

Pan International Industrial Co., Ltd.

2024 Annual General Shareholders' Meeting Minutes (Translation)

Convening method: Physical Shareholders Meeting

Time: 9:00 a.m., Friday, May 31, 2024

Location: No. 77, Anxing Rd., Xindian Dist., New Taipei City (Yue Hall, Platinum Hotel)

Total shares represented by shareholders present in person or by proxy: 298,581,958 shares, (among them, 199,822,144 shares of shareholders attended by electronic voting) accounting for 57.60% of the company's total outstanding shares.

Attended Directors: Mr. Kuang-Yao Lee, Chairman of the BOD; Mr. Feng-An Huang, Director, Independent Directors Mr. Wen-Rong Cheng (Convener of Audit Committee), Independent Director Mr. Chih-Keng Chen (Member of Remuneration Committee).

Four directors had attended the meeting, more than half of the BOD.

Attendees: Mr. Ming-Feng Tsai, GM; Mr. Jen-Chieh Wu, Accountant, Ms. Jia-Xiang Liu, Lawyer

Chairman: Mr. Kuang-Yao Lee

Recorder: Ms. Wen-Ling Yu

Meeting Commencement Announced: The aggregate shareholding of the shareholders present in person or by proxy constituted a quorum. The Chairman called the meeting to order.

I . Chairman's Address: (Omitted)

II. Report Items:

1. 2023 Business Report of the Company. (Attachment 1)
2. Audit Committee's Review Report on the 2023 Financial Statements (Attachment 2)
3. Report on 2023 distribution of remuneration of employees and directors of the Company.

Explanation: The Company earned NT\$ 1,488,584,546 (before recognition) for FY 2023, including NT\$ 74,429,227 as the remuneration to employees (5%) and NT\$ 7,442,923 as of the remuneration to directors (0.5%), and all were paid in cash.

4. Report on 2023 distribution of earnings and cash dividends status.

Explanation: 1. According to the Articles of Incorporation provisions, for cash dividends, the board of directors is authorized to reach a special resolution for distribution, followed by reporting to the shareholders meeting.

2. For shareholders' dividend distribution, cash dividends of NT\$ 673,850,167, and NT\$ 1.3 per share shall be distributed according to the distribution percentage until the cash dividend

shall be rounded down. The total of odd lots less than NT\$1 will be transferred to the employees' welfare committee. The Board of Directors is convened to stipulate.

3. If there is a change in the total number of outstanding shares in this proposal and the dividend ratio of shareholders must be adjusted, the board of directors shall adjust and handle the relevant changes.

5. Other report matters.

Explanation: 1. Pursuant to the provisions of the Company Act, shareholder(s) holding one percent (1%) or more of the total number of issued shares of a company may propose to the company in writing their proposals for a regular meeting. The proposal acceptance period is from March 22, 2024 to April 1, 2024.

2. Up to the end of the aforementioned proposal acceptance period, the Company receives no proposals submitted by the shareholders.

III. Ratification Items:

Proposal 1: Adoption of 2023 Business Report and Financial Statements,
Proposed for review. (Proposed by the Board of Directors)

Explanation: 1. The 2023 Business Report and Financial Statements of the Company have been reviewed by the Audit Committee, and the Financial Statements have also been audited and certified by CPA Yung-Chien Hsu and CPA Jen-Chieh Wu of Pricewaterhouse Coopers (PwC) Taiwan.

2. For the reports and statements described in the preceding paragraph, please refer to the Attachments 1, 2, &3.
3. Proposed for ratification.

Resolution: RESOLVED, that the above proposal be and hereby was approved as proposed.

Voting Results: Shares present at the time of voting: 280,896,926 (Including 199,822,144 shares from electronic voting).

Voting Results		% of the represented share present
Votes in favor	256,279,069	91.23%
Votes against	142,722	0.05%
Invalid Votes	0	0.00%
Votes abstained/Not Voted	24,475,135	8.71%

Proposal 2: Proposal for 2023 earnings distribution. Proposed for ratification.

(Proposed by the Board of Directors)

Explanation: 1. The proposal for 2023 earnings distribution table of the Company is as shown in the Attachments 4.

2. Proposed for ratification.

Resolution: RESOLVED, that the above proposal be and hereby was approved as proposed.

Voting Results: Shares present at the time of voting: 280,896,926 (Including 199,822,144 shares from electronic voting).

Voting Results		% of the represented share present
Votes in favor	256,694,004	91.38%
Votes against	193,773	0.06%
Invalid Votes	0	0.00%
Votes abstained/Not Voted	24,009,149	8.54%

IV. Extraordinary Motions: None.

VIII. Meeting Adjourned.

Remark: Shareholders didn't ask any question in this meeting.

Chairman: Mr. Kuang-Yao Lee

Recorder: Ms. Wen-Ling Yu

(The translated document is prepared in accordance with the Chinese version and is for reference only. In the event of any inconsistency between the English version and the Chinese version, the Chinese version shall prevail.)

2023 Business Report

The significant growth in shipments to Chinese automotive customers has driven the Company's revenue from automotive products. The revenue of automotive wiring harnesses has accounted for more than 17% of the total consolidated revenue, demonstrating the results of transformation and upgrading to increase the revenue of automotive products. In addition, as the supply chain increases the flexibility, the Southeast Asia business still maintains the growth momentum of revenue. However, due to the uncertain future demand prospects and customers' conservative inventory in Q2, consumer products suddenly lost their momentum in pulling goods, resulting in the sharp decline of revenues from related products. Overall, this year's consolidated revenues showed a slight decline compared to last year. However, in terms of profitability, although the Company has actively adjusted the product portfolio and maintained the level of gross profit margin, due to the decline in revenue and the decrease in contribution from non-operating income from investment income, full-year profitability declined as compared to last year.

Today's global economic environment has been affected by factors such as the shortening of product life cycle, the multitude of production competitors, and the interference of inflation in various regions. In addition, climate change and geopolitics have affected supply chain and logistics arrangements. Consequently, difficult challenges have been posed to business strategies, production and marketing scheduling, increasing the risk of decision-making. As if facing the abyss, the management team will collect market information extensively, make prudent decisions, and adjust business strategies in a timely manner to maintain the growth momentum of the Company's revenue and profits. In addition, the Company will also actively invest in new energy vehicle related products and production capacity, increase Pan-International's exposure and market share in the automotive industry, and establish Pan-International as a first-tier supplier of automotive wiring harness and related products. At the same time, we will continue to review the gross profit margin of products, develop high-margin products, optimize the product portfolio, and adhere to the Company's transformation and upgrading strategy to improve the overall profitability. By doing so, our employees and shareholders can share the results of business operations.

I. Report on 2023 Operating Outcome:

- (I) The parent company only operating revenue was NT\$9.3 billion, a decline of 21.2% from NT\$11.8 billion in 2022.
- (II) The consolidated operating revenue was NT\$25.6 billion in 2023, a decline of 2.4% from NT\$26.3 billion in 2022.
- (III) The consolidated net profit before tax was NT\$1.84 billion, representing a decline of 10.4% compared to NT\$2.06 billion in 2022.
- (IV) The consolidated net profit after tax was NT\$1.49 billion, representing a decline of 4.9% compared to NT\$1.57 billion in 2022.
- (V) The earnings per share (EPS) was NT\$ 2.42.

II. 2024 Business Outlook:

The business environment in the future will be more unpredictable and risky due to the impact of global geopolitical competition and cooperation, frequent wars, continued US-China confrontation and post-election changes in cross-strait relations. The Company will aim to improve the operating resilience and maintain the growth momentum, expand the business and R&D team to improve the overall marketing and R&D capabilities, while proactively exploring new business opportunities. Meanwhile, we will also enhance the risk awareness and crisis management ability of all employees to actively face various operational difficulties and challenges. The Company's annual development and operation guidelines and production and sales policies formulated in accordance with the main objectives are as follows:

(I) Business Policy:

- 1. Maintain the revenue growth of automotive products, explore new customers and develop new products to enhance the Company's competitive edge in the automotive market.
- 2. Strictly control AR and inventory positions, enhance the flexibility of capital allocation, and improve resilience in the face of risks and as a going concern.
- 3. Achieve the ESG-goals set, fulfill social responsibilities and adhere to the sustainable operation of the Company.

(II) Production and Sale Policy:

1. Actively strive for new energy vehicle customers, increase the revenue of new energy vehicle wiring harness products, and improve the Company's gross profit and net profit.
2. Seek acquisitions, expand business opportunities in EV and ICT products through cross-industry alliances or joint ventures, and increase product breadth to maintain stable revenue growth.
3. Improve the flexibility of the supply chain, and flexibly use the production and logistics resources of each plant area to meet the needs of customers and avoid the risk of transfer to orders.
4. Strictly control the exposure of AR and inventory, coordinate the use of cash of each legal entity, and maintain liquidity to improve the ability to face risks and enhance the resilience of going concern.
5. Plan carbon emission verification and energy-saving solutions, formulate carbon neutrality paths and implementation plans for each plant area, and complete carbon reduction targets at various stages in order to achieve carbon neutrality.
6. Actively achieve ESG annual policy objectives, invest resources, fulfill corporate social responsibility and lay the foundation for sustainable business operations.

In addition to creating profits for the year, the Company will also actively respond to stakeholders' ESG-related concerns by setting various ESG targets in order to enhance the knowledge and awareness of all employees in environmental protection, social care and ethical management. We will progressively achieve various goals and upgrade the rating of external evaluation agencies to establish the Company's image of information transparency and integrity management. This will establish a gradual path and profound foundation for the development goal of sustainable management.

Chairman:
Lee, Kuang-Yao

Managerial Officers:
Tsai, Ming-Feng

Accounting supervisor:
Tai, Chih-Hao

Audit Committee Review Report

The Board of Directors has prepared the Company's 2023 business report, financial statements and proposal for the earnings distribution table. The Audit Committee has reviewed the aforementioned documents, and concluded that all information is presented fairly. We hereby submit this report in accordance with the provisions of Article 219 of the Company Act and Article 14-4 of the Securities and Exchange Act.

To:

Pan-International Industrial Corp. 2024 General Shareholders Meeting

Chairman of the Audit Committee: Wen-Jung Cheng

March 13, 2024

Attachments 3

Auditors' Report

(2024) Cai-Shen-Bao-Zi No. 23004347

To Pan-International Industrial Corp.

Audit Opinions

We have audited the Parent Company Only Balance Sheet of Pan-International Industrial Corp. of December 31, 2023 and 2022, and the Parent Company Only Comprehensive Income Statement, Parent Company Only Statement of Changes in Shareholders Equity, the Parent Company Only Statement of Cash Flows, and the Notes to Parent Company Only Financial Statements (including the summary of significant accounting policies) covering the period of January 1 to December 31, 2023 and 2022.

In our opinion, on the basis of the result of our audit and the audit reports presented by other accountants (please refer to additional information section), all the material items prepared in these separate parent company only financial statements are in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers. Therefore, they are able to properly express the separate financial position of Pan-International Industrial Corp. as of December 31, 2023 and 2022, and the parent company only financial performance and parent company only cash flows from January 1 to December 31, 2023 and 2022.

Basis of our opinions

We have conducted the audit according to the Regulations Governing Auditing and Attestation of Financial Statements by Certified Public Accountants and the Taiwan Standards on Auditing (TWSA). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of Parent Company Only Financial Statements. We are independent of Pan-International Industrial Corp. according to the CPA Code of Professional Ethics of the Republic of China, and we have fulfilled our other ethical responsibilities according to these requirements. On the basis of the result

of our audit and the audit reports presented by other certified public accountants, 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 parent company only financial statements of the Company in 2023. These matters were addressed in the context of our audit of the parent company only financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matters in the 2022 Parent Company Only Financial Statements of the Company are specified below:

Assessment of the provision for valuation loss on inventory

Description

For information on the accounting policy of valuation of inventory, refer to Note 4 (13) of the Notes to Parent Company Only Financial Statements. The accounting estimate, and the uncertainty of assumption of the valuation of inventory is specified in Note 5 (2) of the Notes to Parent Company Only Financial Statements. The inventory items are specified in Note 6 (4) of the Notes to Parent Company Only Financial Statements. As of December 31, 2022, the balance of inventory and provision for valuation loss for the Company amounted to NT\$315,066 thousand and NT\$3,981 thousand, respectively. The balance of inventory and provision for evaluation loss as stated in the consolidated financial statements of the same date amounted to NT\$3,868,193 thousand and NT\$146,527 thousand, respectively.

1. The Company mainly produces and sells computer peripherals, automobile cable harness, industrial control and medical devices, among other related electronic products. Rapid changes in the technological environment allow for only a short life cycle of the inventory. In addition, the inventory is highly vulnerable to price fluctuations in the market. The result is devaluation due to falling prices of inventory, or the risk of phase out is higher. Pan-International Industrial Corp. and its subsidiaries measure the normal sale of inventory using the lower of the cost or the net realizable value. The above provision for the valuation of inventory loss is mainly based on obsolete items or damaged items of inventory. The net realizable value is based on the experience of handling obsolete items of inventory in the estimation. Because the amount of inventory of Pan-International Industrial Corp. and subsidiaries is significant and the inventory covers a great variety of items, it requires human judgment in sorting out the obsolete or damaged items from the inventory. This requires further judgment in the audit. We therefore listed

the provision for valuation loss of inventory of Pan-International Industrial Corp. and its subsidiaries as key audit matter.

The appropriate audit procedure

2. We have conducted the following audit procedures on the provision for valuation loss of obsolete or damaged inventory:

1. Assess to determine if the policies for recognizing the provision for valuation loss of inventory in the financial statement period is consistent and reasonable.
2. Examine if the logic of the system of the inventory aging table for the valuation of inventory used by the management is appropriate, in order to confirm that the information presented in the financial statements is congruent with the policies.
3. Assess to determine if the provision for valuation loss of inventory is reasonable on the basis of the discussion with the management on the valuation of the net realizable value of the obsolete and damaged items of inventory and the supporting documents obtained.

Other matters - Audits conducted by other certified public accountants

Some of the investee companies of Pan-International Industrial Corp. accounted for under the equity method were presented in the Parent Company Only Financial Statements. We did not audit the financial statements of these companies. These financial statements were audited by other certified public accountants, and we have made adjustments to these financial statements to make them consistent in accounting policy and conducted necessary examination procedures. Therefore, the opinions on the aforementioned parent company only financial statements regarding the amount presented in the aforementioned financial statements of these subsidiaries before adjustment were based on the Auditors' Report of other certified public accountants. The investment of the above companies accounted for under the investment by equity method amounted to NT\$2,325,240 thousand and NT\$2,231,230 thousand as of December 31, 2023 and 2022, which accounted for 14% and 13% of the parent company only total assets, respectively. The

comprehensive income recognized by the aforementioned companies in the period of January 1 to December 31, 2023 and 2022, amounted to NT\$519,174 thousand and NT\$477,447 thousand, and accounted for 42% and 47% of the parent company only comprehensive incomes, respectively.

Responsibilities of Management and Those Charged with Governance for the Parent Company Only Financial Statements.

Management is responsible for the preparation and fair presentation of the parent company only financial statements in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers, and for such internal control as management determines is necessary to enable the preparation of parent company only financial statements free from materials misstatement, whether due to fraud or error.

In preparing the parent company only financial statements., management is responsible for assessing the ability of Pan-International Industrial Corp. to continue as a going concern, disclosing relevant matters, and using the going concern basis of accounting, unless management either intends to liquidate Pan-International Industrial Corp. or to cease operations, or has no realistic alternative but to do so.

Those charged with governance (including the Auditing Committee) are responsible for overseeing the financial reporting process of Pan-International Industrial Corp.

Auditor's Responsibilities for the Audit of the Parent Company Only Financial Statements

Our objectives are to obtain reasonable assurance whether the parent company only financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance refers to a high degree of assurance, but the audit performed according to the TWSA cannot guarantee that material misrepresentations in standalone financial statements will be detected. Misstatements can arise from fraud or error. These are considered material if, individually or in the aggregate, they could reasonably be expected to influence the

economic decisions of users taken on the basis of these parent company only financial statements.

The CPA has exercised professional judgment and skepticism when conducting audits under the TWSA. We also:

4. Identify and assess the risks of material misstatement of the parent company only financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
5. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control of Pan-International Industrial Corp.
6. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
7. 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 Pan-International Industrial Corp. and its ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the parent company only financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's

report. However, future events or conditions may cause Pan-International Industrial Corp. to cease to continue as a going concern.

8. Evaluate the overall presentation, structure and content of the parent company only financial statements (including the notes to the statements), and whether the parent company only financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
9. Obtain sufficient appropriate audit evidence regarding the financial information of the entities within Pan-International Industrial Corp. to express an opinion on the parent company only financial statements. We are responsible for the direction, supervision and performance of the separate audit, and we are responsible for forming an audit opinion on the parent company only financial statements.

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 parent company only financial statements of the Company in 2023 and therefore are 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.

PwC Taiwan

Yung-Chien Hsu

Independent Auditors

Jen-Chieh Wu

Former Financial Supervisory Commission, Executive Yuan

Approval No.: (1995)Tai-Cai-Cheng-VI No. 13377

Financial Supervisory Commission

Approval No.: Jin-Guan-Cheng-Shen-Zi No. 1120348565

March 13, 2024

Pan-International Industrial Corp.
Parent company only balance sheet
December 31, 2023 and 2022

Unit: NTD thousand

Assets	Note	December 31, 2023		December 31, 2022		
		A m o u n t	%	A m o u n t	%	
Current Assets						
1100	Cash and cash equivalents	6 (1)	\$ 1,718,409	11	\$ 1,675,829	9
1170	Net accounts receivable	6 (3)	869,419	5	1,006,522	6
1180	Accounts receivable - Related parties	7				
	net		1,232,756	8	2,389,378	14
1200	Other receivables	7	77,265	-	74,437	-
130X	Inventory	6 (4)	311,085	2	407,193	2
1479	Other current assets -others		5,512	-	1,604	-
11XX	Total Current Assets		<u>4,214,446</u>	<u>26</u>	<u>5,554,963</u>	<u>31</u>
Non-Current Assets						
1517	Financial assets measured at fair value through other comprehensive income - Non-current	6 (5)	1,081,031	7	895,629	5
1535	Financial assets measured at after-amortization cost - Non-current	6 (2)	290,000	2	-	-
1550	Investment by equity method	6 (6)	9,967,974	62	11,080,716	63
1600	Property, plant, and equipment	6 (7)	17,776	-	17,918	-
1760	Net investment property	6 (8)	33,710	-	33,931	-
1780	Intangible asset		405	-	-	-
1840	Deferred tax assets	6 (22)	14,391	-	18,794	-
1900	Other non-current assets	6 (9) (12)	498,920	3	79,646	1
15XX	Total Non-Current Assets		<u>11,904,207</u>	<u>74</u>	<u>12,126,634</u>	<u>69</u>
1XXX	Total assets		<u>\$ 16,118,653</u>	<u>100</u>	<u>\$ 17,681,597</u>	<u>100</u>

(continued)

Pan-International Industrial Corp.
Parent company only balance sheet
December 31, 2023 and 2022

Unit: NTD thousand

LIABILITIES AND EQUITY		Note	D e c e m b e r 3 1 , 2 0 2 3		D e c e m b e r 3 1 , 2 0 2 2	
			A m o u n t	%	A m o u n t	%
Current liability						
2100	Short-term borrowings	6 (10)	\$ -	-	\$ 1,366,595	8
2130	Contractual liabilities - Current	6 (17)	104,883	1	148,107	1
2170	Accounts payable		584,794	4	740,457	4
2180	Accounts payable - Related parties	7	1,352,194	8	1,876,226	10
2200	Other payables	6 (11)	311,137	2	305,202	2
2230	Current tax liabilities	6 (22)	131,939	1	134,823	1
2399	Other current liabilities - Other		504	-	536	-
21XX	Total current liabilities		<u>2,485,451</u>	<u>16</u>	<u>4,571,946</u>	<u>26</u>
Non-current liabilities						
2570	Deferred tax liabilities	6 (22)	221,419	1	205,200	1
2670	Other noncurrent liabilities - others		5,386	-	5,386	-
25XX	Total non-current liabilities		<u>226,805</u>	<u>1</u>	<u>210,586</u>	<u>1</u>
2XXX	Total liabilities		<u>2,712,256</u>	<u>17</u>	<u>4,782,532</u>	<u>27</u>
interests						
Share capital						
3110	Common share capital	6 (13)	5,183,462	32	5,183,462	29
Capital surplus						
3200	Capital surplus	6 (14)	1,503,606	10	1,503,606	9
Retained earnings						
3310	Legal reserve	6 (15)	1,401,022	9	1,269,138	7
3320	Special reserve		1,385,207	8	1,072,435	6
3350	Undistributed earnings		5,343,835	33	5,255,632	30
Other equities						
3400	Other equities	6 (16)	(1,410,735)	(9)	(1,385,208)	(8)
3XXX	Total equity		<u>13,406,397</u>	<u>83</u>	<u>12,899,065</u>	<u>73</u>
Significant Contingent Liabilities and Unrecognized Commitments						
Significant Subsequent Events						
3X2X	Total liabilities and equity		<u>\$ 16,118,653</u>	<u>100</u>	<u>\$ 17,681,597</u>	<u>100</u>

The notes to parent company only financial statements attached constitute an integral part of the statements, please refer to them, too.

Chairman: Lee, Kuang-Yao

Managerial Officers: Tsai, Ming-Feng

Accounting supervisor: Tai, Chih-Hao

Pan-International Industrial Corp.
Parent company only Statements of Comprehensive Income
January 1 to December 31, 2023 and 2022

Unit: NTD thousand
(except in NTD for earnings per share)

Item	Note	2023		2022	
		A m o u n t	%	A m o u n t	%
4000 Operating revenue	6 (17) and 7	\$ 9,259,899	100	\$ 11,756,687	100
5000 Operating cost	6 (4) (20) and 7	(8,543,854)	(92)	(11,148,371)	(95)
5900 Operating profit margin		716,045	8	608,316	5
Operating expenses	6 (20)				
6100 Selling and marketing expenses		(66,736)	(1)	(80,414)	(1)
6200 General and administrative expenses		(79,059)	(1)	(64,318)	-
6300 Research and development expenses		(18,209)	-	(17,255)	-
6450 Expected credit impairment gain	12 (2)	560	-	1,861	-
6000 Total operating expenses		(163,444)	(2)	(160,126)	(1)
6900 Operating profit		552,601	6	448,190	4
Non-operating income and expense					
7100 Interest income		28,604	-	8,442	-
7010 Other income	6 (18)	8,390	-	95,413	1
7020 Other gains and losses	6 (19)	(1,104)	-	(4,037)	-
7050 Financial costs	6 (21)	(29,944)	-	(20,846)	-
7070 The proportion of income from subsidiaries, associates, and joint ventures accounted for under the equity method	6 (6)	848,166	9	966,168	8
7000 Total non-operating income and expenses		854,112	9	1,045,140	9
7900 Net income before tax		1,406,713	15	1,493,330	13
7950 Income tax expense	6 (22)	(150,003)	(2)	(171,040)	(2)
8200 Net profit of the current period		\$ 1,256,710	13	\$ 1,322,290	11
Other comprehensive income (net)					
Items that will not be reclassified subsequently to profit or loss					
8311 Remeasured value of defined benefit plan	6 (12)	\$ 2,034	-	\$ 6,740	-
8316 Unrealized evaluation profit and loss of equity instrument investment measured at fair value through other comprehensive income	6 (16)	222,827	3	(720,650)	(6)
8330 The other comprehensive income from subsidiaries, associates, and joint ventures accounted for under the equity method- items not reclassified as income	6 (23)	(71,452)	(1)	13,741	-
8349 Income tax related to items not reclassified	6 (22)	(407)	-	(1,349)	-
8310 Total of items not reclassified to profit or loss		153,002	2	(701,518)	(6)
Items that may be reclassified subsequently to profit or loss:					

The notes to parent company only financial statements attached constitute an integral part of the statements, please refer to them, too.

Chairman: Lee, Kuang-Yao

Managerial Officers: Tsai, Ming-Feng

Accounting supervisor: Tai, Chih-Hao

Pan-International Industrial Corp.
Parent company only Statements of Comprehensive Income
January 1 to December 31, 2023 and 2022

Unit: NTD thousand
(except in NTD for earnings per share)

8361	Currency translation difference	6 (16)	(<u>176,695</u>)	(<u>2</u>)	<u>395,292</u>	<u>4</u>
8360	Total of items that may be reclassified subsequently to profit or loss:		(<u>176,695</u>)	(<u>2</u>)	<u>395,292</u>	<u>4</u>
8300	Other comprehensive income (net)		(\$ <u>23,693</u>)	-	(\$ <u>306,226</u>)	(<u>2</u>)
8500	Total comprehensive income in the current period		<u>\$ 1,233,017</u>	<u>13</u>	<u>\$ 1,016,064</u>	<u>9</u>
	Earnings per share (EPS)	6 (24)				
9750	Basic earnings per share		<u>\$ 2.42</u>		<u>\$ 2.55</u>	
9850	Diluted earnings per share		<u>\$ 2.41</u>		<u>\$ 2.54</u>	

The notes to parent company only financial statements attached constitute an integral part of the statements, please refer to them, too.

Chairman: Lee, Kuang-Yao

Managerial Officers: Tsai, Ming-Feng

Accounting supervisor: Tai, Chih-Hao

Pan-International Industrial Corp.
Parent Company Only Statement of Changes in Shareholders Equity
January 1 to December 31, 2023 and 2022

Unit: NTD thousand

Note	Capital surplus				Retained earnings			Other equities			Total Equity
	Common share capital	Capital reserve - Issuance premium	Capital reserve - Treasury share transaction	Capital reserve - difference between the price and face value from the acquisition or disposal of equity with subsidiaries.	Legal reserve	Special reserve	Undistributed earnings	Currency translation difference	Unrealized Gain (Loss) on Financial Assets at Fair Value through Other Comprehensive Income		
<u>2022</u>											
January 1	\$ 5,183,462	\$ 1,402,318	\$ 98,543	\$ 2,745	\$ 1,138,619	\$ 1,349,724	\$ 4,308,365	(\$ 1,360,659)	\$ 288,225	\$ 12,411,342	
Net profit of the current period	-	-	-	-	-	-	1,322,290	-	-	1,322,290	
Other comprehensive income recognized for the period 6 (16) (23)	-	-	-	-	-	-	6,548	395,292	(708,066)	(306,226)	
Total comprehensive income in the current period	-	-	-	-	-	-	1,328,838	395,292	(708,066)	1,016,064	
Earnings distribution and provisions for 2021: 6 (15)											
Provision of legal reserve	-	-	-	-	130,519	-	(130,519)	-	-	-	
Reversal of special reserve	-	-	-	-	-	(277,289)	277,289	-	-	-	
Cash dividends	-	-	-	-	-	-	(518,346)	-	-	(518,346)	
The invested company's capital reduction refund exceeded the book value	-	-	-	-	-	-	41	-	-	41	
All changes in the subsidiaries' equities are recognized	-	-	-	-	-	-	(10,036)	-	-	(10,036)	
December 31	\$ 5,183,462	\$ 1,402,318	\$ 98,543	\$ 2,745	\$ 1,269,138	\$ 1,072,435	\$ 5,255,632	(\$ 965,367)	(\$ 419,841)	\$ 12,899,065	
<u>2023</u>											
January 1	\$ 5,183,462	\$ 1,402,318	\$ 98,543	\$ 2,745	\$ 1,269,138	\$ 1,072,435	\$ 5,255,632	(\$ 965,367)	(\$ 419,841)	\$ 12,899,065	
Net profit of the current period	-	-	-	-	-	-	1,256,710	-	-	1,256,710	
Other comprehensive income recognized for the period 6 (16) (23)	-	-	-	-	-	-	1,834	(176,695)	151,168	(23,693)	
Total comprehensive income in the current period	-	-	-	-	-	-	1,258,544	(176,695)	151,168	1,233,017	
Earnings distribution and provisions for 2022: 6 (15)											
Provision of legal reserve	-	-	-	-	131,884	-	(131,884)	-	-	-	
Reversal of special reserve	-	-	-	-	-	312,772	(312,772)	-	-	-	
Cash dividends	-	-	-	-	-	-	(725,685)	-	-	(725,685)	

The notes to parent company only financial statements attached constitute an integral part of the statements, please refer to them, too.

Chairman: Lee, Kuang-Yao

Managerial Officers: Tsai, Ming-Feng

Accounting supervisor: Tai, Chih-Hao

Pan-International Industrial Corp.
Parent Company Only Statement of Changes in Shareholders Equity
January 1 to December 31, 2023 and 2022

Unit: NTD thousand

Note	Capital surplus				Retained earnings			Other equities		Total Equity
	Common share capital	Capital reserve - Issuance premium	Capital reserve - Treasury share transaction	Capital reserve - difference between the price and face value from the acquisition or disposal of equity with subsidiaries.	Legal reserve	Special reserve	Undistributed earnings	Currency translation difference	Unrealized Gain (Loss) on Financial Assets at Fair Value through Other Comprehensive Income	
December 31	<u>\$ 5,183,462</u>	<u>\$ 1,402,318</u>	<u>\$ 98,543</u>	<u>\$ 2,745</u>	<u>\$ 1,401,022</u>	<u>\$ 1,385,207</u>	<u>\$ 5,343,835</u>	<u>(\$ 1,142,062)</u>	<u>(\$ 268,673)</u>	<u>\$ 13,406,397</u>

The notes to parent company only financial statements attached constitute an integral part of the statements, please refer to them, too.

Chairman: Lee, Kuang-Yao

Managerial Officers: Tsai, Ming-Feng

Accounting supervisor: Tai, Chih-Hao

Pan-International Industrial Corp.
Parent company only Statement of Cash Flow
December 31, 2023 and 2022

Unit: NTD thousand

CASH FLOWS FROM OPERATING ACTIVITIES

Income before income tax		\$ 1,406,713	\$ 1,493,330
Adjustments			
income and expenses items			
Depreciation expenses and amortizations	6 (20)	510	643
Reversal of anticipated credit impairment gain	12 (2)	(560)	(1,861)
Net benefits of financial assets and liabilities	6 (19)		
measured at fair value through the income		(8,991)	(2,680)
Interest expense	6 (21)	29,944	20,846
Interest income		(28,604)	(8,442)
Dividend income	6 (18)	-	(87,254)
The proportion of income from subsidiaries,	6 (6)		
associates, and joint ventures accounted for under			
the equity method		(848,166)	(966,168)
Unrealized exchange loss	6 (25)	-	82,895
Changes in assets/liabilities related to operating			
activities			
Net change in assets related to operating activities			
Financial assets and liabilities measured at fair			
value through the income		8,991	2,680
Net accounts receivable		137,104	35,382
Accounts receivable - Related parties net		1,156,622	(605,620)
Inventory		96,108	814,909
Other receivables		(3,706)	4,692
Other current assets		(3,908)	711
Net change in liabilities related to operating			
activities			
Accounts payable		(155,663)	(744,230)
Accounts payable - Related parties		(524,032)	242,855
Other payables		2,597	117,039
Contractual liabilities		(43,224)	(480,256)
Cash inflow (outflow) from operations		1,221,735	(80,529)
Income tax paid		(132,671)	(142,691)
Net Cash inflow (outflow) from operating		1,089,064	(223,220)
activities			
<u>Cash flows from investing activities</u>			
Increase in financial assets measured at after-			
amortization cost - non-current		(290,000)	-
Refund of capital investment in financial assets	6 (5)		
measured at fair value through other comprehensive			
income		37,424	78,570
Refunds of shares due to capital decrease by the	6 (6)		
investee using the investment by equity method		1,712,760	-
Share capital returned from liquidation of the investee			
company		-	41
Purchase of property, plant and equipment	6 (7)	-	(216)
Increase in intangible assets		(350)	-
Decrease (increase) of receivables from purchase of			
materials for a third party		3,370	(7,144)
Increase in refundable deposits		(13,382)	-
Interest received		26,671	8,442
Dividend received		-	87,254
Increase in other non-current assets		(400,753)	(28,915)
Net cash inflow from investment activities		1,075,740	138,032
<u>Cash flows from financing activities</u>			
Increase (decrease) in short-term borrowings	6 (25)	(1,366,595)	730,100
Interest paid		(29,944)	(20,846)
Cash dividend payment	6 (15)	(725,685)	(518,346)

The notes to parent company only financial statements attached constitute an integral part of the statements, please refer to them, too.

Pan-International Industrial Corp.
Parent company only Statement of Cash Flow
December 31, 2023 and 2022

Unit: NTD thousand

Net cash inflow (outflow) from financing activities	(2,122,224)	190,908
Increase in cash and cash equivalents in the current period	42,580	105,720
Cash and cash equivalents at the beginning of the period	1,675,829	1,570,109
Cash and cash equivalents at the end of the period	<u>\$ 1,718,409</u>	<u>\$ 1,675,829</u>

The notes to parent company only financial statements attached constitute an integral part of the statements, please refer to them, too.

Chairman: Lee, Kuang-Yao

Managerial Officers: Tsai, Ming-Feng

Accounting supervisor: Tai, Chih-Hao

Attachments 4

Auditors' Report

(2024) Cai-Shen-Bao-Zi No. 23004346

To Pan-International Industrial Corp.

Audit Opinions

We have audited the consolidated balance sheet of December 31, 2023 and December 31, 2022, the consolidated comprehensive income sheet, consolidated statement of changes in equity, consolidated statement of cash flows from January 1 to December 31, 2023 and 2022, and the notes to the consolidated financial statements (including the summary of material accounting policies) of Pan-International Industrial Corp. and its subsidiaries (hereinafter "Pan-International Group").

In our opinion, based on the result of our audit and the audit reports presented by other accountants (please refer to additional information section), all the material items prepared in these consolidated financial statements are in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers, and the International Financial Reporting Standards (IFRS), International Accounting Standards (IAS), interpretations, and interpretation announcements recognized and promulgated by the Financial Supervisory Commission (FSC). Therefore, they are able to properly express the consolidated financial status of Pan-International Group in 2023 and as of December 31, 2022, and the consolidated financial performance and consolidated cash flows in 2023 and from January 1 2021 to December 31, 2022.

Basis of our opinions

We have conducted the audit according to the Regulations Governing Auditing and Attestation of Financial Statements by Certified Public Accountants and the Taiwan Standards on Auditing (TWSA). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of Consolidated Financial Statements. We are independent of Pan-International Group in accordance with the CPA Code of Professional Ethics of the Republic of China, and we have fulfilled our other ethical responsibilities in accordance with these requirements. On the basis of the result of our audit and the audit reports presented by other certified public accountants, 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 consolidated financial statements of the Group in 2023. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

The key audit matters of the consolidated financial statements of the year 2023 of Pan-International Group are as follows:

Assessment of the provision for valuation loss on inventory

Description

For additional information on the accounting policy of inventory valuation, refer to Note 4 (14) of the consolidated financial statements. For information on the uncertainty of accounting estimates and assumptions for inventory valuation, refer to Note 5 (2) of the consolidated financial statements. For a description of the inventory items, refer to Note 6 (5) of the consolidated financial statements. As of December 31, 2023, Pan-International Group recognized inventory loss and provision for valuation loss of inventory amounting to NT\$3,868,193 thousand and NT\$146,527 thousand, respectively.

Pan-International Group mainly produces and sells computer peripherals, automobile cable harness, industrial control and medical devices, among other related electronic products. Rapid changes in the technological environment allow for only a short life cycle of the inventory. In addition, the inventory is highly vulnerable to price fluctuations in the market. The result is devaluation due to falling prices of inventory, or the risk of phase out is higher. Pan-International Group measures the normal sale of inventory using the lower of the cost or the net realizable value. The above provision for the valuation of inventory loss is mainly based on obsolete items or damaged items of inventory. The net realizable value is based on the experience of handling obsolete items

of inventory in the estimation. Because the amount of inventory of Pan-International Group is significant and the inventory covers a great variety of items, it requires human judgment in sorting out the obsolete or damaged items from the inventory. This requires further judgment in the audit. We therefore listed the provision for valuation loss of inventory of Pan-International Group as key audit matter.

The appropriate audit procedure

We have conducted the following audit procedures on the provision for valuation loss of obsolete or damaged inventory:

1. Assess to determine if the policies for recognizing the provision for valuation loss of inventory in the financial statement period is consistent and reasonable.
2. Examine if the logic of the system of the inventory aging table for the valuation of inventory used by the management is appropriate, in order to confirm that the information presented in the financial statements is congruent with the policies.
3. Assess to determine if the provision for valuation loss of inventory is reasonable on the basis of the discussion with the management on the valuation of the net realizable value of the obsolete and damaged items of inventory and the supporting documents obtained.

Additional information - audits conducted by other auditors

Some of the subsidiaries of Pan-International Group included in the consolidated financial statements, were not audited by us for the financial statements of these companies. These financial statements were audited by other certified public accountants, and we have made adjustments to these financial statements to make them consistent in accounting policy and conducted necessary examination procedures. Therefore, the opinions on the aforementioned consolidated financial statements regarding the amount presented in the aforementioned financial statements of these subsidiaries before adjustment were based on the Auditors' Report of other certified public accountants. The total assets of the aforementioned companies (including the investment by equity method)

as of December 31, 2023 and 2022, amounted to NT\$6,369,905 thousand and NT\$6,461,095 thousand, respectively, accounting for 26% and 25% of the consolidated total assets, respectively. Revenue for the years ended December 31, 2023 and 2022, amounted to NT\$8,334,576 thousand and NT\$7,918,143 thousand, respectively, accounting for 33% and 30% of the consolidated net operating revenue, respectively.

Additional information - Issuance of Auditors' Report on Parent Company Only Financial Statements

Pan-International Industrial Corp. has prepared the parent company only financial statements of 2023 and 2022. We have audited these statements and issued an unqualified opinion and additional information. Auditors' Reports issued by other accountants are on record for reference.

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

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers, the IFRS, IAS, IFRIC and SIC recognized and promulgated by the FSC and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

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

Those charged with governance (including the Auditing Committee) are responsible for overseeing the financial reporting process of Pan-International Group.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance refers to a high degree of assurance, but the audit performed according to the TWSA cannot guarantee that material misrepresentations in the Consolidated Financial Statements will be detected. Misstatements can arise from fraud or error. These 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.

The CPA has exercised professional judgment and skepticism when conducting audits under the TWSA. We also:

1. Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
2. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control of Pan-International Group.
3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
4. Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on Pan-International Group and its ability to continue as a going concern. If we conclude that

a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause Pan-International Group to cease to continue as a going concern.

5. Evaluate the overall presentation, structure and content of the consolidated financial statements (including the notes to the statements), and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
6. Obtain sufficient appropriate audit evidence regarding the financial information of the entities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the Group audit, and we are responsible for forming an audit opinion on the Group.

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of Pan-International Group in 2023 and therefore are 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.

PwC Taiwan

Yung-Chien Hsu

Independent Auditors

Jen-Chieh Wu

Former Financial Supervisory Commission, Executive Yuan

Approval No.: (1995)Tai-Cai-Cheng-VI No. 13377

Financial Supervisory Commission

Approval No.: Jin-Guan-Cheng-Shen-Zi No. 1120348565

March 13, 2024

Pan-International Industrial Corp. and its Subsidiaries
Consolidated Balance Sheet
December 31, 2023 and 2022

Unit: NTD thousand

Assets	Note	December 31, 2023		December 31, 2022		
		A m o u n t	%	A m o u n t	%	
Current Assets						
1100	Cash and cash equivalents	6 (1)	\$ 6,440,208	26	\$ 6,713,571	27
1110	Financial assets at FVTPL - Current	6 (2)	10,536	-	10,239	-
1136	Financial assets measured at after-amortization cost - Current	6 (3) and 8	939,911	4	676	-
1150	Net notes receivable	6 (4)	106,539	1	35,075	-
1170	Net accounts receivable	6 (4)	3,372,367	14	3,555,291	14
1180	Accounts receivable - Related parties net	7	2,845,211	12	4,173,927	16
1200	Other receivables		81,381	-	742,484	3
130X	Inventory	6 (5)	3,721,666	15	3,893,919	15
1470	Other current assets		191,882	1	125,527	1
11XX	Total Current Assets		<u>17,709,701</u>	<u>73</u>	<u>19,250,709</u>	<u>76</u>
Non-Current Assets						
1517	Financial assets measured at fair value through other comprehensive income - Non-current	6 (6)	1,866,099	8	1,752,355	7
1535	Financial assets measured at after-amortization cost - Non-current	6 (3) and 8	294,760	1	277,528	1
1550	Investment by equity method	6 (7) and 8	664,077	3	733,731	3
1600	Property, plant, and equipment	6 (8) and 8	2,817,342	12	2,686,495	11
1755	Right-of-use assets	6 (9) and 8	281,109	1	385,399	1
1760	Net investment property	6 (10) and 8	99,923	-	100,319	-
1780	Intangible asset	6 (11)	53,672	-	37,072	-
1840	Deferred tax assets	6 (25)	60,163	-	71,071	-
1900	Other non-current assets	6 (14)	550,363	2	109,824	1
15XX	Total Non-Current Assets		<u>6,687,508</u>	<u>27</u>	<u>6,153,794</u>	<u>24</u>
1XXX	Total assets		<u>\$ 24,397,209</u>	<u>100</u>	<u>\$ 25,404,503</u>	<u>100</u>

(continued)

Pan-International Industrial Corp. and its Subsidiaries
Consolidated Balance Sheet
December 31, 2023 and 2022

Unit: NTD thousand

LIABILITIES AND EQUITY		Note	December 31, 2023		December 31, 2022	
			A m o u n t	%	A m o u n t	%
Current liability						
2100	Short-term borrowings	6 (12)	\$ 565,372	2	\$ 2,101,238	8
2130	Contractual liabilities - Current	6 (20) and 7	181,376	1	273,608	1
2150	Notes payable		1,041,396	4	356,341	2
2170	Accounts payable		3,739,360	15	3,839,452	15
2180	Accounts payable - Related parties	7	1,599,870	7	1,511,347	6
2200	Other payables	6 (13)	1,218,638	5	1,642,799	7
2230	Current tax liabilities		176,348	1	335,586	1
2280	Lease liabilities - Current	7	38,957	-	89,159	-
2399	Other current liabilities - Other		26,295	-	23,204	-
21XX	Total current liabilities		<u>8,587,612</u>	<u>35</u>	<u>10,172,734</u>	<u>40</u>
Non-current liabilities						
2570	Deferred tax liabilities	6 (25)	370,515	2	346,399	1
2580	Lease liabilities - Non-current	7	60,745	-	99,595	1
2600	Other non-current liabilities		30,128	-	16,408	-
25XX	Total non-current liabilities		<u>461,388</u>	<u>2</u>	<u>462,402</u>	<u>2</u>
2XXX	Total liabilities		<u>9,049,000</u>	<u>37</u>	<u>10,635,136</u>	<u>42</u>
Equity attributable to owners of the parent company						
	Share capital	6 (15)				
3110	Common share capital		5,183,462	21	5,183,462	21
	Capital surplus	6 (16)				
3200	Capital surplus		1,503,606	6	1,503,606	6
	Retained earnings	6 (17)				
3310	Legal reserve		1,401,022	6	1,269,138	5
3320	Special reserve		1,385,207	6	1,072,435	4
3350	Undistributed earnings		5,343,835	22	5,255,632	21
	Other equities	6 (18)				
3400	Other equities		(1,410,735)	(6)	(1,385,208)	(6)
31XX	Total equity attributable to owners of the parent company		<u>13,406,397</u>	<u>55</u>	<u>12,899,065</u>	<u>51</u>
36XX	Non-controlling interests	6 (19)	<u>1,941,812</u>	<u>8</u>	<u>1,870,302</u>	<u>7</u>
3XXX	Total equity		<u>15,348,209</u>	<u>63</u>	<u>14,769,367</u>	<u>58</u>
	Significant Contingent Liabilities and Unrecognized Commitments	9				
	Significant Subsequent Events	11				
3X2X	Total liabilities and equity		<u>\$ 24,397,209</u>	<u>100</u>	<u>\$ 25,404,503</u>	<u>100</u>

The attached notes to the consolidated financial report are part of this consolidated financial report. Please refer to them, too.

Chairman: Lee, Kuang-Yao

Managerial Officers: Tsai, Ming-Feng

Accounting supervisor: Tai, Chih-Hao

Pan-International Industrial Corp. and its Subsidiaries
Consolidated Statements of Comprehensive Income
January 1 to December 31, 2023 and 2022

Unit: NTD thousand
(except in NTD for earnings per share)

Item	Note	<u>2</u> A	<u>0</u> m	<u>2</u> o	<u>3</u> u	<u>2</u> n	<u>2</u> t	<u>%</u>	<u>2</u> A	<u>0</u> m	<u>2</u> o	<u>2</u> u	<u>2</u> t	<u>%</u>
4000	Operating revenue	6 (20) and 7	\$		25,634,258			100	\$		26,257,340			100
5000	Operating cost	6 (5) (23) And 7		(	22,459,093)	(		88)	(		22,977,604)	(		87)
5900	Operating profit margin				3,175,165			12			3,279,736			13
	Operating expenses	6 (23)												
6100	Selling and marketing expenses		(		290,760)	(		1)	(		305,104)	(		1)
6200	General and administrative expenses		(		806,589)	(		3)	(		737,376)	(		3)
6300	Research and development expenses		(		477,370)	(		2)	(		416,502)	(		2)
6450	Expected credit impairment gain	12 (2)			1,021			-			478			-
6000	Total operating expenses		(		1,573,698)	(		6)	(		1,458,504)	(		6)
6900	Operating profit				1,601,467			6			1,821,232			7
	Non-operating income and expense													
7100	Interest income				161,120			1			95,027			-
7010	Other income	6 (21)			69,975			-			184,276			1
7020	Other gains and losses	6 (22)			140,461			-			5,732			-
7050	Financial costs	6 (24)	(		60,407)	(		-	(		41,231)	(-
7060	Share of profits and losses of affiliated companies and joint ventures recognized by the equity method	6 (7)	(		70,824)	(		-	(		8,603)	(-
7000	Total non-operating income and expenses				240,325			1			235,201			1
7900	Net income before tax				1,841,792			7			2,056,433			8
7950	Income tax expense	6 (25)	(		351,959)	(		1)	(		490,034)	(		2)
8200	Net profit of the current period		\$		1,489,833			6	\$		1,566,399			6

(continued)

Pan-International Industrial Corp. and its Subsidiaries
Consolidated Statements of Comprehensive Income
January 1 to December 31, 2023 and 2022

Unit: NTD thousand
(except in NTD for earnings per share)

Item	Note	<u>2</u> A	<u>0</u> m	<u>2</u> o	<u>3</u> u	<u>2</u> n	<u>2</u> t	<u>%</u>	<u>2</u> A	<u>0</u> m	<u>2</u> o	<u>2</u> u	<u>2</u> t	<u>%</u>	
Items that will not be reclassified															
subsequently to profit or loss															
8311	Remeasured value of defined benefit plan	6	(14)						\$		2,344	-	\$	8,470	-
8316	Unrealized evaluation profit and loss of equity instrument investment measured at fair value through other comprehensive income	6	(18)								151,168	-	(	708,066)	(3)
8349	Income tax related to items not reclassified	6	(25)						(		469)	-	(	1,695)	-
8310	Total of items not reclassified to profit or loss										153,043	-	(	701,291)	(3)
Items that may be reclassified															
subsequently to profit or loss:															
8361	Currency translation difference	6	(18)						(		258,095)	(1)		487,069	2
8360	Total of items that may be reclassified subsequently to profit or loss:								(		258,095)	(1)		487,069	2
8300	Other comprehensive income (net)								(\$		105,052)	(1)	(\$	214,222)	(1)
8500	Total comprehensive income in the current period								\$		1,384,781	5	\$	1,352,177	5
NET PROFIT ATTRIBUTABLE															
TO:															
8610	Owners of the parent company								\$		1,256,710	5	\$	1,322,290	5
8620	Non-controlling interests										233,123	1		244,109	1
									\$		1,489,833	6	\$	1,566,399	6

The attached notes to the consolidated financial report are part of this consolidated financial report. Please refer to them, too.

Chairman: Lee, Kuang-Yao

Managerial Officers: Tsai, Ming-Feng

Accounting supervisor: Tai, Chih-Hao

Pan-International Industrial Corp. and its Subsidiaries
Consolidated Statements of Comprehensive Income
January 1 to December 31, 2023 and 2022

Unit: NTD thousand
(except in NTD for earnings per share)

Total comprehensive income					
attributable to:					
8710	Owners of the parent company	\$ 1,233,017	4	\$ 1,016,064	4
8720	Non-controlling interests	<u>151,764</u>	<u>1</u>	<u>336,113</u>	<u>1</u>
		<u>\$ 1,384,781</u>	<u>5</u>	<u>\$ 1,352,177</u>	<u>5</u>
Earnings per share (EPS)		6 (26)			
9750	Basic earnings per share	<u>\$ 2.42</u>		<u>\$ 2.55</u>	
9850	Diluted earnings per share	<u>\$ 2.41</u>		<u>\$ 2.54</u>	

The attached notes to the consolidated financial report are part of this consolidated financial report. Please refer to them, too.

Chairman: Lee, Kuang-Yao

Managerial Officers: Tsai, Ming-Feng

Accounting supervisor: Tai, Chih-Hao

Pan-International Industrial Corp. and its Subsidiaries
Consolidated Statement of Changes in Shareholders Equity
January 1 to December 31, 2023 and 2022

Unit: NTD thousand

Note	Equity attributable to owners of the parent company											Total Equity
	Common share capital	Capital surplus		Capital reserve - difference between the price and face value from the acquisition or disposal of equity with subsidiaries.	Retained earnings			Other equities		Total	Non-controlling interests	
		Capital reserve - Issuance premium	Capital reserve - Treasury share transaction		Legal reserve	Special reserve	Undistributed earnings	Currency translation difference	Unrealized Gain (Loss) on Financial Assets at Fair Value through Other Comprehensive Income			
<u>2022</u>												
Balance on January 1	\$ 5,183,462	\$ 1,402,318	\$ 98,543	\$ 2,745	\$ 1,138,619	\$ 1,349,724	\$ 4,308,365	(\$ 1,360,659)	\$ 288,225	\$ 12,411,342	\$ 1,682,573	\$ 14,093,915
Net profit of the current period	-	-	-	-	-	-	1,322,290	-	-	1,322,290	244,109	1,566,399
Other comprehensive income recognized for the period	6 (18)	-	-	-	-	-	6,548	395,292	(708,066)	(306,226)	92,004	(214,222)
Total comprehensive income in the current period	-	-	-	-	-	-	1,328,838	395,292	(708,066)	1,016,064	336,113	1,352,177
Earnings distribution and provisions for 2021:	6 (17)											
Provision of legal reserve	-	-	-	-	130,519	-	(130,519)	-	-	-	-	-
Reversal of special reserve	-	-	-	-	-	(277,289)	277,289	-	-	-	-	-
Cash dividends	-	-	-	-	-	-	(518,346)	-	-	(518,346)	-	(518,346)
Decrease in non-controlling interests	6 (19)	-	-	-	-	-	-	-	-	-	(86,844)	(86,844)
The share capital returned from liquidation of the investee company exceeds the book value	-	-	-	-	-	-	41	-	-	41	-	41
All changes in equities of subsidiaries are recognized	6 (27)	-	-	-	-	-	(10,036)	-	-	(10,036)	(61,540)	(71,576)
Balance on December 31	\$ 5,183,462	\$ 1,402,318	\$ 98,543	\$ 2,745	\$ 1,269,138	\$ 1,072,435	\$ 5,255,632	(\$ 965,367)	(\$ 419,841)	\$ 12,899,065	\$ 1,870,302	\$ 14,769,367
<u>2023</u>												
Balance on January 1	\$ 5,183,462	\$ 1,402,318	\$ 98,543	\$ 2,745	\$ 1,269,138	\$ 1,072,435	\$ 5,255,632	(\$ 965,367)	(\$ 419,841)	\$ 12,899,065	\$ 1,870,302	\$ 14,769,367
Net profit of the current period	-	-	-	-	-	-	1,256,710	-	-	1,256,710	233,123	1,489,833
Other comprehensive income recognized for the period	6 (18)	-	-	-	-	-	1,834	(176,695)	151,168	(23,693)	(81,359)	(105,052)
Total comprehensive income in the current period	-	-	-	-	-	-	1,258,544	(176,695)	151,168	1,233,017	151,764	1,384,781
Earnings distribution and provisions for 2022:	6 (17)											
Provision of legal reserve	-	-	-	-	131,884	-	(131,884)	-	-	-	-	-
Provision of special reserve	-	-	-	-	-	312,772	(312,772)	-	-	-	-	-
Cash dividends	-	-	-	-	-	-	(725,685)	-	-	(725,685)	-	(725,685)
Decrease in non-controlling interests	6 (19)	-	-	-	-	-	-	-	-	-	(80,254)	(80,254)

The attached notes to the consolidated financial report are part of this consolidated financial report. Please refer to them, too.
Managerial Officers: Tsai, Ming-Feng

Accounting supervisor: Tai, Chih-Hao

Chairman: Lee, Kuang-Yao

Pan-International Industrial Corp. and its Subsidiaries
Consolidated Statement of Changes in Shareholders Equity
January 1 to December 31, 2023 and 2022

Unit: NTD thousand

Note	Equity attributable to owners of the parent company											Total Equity
	Capital surplus				Retained earnings			Other equities				
	Common share capital	Capital reserve - Issuance premium	Capital reserve - Treasury share transaction	Capital reserve - difference between the price and face value from the acquisition or disposal of equity with subsidiaries.	Legal reserve	Special reserve	Undistributed earnings	Currency translation difference	Unrealized Gain (Loss) on Financial Assets at Fair Value through Other Comprehensive Income	Total	Non-controlling interests	
Balance on December 31	\$ 5,183,462	\$ 1,402,318	\$ 98,543	\$ 2,745	\$ 1,401,022	\$ 1,385,207	\$ 5,343,835	(\$ 1,142,062)	(\$ 268,673)	\$ 13,406,397	\$ 1,941,812	\$ 15,348,209

Chairman: Lee, Kuang-Yao

The attached notes to the consolidated financial report are part of this consolidated financial report. Please refer to them, too.
 Managerial Officers: Tsai, Ming-Feng

Accounting supervisor: Tai, Chih-Hao

Pan-International Industrial Corp. and its Subsidiaries

Consolidated Statement of Cash Flows

January 1 to December 31, 2023 and 2022

Unit: NTD thousand

CASH FLOWS FROM OPERATING ACTIVITIES

Income before income tax		\$ 1,841,792		\$ 2,056,433
Adjustments				
income and expenses items				
Depreciation expenses and amortizations	6 (23)	631,778		603,492
Expected credit impairment gains	12 (2)	(1,021)	(478)	
Net benefits of financial assets and liabilities measured at fair value through the income	6 (22)			
Interest expense	6 (24)	(10,630)	(33,930)	
Interest income		60,407		41,231
Dividend income		161,120	(95,027)	
Share of profits and losses of affiliated companies recognized by the equity method	6 (21)	(22)	(87,266)	
Net loss from the disposal of property, plant and equipment	6 (7)		70,824	8,603
Loss on disposal of investments	6 (22)	9,265		25,387
Unrealized exchange loss	6 (22)	5,770		-
Changes in assets/liabilities related to operating activities				
Net change in assets related to operating activities				
Financial assets and liabilities measured at fair value through the income		9,910		35,518
Net notes receivable		(73,279)	(10,168)	
Net accounts receivable		113,745	(561,481)	
Accounts receivable - Related parties net		1,254,602	(828,967)	
Other receivables		648,906		50,989
Inventory		81,232		1,075,026
Other current assets		(70,233)		145,650
Net change in liabilities related to operating activities				
Contractual liabilities		(92,232)	(665,458)	
Notes payable		702,415		291,829
Accounts payable		(28,363)	(1,109,377)	
Accounts payable - Related parties		123,015		167,830
Other payables		(339,344)		408,412
Other current liabilities		4,060	(3,597)	
Other non-current liabilities		14,138	(2,628)	
Cash inflow from operations		4,795,615		1,594,918
Income tax paid		(360,029)	(323,690)	
Net cash inflow from operating activities		4,435,586		1,271,228
<u>Cash flows from investing activities</u>				
Acquisition of financial assets measured at after-amortization cost		(972,223)		-
Refund of capital investment in financial assets measured at fair value through other comprehensive income	6 (6)	37,424		78,570
Share capital returned from liquidation of the investee company		-		41
Purchase property, plant and equipment assets	6 (28)	(807,817)	(958,816)	
Proceeds from disposal of property, plant and equipment		14,789		8,273
Acquisition of intangible assets	6 (11)	(20,397)		-
Decrease (increase) in refundable deposits		2,332	(284,930)	
Increase in other non-current assets		(440,771)	(39,137)	
Interest received		161,120		95,027
Dividend received		22		87,266
Net cash outflow from investment activities		(2,025,521)	(1,013,706)	
<u>Cash flows from financing activities</u>				
Increase in short-term borrowings	6 (29)	5,009,072		8,736,973
Decrease in short-term borrowings	6 (29)	(6,582,507)	(7,775,814)	
Lease principal repayment	6 (29)	(78,865)	(66,104)	
Cash dividend payment	6 (17)	(725,685)	(518,346)	
Interest paid		(60,407)	(41,231)	
Number of cash dividends paid to non-controlling interests	6 (19)	(80,254)	(86,844)	
Acquisition of stock options in subsidiaries	6 (27)	-	(71,576)	
Net cash inflow (outflow) from financing activities		(2,518,646)	177,058	
Impact of changes in the exchange rate on cash and cash equivalents		(164,782)		37,206
Increase (decrease) in cash and cash equivalents in the current period		(273,363)		471,786
Cash and cash equivalents at the beginning of the period		6,713,571		6,241,785
Cash and cash equivalents at the end of the period		\$ 6,440,208		\$ 6,713,571

The attached notes to the consolidated financial report are part of this consolidated financial report. Please refer to them, too.

Chairman: Lee, Kuang-Yao

Managerial Officers: Tsai, Ming-Feng

Accounting supervisor: Tai, Chih-Hao

Attachments 4

Pan-International Industrial Corp. Earnings Distribution Table 2023

Item	Unit: In New Taiwan Dollars
<u>Item</u>	<u>Amount</u>
Unappropriated retained earnings at beginning of the term	4,085,291,840
Plus: Ensure the remeasured amount is recognized as retained surplus after determining the benefit plan.	1,834,046
Plus: Net income after tax	1,256,709,760
Minus: Appropriated statutory surplus reserve	(125,854,381)
Minus: Special Surplus Reserve Reversed	(25,527,596)
Earnings available for distribution	<u>5,192,453,669</u>
Item for distribution:	
Shareholders' cash dividends (Note) NT\$1.30 per share	<u>(673,850,167)</u>
Ending undistributed earnings	<u><u>4,518,603,502</u></u>

Note 1: The earnings of 2023 is to be distributed in priority for this year.

Note 2: According to the provisions Article 21 of the Articles of Incorporation, for the issuance of cash dividends and bonuses resolved by the board of directors, the board of directors is authorized to establish the distribution plan and to report to the shareholders' meeting.

Chairman of the Board:
Lee, Kuang-Yao

Managerial Officer:
Tsai, Ming-Feng

Accounting Supervisor:
Tai, Chih-Hao