expects to recover those costs. The incremental costs of obtaining a contract are those costs that the Company incurs to obtain a contract with a customer that it would not have incurred if the contract had not been obtained. Costs to obtain a contract that would have been incurred regardless of whether the contract was obtained shall be recognized as an expense when incurred, unless those costs are explicitly chargeable to the customer regardless of whether the contract is obtained.

The Company applies the practical expedient to recognize the incremental costs of obtaining a contract as an expense when incurred if the amortization period of the asset that the entity otherwise would have recognized is one year or less.

2) Costs to fulfil a contract

If the costs incurred in fulfilling a contract with a customer are not within the scope of another Standard (for example, IAS 2 Inventories, IAS 16 Property, Plant and Equipment or IAS 38 Intangible Assets), the Company recognizes an asset from the costs incurred to fulfil a contract only if those costs meet all of the following criteria:

· the costs relate directly to a contract or to an anticipated contract that the Company can specifically identify;

· the costs generate or enhance resources of the Company that will be used in satisfying (or in continuing to satisfy) performance obligations in the future; and

· the costs are expected to be recovered.

General and administrative costs, costs of wasted materials, labor or other resources to fulfil the contract that were not reflected in the price of the contract, costs that relate to satisfied performance obligations (or partially satisfied performance obligations), and costs for which the Company cannot distinguish whether the costs relate to unsatisfied performance obligations or to satisfied performance obligations (or partially satisfied performance obligations), the Company recognizes these costs as expenses when incurred.

(p) Employee benefits

(i) Defined contribution plans

Obligations for contributions to defined contribution plans are expensed as the related service is provided.

(ii) Defined benefit plans

The Company's net obligation in respect of defined benefit plans is calculated separately for each the plan by estimating the amount of future benefit that employees have earned in the current and prior periods, discounting that amount and deducting the fair value of any plan assets.

The calculation of defined benefit obligations is performed annually by a qualified actuary using the projected unit credit method. When the calculation results in a potential asset for the Company, the recognized asset is limited to the present value of economic benefits available in the form of any future refunds from the plan or reductions in future contributions to the plan. To calculate the present value of economic benefits, consideration is given to any applicable minimum funding requirements.

Remeasurements of the net defined benefit liability, which comprise actuarial gains and losses, the return on plan assets (excluding interest) and the effect of the asset ceiling (if any, excluding interest), are recognized immediately in other comprehensive income, and accumulated in retained earnings within equity. The Company determines the net interest expense (income) on the net defined benefit liability (asset) for the period by applying the discount rate used to measure the defined benefit obligation at the beginning of the annual period to the then-net defined benefit liability (asset). Net interest expense and other expenses related to defined benefit plans are recognized in profit or loss.

When the benefits of a plan are changed or when a plan is curtailed, the resulting change in benefit that relates to past service or the gain or loss on curtailment is recognized immediately in profit or loss. The Company recognizes gains and losses on the settlement of a defined benefit plan when the settlement occurs.

(iii) Short-term employee benefits

Short-term employee benefits are expensed as the related service is provided. A liability is recognized for the amount expected to be paid if the Company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

(Continued)

FIRST COPPER TECHNOLOGY CO., LTD.
Notes to the Financial Statements

(q) Income taxes

Income taxes comprise current taxes and deferred taxes. Except for expenses related to business combinations or recognized directly in equity or other comprehensive income, all current and deferred taxes shall be recognized in profit or loss.

Current taxes comprise the expected tax payables or receivables on the taxable profits (losses) for the year and any adjustment to the tax payable or receivable in respect of previous years. The amount of current tax payables or receivables are the best estimate of the tax amount expected to be paid or received that reflects uncertainty related to income taxes, if any. It is measured using tax rates enacted or substantively enacted at the reporting date.

Deferred taxes arise due to temporary differences between the carrying amounts of assets and liabilities for financial reporting date and their respective tax bases. Deferred taxes are recognized except for the following:

(i) Temporary differences on the initial recognition of assets and liabilities in a transaction that is not a business combination and at the time of the transaction (i) affect neither accounting nor taxable profits (losses) and (ii) does not give rise to equal taxable and deductible temporary differences;

(ii) Temporary differences related to investments in associates to the extent that the Company is able to control the timing of the reversal of the temporary differences and it is probable that they will not reverse in the foreseeable future; and

(iii) Taxable temporary differences arising on the initial recognition of goodwill.

Deferred tax assets are recognized for the carry forward of unused tax losses, unused tax credits, and deductible temporary differences to the extent that it is probable that future taxable profits will be available against which they can be utilized. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefits will be realized; such reductions are reversed when the probability of future taxable profits improves.

Deferred taxes shall be measured at the tax rates that are expected to be applied to temporary differences when they reserve, using tax rates enacted or substantively enacted at the reporting date.

Deferred tax assets and liabilities are offset if the following criteria are met:

(i) The Company has a legally enforceable right to set off current tax assets against current tax liabilities; and

(ii) The deferred tax assets and the deferred tax liabilities relate to income taxes levied by the same taxation authority on either:

1) the same taxable entity; or

2) different taxable entities which intends to settle current tax assets and liabilities on a net basis, or to realize the assets and liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

(r) Earnings per share

The Company discloses the Company's basic and diluted earnings per share attributable to common shares holders of the Company. The basic earnings per share are calculated as the profit attributable to the common shareholders of the Company divided by the weighted-average number of common shares outstanding. The diluted earnings per share are calculated as the profit attributable to common shareholders of the Company divided by the weighted-average number of common shares outstanding after adjustment for the effects of all dilutive potential common shares, such as employee remuneration not yet resolved by the shareholders.

(s) Operating segments

An operating segment is a component of the Company that engages in business activities from which it may earn revenues and incur expenses (including revenues and expenses relating to transactions with other components of the Company). Operating results of the operating segment are regularly reviewed by the Company's chief operating decision maker to make decisions about resources to be allocated to the segment and to assess its performance. Each operating segment consists of standalone financial information.

(5) Significant accounting assumptions and judgments, and major sources of estimation uncertainty:

The preparation of the financial statements in conformity with the Regulations requires management to make judgments, estimates, and assumptions that affect the application of the accounting policies and the reported amount of assets, liabilities, income, and expenses. Actual results may differ from these estimates.

The management continues to monitor the accounting estimates and assumptions. It recognizes any changes in accounting estimates during the period and the impact of those changes in accounting estimates in the following period.

Information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment to the carrying amounts of assets and liabilities within the next financial year is as follows:

(a) Valuation of inventories

Because the Company's selling price is affected by international copper price, there is an uncertainty risk on the estimation of inventories' net realizable value resulting from the copper price fluctuations. Please refer to note 6(f) for further description of the valuation of inventories.

(b) Non-financial assets impairment

In the process of evaluating the potential impairment of tangible and intangible assets other than goodwill, the Company is required to make subjective judgments in determining the independent cash flows, useful lives, expected future income and expenses related to the specific asset groups with the consideration of the nature of the industry. Any changes in these estimates based on changed economic conditions or business strategies and could result in significant impairment charges or reversal in future years. Refer to Note 6(h) for evaluation for impairment of non-financial assets.

(Continued)

FIRST COPPER TECHNOLOGY CO., LTD.
Notes to the Financial Statements

The Company’s accounting policies and disclosing include measuring financial and non-financial assets at fair value. The Company’s financial instrument valuation group conducts independent verification on fair value by using data sources that are independent, reliable, and representative of exercise prices. This financial instrument valuation group also periodically adjusts valuation models, conducts back-testing, renews input data for valuation models, and makes all other necessary fair value adjustments to assure the rationality of fair value.

When measuring the fair value of an asset, the Company uses market observable data as far as possible. Fair values are categorized into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows.

(a) Level 1: quoted prices (unadjusted) in active markets for identified assets or liabilities.

(b) Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

(c) Level 3: inputs for the assets or liability that are not based on observable market data (unobservable inputs).

For any transfer within the fair value hierarchy, the impact of the transfer is recognized on the reporting date.

(6) Explanation of significant accounts:

(a) Cash and cash equivalents

		December 31, 2023	December 31, 2022
Cash and cash on hand	$	130	177
Checking deposits and demand deposits		68,445	86,408
Cash and cash equivalents in the statement of cash flows	**$**	**68,575**	**86,585**

Please refer to note 6(w) for the exchange rate risk, sensitivity analysis and credit risk of the financial assets of the Company.

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

		December 31, 2023	December 31, 2022
Mandatorily measured at fair value through profit or loss:			
Non-derivative financial assets			
Listed stocks	**$**	**-**	**40,770**

For the net gain or loss on financial assets at FVTPL, please refer to note 6(v).

During the years ended December 31, 2023 and 2022, the dividends of $32 and $593, respectively, related to mandatorily measured at fair value through profit or loss held on the years then ended, were recognized.

(Continued)

FIRST COPPER TECHNOLOGY CO., LTD.
Notes to the Financial Statements

The Company did not provide above financial assets at fair value through profit or loss as collateral or restricted.

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

		December 31, 2023	December 31, 2022
Equity investments at fair value through other comprehensive income:			
Listed stock－Hua Eng Wire & Cable Co., Ltd.	$	4,473,694	2,857,325
Liquidation receivables of Global Corporation		-	364
Total	**$**	**4,473,694**	**2,857,689**

The Company designated its equity investments shown above as at fair value through other comprehensive income because these equity investments that the Company intend to hold for long-term strategic investments and not for trading purposes.

During the year ended December 31, 2023 and 2022, the dividend income of $83,426 and $312,846, respectively, related to equity investments at fair value through other comprehensive income held on the years then ended, were recognized.

The Company owns 32.96% common shares outstanding of its parent company, Hua Eng Wire & Cable Co., Ltd. (Hua Eng), for finance management, wherein Hua Eng deemed such shares as treasury stock.

During the year ended December 31, 2023, the liquidation receivables of Global Corporation have been received in cash of $353, with a profit of $720, which has been reclassified from other equity to retained earnings.

For market risk information, please refer to note 6(w).

The Company did not provide above financial assets at fair value through other comprehensive income as collateral or restricted.

(d) Notes and accounts receivable (Including related and non-related parties)

		December 31, 2023	December 31, 2022
Notes receivable from operating activities	$	-	1,481
Accounts receivable (including related parties)－measured at amortized cost		212,814	159,235
Accounts receivable－measured at fair value through other comprehensive income		25,832	10,146
Less: Loss allowance		-	-
	$	**238,646**	**170,862**

FIRST COPPER TECHNOLOGY CO., LTD.
Notes to the Financial Statements

	December 31, 2023	December 31, 2022
Classified as:		
Notes receivable	$ -	1,481
Accounts receivable	238,646	168,668
Accounts receivable from related parties	-	713
	$ 238,646	170,862

The Company has assessed a portion of its accounts receivable that was held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; therefore, such accounts receivable was measured at fair value through other comprehensive income.

The Company applies the simplified approach to provide for its expected credit losses, i.e. the use of lifetime expected loss provision for all receivables. To measure the expected credit losses, notes and accounts receivable have been grouped based on shared credit risk characteristics and the days past due, as well as incorporated forward looking information, including macroeconomic and relevant industry information. The loss allowance provision was determined as follows:

	December 31, 2023		
	Gross carrying amount of notes and accounts receivable	Weighted-average loss rate	Loss allowance provision
Non-overdue	$ 238,646	-	-
Overdue	-	-	-
	$ 238,646		-

	December 31, 2022		
	Gross carrying amount of notes and accounts receivable	Weighted-average loss rate	Loss allowance provision
Non-overdue	$ 170,862	-	-
Overdue	-	-	-
	$ 170,862		-

The movement in the allowance for notes and accounts receivable were as follows:

	2023	2022
Balance at January 1 (Balance at December 31)	$ -	-

FIRST COPPER TECHNOLOGY CO., LTD.
Notes to the Financial Statements

The Company did not provide notes and accounts receivable as collateral or restricted.

For further credit risk information, please refer to note 6(w).

The Company entered into separate factoring agreements with different financial institutions to sell its accounts receivable. Under the agreements, the financial institution is required to bear the credit risk of un-collection of accounts receivable due to any non-business dispute or financial difficulty. The Company derecognized the above accounts receivable because it has transferred substantially all of the risks and rewards of their ownership, and it does not have any continuing involvement in them. The amounts receivable from the financial institutions were recognized as other receivables upon the derecognition of those accounts receivable. The Company sold its accounts receivable without recourse as follows:

December 31, 2023							
Purchaser		Amount derecognized	Amount advanced Unpaid	Amount advanced paid	Amount recognized in other receivables	Range of interest rate	Significant transferring terms
TSIB	$	65,866	59,280	-	65,866	-	None
CTBC		22,883	20,595	-	22,883	-	None
CTBC		303	272	-	303	-	None
	$	**89,052**		-	**89,052**		

December 31, 2022							
Purchaser		Amount derecognized	Amount advanced Unpaid	Amount advanced paid	Amount recognized in other receivables	Range of interest rate	Significant transferring terms
TSIB	$	9,960	8,964	-	9,960	-	None
CTBC		19,683	17,715	-	19,683	-	None
CTBC		2,521	2,269	-	2,521	-	None
	$	**32,164**		-	**32,164**		

(e) Other receivables (including refundable deposits)

		December 31, 2023	December 31, 2022
Other receivables - factoring accounts receivable	$	89,052	32,164
Other receivables - remuneration of directors and supervisors		1,552	117
Other receivables - dividends		-	231
Other receivables - others		-	17
Refundable deposits		10	7
Less: Loss allowance		-	-
	$	**90,614**	**32,536**

(Continued)

FIRST COPPER TECHNOLOGY CO., LTD.
Notes to the Financial Statements

		December 31, 2023	December 31, 2022
Classified as:			
Other receivables	$	90,604	32,529
Refundable deposits		10	7
	$	**90,614**	**32,536**

For further credit risk information, please refer to note 6(w).

(f) Inventories

		December 31, 2023	December 31, 2022
Finished goods	$	181,029	292,688
Work in progress		1,158,382	935,503
Raw materials and supplies		415,410	756,535
	$	**1,754,821**	**1,984,726**

The details of the cost of sales were as follows:

		2023	2022
Inventory that has been sold	$	2,685,141	2,776,263
Write-down of inventories (Reversal of write-downs)		(103,503)	112,353
Unallocated production overheads		82,732	68,124
Others		(7,002)	(12,858)
	$	**2,657,368**	**2,943,882**

The reversal of the write-down of inventories in 2023 was due to the fluctuation of international copper price which resulted in net realizable value increase. The write-down of inventories in 2022 was due to the decrease in international copper price which resulted in net realizable value decreased.

The Company did not provide any inventories as collateral or restricted.

(g) Investments accounted for using equity method

A summary of the Company's financial information for investments accounted for using the equity method at the reporting date is as follows:

		December 31, 2023	December 31, 2022
Associates	$	**134**	**168**

FIRST COPPER TECHNOLOGY CO., LTD.
Notes to the Financial Statements

The Company's financial information for associates accounted for using the equity method that are individually insignificant was as follows:

		2023	2022
Attributable to the Company:			
Profit from continuing operations	$	2	40
Other comprehensive income		(1)	1
Total comprehensive income	$	1	41

The Company did not provide any investments accounted for using the equity method as collateral for its loans.

(h) Property, plant and equipment

The Cost and depreciation of the property, plant and equipment of the Company were as follows:

	Land	Buildings	Machinery and equipment	Other equipment	Construction in progress and testing equipment	Total
Cost or deemed cost:						
Balance at January 1, 2023	$ 515,430	381,328	3,616,016	37,677	2,357	4,552,808
Additions	-	3,191	31,436	1,350	12,452	48,429
Reclassifications	-	-	14,809	-	(14,809)	-
Disposals	-	-	(17,495)	(6,303)	-	(23,798)
Balance at December 31, 2023	$ 515,430	384,519	3,644,766	32,724	-	4,577,439
Balance at January 1, 2022	$ 515,430	378,205	3,591,405	33,670	1,300	4,520,010
Additions	-	3,123	58,999	5,492	13,081	80,695
Reclassifications	-	-	12,024	-	(12,024)	-
Disposals	-	-	(46,412)	(1,485)	-	(47,897)
Balance at December 31, 2022	$ 515,430	381,328	3,616,016	37,677	2,357	4,552,808
Depreciation:						
Balance at January 1, 2023	$ -	302,094	3,151,182	28,727	-	3,482,003
Depreciation	-	9,458	70,371	1,662	-	81,491
Disposals	-	-	(17,088)	(6,303)	-	(23,391)
Balance at December 31, 2023	$ -	311,552	3,204,465	24,086	-	3,540,103
Balance at January 1, 2022	$ -	292,408	3,131,586	28,843	-	3,452,837
Depreciation	-	9,686	65,934	1,369	-	76,989
Disposals	-	-	(46,338)	(1,485)	-	(47,823)
Balance at December 31, 2022	$ -	302,094	3,151,182	28,727	-	3,482,003
Carrying amounts:						
Balance at December 31, 2023	$ 515,430	72,967	440,301	8,638	-	1,037,336
Balance at December 31, 2022	$ 515,430	79,234	464,834	8,950	2,357	1,070,805
Balance at January 1, 2022	$ 515,430	85,797	459,819	4,827	1,300	1,067,173

(i) Impairment assessment:

The Company tests for impairment of the cash-generating unit containing the property, plant and equipment. As of December 31, 2023, that testing shows that the property, plant and equipment is not impaired. The pre-tax discount rate used to estimate the value in use as of December 31, 2023 was 9.27%.

The discount rate was a pre-tax measure based on the rate of 15-year government bonds issued by the government in the relevant market and in the same currency as the cash flows, adjusted for a risk premium to reflect both the increased risk of investing in equities generally and the systemic risk of the specific CGU.

(ii) Collateral

The property, plant and equipment of the Company has not been pledged as collateral or restricted.

(iii) Other

For the gains or losses on disposal of the property, plant and equipment, please refer to note 6(v).

(i) Investment property

The cost and depreciation of investment property were as follows:

	Owned property		
	Land and improvements	**Building and other**	**Total**
Cost or deemed cost:			
Balance at January 1, 2023	**$ 174,801**	**92,045**	**266,846**
Balance at December 31, 2023	**$ 174,801**	**92,045**	**266,846**
Balance at January 1, 2022	**$ 174,801**	**92,045**	**266,846**
Balance at December 31, 2022	**$ 174,801**	**92,045**	**266,846**
Depreciation:			
Balance at January 1, 2023	$ -	44,435	44,435
Depreciation for the year	-	3,140	3,140
Balance at December 31, 2023	**$ -**	**47,575**	**47,575**
Balance at January 1, 2022	$ -	41,234	41,234
Depreciation for the year	-	3,201	3,201
Balance at December 31, 2022	**$ -**	**44,435**	**44,435**
Carrying amount:			
Balance at December 31, 2023	**$ 174,801**	**44,470**	**219,271**
Balance at December 31, 2022	**$ 174,801**	**47,610**	**222,411**
Balance at January 1, 2022	**$ 174,801**	**50,811**	**225,612**
Fair value:			
Balance at December 31, 2023			**$ 901,471**
Balance at December 31, 2022			**$ 873,664**
Balance at January 1, 2022			**$ 736,446**

Investment property are leased to third parties under operating leases, as well as properties that are owned by the Company.

FIRST COPPER TECHNOLOGY CO., LTD.
Notes to the Financial Statements

The Company did not have any non-cancellable lease or contingent rental. For information about investment property leases, please refer to note 6(o).

As of December 31, 2023 and 2022, the investment property is measured at fair value on recurring basis and the fair value of the investment property was determined based on comparative method and cost method used by the Company. The inputs of levels of fair value hierarchy in determining the fair value is classified to Level 3.

Investment property of the Company has not been pledged as collateral or restricted.

(j) Intangible assets

The costs, amortization and impairment of the intangible assets of the Company were as follows:

	Computer software
Cost:	
Balance at January 1, 2023	$ 144
Balance at December 31, 2023	**$ 144**
Balance on January 1, 2022	$ -
Additions	144
Balance December 31, 2022	**$ 144**
Accumulated amortization and impairment loss as:	
Balance at January 1, 2023	$ 12
Amortization for the year	48
Balance at December 31, 2023	**$ 60**
Balance on January 1, 2022	$ -
Amortization for the year	12
Balance December 31, 2022	**$ 12**
Carrying amounts:	
Balance at December 31, 2023	**$ 84**
Balance at December 31, 2022	**$ 132**
Balance at January 1, 2022	**$ -**

For the amortization of intangible assets, please refer to note 12; Intangible assets of the Company have not been pledged as collateral or restricted.

(Continued)

FIRST COPPER TECHNOLOGY CO., LTD.
Notes to the Financial Statements

(k) Other current assets

Details of other current assets of the Company were as follows:

		December 31, 2023	December 31, 2022
Prepaid expenses	$	714	587
Prepaid raw materials		1,058	177
Excess business tax paid		3,187	15,397
Right to the returned goods		3,208	4,458
Others		53	50
	$	**8,220**	**20,669**

(l) Short-term borrowings

Details of short-term borrowings of the Company were as follows:

		December 31, 2023	December 31, 2022
Letters of credit	$	69,219	151,280
Unsecured loans		734,000	964,000
Total	**$**	**803,219**	**1,115,280**
Unused credit lines	**$**	**1,871,859**	**1,654,007**
Range of interest rates		**1.78%~1.85%**	**1.32%~2.09%**

The Company did not provide any assets as collateral for short-term borrowings.

Please refer to note 6(w) for exchange rate risk, interest rate risk, sensitive analysis and liquid risk of the financial liabilities of the Company.

(m) Short-term notes and bills payable

Details of short-term notes and bills payable of the Company were as follows:

		December 31, 2023	December 31, 2022
Commercial paper payable	**$**	**749,629**	**499,386**
Range of interest rates		**1.808%~1.85%**	**1.888%~2.038%**

The Company did not provide any assets as collateral for short-term notes and bills payable.Unused credit lines for short-term notes and bills payable are combined in short-term borrowings, please refer to note 6(l).

FIRST COPPER TECHNOLOGY CO., LTD.
Notes to the Financial Statements

(n) Other current liabilities

Details of other current liabilities of the Company were as follows:

	December 31, 2023	December 31, 2022
Advance receipts	$ 1,227	1,227
Warranty provision	109	617
Refund liabilities	4,111	6,027
Temporary credits	43	47
Receipts under custody	10	1
	$ 5,500	**7,919**

The amount of refund liabilities was estimated based on the sales contracts, which entitle the customers to rights of return.

The movement of warranty provision was as follows:

	2023	2022
Balance at January 1	$ 617	938
Provisions used and reversed during the year	(880)	(1,724)
Provisions made during the year	372	1,403
Balance at December 31	**$ 109**	**617**

The provision for warranties, which relates mainly to copper products and copper sold, is expected to be settled in the following year based on the estimates calculated using the historical warranty data associated with the Company.

(o) Operating lease

The Company leases out its investment property. The Company has classified these leases as operating leases, because it does not transfer substantially all of risks and rewards incidental to the ownership of the assets. Please refer to note 6(i) sets out information about the operating leases of investment property.

A maturity analysis of lease payments, showing the undiscounted lease payments to be received after the reporting date is as follows:

	December 31, 2023	December 31, 2022
Less than one year	$ 4,910	14,729
One to two years	-	4,910
Total undiscounted lease payments	**$ 4,910**	**19,639**

FIRST COPPER TECHNOLOGY CO., LTD.
Notes to the Financial Statements

Rental income from investment property amounted to $14,730 in 2023 and 2022, is included in other income in the statements of comprehensive income. The direct expenses including repairs and maintenance arising from income-generating investment property amounted to $2,462 and $2,332 in 2023 and 2022, respectively, are included in other gains and losses in the statements of comprehensive income.

(p) Employee benefits

(i) Defined benefit plans

Reconciliation of defined benefit obligation at present value and plan asset at fair value was as follows:

		December 31, 2023	December 31, 2022
Present value of the defined benefit obligations	$	105,768	100,892
Fair value of plan assets		(115,592)	(115,219)
Net defined benefit liabilities (assets)	**$**	**(9,824)**	**(14,327)**

The Company makes defined benefit plan contributions to the labor pension fund account with Bank of Taiwan. Such accounts provide pensions for employees upon retirement. Plans (covered by the Labor Standards Law) entitle retired employees to receive retirement benefits based on years of service and average monthly salary for the six months prior to retirement.

1) Composition of plan assets

The Company allocates its labor pension funds in accordance with the Labor Standards Law, and such funds are managed by the Bureau of Labor Funds, Ministry of Labor. According to the Regulations for Revenues, Expenditures, Safeguard and Utilization of the Labor Retirement Fund, the minimum earnings of the funds will be no less than the earnings attainable from two-year time deposits, with interest rates offered by local banks.

The Company’s Bank of Taiwan labor pension reserve account balance amounted to $115,592 as of December 31, 2023. For information on the utilization of the labor pension fund assets including the asset allocation and yield of the fund, please refer to the website of the Bureau of Labor Funds, Ministry of Labor.

2) Movements in present value of the defined benefit obligations

The movements in present value of defined benefit obligations for the Company were as follows:

(Continued)

FIRST COPPER TECHNOLOGY CO., LTD.
Notes to the Financial Statements

		2023	2022
Defined benefit obligations at January 1	$	100,892	110,186
Current service costs and interest		1,538	632
Remeasurement of the net defined benefit liabilities (assets) :			
–Actuarial loss (gain) arising from change in financial assumptions		696	(236)
–Actuarial loss (gain) arising from experience adjustments		5,793	(7,386)
Benefits paid by the plan		(3,151)	(2,304)
Defined benefit obligations at December 31	**$**	**105,768**	**100,892**

3) Movements in the fair value of plan assets

The movements in the fair value of plan assets for the Company were as follows:

		2023	2022
Fair value of plan assets at January 1	$	115,219	100,094
Interest income		1,654	479
Remeasurements of the net defined benefit liabilities (assets) :			
–Return on plan assets (excluding interest income)		776	8,426
Contribution made		1,094	8,524
Benefits paid by the plan		(3,151)	(2,304)
Fair value of plan assets at December 31	**$**	**115,592**	**115,219**

4) Expenses recognized in profit or loss

The expenses recognized in profit or loss for the Company were as follows:

		2023	2022
Current service costs	$	107	106
Net interest of net defined benefit liabilities (assets)		(223)	47
	$	**(116)**	**153**
Operating costs	$	(102)	138
Operating expenses		(14)	15
	$	**(116)**	**153**

FIRST COPPER TECHNOLOGY CO., LTD.
Notes to the Financial Statements

5) Actuarial assumptions

The principal actuarial assumptions at the reporting date were as follows:

	December 31, 2023	December 31, 2022
Discount rate	1.375 %	1.500 %
Future salary increase rate	2.000 %	2.000 %

The expected allocation payment to be made by the Company to the defined benefit plans for the one-year period after the reporting date is $1,157.

The weighted-average lifetime of the defined benefits plans is 7.75 years.

6) Sensitivity analysis

If the actuarial assumptions had changed, the impact on the present value of the defined benefit obligation shall be as follows:

	Influences of defined benefit obligations	
	Increased	Decreased
As of December 31, 2023		
Discount rate (Decreasing or increasing in 0.25%)	$ (1,384)	1,417
Future salary increasing rate (Decreasing or increasing in 0.25%)	1,355	(1,329)
As of December 31, 2022		
Discount rate (Decreasing or increasing in 0.25%)	$ (1,461)	1,499
Future salary increasing rate (Decreasing or increasing in 0.25%)	1,436	(1,407)

There is no change in other assumptions when performing the above-mentioned sensitivity anaysis. In practice, assumptions may be interactive with each other. The method used in the sensitivity analysis is consistent with the calculation of net defined benefit (assets) liabilities in the balance sheets.

There is no change in the method and assumptions used in the preparation of sensitivity analysis for 2023 and 2022.

(Continued)

FIRST COPPER TECHNOLOGY CO., LTD.
Notes to the Financial Statements

(ii) Defined contribution plans

The Company allocates 6% of each employee's monthly wages to the labor pension personal account at the Bureau of Labor Insurance in accordance with the provisions of the Labor Pension Act. Under these defined contribution plans, the Company allocates a fixed amount to the Bureau of Labor Insurance without additional legal or constructive obligation.

The Company pension costs under the defined contribution method were $6,088 and $6,795 for 2023 and 2022, respectively. As of December 31, 2023 and 2022, the payables which had not been contributed to the Bureau of Labor Insurance were $998 and $1,097 respectively, and were recognized as other payables and notes payable in the balance sheets.

The pension costs of the defined contribution plans for the Company were as follows:

	2023	2022
Operating costs	$ 5,421	6,041
Operating expenses	667	754
	$ 6,088	**6,795**

(iii) Short-term benefit liabilities

As of December 31, 2023 and 2022, the Company's short-term benefit liabilities for vacation were $6,168 and $6,055, respectively, and were recognized as other payables in the balance sheets.

(q) Income taxes

(i) The components of income tax expense (benefit) were as follows:

	2023	2022
Current tax expense	$ -	-
Deferred tax expense (benefit)		
Origination and reversal of temporary differences	15,272	(22,529)
Income tax expense (benefit)	**$ 15,272**	**(22,529)**

No income tax was recognized directly in equity for 2023 and 2022.

The amounts of income tax (benefit) recognized in other comprehensive income for 2023 and 2022 were as follows:

	2023	2022
Items that will not be reclassified subsequently to profit or loss:		
Remeasurement from defined benefit plans	**$ (1,142)**	**3,209**

(Continued)

FIRST COPPER TECHNOLOGY CO., LTD.
Notes to the Financial Statements

Reconciliation of income tax expense (benefit) and profit before income tax for 2023 and 2022 was as follows:

	2023	2022
Profit before income tax	$ 5,778	174,411
Income tax using the Company’s domestic tax rate	1,156	34,882
Unrealized losses (gains) on valuation of financial assets	(1,703)	4,447
Dividends income	(16,697)	(62,688)
Current-year losses for which no deferred tax asset was recognized	15,779	-
Others	40	155
Non-recognized tax losses	16,697	675
	$ 15,272	**(22,529)**

(ii) Deferred tax assets and liabilities

1) Unrecognized deferred tax assets

Deferred tax assets of the Company have not been recognized in respect of the following items:

	December 31, 2023	December 31, 2022
The carryforward of unused tax losses	**$ 567,812**	**488,917**

Deferred tax assets have not been recognized in respect of these items because it is not probable that future taxable profit will be available against which the Company can utilize the benefits therefrom.

The R.O.C Income Tax Act allows net losses, as assessed by the tax authorities, to offset taxable income over a period of ten years for local tax reporting purposes. As of December 31, 2023, the information of the Company’s unused tax losses for which no deferred tax assets were recognized are as follows:

Year of loss	Unused tax loss	Year of expiry
2016 (approved)	$ 281,765	2026
2019 (approved)	207,152	2029
2023 (not yet approved)	78,895	2033
	$ 567,812	

(Continued)

FIRST COPPER TECHNOLOGY CO., LTD.
Notes to the Financial Statements

2) Recognized deferred tax assets and liabilities

Changes in the amount of deferred tax assets and liabilities for 2023 and 2022 were as follows:

	Defined benefit plans	Land value increment tax provision	Others	Total
Deferred tax liabilities:				
Balance at January 1, 2023	$ 2,883	264,866	674	268,423
Debit (credit) profit or loss	244	-	(674)	(430)
Credit other comprehensive income	(1,142)	-	-	(1,142)
Balance at December 31, 2023	**$ 1,985**	**264,866**	**-**	**266,851**
Balance at January 1, 2022	$ -	264,866	-	264,866
Debit (credit) profit or loss	(326)	-	674	348
Debit other comprehensive income	3,209	-	-	3,209
Balance at December 31, 2022	**$ 2,883**	**264,866**	**674**	**268,423**

	Allowance for inventory losses	Defined benefit plans	Unallocated production overheads	Adjustment of difference of useful lives of PPE between financial and tax methods	Others	Total
Deferred tax assets:						
Balance at January 1, 2023	$ 23,867	-	9,553	4,927	1,648	39,995
(Debit) credit profit or loss	(20,701)	-	3,382	817	800	(15,702)
Balance at December 31, 2023	**$ 3,166**	**-**	**12,935**	**5,744**	**2,448**	**24,293**
Balance at January 1, 2022	$ 1,396	1,998	6,405	4,637	2,682	17,118
Debit (credit) profit or loss	22,471	(1,998)	3,148	290	(1,034)	22,877
Balance at December 31, 2022	**$ 23,867**	**-**	**9,553**	**4,927**	**1,648**	**39,995**

(iii) Assessment of tax

The Company' s income tax returns for the years through 2021 were assessed by the tax authorities.

(r) Share capital and other equity

(i) Capital stock

As of December 31, 2023 and 2022, the authorized shares capital of the Company were $3,596,222, comprising 359,622 thousand shares, with a par value $10. All issued shares were paid up upon issuance.

(Continued)

FIRST COPPER TECHNOLOGY CO., LTD.
Notes to the Financial Statements

(ii) Retained earnings

According to the Company's articles of incorporation, current-period earnings should first be used to settle all outstanding tax payables and accumulated deficit, and then 10% should be retained as legal reserve until the accumulated legal reserve equals the issued capital stock, and special reserve should be retained or reversed according to the Company' s operating environment and statutory requirements. Thereafter, any remaining profit, together with any undistributed prior-period retained earnings, shall be distributed at the discretion of the board of directors and with the resolution to be approved during the stockholders' meeting.

The industry of operation of the Company still has good prospects. The Company will grasp the economic environment for sustainable operation and long-term development. When preparing the proposal for appropriation of net profit, the board of directors will follow a stable dividend policy, which will be based on the Company' s expected profit in the future, and plan for operating capital, thereafter, a portion of net profit should be retained. Cash dividends should not be less than 10% of total dividends.

1) Legal reserve

When the Company incurs no loss, it may, pursuant to a resolution approved during the shareholder's meeting, distribute its legal reserve by issuing new shares or by distributing cash, and only the portion of legal reserve which exceeds 25% of capital may be distributed.

2) Special reserve

By choosing to apply exemptions granted under IFRS 1 First-time Adoption of International Financial Reporting Standards during the Company's first-time adoption of the IFRS Accounting Standards approved by the FSC, unrealized revaluation gains shall be reclassified as unappropriated retained earnings at the adoption date. In accordance with the FSC, an increase in retained earnings due to the first-time adoption of IFRSs shall be retained as a special reserve, and when the relevant assets are used, disposed of, or reclassified, this special reserve shall be reversed as distributable earnings proportionately. The carrying amount of special reserve amounted to $231,751 on December 31, 2023 and 2022.

In accordance with the FSC, a portion of current-period earnings and undistributed prior period earnings shall be reclassified as a special earnings reserve during earnings distribution. The amount to be reclassified should be equal to the difference between the total net current-period reduction of special earnings reserve resulting from the first-time adoption of IFRS Accounting Standards and the carrying amount of other shareholders' equity as stated above. Similarly, a portion of undistributed prior-period earnings shall be reclassified as a special earnings reserve (which does not qualify for earnings distribution) to account for cumulative changes other shareholders' equity pertaining to prior periods due to the first-time adoption of IFRSs. Amounts of subsequent reversals pertaining to the net reduction of other shareholders' equity shall qualify for additional distributions. The balance of special reserve were $31,094 on December 31, 2023 and 2022.

(Continued)

FIRST COPPER TECHNOLOGY CO., LTD.
Notes to the Financial Statements

3) Earnings distribution

Earnings distribution for 2022 and 2021 were decided by the general meeting of shareholders held on June 15, 2023 and June 23, 2022. The relevant dividend distributions to shareholders were as follows:

	2022	2021
Dividends distributed to ordinary shareholders per share (in dollars)		
Cash	$ 0.40	1

Related information would be available at the Market Observation Post System website.

(iii) Other equity (net of tax)

	Financial assets measured at fair value through other comprehensive income
Balance at January 1, 2023	$ 401,992
Unrealized gains (losses) from equity instruments measured at fair value through other comprehensive income	1,616,369
Unrealized gains (losses) from receivables	(11)
Disposal of investments in equity instruments measured at fair value through other comprehensive income	(720)
Balance at December 31, 2023	$ 2,017,630
Balance at January 1, 2022	$ 2,174,794
Unrealized gains (losses) from equity instruments measured at fair value through other comprehensive income	(1,772,792)
Unrealized gains (losses) from receivables	(10)
Balance at December 31, 2022	$ 401,992

(s) Earnings per share

The calculation of basic earnings per share and diluted earnings per share were as follows:

	2023	2022
Basic earnings per share		
(Loss) profit attributable to ordinary shareholders of the Company	$ (9,494)	196,940
Weighted-average number of common shares outstanding (shares in thousands)	359,622	359,622
Basic earnings per share (in dollars)	$ (0.03)	0.55

FIRST COPPER TECHNOLOGY CO., LTD.
Notes to the Financial Statements

	2023	2022
Diluted earnings per share		
(Loss) Profit attributable to ordinary shareholders of company (diluted)	$ (9,494)	196,940
Weighted-average number of common shares outstanding (shares in thousands)	359,622	359,622
Effect of dilutive potential ordinary shares		
Effect of employee compensation (shares in thousands)(Note)	-	250
Weighted-average number of common shares outstanding (shares in thousands) (diluted)	359,622	359,872
Diluted earnings per share (in dollars)	$ (0.03)	0.55

Note: For the year ended December 31, 2023, the potential ordinary shares have anti-dilutive effect due to net loss, so the calculation of diluted loss per share is the same as the calculation of basic loss per share.

(t) Revenue from contracts with customers

(i) Disaggregation of revenue

	2023	2022
Primary geographical markets:		
Taiwan	$ 1,929,917	1,606,230
Mainland China	334,284	626,268
Japan	158,828	244,477
Others	223,120	418,437
Total	$ 2,646,149	2,895,412
Major products/services lines:		
Manufacture and sale of copper product	$ 2,569,376	2,754,404
Processing revenue	75,202	137,619
Others	1,571	3,389
Total	$ 2,646,149	2,895,412

FIRST COPPER TECHNOLOGY CO., LTD.
Notes to the Financial Statements

(ii) Contract balances

	December 31, 2023	December 31, 2022	January 1, 2022
Notes and accounts receivable (including related parties)	$ 238,646	170,862	318,799
Less: allowance for impairment	-	-	-
Total	**$ 238,646**	**170,862**	**318,799**
Contract liabilities－advance sales receipts	**$ 4,869**	**17,453**	**65,525**

For additional information on notes and accounts receivable and allowance for impairment, please refer to note 6(d).

The amount of revenue which was recognized in the years ended December 31, 2023 and 2022, and included in the contract liability balance at January 1, 2023 and 2022 were $17,453 and $65,525 respectively.

The major change in the balance of contract liabilities is the difference between the time frame in the performance obligation to be satisfied and the payment to be received.

(u) Remuneration to employees and directors

In accordance with the Articles of incorporation, the Company should contribute a minimum of 3% of the profit as employee remuneration and a maximum of 2% as directors’ remuneration when there is profit for the year. However, if the Company has accumulated deficits, the profit should be reserved to offset the deficit.

For the years ended December 31, 2023 and 2022, the Company estimated its employee remuneration amounting to $180 and $5,422, respectively, and directors’ remuneration amounting to $30 and $904, respectively. The estimated amounts mentioned above are calculated based on the net profit before tax, excluding the remuneration to employees and directors of each period, multiplied by the percentage of remuneration to employees and directors as specified in the Company’s articles. These remunerations were expensed under operating costs or operating expenses during 2023 and 2022. If there are any subsequent adjustments to the actual remuneration amounts, the adjustment will be accounted for as changes in accounting estimates and will be reflected in profit or loss in the following year. If employee remuneration is distributed by shares, the numbers of shares should be calculated based on the closing price one day before the date of the board meeting. Related information would be available at the Market Observation Post System website.

The amounts, as stated in the financial statements, are identical to those of the actual distributions for 2022.

The difference between the amount of employee and directors' remuneration in 2023 decided by the board of directors and the estimated amount in the 2023 financial report is $30, which is mainly due to after-tax losses and the resolution not to allocate directors' remuneration. The above difference was recognized as changes in accounting estimates and reflected in profit or loss in 2024.

FIRST COPPER TECHNOLOGY CO., LTD.
Notes to the Financial Statements

(v) Non-operating income and expenses

(i) Interest income

The details of interest income of the Company were as follow:

		2023	2022
Interest income from bank deposits	$	**452**	**182**

(ii) Other income

The details of other income of the Company were as follows:

		2023	2022
Dividend income		83,458	313,439
Rental income		14,730	14,730
Revenue from sale of scrap		369	791
Directors' and supervisors' remuneration		1,608	90
Others		602	498
	$	**100,767**	**329,548**

(iii) Other gains and losses

The details of other gains and losses of the Company were as follows:

		2023	2022
Foreign exchange gains (losses), net	$	(2,735)	1,142
Net gains (losses) of financial assets at fair value through profit or loss		8,517	(22,237)
Net gains on disposal of property, plant and equipment		155	870
Depreciation of investment property		(3,140)	(3,201)
Others		(4,001)	(4,557)
	$	**(1,204)**	**(27,983)**

(iv) Finance costs

The details of finance costs of the Company were as follows:

		2023	2022
Interest expenses			
Bank loans and short-term notes and bills payable	$	**(26,890)**	**(16,297)**

FIRST COPPER TECHNOLOGY CO., LTD.
Notes to the Financial Statements

(w) Financial instruments

(i) Categories of financial instruments

1) Financial assets

	December 31, 2023	December 31, 2022
Financial assets at fair value through profit or loss:		
Mandatorily measured at fair value through profit or loss	$ -	40,770
Financial assets at fair value through other comprehensive income:		
Investment in equity instruments	4,473,694	2,857,325
Accounts receivable	25,832	10,146
Receivables - the distribution of remaining on liquidation	-	364
Subtotal	4,499,526	2,867,835
Financial assets measured at amortized cost:		
Cash and cash equivalents	68,575	86,585
Notes receivable, accounts receivable (including related parties), and other receivables	303,418	193,245
Refundable deposits	10	7
Subtotal	372,003	279,837
Total	**$ 4,871,529**	**3,188,442**

2) Financial liabilities

	December 31, 2023	December 31, 2022
Financial liabilities measured at amortized cost:		
Short-term borrowings	$ 803,219	1,115,280
Short-term notes and bills payable	749,629	499,386
Payables (including related parties)	124,832	120,657
Total	**$ 1,677,680**	**1,735,323**

(ii) Credit risk

1) Exposure to credit risk

The carrying amount of financial assets represents the maximum amount exposed to credit risk.

2) Concentration to credit risk

The cash is deposited in different financial institutions. The Company manages the credit risk exposure with each of these financial institutions and believes that cash do not have a significant credit risk concentration.

The major customers of the Company are centralized in the electronics components industry. As of December 31, 2023 and 2022, one customer accounted for 36.69% and 33.75% of the notes and accounts receivable, respectively, resulting in a concentration of credit risk.

3) Credit risk of receivables

For credit risk exposure of notes and accounts receivable, please refer to note 6(d). Other financial assets at amortized cost include other receivables and refundable deposits.

All of these other financial assets at amortized cost are considered to have low risk, and thus, the impairment provision recognized during the period was limited to 12 months expected losses. Regarding how the financial instruments are considered to have low credit risk, please refer to note 4(f). No impairment losses allowance were recognized or reversed for the years ended December 31, 2023 and 2022.

(iii) Liquidity Risk

Details of financial liabilities categorized by due dates were as follows. The amounts include estimated interest payments but exclude the impacts of netting agreements.

	Carrying amount	Contractual cash flows	Within 6 months	6-12 months	1-2 years	2-5 years	Over 5 years
December 31, 2023							
Non-derivative financial liabilities							
Bank loans (floating interest rate)	$ 803,219	804,881	804,881	-	-	-	-
Short-term notes and bills payable(fixed interest rate)	749,629	750,000	750,000	-	-	-	-
Notes payable (non-interest rate)	2,520	2,520	2,520	-	-	-	-
Accounts payable(non-interest rate)	67,221	67,221	67,221	-	-	-	-
Other payables(non-interest rate)	55,091	55,091	55,091	-	-	-	-
	$ 1,677,680	1,679,713	1,679,713	-	-	-	-
December 31, 2022							
Non-derivative financial liabilities							
Bank loans(floating interest rate)	$ 1,115,280	1,118,914	1,118,914	-	-	-	-
Short-term notes and bills payable(fixed interest rate)	499,386	500,000	500,000	-	-	-	-
Notes payable(non-interest rate)	2,890	2,890	2,890	-	-	-	-
Accounts payable(non-interest rate)	57,512	57,512	57,512	-	-	-	-
Other payables(non-interest rate)	60,255	60,255	60,255	-	-	-	-
	$ 1,735,323	1,739,571	1,739,571	-	-	-	-

The Company does not expect that the cash flows included in the maturity analysis could occur significantly earlier or at significantly different amounts.

(Continued)

FIRST COPPER TECHNOLOGY CO., LTD.
Notes to the Financial Statements

(iv) Foreign currency risk

1) Exposure to foreign currency risk

The Company's significant financial assets and liabilities exposed to foreign currency risk were as follows:

		December 31, 2023			December 31, 2022		
		Foreign currency	Exchange rate	TWD	Foreign currency	Exchange rate	TWD
Financial assets							
Monetary items							
USD	$	4,942	30.705	151,739	3,033	30.71	93,156
JPY		-	-	-	3,220	0.2324	748
EUR		-	-	-	77	32.720	2,508
Financial liabilities							
Monetary items							
USD	$	42	30.705	1,287	43	30.71	1,311
JPY		-	-	-	3,220	0.2324	748
EUR		2	33.98	76	77	32.72	2,508

2) Sensitivity analysis

The foreign currency risk was mainly incurred from the translation of cash and cash equivalents, accounts receivable, other receivables, accounts payable, and other payables. As of December 31, 2023 and 2022, if the exchange rate of the NTD versus the USD, JPY and EUR had increased or decreased by 1%, given no changes in other factors, the impact were as follows:

2023		2022	
Depreciate 1%	Appreciate 1%	Depreciate 1%	Appreciate 1%
Decrease in net loss after tax	Increase in net loss after tax	Increase in net profit after tax	Decrease in net profit after tax
$ 1,203	1,203	735	735

The analysis is performed in the same basis for 2023 and 2022.

3) Exchange gains and losses from monetary items

The exchange gain (losses) (including realized and unrealized) that resulted from monetary were as follows:

	2023	2022
	Exchange gains (losses)	Exchange gains (losses)
USD	$ (2,757)	1,076
JPY	19	55
EUR	3	11
	$ (2,735)	1,142

(Continued)

FIRST COPPER TECHNOLOGY CO., LTD.
Notes to the Financial Statements

(v) Interest rate analysis

Please refer to the notes on liquidity risk management and the interest rate exposure of the Company's financial liabilities.

The sensitivity analysis of interest was determined based on the interest rate of derivative and non-derivative instruments at the reporting date. The analysis of liabilities bearing floating interest rates was prepared based on the assumption that the outstanding amounts at the reporting date had existed for the whole year. Management adopted 0.25% as a reasonable change in interest rates, and therefore evaluated the impacts of 0.25% changes in interest rates.

If interest rates on borrowings had increased or decreased 0.25%, with all other variables held constant, the information was as follows:

2023		2022	
Increase 0.25%	**Decrease 0.25%**	**Increase 0.25%**	**Decrease 0.25%**
Increase in net loss after tax	**Decrease in net loss after tax**	**Decrease in net profit after tax**	**Increase in net profit after tax**
$ 1,606	1,606	2,231	2,231

The impact was due to the floating interest rates of bank loans.

(vi) Equity securities price risks

If the prices of equity securities change at reporting date were performed using the same basis, with all other variables held constant, the influences to other comprehensive income, were as follows:

	2023		2022	
Prices at reporting date	**Other comprehensive income after tax**	**Net income**	**Other comprehensive income after tax**	**Net income**
Increase by 1%	$ 44,737	-	28,573	408
Decrease by 1%	$ (44,737)	-	(28,573)	(408)

(vii) Fair value of financial instruments

1) Fair value of financial instruments

The financial assets of the company at fair value through profit or loss and financial assets at fair value through other comprehensive income is measured at fair value on recurring basis. The carrying amount and fair value of the financial assets and liabilities, including the information on fair value hierarchy were as follows, however, the financial instruments not measured at fair value whose carrying amount is reasonably close to the fair value , disclosure of fair value information is not required:

FIRST COPPER TECHNOLOGY CO., LTD.
Notes to the Financial Statements

	December 31, 2023				
	Carrying	Fair Value			
	amount	Level 1	Level 2	Level 3	Total
Financial assets at fair value through other comprehensive income					
Stocks listed on domestic markets	$ 4,473,694	4,473,694	-	-	4,473,694
Accounts receivable	25,832	-	25,832	-	25,832
Total	$ 4,499,526				

	December 31, 2022				
	Carrying	Fair Value			
	amount	Level 1	Level 2	Level 3	Total
Financial assets at fair value through profit or loss					
Non-derivative financial assets mandatorily measured at fair value through profit or loss	$ 40,770	40,770	-	-	40,770
Financial assets at fair value through other comprehensive income					
Stocks listed on domestic markets	$ 2,857,325	2,857,325	-	-	2,857,325
Receivables-the distribution of remaining on liquidation	364	-	364	-	364
Accounts receivable	10,146	-	10,146	-	10,146
Total	$ 2,867,835				

2) Valuation techniques used in financial instruments at fair value

Non-derivative instruments

If a financial instrument has a quoted price in an active market, the quoted price is used as fair value. Quoted prices of major stock exchange and quoted prices of government bonds are the basis for measuring the fair value of stocks listed on an exchange, stocks listed on the OTC, and debt instruments with quoted prices in an active market.

The fair values of the Company's listed securities, with standard terms and conditions, and traded in active markets, were determined by the quoted market prices.

Measurements of fair value of financial instruments without an active market are based on a valuation technique or quoted price from a competitor. Fair value measured by a valuation technique can be extrapolated from similar financial instruments, the discounted cash flow method, or other valuation technique including a model using observable market data at the reporting date.

(Continued)

The fair value of the equity instruments which do not have any quoted market price is determined based on the ratio of the quoted market price of the comparative listed Company and its book value per share. Also, the fair value is discounted for its lack of liquidity in the market.

3) Transfer between level 1 to level 3

There was no transfer between the fair value hierarchy levels for the years ended December 31, 2023 and 2022.

(x) Financial risk management

(i) Overview

The Company have exposures to the following risks from its financial instruments:

1) Credit risk

2) Liquidity risk

3) Market risk

The Company' s risk management objective, policies, and procedures, and the exposure risk arising from the aforementioned risks, are disclosed below. For more quantitative information, please refer to other notes of the financial statements.

(ii) Risk management framework

The board of directors has the overall responsibility for the establishment and oversight of the risk management framework.

The Company' s risk management policies are established to identity and analyze the risks faced by the Company, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Company's activities. The Company, through its training and management standards and procedures, aims to develop a disciplined and constructive control environment in which all employees understand their roles and obligations.

The board of directors oversees how the management complies in monitoring the Company's risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to the risks faced by the Company. Internal auditors undertake both regular and ad hoc reviews of risk management controls and procedures and exception management, the results of which are reported to the board of directors.

(iii) Credit risk

The Company' s credit risk is the risk of financial loss when a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from accounts receivable and bank deposit.

FIRST COPPER TECHNOLOGY CO., LTD.
Notes to the Financial Statements

1) Accounts receivable and other receivables

The Company's exposure credit risk is influenced by the individual characteristics of each customer. The Company continuously monitors the information concerning client credit risk factors, such as the default risk of the industries and countries in which the customers operate.

According to the credit policy, the Company has to evaluate the credit of each new customer before setting the payment and delivery terms. The evaluations include external credit ratings, if available, and bank references. The Company reviews credit limits periodically and required customers to pay in advance when the customers' credit ratings did not meet the benchmark, and if necessary, requires prepayment by L/C before shipping.

If necessary, the Company also factors parts of accounts receivable to financial instructions without recourse to reduce the credit risk.

2) Deposits and other financial assets

The exposure to credit risk for the bank deposits and other financial instruments is measured and monitored by the Company's finance department. The Company only deals with banks with good credit rating. The Company does not expect any counterparty above fails to meet its obligations. Hence, there is no significant credit risk arising from these counterparties.

(iv) Liquidity risk

Liquidity risk is the risk that the Company is unable to meet the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset.The Company's approach to managing liquidity is to ensure, as much as possible, that it always has sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation.

As of December 31, 2023 and 2022, unused credit lines were amounted to $1,871,859 and $1,654,007, respectively.

(v) Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and equity prices, will affect the Company's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimizing the return.

1) Currency risk

The Company is exposed to currency risk on sales, purchases and borrowings that are denominated in another currency. Functional currency is TWD. The currencies used in these transactions are the TWD, USD, JPY and EUR.

Generally, borrowings and purchasing are denominated in currencies that match the cash flows generated by the underlying operations of the Company, primarily the TWD, USD JPY, and EUR. This provides an economic hedge without derivatives being entered into, and therefore, hedge accounting is not applied in these circumstances.

2) Interest risk

To reduce the exposure to interest rate risk, the choice of a floating interest rate or a fixed interest rate was based on the Company' s evaluation of the global economic environment and the trend in market interest rates.

3) Market price risk of equity instruments

Part of the Company's equity securities are classified as financial assets measured at fair value through profit or loss and financial assets measured at fair value through other comprehensive income. These assets are measured at fair value. Therefore, the Company will be exposed to the risk of changes in the value of the equity securities market.

(y) Capital management

The Company sets its objectives for managing capital to ensure its capacity to continue to operate, to continue to provide returns to its shareholders and other related parties, and to maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the Company may adjust the dividend payment and reduce the capital for redistribution to its shareholders. The Company also issues new shares or sell assets to settle any liabilities.

The Company and other entities in the similar industry use the debt-to-equity ratio in calculating. The total net debt and divided by the total capital. The net debt from the balance sheet are derived from the total liabilities, less, cash and cash equivalents. The total capital and equity include share capital, capital surplus, retained earnings, and other equity ,plus, net debt.

In 2023, the Company' s capital management strategy is consistent with the prior year. The Company's debt-to-equity ratios at the end of the reporting period as at December 31, 2023 and 2022 were as follows:

		December 31, 2023	December 31, 2022
Total liabilities	$	1,956,340	2,030,750
Less: cash and cash equivalents		68,575	86,585
Net debt		1,887,765	1,944,165
Total equity		5,979,842	4,521,399
Capital after adjustment	**$**	**7,867,607**	**6,465,564**
Debt-to-equity ratio		23.99%	30.07%

The decrease in debt-to-equity ratio as of December 31, 2023, is mainly due to increase in unrealized gains from equity instruments measured at fair value through other comprehensive income, which resulted in increase in total equity.

(Continued)

FIRST COPPER TECHNOLOGY CO., LTD.
Notes to the Financial Statements

(z) Investing and financing activities not affecting current cash flow

Reconciliation of liabilities arising from financing activities of the Company was as follows:

	January 1, 2023	Cash flows	Non-cash changes Amortized interest	December 31, 2023
Short-term borrowings	$ 1,115,280	(312,061)	-	803,219
Short-term notes and bills payable	499,386	239,088	11,155	749,629
Guarantee deposit received (recognized as other payables)	196	(98)	-	98
Total liabilities from financing activities	**$ 1,614,862**	**(73,071)**	**11,155**	**1,552,946**

	January 1, 2022	Cash flows	Non-cash changes Amortized interest	December 31, 2022
Short-term borrowings	$ 455,026	660,254	-	1,115,280
Short-term notes and bills payable	799,888	(306,137)	5,635	499,386
Guarantee deposit received (recognized as other payables)	-	196	-	196
Total liabilities from financing activities	**$ 1,254,914**	**354,313**	**5,635**	**1,614,862**

(7) Related-party transactions

(a) Parent company and ultimate controlling company

Hua Eng Wire & Cable Co., Ltd. is both the parent company and the ultimate controlling party of the Company. It owns 39.44% of common shares outstanding of the Company. The parent company has issued its consolidated financial statements available for public use.

(b) Names and relationship with related parties

The followings are related parties that have had transactions with the Company during the periods covered in the financial statements:

Name of related party	Relationship with the Company
Hua Eng Wire & Cable Co., Ltd.	Parent Company
Taiwan Times Co., Ltd.	Controlled by key management personnel of the Company (Note)

Note: Summarized as other related parties.

(c) Significant transactions with related parties

(i) Sales

The amounts of significant sales by the Company to related parties were as follows:

FIRST COPPER TECHNOLOGY CO., LTD.
Notes to the Financial Statements

	2023	2022
Parent company	$ 10,019	12,845

The transaction condition for sale to the parent company could not be compared to those of the third-parties' sales. The selling price is based on the international price of relevant copper raw materials plus a certain percentage. The credit terms with the parent company is one month, and those of the third-parties are from one to three months. Receivables from related parties were not secured with collateral and no expected credit loss after assessment by the management.

(ii) Purchases

The amounts of significant purchases by the Company from related parties were as follows:

	2023	2022
Parent company	$ 330	60,478

The price for purchase to the parent company could not be compared to those of the third-parties' purchases. However, the payment terms for related parties were one month, and those with other vendors were one to three months.

(iii) Receivables from Related Parties

The receivables from related parties were as follows:

Account	Relationship	December 31, 2023	December 31, 2022
Accounts receivable	Parent company	$ -	713

(iv) Services from parent company

The Company engaged its parent company to provide management services and paid the fees every month. For the years ended December 31, 2023 and 2022, the management service fees amounted to $19,200, and were included in operating expenses in the statements of comprehensive income. As of December 31, 2023 and 2022, payables from the above transaction had been settled in full.

(v) Other

The Company leased part of office space from the parent company. The rental expenses were paid monthly.The price is decided by using the nearby office rental rates and negotiated each other. For the years ended December 31, 2023 and 2022, the rental expenses amounted to $240 per year and were included in operating expenses in the statements of comprehensive income. As of December 31, 2023 and 2022, payables from the above transaction had been settled in full.

The amounts of advertising expense paid to other related parties amounted to $100 in 2023 and 2022, which was included in operating expenses in statements of comprehensive income.

(Continued)

FIRST COPPER TECHNOLOGY CO., LTD.
Notes to the Financial Statements

(d) Key management personnel compensation

Key management personnel compensation comprised:

		2023	2022
Short-term employee benefits	$	6,820	7,345
Post-employment benefits		214	158
Termination benefits		-	-
Other long-term benefits		-	-
Share-based payments		-	-
	$	7,034	7,503

(8) Assets Pledged as security: None.

(9) Commitments and contingencies:

Major commitments and contingencies were as follows:

(i) Unrecognized contingencies of contracts:

		December 31, 2023	December 31, 2022
Acquisition of property, plant and equipment	$	25,294	25,463

(ii) Unused standby letters of credit:

		December 31, 2023	December 31, 2022
Purchase of material	$	233,012	282,791

(10) Losses Due to Major Disasters: None.

(11) Subsequent Events: None.

(12) Other:

A summary of employee benefits, depreciation, and amortization expenses, by function, were as follows:

By function / By item	2023 Cost of sales	2023 Operating expenses	2023 Total	2022 Cost of sales	2022 Operating expenses	2022 Total
Employee benefits						
Salary and wages	113,115	13,751	126,866	121,956	12,872	134,828
Labor and health insurance	13,990	1,278	15,268	15,568	1,224	16,792
Pension	5,319	653	5,972	6,179	769	6,948
Remuneration of directors	-	1,590	1,590	-	2,454	2,454
Others personnel costs	6,427	2,704	9,131	7,241	2,826	10,067
Depreciation	81,491	-	81,491	76,989	-	76,989
Amortization	48	-	48	12	-	12

FIRST COPPER TECHNOLOGY CO., LTD.
Notes to the Financial Statements

The additional information of number of employees and employee benefits in 2023 and 2022 was as follows:

	2023	2022
Numbers of employees	243	259
Numbers of non-employee directors	6	6
Average employee benefits	$ 663	667
Average employee salary	$ 535	533
Adjustment of average employee salary	0.45%	
Remuneration to supervisor	-	-

The Company' s salary and remuneration policy (including directors, managers and employees) are as follows:

1. The remuneration to employees mainly includes salary (basic salary, meal allowance, special workplace allowance, etc.) year-end bonus, performance bonus, etc.

   (i) The Company draws up the salary standards for employees based on market salary level, its operating conditions and organization structure. Furthermore, the salary will be properly adjusted depending on the market salary dynamics, changes in the overall economic and business conditions and government regulations.

   (ii) The remuneration to employees is based on their education, professional knowledge and technique skills, experience and personal performance, without distinction of age, sex, race, religion, political inclination, marital status and union.

   (iii) The bonus of employees is based on the operating conditions of the Company and individual personal performance.

   (iv) The starting salary of the inexperience and foreign workers complied with the government regulations.

   (v) In accordance with the Articles of incorporation, the Company should contribute no less than 3% of the profit as employee remuneration when there is profit for the year. However, if the Company has accumulated deficits, the profit should be reserved to offset the deficit.

2. The managers' remuneration, including salary, addition pay, severance pay, various bonus, allowances, etc., is based on the business strategies and profitability of the Company, personal performance and contribution, as well as market salary level. Moreover, in accordance with the Articles of incorporation, the Company should contribute a minimum of 3% of the profit as employee remuneration when there is profit for the year. However, if the Company has accumulated deficits, the profit should be reserved to offset the deficit.

3. The directors' remuneration received a monthly transportation allowance, as well as salary, various bonus, etc. Moreover, in accordance with the Articles of incorporation, the Company should contribute a maximum of 2% as directors' remuneration when there is profit for the year. However, if the Company has accumulated deficits, the profit should be reserved to offset the deficit.

(Continued)

FIRST COPPER TECHNOLOGY CO., LTD.
Notes to the Financial Statements

(13) Other disclosures

(a) Information on significant transactions:

The following is the information on significant transactions required by the Regulations for the Company for the years ended December 31, 2023.

(i) Loans to other parties: None.

(ii) Guarantees and endorsements for other parties: None.

(iii) Securities held as of December 31, 2023 (excluding investment in subsidiaries, associates and joint ventures):

Name of holder	Category and name of security	Relationship with the Company	Account title	Ending balance				Note
				Units (shares)	Carrying value	Percentage of ownership (%)	Fair value	
The Company	Hua Eng Wire & Cable Co., Ltd. stock	The Company's parent company	Non-current financial assets at fair value through other comprehensive income	208,563,824	4,473,694	32.96 %	4,473,694	

(iv) Individual securities acquired or disposed of with accumulated amount exceeding the lower of NT$300 million or 20% of the capital stock: None.

(v) Acquisition of individual real estate with amount exceeding the lower of NT$300 million or 20% of the capital stock: None.

(vi) Disposal of individual real estate with amount exceeding the lower of NT$300 million or 20% of the capital stock: None.

FIRST COPPER TECHNOLOGY CO., LTD.
Notes to the Financial Statements

(vii) Related-party transactions for purchases and sales with amounts exceeding the lower of NT$100 million or 20% of the capital stock: None.

(viii) Receivables from related parties with amounts exceeding the lower of NT$100 million or 20% of the capital stock: None.

(ix) Trading in derivative instruments: None.

(b) Information on investees:

The following is the information on investees for the year 2023 (excluding information on investees in Mainland China):

Name of investor	Name of investee	Location	Main Businesses and products	Original investment amount		Balance as of December 31, 2023			Net income (losses) of investee	share of profits / losses of investee	Note
				December 31, 2023	December 31, 2022	Shares	Percentage of ownership	Carrying value			
The Company	Hua Ho Engineering Co., Ltd.	Kaohsiung	Cable engineering	165	165	10,000	0.29	134	912	2	Associates

(c) Information on investment in Mainland China: None.

FIRST COPPER TECHNOLOGY CO., LTD.
Notes to the Financial Statements

(d) Major shareholders:

Shareholding Shareholder's Name	Shares	Percentage
Hua Eng Wire & Cable Co., Ltd.	141,831,792	39.44 %
Wang Yang Pai Wor	37,731,990	10.49 %

Note: (1) The information on major shareholders, which is provided by the Taiwan Depository & Clearing Corporation, summarized the shareholders who held over 5% of the total nonphysical common stocks and preferred stocks (including treasury stocks) on the last business date of each quarter. The registered nonphysical stocks may be different from the capital stocks disclosed in the financial statement due to different calculations basis.

Note: (2) If the aforementioned data contained shares which were kept in trust by the shareholders, the data disclosed will be deemed as the settlor's separate account for the fund set by the trustee. As for the shareholder who reports its share equity as an insider and whose shareholding ratio is greater than 10% in accordance with Securities and Exchange Act and include its self owned shares and trusted shares, as well as the shares of the individuals who have power to decide how to allocate the trust assets. For the information on reported share equity of the insider, please refer to the Market Observation Post System.

(14) Segment information

(a) General Information

The Company has one reportable segment and is mainly engaged in single-product manufacturing and selling of copper. The accounting policies of the operating segments are the same as those described in note 4. The operating segment's profit of the Company uses the operating profit before income tax as the measurement and basis of performance evaluation.

(b) Product and service information

Revenue from the external customers of the Company were as follows:

Production	2023	2022
Copper product	$ 2,569,376	2,754,404
Processing revenue	75,202	137,619
Others	1,571	3,389
Total	**$ 2,646,149**	**2,895,412**

(c) Geographic information

In presenting information on the basis of geography, revenue is based on the geographical location of customers and non-current assets are based on the geographical location of the assets.

FIRST COPPER TECHNOLOGY CO., LTD.
Notes to the Financial Statements

Geographic information		2023	2022
Revenue from external customers:			
Taiwan	$	1,929,917	1,606,230
Mainland China		334,284	626,268
Japan		158,828	244,477
Others		223,120	418,437
Total	**$**	**2,646,149**	**2,895,412**

Non-current assets:		**December 31, 2023**	**December 31, 2022**
Taiwan	**$**	**1,267,327**	**1,303,815**

Non-current assets included property, plant and equipment, investment property, intangible assets and other assets, not including financial instruments, net defined benefit assets and deferred tax assets.

(d) Major customer's information

The sales to individual customers that consituted 10% or more of the Company' s net sales in the statements of comprehensive incom in 2023 were as follows:

		2023	
Customer		**Amount**	**% of net sales**
E	$	277,200	10.48 %

The Company did not have the individual customers that constituted over 10% of the total revenue in the statements of comprehensive income in 2022.

FIRST COPPER TECHNOLOGY CO., LTD.

Statement of cash and cash equivalents

December 31, 2023

(Expressed in thousands of New Taiwan Dollars)

Item	Description	Amount
Cash	Petty cash	$ 130
Cash in banks	Demand deposit	
	New Taiwan Dollars	43,508
	Foreign currency-USD 789,716.97 (Exchange rate 30.705)	24,248
	Checking deposits	689
	Subtotal	68,445
	Total	**$ 68,575**

FIRST COPPER TECHNOLOGY CO., LTD.

Statement of accounts receivable

December 31, 2023

(Expressed in thousands of New Taiwan Dollars)

Customer	Description	Amount	Note
Non-related parties			
Customer A	Operating	$ 87,568	-
Customer D	"	53,991	-
Customer E	"	24,859	-
Others (The amount of individual client in others does not exceed 5% of the account balance)	"	72,228	-
Total		**$ 238,646**	

FIRST COPPER TECHNOLOGY CO., LTD.

Statement of other receivables

December 31, 2023

(Expressed in thousands of New Taiwan Dollars)

Item	Description	Amount	Note
Other receivables	Factoring accounts receivable	$ 89,052	-
	Remuneration of directors and supervisors	1,552	-
Total		**$ 90,604**	

FIRST COPPER TECHNOLOGY CO., LTD.

Statement of inventories

December 31, 2023

(Expressed in thousands of New Taiwan Dollars)

		Amount		
Item	**Description**	**Cost**	**Net realizable value**	**Note**
Finished goods		$ 186,535		
Less: loss allowance		(5,506)		
Subtotal	-	181,029	187,120	Note 1
Work in process		1,168,041		
Less: loss allowance		(9,659)		
Subtotal	-	1,158,382	1,241,689	Note 1
Raw materials and supplies		416,077		
Less: loss allowance		(667)		
Subtotal	-	415,410	416,853	Note 1
Total		**$ 1,754,821**		

Note 1: For the determination of net realizable value, please refer to note 4(g).

FIRST COPPER TECHNOLOGY CO., LTD.

Statement of other current assets

December 31, 2023

(Expressed in thousands of New Taiwan Dollars)

Item	Description	Amount	Note
Current tax assets	Receivable of income tax refund	$ 34	
Other current assets:			-
Excess business tax paid	Receivable of business tax refund	$ 3,187	-
Right to the returned goods	Estimated value of product to be returned	3,208	-
Others	Prepaid insurance, imported raw material, import fees and office supplies inventory	1,825	-
Total		$ 8,220	

FIRST COPPER TECHNOLOGY CO., LTD.

Statement of changes in non-current financial assets at fair value through other comprehensive income

For the year ended December 31, 2023

(Expressed in thousands of New Taiwan Dollars)

	Beginning Balance		Addition		Decrease		Ending Balance				
Name of Financial instrument	Shares or units	Fair value	Shares or units	Amount	Shares or units	Amount	Shares or units	Fair value	Accumulated Impairment losses	Collateral	Note
Hua Eng Wire & Cable Co., Ltd.	208,563,824	$ 2,857,325	-	$ 1,616,369 (Note 1)	-	$ -	208,563,824	$ 4,473,694	-	-	-
Receivables liquidation of Global Corporation	32,636	364	-	-	32,636	364 (Note 2)	-	-	-	-	-
Total		$ 2,857,689		$ 1,616,369		$ 364		$ 4,473,694			

Note 1: The valuation adjustment on financial assets at fair value.

Note 2: The increased amount comprises the receivables deriving from the liquidation of Global Corporation amounting to $353, and which resulted in the valuation adjustment on financial assets at fair value amounted of $11.

FIRST COPPER TECHNOLOGY CO., LTD.

Statement of changes in investments accounted for using the equity method

For the year ended December 31, 2023

(Expressed in thousands of New Taiwan Dollars)

	Beginning balance		Addition		Decrease		Ending Balance			Market value or net assets value			
Name of investee	Shares	Amount	Shares	Addition	Shares	Decrease	Shares	Percentage of ownership	Amount	Unit price	Total amount	Collateral	Note
Hua Ho Engineering Co., Ltd.	10,000	$ 168	-	$ 2	-	$ 36	10,000	0.29 %	$ 134	13.14	$ 134	-	Note

Note : The increase was due to the investment gain that was measured using the equity method; the decrease was due to the investment recognized by the investee as the net remeasurements of defined benefit plan and the investee distributed cash dividends.

FIRST COPPER TECHNOLOGY CO., LTD.

Statement of changes in property, plant and equipment

For the year ended December 31, 2023

(Expressed in thousands of New Taiwan Dollars)

For movements on property, plant and equipment, please refer to note 6(h).

Statement of changes in accumulated depreciation of property, plant and equipment

For movements on accumulated depreciation of property, plant and equipment, please refer to note 6(h).
For depreciation methods and useful lives, please refer to note 4(j).

Statement of changes in investment property

For movements on investment property, please refer to note 6(i).
The Company measures its investment property using the cost model. For related accounting policy, please refer to note 4(i).

FIRST COPPER TECHNOLOGY CO., LTD.

Statement of changes in accumulated depreciation of investment property

For the year ended December 31, 2023

(Expressed in thousands of New Taiwan Dollars)

For movements on accumulated depreciation of investment property, please refer to note 6(i).
For depreciation methods and useful lives, please refer to note 4(i)(j).

Statement of changes in intangible assets

For movements on intangible assets, please refer to note 6(j). For amortization methods and useful lives, please refer to note 4(l).

FIRST COPPER TECHNOLOGY CO., LTD.

Statement of deferred tax assets

December 31, 2023

(Expressed in thousands of New Taiwan Dollars)

Item	Description	Amount	Note
Deferred tax assets	Recognition of income tax due to temporary differences	$ 24,293	-

Statement of other non-current assets

Item	Description	Amount	Note
Prepayments for equipment	Prepayments for the deposit of machinery and equipment	$ 10,636	-
Refundable deposits	Lease deposit	$ 10	-
Net defined benefit assets	Estimated net defined benefit assets	$ 9,824	-

FIRST COPPER TECHNOLOGY CO., LTD.

Statement of short-term borrowings

December 31, 2023

(Expressed in thousands of New Taiwan Dollars)

Type	Description	Ending balance	Contract period	Range of interest rates	Loan commitments	Collateral	Note
Letters of credit	Financial institution borrowing	$ 69,219	Within 1 year	1.85%	Note	None	-
Unsecured loans	Financial institution borrowing	734,000	Within 1 year	1.78%~1.85%	Note	None	-
Total		**$ 803,219**					

Note: Loan commitment of short-term borrowing amounted to $3,676,215.

FIRST COPPER TECHNOLOGY CO., LTD.

Statement of short-term notes and bills payable

December 31, 2023

(Expressed in thousands of New Taiwan Dollars)

Item	Guarantee or acceptance institution	Contract period	Range of interest rate	Amount: Total Amount	Amount: Unamortized discount	Amount: Carrying amount	Note
Commercial paper payable	Mega Bills Finance Co., Ltd.-Kaohsiung branch	within 1 year	1.850%	$ 150,000	119	149,881	-
Commercial paper payable	China Bills Finance Corporation-Kaohsiung branch	within 1 year	1.808%	200,000	68	199,932	-
Commercial paper payable	International Bills Finance Corporation-Kaohsiung branch	within 1 year	1.850%	100,000	46	99,954	-
Commercial paper payable	Grand Bills Finance Corporation-Kaohsiung branch	within 1 year	1.828%	200,000	87	199,913	-
Commercial paper payable	Taiwan Cooperative Bills Finance Corporation-Kaohsiung branch	within 1 year	1.838%	100,000	51	99,949	-
Total				$ 750,000	371	749,629	

FIRST COPPER TECHNOLOGY CO., LTD.

Statement of notes payable

December 31, 2023

(Expressed in thousands of New Taiwan Dollars)

Vendor name	Description	Amount	Note
Non-related parties			
Bureau of Labor Insurance, Ministry of Labor	Pension and labor insurance fee	$ 1,632	-
National Health Insurance Administration, Ministry of Health and Welfare	Health insurance fee	722	-
Others (The amount of individual vendor in others does not exceed 5% of the account balance)	Operating	166	-
Total		**$ 2,520**	

FIRST COPPER TECHNOLOGY CO., LTD.

Statement of accounts payable

December 31, 2023

(Expressed in thousands of New Taiwan Dollars)

Vendor name	Description	Amount	Note
Non-related parties			
Company I	Operating	$ 10,124	-
Others (The amount of individual vendor in others does not exceed 5% of the account balance)	"	57,097	-
Total		**$ 67,221**	

FIRST COPPER TECHNOLOGY CO., LTD.

Statement of other payables

December 31, 2023

(Expressed in thousands of New Taiwan Dollars)

Item	Description	Amount
Salary Payable	Employee salary in December 2023	$ 8,682
Bonus payable	Employee bonus payable	7,361
Compensated absences liabilities	Employee paid leave bonus payable	6,168
Utility payable	Factory utilities and fuel payable	9,556
Employee and Directors' remuneration payable	Employee and Directors' remuneration payable	210
Dividend payable	Dividend and overdue dividend payable	18,813
Others	Service expenses, interest of borrowings and amount advance of factoring accounts receivable, pension, employee benefits, labor and health insurance premium, freight, commission, house tax, customs duty and guarantee deposits received within 1 year payables	5,741
Total		**$ 56,531**

FIRST COPPER TECHNOLOGY CO., LTD.

Statement of other current liabilities

December 31, 2023

(Expressed in thousands of New Taiwan Dollars)

Item	Description	Amount	Note
Contract liabilities	Advance sales receipts	$ 4,869	
Other current liabilities:			
Advance receipts	Advance rent receipts	$ 1,227	-
Refund liabilities	Estimated of sales return	4,111	-
Other	Warranty provision preparation, overpayment from customers and receipts under custody	162	-
Total		**$ 5,500**	

FIRST COPPER TECHNOLOGY CO., LTD.

Statement of deferred tax liabilities

December 31, 2023

(Expressed in thousands of New Taiwan Dollars)

Item	Description	Amount	Note
Deferred tax liabilities	Recognition of income tax due to temporary differences	$ 266,851	-

FIRST COPPER TECHNOLOGY CO., LTD.

Statement of operating revenues

For the year ended December 31, 2023

(Expressed in thousands of New Taiwan Dollars)

Item	Quantity (kg)	Amount	Note
High Performance Alloy	1,919,211.15	$ 627,516	-
Copper Strip	1,665,211.39	525,741	-
Brass Strip	520,554.59	128,408	-
Tin Plated Strip	1,033,116.52	325,296	-
Other copper plates	3,537,215.10	962,415	-
Others	42,555	1,571	-
Total net sales		2,570,947	
Processing revenue		75,202	-
Total		**$ 2,646,149**	

FIRST COPPER TECHNOLOGY CO., LTD.

Statement of operating costs

For the year ended December 31, 2023

(Expressed in thousands of New Taiwan Dollars)

Item	Amount	
	Subtotal	Total
Raw materials		1,005,660
Raw materials, beginning of year	$ 755,646	
Add: Purchase of raw materials	1,169,548	
Gains of physical count	988	
Less: Raw materials sold	(508,345)	
Raw materials, end of year	(412,177)	
Materials		101,768
Materials, beginning of year	7,469	
Add: Purchase of materials	98,199	
Less: Materials, end of year	(3,900)	
Direct labor		113,115
Manufacturing expense		179,444
Manufacturing cost		1,399,987
Add: Work in process, beginning of year		1,006,555
Work in process purchase		789,190
Less: Work in process, end of year		(1,168,041)
Cost of finished goods		2,027,691
Add: Finished goods, beginning of year		334,390
Less: Finished goods, end of year		(186,535)
		2,175,546
Add: Cost of raw materials sold		508,345
Unallocated production overheads		82,732
Reversal of write-downs		(103,503)
Right to the returned goods		1,250
Less: Revenue from scrap sold		(5,506)
Warranty provision		(508)
Gains of physical count		(988)
Total operating costs		**$ 2,657,368**

FIRST COPPER TECHNOLOGY CO., LTD.

Statement of operating expenses

For the year ended December 31, 2023

(Expressed in thousands of New Taiwan Dollars)

Item	Description	Amount	Note
Salary	Salary and bonus	$ 12,083	-
Remuneration to directors	Remuneration ot directors and transportation allowance	1,590	-
Service expenses	Management service fee from related party, accountant, lawyer service fee, etc.	20,996	-
Export expenses	Customs clearance fee, sea freight, port due, etc.	3,293	-
Freight	Freight for product sales	4,266	-
Others	Employee benefits, entertainment, travelling expense, pension, insurance, commission expense, training expense, rental expense, supplies expense, newspaper expense, vehicle expense, postage expense, research and development expense,etc.(Note)	13,902	-
Total		**$ 56,130**	

Note: The amount of individual item in others does not exceed 5% of the account balance.

FIRST COPPER TECHNOLOGY CO., LTD.

Statement of non-operating income and expenses

For the year ended December 31, 2023

(Expressed in thousands of New Taiwan Dollars)

For statement of non-operating income and expenses, please refer to note 6(v).