i.The Company's spokesperson, acting spokesperson, position TEL and e-mail:

Spokesperson
Name: Tseng Kung-Sheng
Position: Chief executive officer
TEL: (03)397-3345
E-mail: ichia.ir@ichia.com

Acting spokesperson
Name: Huang Yen-Hsiang
Position: Chief finance officer
TEL: (03)397-3345
E-mail: ichia.ir@ichia.com

ii.Address of the Company's Head Office and Plant, and TEL:

Address: No. 268, Huaya 2nd Rd., Guishan Dist., Taoyuan City
TEL: (03)397-3345

iii.Stock transfer agency:

Name: Taishin Securities Co., Ltd., Stock Affairs
Address: B1, No. 96, Section 1, Jianguo North Road, Taipei City
TEL: (02)2504-8125
Website:https://www.tssco.com.tw

iv.Attesting CPA of the annual financial statements for the most recent year:

CPA: Hsieh Ming-Chung, Liu Shu-Lin
CPA firm: Deloitte Touche Tohmatsu Limited
Address: 20th Floor, No. 100 Songren Road, Xinyi District, Taipei City
TEL: (02)2725-9988
FAX: (02)4051-6888
Website: http://www.deloitte.com.tw

v.The name of any exchanges where the Company's securities are listed offshore, and the method by which to access information on said offshore securities: None.

vi.Company website: http://www.ichia.com

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I. Letter to Shareholders

The ICHIA Group's 2022 consolidated revenues were NT$7.654 billion, with a consolidated gross margin of 14%, consolidated operating profit of NT$364 million, consolidated net profit after tax of NT$357 million, and after-tax earnings per share of NT$1.20. We have been engaged in the development of automotive product techniques for more than a decade. The business operation has been improved as the demand for automotive electronics grew in recent years. The profit in 2022 grew substantially by 60% in comparison with 2021, creating an outstanding performance in the business again.

Looking into the future, the more demands for automotive electronics and new AI, 5G and IoT technologies are expected. The EV market is growing rapidly thanks to the global requirements and national policies of net zero carbon emissions. The electronization of vehicles has reached a higher level and gradually formed a key growth momentum for the industry. In addition to operating the markets of vehicle related products, we will increase the production deployment in Southeast Asia and cope with external challenges by integrating the resources of the Group and enhancing our competitive advantage. The persistent changes of the global pandemic, extreme climate and global political and economic situations has brought about material impact on the sustainable operations of the companies. In the face of this changing and challenging environment, we actively implement the ESG related policies and promote and enhance risk management to achieve sustainability transformation as early as possible and find new opportunities for the business in the future.

2023 is the 40th anniversary of the Group. We will continue to pursue innovative and excellence and implement ESG related regulations under the business concept of Integrity & Honesty, Dedication, Innovation, and Achievement. We will be dedicated to the interests of the shareholders while create long-term value for all the stakeholders to achieve the goals of corporate sustainable operations.

Chairman: Creative Investment Co., Ltd.

Representative: Huang Chiu-Yung

i. 2022 Business Result

(i) Implementation Result of Business Plan

(In Thousand of NTD; Net Profits (Losses) After Tax per Share in NTD)

Item	2021	2022	Increase (decrease) percentage (%)
Net operating revenues	6,478,555	7,654,149	18%
Operating costs	5,674,621	6,611,844	17%
Net operating profits (losses)	208,110	364,236	75%
Non-operating incomes and expenses	59,532	110,981	86%
Net profits (losses) after tax	222,893	357,407	60%
Net profits (losses) after tax per share	0.75	1.2	60%

(ii) Implementation status of budget: not applicable.

(iii) Financial receipts and expenditures, and profitability analysis

Item		2021	2022
Capital structure (%)	Debts to total assets ratio	36.77	38.36
	Long-term capital to property, plant, and equipment ratio	230.36	244.11
Solvency (%)	Current ratio	206.08	206.94
	Quick ratio	165.38	162.05
	Times interest earned ratio	22.22	20.51
Profitability (%)	Return on assets	2.52	3.99
	Return on equity	3.90	6.06
	Net profit margin	3.44	4.67
	Earnings per share (NT$)	0.75	1.20

(iv) Research and development

In 2022, the Company invested NT$217,561 thousand, or approximately 3% of its revenues, in research and development, and the results of the research and development were in line with the Company's scheduled progress. Please refer to page 52 of this annual report for the R&D plan for coming years and page 59 for the newly developed technologies and products in 2022.

ii. Summary of 2023 Business Plan

(i) Operational guidelines

1. Operation planning

(1) Conduct training of professionals, implement performance evaluation system, the optimize salary and reward mechanism, and enrich human capital.

(2) By establishing a comprehensive global production and sales network, diversify and

pluralize our products and continue developing highly reliable products at the technology level to become a world-class supplier of integrated key components.

(3) Implement organizational reform and accountability culture to strengthen team competitiveness and enhance operational performance.

2. Financial Planning

(1) Based on the medium- and long-term capital demand planning, raise capital, deploy assets safely and soundly, effectively control the budget and capital expenditure, and improve the financial structure.

(2) Create a close cooperation relationship with financial institutions to keep abreast of financial market trends, reduce capital costs, use financial instruments flexibly, hedge exchange rate/interest rate risks, build a financial risk control mechanism, and enhance the Group's capital utilization efficiency.

(3) Make use of the capital market, expand the operation scale, and increase the value of the shareholder equity.

(ii) Expected sales volume and its basis

(1) Based on our existing mass production and developing models, as well as our customers' expected demand for new models in the future, and according to our production capacity and future expansion plans, we expect our sales volume to continue to grow steadily.

(2) Based on the product development trend of the end market and the assessment of our capability in process technology, we will continue developing new operational momentum in the fields of new products and technologies.

(iii) Important production and marketing policies

1. Production strategy

(1) Adjust the organization and production capacity configuration according to the business conditions of the Company to improve production efficiency and competitiveness.

(2) Effectively regulate and utilize each manufacturing base's production capacity, diverse production risks, increase the proportion of automation in the production process, effectively shorten the delivery time, and promote the production efficiency of the factory.

(3) Build full process capacity, collaborate with customers in research and development, accumulate intellectual property, enhance intelligent automated production equipment, continuously improve the quality of production and technology capability, and improve yield rate and reduce cost.

2. Marketing strategies

(1) With the headquarters in Taiwan as the global operation center, establish a global operation management and collaboration system, integrate and establish a long-term and stable international marketing network, and increase global sales volume and profits.

(2) Actively participate in domestic and foreign trade shows to expand our sales reach and continue collecting industry intelligence to enhance our marketing capabilities.

(3) Cultivate long-term relationships with our customers, develop niche markets for high reliability products, and help customers reduce costs and provide one-stop-shopping

services by expanding our product lines and production and sales scale.

(4) Continue expanding overseas markets to establish competitive advantages in quality, delivery and price and increase our market share steadily.

iii. The Company's future development strategy

(i) Expand our product applications and are committed to new product and technology development to capture market opportunities.

(ii) Develop products in multi-material combinations to diversify our product lines and expand our niche by developing high value-added products.

(iii) Enhance engineering capabilities, actively invest in product development and design, shorten product development time, reduce development costs, and continue to work on quality improvement.

(iv) Combine the existing product series, recruit high-level researchers to invest in the research and development of high-end products.

iv. Impacts of the external competitive environment, regulatory environment, and overall business environment:

Please to "Letter to Shareholders" on page 1.

II. Company Profile

i. Date of establishment: November 7, 1989.

ii. Company history

In 1989, the Company was established with a capital of NT$12 million.

In 1992, purchased factory and land at No. 7, Datong Road, Hukou Township, Hsinchu County, with a base area of 883.3 pings.

In 1993, the North American branch was established in San Diego, U.S.A., responsible for the marketing of North America. In 1994, the Company invested in a Mexican manufacturing plant to combine production and sales.

In 1994, passed ISO-9002 international quality certification.

In 1996, invested in Malaysia - ICHIA Rubber Industry (Malaysia) Sdn Bhd and acquired 80% of its shares.

In 1997, ICHIA Holdings (BVI) Limited, a 100% owned subsidiary of the Company, was established to hold directly all investee enterprises in Malaysia and China. Processed public offerings of stocks.

In 1998, obtained ISO-14001 international environmental protection certification.

In 1999, the construction of the Linkou operation headquarters started for the global operation and R&D center.

In 2000, we were officially listed and traded on the Taiwan Stock Exchange.

The product of flexible printed circuit board was successfully launched after R&D

The Linkou operation headquarters was officially opened after the completion of construction

In 2001, we invested in LANDSFAIR TECH CORP. and acquired 30% of its shares to develop magnesium and aluminum alloy products.

ICHIA TECHNOLOGY (SUZHOU) CO., LTD. was established.

In 2004, ICHIA Technologies Hungary Limited Liability Company was established and the ICHIA Hungary plant was in progress.

In 2007, the second phase of the Suzhou plant was expanded.

In 2008, The new plant in Zhongshan, Guangdong, was officially opened.

In 2009, increased the shareholding in LANDSFAIR TECH CORP. to 50.1%.

In 2010, merger of LANDSFAIR TECH CORP.

In 2012, expansion of 35 SMT production lines in Suzhou FPC plant.

In 2013, MVI medical devices received ISO13485 certification.

The third phase expansion of the Suzhou plant was completed.

In 2014, PEDLIM (L/S:35:25 um), a fine line process, was officially mass produced.

In 2015, one of the top 50 companies in Taiwan's "Top 2000 Companies" survey by CommonWealth Magazine.

Selected by the Taiwan Stock Exchange as a member of the "Taiwan Corporate Governance 100 Index" based on corporate governance evaluation, liquidity and financial indicators.

In 2017, PEDLIM (L/S:20:20 um), a fine line process, was officially mass produced.

Completed the development of the SOF process. (System on Flex, COF film lamination and SMT surface part adhesion 2-in-1 process)

In 2020, the Suzhou plant put rigid printed circuit boards into production.

In 2021, acquired the seed teacher certificate from Verband der Automobilindustrie e. V.(VDA)

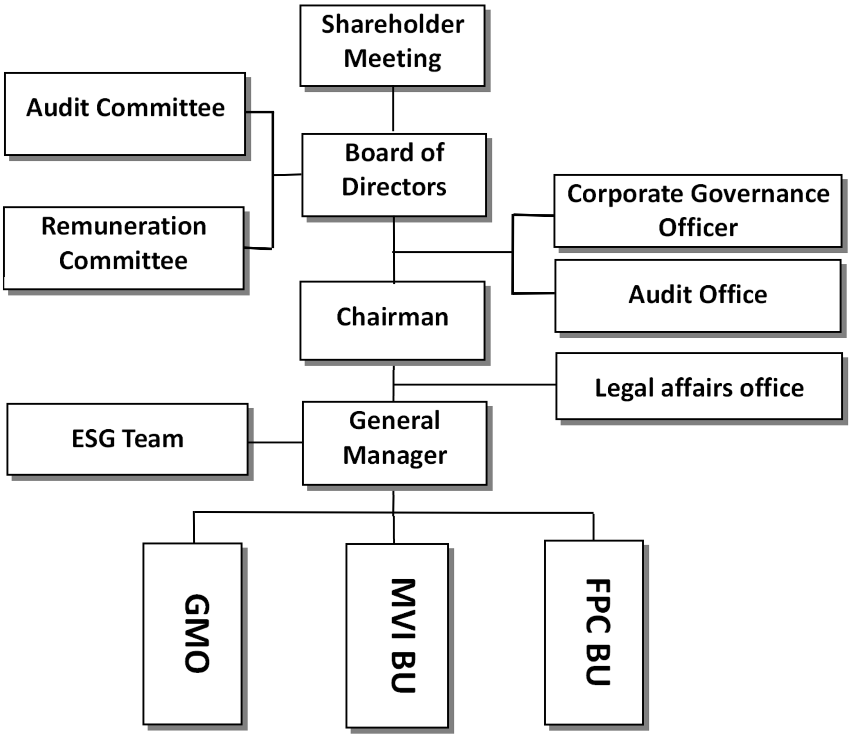
Passed the IATF 16949 certification of the automobile industry.
Passed the ISO 9001 quality system certification.
Passed the TTQS Talent Quality Management System certification

In 2022, Linkou headquarters, Suzhou Plant, Zhongshan Plant and Malaysia Plant passed the ISO 14001 Environmental Management Systems certification.
Linkou headquarters, Suzhou Plant, and Zhongshan Plant passed the ISO 45001 Occupational Health and Safety Management Systems certification.
Suzhou Plant and Zhongshan Plant passed the ISO 14064-1 greenhouse gas inventory certification.
Linkou headquarters passed the healthy workplace certification.

III. Corporate Governance Report

i. Organizational system

(i) Organizational structure



(ii) Businesses of Major Departments

Major departments	Responsibilities
Corporate governance	Implement corporate governance and legal compliance; provide documents needed for directors and independent directors to perform their duties; handle matters related to the Board of Directors and shareholders' meetings.
Audit Office	Establishment, revision and review of internal audit system, and audit, review and audit of internal control system (for both domestic and overseas subsidiaries).
Legal affairs office	Responsible for corporate legal affairs, audit and management of contracts, etc.
ESG Team	Be dedicated to all the issues that stakeholders are concerned about, including five aspects of corporate governance, customer relationship and supplier management, sustainable environment, employee care, and social participation. Communicate with stakeholders on an irregular basis, pay close attention to the issues that stakeholders are concerned about, and make response in a timely manner.
MVI BU EVI BU	Responsible for the production, operation, marketing, research and development, product quality management and marketing management of all products.
GMO	Responsible for the planning and execution of the company's general affairs and plant operations.
(Human resource and administration division	Responsible for the planning and execution of human resources, education and training
Finance and accounting division	Responsible for the planning and execution of financial, accounting, stock affairs, budgetary operations and related business management.
Information division)	Responsible for the establishment of the information environment, information exchange mechanism and information security maintenance.

ii. Information about Director, General Manager, Deputy General Manager, Senior Managers, and Officers of Departments and Branches:

(I) Director

1.Information on directors

April 22, 2023, Unit: share

Title	Nationality or place of registration	Name	Gender	Date Date:	Term of office	Inauguration Date	Shares held at election		Current shareholding		Current Shares Held by Spouse and Children of Minor Age		Shareholding Under the Name of A Third Party		Major (Academic Degree) Experience	Holding other positions of the Company and other companies at present	Other Chiefs, Supervisors or Directors with Spouses, or Relatives Within the Second Degree of Kinship			Remarks
			Age				Number of shares	Shareholding percentage	Number of shares	Shareholding percentage	Number of shares	Shareholding percentage	Number of shares	Shareholding percentage			Position	Name	Relationship	
Chairman	R.O.C.	Creative Investment Co., Ltd.		2020.6.12	3 years	2020.6.12	15,468,480	5.03	18,872,480	6.14	0	0	0	0	NA	NA	None	None	None	
		Representative: Huang Chiu-Yung	Male 61-69	2020.6.12	3 years	1997.6.21	0	0	10,913,486	3.55	3,180,790	1.03	38,634,961	12.56	Attended EMBA at National Taiwan University Kinpo Electronics, Inc.	(Note 1)	Representative of corporate director	Huang Tzu-Hsuan	Father and son	
Vice Chairman	R.O.C.	Huang Li-Lin	Female 61-69	2020.6.12	3 years	1997.6.21	4,732,083	1.54	4,707,083	1.53	2,513,994	0.82	0	0	Department of Economics, Fu Jen University Completion of the credit class, Institute of Business Management, Chung Hsing University Teapo Electronic Co., Ltd.	(Note 2)	None	None	None	
Director	R.O.C.	Fa La Li Investment Co., Ltd.		2020.6.12	3 years	2011.6.15	15,472,481	5.03	19,098,481	6.21	0	0	0	0	NA	NA	None	None	None	
		Representative: Huang Tzu-Hsuan	Male 31-39	2020.6.12	3 years	2017.6.13	0	0	4,422,896	1.44	0	0	0	0	Brown University	Director of Creative Investment Co., Ltd. Senior software engineer of Moon Creative Lab, Inc.	Chairman Representative:	Huang Chiu-Yung	Father and son	
Director	R.O.C.	Huang Tzu-Cheng	Male 71-79	2020.6.12	3 years	2014.6.11	1,285,000	0.42	1,285,000	0.42	0	0	0	0	Pacific Western University.	Chairman of I-SHENG ELECTRIC WIRE & CABLECo., Ltd. Chairman of DRAGONJET CORPORATION Independent director of Radiant Opto-Electronics Corporation. Director of VSO ELECTRONICS CO., LTD. (Corporate representative of I-SHENG ELECTRIC WIRE & CABLE Co., Ltd.)	None	None	None	
Independent director	R.O.C.	Chen Tai-Jan	Male 71-79	2020.6.12	3 years	2017.6.13	0	0	0	0	200,000	0.07	0	0	Ph.D., State University of New York at Albany, USA.	Distinguished Chair Professor, National Taiwan University Independent director and member of Remuneration Committee of CHROMA ATE Inc. Independent Director of GOLDSUN BUILDING MATERIALS Co., Ltd. Chairman of Chinese Culture University	None	None	None	

Title	Nationality or place of registration	Name	Gender / Age	Date Date:	Term of office	Inauguration Date	Shares held at election		Current shareholding		Current Shares Held by Spouse and Children of Minor Age		Shareholding Under the Name of A Third Party		Major (Academic Degree) Experience	Concurrent posts in the Company and other companies	Other Chiefs, Supervisors or Directors with Spouses, or Relatives Within the Second Degree of Kinship			Remarks
							Number of shares	Shareholding percentage	Number of shares	Shareholding percentage	Number of shares	Shareholding percentage	Number of shares	Shareholding percentage			Position	Name	Relationship	
Independent director	R.O.C.	Huang Chin-Ming	Male 71-79	2020.6.12	3 years	2017.6.13	0	0	0	0	0	0	0	0	Department of Electronic Engineering, National Chiao Tung University	Chairman of CHROMA ATE Inc. Director of Leadtek Research Inc. Chairman of DynaScan Technology Corp. Director of I SHENG ELECTRIC WIRE & CABLECo., Ltd. Director of Twoway Communications, Inc. Chairman of TESTAR ELECTRONICS CORP. Chairman Director of Tian Zheng International Precision Machinery Co., Ltd. Chairman of INNOVATIVE NANOTECH INCORPORATED	None	None	None	
Independent director	R.O.C.	Hsu Wan-Lung	Male 61-69	2020.6.12	3 years	2020.6.12	0	0	0	0	0	0	0	0	PhD, Institute of Management of Technology, Chiao Tung University Completion of Senior Management Program, School of Business, University of Washington	Secretary-General of Chinese Professional Management Association of Hsinchu Consultant of Industry-Academia Alliance for Internet Financial Innovation, Ministry of Science and Technology Digital Economy Project of Technological Innovation, R&D and Application, National Tsing Hua University; Executive Director of CHINESE INTELLECTUAL PROPERTY TRADE ASSOCIATION	None	None	None	

Note 1: Chairman of the Board of Directors of the Company, Chairman of ICHIA HOLDINGS (B.V.I) Co., Chairman of ICHIA USA Inc., Director of ICHIA RUBBER INDUSTRY (M) Sdn Bhd, Chairman of ICHIA UK Ltd., Chairman of ICHIA HOLDINGS (H.K.) Co., Chairman of Ferrari Investment Co. Ltd., Chairman of Chuang Yi Investment Co., Ltd., Member of Remuneration Committee of I SHENG ELECTRIC WIRE & CABLE Co., Ltd., Independent Director of ULTRA CHIP, Inc., Member of Audit Committee and Remuneration Committee, Independent Director of Sampo Corporation

Note 2: Vice Chairman of the Company, General Manager of ICHIA HOLDINGS (B.V.I) Co., Director of ICHIA USA INC Inc., Director of ICHIA RUBBER INDUSTRY (M) SDN BHD, Managing Director of ICHIA Technologies Hungary Limited Liability Company, Director of ICHIA TECHNOLOGY (SUZHOU) CO., LTD., Director of ZHONGSHAN ICHIA, Director of ICHIA HOLDINGS (H.K.) Co., Chairman of the Board of Directors of SOGAI Investment Co.

2. Major shareholders of the corporate shareholder

Name of the corporate shareholder	Major shareholders of the corporate shareholder	
	Name	Shareholding Percentage
Creative Investment Co., Ltd.	Huang Chiu-Yung	81.04%
	Juan Mei-Na	0.26%
	Huang Tzu-Hsuan	0.26%
	Huang Ching-Yu	15.41%
Fa La Li Investment Co., Ltd.	Huang Chiu-Yung	81.04%
	Juan Mei-Na	0.26%
	Huang Tzu-Jui	0.26%
	Hsu Ling-Yu	1.66%

3.Disclosure of information on the professional qualifications of directors and supervisors and the independence of independent directors

Qualification / Name	Professional qualifications and experiences									Independence				Number of public companies where the person holds the title as an independent director
	Ability to make operational judgments	Ability to perform accounting and financial analysis	Ability to conduct business management	Ability to manage crises	Knowledge of industry	Understanding of international markets	Ability to lead	Ability to make decisions	None of the circumstances under Article 30 of the Company Act are applicable	Whether the person or his/her spouse or relative within the second degree of kinship is not a director, supervisor or employee of the Company or any of its affiliates	Whether the person or his/her spouse or relative within the second degree of kinship holds any stocks of the Company on his/her own or in the name of others, and the number and percentage of the shares	Whether the person is a director, supervisor or employee of any companies in a special relationship with the Company	The compensation and amount received for providing the Company or affiliates with commercial, legal, financial, accounting or related services in the most recent two years	
Corporate representative of Creative Investment Co., Ltd.: Huang Chiu-Yung	√	√	√	√	√	√	√	√	√	Please refer to the information on directors on page 6.	Please refer to the information on directors on page 6.	Please refer to the information on directors on page 6.	None	2
Corporate representative of Fa La Li Investment Co., Ltd.: Huang Tzu-Hsuan	√			√	√	√		√	√	Please refer to the information on directors on page 6.	Please refer to the information on directors on page 6.	No	None	0
Huang Li-Lin	√	√	√	√	√	√	√	√	√	No	Please refer to the information on directors on page 6.	Please refer to the information on directors on page 6.	None	0
Huang Tzu-Cheng	√	√	√	√	√	√	√	√	√	No	Please refer to the information on directors on page 6.	No	None	1

Qualification / Name	Professional qualifications and experiences									Independence				Number of public companies where the person holds the title as an independent director
	Ability to make operational judgments	Ability to perform accounting and financial analysis	Ability to conduct business management	Ability to manage crises	Knowledge of industry	Understanding of international markets	Ability to lead	Ability to make decisions	None of the circumstances under Article 30 of the Company Act are applicable	Whether the person or his/her spouse or relative within the second degree of kinship is not a director, supervisor or employee of the Company or any of its affiliates	Whether the person or his/her spouse or relative within the second degree of kinship holds any stocks of the Company on his/her own or in the name of others, and the number and percentage of the shares	Whether the person is a director, supervisor or employee of any companies in a special relationship with the Company	The compensation and amount received for providing the Company or affiliates with commercial, legal, financial, accounting or related services in the most recent two years	
Huang Chin-Ming	√	√	√	√	√	√	√	√	√	No	None	No	None	0
Chen Tai-Jan	√	√	√	√	√	√	√	√	√	No	Please refer to the information on directors on page 6.	No	None	2
Hsu Wan-Lung	√	√	√	√	√	√	√	√	√	No	None	No	None	0

4.Diversity and independence of the Board of Directors:

(1) Diversity of the Board of Directors:

The 7 directors of the 12th Board of Directors possess, on a whole, the abilities to make operational judgments, manage crises, learn knowledge of industry, perform accounting and financial analysis, conduct business management, understand international market, lead, and make decisions. Chairman Huang Chiu-Yung, Vice Chairman Huang Li-Lin, Director Huang Tzu-Cheng, and Independent Director Huang Chin-Ming have had experience in practical business management for many years; Independent Director Chen Tai-Jan is a teacher at a national university and has professional knowledge and experience in management and teaching; Independent Director Hsu Wan-Lung has worked in industry-academia cooperation for many years and had extensive experience in this field.

All the directors are the citizens of the Republic of China. There are 3 independent directors occupying 43% of the composition. They have a term of office for less than six years. The range of age among directors: 31-39: 1 director; 61-69: 3 directors; 71-79: 3 directors.

The Company attaches importance to the gender equality in the position of the Board of Directors. The Board members include one female director occupying 15% of the composition. We will continue increasing the percentage of female directors in the future.

(2) Independence of the Board of Directors:

The Company has received a written statement from each director to confirm his/her election qualifications and the independence of the director and his/her lineal relatives to the Company, and that there are no violations against Article 26-3, Paragraphs 3 and 4 of the Securities and Exchange Act.

(ii) Information on general managers, deputy general managers, senior managers, and officers of various departments and branches

April 22, 2023, Unit: share

Title	Nationality	Name	Gender	Election (Appointment) Date	Shareholding		Current Shares Held by Spouse and Children of Minor Age		Shareholding Under the Name of A Third Party		Major (Academic Degree) Experience	Holding positions in other companies at present	Managers Within the Second Degree of Kinship			Remarks Note
					Number of shares	Shareholding Ratio	Number of shares	Shareholding Ratio	Number of shares	Shareholding Percentage			Position	Name	Relationship	
Chairman	R.O.C.	Huang Chiu-Yung	Male	2019.8.22	10,913,486	3.55%	3,180,790	1.03%	38,634,961	12.56%	Attended EMBA at National Taiwan University Chairman of ICHIA TECHNOLOGIES INC.	(Note 1)				
General Manager	R.O.C.	Tseng Kung-Sheng	Male	2020.7.1	651,000	0.21%	434,000	0.14%	0	0.00%	Department of Physics, Tamkang University Senior Assistant, General Manager's Office, Unimicron Technology Corporation CEO of ICHIA TECHNOLOGIES INC.	Chairman General Manager of ICHIA ELECTRONICS (SUZHOU) Co., Ltd.	None	None	None	
Deputy general manager	R.O.C.	Wu Feng-Hsin	Male	2011.6.1	210,000	0.07%	0	0.00%	0	0.00%	Executive MBA Program, National Central University MVI BU Deputy General Manager of ICHIA TECHNOLOGIES INC.	Chairman and General Manager of ZHONGSHAN ICHIA ELECTRONICS Co., Ltd.	None	None	None	
Deputy general manager	R.O.C.	Huang Chin-Yuan	Male	2021.10.1	0	0.00%	0	0.00%	0	0.00%	Department of Electrical Engineering, Tatung University MVI BU Deputy General Manager of ICHIA TECHNOLOGIES INC.	Deputy General Manager and Factory Manager of ZHONGSHAN ICHIA ELECTRONICS Co., Ltd.				
Deputy general manager	R.O.C.	Chen Kuan-Hsien	Male	2022.9.1 (Left on 2023.4.14)	0	0.00%	0	0.00%	0	0.00%	Department of Mechanical Engineering, National Central University Chairman of Yongzhang Automotive Electronic (Hangzhou) Co., Ltd.	None	None	None	None	
Deputy general manager	R.O.C.	Liao Wen-Hua	Male	2023.4.10	0	0.00%	0	0.00%	0	0.00%	Department of Mechanical Engineering, Chung Yuan Christian University Deputy General Manager, Electronics Business Division, Taiwan Calsonic Co., Ltd.	None	None	None	None	
Finance officer	R.O.C.	Huang Yen-Hsiang	Male	2019.11.12	61,500	0.02%	0	0.00%	0	0.00%	Institute of Science in Finance, Tamkang University CFO of ICHIA TECHNOLOGIES INC	Supervisor of ICHIA ELECTRONICS (SUZHOU) Supervisor of ZHONGSHAN ICHIA ELECTRONICS Co., Ltd.	None	None	None	
Accounting officer	R.O.C.	Cheng Ching-Yi	Female	2020.3.18	40	0.00%	0	0.00%	0	0.00%	Department of Business Administration, National Taipei University of Technology Accounting specialist, DING PEI MARKETING Co., Ltd. General accounting manager of ICHIA TECHNOLOGIES INC.	None	None	None	None	

Note 1: Chairman of the Board of Directors of the Company, Chairman of ICHIA HOLDINGS (B.V.I) Co., Chairman of ICHIA USA Inc., Director of ICHIA RUBBER INDUSTRY (M) Sdn Bhd, Chairman of ICHIA UK Ltd., Chairman of ICHIA HOLDINGS (H.K.) Co., Chairman of Ferrari Investment Co. Ltd., Chairman of Chuang Yi Investment Co., Ltd., Member of Remuneration Committee of I SHENG ELECTRIC WIRE & CABLE Co., Ltd., Independent Director of ULTRA CHIP, Inc., Member of Audit Committee and Remuneration Committee, Independent Director of Sampo Corporation

iii. Remuneration to directors, supervisors, presidents and vice presidents of the Company in the most recent year

1. Remuneration to directors

Unit: NTD thousands

Position	Name	Remuneration to directors								A, B, C and D as a % of the net profits after tax		Remuneration for employees with concurrent positions								A, B, C, D, E, F and G as a % of the net profits after tax		Remuneration from reinvested enterprises outside subsidiaries or from the parent company
		Base Compensation (A)		Severance and Pension (B)		Remuneration to directors (C)		Business execution fee (D)				Salary, bonus, allowance (E)		Severance and Pension (F)		Remuneration to employees (G)						
		The Company	All companies are included into the financial statement.	The Company	All companies are included into the financial statement.	The Company	All companies are included into the financial statement	The Company	All companies are included into the financial statement.	The Company	All companies are included into the financial statement.	The Company	All companies are included into the financial statement	The Company	All companies are included into the financial statement	The Company: Cash dividends	The Company: Stock dividends	All companies are included into the financial statement.: Cash dividends	All companies are included into the financial statement.: Stock dividends	The Company	All companies are included into the financial statement.	
Corporate Chairman	Creative Investment Co., Ltd.	0	0	0	0	2,000	2,000	0	0	0.56%	0.56%	0	0	0	0	0	0	0	0	0.56%	0.56%	None
Representative Chairman of corporation	Huang Chiu-Yung	0	0	0	0	0	0	80	80	0.02%	0.02%	3,891	3,891	0	0	0	0	0	0	1.11%	1.11%	None
Vice Chairman	Huang Li-Lin	0	0	0	0	1,000	1,000	80	80	0.30%	0.30%	0	0	0	0	0	0	0	0	0.30%	0.30%	None
Corporate director	Fa La Li Investment Co., Ltd.	0	0	0	0	1,000	1,000	0	0	0.28%	0.28%	0	0	0	0	0	0	0	0	0.28%	0.28%	None
Representative of corporate director	Huang Tzu-Hsuan	0	0	0	0	0	0	80	80	0.02%	0.02%	0	0	0	0	0	0	0	0	0.02%	0.02%	None
Director	Huang Tzu-Cheng	0	0	0	0	1,000	1,000	80	80	0.30%	0.30%	0	0	0	0	0	0	0	0	0.30%	0.30%	None
Independent director	Chen Tai-Jan	600	600	0	0	0	0	80	80	0.19%	0.19%	0	0	0	0	0	0	0	0	0.19%	0.19%	None
Independent director	Huang Chin-Ming	600	600	0	0	0	0	80	80	0.19%	0.19%	0	0	0	0	0	0	0	0	0.19%	0.19%	None
Independent director	Hsu Wan-Lung	600	600	0	0	0	0	80	80	0.19%	0.19%	0	0	0	0	0	0	0	0	0.19%	0.19%	None

1.Please describe the payment policy, system, standard and structure of the remuneration to independent directors, and the association of their responsibility, risk, and time devoted with the amount of the remuneration paid:

The Company has established the "Regulations Governing the Distribution of Remuneration and Compensation to Directors" to govern the distribution thereof depending on the involvement of the directors in the business of the Company.

(i) Fixed compensation: The Company may pay a fixed monthly compensation of NT$10,000 to NT$50,000 to independent directors for their independent fulfillment of duties and participation in the corporate governance within the scope of their responsibilities.

(ii) Attendance fee: The independent directors who come to the Company to attend a meeting may receive an attendance fee.

(iii) Distribution of remuneration: To be implemented in accordance with Article 23 of the Articles of Incorporation governing the remuneration to directors.

(iv) Other remuneration items: Where any other compensations other than those listed above are paid to independent directors, the Remuneration Committee shall put forward assessment recommendations and submit them to the Board of Directors for approval.

2.The remuneration received by the Company's directors for providing services (e.g. serving as a consultant, who is not regarded as an employee, of the parent company / any of the companies included in the financial reports / any investee) in the most recent year other than the remunerations disclosed above: None.

2. Remuneration to general manager and deputy general manager

Unit: NTD thousand; thousand shares

Position	Name	Salary (A)		Severance and Pension (B)		Bonus and special allowance (C)		Remuneration to employees (D)				A、A, B, C and D as a % of the net profits after tax (%)		Remuneration from reinvested enterprises outside subsidiaries or from the parent company
		The Company	All companies are included into the financial statement.	The Company	All companies are included into the financial statement.	The Company	All companies are included into the financial statement.	The Company		All companies are included into the financial statement.		The Company	All companies are included into the financial statement.	
								Cash dividends	Stock dividends	Cash dividends	Stock dividends			
General Manager (CEO)	Tseng Kung-Sheng	4,856	5,939	0	0	0	8.8	1,000	0	1,000	0	1.64%	1.94%	None
Deputy general manager	Wu Feng-Hsin	4,208	4,208	0	0	8	8	500	0	500	0	1.32%	1.32%	None
Deputy general manager	Huang Chin-Yuan	2,970	3,635	0	0	0	8.8	400	0	400	0	0.94%	1.13%	None
Deputy general manager	Chen Kuan-Hsien (Entered office on 2022.9. 1)	1,801	1,801	0	0	8	8	50	0	50	0	0.52%	0.52%	None
CFO	Huang Yen-Hsiang	2,031	2,031	0	0	8	8	200	0	200	0	0.63%	0.63%	None

3. The name of the managerial officer in charge of the distribution of employee remuneration and the status of the distribution

December 31, 2022; Unit: NTD thousand /thousand shares

Position	Position	Name	Stock dividends	Cash dividends	Total	Total amount as a % of the net profits after tax (%)
Managerial officer	Chairman	Huang Chiu-Yung	0	0	0	0.00%
	General Manager (CEO)	Tseng Kung-Sheng	0	1,000	1,000	0.28%
	Deputy general manager	Wu Feng-Hsin	0	500	500	0.14%
	Deputy general manager	Huang Chin-Yuan	0	400	400	0.11%
	Deputy general manager	Chen Kuan-Hsien	0	50	50	0.01%
	Finance officer	Huang Yen-Hsiang	0	200	200	0.06%
	Accounting officer	Cheng Ching-Yi	0	70	70	0.02%

(iv) Specify and compare the remuneration to directors, supervisors, presidents and vice presidents of the Company in proportion to the earnings after tax from the Company and companies included in the consolidated financial statements in the most recent two (2) years, and specify the policies, standards, combinations, procedure of decision-making of remunerations and their relation to business performance.

The total remuneration paid as a % of the net profits after tax for the most recent 2 years

	2021		2022	
	The Company	All companies in the consolidated statements	The Company	All companies in the consolidated statements
Director	5.02%	5.02%	3.15%	3.15%
General manager and deputy general manager	6.09%	6.81%	5.05%	5.54%

All the ratios in 2022 are less than those in 2021 mainly due to increase of the net profit after tax.

(i) The payment policy, standard and combination:

The performance self-evaluation results of the Board of Directors, Board members and functional committees in 2022 were “excellent” or above, indicating an overall outstanding operation of the units. The remuneration to directors shall be set aside in accordance with the Company’s Articles of Incorporation: The Company shall set aside not more than 3% of its annual net profits before tax before employees' and directors' remuneration as directors' remuneration.

The remuneration for managerial officers shall be approved and paid in consideration of the

Company’s annual business performance, financial status, operating status, and personal work performance. If the Company has profit, the remuneration shall be set aside in accordance with the Company’s Articles of Incorporation: The Company shall set aside not less than 1% of its annual net profits before tax before employees' and directors' remuneration as employees' remuneration.

(ii) Remuneration determination procedure

The Remuneration Committee and Board of Directors assess, review and approve the reasonableness of the performance evaluation of directors and managerial officers and their remuneration every year. In addition to the personal performance achievement rate and the contribution to the Company, the overall business performance of the Company and the risk and development trend of the industry in the future are taken into account for this purpose. The actually distributed amount of remuneration to directors and managerial officers in 2022 were reviewed by the Remuneration Committee and approved by the Board of Directors.

(iii) Association with the business performance

The remuneration policy and payment standard of the Company are determined in consideration of the overall business status of the Company, and the payment standard is approved depending on the performance achievement rate and the contribution in order to improve the performance of the Board of Directors and the entire team. The remuneration standards of other companies in the industry are also taken into account to ensure the remuneration to the management of the Company is competitive and thus retain outstanding management talents.

iv. Implementation of corporate governance

(i) Operations of the Board of Directors

The Board of Directors held 4 meetings in 2022. The attendance record of the directors and supervisors is listed below:

Position	Name	Number of attendance in person	Number of attendance by proxy	% of attendance in person	Remarks
Chairman	Creative Investment Co., Ltd. Representative: Huang Chiu-Yung	4	0	100	None
Vice Chairman	Huang Li-Lin	4	0	100	None
Director	Huang Tzu-Cheng	4	0	100	None
Corporate director	Fa La Li Investment Co., Ltd. Representative: Huang Tzu-Hsuan	4	0	100	None
Independent director	Chen Tai-Jan	4	0	100	None
Independent director	Huang Chin-Ming	4	0	100	None
Independent director	Hsu Wan-Lung	4	0	100	None
Other matters to be recorded:					

i. If any of the following is applicable to the operation of the Board, specify the date, the series of the session, the content of the motions, the opinions of the Independent Directors, and the response of the Company to the opinions of the Independent Directors:
   (i) Matters listed in Article 14-3 of the Securities and Exchange Act: The Company has established an audit committee. The provisions of Article 14-3 of the Securities and Exchange Act are not applicable.
   (ii) Any other documented objections or qualified opinions raised by the independent director against board resolution in relation to matters other than those described above: None.

ii. The implementation of directors' recusal of proposals for being interested parties:
For 2022 and as of the publication date of the annual report, there were no resolutions in which the directors of the Company have personal interests.

iii. iii. Evaluation of the Board of Directors:

Evaluation cycle	Evaluation period	Evaluation scope	Evaluation method	Evaluation scope and result
Once a year	2022.1.1-2022.12.31	Board of Directors Individual board member Functional committee	i. Self-evaluation of Board of Directors ii. Self-evaluation of directors iii. Self-evaluation of functional committees	■Evaluation scope: i. Self-evaluation of Board of Directors 1. Participation in the operation of the company. 2. Improvement of the quality of decision-making by the Board of Directors. 3. Composition and structure of the Board of Directors. 4. Election and continuing education of directors. 5. Internal control. ii. Self-evaluation of directors 1. Understanding the goals and mission of the Company. 2. Awareness of the duties of a director. 3. Participation in the operation of the company. 4. Management of internal relationship and communication. 5. The director's professionalism and continuing education; and 6. Internal control. iii. Self-evaluation of functional committees 1. Participation in the operation of the company. 2. Self-evaluation of functional committees. 3. Improvement in the quality of the committee's decision-making. 4. Composition and appointment of the committee members. 5. Internal control. ■Evaluation result: The Company finished the performance evaluation of the Board of Directors, directors, Remuneration Committee and Audit Committee in December 12, 2022. The results were reported to the Board of Directors held on March 14, 2023. All the evaluation results were "excellent" or above, indicating an overall outstanding operation of the units.

iv. Enhancements to the functionality of the board of directors in the current and the most recent year (e.g. establishment of an Audit Committee, improvement of information transparency etc.), and the progress of such enhancements:
   (i) Directors are encouraged to attend courses related to corporate governance, and in 2022, 7 directors studied for 45 hours.
   (ii) The Company has established an audit committee in 2017 to strengthen the functions of the board of directors.

(ii) Operation of the Audit Committee

The Audit Committee met four times in 2022, and the attendance of independent directors is as follows:

Position	Name	Number of attendance in person	Number of attendance by proxy	% of attendance in person	Remarks
Independent director	Chen Tai-Jan	4	0	100	None
Independent director	Huang Chin-Ming	4	0	100	None
Independent director	Hsu Wan-Lung	4	0	100	None

Other matters to be recorded:

i. If the operation of the Audit Committee is under any of the following circumstances, the date, period, proposal content, resolution of the Audit Committee and the Company's handling of the Audit Committee's opinions should be described:

(i) Matters listed in Article 14-5 of the Securities and Exchange Act:

Date:	Proposal content	Resolution and the Company's action on the opinions of the independent directors
2022.03.24	1. 2021 Business Report. 2. 2021 stand-alone and consolidated financial statements. 3. 2021 earnings distribution and payment of cash dividends. 4. 2021 Statement of Internal Control System.	1. Adopted as proposed and submitted to the Board of Directors for resolution. 2. The Company's handling of the Audit Committee's opinion: All directors present passed the motion without objection.
2022.05.12	1. Partial amendment of the "Procedure for Acquisition or Disposal of Assets" of the Company.	1. Adopted as proposed and submitted to the Board of Directors for resolution. 2. The Company's handling of the Audit Committee's opinion: All directors present passed the motion without objection.
2022.08.11	1. 2022 Q2 financial statements. 2. The Company plans to adjust the investment structure to optimize the tax system of the Group in consideration that the system of Controlled Foreign Company (CFC) of Profit-seeking Enterprises will be put into practice in 2023.	1. Adopted as proposed and submitted to the Board of Directors for resolution. 2. The Company's handling of the Audit Committee's opinion: All directors present passed the motion without objection.
2022.11.10	1. 2022 Q3 financial statements. 2. Establishment of 2023 annual internal audit plan. 3. Appointment of 2023 attesting CPA of the Company and professional fees. 4. Partial amendment of the "internal control system" and the "Rules for Implementation of the Internal Audit." 5. Borrowing from subsidiaries.	1. Adopted as proposed and submitted to the Board of Directors for resolution. 2. The Company's handling of the Audit Committee's opinion: All directors present passed the motion without objection.

(ii) Other than the foregoing, resolutions not approved by the Audit Committee and approved by two-thirds or more of all directors: None.

ii. The recusal of the independent directors from motions that involved a conflict of interest. Specify the names of the independent directors, the content of the motions, and reason for recusal, and the participation in voting: None.

iii. Communication between independent directors, internal audit officer and CPA (major matters, methods and results of communication on the Company's financial and business conditions, etc. should be included):

(i) The internal auditor and CPA may contact with independent directors whenever necessary. They can make smooth communication.

(ii) The independent directors receive an audit report every month and the audit officer reports important matters to them at the quarterly meeting. They have made full communication on the implementation of audit matters and its effectiveness.

(iii) Status of corporate governance, deviations from the Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies, and reasons for such deviations:

Items under evaluation	Status			Any nonconformity to the Corporate Governance Best Practice Principles for TSEC/GTSM Listed Companies, and reasons thereof:
	Yes	No	Summary description	
i. Has the Company formulated and disclosed its corporate governance practice principles in accordance with the "Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies"?	V		The Company has established "Corporate Governance Best Practice Principles" and disclosed them on the website of the Company.	No difference
ii. Equity structure and shareholders' equity (i) Whether the Company has defined some internal operating procedure to deal with suggestions, questions, disputes and legal actions from shareholders, and implemented the procedure? (ii) Whether the Company controls the list of major shareholders and the controlling parties of such shareholders? (iii) Whether the Company establishes or implements some risk control and firewall mechanisms between the Company and its affiliates? (iv) Does the Company set up internal norms to prohibit the insiders from utilizing the undisclosed information to trade securities?	V V V V		(i) The Company has an investor relations specialist dedicated to handling shareholders' proposals or disputes and will appoint legal counsel to assist when necessary. (ii) The Company's stock affairs are entrusted to a professional stock affairs agency. A person is assigned to understand the shareholder structure so that he/she can grasp the list of major shareholders and ultimate controllers of major shareholders who substantially control the Company. (iii) The Company has established management systems in accordance with relevant laws and regulations, such as the "Regulations Governing the Operation of Subsidiaries" and "Management of Related Party Transactions," to control the risks between the Company and its affiliated companies and to establish appropriate firewalls. (iv) The Company has an "Ethical Business Best Practice Principles," Article 14 of which explicitly prohibits insider trading and is disclosed on the website of the Company. Insiders are reminded, when necessary, not to trade the Company's stocks during the trading period to avoid violation of these Principles.	No difference

Items under evaluation	Status			Any nonconformity to the Corporate Governance Best Practice Principles for TSEC/GTSM Listed Companies, and reasons thereof:
	Yes	No	Summary description	
iii. The organization of the Board of Directors and its duties: (i) Has a policy of diversification and specific management objectives been established and implemented by the Board of Directors? (ii) Has the Company, in addition to setting up the Remuneration Committee and Audit Committee lawfully, had other functional committees set up voluntarily? (iii) Whether the Company has formulated board performance evaluation measures and methods, conducts performance evaluations annually and regularly, and reports the results of performance evaluations to the Board of Directors, and uses them as a reference for individual directors' remuneration and a nomination for reappointment? (iV) Does the Company have the independence of the public accountant evaluated regularly?	V V V	 V	(i) The Company has established "Corporate Governance Best Practice Principles " to govern the diversity of board members and has one female director on the board of directors. (ii) The Company has not yet established other types of functional committees, which will be evaluated in the future. (iii) The Company has evaluation regulations for the performance of the Board of Directors, conducts regular performance evaluation every year, submits the results to the Board of Directors, uses them as the basis for the nomination for re-election of individual directors. (iv) The Company evaluates the independence of the CPAs once a year. The evaluation results for the most recent year have been submitted to and approved by the Board of Directors on November 10, 2022. It has been evaluated that CPA Hsieh Ming-Chung and Liu Shu-Lin of Deloitte Touche Tohmatsu Limited appointed by the Company meet the Company's independence evaluation criteria (Note 1).	No material difference

Items under evaluation	Status			Any nonconformity to the Corporate Governance Best Practice Principles for TSEC/GTSM Listed Companies, and reasons thereof:
	Yes	No	Summary description	
iv. Does the Company as a listed enterprise have a suitable and appropriate number of corporate governance personnel and appoint a corporate governance officer to be responsible for corporate governance related matters (including but not limited to providing information necessary for directors and supervisors to perform their business, assisting directors and supervisors in complying with laws and regulations, conducting board meeting and shareholder meeting related matters in accordance with the law, handling company registration and alteration registration, and preparing minutes of board meetings and shareholder meetings, etc.)?	V		The Company has a corporate governance officer and investor relations and stock affairs departments responsible for corporate governance-related matters.	No difference
v. Has the Company established channels for communications with the stakeholders (including but not limiting to shareholders, employees, customers, and suppliers), and set up an area for stakeholders at the official website of the Company with proper response to the concerns of the stakeholders on issues related to corporate social responsibility?	V		The Company has a dedicated staff to act as a communication channel for the Company and to maintain a smooth communication channel with stakeholders through face-to-face communication, phone calls, letters or emails. It has set up a stakeholder area on the Company's website to keep track of relevant information to protect the legal and reasonable rights of both parties.	No difference
vi. Has the Company commissioned a professional share registration and investor service institution for providing services to shareholders?	V		The Company has appointed Taishin Securities' stock affairs agency department to handle the shareholders' meeting.	No difference

Items under evaluation	Status			Any nonconformity to the Corporate Governance Best Practice Principles for TSEC/GTSM Listed Companies, and reasons thereof:
	Yes	No	Summary description	
vii. Disclosure of information (i) Does the Company have a website setup and the financial business and corporate governance information disclosed? (ii) Whether there are other means for disclosure adopted by the Company (e.g. set up an English website, with the personnel dedicated to gathering and disclosing relevant information, properly implement the spokesman system, and post the meetings minutes with institutional investors on the Company website)? (iii) Does the Company publicly announce and file annual financial statements within two months after the end of the fiscal year? The financial statements for the first, second and third quarters and the monthly operating status before the prescribed deadline?	V V	V	(i) The Company has established a website (www.ichia.com) to regularly disclose information regarding the Company's finance, business and corporate governance. (ii) The Company has dedicated personnel responsible for the disclosure of information on the Market Observation Post System and the Company's website, the implementation of the spokesperson system, and the posting of presentations and video files of earnings call or corporate briefing in the investors' area of the Company's website in accordance with the regulations. (iii) The Company did not announce and report the annual financial statements within two months after the end of the fiscal year, but did announce and report the first, second and third quarter financial statements earlier than the prescribed deadline.	No material difference
viii. Other important information facilitating understanding of the functioning of corporate governance (including but not limited to the state of employees’ rights and interests, concern for employees, investor relations, vendor relations, rights of interested parties, continuing education of directors and supervisors, implementation of risk management policy and risk assessment criteria, implementation of customer policy, and liability insurance purchased by the Company for directors and supervisors)?	V V V V V		(i) Employee rights and benefits: The Company protects the rights and benefits of its employees in accordance with the Labor Standards Act (ii) Employee care: The Company has established an employee welfare committee; implemented labor insurance, health insurance, pension system, and employee stock Ownership trust; arranged regular health checkups and employee travels; attached importance to labor relations; and provided equal employment opportunities. (iii) Investor relations: The Company has dedicated investor relations personnel to handle shareholder proposals or disputes. (iv) Supplier relationships: The Company maintains good long-term cooperative relationships with its suppliers. (v) Rights of stakeholders: The Company has dedicated personnel to	No difference

Items under evaluation	Status			Any nonconformity to the Corporate Governance Best Practice Principles for TSEC/GTSM Listed Companies, and reasons thereof:
	Yes	No	Summary description	
			establish a smooth communication channel with stakeholders to protect the rights and interests of both parties.	
	V		(vi) Directors' and supervisors' continuing education: The number of hours of continuing education for the Company's directors and supervisors in 2022 complied with the requirements of the “Directions for the Implementation of Continuing Education for Directors and Supervisors of TWSE Listed and TPEx Listed Companies,” as described on the following page (Note 2).	
	V		(vii) Implementation of risk management policies and risk measurement standards: The Company establishes internal regulations and conducts various risk management and evaluation in accordance with the law.	
	V		(viii) Implementation of customer policies: The Company maintains good relationships with its customers, builds long-term mutual trust and cooperation, and creates company profits.	
	V		(ix) Liability insurance for directors and supervisors: The Company has taken out liability insurance for directors and supervisors.	
ix. Please provide information on the results of the corporate governance evaluation released by the Corporate Governance Center of the Taiwan Stock Exchange Corporation in the most recent year, and propose priorities and measures to enhance those that have not yet been improved: The Company conducts annual reviews of the low-scoring items in the corporate governance evaluation and plans to improve them. The transparency of disclosures on our website was improved significantly in 2022. We will continue improving ESG practices and effectiveness as the first priority.				

Note 1: CPA Independence Self-Evaluation Form

Items under evaluation	Evaluation of evaluation	Status of independence
1. Whether the CPA has an employment relationship with the Company?	No	Yes
2. Whether the CPA has held any position as a director, supervisor, managerial officer, or others with significant influence on the audit of the Company in the last two years?	No	Yes
3. Whether the CPA is related to a director, supervisor or managerial officer of the Company?	No	Yes
4. Whether the CPA has had dealings with the Company or the Company's person in charge in the form of financial loans?	No	Yes
5. Whether the accountant has an investment or financial interest-sharing relationship with the Company?	No	Yes
6. Whether the CPA has provided management consulting or other non-audit services to the Company that affects its independence?	No	Yes
7. Whether the CPA holds shares or other marketable securities of the Company?	No	Yes

Note 2: Directors' continuing education for 2022:

Position	Name	Date		Organizer	Name of Course	Hours
		From	To			
Chairman	Huang Chiu-Yung	2022.03. 22	2022.03. 22	Taiwan Corporate Governance Association	2030/2050 Net Zero Emissions - Challenges and Opportunities in Sustainability for Global Enterprises	3
		2022.06. 10	2022.06. 10	Securities and Futures Institute	2022 Insider Trading Prevention Conference	3
Vice Chairman	Huang Li-Lin	2022.10.25	2022.10.25	Taiwan Academy of Banking and Finance	Corporate Governance Lecture	3
		2022.10.26	2022.10.26	Securities and Futures Institute	2022 Insider Equity Transaction Compliance Conference	3
Director	Huang Tzu-Cheng	2022.03.10	2022.03.10	Taiwan Stock Exchange	Discussion on the Supervision of Independent Directors and BoD from the International Perspective	1
		2022.08.18	2022.08.18	Taiwan Institute of Directors	SAP NOW Taiwan - Joint Creation of Sustainable Intelligent Enterprises	3
		2022.10.14	2022.10.14	Securities and Futures Institute	2022 Insider Trading Prevention Conference	3
Director	Huang Tzu-Hsuan	2022.04.22	2022.04.22	Taiwan Institute for Sustainable Energy	Taishin 30 Sustainability and Net Zero Summit - Transform to Net Zero	3
		2022.10.19	2022.10.19	Securities and Futures Institute	2022 Insider Equity Transaction Compliance Conference	3
Independent director	Huang Chin-Ming	2022.06.22	2022.06.22	Taiwan Academy of Banking and Finance	Corporate Governance and Sustainable Operation Workshop	3
		2022.07.27	2022.07.27	Taiwan Stock Exchange	Roadmap for the Sustainable Development of Industries Conference	2
		2022.10.25	2022.10.25	Taiwan Academy of Banking and Finance	Corporate Governance Lecture	3
Independent director	Chen Tai-Jan	2022.08.05	2022.08.05	Securities and Futures Institute	The Risks and Opportunities of the Climate Change and Net Zero Emission Policy to the Business Operation of the Enterprises	3
		2022.10.19	2022.10.19	Securities and Futures Institute	2022 Insider Equity Transaction Compliance Conference	3
Independent director	Hsu Wan-Lung	2022.03.31	2022.03.31	Taiwan Institute for Sustainable Energy	The Power of Success - How to Assure Management and Protection of Trade Secrets	3
		2022.06.17	2022.06.17	Taiwan Institute for Sustainable Energy	Opportunities and Challenges for Corporate Sustainability in the Global Trends of Net Zero Emissions	3

(iv) Composition, duties and operation of the Remuneration Committee:

1. Composition of the Remuneration Committee

Member type / Name / Qualification		Professional qualifications and experiences	Independence	Number of public companies where the person holds the title as Remuneration Committee member
Independent director (Note 1)	Huang Chin-Ming	Please refer to page 8 "Professional qualifications of directors and independence of independent directors"		0
Independent director (Note 2)	Chen Tai-Jan			2
Independent director (Note 3)	Hsu Wan-Lung			0

Note 1. Independent Director Huang Chin-Ming is the convener of the Remuneration Committee. Please refer to the information on directors on page 7 for his identity.

Note 2. Please refer to the information on directors on page 6 for the identity of the Independent Director Chen Tai-Jan.

Note 3. Please refer to the information on directors on page 6 for the identity of the Independent Director Hsu Wan-Lung.

2. Duties of the Remuneration Committee

The Remuneration Committee's duties shall be to submit recommendations on the following matters to the Board of Directors for discussion in accordance with Article 4 of the Company's Remuneration Committee Charter.

(1) Stipulate and regularly review the compensation policies, systems, standards and structures, and performance of directors and managers.

(2)Regularly review and adjust directors' and managers' remuneration.

3. Information about operations of the Remuneration Committee

(1) The Company's Remuneration Committee consists of three (3) members.

(2) Current term of office: The term of office commences from June 12, 2020 until June 11, 2023. The Remuneration Committee held 4 meetings in 2022. Members' qualifications and attendance are as follows:

Position	Name	Actual attendance	Number of attendance by proxy	Actual attendance rate (%)	Remarks
Convener	Huang Chin-Ming	4	0	100	None
Committee member	Chen Tai-Jan	4	0	100	None
Committee member	Hsu Wan-Lung	4	0	100	None

(3) The Remuneration Committee's discussions and resolution resolutions:

Date:	Proposal content	Resolution and the Company’s action on the opinions of the independent directors
2022.3.24	Review of the 2021 remuneration distribution to directors and employees.	1. Adopted as proposed and submitted to the Board of Directors for resolution. 2. The Company’s action on the opinions of the Remuneration Committee: All directors present passed the motion without objection.
2022.05.12	Review of the employee stock ownership trust.	1. Adopted as proposed and submitted to the Board of Directors for resolution. 2. The Company’s action on the opinions of the Remuneration Committee: All directors present passed the motion without objection.
2022.08.11	Review of the 2021 remuneration distribution to managerial officers and employees	1. Adopted as proposed and submitted to the Board of Directors for resolution. 2. The Company’s action on the opinions of the Remuneration Committee: All directors present passed the motion without objection.
2022.11.10	Review of the scope of the monthly pay to new managerial officers and the amount of the payment	1. Adopted as proposed and submitted to the Board of Directors for resolution. 2. The Company’s action on the opinions of the Remuneration Committee: All directors present passed the motion without objection.

(4) Other matters to be recorded:

1. If the Board of Directors does not adopt, or amends, the Remuneration Committee’s suggestions, please specify the meeting date, term, contents of motion, resolution of the board of directors, and the Company's handling of the Remuneration Committee’s opinions: None
2. For resolution(s) made by the Remuneration Committee with the Committee members voicing opposing or qualified opinions on the record or in writing, please state the meeting date, term, contents of motion, opinions of all members and the Company's handling of the said opinions: None.

(V) Implementation status of sustainable development:

Implementation Item	Implementation status			Deviations from the Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies, and reasons for such deviations
	Yes	No	Summary description	
i. Does the Company have a governance structure that promotes sustainable development and have a special unit or designate an existing unit for the task of sustainable development promotion? Does the Board of Directors of the Company authorize the top management to handle relevant matters? How does the Board of Directors conduct supervision?	V		The concurrent "ESG Team" was set up in 2022. The CEP acts as the head of the Team and gathers the heads of different departments to serve as the team members to establish medium-term and long-term and sustainable development plans. The Team acts as a communication platform for vertical integration and horizontal connection. It identifies the sustainability issues that are critical to the business of the Company and concerns of the stakeholders. The Team develops strategies and work guidelines to address the issues, budgets for them, plans and implements annual programs, and follows up implementation effectiveness in order to ensure thorough implementation of the sustainable development in the routine operations of the Company. The implementation results of the sustainable development and the work plans for the coming year have been reported to the Board of Directors every quarter since 2022 Q2. The Board of Directors checks the progress of the strategies after hearing the report, and urges the Team to make adjustments if needed.	No difference
ii. ii. Does the Company conduct risk assessment on environmental, social and corporate governance issues related to the Company's operations in accordance with the materiality principle, and formulate relevant risk management policies or strategies	V		We have established the "Risk Assessment and Management Procedure". The responsible units identify, analyze, measure and monitor risks with reference to their business-related risk characteristics and the level of impact, and, when risk occurs, take response actions in accordance with the "Financial Risk Management Policy", "Emergency Preparation and Response Management Procedure", and "Information Security Risk Management Policy."	No difference

Implementation Item	Implementation status			Deviations from the Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies, and reasons for such deviations
	Yes	No	Summary description	
iii. Environmental Issues (i) Does the Company have an appropriate environmental management system established in accordance with the characteristics of the business?	V		The Company has passed the ISO 14001 Environmental Management Systems certification and established the "Environmental Management Policy" accordingly. We conduct environment-related management pursuant the Policy. In addition to the minimum standards required by laws, we are committed to the environmental protection to realize UN SDGs (Sustainable Development Goals) and the ESG spirit in favor of the environment and sustainability.	No difference
(ii) Is the Company committed to enhancing the utilization efficiency of resources and using renewable materials with low impact on the environment?	V		The Company is dedicated to designing and developing new green products of low pollution, such as development of the UV modification process for processing of silicon under direct illumination, removal of the ink spraying process that has more impact on the environment, and reduction of environment pollution, while improving the quality of the products. We also seek lead-free, halogen-free and conflict mineral-free environment-friendly raw materials, and use recyclable and easily degradable minimal packaging materials for shipment.	No difference
(iii) Does the Company assess the potential risks and opportunities of climate change to the Company now and in the future, and take related corresponding measures?	V		The Company started compiling the corporate sustainability report in 2022 and disclosed the impact of the climate change on the Company in the report pursuant to the TCFD framework.	No difference
(iv) Does the Company make statistics on greenhouse gas emissions, water consumption and the total weight of waste for the past two years and formulate policies for greenhouse gas reduction, water consumption reduction or other waste	V		The Company collected statistical data on greenhouse gas emissions, water consumption, and the weight of waste in 2021 and 2022, and disclosed them on our website and corporate sustainability report. In response to the current trends of the industry and the requirements of the public and private sections and the ISO 14001 management system, we started implementation of the ESG	No difference

Implementation Item	Implementation status			Deviations from the Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies, and reasons for such deviations
	Yes	No	Summary description	
management policies?			related products and plans in 2022, established emission reduction policies and procedures, and took implementation actions accordingly. Please visit our website or refer to the corporate sustainability report (to be released at the end of June 2023) for the information on relevant results.	
iv. iv. Social Issues (i) Does the Company have the relevant management policies and procedures stipulated in accordance with the relevant laws and regulations and international conventions on human rights?	V		The Company has established management policies and procedures in accordance with labor-related laws and regulations and international human rights conventions. It has integrated corporate citizenship principles into its internal management strategies, including corporate policies, management procedures, human resource development, internal reporting, etc. The Company adopts a two-way open communication approach to promote corporate policies and the understanding of employees' opinions.	No difference
(ii) Has the Company formulated and implemented reasonable employee welfare measures (including remuneration, vacation and other benefits, etc.), and appropriately reflected operating performance or results in employee remuneration?	V		The Company has established work rules and related personnel management regulations, which cover basic wages, working hours, leave, pension benefits, labor and health insurance benefits, and compensation for occupational accidents for workers employed by the Company in accordance with the Labor Standards Act. The Employee Benefits Committee has been established to handle welfare matters through the operation of an employee-elected welfare committee. The remuneration to employees is determined based on the individual's ability, contribution to the Company, and performance. It has positive correlation with the operating performance.	No difference
(iii) Does the Company provide employees with a safe and healthy work environment and regularly implement employee safety and health education	V		In addition to provision of the causes on occupational safety, the Company takes the necessary preventive equipment or measures to protect workers from occupational accidents. Training on occupational safety are arranged for	No difference

Implementation Item	Implementation status			Deviations from the Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies, and reasons for such deviations
	Yes	No	Summary description	
measures?			new employees; safety and health education and training needed for workers to finish their jobs and prevent accidents.	
(iv) Does the Company have an effective career capacity development training program established for the employees?	V		In addition to passing the TTQS Talent Quality Management System certification, the Company conducts year-end training surveys for the goals of the next year, compiles them into an annual training plan, and arranges employee training courses according to the annual training plan.	No difference
(v) Does the Company comply with relevant laws and regulations and international standards regarding customer health and safety, customer privacy, marketing and labeling of products and services, and establish relevant customer or customers rights protection policies and complaint procedures?	V		The Company has complied with laws and international standards with regards to the marketing and labeling of products and services.	No difference
(vi) Has the Company formulated supplier management policies requiring suppliers to follow relevant environmental protection regulations, occupational safety and health, or labor rights and monitor their implementation?	V		Before dealing with our suppliers, we will assess whether our suppliers have any environmental and social records and require them to sign a social responsibility pledge to ensure compliance with our corporate social responsibility policy.	No difference
v. Does the Company use internationally accepted standards or guidelines for preparation of reports as a reference for preparing corporate sustainability reports and other reports disclosing	V		The Company prepared the corporate sustainability report pursuant to the standards or guidelines. The Company has set up an ESG section on its website and disclosed the actual implementation status on our website and the Market Observation Post System. The 2021 and 2022 corporate sustainability reports	No difference

Implementation Item	Implementation status			Deviations from the Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies, and reasons for such deviations
	Yes	No	Summary description	
non-financial information of the Company? Has the assurance or opinion been obtained from a third-party certifying institution for the reports of the preceding paragraph?			are disclosed in 2023; assurance will be obtained from a third-party certifying institution for the 2023 corporate sustainability report.	
vi. In the event that the Company has established sustainable development best practice principles in accordance with the “Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies”, please describe the deviations between the implementation and the established principles. The Company has established sustainable development best practice principles. Their implementation conforms to the sustainable development required for TWSE/TPEx listed companies.				
vii. Other information that enables a better understanding of the Company’s promotion of sustainable development: (i) Environmental protection and safety and health: Comply with domestic environmental protection and safety and health-related laws and regulations, meet the requirements of the government and customers on the banned substances of the products delivered, and strive to save energy, industrial waste reduction, pollution prevention and comprehensive risk assessment to effectively reduce safety and health risks to achieve the goal of continuous improvement. (ii) Community involvement, social contribution, social service and social welfare: We organized beach clean-up and tribe loving activities in 2022 including care for the environment and communities. We also sponsored LPGA professional golfers to cultivate international spots talents. (iii) Consumer rights: Comply with fair trade, no exaggerated and untrue marketing, abide by the business philosophy of honesty and integrity, and provide the highest quality and service to our customers. (iv) Human Rights: We will not recruit or employ child labor as defined by the laws of each country; we will not force employees to work; we will prohibit any violence or discrimination; we will provide employees with a physically and mentally healthy and safe working environment, and we will protect the rights and interests of employees.				

(vi) Implementation of corporate ethical management and measures taken:

Assessment item	Implementation status			Any nonconformity to the Ethical Business Best Practice Principles for TSEC/GTSM Listed Companies, and reasons thereof:
	Yes	No	Summary description	
i. Establish ethical business policies and programs				
(i) Has the Company established an ethical corporate management policy approved by the Board of Directors and stated in its Articles of Incorporation or external correspondence about the policies and practices it has to maintain ethical management? Are the board of directors and the management committed to fulfilling this commitment?	V		(i) The Company has established Ethical Business Best Practice Principles and adheres to the management philosophy of honesty and integrity.	No difference
(ii) Whether the Company has established a mechanism for evaluating the risk of unethical conduct, regularly analyzes and evaluates the activities in the scope of business with a higher risk of unethical conduct. Based on this, it has formulated a plan to prevent unethical conduct, which covers at least the preventive measures for the conduct set out in Paragraph 2 of Article 7 of the “Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies"?	V		(ii) The precautionary measures are clearly defined in the Company's Ethical Business Best Practice Principles.	
(iii) Whether the Company has specified operating procedures, conduct guidelines, and disciplinary and complaint systems for violations in the plan to prevent unethical conduct and implemented the plan as well as regularly reviews and amends it?	V		(iii) The precautionary measures are clearly defined in the Company's Ethical Business Best Practice Principles.	
ii. The implementation of ethical corporate management				
(i) Does the Company evaluate the integrity of all counterparts it has business relationships with? Are there any ethical management clauses in the agreements it signs with business partners?	V		(i) Before working with any counterparties, we will evaluate their ethical records and set up a letter of commitment to operating in ethical ways, requiring them to comply with each country's laws and regulations and our internal regulations and not to have improper interests.	No difference

Assessment item	Implementation status			Any nonconformity to the Ethical Business Best Practice Principles for TSEC/GTSM Listed Companies, and reasons thereof:
	Yes	No	Summary description	
(ii) Does the Company have a dedicated unit under the Board of Directors to promote ethical corporate management and regularly report (at least once a year) to the Board of Directors on its ethical management policy and plan to prevent unethical conduct and monitor their implementation? (iii) Does the Company have developed policies to prevent conflicts of interest, provided an adequate channel for communication, and substantiated the policies? (iv) Whether the Company has established an effective accounting system and internal control system for the implementation of ethical corporate management, and the internal audit unit draws up relevant audit plans based on the evaluation results of risk of unethical conduct and audits the compliance of the plan to prevent unethical conduct or entrusts a CPA to perform the audit? (v) Does the Company organize internal or external training on a regular basis to maintain ethical management?	V V V V		(ii) The Board of Directors, the Chairman's Office, and the Finance and Accounting Division are the functional units that promote and implement the Company's ethical corporate management. (iii) Article 6 of the Company's Code of Ethical Conduct and affidavit for Employees states that employees shall avoid any situation that may cause a conflict between their personal interests and those of the Company. (iv) The Company has established an effective accounting system and internal control system, and the internal auditors regularly review the compliance of the above-mentioned system. (v) We arrange education and training on corporation culture for new employees during the induction training to make sure our corporate culture of “Integrity & Honesty, Dedication, Innovation, and Achievement” are the values of the employees. Then, the Company regularly promotes the ethical corporate management policy to our employees and integrates it in the internal education and training programs.	
iii. The operations of the Company's whistleblower reporting system (i) Has the Company set up a specific whistleblower reporting and reward system and a convenient reporting channel and designated appropriate personnel to deal with the reported matters?	V		(i) The Company has established Ethical Business Best Practice Principles, and has set up a stakeholder complaint mailbox with a dedicated department to establish a good and convenient reporting channel.	No difference

<table>
<tr><td rowspan="2">Assessment item</td><td colspan="3">Implementation status</td><td rowspan="2">Any nonconformity to the Ethical Business Best Practice Principles for TSEC/GTSM Listed Companies, and reasons thereof:</td></tr>
<tr><td>Yes</td><td>No</td><td>Summary description</td></tr>
<tr><td>(ii) Has the Company formulated standard operating procedures to investigate the reported matters, follow-up measures to be taken after the completion of the investigation, and the relevant confidentiality mechanisms?
(iii) Whether the Company takes measures to protect whistleblowers from being improperly handled due to reporting?</td><td>V

V</td><td></td><td>(ii) The Company has a dedicated unit to receive reports and complaints, and the identity of the person making the report and the content of the report are kept confidential.
(iii) The Company shall take appropriate protection and confidentiality for the whistleblower and shall not suffer improper disposal due to the whistleblower.</td><td></td></tr>
<tr><td>iv. Strengthening information disclosure
Has the Company disclosed its ethical management principles and progress onto its website and Market Observation Post System (MOPS)?</td><td>V</td><td></td><td>The Company's website and Market Observation Post System (MOPS) have disclosed the ethical management principles.</td><td>No difference</td></tr>
<tr><td colspan="5">v. If the Company has established ethical corporate management best practice principles in accordance with the "Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies," please describe the deviations between the implementation and the established principles:
The Company has established the Ethical Corporate Management Best Practice Principles and its actual implementation is in compliance with the "Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies" with no material differences.</td></tr>
<tr><td colspan="5">vi. Other important information that is helpful to understand the implementation of ethical corporate management: None.</td></tr>
</table>

(vii) If the Company has formulated the "Corporate Governance Practice Principles" and related rules, it shall disclose its inquiry methods: The Company has disclosed the relevant principles on the Market Observation Post System.

(viii) Other important information that is helpful to understand the Company's implementation of corporate governance may also be disclosed: Please refer to the following schedule for the corporate governance-related courses attended by the Company's senior executives during 2022.

Position	Name	Date	Institute	Name of Course	Hours
Corporate governance officer	Huang Yen-Hsiang	2022.10.26-2022.12.16	Securities and Futures Institute	2022 Insider Equity Transaction Compliance Conference	15
			Internal Audit Association	The Latest Corporate Governance Trends in Taiwan and Analysis of the Implementation in the Actual Control Environment	
			Taiwan Corporate Governance Association	Case Study of Merger and Acquisition Practices	
			Taiwan Corporate Governance Association	he Related Party and Non-arm's Length Transactions in the Practices	
Accounting officer	Cheng Ching-Yi	2022.11.17-2022.11.18	Accounting Research and Development Foundation	Continuing Education Program for the Accounting Managers of Issuers, Securities Firms and Securities Exchanges	12
Audit officer	Chang Hsin-Yi	2022.02.15	Internal Audit Association	Practices in Use of Excel Functions to Improve Audit and Financial Efficiency	6
		2022.07.12	Securities Futures Institute	Audit of Legal Compliance for Nine Major Cycles of Operations	6

(ix) Implementation of the internal control system:

1. Internal Control statement:

ICHIA TECHNOLOGIES INC.
Statement of International Control System

Date: March 14, 2023

Based on the result of self-assessment of Xin Chio Global’s internal control system in 2022, we hereby declare the following:

1. The Company is fully aware that the Board of Directors and the management are responsible for establishing, implementing, and maintaining the internal control system and it is established accordingly. The purpose of this system is to provide reasonable assurance in terms of the effectiveness and efficiency of operations (including profitability, performance and asset security etc), reliable, timely and transparent reporting, and compliance with relevant laws and regulations.
2. The internal control system is designed with inherent limitations. No matter how perfect the internal control system is, it can only provide reasonable assurance to the fulfillment of the three objectives referred to above. Moreover, the internal control system's effectiveness could be affected by the changes in the environment and circumstances. The Company's internal control system is designed with a self-monitoring mechanism; therefore, corrective actions will be activated upon identifying any nonconformity.
3. The Company has assessed the effectiveness of the internal control system design and implementation in accordance with the criteria provided in the “Regulations Governing the Establishment of Internal Control Systems by Public Companies” (hereinafter referred to as “the Regulations”). The criteria defined in “the Regulations” include five elements depending on the management control process: (1) environment control, (2) risk assessment, (3) control process, (4) information and communication, and (5) supervision. Each of the five elements is then divided into a sub-category. Please refer to “the Regulations” for details.
4. The Company has implemented the internal control system's criteria referred to above to inspect the effectiveness of internal control system design and implementation.
5. Based on the result of the assessment, the Company finally determined the effectiveness of the design and implementation of our internal control system until December 31, 2022 (including supervision and management of subsidiaries) regarding the effectiveness and efficiency of operations, the reliability, promptness, and transparency of reports and compliance with relevant laws and regulations. This system provided reasonable assurance that the above objectives have been achieved.
6. The Statement of Internal Control System is the main content of the Company’s annual report and prospectus published. Any false and concealment of the published contents referred to above involve the liability illustrated in Article 20, Article 32, Article 171, and Article 174 of the Securities and Exchange Act.
7. The Statement of Internal Control System was resolved at the Board meeting with the objection of 0 board directors out of the 7 attending board directors on March 14, 2023. The contents of the statement have been accepted without objection.

ICHIA TECHNOLOGIES INC.
Chairman: Creative Investment Co., Ltd.
Representative: Huang Chiu-Yung

General manager: Tseng Kung-Sheng

2. The internal control audit report issued by the CPA commissioned to conduct an internal control audit if any: None.

(x) In the most recent year and up to the publication date of the annual report, the punishments received by the Company and its internal personnel in accordance with laws, or the punishments imposed on the internal personnel violating internal control system regulations, material deficiencies and improvements by the Company: None.

(xi) Major resolutions of the Board and the shareholders' meetings in the most recent year and up to the publication date of the annual report:

1. Important resolution made by the shareholders' meeting

Meeting date	Summary of major motions	Resolution	Implementation status
2022.6.16	1. 2021 business report, stand-alone and consolidated financial statements	The number of voting rights of shareholders present at the time of voting was 166,142,641, and the number of voting rights in favor of the proposal was 154,817,803, representing 93.18% of the total number of voting rights. The proposal was approved as originally proposed after voting.	The relevant reports have been reported to the competent authorities and publicly announced in accordance with the law.
	2. 2021 earnings distribution proposal	The number of voting rights of shareholders present at the time of voting was 166,142,641, and the number of voting rights in favor of the proposal was 155,059,963, representing 93.32% of the total number of voting rights. The proposal was approved as originally proposed after voting.	July 29, 2022 was set as the record date. The payment was fully made on August 26, 2022 according to the resolution of the shareholders' meeting. (Cash dividend per share at NT$0.5)
	3. Amendment to the "Procedure for Acquisition or Disposal of Assets" of the Company.	The number of voting rights of shareholders present at the time of voting was 166,142,641, and the number of voting rights in favor of the proposal was 155,059,526, representing 93.32% of the total number of voting rights. The proposal was approved as originally proposed after voting.	The latest "Procedure for Acquisition or Disposal of Assets" has been announced on our website and the new procedure is applicable subsequently.

2. Important resolution made by the Board of Directors

Meeting date	Important resolution
2022.3.24	1.Establishment of the 2022 Business Plan. 2.Establishment of the 2022 budget. 3.2021 Business Report. 4.2021 Financial statements. 5.2021 earnings distribution and payment of cash dividends. 6.2021 remuneration distribution to directors and employees. 7.2021 Statement of Internal Control System. 8.Partial amendment of the "Procedure for Acquisition or Disposal of Assets."

	9.Partial amendment of the “Corporate Governance Best Practice Principles” 10.Determination of the date, location and proposal raising period for the 2022 regular shareholders’ meeting. 11.Determination of the agenda for 2022 shareholders’ meeting. 12.Bank credit facility applications.
2022.5.12	1.Establishment of the employee stock ownership trust. 2.Bank credit facility applications.
2022.8.11	1. 2022 Q2 financial statements. 2.Adjustment of investment structure 3.Borrowing from subsidiaries 4.Bank credit facility applications.
2022.11.10	1.2022 Q3 financial statements. 2.Development of the 2023 internal audit plan. 3.Assessment of CPA’s independence 4.Appointment of 2023 attesting CPA and professional fees. 5.Partial amendment of the “internal control system” and the “Rules for Implementation of the Internal Audit Proposal.” 6.Borrowing from subsidiaries 7.Bank credit facility applications.

(xii) Recorded or written statements made by any director or supervisor which specified dissent to important resolutions passed by the Board of Directors during the most recent year and up to the date of publication of this annual report: As for the employee stock ownership trust discussed on May 12, 2022, Independent Director Huang Chin-Ming suggested that the disposition of the remaining stock inventory units purchased should be added to Article 7 of the “Regulations Governing the Management of Employee Stock Ownership Trust.” The regulations governing the seniority ratio for earlier return of employee’s accumulated shareholding were added after the meeting and submitted to the Remuneration Committee for review and approval. They will be also submitted to the Remuneration Committee and Board of Directors of the next term.

(xiii) The resignation or dismissal of the Company’s Chairman, General Manager, accounting officer, finance officer, internal audit officer and R&D officer in the most recent year and up to the publication date of the annual report: Deputy General Manager Chen Kuan-Hsien left office on April 14, 2023, which was reported as dismissal of an insider on the same day.

v. Information on CPA’s Professional Fees

(i) Disclosure of the amount of the audit and non-audit fees paid to CPAs, their firm and any of its affiliates, and the details of the non-audit services:

Amount Unit: NTD thousands

Firm Name	CPA Name	Duration of Audit	Audit Fee	Non-Audit Fee	Total	Remarks
Deloitte Touche Tohmatsu Limited	Hsieh Ming-Chung	2022.01.01 – 2022.12.31.	2,700	430	3,130	Non-audit fee: Including auditing and attestation fees for transfer pricing report, non-executive full-time employee information review and direct deduction method for business tax
	Liu Shu-Lin					

1. In the event that the accounting firm has been changed and that the amount of audit professional fees paid during the year when the change occurs is lower than that paid during the previous year, the amounts before and after the change and the reasons must be disclosed: N/A
2. In the event the amount of audit professional fees is reduced by at least 10% in comparison with the previous year, the amount, percentage and reasons of the reduction must be disclosed: N/A.

vi. Information on the Replacement of CPA:

(i) Predecessor CPA:

<table>
<tr><td>Date of change</td><td colspan="3">Approved by the Board of Directors on March 18, 2020</td></tr>
<tr><td>Reason for replacement and explanation</td><td colspan="3">In order to cooperate with the internal adjustment needs of Deloitte Touche Tohmatsu Limited, since the first quarter of 2020, the company’s attesting CPA has been replaced from CPA Lin Yi-Hui and Chih Jui-Chuan to accountants Hsieh Ming-Chung and Liu Shu-Lin.</td></tr>
<tr><td rowspan="3">Indicate whether the appointment is terminated or not accepted by the client or CPA</td><td>Principals
Situation</td><td>Certified Public Accountant</td><td>Client</td></tr>
<tr><td>Proactively terminated the appointment</td><td>N/A</td><td>N/A</td></tr>
<tr><td>Not accepted (continued) the appointment</td><td>N/A</td><td>N/A</td></tr>
<tr><td>Opinions on audit reports issued within the last two years without qualification and reasons</td><td colspan="3">None</td></tr>
<tr><td rowspan="7">Any disagreement with the issuer</td><td rowspan="5">Yes</td><td></td><td>Accounting Principles or Practices</td></tr>
<tr><td></td><td>Disclosure of Financial Reports</td></tr>
<tr><td></td><td>Audit scope and procedures</td></tr>
<tr><td></td><td>Others</td></tr>
<tr><td></td><td></td></tr>
<tr><td>None</td><td colspan="2">V</td></tr>
<tr><td colspan="3">Description: Not applicable</td></tr>
<tr><td>Other disclosure
(To be disclosed in accordance with Article 10(6)(1)(d) to (1)(g) of the Regulations Governing Information to be Published in Annual Reports of Public Companies)</td><td colspan="3">N/A</td></tr>
</table>

(ii) Successor CPA:

CPA Firm	Deloitte Touche Tohmatsu Limited
CPA Name	Hsieh Ming-Chung, Liu Shu-Lin
Date of appointment	Approved by the Board of Directors on March 18, 2020
Matters and results of the consultation on the accounting treatment or accounting principles for specific transactions and the possible issuance of financial statements prior to the appointment	None
Written opinion of the succeeding CPA on the matters regarding which the former CPA has expressed dissent	None

(iii) The former CPA's written response to the matters in Article 10(6)(1) and (2)(c) of the Regulations.: None.

vii. Circumstances where the Chairman, General Manager, and Managerial Officer in charge of finance or accounting of the Company has in the most recent year held a position at the CPA firm or any of its affiliated companies: None.

viii. Any transfer of shares and pledge of or change in equity by a director, supervisor, managerial officer, or shareholder holding more than 10 percent of the shares in the most recent year and up to the publication date of the annual report

(i) Changes in equity by directors, supervisors, managerial officers, or shareholders holding more than 10 percent of the shares

Unit: share

Position	Name	2022		As of April 22, 2023	
		Increase (Decrease) in number of shares held	Increase (Decrease) in number of shares pledged	Increase (Decrease) in number of shares held	Increase (Decrease) in number of shares pledged
Chairman	Creative Investment Co., Ltd.	500,000	0	0	0
Representative of Chairman	Huang Chiu-Yung	0	0	0	0
Vice Chairman	Huang Li-Lin	0	0	0	0
Director	Huang Tzu-Cheng	0	0	0	0
Director	Fa La Li Investment Co., Ltd.	721,000	0	0	0
Representative of corporate director	Huang Tzu-Hsuan	0	0	0	0
General Manager	Tseng Kung-Sheng	200,000	0	0	0
Deputy general manager	Wu Feng-Hsin	20,000	0	0	0
Deputy general manager	Huang Chin-Yuan	0	0	0	0
Deputy general manager	Liao Wen-Hua	0	0	0	0
Major shareholders	Huang Chiu-Yung	0	0	0	0
Independent director	Chen Tai-Jan	0	0	0	0
Independent director	Huang Chin-Ming	0	0	0	0
Independent director	Hsu Wan-Lung	0	0	0	0
Finance officer	Huang Yen-Hsiang	0	0	0	0
Accounting officer	Cheng Ching-Yi	0	0	0	0

(ii) Information on the transfer of shares:None.

(iii) Information on pledge of shares:

Name	Reason of pledge and change	Date of change	Counterparty	Relationship between the counterparty and the Company, directors, supervisors and shareholders holding more than 10 percent of the shares	Number of shares	Shareholding Percentage	Pledge ratio	Pledge (redemption) amount
Creative Investment Co., Ltd.	Pledge	2021.02.18	Zhongshan Branch of Mega International Commercial Bank	None	4,200,000	6.14%	1.37%	NT$30 million
Fa La Li Investment Co., Ltd.	Pledge	2021.02.18	Zhongshan Branch of Mega International Commercial Bank	None	4,200,000	6.14%	1.37%	NT$$30 million

ix. Information on the relationship among the top 10 shareholders if anyone is a related party, a spouse or a relative within second degree of kinship of another

Name	Own shareholding		Current Shares Held by Spouse and Children of Minor Age		Total shareholding Under the Name of A Third Party		The names and relationships of the top ten shareholders who are related to each other under SFAS No. 6 or who are related to each other as spouses or relatives within second degree of kinship		Remarks
	Number of shares	Shareholding percentage	Number of shares	Shareholding percentage	Number of shares	Shareholding percentage	Name	Relationship	
Fa La Li Investment Co., Ltd.	19,098,481	6.21%	0	0.00%	0	0.00%	Creative Investment Co., Ltd.	Chairman same	None
Representative: Huang Chiu-Yung	10,913,486	3.55%	3,180,790	1.03%	38,669,763	12.57%	Huang Tzu-Ray、Huang Tzu-Hsuan	Father and son	None
Creative Investment Co., Ltd.	18,872,480	6.14%	0	0.00%	0	0.00%	Fa La Li Investment Co., Ltd.	Chairman same	None
Representative: Huang Chiu-Yung	10,913,486	3.55%	3,180,790	1.03%	38,669,763	12.57%	Huang Tzu-Ray、Huang Tzu-Hsuan	Father and son	None
Huang Chiu-Yung	10,913,486	3.55%	3,180,790	1.03%	38,669,763	12.57%	Huang Tzu-Ray、Huang Tzu-Hsuan	Father and son	None
J.P. Morgan Securities PLC	5,689,993	1.85%	0	0.00%	0	0.00%	None	None	None
Citi (Taiwan) Commercial Bank is entrusted with the custody of the investment account of Polunin Emerging Markets Fund, Inc.	5,320,573	1.73%	0	0.00%	0	0.00%	None	None	None
Investment account of Japan Securities Finance Co., Ltd. managed by JPMorgan Chase Bank Taipei branch	4,755,000	1.55%	0	0.00%	0	0.00%	None	None	None
Huang Li-Lin	4,707,083	1.53%	2,513,994	0.82%	0	0.00%	None	None	None

Huang Tzu-Ray	4,507,406	1.47%	0	0.00%	0	0.00%	Huang Chiu-Yung Huang Tzu-Hsuan	Father Brother	None
Huang Tzu-Hsuan	4,422,896	1.44%	0	0.00%	0	0.00%	Huang Chiu-Yung Huang Tzu-Ray	Father Brother	None
Xu Wei-Hsiang	3,933,000	1.28%	0	0.00%	0	0.00%	None	None	None

x. The number of shares held by the Company and the Company's directors, managerial officers, and the number of shares invested in a single company held by the entities directly or indirectly controlled by the Company and calculating the consolidated shareholding percentage of the above categories.

All of the Company's investees are 100% owned by the Company or by companies directly and wholly owned by the Company (see "Organization Chart of Affiliates"), so none of the Company's directors and managers hold shares in the investees.

IV. Capital Raising

i. Capital and shares

(i) Source of Capital Stock

1. Source of Capital Stock

April 22, 2023; Unit: NTD Thousand/thousand shares

Year/ Month	Issue price (TWD Dollar)	Authorized capital		Paid-in capital		Remarks		
		Number of shares	Amount	Number of shares	Amount	Source of Capital Stock	Using property other than cash as payment of shares	Others (Approval date and document number)
2018.8	10	420,000	4,200,000	325,650	3,256,505	Capital reduction by treasury stock of $100,000,000	None	Jing-Shou-Shang-Tzu No. 10701104780 on August 17, 2018
2018.12	10	420,000	4,200,000	317,267	3,172,675	Capital reduction by treasury stock of NT$83,830,000	None	Jing-Shou-Shang-Tzu No. 10701146090 on December 4, 2018
108.4	10	420,000	4,200,000	307,536	3,075,366	Capital reduction by treasury stock of NT$97,310,000	None	Jing-Shou-Shang-Tzu No. 10801037270 on April 8, 2019
2020.7	10	600,000	6,000,000	307,536	3,075,366	None	None	Jing-Shou-Shang-Tzu No. 10901113430 on July 8, 2020

2. Type of share

April 22, 2023 Unit: Share

Type of share	Authorized capital			Remarks
	Outstanding shares	Unissued shares	Total	
Common share	307,536,533 (Including 10,000,000 shares of treasury stock)	292,463,467	600,000,000	Listed on TWSE

3.Information on shelf registration system: None.

(ii) Composition of shareholders

April 22, 2023

Composition of shareholders / Quantity	Government Agency	Financial institution	Other Juristic Persons	Individual	Foreign Institution or Foreigner	Total
Shareholders	0	15	161	46,047	113	46,336
Shareholding	0	4,113,147	49,371,809	208,697,993	45,353,584	307,536,533
Shareholding Percentage	0.00%	1.34%	16.05%	67.86%	14.75%	100.00%

(iii) Diversification of equity

1. Common stock ($10 per share)

April 22, 2023

Shareholding range	Number of Shareholders	Shareholding	Shareholding Percentage
1 to 999	20,363	1,303,781	0.42%
1,000 to 5,000	20,226	41,881,539	13.62%
5,001 to 10,000	3,104	25,811,284	8.39%
10,001 to 15,000	766	9,872,712	3.21%
15,001 to 20,000	619	11,717,986	3.81%
20,001 to 30,000	454	12,023,217	3.91%
30,001 to 40,000	190	6,977,798	2.27%
40,001 to 50,000	145	6,854,207	2.23%
50,001 to 100,000	256	19,193,865	6.24%
100,001 to 200,000	104	14,822,722	4.82%
200,001 to 400,000	53	14,933,164	4.86%
400,001 to 600,000	20	10,113,895	3.29%
600,001 to 800,000	8	5,620,035	1.83%
800,001 to 1,000,000	2	1,852,031	0.60%
More than 1,000,001	26	124,558,297	40.50%
Total	46,336	307,536,533	100.00%

2. Preference share: None.

(iv) Roster of Major Shareholders

Name of Major Shareholder \ Share	Shareholding	Shareholding Percentage
Fa La Li Investment Co., Ltd.	19,098,481	6.21%
Creative Investment Co., Ltd.	18,872,480	6.14%
Huang Chiu-Yung	10,913,486	3.55%
J.P. Morgan Securities PLC	5,689,993	1.85%
Citi (Taiwan) Commercial Bank is entrusted with the custody of the investment account of Polunin Emerging Markets Fund, Inc.	5,320,573	1.73%
Investment account of Japan Securities Finance Co., Ltd. managed by JPMorgan Chase Bank Taipei branch	4,755,000	1.55%
Huang Li-Lin	4,707,083	1.53%
Huang Tzu-Ray	4,507,406	1.47%
Huang Tzu-Hsuan	4,422,896	1.44%
Xu Wei-Hsiang	3,933,000	1.28%

(v) Information on market value, net value, earnings and dividends per share in the most recent two years

Item \ Year			2021	2022	As of April 22 2023 (Note 8)
Market price per share (NT$) (Note 1)	Highest		23.00	20.5	30.75
	Lowest		14.20	13.9	17.35
	Average		17.63	16.42	22.51
Net worth per share (NT$) (Note 2)	Before distribution		19.27	20.41	19.59
	After distribution		18.77	19.41	-
Earnings per share (NT$)	Weighted-average number of shares (thousand shares)		297,536	297,536	297,536
	Earnings per share (Note 3)		0.75	1.2	-
Dividends per share (NT$)	Cash dividends		0.5	1	-
	Stock dividends	Stock dividends from earnings	0	0	-
		stock dividends from capital surplus	0	0	-
	Cumulative unpaid dividend (Note 4)		0.5	1	-
Return on investment analysis	Price to earning ratio (Note 5)		23.51	13.68	-
	Price to dividend ratio (Note 6)		35.26	16.42	-
	Cash dividend yield (Note 7)		2.84%	6.09%	-

* In the event retained earnings or capital surplus is used for stock dividends to increase capital, Information on market price and cash dividends adjusted retrospectively based on the number of shares issued should be disclosed.

Note 1: List the highest and lowest market prices of each year and calculate the average market price of each year based on each year's transaction value and volume.

Note 2: Please fill it in based on the number of shares issued by the end of the year and the proposed distribution to be resolved at next year's shareholder meeting.

Note 3: If there is a retroactive adjustment due to circumstances such as stock dividend, etc., earnings per share before and after the adjustment should be shown.

Note 4: If the terms of issuance of equity securities provide that the current year's unpaid dividends may be accumulated till the year when there are earnings, the accumulated unpaid dividends till the current year should be disclosed separately.

Note 5: Price to earning ratio = average closing price per share for the year/earnings per share.

Note 6: Price to dividend ratio = average closing price per share for the year/cash dividend per share.
Note 7: Cash dividend yield = dividend per share/average closing price per share for the year
Note 8: Please identify the net value per share and EPS available in the latest quarterly financial information audited (reviewed) by the independent auditor before the date of publication of the annual report and the information available until the date of publication of the annual report in the other sections.

(vi) Dividend Policy and the Status of Implementation

1. The dividend policy defined by the Articles of Incorporation

The Board of Directors determines the Company's dividend policy in accordance with the business plan, investment plan, capital budget and changes in the internal and external environment. The Company may distribute all or part of the distributable earnings for the year based on financial, business and operational considerations. The distribution of earnings may be made in the form of cash or stock dividends, with the percentage of cash dividends distributed being no less than 30% of the total dividends distributed in the year. However, if the shareholders' total dividend is less than NT$0.50 per share, the entire amount may be distributed in the form of stock dividends.

2. Distribution of dividends proposed at the shareholders' meeting

The proposed distribution of earnings for 2022 was approved by the board of directors on March 14, 2023 and proposed distributing cash dividends of NT$297,536,533 to shareholders and NT$1.0 per share in cash.

(vii) The effect of stock dividend as proposed in this General Meeting on the operation performance and earnings per share of the Company: N/A.

(viii) Employees’ Remuneration and Directors' Remuneration.

1. Proportion or scope of remuneration to employees and directors as stated in the Articles of Incorporation:

The Company shall set aside not less than 1% of its annual net profits before tax before employees' and directors' remuneration as employees' remuneration and not more than 3% as directors' remuneration, which shall be distributed by resolution of the board of directors and reported to the stockholders' meeting. However, if the Company still has accumulated losses (including the amount of adjustment to undistributed earnings), it should retain the loss make-up amount in advance. When the above-mentioned employees are paid in stock or cash, the recipients of the payment may include employees of the subordinate companies who meet certain criteria.

2.The accounting in the case of deviation from the basis for stating remuneration to employees and directors, the basis for calculating the quantity of stock dividends to be allocated, and the actual allocation:

In accordance with the Company's Articles of Incorporation, the Company appropriates no less than 1% and no more than 3% of the net profits before tax to employees' and directors' remuneration, respectively, for the year before the distribution of employees' and directors' remuneration. If there is a change in the amount of the financial statements after the date of its issuance, the amount is adjusted in the following year in accordance with the rules related to changes in accounting estimates.

3. Distribution of remuneration approved by the Board of Directors: For the 2022 remuneration

distribution, the Board of Directors approved NT$12,400,000 for employees and NT$6,600,000 for directors on March 14, 2023, all of which was paid in cash.

4. Actual payment of employees'/directors'/supervisors' remuneration for the previous year (including the number of shares allocated, the sum of cash paid, and the price at which shares were issued), and any differences from the figures estimated (explain the amount, the cause, and treatment of such discrepancies).

Unit: NTD

Item	2021 (paid in 2022)			
	Proposed payment approved by the Board of Directors	Actual payment	Difference	Handling situations
Employee bonus	6,000,000	6,000,000	0	The payment was fully made in 2022
Remuneration to directors	5,000,000	5,000,000	0	The payment was fully made in 2022

(ix) Repurchase of the Company's shares:

Repurchase term	1st in 2015	2nd in 2015	1st in 2016	1st in 2020
Purpose for repurchase	Transfer of shares to employees	Transfer of shares to employees	Transfer of shares to employees	Transfer of shares to employees
Repurchase period:	2015/6/11-2015/8/10	2015/8/26-2015/10/25	2016/1/15-2016/3/14	2020/7/28-2020/9/25
Estimated repurchase price range	NT$20-30	NT$10-20	NT$12-18	NT$12-18
Type and number of shares actually repurchased	Common stock/10,000,000 shares	Common stock/8,383,000 shares	Common stock/9,731,000 shares	Common stock/10,000,000 shares
Actual amount of shares repurchased	NT$231,311,215	NT$159,386,963	NT$148,996,738	NT$161,328,237
Number of shares retired and transferred	10,000,000 shares	8,383,000 shares	9,731,000 shares	0 shares
Cumulative number of shares held in the Company	0 shares	0 shares	0 shares	10,000,000 shares
Percentage of the cumulative number of shares held in the Company to the total number of shares issued (%)	0%	0%	0%	3.25%

ii. Issuance of Corporate Bonds: None.

iii. Issuance of preferred shares: None.

iv. Issuance of global depository receipts: None.

v. Employee stock option: None.

vi. Employee restricted stock: None.

vii. Issuance of new shares in connection with mergers or acquisitions of shares of other companies None.

viii. Implementation of Capital Utilization Plan: None.

V. Business Overview

i. Business Contents

(i) Business lines

1. Business Contents

(1) CC01080 Electronics Components Manufacturing
(2) CC01030 Electrical Appliances and Audiovisual Electronic Products Manufacturing
(3) CC01110 Computer and Peripheral Equipment Manufacturing
(4) F113050 Wholesale of Computers and Clerical Machinery Equipment
(5) F119010 Wholesale of Electronic Materials
(6) CA04010 Surface Treatments
(7) CC01060 Wired Communication Mechanical Equipment Manufacturing
(8) CC01070 Wireless Communication Mechanical Equipment Manufacturing
(9) CQ01010 Mold and Die Manufacturing
(10) CE01030 Optical Instruments Manufacturing
(11) F601010 Intellectual Property Rights
(12) CC01101 Controlled Telecommunications Radio-Frequency Devices and Materials Manufacturing
(13) F401021 Restrained Telecom Radio Frequency Equipment and Materials Import.
(14) F401010 International Trade.
(15) ZZ99999 All business activities that are not prohibited or restricted by law, except those that are subject to special approval.

2. Weight of business

Unit: NTD thousand

Revenue and sales percentage / Product items	2022	
	Revenue	ratio
Mechanism integrated components (including products + molds)	1,809,676	24%
FPC integrated components (including products + molds)	5,844,473	76%
Total	7,654,149	100%

3. Current products

Main products	Application
Mechanism integrated components	Automotive mechanical component modules including molds, waterproof structure components, wearable modules, light-guiding modules, phone buttons, smart home components, electronic integrated modules and components, alloy products, thermal modules and components.
FPC integrated components	Products, including FPC, PCB and RF, can be assembled and applied to smartphones, wearable products, touch panels, high-end cameras, notebooks, displays and other electronic products. They can also be used in combination with the SMT process and other parts and components.

4. New products under development

(1) Mechanism integrated components

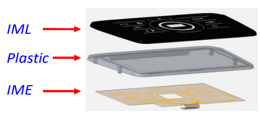
Product types	Product items	Remarks
Wearable / smart home products (Wearable /IOT)	Smart wristband/watch	IML shell module LSR shell module
	Smart home IOT	
	AR/VR/MR	
Automotive products (Automotive)	Display modules	IML/IME carborne touch module
	Overhead consoles	
	Control keypad modules	
Thermal products (Thermal)	Industry/consumer/server	Thermal module

Core Technology of In-Mold Lamination & In-Mold Electronic

Fulfill Appearance & Touch function requirements

IML

- *3D contour available*
- *High Durability Characteristics*
- *Improved Chemical resistance*
- *Dead Front available*



IME

- *3D contour available*
- *Excellent bonding with plastic ,stable touch function output with long life, instead of adhesive assembling process , avoid risk of adhesive failure*
- *Touch key/button , slide , wheel action available.*

Follow SAE J 2412 standard

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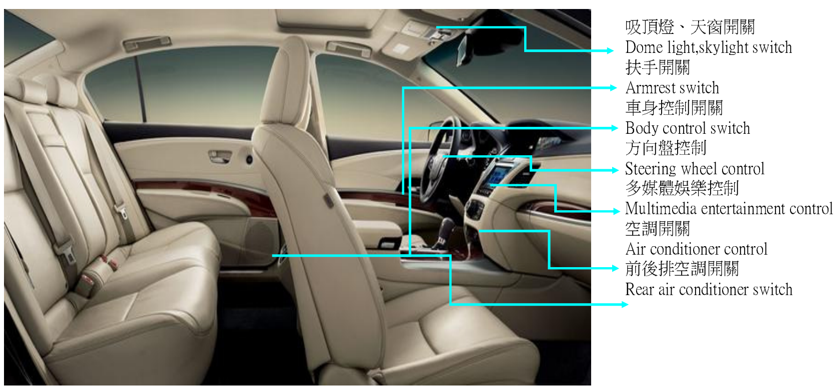
Application of Touch Module Solution in Automotive



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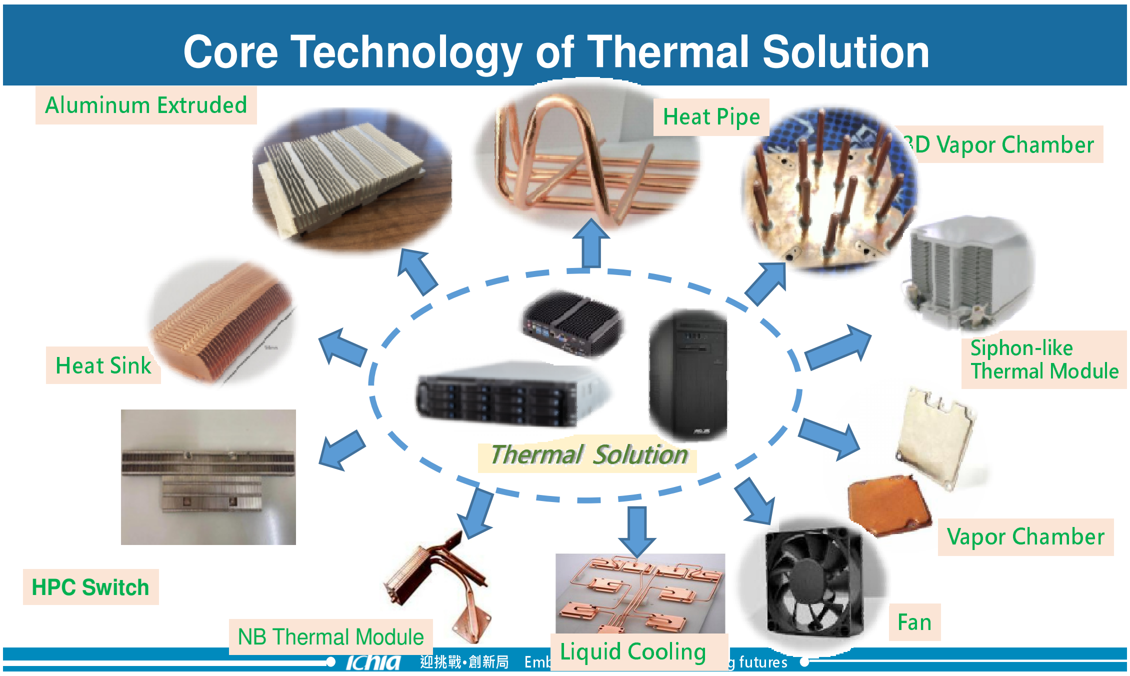
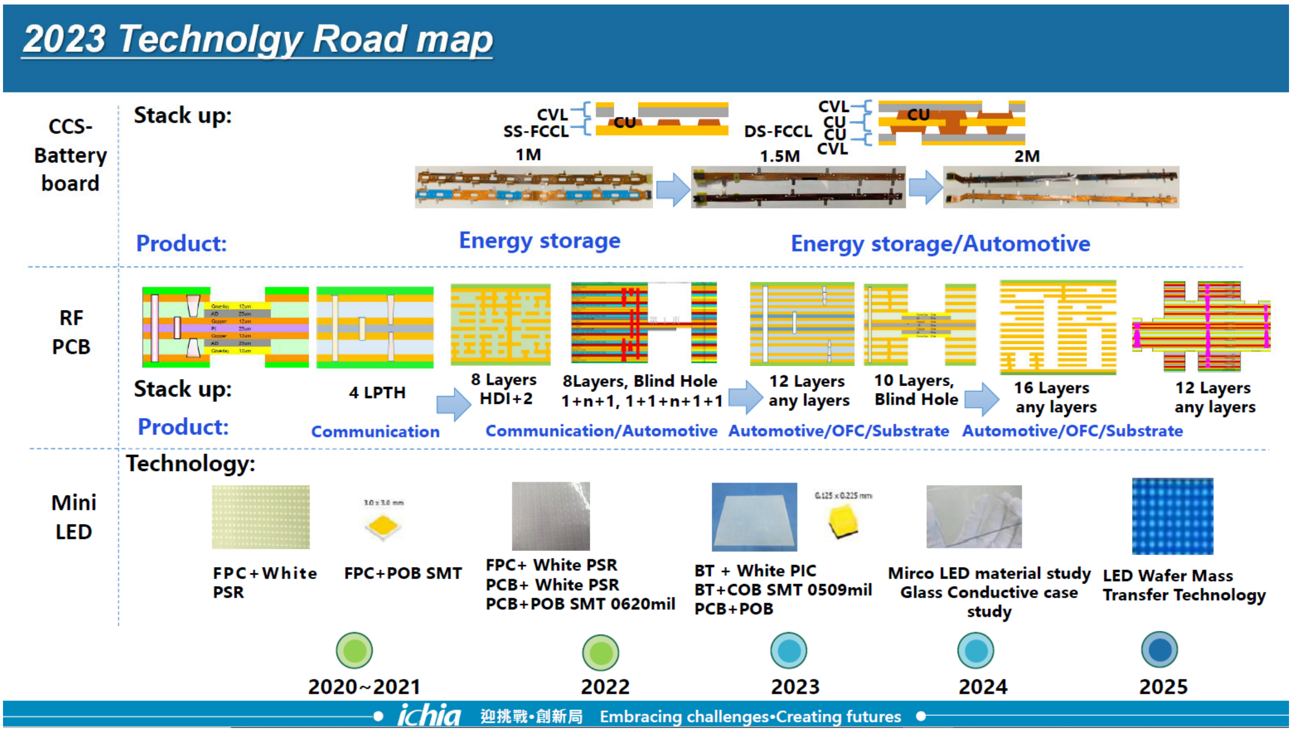


(2)FPC integrated components



CCS battery Board

Battery module - FPC process capability

Deployment		2021	2022	2023	2024
Line/Space	FCCL	•50/50um (T: 1/3oz) •60/60um(T: 1/2oz) •100/100um(T: 1oz)		•100/100um (T: 1oz) •150/150um(T: 2oz) •300/300um(T: 3oz)	
S/S thickness (Thinner)	FCCL	1/3oz、1/2oz、1oz		1oz、2oz、3oz	
Line Tolerance		±30%	±20%	±20%	±15%
Coverlay lamination Tolerance		300um	250um	200um	150um
Stifferen (PI/FR4/SUS) lamination Tolerance		300um	200um	150um	100um
PNL Size		250*900mm	250*1150mm	250*1500mm	250*2000mm
Surface Finishes		osp	osp	osp/ENIG	osp/ENIG
Pattern(L/S) to outline tolerance		±300um	±200um	±150um	±100um
Outline Size Tolerance		±200um（L<800) ±200um（L<1000)	±300um（L<1200) ±300um（L<1500)	±250um（L<1200) ±300um（L<1500) ±400um（L<2000)	

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RF/PCB

PCB process capability

NO	Content	Normal	Limit
1	Layer Count	2~10	2~16
2	Panel Size (Max)	21*24inch	
3	Board Thickness	0.2--2mm	0.1--2mm
4	Finished Board Thickness Tolerance(0.2≤Board Thickness < 1mm)	±10%	±0.075mm
5	Warpage (Min.)	0.70%	0.50%
6	Drill Size	min:0.1mm、 max6.0mm	min:0.1mm、 max6.5mm
7	Min. blind via size	0.1mm	0.075mm
8	Aspect Ratio(Max)纵横比	5:01	10:01
9	Hole Wall Copper Thickness	Through hole ≥25um，Blind Hole≥15um	
10	Line Width/Spacing of outer Layer (Min)& Inner Layer (Min)	T/T OZ: 2.4mil/2.4mil & 2mil/2mil	T/T OZ: 2mil/2mil & 1.6mil/1.6mil
	Etching Tolerance	H/H OZ: 3mil/3mil & 2.4mil/2.4mil	H/H OZ: 2mil/2mil & 2mil/2mil
	Solder Mask Registration Tolerance (Min)	1/1 OZ: 4mil/4mil & 3mil/3mil	1/1 OZ: 2.5mil/2.5mil & 2.5mil/2.5mil
11	Solder Mask Thickness (Min)	±20%	±15%
12	Impedance Tolerance(Min)	±0.05mm	±0.04mm
13	Surface Finish	15µm	10µm
14	Layer Count	±10%	±7%
15	Panel Size (Max)	ENIG (成功) ENEPIG (上村 UYEMURA)	AU:0.03~0.09um,NI:1.5~6um Au:≥0.1um Ni :≥6um Pd :0.05-0.2um
	Board Thickness	OSP	0.15~0.5mm
	Finished Board Thickness Tolerance(0.2≤Board Thickness < 1mm)	Gold Plating	AU:0.03~0.19um,NI:3~9um;

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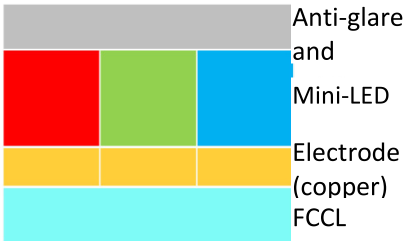
Mini-LED

Mini Led Road map

Mini-LED structure



	ITEM	2022	2023
FPC specification	Substrate	FPC PI/FR4BT<0.2MM in thickness	FR4BT<0.4MM in thickness
	Layer	2layers Cu	4layers Cu
	Upper surface	Double-sided	Double-sided
	Metal Line/Width	Min. line 50 / width 50um	Min. line 40 / width 40um
	White PSR reflectivity	Before anneal >90% After 3x anneal >85%	Before anneal >92% After 3x anneal >88%
	Product size	FPCA:300*450mm MAX	PCBA: 510*580mm MAX
	Tolerance requirement	+/-0.15mm	+/-0.1mm
SMT LED	LED size	06x20,08x20MIL (tape)	05x09,04xl2MIL (Wafer plate)
	SPI (printing)	High : <5um(3σ) Volume <+/-3%	High : <2um(3σ) Volume <+/-3%
	LED Bonding	UPH/LED>20k ea Bonding precision <+/-5um	UPH/LED>50k ea Bonding precision <+/-5um
	Reflow	Special pressure equipment for baking Temperature range 120-260C	Vacuum reflow oven
Test equipment requirement	LED Testing after LED bonding	X-ray false soldering inspection AOI inspection Thrust testing >250g Electrical testing	X-ray false soldering inspection AOI inspection Thrust testing >250g Electrical testing

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(ii) Overview of industry

1. Overview and development of industry

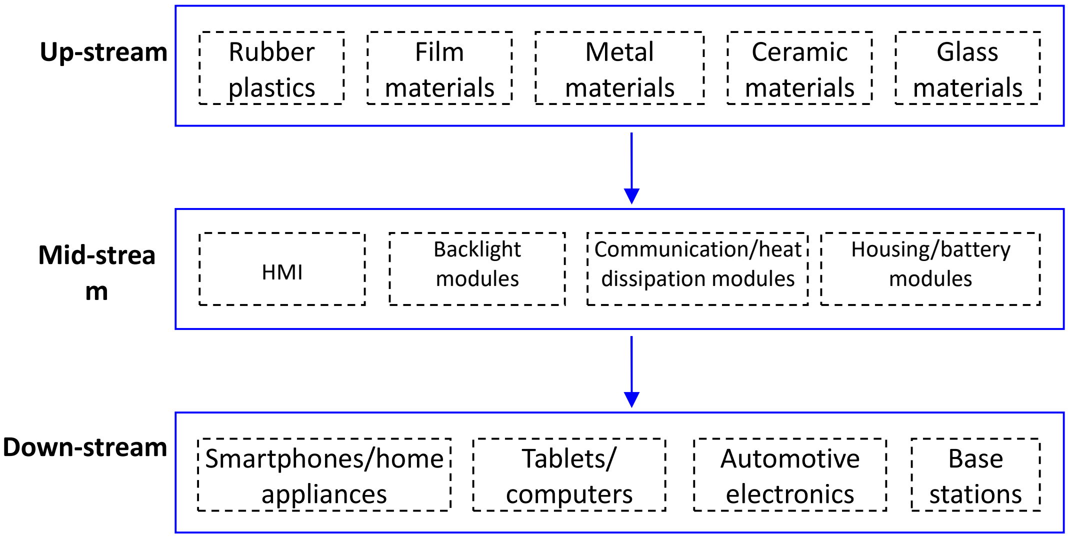
The 5G communication era has begun during the period between 2020 and 2023. It also indicates that the mmWave RF, high-speed transmission, and low latency information feedback technologies need to be introduced to the ICT application fields. However, the outbreak of the COVID-19 occurred when the four 5G application fields of smart healthcare, smart transport, smart display and smart retail were assessed. The pandemic led to high uncertainty of the global industrial economy and a shortage of global resources in terms of the supply. The people in the world tended to take a “virtual life mode” in these circumstances. Nevertheless, the seemingly affected development of the industries led to a cross-domain exchange in which more attention was paid to wireless applications around the world. The sustainable development and renewable energy programs advocated under ESG provide a point of penetration for the 5G communication technology. They speed up the global digital transformation, stimulate cross-domain interaction, and expand the ecospheres of the respective industries. Consequently, vertical integration of software and hardware has progressed for related carriers.

As for the cross-domain IoT exchange, networked healthcare has, due to the pandemic, become the mainstream of the global healthcare transformation in the smart medical application. In the application of personal wearable products, the modular design facilitates the combination of the light, thin, skin-patching and flexible mechanical components with electronic flexible sensing modules. The smart Mini LED/Micro LED display device can detect the changes of the body and show the historical medical data in a real-time manner to improve the doctor-patient relationship. In a surgical operation, the robot holding the endoscope connects with the display through a built-in antenna in the controller module to improve the quality of the operation. The synchronous HD detection lens and network communication equipment on the mobile telehealth clinic not only facilitate the capability of integrating active and passive components with the mechanical design, FPC and RPC functions, but also improve the technologies for HDI, fine line and flexibility applications.

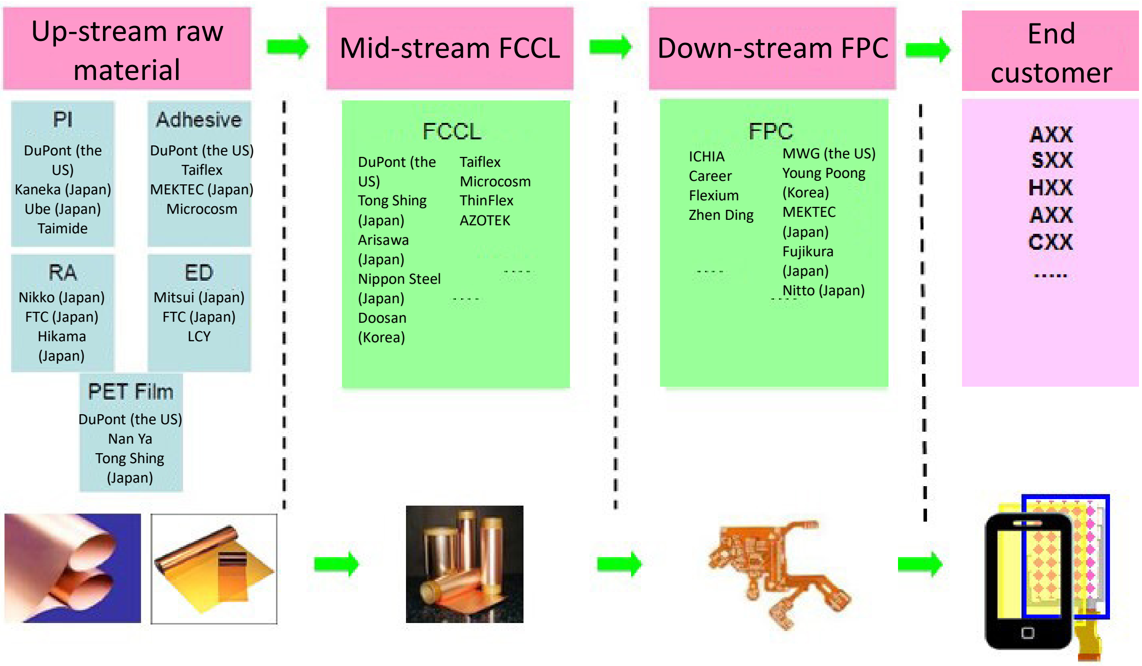
The development of the V2X is associated with the global net zero emissions by 2050. This stimulates car manufactures develop toward the goals of “carbon neutral”, “promotion of electrification" and "evolution of safety technology". Changes occur inside and outside the vehicle body, including low latency tolerance of the ADAS system, high latency tolerance of the smart cockpit, and lightweight power integration system. To meet the requirements of the ADAS system and smart cockpit, modular design and mechanism integration technology are the trends for accurate capture of driving environment information. Effort is made to ensure connection of the FPC and RPC with electronic components in the vehicle body that contains complicate 3D spaces and curved surfaces to meet the requirements of an intelligent vehicle body. In addition, the intelligent control and lightweight design of the battery system are achieved by substantially increasing the needs for battery control FPC in the power integration system. As the extension of the V2X applications, the volume of upload and download data increases dramatically and the matching capability of the thermal design are required more significantly in order to improve the overall performance of the server and cloud in green computing.

2. Correlation between the up-stream, mid-stream, and down-stream dealers in the industry

(1) Mechanism integrated components (MVI)



(2) Flex PCB (FPC)



3. Development trends of products

(1) Mechanism integrated components

Though the actuation and stroke of a physical mechanism have been replaced with touch and voice controls, physical mechanical components cannot be replaced completely. Electromechanical integration and modular solutions will be useful for us to provide valuable and differentiated services for customers. What mechanical components are involved is not merely quality requirements. The special appearance of a mechanism indicates new process requirements, such as hidden characters, light-guiding uniformity, and use of heterogeneous materials and forming processes to reduce assemblies. Thinness, lightweight, improved reliability, waterproofness and dust-resistance are the major trends.

As the functions of all products have improved brought about more consumption of energy for CPU/GPU computing, Wi-Fi 6 became the main specification in a wave of replacement of old devices and during the growing period of new devices in 2022. The thermal requirements and the complexity increases, too. How to meet the thermal requirements, reduce the cost, and optimize the thermal design of the product to achieve lightweight will be the keys to win on the market.

(2) FPC integrated components

In the past, FPC was usually used for signal connection at the folded and rotating positions of a mobile phone. Now, however, it is used in the application of "breaking up the whole into parts" by disassembling separable modules and connecting them again using FPC to put them in other compartments. This way, the products made nowadays can be slimmer. This slim trend also leads to the modularization of cell phones and tablets, which allows them to integrate more functions and drives the demand for the FPC. In the current products, a feature phone only needs **5- 10** FPCs while a smartphone needs **8- -25** FPCs. A smartphone equipped with dual lens and several modules needs **10- -27** FPCs. This shows that the development of high-end products will drive the demand for the FPC.

Because the Flex PCB can be produced automatically and continuously, we have better pattern density and lightweight, fewer layout errors, simple assembly, flexibility, diverse design, 3D layout. We can also eliminate wire soldering at contact, and change its contour to solve the space constraints. Therefore, FPC is suitable for consumer electronics, PCs, peripherals, flat panel displays, office equipment, communication equipment, vehicles, etc. The proportion of downstream FPC makers varies.

The wireless charging FPC module will be the rising star. It may be the standard component of smartphones. Its corresponding docking station consists of a large FPC and other components. This will create significant demands for FPC.

According to the statistics of the ITRI, the global PCB production value in 2020 was about US$69.7 billion and FPC (including flex-rigid PCB) occupies about 20% of the total value to the amount of NS$14 billion.

Quantities of FPC used in each product

Products	Quantity used
Mobile phones	5-10 pieces
Smartphones	8-27 pieces
Tablets	5-18 pieces
Notebooks	4-6 pieces
Wearables	2-5 pieces
Digital cameras	7-10 pieces

Main application products of the Flex PCB

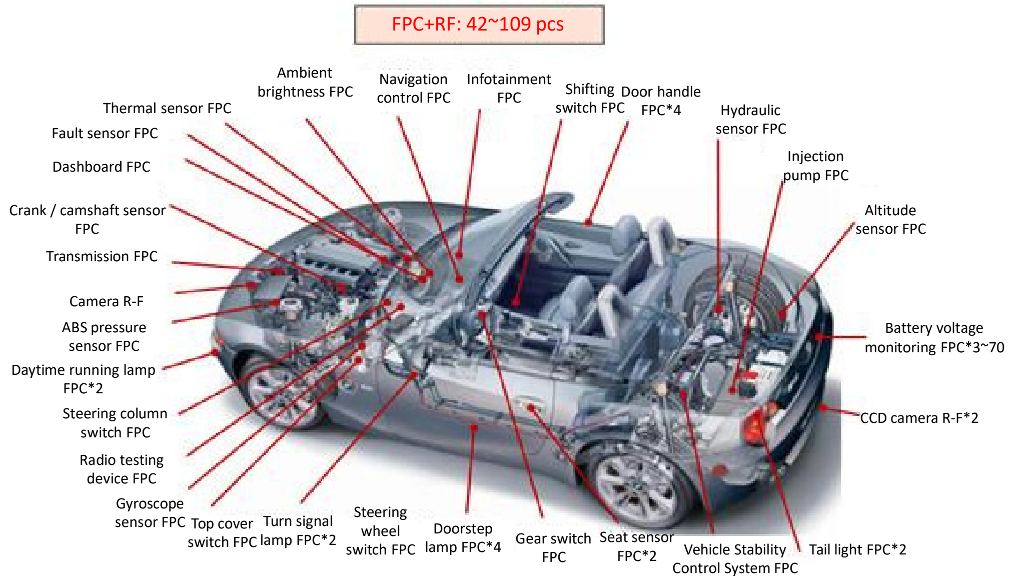
Application	Product
Consumer electronics	High-end cameras camcorders, portable speakers,
computers	Tablets, notebooks,
computer peripherals	Printers, storage devices, HDDs
Flat panel displays	Touch panels, LCD panels, high-definition TVs
Communication equipment	Smartphones
Vehicles	Navigation systems, in-vehicle infotainment system, braking assistance system, throttle control system, etc.
Others	Wearable watches, medical instruments, industrial equipment, aerospace, and military purpose

Source: Material and Chemical Research Laboratories, ITRI

Diagram of the main application products of the Flex PCB

Source: TPCA; IEK Consulting, ITRI

On-board FPC applications



Source: read01.com/nxRmex7.html#.YjF8v3pBw2x

4. Degree of competition

The mechanism integrated component products and FPC integrated components the Company place high importance on quality, efficiency, and global logistics to compete for other companies. The integration capabilities and one-stop resolutions are another key for the competitiveness. We help customers reduce their supplier management cost through design, production, integration and assembly. In addition, we actively invested in the research, development and manufacturing of high-end products to stay competitive and step ahead of other competitors.

(iii) Overview of technology and R&D

1. The R&D expenses invested in the most recent year and up to the publication date of the annual report

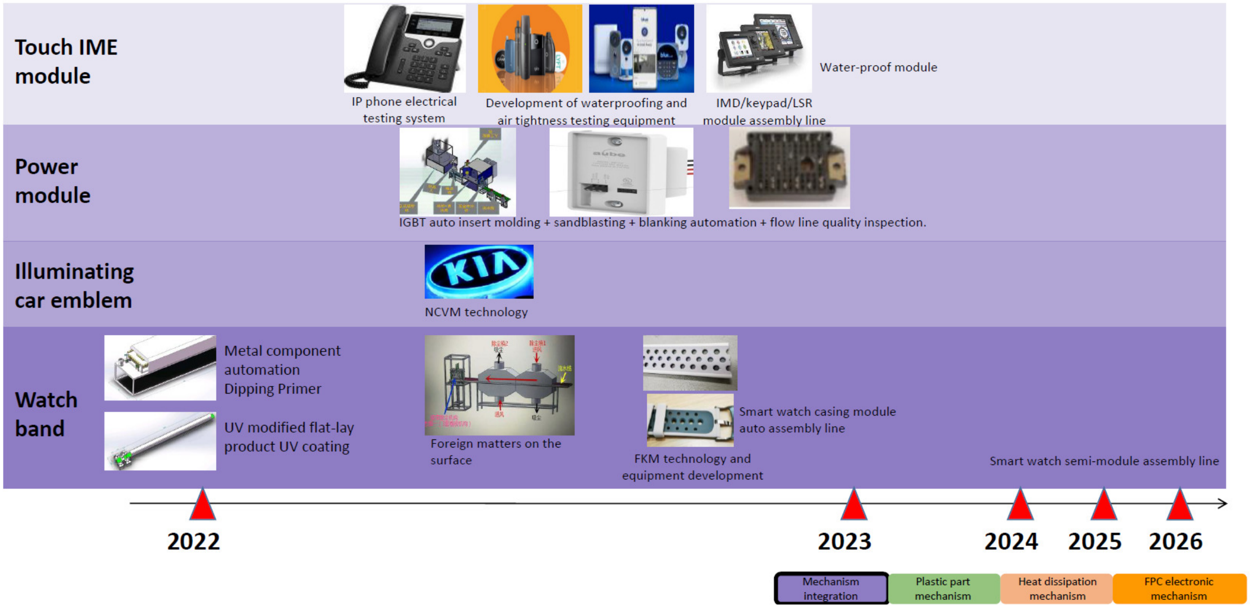
Unit: NTD thousand

Year / Item	2021	2022	2023 (estimates)	2024 (estimates)
R&D expenses	191,765	217,561	240,000	263,000

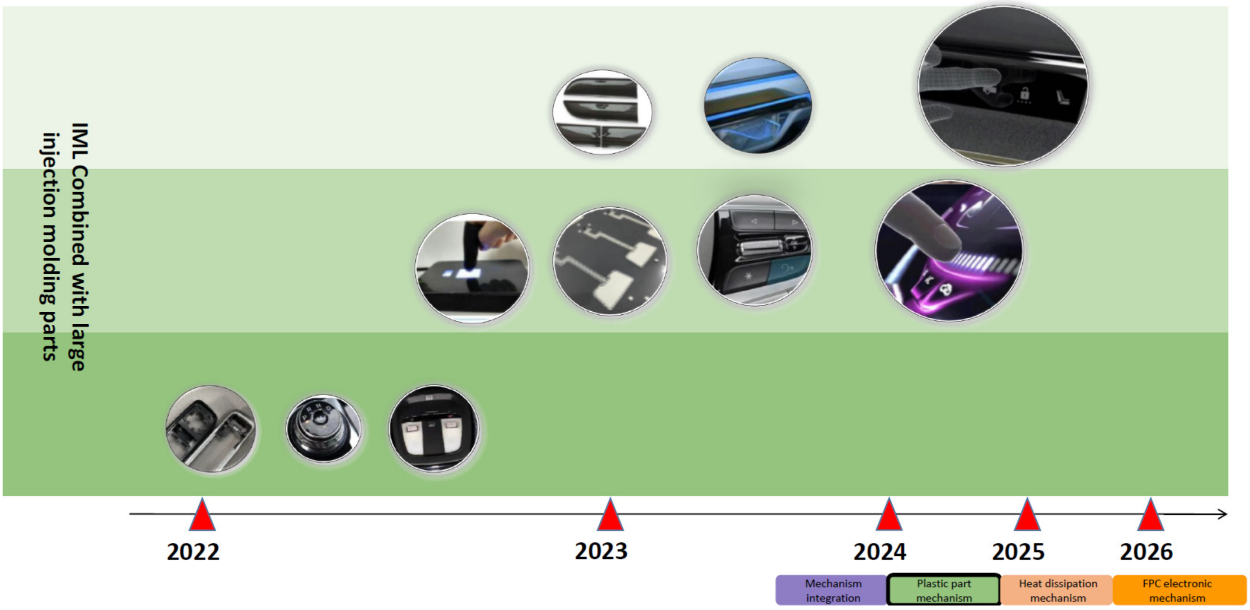
2. Technology or product developed successfully:
(1) Production processes which meet the requirements of environmental protection
(2) Development and integration of thermal modules
(3) Development of Touch IME modules
(4) Multi-functional keypad module combining optical/electronic technology/metal shrapnel, flexible circuit printed board applications
(5) Keypad module with energy-saving optical design
(6) Bluetooth tire pressure detector module
(7) Automotive component module development
(8) Development of Multi-layer FPCs

(9) Development of extra fine FPCs
(10) Development of double-sided COF boards
(11) Development of fiber-optic communication FPCs
(12) Development of FPC substrates
(13) Development of FPCs which meet the requirements of environmental protection
(14) Development of FPCs for bezel-less monitor applications
(15) Development of high-speed signal FPCs
(16) CCM & OLED flex-rigid PCB project
(17) Development of heat sink (TGP) FPCs
(18) Development of Mini LED projects

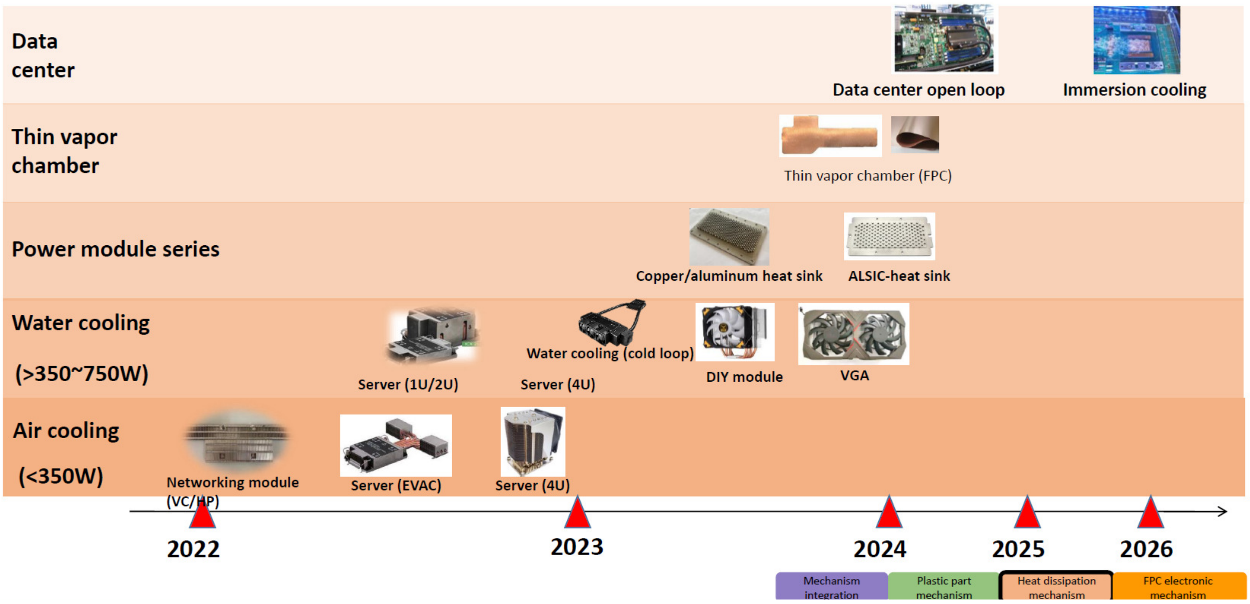
Mechanism integration R&D line



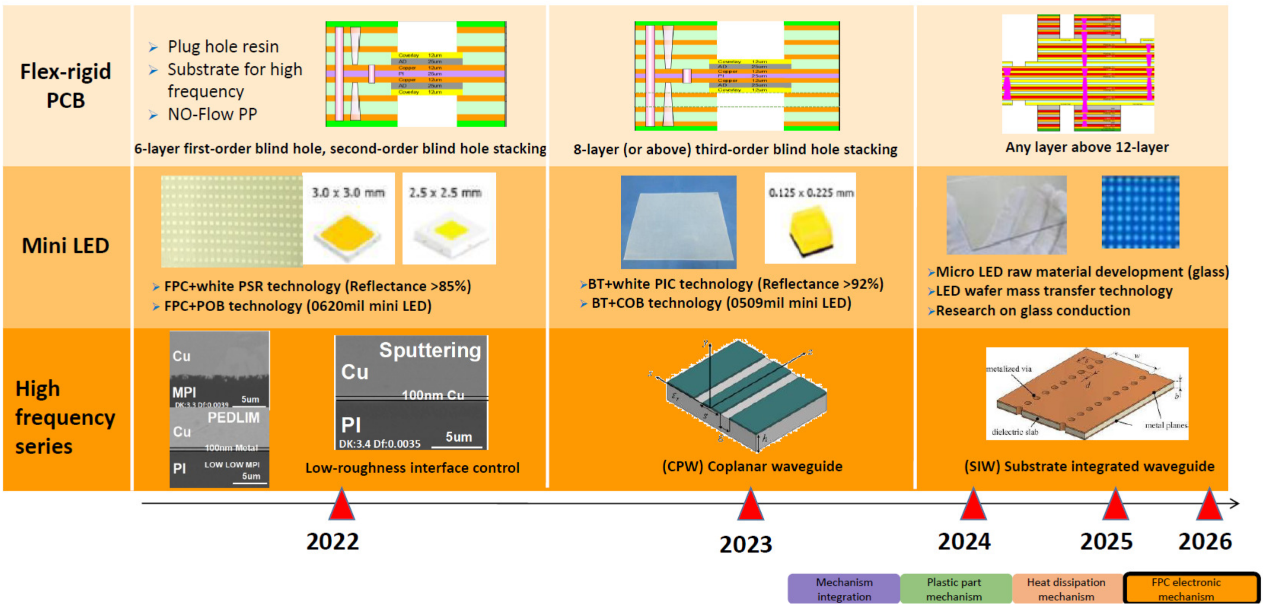
Plastic part mechanism R&D line



Heat dissipation mechanism R&D line



FPC electronic mechanism R&D line



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

1. Short-term business development plans

(1) Marketing strategies

A. Actively participate in domestic and foreign trade shows to expand our sales reach, collect industry intelligence quickly, and enhance our marketing capabilities.

B. Use the advantages of the existing marketing posts of our overseas investees to enhance the closeness of interaction with customers.

C. Provide the portfolio of parts and accessories and expand production and sales scale to help customer costs.

C. Expand the markets of carborne and consumer products with the IML/IME touch module as the core.

E. Promote new technologies and improve the market adoption and awareness of new technologies

(2) Production policies

A. To adapt to changing operational situations, achieve the balance between the planned production capacity and estimated demand to improve capacity utilization and production efficiency, while refining smart workshop modification and managing production using big data.

B. With the headquarters in Taiwan serving as the R&D center, enhance the technical support of our factories and overseas production locations. Provide more marketing locations and more diverse customer services to improve the competitiveness in production.

C. Effectively regulate and utilize each manufacturing base's production capacity; in particular, increase the manufacturing and automation proportion of the factory in Malaysia to meet the increased demand on the Southeast Asian market.

(3) Products and R&D

A. R&D focuses on advanced technologies, precision molds, and manufacturing process integration for diverse product lineup and highly value-added products (such as IML/IME module). Potential markets are selected to expand the niche.

B. We focus on the future development direction of major customers and grasp market opportunities to align R&D resources with the market trends.

C. Enhance engineering capabilities as well as big data system management product development time, reduce development costs, and continue to work on quality improvement.

(4) Operation planning

A. Continue to train the R&D, technical, sales, and management talents, put the performance evaluation into practice, formulate a new profit-sharing system for employees to enhance human resources and maximize the Company’s potential.

B. Streamline the workflow, improve the portion of automation, improve the management performance, and reinforce the concept of cost center management.

C. Continue to invest in our technical capabilities, pluralize our products, and march toward to the goal of becoming an internationalized group enterprise.

(5) Financial Planning

A. Use hedging instrument flexibly, avoid the exchange rate fluctuation risk, and develop countermeasures to control the exchange rate risk.

B. Maintain close relationship with financial institutions, gain visibility into the financial market trend, reduce capital costs, and improve the financial benefit.

C. Follow the safe and stable principle to perform the financial planning based on the framework of the short-term, mid-term, and long-term capital requirements plans.

D. Enhance cost and expense control, manage capital expenditure, improve operational efficiency, and build long-term development strength.

2. Long-term development plan

(1) Marketing strategies

A. With the headquarters in Taiwan as the operation center, establish a global operation management and collaboration system, integrate and establish a long-term and stable international marketing network, and increase global sales volume and profits.

B. Adapt to the global massive economic development and increase customer service locations to serve local customers, enhance customer relations, and increase market share.

C. Select customers that have potential from among existing customer groups and work with them more deeply.

(2) Production policies

A. Put the related ISO processes into practice and achieve the quality goals.

B. Enhance all manufacturing processes and automated production equipment to reduce incompliance caused by human factors.

C. Improve the production efficiency and the cost center concept of the overseas factories to ensure effective control of the cost.

D. Continue to improve the quality of the preliminary design and the process capability to improve the yield rate.

(3) Products and R&D

A. Hire senior R&D staff for research and development of products.

B. Develop thermal modules in addition to existing keypad and FPC module-based integrated products.

C. Eliminate the inconvenience of the supply chain of fine line manufacturers to provide one-stop services and more options for customers.

(4) Operation planning

After the short-term product development strategy works out, we will continuously invest in our technical capabilities and refine the technologies required by fine line and HF products to take the lead in industrial technologies.

(5)Financial planning

Replenish working capital, enhance the financial structure, and raise mid-term and long-term funds to build long-term development strength for the business of the Company. In the long run, the Company expects to establish a comprehensive global network of sales and production by investing in R&D, production, marketing, and finance, and become a famous global leading company with our most excellent R&D team and most efficient production lines.

ii. Overview of market and production & marketing

(i) Market analysis

1. Regions of distribution for the major products

Unit: NTD thousand

Year / Sales regions	2021		2022	
	Sales volume	Ratio	Sales volume	Ratio
America	217,298	3%	226,706	3%
Europe	16,279	0%	55,440	1%
Asia	4,856,968	75%	5,939,549	77%
Africa	27,441	1%	220	0%
Subtotal of overseas market	5,117,986	79%	6,221,915	81%
Domestic market	1,360,569	21%	1,432,234	19%
Total	6,478,555	100%	7,654,149	100%

2. Market share

(1) Mechanism integrated components

End brand manufacturers intend to control key components only and a small part of mechanical components are controlled by the assembly plants on their own. Suppliers will face stiff challenges in the aspects of price, quality, and delivery date. The solutions of modular products may raise the competitive threshold, and this is the direction to which we plan to go in our integration and transformation activities.

Due to the pandemic and geopolitics, provision of localized services has gradually become a crucial element. We have made deployment in Taiwan, China and Southeast Asia to meet the needs of the customers in a timely manner. We have also dabbled in the fields of consumer electronics, wearable devices and carborne products to avoid high proportion of a single product, fierce changes of the needs during the low-peak period, or impact on the arrangement of the resources.

(2) FPC integrated components

FPC is a highly reliable and very flexible PCB made from PI (Polyimide) or PET (Polyethylene Terephthalat) substrate films. It features high wiring density, small volume, lightweight and thinness, consistent circuit assembly, foldable capability, and 3D wiring that other types of PCBs are not matchable. These advantages reflect the trends of intelligence, portability, lightweight and thinness in the downstream industries. According to Prismark's statistics, the compound annual growth rate of the FPC production value between 2009 and 2019 was about 6% and higher than the growth rate of 4% of the PCB industry. The production value of the FPC continued growing from 2020 up to now due to the increasing needs of the end customers in recent years.

3. Future supply & demand and growth of market

(1) Supply

Portable carriers are connected via wireless OTA (Over-The-Air) transmission and are the best applicable products in this field. On the EV market, the Advanced Driver Assistance System (ADAS) is closely combines with carborne ICT products. Based on the implementation schedule from Level 1 to Level 5, the needs for wireless computing integration system, such as the high-performance processor, positioning system, mmWave radar, Driver Monitoring System (DMS), LIDAR (Light Detection and Ranging), and sensor camera detection, increase continuously. Flat-panel displays are converted to curved-panel models in a smart cockpit to meet the requirements for release of the space and the futuristic style of the interior decoration. While intelligence has become a trend of evolution in the cockpit, the mechanical controls are changed from capacitive touch control to voice control or other intuitive HMI sensing and recognition innovations, such as gesture. With the integration of the space, sensing, and synchronization, multi-functional integration of components is achieved using multimodal printed circuit boards to increase the added value of the mechanical components and perform module-based development together with customers.

(2)Demand

The 5G communication brings about the change of the market and life style and the explosively growing volume of information. Brand manufacturers are no longer the only decision-maker that can determine the development trend of the production functions. Since consumers can select full or partial functions on their own, brand manufacturers decide to return some decision-making powers in the selection of product functions to consumers. This way, a product is not just a device, but a precisely matched aid.

At the development stage of a product, we work with customers in the vertical integration of development, design and production capability, and provide integration of electronic systems, improve FPC stacking performance, raise multiple system cooling proposals, conduct discussion on customized cross-domain integration technology. They improve the touching product experience, add more value to their brands, and take these as the core of the iteration and upgrade while assuring the reliability of the products. In the face of the shortage brought about by the pandemic and geopolitics, we provide one-stop integrated modular services to ensure more flexible in the preparation of materials and stocks for mechanisms and PCB components in order to reduce the risk. As for any single parts or assemblies, the combination is more accurate and the specifications are standardized. We assist customers in quick response to fast changing market situations. For the market that is approaching saturation, we move to other markets and introduce products that can meet market demands more adequately.

4. Competitive niche

(1) R&D strength

The Company has 240 effective patents for its products in the countries of the world. The countries where we have obtained patents include those where markets are located, our manufacturing bases operate, competitors operate, and technologies are developed, such Taiwan, China, Japan, and Korea. There are 57 pending patents in several countries. The mechanism process capability, the ability to combine heterogeneous materials such as LSR and IME, the industry-leading FRC fine line process technology as well as the continuous investment in R&D and the improvement of the module integration capability are the best niche of the Company.

(2) Product development capability

Due to the rapid changes in the market and high technology and quality requirements, we meet the need of the customer for customization in the design and production through built-in systems and a R&D team. We give replies to the customer in a timely manner, improve the quality of the design, and reduce the error rate.

(3) Improved levels of automation

In response to the rising labor wage and for improvement of the yield rate during the production, high automation has become a goal that many companies try to achieve. The Company has rich experience in production automation and in-house development of automated machines for many years, and developed various good and efficient manufacturing processes for different products. The systemization of the production history is a demonstration of our quality control capabilities. As for the FPC, nearly 90% of the fine line process has been automated and the automation ratio in the back-end assembly section has been increased continuously to ensure premium product quality, punctual delivery, and reduced costs.

(4) Global logistics model

The Company has We established its overseas production bases and marketing centers to serve its local customers, collect market information, adjust production capacity, reduce production costs, have are mainly the companies and flexible shipping locations, and shorten delivery date to win customer trust.

(5) Build a good relationship with brand manufacturers

We investigate the technology development direction and trend of the brand manufacturers to ensure consistency of our R&D direction, provide services accurately, and improve the competitiveness of our products.

(6) Multiple integrated developments

In addition to the existing mechanism and FPC capabilities, we provide our products in conjunction with the thermal modules and integrated services to provide more multiple services for customers.

5. Advantages and disadvantages for future development, and the countermeasures

(1) Advantages

Slim and lightweight products remain the trend of wearable devices. This is also the R&D direction of all the electronic products. Whether suppliers can provide multiple modular services to reduce the supply chain management cost will be a consideration of the customer.

Flex PCB (FPC) is flexible, lightweight and can be used to manufacture the PCB with high density layout or link boards. It can currently the Company slim and lightweight smartphones, tablets, wearables, in-vehicle FPC It is expected that grow more rapidly. The emerging AR/VR/MR, EV and data center industries will have more needs for our products. The existing core products, new technologies and integrated modular services of the Company are favorable for us to raise the competition threshold and increase the visibility of our products.

(2) Disadvantages

Chinese suppliers spring up and bring about impact. Many companies have expanded their capacity and the price competition has become fiercer. As technology advances in the mobile communication industry with each passing day, the consumer needs also change very rapidly. The diversified and personalized HMI demands will surely increase the costs of technology research and mass production development. More attention has been paid by the countries all over the world to the ESG and environmental protection issues, and these consequently have increased the cost of (raw) materials and brought about a tight supply. The supply chain disruption and material shortage brought about by the pandemic are a challenge to the business management capability of the supplier.

(3) Countermeasures

The Company has worked closely with customers and suppliers in terms of supply and demand, gaining visibility into their demand and production status, and precisely control our stock level. We investigate and make sure the direction to develop customers and keep watching the promising industries with development potential in order to avoid price competition.

In addition to grasping market development trends and responding to them in time, we determine R&D direction, increase R&D funds, improve product design, development and integration capabilities, and sped up cultivation of all-around talents in line with the product development trends of the customers.

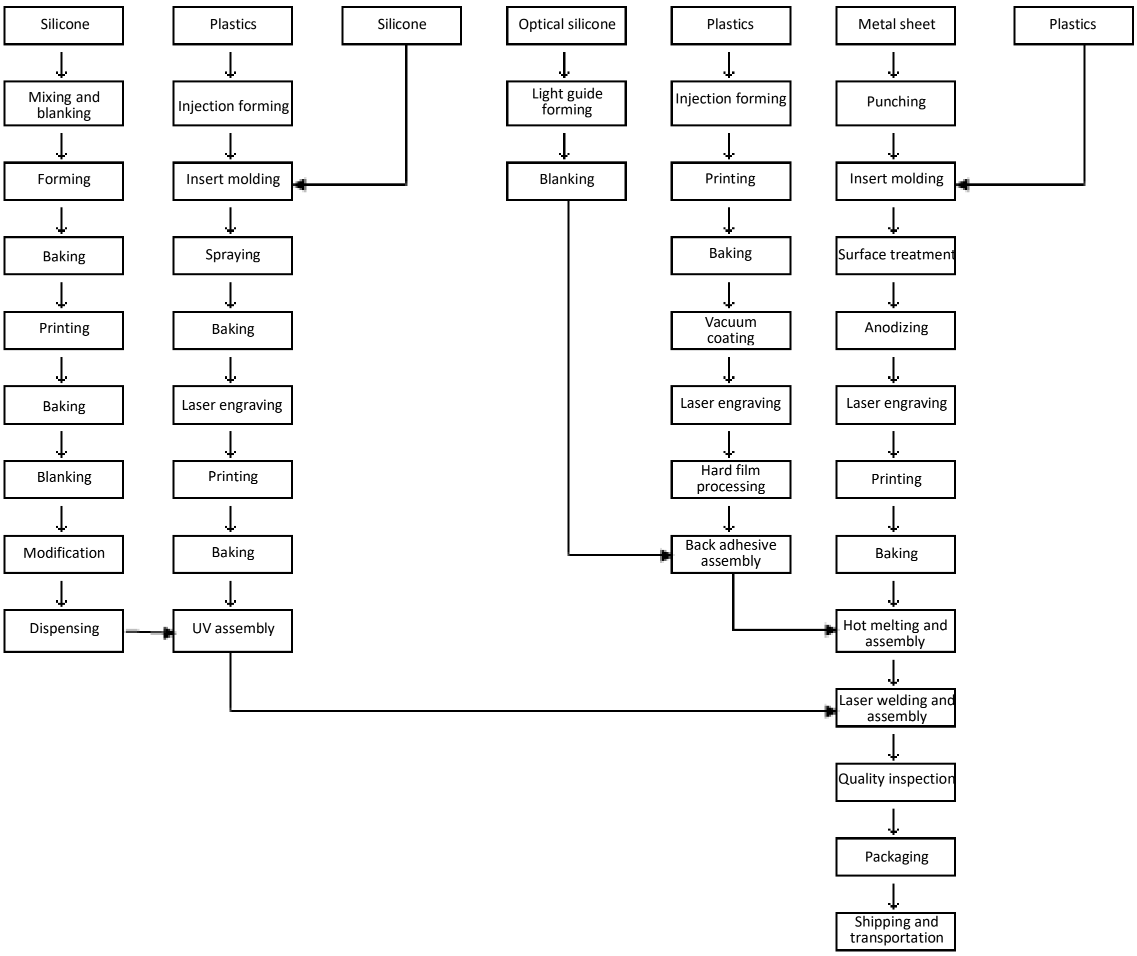
(ii) Important purpose and manufacturing processes of main products

1. Important purpose of main products

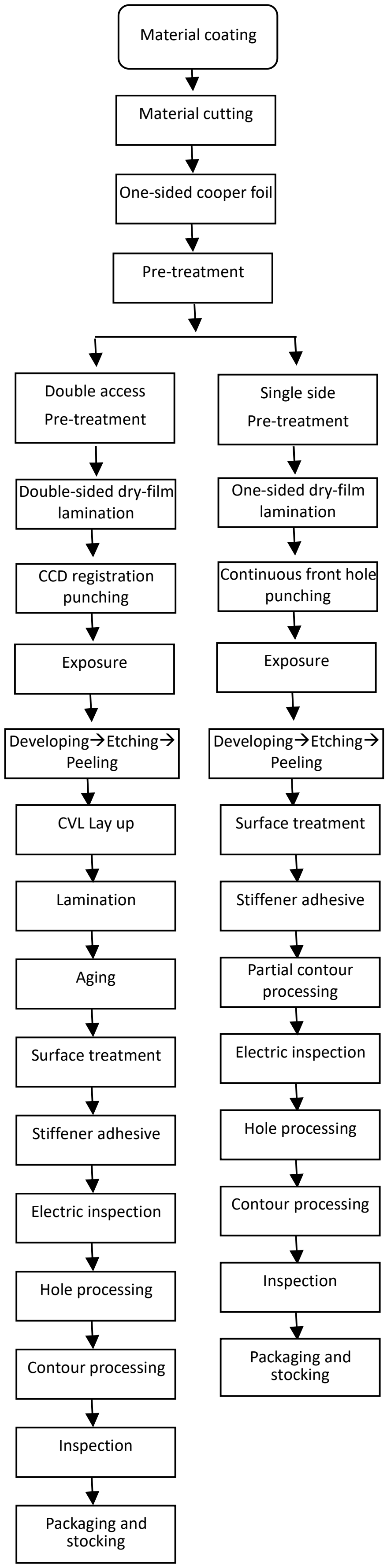
Main product	Purpose
Mechanism integrated components	Telephone, mobile phone, remote controller, wearable device, smart home product, carborne electronic module, industry/server thermal module.
FPC integrated components	Smart phone, wearable product, carborne product, carborne electronics, touch panel, high-end camera, other electronic, communication and consumer products.
Molds	Mechanism forming mode, FPC mode.

2. Production and manufacturing processes

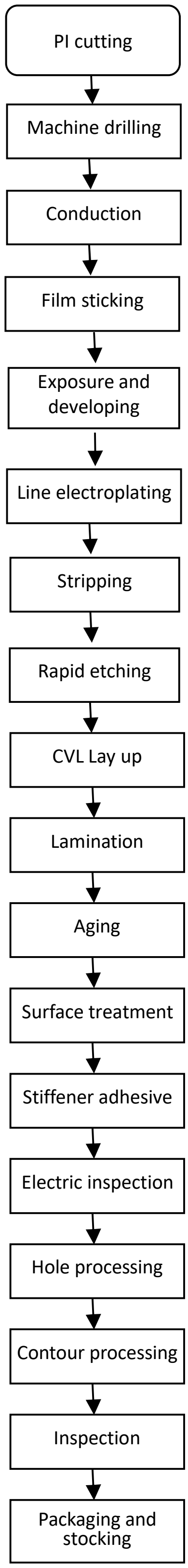
(1) Mechanism integrated components (MVI)



(2) Flex PCB (FPC)



(3) Flex PCB (FPC) - Fine line PEDLIM process



(iii) Supply of main raw materials

1. Mechanism integrated components

The main raw materials used for the mechanism integrated components produced by the Company are plastics, silicone rubber, polycarbonate, inks, and valuable components; there are only 4 suppliers of silicone rubber in the world. The Company has maintained a good relationship with each supplier for stable supply of raw materials. The Company is also an important customer of each supplier without any raw material supply shortage.

Main suppliers of raw materials for mechanism integrated components

Main raw materials	Regions of sourcing	Main suppliers	Current availability
Stainless steel	Domestic	Hotechnic Precious Hardware Limited	Good
Plastic and silicone rubber materials	Overseas	Shandechenxin Commerce Co., Ltd.	Good

2. FPC integrated components

The main raw materials used for FPC products of the Company are Flexible Copper Clad Laminate (FCCL), protective coatings, stiffener films, etc.; all of our suppliers are the famous international and domestic companies that have good product quality, delivery date, pricing, and aftersales services. The availability of raw materials used for our FPC products is very stable.

Major suppliers of Flex PCB raw materials

Main raw materials	Regions of sourcing	Main suppliers	Current availability
Flexible Copper Clad Laminate (FCCL)	Overseas	Guang Dong Shengyi Technology Co., Ltd.	Good
Protective coatings	Overseas	Guang Zhou ITEQ CORPORATION	Good
Stiffener films	Overseas	Suzhou Pinxing Electronics Ltd.	Good
Potassium gold cyanide	Overseas	Suzhou Xingrui Noble Metal Material Co., Ltd.	Good

(iv) The name of the supplier (customer) that accounted for more than 10% of the total purchase (sale) in any of the last two years, and the proportion of the purchase (sale) amount, the reason for the changes

1. Major suppliers in the last two years and their total sales in any of the last two years, and the proportion of the purchase amount of each year:

	2021				2022				As of previous quarter, 2023			
Item	Name	Amount (NT$ thousand)	Annual net purchase ratio (%)	Relationship with the issuer	Name	Amount (NT$ thousand)	Annual net purchase ratio (%)	Relationship with the issuer	Name	Amount (NT$ thousand)	Percentage in net purchase in the current year up to last quarter (%)	Relationship with the issuer
1	Company A	196,930	5.72%	None	Company A	379,098	8.62%	None	Company A	105,621	11.11%	None
2	Company B	126,864	3.69%	None	Company D	240,813	5.47%	None	Company D	49,063	5.16%	None
3	Company C	109,831	3.19%	None	Company E	174,960	3.98%	None	Company E	45,154	4.75%	None
4	Others	3,008,198	87.4%	None	Others	3,604,580	81.93%	None	Others	751,054	78.98%	None
Total	Net procurement	3,441,823	100%		Net procurement	4,399,451	100%		Net procurement	950,892	100%	

The reason for the changes is that the customers' sales may fluctuate over time.

2. Major customers in the last two years and their total purchase in any of the last two years, and the proportion of the purchase amount of each year:

	2021				2022				As of previous quarter, 2023			
Item	Name	Amount (NT$ thousand)	Annual net sales ratio (%)	Relationship with the issuer	Name	Amount (NT$ thousand)	Annual net sales ratio (%)	Relationship with the issuer	Name	Amount (NT$ thousand)	Net sales ratio as of the previous quarter of the current year (%)	Relationship with the issuer
1	Company I	937,676	14%	None	Company I	1,999,038	26%	None	Company I	565,440	29%	None
2	CompanyT	786,086	12%	None				None				None
3	Others	4,754,793	74%	None	Others	5,655,111	74%	None	Others	1,357,529	71%	None
Total	Net sales	6,478,555	100%		Net sales	7,654,149	100%		Net sales	1,922,969	100%	

The reason for the changes is that the Group adjusted the overseas production percentage based on the overall resources planning. As a result, the purchase amount for external factories has been increased.

(v) Production value over the last two (2) years

Unit of production volume: thousand pcs (set); unit of production value: BT$ thousand

Year / Production / Quantity value	2021			2022		
Main products (or by department)	Production capacity	Production volume	Production value	Production capacity	Production volume	Production value
Mechanism integrated component products	209,747	71,176	970,603	209,442	62,156	966,737
Flex PCB products	358,471	171,761	3,945,103	296,728	164,674	3,953,341
Total	568,218	242,937	4,915,706	506,170	226,830	4,920,078

(vi) Sales value over the last two years

Unit of sale volume: thousand; unit of sales value: thousand

Year / Sales / Quantity value	2021				2022			
	Domestic market		Export		Domestic market		Export	
Main product (or by department)	Sales volume	Sales value	Sales volume	Sales value	Sales volume	Sales value	Sales volume	Sales value
Mechanism integrated component products	8,981	396,933	72,589	1,300,810	7,911	348,593	74,241	1,461,083
Flex PCB products	37,926	963,636	151,073	3,817,176	31,052	1,083,641	101,808	4,760,832
Total	46,907	1,360,569	223,662	5,117,986	38,963	1,432,234	176,049	6,221,915

iii. Information on employees

Year		2021	2022	April 22, 2023
Number of employees	Direct labor	2123	2186	1810
	Indirect labor	833	901	913
	Total	2956	3087	2723
Average age		35.6	32	34
Average years of service		4.22	3.7	4.0
Qualification	Doctoral degree	0.01%	0.06%	0.07%
	Master's degree	0.7%	0.52%	0.55%
	College	27.5%	21.09%	19.61%
	Senior high school	31%	44.90%	46.60%
	Below senior high school	40.79%	33.43%	33.16%

Note: The figures shall be the data of the year and up to the publication date of the annual report.

iv. Environment protection expenditure information

(i) Losses arising from pollution of environment in the most recent year and up to the publications date of the annual report, and countermeasures: None.

(ii) Countermeasures in the future:

1. Legal compliance: Communicate the information on laws and regulations to employees and select qualified suppliers.
2. Continual improvement: Provide periodic education and training, implement audits, and conduct review and improvement whenever deficiencies are identified.

v. Labor-management relations

(i) Availability and execution of employee welfare, education, training and retirement policies. Elaborate on the agreements made between employers and employees, and the protection of employees’ rights:

1. Employee welfare measures:
   The Company has set up employee restaurants, dormitories, parking lots for cars and scooters, infirmaries, breastfeeding rooms, reading areas, fitness gyms, swimming pools, sauna, aerobics Rooms, table tennis rooms and billiard rooms for the employees to engage in social activities and take a rest. In addition to the meal allowance, we provide employees with free ground coffee. Since there is no stores in the factory, the Company has entered into contracts to set up vending machines to provide employees with adequate between-meal nibbles, instant noodles and other refreshers for dietary supplement.
   As for entertainment and leisure activities, we set aside a budget for each department to organize its own dining party twice a year. In addition to putting up decorations and arranging activities for every festival and special holiday, the Employee Welfare Committee organizes the

family day, year-end party, employee travel and other activities. The Company provide subsidies to club activities, encourage employees to set up clubs and participate in activities. In addition, we irregularly distribute tickets for culture and art shows and organize different lecture activities with light topics. Paintings and ceramic art works are displayed in the factory and changed on an irregular basis to cultivate the mind of the employees and improve their cultural literacy.

In consideration that there are foreign workers and some employees living in the dormitory and the difference in dietary habits, a cooking section was provided and additional refrigerators were purchased in 2022 for foreign workers and employees living in the dormitory to cook what they like to eat, in the hope to take comprehensive welfare measures for employees.

2. Continuing education and training:

To stay competitive, put organizational strategies into practice, and improve employee performance, the Company has formulated the "Employee's Training and Education Regulations" to plan the overall training courses based on the working requirements, and give the orientation to new employee; the Company also provide internal on-job training courses and subsidies for external training and education to encourage its employees to receive training and provide various books to help them improve their working skills.

Continuing education of employees in 2022:

Courses	Training time	Hours	Total training costs
Various external and internal training courses	2022/1/1-2022/12/31	36,078	NT$2,680,357
Total			

3. Retirement system and its implementation status:

Retirement system	Old system	New system
Legal basis	Labor Standards Act	Labor Pension Act
Contribution	A specific proportion of the total monthly wage is contributed to a pension account at the Bank of Taiwan in the name of the Company	6% of the monthly wage are contributed to an individual account under the Bureau of Labor Insurance in accordance with the insurance grade of the employee
Amount of contribution	The balance of the account was NT$36,945 (thousand) as of January 2, 2023	The total amount of contribution was NT$6,854 (thousand) in 2022

Employee stock ownership trust

As for the labor retirement system, in addition to periodically contributing a reserve to the statutory pension account pursuant to the Labor Standards Act and the Labor Pension Act, we have established an employee stock ownership trust committee and assure that full-time employees who have worked for six months may determine the amount to be provided every month to purchase the stocks of the Company at a fixed amount and on a regular basis. We also provide an incentive bonus at the same amount as that provided to encourage shareholding.

4. Labor-management agreements and employee rights protection measures:

The Company's labor-management relations are always harmony and a good communication channel has been established with the Employee Mailbox. Comprehensive regulations have been established for employee motivation, training, and retirement to take care of the employees' and Company's interests.

(ii) Losses arising from labor-management disputes in the most recent year and up to the publications date of the annual report, and countermeasures:

1. Losses arising from labor-management disputes and countermeasures: None
2. Estimated amount incurred due to future labor-management disputes and countermeasures:
   The Company effectively communicates with the employees through various channels, and instantly responds to employees' opinions. The labor-management relation is harmony without any major employment disputes; with a good interaction between the employees and management, it is expected that losses may not arise as a result of employment disputes.

vi. Cyber Security Management

(i) Cyber security risk management structure, policy, specific management plans, and the resources input for the cyber security management:

1. Organization and structure:

The intelligence promotion division is an independent department and not a subordinate of any using unit. It is responsible for planning and implementing information security policy, disseminating related information, enhancing the awareness of information security among employees, collecting and improving the technologies, products or procedures for the information security management system of the Company, and implementing digitization of working hours.

The intelligence promotion division works in cooperation with the audit unit to perform information security audit tasks, including internal and external audits.

Information security risk management mechanism**:**

Implementation of information security management**:** Implement management of cyber security, PC information file security, device security, email security, and information system control access.

2. Information security policy:

2-1. Information security objectives:

Protect the cyber security for the systems, equipment, and PC information files of the Company and build a secure and reliable computerized work environment to protect the interests of the Company and the sustainable operation of the information system of each unit.

2-2. Information security scope:

1) Computer system security management.
2) Cyber security management.
3) System access control.
4) Information asset security management.
5) Physical and environmental security management.
6) Information security audit.

2-3. Information security principles and standards:

1) Detection and prevention measures shall be taken to prevent information systems and files from virus attack and infection. Active invasion detection systems shall be set up to avoid invasion and malicious attack to ensure satisfaction to the PC data security requirements.
2) A policy shall be established for sustainable operation of information systems to prevent natural disasters or serious events from leading to disruption of material information assets, critical businesses or communications.

2-4. Regulations to be followed by employees:

1) Computer data and equipment shall not be damaged, carried out, borrowed or altered improperly to protect the integrity of the data.
2) The employees shall observe the established email receiving and transmission and internet access policies and regulations, and shall not install any software that is not authorized by the IT department or any unlicensed software.
3) After logging in the machine, the user shall log out when the work has been done or the machine will not be used for a long period of time to avoid leakage of confidential data or damaged by others or crash of the machine.
4) In addition to the consideration of convenience, ICT equipment shall be mounted in the place away from tea, coffee, sunshine or moisture. Protective covers shall be used for the equipment in acid or alkaline environment to extend its service life.
5) Whenever computer equipment cannot work normally, the user shall inform the IT unit immediately for inspection or repair.

3. Specific information security management plans:

3-1. Internet security control:

1) Setup of firewall
2) Email security control
3) Periodical scanning of virus for computer systems and data storage media
4) Use of network services in compliance with information security policies

3-2. Data access control:

1) Personnel shall be designated for custody of computer equipment. An account and a password shall be set for use of the computer equipment.
2) Different access rights shall be granted depending on the function of the user.
3) The access rights of the person who has transferred from his/her original post shall be canceled.
4) Confidential and sensitive data as well as licensed software shall be removed or overwritten before equipment is scraped.

3-3. Response and recovery mechanisms:

1) A system backup mechanism shall be established and remote backup shall be implemented properly.
2) The emergency response plan shall be reviewed on a regular basis.
3) The computer and cyber security control measures shall be reviewed on a regular basis.

3**-4. Emergency reporting mechanism:**

When an information security event occurs, the unit where the event occurs shall report it to the security team of the IT Center. The latter shall judge the type of the event, find out the problem, take actions instantly, and make records.

4. Resources input in cyber security management

1) Optimize server hardware equipment and enhance the operation of the backup mechanism
2) Introduce a desktop management system and have an insight in the application scope of the equipment
3) Arrange education, training and drills with respect to phishing emails

(ii) Losses arising from material cyber security events in the most recent years and up to the publication date of the annual report, the estimated amount likely to be incurred currently and in the future, and countermeasures:

There were no business losses arising from material cyber security events up to the publication date of the annual report; implementation was conducted pursuant to the aforementioned ICT policies to minimize the loss.

vii. Important contracts

Nature of contract	Principals	Duration	Contents	Restrictive clause
Supply and sale contract	Confidentiality and non-disclosure		Purchase of our products, delivery models, products, specifications, delivery period and quantity, and other related regulations	Non-disclosure agreement
Material Purchase and Sales Agreement	Confidentiality and non-disclosure		Purchase of our products, delivery models, products, specifications, delivery period and quantity, and other related regulations	
Material Purchase and Sales Agreement	Confidentiality and non-disclosure		The quality, objectives and needs of the purchased products and other related regulations	

VI. Overview of finance

i. Condensed balance sheet and comprehensive income statement of the most recent five years

(i) Condensed balance sheet and comprehensive income statement

1. Consolidated Condensed Balance Sheet - IFRSs

Unit: NTD thousand

Item \ Year		Financial Information for the Most Recent Five Years (Note 1)				
		2018	2019	2020	2021	2022
Current assets		5,952,614	4,970,193	5,960,814	5,701,430	6,656,442
Property, plant and equipment (Note 2)		2,850,428	2,921,587	2,783,419	2,734,585	2,717,099
Intangible asset		-	-	-	-	-
Others assets (Note 2)		198,254	136,475	215,923	199,971	227,987
Total assets		9,670,923	8,489,255	9,460,234	9,065,970	9,849,412
Current liabilities	Before distribution	3,217,071	2,331,010	3,599,329	2,766,615	3,216,660
	After distribution	3,370,839	2,484,778	3,748,097	2,915,383	3,514,197
Non-current liabilities		469,520	299,944	157,421	567,110	561,345
Total liabilities	Before distribution	3,686,591	2,630,954	3,756,750	3,333,725	3,778,005
	After distribution	3,840,359	2,784,722	3,905,518	3,482,493	4,075,542
Equity attributable to the parent company		5,984,332	5,858,301	5,703,484	5,732,245	6,071,407
Share capital		3,172,676	3,075,366	3,075,366	3,075,366	3,075,366
Capital surplus		2,219,748	2,163,711	2,086,827	2,054,098	2,054,098
Retained earnings	Before distribution	915,745	954,930	998,016	1,100,000	1,311,895
	After distribution	761,977	878,046	849,248	951,232	1,014,358
Other equities		(137,012)	(335,706)	(295,397)	(335,891)	(208,624)
Treasury stock		(186,825)	-	(161,328)	(161,328)	(161,328)
Non-controlling interests		-	-	-	-	-
Total equity	Before distribution	5,984,332	5,858,301	5,703,484	5,732,245	6,071,407
	After distribution	5,830,564	5,704,533	5,554,716	5,583,477	5,773,870

Note 1: The year for which CPAs did not conduct audit or certification must be indicated: The financial data of the Company have been audited by CPAs.

Note 2: Where revaluation of assets was performed for the current year, the date of the revaluation and the amount arising therefrom shall be indicated: No revaluation of assets was performed for 2022.

2.Consolidated Condensed comprehensive income statement - IFRSs

Unit: NTD thousand (except for EPS)

Year / Item	Financial Information for the Most Recent Five Years (Note 1)				
	2018	2019	2020	2021	2022
Operating revenues	7,231,688	6,148,946	5,502,842	6,478,555	7,654,149
Operating gross profits	510,575	864,211	744,435	803,934	1,042,305
Operating profits or losses	82,618	280,795	195,687	208,110	364,236
Non-operating incomes and expenses	97,854	244	-5,674	59,532	110,981
Net profits before tax	180,472	281,039	190,013	267,642	475,217
Net profits from continuing operations for the period	145,110	226,792	120,190	222,893	357,407
Losses from discontinued operations	-	-	-	-	-
Net profits (losses) for the period	145,110	226,792	120,190	222,893	357,407
Other comprehensive income for the period (net after tax)	(51,342)	(199,055)	40,089	(45,364)	130,523
Total comprehensive income for the period	93,768	27,737	160,279	177,529	487,930
Net profits attributable to shareholders of parent company	145,110	226,792	120,190	222,893	357,407
Net profits attributable to non-controlling interests	-	-	-	-	-
Total comprehensive income attributable to shareholders of parent company	93,768	27,737	160,279	177,529	487,930
Total comprehensive income attributable to non-controlling interests	-	-	-	-	-
Earnings per share (EPS)	0.47	0.74	0.40	0.75	1.20

Note 1: The year for which CPAs did not conduct audit or certification must be indicated: The financial data of the Company have been audited by CPAs.

3. Standalone Condensed balance sheet - IFRSs

Unit: NTD thousand

Item \ Year		Financial Information for the Most Recent Five Years (Note 1)				
		2018	2019	2020	2021	2022
Current assets		2,748,969	2,286,360	2,828,792	2,355,219	3,144,501
Property, plant and equipment (Note 2)		685,625	916,464	852,685	815,796	791,323
Intangible asset		-	-	-	-	-
Others assets (Note 2)		37,312	32,332	63,748	46,440	34,786
Total assets		8,967,255	8,459,597	9,039,291	8,570,639	9,739,527
Current liabilities	Before distribution	2,515,335	2,304,491	3,200,672	2,283,991	3,122,322
	After distribution	2,669,103	2,458,259	3,349,440	2,432,759	3,419,859
Non-current liabilities		467,588	296,805	135,135	554,403	545,798
Total liabilities	Before distribution	2,982,923	2,601,296	3,335,807	2,838,394	3,668,120
	After distribution	3,136,691	2,755,064	3,484,575	2,987,162	3,965,657
Equity attributable to the parent company		5,984,332	5,858,301	5,703,484	5,732,245	6,071,407
Share capital		3,172,676	3,075,366	3,075,366	3,075,366	3,075,366
Capital surplus		2,219,748	2,163,711	2,086,827	2,054,098	2,054,098
Retained earnings	Before distribution	915,745	954,930	998,016	1,100,000	1,311,895
	After distribution	761,977	878,046	849,248	951,232	1,014,358
Other equities		(137,012)	(335,706)	(295,397)	(335,891)	(208,624)
Treasury stock		(186,825)	-	(161,328)	(161,328)	(161,328)
Non-controlling interests		-	-	-	-	-
Total equity	Before distribution	5,984,332	5,858,301	5,703,484	5,732,245	6,071,407
	After distribution	5,830,564	5,704,533	5,554,716	5,583,477	5,773,870

Note 1: The year for which CPAs did not conduct audit or certification must be indicated: The financial data of the Company have been audited by CPAs.

Note 2: Where revaluation of assets was performed for the current year, the date of the revaluation and the amount arising therefrom shall be indicated: No revaluation of assets was performed for 2022.

4. Standalone Condensed comprehensive income statement - IFRSs

Unit: NTD thousand

Item \ Year	Financial Information for the Most Recent Five Years (Note 1)				
	2018	2019	2020	2021	2022
Operating revenues	4,652,792	4,087,876	3,637,810	3,996,676	5,131,980
Operating gross profits	8,092	158,057	270,514	277,848	305,243
Operating profits or losses	(155,800)	(15,530)	115,789	110,666	80,091
Non-operating incomes and expenses	284,187	244,938	39,621	136,111	301,405
Net profits before tax	128,387	229,408	155,410	246,777	381,496
Net profits from continuing operations for the period	145,110	226,792	120,190	222,893	357,407
Losses from discontinued operations	-	-	-	-	-
Net profits (losses) for the period	145,110	226,792	120,190	222,893	357,407
Other comprehensive income for the period (net after tax)	(51,342)	(199,055)	40,089	(45,364)	130,523
Total comprehensive income for the period	93,768	27,737	160,279	177,529	487,930
Net profits attributable to shareholders of parent company	145,110	226,792	120,190	222,893	357,407
Net profits attributable to non-controlling interests	-	-	-	-	-
Total comprehensive income attributable to shareholders of parent company	93,768	27,737	160,279	177,529	487,930
Total comprehensive income attributable to non-controlling interests	-	-	-	-	-
Earnings per share (EPS)	0.47	0.74	0.40	0.75	1.20

Note 1: The year for which CPAs did not conduct audit or certification must be indicated: The financial data of the Company have been audited by CPAs.

(ii) The name of attesting CPA for the most recent five years and the audit opinions.

Year	CPA Name	Audit opinions
2018	Lin Yi-Hui, Chen Hui-Ming	Unqualified opinions
2019	Lin Yi-Hui, Chih Jui-Chuan	Unqualified opinions
2020	Lin Yi-Hui, Chih Jui-Chuan	Unqualified opinions
2021	Hsieh Ming-Chung, Liu Shu-Lin	Unqualified opinions
2022	Hsieh Ming-Chung, Liu Shu-Lin	Unqualified opinions

ii. Financial analysis for the latest 5 years

(i) Consolidated financial analysis - IFRSs

Analysis	Year	Financial Analysis for the Most Recent Five Years (Note 1)				
		2018	2019	2020	2021	2022
Capital structure (%)	Debt to assets ratio	38.12	30.99	39.71	36.77	38.36
	Long-term capital to property, plant, and equipment ratio	226.42	210.78	210.56	230.36	244.11
Solvency (%)	Current ratio	185.03	213.22	165.61	206.08	206.94
	Quick ratio	156.59	181.01	137.5	165.38	162.05
	Times interest earned ratio	6.76	12.02	13.58	22.22	20.51
Operating performance	Accounts receivable turnover rate (times)	2.49	2.34	2.27	2.61	2.67
	Average collection days	146.58	155.98	160.79	139.84	136.70
	Inventory turnover rate (times)	6.98	7.09	5.83	5.66	5.47
	Accounts payables turnover rate (times)	4.08	4.09	3.27	3.57	3.84
	Average sales days	52.29	51.48	62.6	64.48	66.72
	PPE turnover rate (times)	2.54	2.10	1.98	2.37	2.82
	Total asset turnover rate (times)	0.75	0.72	0.58	0.71	0.78
Profitability	Return on assets (%)	1.72	2.72	1.47	2.52	3.99
	Return on equity (%)	2.44	3.83	2.08	3.90	6.06
	Net profits before tax to paid-in capital ratio (%)	5.69	9.14	6.18	8.70	15.45
	Net profit margin (%)	2.01	3.69	2.18	3.44	4.67
	Earnings per share (NT$)	0.47	0.74	0.40	0.75	1.20
Cash flow	Cash flow ratio (%)	11.57	56.13	12.37	14.30	5.91
	Cash flow adequacy ratio (%)	94.20	91.86	80.25	85.36	88.24
	Cash reinvestment ratio (%)	3.65	11.18	2.86	2.39	0.37
Leverage	Operating leverage	6.42	2.59	3.08	2.93	2.00
	Financial leverage	1.61	1.10	1.08	1.06	1.07

Please explain the reasons for the changes in financial ratios for the most recent 2 years:

(1)Return on assets: The increase in return on assets in 2022 was mainly due to the increase in net profit after tax in the current period compared to the previous period.

(2) Return on equity: The increase in return on equity in 2022 was mainly due to the increase in net profit after tax in the current period compared to the previous period.

(3) Net profits before tax to paid-in capital ratio: The increase in the ratio in 2022 was mainly due to the increase in net profit before tax in the current period compared to the previous period.

(4) Net profit margin: The increase in net profit margin in 2022 was mainly due to the increase in net profit after tax in the current period compared to the previous period

(5) Earnings per share: The increase in earnings per share in 2022 was mainly due to the increase in net profit after tax in the current period compared to the previous period.

(6) Cash flow ratio: The decrease in cash flow in 2022 was mainly due to the decrease in cash inflow from operating activities in the current period compared to the previous period.

(7) Cash reinvestment ratio: The decrease in cash reinvestment ratio in 2022 was mainly due to the decrease in cash inflow from operating activities in the current period compared to the previous period.

(8) Operating leverage: The decrease in operating leverage in 2022 was mainly due to the increase in variable operating costs and expenses in the current period compared to the previous period.

Note 1: The above information has been audited and attested by CPAs.

Note 2: Please refer to the following table for the calculation formula used in this table.

(ii) Standalone financial analysis - IFRSs

Item		Financial Analysis for the Most Recent Five Years (Note 1) 2018	2019	2020	2021	2022
Capital structure (%)	Debt to assets ratio	33.26	30.75	36.90	33.12	37.66
	Long-term capital to property, plant, and equipment ratio	941.03	671.61	684.73	770.62	836.22
Solvency (%)	Current ratio	109.29	99.21	88.38	103.12	100.71
	Quick ratio	106.82	94.90	85.06	99.49	98.08
	Times interest earned ratio	5.12	11.82	15.63	26.18	32.01
Operating performance	Accounts receivable turnover rate (times)	2.30	2.38	2.40	2.67	2.90
	Average collection days	158.69	153.36	152.08	136.70	125.86
	Inventory turnover rate (times)	77.88	58.99	38.08	46.09	70.34
	Accounts payables turnover rate (times)	4.54	3.70	2.40	2.68	2.79
	Average sales days	4.68	6.18	9.58	7.91	5.18
	PPE turnover rate (times)	6.79	4.46	4.27	4.90	6.49
	Total asset turnover rate (times)	0.52	0.48	0.40	0.47	0.53
Profitability	Return on assets (%)	1.88	2.80	1.47	2.62	4.01
	Return on equity (%)	2.44	3.83	2.08	3.90	6.06
	Net profits before tax to paid-in capital ratio (%)	4.05	7.46	5.05	8.02	12.40
	Net profit margin (%)	3.12	5.55	3.30	5.58	6.96
	Earnings per share (NT$)	0.47	0.74	0.40	0.75	1.20
Cash flow	Cash flow ratio (%)	0.00	33.23	15.19	5.14	9.15
	Cash flow adequacy ratio (%)	110.22	168.70	180.56	177.90	191.92
	Cash reinvestment ratio (%)	0.00	33.26	22.77	(1.68)	7.34
Leverage	Operating leverage	0.29	(5.84)	1.87	1.92	2.02
	Financial leverage	0.83	0.42	1.10	1.10	1.18

Please explain the reasons for the changes in financial ratios (up to 20%) for the most recent 2 years:

(1) Times interest earned ratio: The increase in times interest earned ratio in 2022 was mainly due to the increase in net profit before tax and interest in the current period compared to the previous period.

(2) Inventory turnover rate: The increase in inventory turnover rate in 2022 was mainly due to the decrease in average inventory in the current period compared to the previous period.

(3) Average sales days: The decrease in average sales days in 2022 was mainly due to the increase in inventory turnover rate in the current period compared to the previous period.

(4) Property, plant and equipment turnover rate: The increase in property, plant and equipment turnover rate in 2022 was mainly due to the increase in net sales in the current period compared to the previous period.

(5) Return on assets: The increase in return on assets in 2022 was mainly due to the increase in net profit after tax in the current period compared to the previous period.

(6) Return on equity: The increase in return on equity in 2022 was mainly due to the increase in net profit after tax in the current period compared to the previous period.

(7) Net profit before tax to paid-in capital ratio: The increase in the ratio in 2022 was mainly due to the increase in net profit before tax in the current period compared to the previous period.

(8) Net profit margin: The increase in net profit margin in 2022 was mainly due to the increase in net profit after tax in the current period compared to the previous period

(9) Earnings per share: The increase in earnings per share in 2022 was mainly due to the increase in net profit after tax in the current period compared to the previous period.

(10) Cash flow ratio: The increase in cash flow ratio in 2022 was mainly due to the increase in cash flows from operating activities in the current period compared to the previous period.

(11) Cash reinvestment ratio: The increase in cash reinvestment ratio in 2022 was mainly due to the increase in cash flows from operating activities in the current period compared to the previous period.

Note 1: The above information has been audited and attested by CPAs.

Note 2: The calculation formula for the ratios is described below:

1. Capital structure
   (1) Debt to assets ratio = Total liabilities/total assets.
   (2) Long-term capital to property, plant, and equipment ratio = (total equity + non-current liabilities)/net property, plant, and equipment.

2. Solvency
   (1) Current ratio = Current assets/current liabilities.
   (2) Quick ratio = (Current assets-inventory-prepaid expenses)/current liabilities.
   (3) Times interest earned ratio = net profits before tax and interest expense/interest expense for the period.

3. Operating performance
   (1) Receivable (including accounts receivable and notes receivable from business operations) turnover rate = net sales/balance of average accounts receivable for various periods (including accounts receivable and notes receivable from business operations).
   (2) Average collection days = 365/receivables turnover rate.
   (3) Inventory turnover rate = costs of goods sold/average inventory.
   (4) Payable (including accounts payable and notes payable from business operations) turnover rate = costs of goods sold/balance of average accounts payable for various periods (including accounts payable and notes payable from business operations).
   (5) Average sales days = 365/inventory turnover rate.
   (6) Property, plant, and equipment turnover rate = net sales/average property, plant, and equipment.
   (7) Total assets turnover rate = net sales/average total assets.

4. Profitability
   (1) Return on assets = [net profits after tax + interest expense x (1 - tax rate)]/average total assets.
   (2) Return on equity = net profits after tax/average total equity.
   (3) Net profits margin = net profits after tax/net sales.
   (4) Earnings per share = (net profits attributable to shareholders of the parent - preferred stock dividend)/weighted average number of shares outstanding. (Note 3)

5. Cash flow
   (1) Cash flow ratio = net cash flow from operating activities/current liabilities.
   (2) Cash flow adequacy ratio = sum of net cash flow from operating activities for the most recent 5 years/sum of capital expenditures, inventory additions, and cash dividend for the most recent 5 years.
   (3) Cash flow reinvestment ratio = (net cash flow from operating activities - cash dividend)/(gross property, plant, and equipment + long-term investment + other non-current assets + working capitals). (Note 4)

6. Leverage:
   (1) Operating leverage = (net operating revenue - variable operating costs and expenses) / operating profits (Note 5)
   (2) Financial leverage = operating profits/(operating profits - interest expense).

Note 3: Special attention shall be paid to the following when using the above earnings per share calculation formula:
1. Weighted average quantity of shares is on the basis of common stock, not the outstanding shares as of the end of the year.
2. If there is a cash capital increase or treasury transaction, the outstanding period should be considered for weighted-average stock calculation.
3. If any additional shares were issued against retained earnings or capital surplus, the full year or half-year earnings per share must be adjusted proportionally and retroactively, regardless of when the additional stocks were issued.
4. If the preferred stock is unconvertible cumulative preferred stock, the dividend for the year (whether the dividend is paid or not) should be deducted from the net income or added to the net loss. If preference shares were non-cumulative, the preference shares dividends must be deducted from after tax net profit; no adjustment is required from after tax net loss.

Note 4: The following shall be considered in assessing cash flow analysis:
1. Net cash flow from operating activities refers to net cash inflow from operating activities as stated in the Statement of Cash Flow.
2. Capital expenditure refers to the cash outflow for annual capital investments.
3. The increase in inventory is included only when the balance at the ending is greater than that at beginning. If the inventory decreases at the end of the year, it shall be calculated as “zero”.
4. Cash dividend includes cash dividend for common stock and preferred stock.
5. Gross property, plant and equipment refers to the total property, plant and equipment before subtracting by accumulated depreciation.

Note 5: The issuer shall distinguish the operating costs and operating expenses as fixed and floating ones by nature. If any estimation or judgment is involved, please note the reasonableness and consistency.

Note 6: In the case of shares issued by the Company with no par value or a par value other than NT$10 per share, said calculation about the ratio of the paid-in capital shall be replaced by the equity attributable to the parent company identified in the balance sheet.

iii. Audit Committee’s review report of the financial statements for the most recent year:

Audit Committee’s Audit Report

The Company’s Board of Directors prepared the 2022 financial statements. Deloitte & Touche has audited the 2022 financial statements and issued an audit report. The above-mentioned business report, financial statements and earnings distribution proposal have been examined by the Audit Committee and are found to be in conformity with Article 14-4 of the Securities and Exchange Act and Article 219 of the Company Act. Please review.

To:

2023 Regular Shareholders’ Meeting of ICHIA TECHNOLOGIES INC.

Audit Committee convener: Huang Chin-Ming

March 14, 2023

- **iv. Financial statements for the most recent year:** See pages 95-182.
- **v. Standalone financial statements audited and attested by CPAs for the most recent year:** See pages 183-275.
- **vi. If the Company or any of its affiliated companies had, in the latest year up until the publication of this annual report, experienced financial distress, the impacts to the Company’s financial status must be disclosed: None.**

VII. Review and analysis of financial status and financial performance and risk

i. Financial position

(i) Comparative analysis of financial position

Unit: NTD thousand; %

Item \ Year	2021	2022	Difference	
			Amount	%
Current assets	5,701,430	6,656,442	955,012	17%
Property, Plant and Equipment	2,734,585	2,717,099	(17,486)	(1%)
Other assets	199,971	227,987	28,016	14%
Total assets	9,065,970	9,849,412	783,442	9%
Current liabilities	2,766,615	3,216,660	450,045	16%
Non-current liabilities	567,110	561,345	(5,765)	(1%)
Total liabilities	3,333,725	3,778,005	444,280	13%
Share capital	3,075,366	3,075,366	0	0%
Capital surplus	2,054,098	2,054,098	0	0%
Retained earnings	1,100,000	1,311,895	211,895	19%
Total shareholders' equity	5,732,245	6,071,407	339,162	6%

(ii) Analysis of changes in the percentage of increase or decrease in the last two years;

1. Assets: The increase in current assets in 2022 was mainly due to the increase in receivables and inventories in the current period compared to the previous period; the increase in other assets in 2022 was mainly due to the increase in prepayment for equipment in the current period compared to the previous period.
2. Liabilities: The increase in current liabilities in 2022 was mainly due to the increase in payables in the current period compared to the previous period

ii. Financial performance

(i) Analysis of operating results for the last two years

Unit: NTD thousand; %

Item	2021	2022	Increase (decrease) amount	Change percentage (%)
Net operating revenues	6,478,555	7,654,149	1,175,594	18%
Operating costs	5,674,621	6,611,844	937,223	17%
Operating gross profits	803,934	1,042,305	238,371	30%
Operating expenses	595,824	678,069	82,245	14%
Operating profits	208,110	364,236	156,126	75%
Non-operating incomes and expenses	59,532	110,981	51,449	86%
Net profits before tax for the period	267,642	475,217	207,575	78%
Income tax expenses	(44,749)	(117,810)	(73,061)	163%
Net profits after tax for the period	222,893	357,407	134,514	60%

(ii) Analysis of changes in the percentage of increase or decrease in the last two years;

1. Operating profits: The increase in operating profits in 2022 was mainly due to the increase in operating revenue in 2022 compared to the previous period.
2. Non-operating income and expense: The increase in non-operating income and expense in 2022 was mainly due to the increase in net profit from foreign currency exchange gains and losses in 2022 compared to the previous period.
3. Current net profit after tax: The increase in net profit after tax in 2022 was mainly due to the increase in operating profits and non-operating income in 2022 compared to the previous period.

iii. Cash flow

(i) Analysis of changes in the cash flow for the most recent two years:

Unit: NTD thousand

Item \ Year	2021	2022	Increase (decrease) %
Operating activities	395,611	190,088	(52%)
Investment activities	(462,905)	298,637	165%
Financing activities	(347,410)	(263,060)	24%

Explanation:

1. Operating activities: Mainly due to the increase in receivables and inventories in the current period compared to the previous period.
2. Investment activities: Mainly due to the increase in disposal of financial assets measured at amortized cost in the current period compared to the previous period.
3. Financing activities: Mainly due to the decrease in repayment of short-term loans in the current period compared to the previous period.

(ii) Improvement plan for liquidity deficiency: The Company has no liquidity deficiency.

(iii) Cash flow analysis for the coming year

Unit: NTD thousand

Cash balance at beginning of the period	Estimated full-year net cash flow from operating activities	Estimated full-year cash outflow	Estimated cash surplus (shortage)	Remedy for estimated cash shortage	
				Investment plan	Financial plan
1,794,682	500,000	400,000	1,894,682	N/A	N/A

iv. Major capital expenditure and its impact on finance and business matters of the Company in the most recent year: None.

v. Investment policy for the most recent year, the main reasons for profit or loss, improvement plan and investment plan for the coming year

(i) Investment policy for the most recent year: The Company's main consideration in making investments is the core process capability and customers’ needs, and there were no diversified investment activities in recent years.

(ii) Main reasons for profit or loss and improvement plan: In addition to continuing to increase the proportion of automation, the Company will enhance core technology and process capability to maintain its competitiveness in the industry and build up the R&D and process capability for FPC integrated products, cultivate existing customers and explore new customers to enhance its operating performance.

(iii) Investment plan for the coming year: None.

vi. Analysis and assessment of risks for the most recent year and up to the publication date of the annual report

(i) Impact of interest and exchange rate fluctuations and inflation on the profit and loss of the Company, and the future countermeasures:

1. Impact on the Company’s profit or loss

(1) Changes in interest rates: Fluctuations in interest rates affect the increase or decrease in interest expense on bank loans, which in turn affects the Company's profit or loss.

(2) Changes in exchange rates: The Company's imports and exports are mainly denominated in foreign currencies, so fluctuations in exchange rates will partially affect the Company's profit and loss.

(3) Inflation: Inflation of raw materials will increase the Company's cost of goods and indirectly affect part of the profit or loss.

2. Future countermeasures

(1) Countermeasures for changes in interest rates: The Company regularly tracks and analyzes fluctuations in general economic and market interest rates, and evaluates whether to enter into interest rate swap contracts to hedge interest rate risk at any time.

(2) Countermeasures for exchange rate fluctuations: The Company's response to exchange rate fluctuations is mainly through natural hedging and forward exchange contracts to hedge the exchange rate risk.

(3) Countermeasures for Inflation: In response to possible inflation in raw materials, the Company will introduce strategic materials and strengthen the bargaining power to suppliers to reduce the purchase cost of materials, while timely transferring it to customer quotations, and if necessary, will also evaluate ways to hedge the risk of price increases in raw materials by means of commodity hedging.

(ii) Policies on high-risk, high-leverage investments, lending funds to others, endorsement and guarantee and derivative transactions, main reasons for profits or losses and future countermeasures: The Company does not engage in high-risk investments, and all investments are carefully evaluated and executed. The lending of funds to others and the endorsement of guarantees are made to 100%-owned facilities, and derivative financial instruments are operated mainly for hedging purposes, and all operations have been carefully executed in consideration of possible risks.

(iii) Future R&D plans and expected R&D expenses

Future R&D plans are detailed on page 43 of this annual report, and budget for R&D expenses for 2023 is NT$240,000 thousand.

(iv) Impact of changes in domestic and foreign important policies and laws on the Company's finance and business matters and countermeasures: The Company operates in accordance with domestic and foreign laws and regulations, and regularly reviews and revises the Company's internal management rules and regulations to comply with the laws and regulations.

(v) The effect of technological and industrial changes on finance and business matters of the Company, and countermeasures: None.

(vi) Impact of corporate image change on corporate crisis management and countermeasures: The Company operates under the management philosophy of honesty, diligence, innovation, and achievement unlimited. The Company has a good corporate image and has not experienced any incidents that endanger its corporate image over the long term. In the future, we will continue to fulfill our corporate social responsibility and strengthen our corporate governance to achieve the goal of sustainable operations.

(vii) Expected benefits, possible risks to mergers and acquisitions and countermeasures: The Company has not made any mergers and acquisitions in the most recent year up to the date of publication of the annual report.

(viii) Expected benefits, possible risks and countermeasures for plant expansion: None.

(ix) Risks associated with the concentration of purchases or sales and countermeasures: None.

(x) The impact on the Company and risks of the massive transfer or change of shares of directors, supervisors or major shareholders with 10% stake or more in the most recent year and in the current year up to the date of publication of the annual report and countermeasures: None.

(xi) Impact and risk associated with changes in management rights, and countermeasures: N/A.

(xii) For litigious and non-litigious matters, please list major litigious, non-litigious or administrative disputes that have been resolved or are still proceeding involving the Company and/or any director, supervisor, the general manager, any person with actual responsibility for the firm and any major shareholder holding a more than 10% of the shares, and the affiliated companies. Moreover, where such a dispute could materially affect shareholders' equity or the prices of the securities, the annual report shall disclose the facts of the dispute, amount of money at stake in the dispute, the date of litigation commencement, the main parties to the dispute, and the status of the dispute as of the publication date of the annual report: None.

(xiii) Other major risks in the most recent year and in the current year up to the date of publication of the annual report and corresponding measures: The Company has established a comprehensive information security mechanism and related management methods, and conducts annual assessments for the upgrade and backup of related software and hardware equipment to ensure the normal operation of the operating system. For the most recent year up to the date of publication of the annual report, there has been no significant information security incidents in the Company.

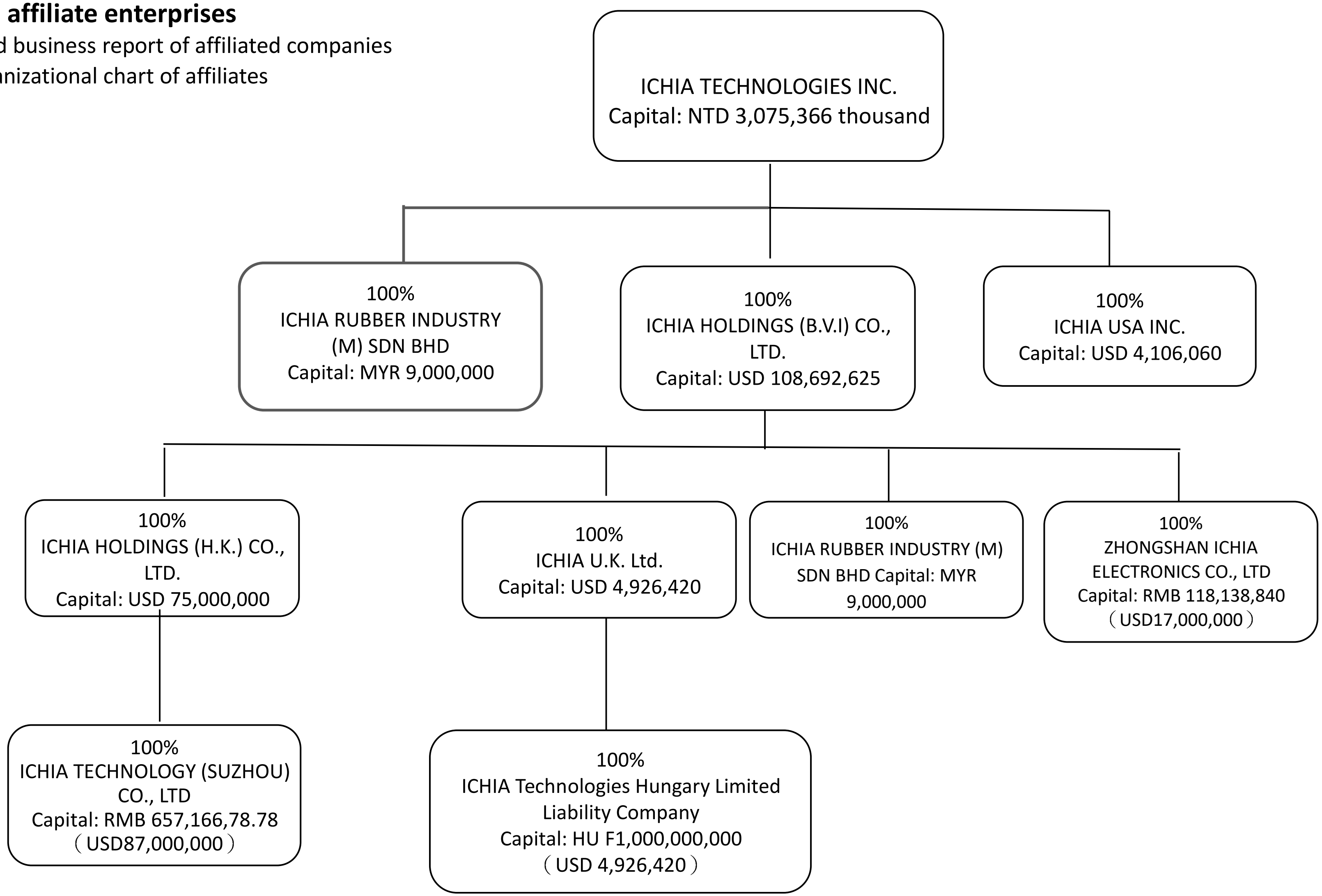
vii. Other important disclosures: None.

VIII. Special notes

i. Information on affiliate enterprises

(i) Consolidated business report of affiliated companies

1. Organizational chart of affiliates



2. Basic information on affiliates

In thousand of NTD unless otherwise indicated

Name of enterprise	Date of incorporation	Address	Paid-in capital	Principal business or production items
ICHIA TECHNOLOGIES INC.	1989.11.7	No. 268, Huaya 2nd Rd., Guishan Dist., Taoyuan City	NTD3,075,366	Engaged in the manufacturing, processing, and trading of various components and materials for electronics, home appliances, electronic engineering, electrical equipment, communications (telecommunications), and computers, as well as the import and export of domestic and foreign products and agency, distribution, tender and quotation business.
ICHIA HOLDINGS (B.V.I) CO., LTD.	1997.9.9	Vistra Corporate Services Centre, Wickhams Cay II,Road Town,Tortola,VG1110,B.V.I	USD 108,692,625	Engaged in investments for holding.
ICHIA USA INC.	1993.9.9	1057 Tierra Del Rey, Suite G ,Chula Vista, CA 91910 U.S.A.	USD 4,106,060	Manufacturing, processing and trading of various electronic components and materials for various electronic and telecommunication computers.
ICHIA RUBBER INDUSTRY (M) SDN BHD	1994.3.30	977-978 Solok Perusahaan 3, Prai Industrial Estate,13600 Prai, Province Welllesley, Penang, Malaysia.	MYR 9,000,000	Manufacturing and sale of rubber, plastic keypads and flexible printed circuit boards.
ICHIA TECHNOLOGY (SUZHOU) CO., LTD	2001.12.11	No. 118, Jinshan Road, Suzhou New District, Suzhou City, Jiangsu Province, China	RMB 657,166,78.78	Manufacturing and sale of rubber, plastic keypads and flexible printed circuit boards.
ICHIA U.K. LTD	2002.8.13	OMC Chambers,Wickhams Cay I,Road Town,Tortola,British Virgin Islands	USD 4,926,420	Various investment businesses
ICHIA Technologies Hungary Limited Liability Company	2004.9	2900 Komárom, Bánki Donát u. 2. Hungary	HUF 1,000,000,000	Manufacturing, processing and trading of rubber and plastic keypads.
ZHONGSHAN ICHIA ELECTRONICS CO., LTD	2002.6.28	No. 26, Yixian Road, Torch Development Zone, Zhangjiabian, Zhongshan City, Guangdong Province, China	RMB 118,138,840	Manufacturing, processing and trading of various electronic components and materials for various electronic and telecommunication computers.
ICHIA HOLDINGS (H.K.) CO., LTD.	2008.1.4	151 Gloucester Road, Wanchai, Hong Kong Room 1004, National Health Centre	USD 75,000,000	Various investment businesses.

3. For those presumed to be in a controlling and subordinate relationship, the common shareholder information: None.

4. The industry covered by the business of all affiliated companies

Name of enterprise	Controlling (subordinate) company	Controlling (subordinate) relationship	The division of business between affiliated companies
ICHIA TECHNOLOGIES INC.	Controlling company	-	Group headquarter
ICHIA USA INC.	Subordinate company	Shareholding Control	Responsible for manufacturing and sales in the Americas
ICHIA HOLDINGS (B.V.I) CO., LTD.	Subordinate company	Shareholding Control	Engaged in investments for holding
ICHIA RUBBER INDUSTRY (M) SDN BHD	Subordinate company	Shareholding Control	Responsible for manufacturing and sales in the Southeast Asian market
ZHONGSHAN ICHIA ELECTRONICS CO., LTD	Subordinate company	Shareholding Control	Engaged in the processing of various types of keypads outsourced by ICHIA (BVI) and manufacturing and sales in China
ICHIA TECHNOLOGY (SUZHOU) CO., LTD	Subordinate company	Shareholding Control	Responsible for manufacturing and sales in Eastern and Northern China markets
ICHIA U.K. LTD.	Subordinate company	Shareholding Control	Various investment businesses
ICHIA Technologies Hungary Limited Liability Company	Subordinate company	Shareholding Control	Responsible for manufacturing and sales in the European market
ICHIA HOLDINGS (H.K.) CO., LTD.	Subordinate company	Shareholding Control	Engaged in investments for holding

5. The names of directors, supervisors and general managers of the affiliated companies and their shareholdings or capital contributions to the companies

me of affiliated company	Title	Name or representative	Shareholding as of April 22, 2023	
			Number of shares	Shareholding Percentage
Controlling company				
ICHIA TECHNOLOGIES INC.	Chairman	Representative of Creative Investment Co., Ltd.: Huang Chiu-Yung	18,872,480	6.14%
	Vice Chairman Director	Huang Li-Lin	4,707,083	1.53%
	Director	Huang Tzu-Cheng	1,285,000	0.42%
	Director	Representative of Fa La Li Investment Co., Ltd.: Huang Tzu-Hsuan	19,098,481	6.21%
	Independent director	Chen Tai-Jan	0	0%
	Independent director	Huang Chin-Ming	0	0%
	Independent director	Hsu Wan-Lung	0	0%
ICHIA HOLDINGS (B.V.I) CO., LTD.	Chairman	Representative of ICHIA TECHNOLOGIES INC.: Huang Chiu-Yung	USD108,692,625	100%
	General Manager	Huang Li-Lin	0	0%
ICHIA USA INC.	Chairman	Representative of ICHIA TECHNOLOGIES INC.: Huang Chiu-Yung	USD4,106,060	100%
	Director	Huang Li-Lin	0	0%
	Director	Huang Wen-Chieh	0	0%
ICHIA RUBBER INDUSTRY(M) SDN BHD	Chairman	Hung Chien-Cheng	MYR9,000,000	100%
	Director	Huang Chiu-Yung	0	0%

me of affiliated company	Title	Name or representative	Shareholding as of April 22, 2023	
			Number of shares	Shareholding Percentage
	Director	Huang Li-Lin	0	0%
	Director	Huang Ti-Ju	0	0%
ICHIA TECHNOLOGY (SUZHOU) CO., LTD	Chairman and general manager	Representative of ICHIA TECHNOLOGIES INC.: Tseng Kung-Sheng	RMB657,166,785.78	100%
	Director	Huang Li-Lin	0	0%
	Director	Sun Yung-Hsiang	0	0%
	Supervisor	Huang Yen-Hsiang	0	0%
ICHIA U.K. LTD.	Chairman	Representative of ICHIA TECHNOLOGIES INC.: Huang Chiu-Yung	USD4,926,420	100%
ICHIA Technologies Hungary Limited Liability Company	Managing director	Representative of ICHIA TECHNOLOGIES INC.: Huang Li-Lin	HUF1,000,000,000	100%
ZHONGSHAN ICHIA ELECTRONICS CO., LTD	Chairman and general manager Director Director Supervisor	Representative of ICHIA TECHNOLOGIES INC.: Wu Feng-Hsin Huang Li-Lin Huang Chin-Yuan Huang Yen-Hsiang	RMB118,138,840	100% 0% 0% 0%
ICHIA HOLDINGS (H.K.) CO., LTD.	Chairman Director	Representative of ICHIA TECHNOLOGIES INC.: Huang Chiu-Yung Huang Li-Lin	USD75,000,000	100% 0%

6. Business overview of affiliates

Unit: NTD thousand

Name of enterprise	Capital	Total assets	Total liabilities	Net worth	Operating revenues	Operating profits (losses)	Profits or losses for the period	Earnings per share (EPS) (NT$)
ICHIA TECHNOLOGIES INC.	3,075,365	9,739,527	3,668,120	6,071,407	5,131,980	80,091	357,408	1.20
ICHIA HOLDINGS (B.V.I) CO., LTD.	3,337,951	5,576,542	0	5,576,542	0	(479)	271,760	-
ICHIA USA INC.	126,097	46,851	9,867	36,984	8,140	(7,644)	(4,670)	-
ICHIA HOLDINGS (H.K.) CO., LTD.	2,303,250	4,175,308	0	4,175,308	0	(62)	221,503	-
ICHIA RUBBER INDUSTRY (M) SDN BHD	60,291	144,168	23,420	120,748	25,687	17,110	12,194	-
ICHIA TECHNOLOGY (SUZHOU) CO., LTD	2,897,739	6,600,657	2,404,793	4,195,864	5,986,728	250,172	225,655	-
Ichia U.K. Ltd.	151,290	(25,516)	0	(25,516)	0	0	3,077	-
ICHIA Technologies Hungary Limited Liability Company	81,719	37,164	62,680	(25,516)	0	(780)	4,358	-
Supervisor of ZHONGSHAN ICHIA ELECTRONICS CO., LTD	520,926	1,058,246	251,730	806,516	931,922	25,956	34,231	-

(ii) Consolidated financial statements of affiliated companies: The information required to be disclosed in the consolidated financial statements of affiliated companies has been disclosed in the consolidated financial statements, and the Company shall not prepare separate consolidated financial statements of affiliated companies.

(iii) Relationship report: N/A.

ii. **Private placement of marketable securities in the most recent year and up to the publication date of the annual report:** None.

iii. **Holding or disposal of shares in the Company by the Company's subsidiaries for the most recent year and up to the publication date of the annual report:** None.

iv. **Other supplementary disclosure:** None.

v. **Any of the situations listed in Article 36, Paragraph 2, Subparagraph 2 of the Securities and Exchange Act, which might materially affect shareholder equity or the price of the Company's securities, which has occurred during the most recent year or during the current year up to the date of publication of the annual report:** None.

Appendix 1

Statement of Consolidated Financial Statements of Affiliated Enterprises

The companies to be included in the consolidated financial statements of affiliated enterprises in 2022 (from January 1, 2022 to December 31, 2022) pursuant to the "Criteria Governing Preparation of Affiliation Reports, Consolidated Business Reports and Consolidated Financial Statements of Affiliated Enterprises" are the same as those to be included in the consolidated financial statements of the parent company and subsidiaries pursuant to the IAS 10. Further, the related information to be disclosed in the consolidated financial statement of affiliated enterprises has been disclosed in the said consolidated financial statements of parent company and subsidiaries. Accordingly, it is not necessary for the Company to prepare the consolidated financial statements of affiliated enterprises separately.

Declared by:

Company name: ICHIA TECHNOLOGIES INC.

Corporate director: Creative Investment Co., Ltd.

Representative: Huang Chiu-Yung

March 14,2023

Independent Auditor's Report

To the Board of Directors and Shareholders of ICHIA TECHNOLOGIES INC.:

Audit opinions

We have audited the accompanying consolidated balance sheet of ICHIA TECHNOLOGIES INC. and subsidiaries as of December 31, 2022 and 2021, and the related consolidated comprehensive income statements, consolidated statement of changes in equity, consolidated cash flow statements, and notes to the consolidated financial statements (including significant accounting policies) for the years then ended.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the consolidated financial position of ICHIA TECHNOLOGIES INC. and subsidiaries as of December 31, 2022 and 2021, and its consolidated financial performance and cash flows for the years ended December 31, 2022 and 2021, in conformity with the requirements of regulations governing the preparation of financial statements by securities issuers and International Financial Reporting Standards, International Accounting Standards, and Interpretations issued by the Financial Supervisory Commission.

Basis for opinions

We conclude our audits in accordance with the Regulations Governing Auditing and Attestation of Financial Statements by Certified Public Accountants and Auditing Standards. Our responsibilities under those standards are further described in the responsibilities of auditors for the audit of the consolidated financial statements. We are independent of ICHIA TECHNOLOGIES INC. and subsidiaries in accordance with the Code of Professional Ethics for Certified Public Accountants, and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the 2022 consolidated financial statements of ICHIA TECHNOLOGIES INC. and subsidiaries. These matters were addressed in the content of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide separate opinions on those matters.

Key audit matters of the 2022 consolidated financial statements of ICHIA TECHNOLOGIES INC. and subsidiaries were as follows:

Authenticity of revenues recognized from sales to specific customers

ICHIA TECHNOLOGIES INC. and subsidiaries manufacture a wide range of flexible printed circuit boards and mechanism integrated components (MVI) for the automotive and consumer electronics markets. The sales revenue is a major indicator for the management to evaluate the sales performance. Since the sales revenue from major customers occupies a substantial percentage of the overall sales revenues, the authenticity of the sales revenues recognized from sales to major customers with more significant changes in the increase and proportion of the sales revenue is included as key audit matters in this year's consolidated financial statements.

We have also performed the following major audit procedures with respect to the above key audit matters:

1. Understand and test the effectiveness of the design and implementation of the internal control system related to revenue recognition.
2. Conduct random inspection of the sales revenue from major customers and check relevant certificates and documents to make sure of the authenticity of the recognition.
3. Examine whether there are any abnormalities in the collection after the credit period granted to specific customers.

Other Matters

We have also audited the stand-alone financial statements of ICHIA TECHNOLOGIES INC. as of and for the year ended December 31, 2022 and 2021 on which we have issued an unqualified opinion.

Responsibilities of Management and Those in Charge of Governance of the Consolidated Financial Statements

The responsibility of management is to prepare fairly presented consolidated financial statements in conformity with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and International Financial Reporting Standards, International Accounting Standards interpretations, and announcements of interpretations recognized and published by the Financial Supervisory Commission and maintain necessary internal control related to the preparation of consolidation of financial statements in order to ensure material misstatement caused by fraud or error does not exist in the consolidated financial statements.

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

Those in charge of governance (including the Auditing Committee) are responsible for overseeing the reporting process of the financial statements of ICHIA TECHNOLOGIES INC. and subsidiaries.

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

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

As part of an audit in accordance with auditing standards, we exercise professional judgment and skepticism throughout the audit. We also:

1. Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error; design and perform countermeasures for assessed risks; and obtain evidence that is sufficient and appropriate to

provide a basis of audit 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 effective in ICHIA TECHNOLOGIES INC. and subsidiaries.
3. Evaluate the appropriateness of accounting policies and the reasonableness of accounting estimates and related disclosures made by management.
4. Conclude the appropriateness of the use of the going concern basis of accounting by the management, and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on ICHIA TECHNOLOGIES INC. and subsidiaries 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 consolidated financial statements or, if such disclosure is inappropriate, 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 ICHIA TECHNOLOGIES INC. and subsidiaries to cease as a going concern.
5. Evaluate the overall presentation, structure, and content of the consolidated financial statements (including related notes), whether the consolidated 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 or the entities or business activities of the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision, and performance of the audit of the Group. 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 in charge of governance with a statement that we have complied with relevant ethical requirements regarding independence, and communicate with them all relationships and other matters that may reasonably be thought to affect on our independence, and other matters (including related protective measures).

From the matters communicated with those in charge of governance, we determine those matters that were of most significance in the audit of the 2022consolidated financial statements of ICHIA TECHNOLOGIES INC. and subsidiaries and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Deloitte Touche Tohmatsu Limited

CPA Steven Hsieh	CPA Liu Shu-Lin
Approval No. from theFinancial SupervisoryCommission: Jin-Guan-Zheng-Shen-Zi No. 1000028068	Approval No. from theFinancial SupervisoryCommission: Jin-Guan-Zheng-Shen-Zi No. 1050024633

March 14, 2023

ICHIA TECHNOLOGIES INC. and subsidiaries

Consolidated Balance Sheet

December 31, 2022 and 2021

Unit: NTD thousands

Code	Assets	December 31, 2022 Amount	%	December 31, 2021 Amount	%
	Current asset				
1100	Cash and cash equivalents (Notes 4 and 6)	$ 1,794,682	18	$ 1,448,846	16
1110	Financial assets measured at fair value through profit or loss – current (Notes 4 and 7)	71,469	1	171,751	2
1136	Financial assets measured at amortized cost – current (Notes 4 and 9)	51,444	1	516,212	6
1150	Notes receivable - net (Notes 4 and 10)	-	-	42	-
1170	Accounts receivable - net (Notes 4 and 10)	3,231,689	33	2,383,695	26
1220	Current income tax assets (Note 4 and 24)	36	-	10,369	-
130X	Inventory (Notes 4 and 11)	1,370,109	14	1,047,506	12
1470	Other current assets (Note 16)	137,013	1	123,009	1
11XX	Total current assets	6,656,442	68	5,701,430	63
	Noncurrent assets				
1517	Financial assets measured at fair value through other comprehensive income - non-current (Notes 4 and 8)	12,000	-	-	-
1535	Financial assets measured at amortized cost – non-current (Notes 4 and 9)	12,224	-	149,641	2
1600	Property, plant and equipment (Notes 4 and 13)	2,413,723	25	2,734,585	30
1755	Right-of-use assets (Note 14)	127,264	1	125,336	1
1760	Investment property (Note 15)	303,376	3	-	-
1840	Deferred income tax assets (Notes 4 and 24)	96,396	1	155,007	2
1975	Net defined benefit assets -non-current (Notes 4 and 20)	18,320	-	15,022	-
1990	Other non-current assets (Note 16)	209,667	2	184,949	2
15XX	Total non-current assets	3,192,970	32	3,364,540	37
1XXX	Total assets	$ 9,849,412	100	$ 9,065,970	100
Code	**Liabilities and equity**				
	Current liabilities				
2100	Short-term loans (Notes 4 and 17)	$ 887,418	9	$ 1,004,059	11
2130	Contract liabilities – current (Note 22)	17,045	-	5,221	-
2170	Accounts payable – non-related parties (Note 18)	1,959,619	20	1,481,654	17
2200	Other payables (Note 19)	306,001	3	255,594	3
2230	Income tax liabilities in current period (Notes 4 and 24)	17,085	-	5,532	-
2280	Lease liabilities - current (Notes 4 and 14)	2,762	-	1,298	-
2320	Long-term loans maturing within one year or operating cycle (Notes 4 and 17)	9,374	-	-	-
2399	Other current liabilities (Note 19)	17,356	-	13,257	-
21XX	Total current liabilities	3,216,660	32	2,766,615	31
	Non-current liabilities				
2541	Long-term loans (Notes 4 and 17)	335,626	4	345,000	4
2542	Long-term notes payable (Note 17)	199,980	2	199,935	2
2570	Deferred income tax liabilities (Notes 4 and 24)	8,504	-	14,482	-
2580	Lease liabilities - non-current (Notes 4 and 14)	3,758	-	661	-
2600	to other non-current liabilities	13,477	-	7,032	-
25XX	Total non-current liabilities	561,345	6	567,110	6
2XXX	Total liabilities	3,778,005	38	3,333,725	37
	Equity (Note 21)				
3110	Common stock	3,075,366	31	3,075,366	34
3200	Capital surplus	2,054,098	21	2,054,098	23
	Retained earnings				
3310	Legal reserve	607,392	6	585,590	7
3320	Special reserve	335,891	3	295,397	3
3350	Undistributed earnings	368,612	4	219,013	2
3300	Total retained earnings	1,311,895	13	1,100,000	12
3490	Other equities	(208,624)	(2)	(335,891)	(4)
3500	Treasury stock	(161,328)	(1)	(161,328)	(2)
3XXX	Total equity	6,071,407	62	5,732,245	63
	Total liabilities and equity	$ 9,849,412	100	$ 9,065,970	100

The attached notes are part of the consolidated financial statements.

Corporate director: Creative Investment Co., Ltd. Representative: HUANG CHIU YUNG　　Managerial officer: Tseng Kung-Sheng　　Chief Accounting Officer: Cheng Ching-Yi

ICHIA TECHNOLOGIES INC. and subsidiaries

Consolidated Comprehensive Income Statement

January 1 to December 31, 2022 and 2021

Unit: NTD thousands; earnings per share: NTD dollar

Code		2022 Amount	2022 %	2021 Amount	2021 %
	Operating revenue (Notes 4 and 22)				
4110	Sales revenues	$ 7,732,513	101	$ 6,522,564	101
4170	Sales return	(38,336)	-	(6,537)	-
4190	Sales discount	(40,028)	(1)	(37,472)	(1)
4000	Total operating revenue	7,654,149	100	6,478,555	100
5000	Operating cost (Note 4, 11 and 23)	(6,611,844)	(86)	(5,674,621)	(88)
5900	Operating gross profits	1,042,305	14	803,934	12
	Operating expenses (Note 23)				
6100	Promotional expenses	221,591	3	187,720	3
6200	Administrative expenses	234,161	3	220,557	3
6300	R&D expenses	217,561	3	191,765	3
6450	Loss (reversal profit) from expected credit impairment	4,756	-	(4,218)	-
6000	Total operating expenses	678,069	9	595,824	9
6900	Operating income	364,236	5	208,110	3
	Non-operating incomes and expenses (Notes 23)				
7100	Interest incomes	19,203	-	18,323	-
7010	Other incomes	47,845	-	50,546	1
7020	Other gains and losses	68,293	1	3,274	-
7050	Financial costs	(24,360)	-	(12,611)	-
7000	Total non-operating incomes and expenses	110,981	1	59,532	1
7900	Net profits before tax	475,217	6	267,642	4
7950	Income tax expenses (Notes 4 and 24)	(117,810)	(2)	(44,749)	-
8200	Net profits for the year	357,407	4	222,893	4

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Code		2022 Amount	%	2021 Amount	%
	Other comprehensive income				
8310	Titles not reclassified as profit or loss				
8311	Remeasurement of defined benefit plan (Note 20)	$ 3,256	-	($ 4,870)	-
8360	Titles likely to be reclassified to profit or loss subsequently				
8361	Exchange differences in the financial statement translation of foreign operations	127,267	2	(40,494)	(1)
8300	Other comprehensive income in the year (net after tax)	130,523	2	(45,364)	(1)
8500	Total comprehensive income in the year	$ 487,930	6	$ 177,529	3
	Earnings per share (Note 25)				
9710	Basic	$ 1.20		$ 0.75	
9810	Diluted	$ 1.20		$ 0.75	

The attached notes are part of the consolidated financial statements.

Corporate director: Creative Investment Co., Ltd.
Representative: HUANG CHIU YUNG

Managerial officer: Tseng Kung-Sheng

Chief Accounting Officer: Cheng Ching-Yi

ICHIA TECHNOLOGIES INC. and subsidiaries

Consolidated Statement of Changes in Equity

January 1 to December 31, 2022 and 2021

Unit: NTD thousands

Code		Common stock: Number of shares (thousand shares)	Common stock: Amount	Capital surplus	Retained earnings: Legal reserve	Retained earnings: Special reserve	Retained earnings: Undistributed earnings	Other equity items: Exchange differences in the financial statement translation of foreign operations	Treasury stock	Total equity
A1	Balance as of January 1, 2021	307,536	$ 3,075,366	$ 2,086,827	$ 573,593	$ 335,706	$ 88,717	($ 295,397)	($ 161,328)	$ 5,703,484
	Allocation and distribution of earnings in 2020									
B1	Legal reserve	-	-	-	11,997	-	(11,997)	-	-	-
B5	Cash dividend for shareholders	-	-	-	-	-	(116,039)	-	-	(116,039)
B17	Reversal of special reserve	-	-	-	-	(40,309)	40,309	-	-	-
	Changes in other capital surplus									
C15	Cash dividend from capital surplus	-	-	(32,729)	-	-	-	-	-	(32,729)
D1	Net profit in 2021	-	-	-	-	-	222,893	-	-	222,893
D3	Other comprehensive income after tax in 2021	-	-	-	-	-	(4,870)	(40,494)	-	(45,364)
D5	Total comprehensive income in 2021	-	-	-	-	-	218,023	(40,494)	-	177,529
Z1	Balance as of December 31, 2021	307,536	3,075,366	2,054,098	585,590	295,397	219,013	(335,891)	(161,328)	5,732,245
	Allocation and distribution of earnings in 2021									
B1	Legal reserve	-	-	-	21,802	-	(21,802)	-	-	-
B3	Earnings set aside as a special reserve	-	-	-	-	40,494	(40,494)	-	-	-
B5	Cash dividend for shareholders	-	-	-	-	-	(148,768)	-	-	(148,768)
D1	Net profit in 2022	-	-	-	-	-	357,407	-	-	357,407
D3	Other comprehensive income after tax in 2022	-	-	-	-	-	3,256	127,267	-	130,523
D5	Total comprehensive income in 2022	-	-	-	-	-	360,663	127,267	-	487,930
Z1	Balance as of December 31, 2022	307,536	$ 3,075,366	$ 2,054,098	$ 607,392	$ 335,891	$ 368,612	($ 208,624)	($ 161,328)	$ 6,071,407

The attached notes are part of the consolidated financial statements.

Corporate director: Creative Investment Co., Ltd. Representative: HUANG CHIU YUNG   Managerial officer: Tseng Kung-Sheng   Chief Accounting Officer: Cheng Ching-Yi

ICHIA TECHNOLOGIES INC. and subsidiaries

Consolidated Cash Flow Statement

January 1 to December 31, 2022 and 2021

Unit: NTD thousands

Code		2022	2021
	Cash flow from operating activities		
A10000	Profit before tax in the year	$ 475,217	$ 267,642
A20010	Profit and loss items		
A20300	Loss (reversal profit) from expected credit impairment	4,756	(4,218)
A20100	Depreciation expense	364,966	401,106
A20400	Net loss (gain) on financial assets and liabilities measured at fair value through profit or loss	49,126	(38,601)
A20900	Financial costs	24,360	12,611
A21200	Interest incomes	(19,203)	(18,323)
A23800	Inventory devaluation and obsolescence loss (gain from price recovery)	11,930	(52,678)
A22500	Gain on disposal of property, plant and equipment	(920)	(2,099)
A23700	Impairment reversal profit of property, plant and equipment	(11,472)	(1,704)
A30000	Net changes in operating assets and liabilities		
A31130	Notes and accounts receivable	(853,044)	89,348
A31200	Inventories	(337,409)	(36,014)
A31240	Other current assets	(24,851)	19,799
A31990	Other operating assets	(42)	(103)
A32125	Contract liabilities	11,824	(1,893)
A32150	Accounts payable	477,965	(211,974)
A32180	Other payables	48,134	6,899
A32230	Other current liabilities	4,099	(13,937)
A33000	Cash generated from operations	225,436	415,861
A33100	Interest received	30,050	14,625
A33300	Interest paid	(22,107)	(12,785)
A33500	Income tax paid	(43,291)	(22,090)
AAAA	Net cash inflow from operating activities	190,088	395,611
	Cash flows from investment activities		
B00040	Acquisition of financial assets measured at amortized cost	(348,413)	(211,754)
B00010	Acquisition of financial assets measured at fair value through other comprehensive income	(12,000)	-
B00050	Disposal of financial assets measured at amortized cost	954,621	183,830

(Continued on next page)

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Code		2022	2021
B00100	Acquisition of financial assets measured at fair value through profit and loss	($ 100,000)	($ 1,946,141)
B00200	Disposal of financial assets measured at fair value through profit or loss	152,299	1,866,047
B02700	Purchase of property, plants, and equipment	(56,030)	(59,923)
B02800	Disposal of property, plant, and equipment	4,042	20,258
B03700	Increase in refundable deposit	(4,684)	(4,951)
B03800	Decrease in refundable deposit	1,910	14,688
B06800	Decrease in other non-current assets	19,323	12,301
B07100	Increase in prepayments for equipment	(312,431)	(337,260)
BBBB	Net cash inflow (outflow) from investing activities	298,637	(462,905)
	Cash flow from financing activities		
C00100	Increase in short-term loans	4,311,561	5,593,738
C00200	Decrease in short-term loans	(4,430,391)	(6,043,137)
C00500	Increase in short-term notes payable	50,000	-
C00600	Decrease in short-term notes payable	(50,000)	-
C01600	Borrowing of long-term loans	-	345,000
C01700	Repayment of long-term loans	-	(293,718)
C01800	Increase in long-term note payables	200,000	200,000
C01900	Decrease in long-term note payables	(199,935)	-
C03000	Collection of guarantee deposits received	6,962	741
C03100	Refund of guarantee deposits received	(672)	-
C04020	Repayment of principal for lease	(1,817)	(1,266)
C04500	Distribution of cash dividends	(148,768)	(148,768)
CCCC	Net cash outflow from financing activities	(263,060)	(347,410)
DDDD	Effect of changes in the exchange rate on cash and cash equivalents	120,171	(5,230)
EEEE	Net increase (decrease) in cash and cash equivalents	345,836	(419,934)
E00100	Balance of cash and cash equivalents - beginning of the year	1,448,846	1,868,780
E00200	Balance of cash and cash equivalents - end of year	$ 1,794,682	$ 1,448,846

The attached notes are part of the consolidated financial statements.

Corporate director:	Managerial officer:	Chief Accounting Officer:
Creative Investment Co., Ltd.	Tseng Kung-Sheng	Cheng Ching-Yi
Representative: HUANG CHIU YUNG		

ICHIA TECHNOLOGIES INC. and subsidiaries

Notes to the Consolidated Financial Statements

January 1 to December 31, 2022 and 2021

(Amounts NTD thousand, unless otherwise stated)

i. Company History

ICHIA TECHNOLOGIES INC. (hereinafter referred to as the Company) was established in November 1989 to manufacture, process, and trade various components (conductive silicone elastomers, plastic keys, keyboard assemblies, input devices, and flexible printed circuit boards) and materials for electronics, home appliances, electronical engineering, electrical equipment, communications (telecommunications), and computers, as well as to import and export domestic and foreign products and to engage in the agency, distribution, tender and quotation business.

The Company's shares have been listed on the Taiwan Stock Exchange since January 14, 2000.

The consolidated financial statements are presented in New Taiwan dollars (NTD), which is the functional currency of the Company.

ii. Date and Procedure for Approval of Financial Statements

The consolidated financial statements were approved by the Board of Directors on March 14, 2023

iii. Application of New and Revised Standards and Interpretations

(i). First-time application of International Financial Reporting Standards ("IFRSs"), International Accounting Standards ("IAS"), Interpretations ("IFRICs") and Interpretations ("SICs") (hereinafter referred to as "IFRSs") endorsed by the Financial Supervisory Commission ("FSC") and issued to be effective

The adoption of the amended IFRSs endorsed and issued into effect by the FSC will not result in significant changes in the Consolidated Company's accounting policies:

(ii) FSC-approved IFRSs to be applied in 2023

The new/amended/revised standards or interpretations	Effective date of IASB publication
Amendment to IAS 1 "Disclosure of Accounting Policies"	Sunday, January 1, 2023 (Note 1)
Amendment to IAS 8 "Definition of Accounting Estimates"	Sunday, January 1, 2023 (Note 2)
Amendment to IAS 12, "Deferred Tax related to Assets and Liabilities Arising from a Single Transaction"	Sunday, January 1, 2023 (Note 3)

Note 1: This amendment will apply to the annual reporting periods beginning after January 1, 2023.

Note 2: This amendment applies to changes in accounting estimates and changes in accounting policies that occur in annual reporting periods beginning after January 1, 2023.

Note 3: Except for the recognition of deferred income tax for the temporary differences related to leasing and decommissioning obligation on January 1, 2022, the amendments are applicable to transactions closed after January1,2022.

Up to the approval and release date of the consolidated financial statements, the Consolidated Company considered that the amendments to other standards and interpretations would not have material impact on the financial position and performance of the Consolidated Company after assessment.

(iii). The IFRSs released by the IASB but not yet endorsed and issued into effect by the FSC

The new/amended/revised standards or interpretations	Effective date of IASB publication (Note 1)
Amendment to IFRS 10 and IAS 28 "Sale or Contribution of Assets between an Investor and its Associate or Joint Venture"	To be determined
Amendments to IFRS 16 "Lease Liability in a Sale and Leaseback"	Monday, January 1, 2024 (Note 2)
IFRS 17 "Insurance Contracts"	January 1, 2023
Amendment to IFRS 17	January 1, 2023
Amendment to IFRS 17, "Initial Application of IFRS 17 and IFRS 9 - Comparative Information"	January 1, 2023

Amendment to IAS 1 "Classification of Liabilities as Current or Noncurrent"	Monday, January 1, 2024
Amendments to IAS 1 "Non-current Liabilities with Covenants"	Monday, January 1, 2024

Note 1: Unless otherwise stated, the aforementioned new/amended/revised standards or interpretation are effective for annual reporting periods beginning after the respective dates.

Note 2: The seller as a lessee shall be subject to IFRS 16 amendments retroactively in a sale and leaseback transaction agreed after the initial application of the IFRS 16.

The Consolidated Company will continue to evaluate the effect of the amendment to other IFRSs on the financial positions and performance of the Consolidated Company to the date the consolidated financial statements are approved and released, and will make appropriate disclosure after the evaluation.

iv. Summary of Significant Accounting Policies

(i). Compliance Statement

The consolidated financial statements are prepared in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and the IFRSs approved and published by the FSC.

(ii). Basis of preparation

The consolidated financial statements were prepared on the historical cost basis, except for financial instruments measured at fair value and net defined benefit liabilities recognized at the present value of the defined benefit obligation less the fair value of plan assets.

The evaluation of fair value could be classified into Level 1 to Level 3 by the observable intensity and importance of the related input value:

1. Level 1 input value: refers to the quotation of the same asset or liability in an active market as of the evaluation date (before adjustment).
2. Level 2 input value: refers to the direct (the price) or indirect (inference of price) observable input value of asset or liability further to the

quotation of Level 1.

3. Level 3 input value: the unobservable input value of asset or liability.

(iii). Standards in differentiating current and noncurrent assets and liabilities

Current assets include:

1. Assets held primarily for trading purposes;
2. Assets expected to be realized within 12 months of the balance sheet date; and
3. Cash and cash equivalents (excluding those restricted from being exchanged or settled more than 12 months after the balance sheet date).

Current liabilities include:

1. Liabilities held primarily for trading purposes;
2. Liabilities due for settlement within 12 months after the balance sheet date, and
3. Liabilities whose settlement deadline cannot be unconditionally deferred until at least 12 months after the balance sheet date.

Those that are not current assets or liabilities above are classified as noncurrent assets or liabilities.

(iv). Basis of consolidation

The consolidated financial statements include the financial statements of the Company and entities controlled by the Company (subsidiaries). The consolidated comprehensive income statements include the operating profits or losses of the acquired or disposed subsidiaries for the period from the date of acquisition or up to the date of disposal. The subsidiaries' financial statements have been properly adjusted to make the accounting policies consistent with the accounting policies of the Consolidated Company. In preparing the consolidated financial statements, all inter-company transactions, account balances, gains and losses have been eliminated.

For details of subsidiaries, shareholding percentage and business scope, see Note 12 and Exhibit 5.

(v). Foreign currency

For the transactions conducted in a currency other than the business entity's functional currency (foreign currency), it is to be translated to the functional currency in accordance with the exchange rate on the transaction date when preparing the stand-alone financial statements.

Foreign currency monetary items are translated at the closing rate on each balance sheet date. The exchange differences arising from the settlement of monetary items or translating monetary items are recognized in the current profit or loss, except for the following:

1. Exchange differences arising from hedging transactions to hedge part of the exchange rate risk; and
2. For a monetary item receivable from or payable to a foreign operation, of which the settlement is neither planned nor likely to occur in the foreseeable future (and therefore forms part of the net investment in the foreign operation), the exchange difference is recognized initially in other comprehensive income and is reclassified from equity to profit or loss upon disposal of the net investment.

The foreign non-currency items measured at fair value are translated in accordance with the exchange rate on the fair value determination date and the exchange difference is booked as profit or loss in the period. However, for the changes in fair value recognized in other comprehensive income, the exchange difference is recorded in other comprehensive income.

The foreign non-currency items measured at historical cost are translated in accordance with the exchange rate on the transaction date without the need for a translation again.

Upon preparation of the consolidated financial reports, the assets and liabilities of overseas operating institutions (including the subsidiaries and affiliates in the countries of business operation or those using currencies different from the Company's) were converted to NTD based on the exchange rate quoted on every balance sheet date. Income and expense items are translated at the average exchange rate for the period and the exchange differences are booked in other comprehensive income.

If the Consolidated Company disposes of its entire equity interest in a foreign operation, or disposes of part of its equity interest in a subsidiary that includes a foreign operation and loses control, or the retained equity interest after disposing of a joint agreement of a foreign operation or an affiliate is a financial asset and is accounted for as a financial instrument, all cumulative translation differences attributable to the Company's shareholders and related to the foreign operation are reclassified to profit or loss.

If the partial disposal of a foreign operating subsidiary does not result in a loss of control, the accumulated exchange differences are included in the non-controlling interests of the subsidiary on a pro rata basis, but are not recognized in profit or loss. In the case of any other partial disposal of foreign operations, the cumulative exchange differences are reclassified to profit or loss in proportion to the disposal.

(vi). Inventories

Inventories include raw materials, semi-finished goods, finished goods, work in process and in-transit. Inventories are valued in accordance with the lower of cost or net cash value. When comparing cost and net cash value, except for the homogeneous inventories, it is based on the itemized lower of cost or net cash value. Net realizable value refers to the estimated sale price under normal circumstances net of the estimated cost needed to complete the project and the estimated expenses needed to complete the sale. Inventories are valued at standard costs before book closing and adjusted upon book closing to approximate cost calculated on a weighted-average basis.

(vii). Property, plant and equipment

Property, plant, and equipment shall be recognized at cost and subsequently measured at cost less accumulated depreciation and accumulated impairment.

Except for land owned by the Company, which is not depreciated, property, plant and equipment are depreciated separately over their useful lives on a straight-line basis for each significant component. If the lease period is shorter than the useful life, depreciation is provided over the lease period. The Consolidated Company reviews the estimated useful lives, residual values and depreciation methods at least at the end of each year and defers the effect of changes in prospective application accounting estimates.

In removing property, plant, and equipment from the book, the difference between the net proceeds of disposition and the book value shall be recognized as profit or loss.

(viii). Investment property

An investment property is a property held for earning rent income or for capital appreciation, or both. The investment property includes land held without a definite purpose of use.

The investment property owned by the Company is initially measured based on the cost (including transaction cost) and subsequently measured based on the cost net of accumulated depreciations and accumulated impairment losses.

The investment property is depreciated on the straight line basis.

In removing investment property from the book, the difference between the net proceeds of disposition and the book value shall be recognized as profit or loss.

(ix). Impairment of property, plant and equipment, right-of-use assets, investment property, intangible assets and assets related to contract costs.

The Consolidated Company assesses at each balance sheet date whether there is any indication that property, plant and equipment, right-of-use assets, investment property, intangible assets and assets related to contract costs may have been impaired. If any indication of impairment exists, the recoverable amount of the asset is estimated. If the recoverable amount of an individual asset cannot be estimated, the Consolidated Company estimates the recoverable amount of the cash-generating unit to which the asset belongs. Shared assets are allocated to the smallest group of cash-generating units on a reasonable and consistent basis.

The recoverable amount is the higher of the fair value less costs to sell and its value in use. If the recoverable amount of an asset or cash-generating unit is less than its carrying amount, the carrying amount of the asset or cash-generating unit is reduced to its recoverable amount, and the impairment loss is recognized in profit or loss.

When an impairment loss is subsequently reversed, the carrying amount of the asset or cash-generating unit is increased to the revised recoverable amount, provided that the increased carrying amount does not exceed the carrying amount (net of amortization or depreciation) that would have been determined if the impairment loss had not been recognized in prior years for that asset or cash-generating unit. Reversal of impairment loss is recognized in profit or loss.

(x). Financial instruments

Financial assets and financial liabilities are recognized in the consolidated balance sheets when the Consolidated Company becomes a party to the contracts of such instruments.

For the initial recognition of the financial assets and financial liabilities, if the financial assets or financial liabilities are not measured at fair value through profit or loss, it is measured at fair value plus transaction cost that is directly attributable to the acquisition or issuance of financial assets or financial liabilities. The transaction cost directly attributable to the acquisition or issuance of financial assets or financial liabilities that are measured at fair value through profit or loss is immediately recognized in profit or loss.

1. Financial assets

The customary transaction of financial assets is recognized and derecognized in accordance with the trade date accounting.

(1). Type of measurement

The types of financial assets held by the Consolidated Company are financial assets measured at fair value through profit or loss and at amortized cost as well as investment in equity instruments measured at fair value through other comprehensive income.

A. Financial assets measured at fair value through profit or loss

Financial assets measured at fair value through profit or loss include financial assets that are mandatorily measured at fair value through profit or loss and those designated as at fair value through profit or loss. Financial assets mandatorily measured at fair value through profit or loss include investments in equity instruments investments not designated by the Consolidated Company as being measured at fair value through other comprehensive income, and investments in debt instruments not qualified for classification as being measured at amortized cost or at fair value through other comprehensive income.

Financial assets measured at fair value through profit or loss are measured at fair value. For the determination of fair value, please refer to Note 27.

B. Financial assets at amortized cost

The Consolidated Company's financial assets, if meeting both of the following conditions, are classified as financial assets at amortized cost:

a. Financial assets held under a particular mode of operation and the purpose of holding is for the collection of contractual cash flows; and
b. The terms of the contracts give rise to cash flows at specified dates that are solely for the payment of principal and interest on the outstanding principal amount.

Financial assets (including cash and cash equivalents, accounts receivable measured at amortized cost) after initial recognition, are measured at their total carrying amount determined using the effective interest method, less amortized cost of any impairment loss, with any foreign currency exchange gain or loss recognized in profit or loss.

Interest income is calculated by multiplying the effective interest rate by the total carrying amount of the financial assets, except for the following two cases:

a. Interest income on financial assets that are credit-impaired upon acquisition or creation is calculated using the credit-adjusted effective interest rate multiplied by the amortized cost of the financial assets.
b. Interest income on financial assets that are not credit-impaired upon acquisition or creation but become credit-impaired subsequently is calculated using the effective interest rate multiplied by the amortized cost of the financial assets from the next reporting period after the impairment.

Credit-impaired financial assets are those for which the issuer or the debtor has experienced significant financial difficulties, defaulted, or where it is probable that the debtor will declare bankruptcy or other financial reorganization, or where an active market for the financial assets has disappeared due to financial difficulties.

Cash equivalents include time deposits that are highly liquid, readily convertible into fixed amount of cash with minimal risk of changes in value within 3 months from the acquisition date and are used to meet short-term cash commitments.

C. Investment in equity instruments measured at fair value through other comprehensive income

At initial recognition, the Consolidated Company may make an irrevocable selection to measure the investment in equity instruments held not for trading and not recognized by the acquirer in a business merger or with consideration at fair value through other comprehensive income.

Investment in equity instruments measured at fair value through other comprehensive income is measured at fair value. Subsequent changes in the fair value are recognized in other comprehensive income and accumulated in other equity. For disposal of the investment, any cumulative profits or losses are directly transferred to retained earnings and not reclassified as profit or loss.

After the Consolidated Company's right to receive dividends is determined, the dividends of investment in equity instruments measured at fair value through other comprehensive income are recognized in profit or loss except that such dividends apparently represent a partial return of the investment cost.

(2). Impairment of financial assets and contract assets

The Consolidated Company assesses impairment losses on financial assets measured at amortized cost (including accounts receivable) based on expected credit loss on each balance sheet date.

An allowance for losses is recognized for accounts receivable based on the expected credit loss over the duration. Other financial assets shall be evaluated for any significant increase of risk from the day of initial recognition. If none is found, recognize for provision for anticipated credit loss along a period of 12 months. If it is, recognize for provision of anticipated credit risk within the lifetime of the assets.

Anticipated credit loss is the weighted average loss of credit on the basis of the weight of the risk of default. Anticipated credit loss in a period of 12 months means the expected loss of credit from the financial instruments within 12 months due to default. Anticipated credit loss with the lifetime of the financial instruments means the expected loss of credit from the financial instruments within the lifetime of these financial instruments.

For internal credit risk management purposes, the Consolidated Company, without considering the collateral, determines the following circumstances indicating that a default has occurred on the financial instrument:

A. There is internal or external information indicating that the debtor is no longer able to pay their debts.
B. Payments are overdue for more than 90 days, unless there is reasonable and supporting information showing that the delayed default benchmark is more appropriate.

All impairment losses on financial assets are accounted for by reducing the carrying amount through an allowance account.

(3). The derecognition of financial assets

The Consolidated Company has financial assets derecognized only when the contractual rights from the cash flows of a financial asset become invalid or when the financial assets are transferred, and almost all the risks and rewards of the asset ownership have been transferred to other enterprises.

When a particular entry of financial assets measured at amortized cost is removed, the difference between its book value and consideration shall be recognized as profit or loss. When investments in debt instruments measured at fair value through other comprehensive income are derecognized as a whole, the difference between the carrying amount and the sum of the consideration received plus any cumulative gain or loss recognized in other comprehensive income is recognized as profit or loss. When investments in equity instruments measured at fair value through comprehensive income are entirely derecognized, the accumulated profit or loss shall be directly transferred to retained earnings without being classified as profit or loss.

2. Financial liabilities

(1). Subsequent measurement

All financial liabilities are measured at amortized cost using the effective interest method, except for the following:

Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading.

Financial liabilities held for trading are measured at fair value, and the related gains or losses are recognized in other gains and losses. The fair value is determined as described in Note 27.

(2). Derecognition of financial liabilities

When derecognizing financial liabilities, the difference between the book amount and the consideration paid (including any transferred non-cash assets or assumed liabilities) is recognized as profit or loss.

3. Derivatives

The derivatives entered into by the Consolidated Company include forward exchange contracts, which are used to manage the Consolidated Company's interest rate and exchange rate risks.

Derivatives are initially recognized at fair value when the derivative contracts are entered into and subsequently remeasured at fair value at the balance sheet date. Gains or losses arising from subsequent measurements are recognized directly in profit or loss, except for derivatives designated as effective hedging instruments, for which the point of recognition in profit or loss will depend on the nature of the hedging. When the fair value of the derivatives is positive, it is classified as a financial asset; when the fair value is negative, it is classified as a financial liability.

For derivatives embedded in asset master contracts within the scope of IFRS 9 "Financial Instruments", the classification of financial assets shall be determined based on the overall contract. A derivative is considered to be a separate derivative if it is embedded in an asset master contract that is not within the scope of IFRS 9 (e.g., embedded in a master contract of a financial liability) and the embedded derivative meets the definition of a derivative, the risks and characteristics of which are not closely related to those of the master contract and the hybrid contract is not measured at fair value through profit or loss.

(xi). Revenue recognition

The Consolidated Company allocates the transaction price to each performance obligation after the performance obligation is identified in the customer contract and recognizes revenue when each performance obligation is satisfied.

<u>Merchandise sales revenues</u>

Merchandise sales revenues are derived from sales of electronic parts and components. The Consolidated Company recognizes revenues and accounts receivable at the point when the products arrive at the customer’s designated location because the customer has the right to determine resale prices and use the products and has the primary responsibility for re-selling the products and bears the risk of obsolescence.

(xii). Lease

The Consolidated Company assesses whether a contract is (or contains) a lease at the contract inception date.

1. The Consolidated Company is the lessor

A lease is classified as a capital lease when the terms of the lease transfer substantially all the risks and rewards incidental to the ownership of the asset to the lessee. All other leases are classified as operating leases.

For an operating lease, the net lease payments of the lease incentives are recognized as income on a straight-line basis over the relevant lease periods. The original direct cost incurred in acquiring an operating lease is added to the carrying amount of the subject asset and recognized as an expense on a straight-line basis over the lease period.

2. The Consolidated Company is the lessor

Except for the low-value leased assets entitled to exemption and lease payments for short-term leases recognized as expenses on a straight-line basis over the lease period, the right-of-use assets and lease liabilities of other leases are recognized starting from the lease commencement date.

The right-of-use assets are initially measured at cost (including the original measured amount of lease liability, the lease payment paid before the lease commencement date net of the lease incentives collected, the original direct costs, and the estimated cost of the recovered underlying assets), and then subsequently measured at the net cost of the accumulated depreciation and accumulated impairment loss; also, the remeasured amount of the lease liability is adjusted. Right-of-use assets are expressed separately in the consolidated balance sheet.

The right-of-use assets are depreciated on a straight-line basis over the period starting from the lease commencement date to the end of their useful life or the expiration of the lease period, whichever is sooner.

Lease liabilities are measured initially at the present value of lease payments (including fixed benefits). If the implied interest rate of the lease is readily determinable, the lease payments are discounted using that rate. If said lease implied interest rate is not easy to determine, the lease payment is discounted at the lessee’s incremental borrowing rate of interest.

Subsequently, the lease liability is measured according to the effective interest method and the amortized cost; also, the interest expense is amortized over the lease period. If a change in the lease period results in a change in future lease payments, the Consolidated Company remeasures the lease liability and adjusts the right-of-use asset accordingly. However, if the carrying amount of the right-of-use asset is reduced to zero, the remaining remeasurement amount is recognized in profit or loss. Lease liabilities are expressed separately in the consolidated balance sheet.

(xiii). Cost of borrowing

Borrowing costs directly attributable to acquiring, building or producing assets that meet the requirements are part of the costs of such assets until the completion of all necessary activities have achieved their intended use or sale condition.

The income of a temporary investment with a specific loan that has not yet met the essential requirement of capital expenditure is deducted from the loan cost that meets the essential requirement of capitalization.

In addition to the above, all other loan costs are recognized as profit and loss upon occurring.

(xiv). Government subsidies

Government subsidies are recognized as other incomes only when it is reasonably certain that the Consolidated Company will comply with the conditions attached to the government subsidies and that the subsidies will be received.

Government subsidies related to revenues are recognized on a systematic basis over the period in which the related costs for which they are intended to compensate are recognized as expenses by the Consolidated Company.

Government subsidies are recognized in profit or loss in the period in which they become collectible if they are intended to compensate for expenses or losses already incurred or to provide immediate financial support to the Consolidated Company and have no future related costs.

(xv). Employee benefits

1. Short-term employee benefits

Liabilities related to short-term employee benefits are measured at the non-discounted amount expected to be paid in exchange for employee services.

2. Post-employment benefits

Under the defined contribution pension plan, the pension amount appropriated during the service years of the employees is recognized as an expense.

The defined benefit cost (including service cost, net interest and remeasurement) of the defined benefit pension plan is actuarially determined using the projected unit credit method. Service cost (including current and prior service cost) and net interest on net defined benefit liabilities (assets) are recognized as employee benefit expense as incurred. Remeasurements (including actuarial gains and losses and return on plan assets, net of interest) are recognized in other comprehensive income and included in retained earnings as incurred and are not reclassified to profit or loss in subsequent periods.

The net defined benefit liability (asset) represents the deficit (remaining) of the defined benefit pension plan appropriation. The net defined benefit asset may not exceed the present value of refunds of appropriations from the plan or reductions in future appropriations.

(xvi). Income tax

Income tax expense is the sum of the current income tax and deferred income tax.

1. Income tax for the period

The Consolidated Company determines income (loss) for the period in accordance with the regulations enacted by the income tax reporting jurisdictions and calculates income tax payable (recoverable) accordingly.

Additional income tax on unappropriated earnings calculated in accordance with the Republic of China Income Tax Act is recognized in the year in which resolutions are made at the shareholder meeting.

The adjustment to prior years' income tax payable is booked as current period's income tax.

2. Deferred tax

Deferred tax is calculated on temporary differences between the carrying amounts of assets and liabilities and the tax bases used to compute taxable income.

Deferred tax liabilities are generally recognized for all taxable temporary differences, while deferred tax assets are recognized to the extent that it is probable that taxable profit will be available against which income tax credits can be utilized, such as deductions for temporary differences, loss carryforwards and investment tax credits.

Deferred tax liabilities are recognized for taxable temporary differences associated with investments in subsidiaries, affiliates and joint ventures, except where the Consolidated Company can control the timing of the reversal of the temporary differences and it is probable that the temporary differences will not reverse in the foreseeable future. Deferred tax assets are recognized for deductible temporary differences associated with such investments only to the extent that it is probable that sufficient taxable income will be available to allow the temporary differences to be realized and to the extent that a reversal is expected in the foreseeable future.

The carrying amount of deferred tax assets is reviewed on each balance sheet date and reduced to the extent that it is no longer probable that sufficient tax assets will be available to allow recovery of all or part of the asset, and part of the asset should be adjusted down. Deferred tax assets that are not recognized as such initially are reviewed on each balance sheet date and the carrying amount is increased to the extent that it is probable that future taxable income will be available to recover all or part of the assets.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the liability is settled or the asset is realized, which are based on tax rates and tax laws that have been legislated or substantively legislated on the balance sheet date. The measurement of deferred income tax liabilities and assets reflects the tax consequence resulting from the book value of the assets or liabilities expected by the consolidated company to be recovered or liquidated on the balance sheet date.

3. Current and deferred income tax

Current and deferred income taxes are recognized in the profit or loss, except for the current and deferred income taxes related to the items recognized in other comprehensive income or directly included in the equity, which are respectively recognized in other comprehensive income or directly included in the equity.

v. Significant Accounting Judgments and Estimations, and Main Sources of Assumption Uncertainties

When adopting accounting policies, the Consolidated Company's management is required to make judgments, estimates and assumptions that are based on historical experience and other factors that are not readily apparent from other sources. Actual results may differ from estimates.

As consideration for the consideration for significant accounting estimates, the management will review the estimates and basic assumptions on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised if they affect only that period. The revisions are recognized in the period of the revisions and future periods if they affect both current and future periods.

vi. Cash and cash equivalents

	December 31, 2022	December 31, 2021
Cash on hand and revolving funds	$ 982	$ 956
Bank checking accounts and demand deposits	1,299,275	926,828
Cash equivalents (investments with an original maturity of less than 3 months)		
Bank acceptance bills	27,383	31,075
Bank time deposits	467,042	406,896
Bonds with repurchase agreement	-	83,091

	$ 1,794,682	$ 1,448,846

The interest rate ranges for bank deposits as of the balance sheet date were as follows:

	December 31, 2022	December 31, 2021
Bank demand deposits	0.005%～0.38%	0.01%～0.385%
Bank time deposits	1.75%～4.3%	0.04%～0.21%
Bonds with repurchase agreement	-	0.28%～0.29%

vii. Financial instruments at fair value through profit or loss

	December 31, 2022	December 31, 2021
Financial assets - current		
Mandatorily measured at fair value through profit or loss		
Derivatives (not designated for hedging)		
- Forward foreign exchange contracts (1)	$ 11,387	$ 8,307
- Fund beneficiary certificates	60,082	163,444
	$ 71,469	$ 171,751

(i). Forward foreign exchange contracts not subject to hedge accounting and outstanding at the balance sheet date were as follows:

December 31, 2022

	Currency	Expiration Date	Contract Amount (Thousands)
Sale of forward foreign exchange	RMB to USD	July 6, 2022 to January 20, 2023	RMB20,063／USD3,000
Sale of forward foreign exchange	RMB to USD	September 22, 2022 to February 17, 2023	RMB21,110／USD3,000
Sale of forward foreign exchange	RMB to USD	September 28, 2022 to March 17, 2023	RMB21,490／USD3,000
Sale of forward foreign exchange	RMB to USD	December 23, 2022 to March 17, 2023	RMB13,882／USD2,000
Sale of forward foreign exchange	RMB to USD	November 16, 2022 to April 14, 2023	RMB20,995／USD3,000
Sale of forward foreign exchange	RMB to USD	December 23, 2022 to April 14, 2023	RMB13,850／USD2,000
Sale of forward foreign exchange	RMB to USD	November 24, 2022 to May 13, 2023	RMB21,223／USD3,000
Sale of forward foreign exchange	RMB to USD	September 22, 2022 to January 16, 2023	RMB7,050／USD1,000
Sale of forward foreign exchange	RMB to USD	September 26, 2022 to February 15, 2023	RMB3,555／USD500
Sale of forward foreign exchange	RMB to USD	November 28, 2022 to February 15, 2023	RMB3,574／USD500
Sale of forward foreign exchange	RMB to USD	November 28, 2022 to March 15, 2023	RMB7,130／USD1000
Sale of forward foreign exchange	RMB to USD	December 23, 2022 to April 17, 2023	RMB6,925／USD1000
Sale of forward foreign exchange	RMB to USD	December 26, 2022 to May 15, 2023	RMB6,900／USD1000

December 31, 2021

	Currency	Expiration Date	Contract Amount (Thousands)
Sale of forward foreign exchange	RMB to USD	February 1, 2021 to January 18, 2022	RMB 32,169／USD 5,000
Sale of forward foreign exchange	RMB to USD	June 1, 2021 to February 18, 2022	RMB 32,244／USD 5,000
Sale of forward foreign exchange	RMB to USD	July 20, 2021 to March 18, 2022	RMB 32,310／USD 5,000
Sale of forward foreign exchange	RMB to USD	December 9, 2021 to April 19, 2022	RMB 32,017／USD 5,000
Sale of forward foreign exchange	RMB to USD	December 4, 2020 to January 18, 2022	RMB 6,722／USD 1,000
Sale of forward foreign exchange	RMB to USD	December 4, 2020 to February 15, 2022	RMB 6,734／USD 1,000
Sale of forward foreign exchange	RMB to USD	February 1, 2021 to March 15, 2022	RMB 6,617／USD 1,000
Sale of forward foreign exchange	RMB to USD	June 1, 2021 to April 15, 2022	RMB 6,496／USD 1,000
Sale of forward foreign exchange	RMB to USD	July 28, 2021 to May 16, 2022	RMB 6,635／USD 1,000
Sale of forward foreign exchange	RMB to USD	November 5, 2021 to June 16, 2022	RMB 9,755／USD 1,500
Sale of forward foreign exchange	RMB to USD	November 5, 2021 to July 15, 2022	RMB 9,774／USD 1,500
Sale of forward foreign exchange	RMB to USD	November 5, 2021 to August 16, 2022	RMB 9,795／USD 1,500
Sale of forward foreign exchange	RMB to USD	November 5, 2021 to September 16, 2022	RMB 9,815／USD 1,500
Sale of forward foreign exchange	RMB to USD	December 9, 2021 to October 17, 2022	RMB 6,482／USD 1,000

The purpose of the Consolidated Company's forward exchange transactions is to hedge the risk of foreign currency assets and liabilities arising from exchange rate fluctuations.

viii. Financial assets measured at fair value through other comprehensive income

	December 31, 2022	December 31, 2021
Current		
Equity instrument investments measured at fair value through other comprehensive income		
Domestic investment		
Non-listed (non-OTC) stock—		
Preferred stock	$ 12,000	$ -

The purpose of the holding by the Company is for long-term strategic investment and they have been designated as measured at fair value through other comprehensive income.

ix. Financial assets measured at amortized cost

	December 31, 2022	December 31, 2021
Current		
Time deposits with original maturity of more than 3 months (1)	$ -	$ 509,700
ge of time deposits (2)	51,444	6,512
	$ 51,444	$ 516,212
Non-current		
Time deposits with original maturity of more than 1 year (1)	$ -	$ 43,415
Pledge of time deposits (2)	2,127	2,127
Restricted foreign exchange deposits with offshore funds (3)	10,097	104,099
	$ 12,224	$ 149,641

(i). As of December 31, 2021, the interest rate range for time deposit with original maturity of more than 3 months was 0.66% to 4.18% per annum.

(ii). As of December 31, 2022 and 2021, the interest rate ranges for pledged time deposits were 1.46% and 0.84% to 1.15% per annum, respectively.

(iii). On August 26, 2020, the Consolidated Company remitted NTD 146,285 thousand (USD 5,000 thousand) in accordance with the "The Management, Utilization, and Taxation of Repatriated Offshore Funds Act" and deposited the net amount after tax in a dedicated account for foreign exchange deposits, as approved by the National Taxation Bureau of the Northern Area, Ministry of Finance. The deposits in the dedicated account are subject to restrictions on the free use of the funds as prescribed by law, except for financial investments or real investments and part of the free use of the funds as prescribed by law, which can be withdrawn in three-year increments after five years from the date of deposit in the dedicated account.

(iv). For information on pledges of financial assets measured at amortized cost, see Note 29.

x. Notes/accounts receivable and overdue receivables

	December 31, 2022	December 31, 2021
Notes receivable		
Measured at amortized cost		
Total carrying amount	$ -	$ 42
Less: Allowance for loss	-	-
	$ -	$ 42
Accounts receivable		
Measured at amortized cost		
Total carrying amount	$ 3,232,259	$ 2,385,150
Less: Allowance for loss	(570)	(1,455)
	$ 3,231,689	$ 2,383,695
Overdue receivables		
Measured at amortized cost		
Total carrying amount	$ 57,358	$ 51,830
Less: Allowance for loss	(57,358)	(51,830)
	$ -	$ -

Accounts receivable

The average credit period of the Consolidated Company's merchandise sales is 150 days. In determining the collectibility of accounts receivable, the Consolidated Company considers any changes in the credit quality of the accounts receivable from the original credit grant date to the balance sheet date. To mitigate credit risk, the Consolidated Company's management has assigned a dedicated team to be responsible for credit limit determination, credit approval and other monitoring procedures to ensure that appropriate actions are taken to collect overdue accounts receivable. In addition, the Consolidated Company reviews the recoverable amounts of accounts receivable on a case-by-case basis at the balance sheet date to ensure that appropriate impairment losses have been recorded for uncollectible accounts receivable. Accordingly, the Consolidated Company's management believes that the Consolidated Company's credit risk has been significantly reduced.

The Consolidated Company recognizes the allowance for loss of accounts receivable based on the expected credit loss over the duration. Expected credit losses for the duration are calculated using an allowance matrix, which takes into account the customer's past default history and current financial condition, the economic situation of the industry, as well as GDP forecasts and industry outlook. Since the Consolidated Company's credit loss history shows that there is no significant difference in the loss patterns of different customer groups, therefore, instead of further differentiating the customer groups, the allowance matrix only sets the expected credit loss rate based on the number of days past due on accounts receivable.

If there is evidence that the counterparty is in serious financial difficulty and the Consolidated Company cannot reasonably expect to recover the amount, for example, if the counterparty is in liquidation or the debt is overdue for more than 365 days, the Consolidated Company reclassifies the amount directly to overdue receivable and continues the collection activities, and the amount recovered is offset against the related overdue receivable.

The Consolidated Company's loss allowance for notes and accounts receivable measured using the provision matrix are as follows:

Notes receivable

December 31, 2021

	Not overdue	Overdue 1 to 180 days	Overdue 180 to 365 days	Total
Expected credit loss rate	0%	0%	0%	-
Total carrying amount	$ 42	$ -	$ -	$ 42
Allowance for loss (Expected credit losses over the duration)	-	-	-	-
Amortized cost	$ 42	$ -	$ -	$ 42

No changes in loss allowance for notes receivable in 2021.

Accounts receivable

December 31, 2022

	Not overdue	Overdue 1 to 180 days	Overdue 181 to 365 days	Total
Expected credit loss rate	0%	0.18%	8.02%	-
Total carrying amount	$ 2,985,624	$ 244,877	$ 1,758	$ 3,232,259
Allowance for loss (Expected credit losses over the duration)	-	(429)	(141)	(570)
Amortized cost	$ 2,985,624	$ 244,448	$ 1,617	$ 3,231,689

December 31, 2021

	Not overdue	Overdue 1 to 180 days	Overdue 181 to 365 days	Total
Expected credit loss rate	0%	0.81%	12.74%	-
Total carrying amount	$ 2,207,637	$ 177,356	$ 157	$ 2,385,150
Allowance for loss (Expected credit losses over the duration)	-	(1,435)	(20)	(1,455)
Amortized cost	$ 2,207,637	$ 175,921	$ 137	$ 2,383,695

Information on the changes in the allowance for losses on accounts receivable is as follows:

	2022	2021
Balance at the beginning of the year	$ 1,455	$ 1,086
Add: Provision for impairment loss for the year	5,462	1,550
Less: Actual write off for the year	(65)	(375)
Less: Reclassification for the year	(6,589)	(815)
Foreign currency translation difference	307	9
Balance at the end of the year	$ 570	$ 1,455

Information on the changes in the allowance for losses on overdue receivables is as follows:

	2022	2021
Balance at the beginning of the year	$ 51,830	$ 57,107
Add: Reclassification for the year	6,589	815
Less: Actual write off for the year	(384)	(317)
Less: Reversal of impairment loss for the year	(706)	(5,768)
Foreign currency translation difference	29	(7)
Balance at the end of the year	$ 57,358	$ 51,830

xi. Inventory

	December 31, 2022	December 31, 2021
Finished goods	$ 356,726	$ 285,482
Semi-finished goods	85,745	73,940
Work in progress	221,479	156,108
Raw materials	653,316	501,601
In-transit	52,843	30,375
	$ 1,370,109	$ 1,047,506

The nature of cost of goods sold is as follows:

	2022	2021
Cost of inventories sold	$ 6,648,179	$ 5,772,925
Inventory devaluation loss (gain from price recovery) (i)	11,930	(52,678)
Others	(48,265)	(45,626)
	$ 6,611,844	$ 5,674,621

(i). The increase in net realizable value of inventories was due to the disposal of slow-moving inventories and the reversal of allowances and slow-moving inventories.

xii. Subsidiary

Subsidiaries Included in Consolidated Financial Statements

Entities covered by the consolidated financial statements are as follows:

			Shareholding percentage		
Investor	Subsidiary name	Business nature	December 31, 2022	December 31, 2021	Description
ICHIA TECHNOLOGIES INC.	ICHIA USA INC. (hereafter referred to as ICHIA USA).	Manufacturing, processing and trading of various electronic components and materials	100%	100%	-
	ICHIA HOLDINGS (B.V.I) CO., LTD. (hereafter referred to as BVI-ICHIA)	Various investment businesses	100%	100%	-
	ICHIA RUBBER INDUSTRY (M) SDN BHD (hereinafter referred to as ICHIA Malaysia)	Manufacturing, processing and trading of various electronic components and materials	100%	-	1

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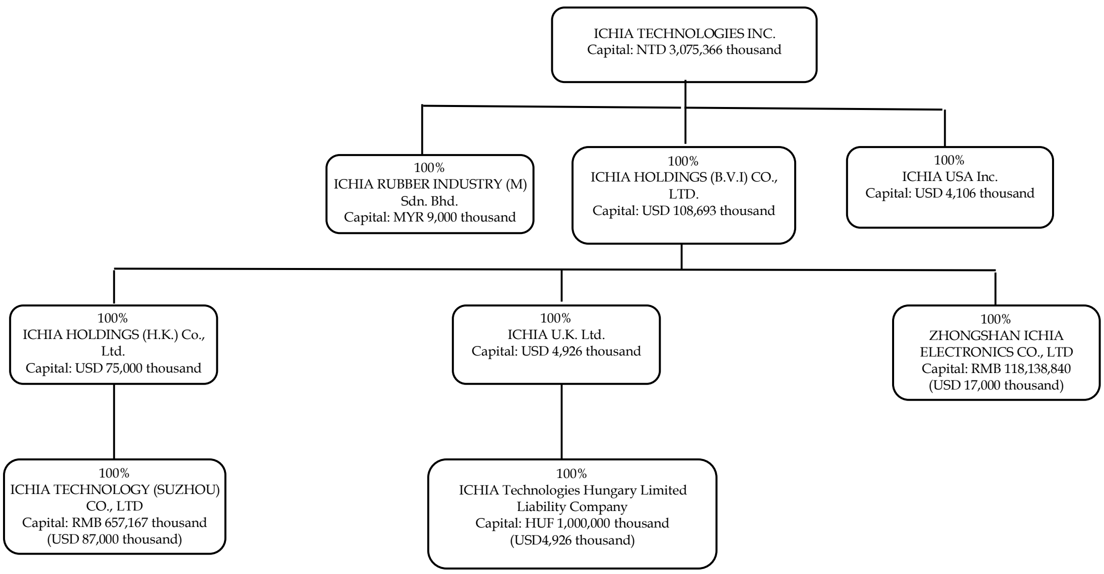
Investor	Subsidiary name	Business nature	Shareholding percentage December 31, 2022	Shareholding percentage December 31, 2021	Description
BVI-ICHIA	ICHIA RUBBER INDUSTRY (M) SDN BHD (hereinafter referred to as ICHIA Malaysia)	Manufacturing, processing and trading of various electronic components and materials	-	100%	1
	ICHIA UK LTD.	Various investment businesses	100%	100%	-
	ICHIA HOLDINGS (H.K.) CO., LTD. (hereafter referred to as ICHIA H.K.)	Various investment businesses	100%	100%	-
	ZHONGSHAN ICHIA ELECTRONICS CO., LTD. (hereafter referred to as ZHONGSHAN ICHIA)	Manufacturing, processing and trading of rubber and plastic keypads	100%	100%	-
ICHIA U.K. LTD.	Ichia Hungary Ltd. (hereafter referred to as ICHIA Hungary)	Manufacturing, processing and trading of rubber and plastic keypads	100%	100%	-
ICHIA H.K.	ICHIA TECHNOLOGY (SUZHOU) CO., LTD. (hereafter referred to as ICHIA SUZHOU)	Manufacturing, processing and trading of rubber and plastic keypads and flexible printed circuit boards	100%	100%	-

As of December 31, 2022, the Company's investment relationships and shareholdings with its investees over which it has control are shown as below:



Remarks:

1. The Consolidate Company performed the adjustment of the organizational structure in September 2022 by completely transferring the equity held by ICHIA HOLDINGS (B.V.I) Co., Ltd. in ICHIA RUBBER INDUSTRY (M) Sdn. Bhd. to ICHIA TECHNOLOGIES INC.

The Company and the above investees included in the consolidated financial statements are collectively referred to as the Consolidated Company.

The financial statements of the subsidiaries included in the consolidated financial statements have been audited by the CPA.

XIII. Property, plant, and equipment

Self-use

	Self-owned land	Buildings	Machinery and equipment	Other equipment	Total
Cost					
Balance as of January 1, 2022	$ 523,712	$ 2,566,957	$ 3,294,110	$ 950,116	$ 7,334,895
Addition	-	17,701	15,095	23,234	56,030
Disposal	-	(62,996)	(82,978)	(23,808)	(169,782)
Transfer to investment property	(227,663)	(148,886)	-	-	(376,549)
Reclassification	-	25,876	201,473	43,928	271,277
Deferred benefit from government subsidies	-	-	(28,503)	-	(28,503)
Net exchange differences	820	37,912	43,990	11,270	93,992
Balance as of December 31, 2022	$ 296,869	$ 2,436,564	$ 3,443,187	$ 1,004,740	$ 7,181,360
Accumulated depreciation and impairment					
Balance as of January 1, 2022	$ -	$ 1,642,784	$ 2,136,660	$ 820,866	$ 4,600,310
Disposal	-	(62,914)	(79,781)	(23,420)	(166,115)
Transfer to investment property	-	(70,281)	-	-	(70,281)
Reclassification	-	-	248	-	248
Depreciation expense	-	82,834	237,510	46,760	367,104
Benefit from government subsidies	-	-	(11,435)	-	(11,435)
Reversal of impairment loss	-	(11,472)	-	-	(11,472)
Net exchange differences	-	23,453	26,293	9,532	59,278
Balance as of December 31, 2022	$ -	$ 1,604,404	$ 2,309,495	$ 853,738	$ 4,767,637
Net as of December 31, 2022	$ 296,869	$ 832,160	$ 1,133,692	$ 151,002	$ 2,413,723
Cost					
Balance as of January 1, 2021	$ 523,927	$ 2,585,467	$ 3,671,597	$ 973,847	$ 7,754,838
Addition	-	38,809	14,399	6,715	59,923
Disposal	-	(45,996)	(635,598)	(73,387)	(754,981)
Reclassification	-	18,914	260,447	46,952	326,313
Net exchange differences	(215)	(30,237)	(16,735)	(4,011)	(51,198)
Balance as of December 31, 2021	$ 523,712	$ 2,566,957	$ 3,294,110	$ 950,116	$ 7,334,895
Accumulated depreciation and impairment					
Balance as of January 1, 2021	$ -	$ 1,619,597	$ 2,506,242	$ 845,580	$ 4,971,419
Disposal	-	(46,816)	(609,854)	(73,116)	(729,786)
Depreciation expense	-	91,948	251,493	51,885	395,326
Reversal of impairment loss	-	(1,704)	-	-	(1,704)
Net exchange differences	-	(20,241)	(11,221)	(3,483)	(34,945)
Balance as of December 31, 2021	$ -	$ 1,642,784	$ 2,136,660	$ 820,866	$ 4,600,310
Net as of December 31, 2021	$ 523,712	$ 924,173	$ 1,157,450	$ 129,250	$ 2,734,585

The Consolidated Company assesses the recoverable amount of assets for operating use as of the reporting date for impairment and uses the value in use as the basis for calculating the recoverable amount. The calculation of the value in use is based on the estimated cash flows of the Consolidated Company's future financial projections.

The recoverable amount of the impaired assets was evaluated to be higher than that of the previous year. Therefore, the Consolidated Company recorded a reversal of impairment loss at $1,704 thousand in 2021. The impairment profit from reversal is included in other gains and losses in the Consolidated Comprehensive Income Statement.

The recoverable value of the part of the buildings that the Consolidated Company has recorded as impairment in 2022 was evaluated to be rising. Hence, $11,472 thousand was recorded from the impairment loss of the previous year. The impairment profit from reversal is included in other gains and losses in the Consolidated Comprehensive Income Statement.

Depreciation expense is provided on a straight-line basis over the following useful life:

Building	
Main structure	51 years
Elevator equipment	16 years
Air conditioning system	26 years
Improvement to main structures	4 to 51 years
Machinery and equipment	13 years
Other equipment	16 years

For the amount of property, plant and equipment used as collaterals for loans, please refer to Note 29.

xiv. Lease agreement

(i). Right-of-use assets.

	December 31, 2022	December 31, 2021
Carrying amount of right-of-use assets		
Land	$ 120,776	$ 123,413
Transportation equipment	6,488	1,923
	$ 127,264	$ 125,336

	2022	2021
Addition of right-of-use assets.	$ 6,378	$ -
Depreciation expense of right-of-use assets		
Land	$ 4,592	$ 4,498
Transportation equipment	1,813	1,282
	$ 6,405	$ 5,780

Other than the above additions and depreciation expense recognized, there were no significant subleases or impairments of the Consolidated Company's right-of-use assets in 2022 and 2021.

Right-of-use asset - Land refers to its use rights in Mainland China.

(ii). Lease liabilities

	December 31, 2022	December 31, 2021
Carry amount of lease liabilities		
Current	$ 2,762	$ 1,298
Non-current	$ 3,758	$ 661

The discount rate range for lease liabilities is as follows:

	December 31, 2022	December 31, 2021
Transportation equipment	1.615%～2.5%	2.5%

(iii). Information on other leases

	2022	2021
Short-term lease expenses	$ 7,451	$ 5,080
Low-value asset lease expenses	$ 307	$ 255
Total cash (outflow) from leases	($ 9,634)	($ 6,667)

The Consolidated Company has elected to apply the recognition exemption to leases of buildings, structures and office equipment that qualify as short-term leases and certain other equipment that qualify as low-value asset leases and does not recognize the related right-of-use assets and lease liabilities for these leases.

The amount of short-term lease commitments for which the recognition exemption was applicable (including short-term lease commitments commencing after the balance sheet date) was $13,903 thousand and $3,069 thousand as of December 31, 2022 and 2021, respectively.

The Consolidated Company has no commitments to enter into leases for periods beginning after the balance sheet date.

xv. Investment property

	Completed investment properties
Cost	
Balance as of January 1, 2022	$ -
From property, plant and equipment	376,549
Balance as of December 31, 2022	$ 376,549
Accumulated depreciation and impairment	
Balance as of January 1, 2022	$ -
From property, plant and equipment	(70,281)
Depreciation expense	(2,892)
Balance as of December 31, 2022	($ 73,173)
Net as of December 31, 2022	$ 303,376

Depreciation expense of investment properties is provided on a straight-line basis over the following useful life:

Main structure	51 years
Elevator equipment	16 years
Air conditioning system	26 years
Improvement to main structures	4 to 49 years

The fair value of the investment property amounted to $736,644 thousand as of December 31, 2022. This fair value has not been valuated by a valuator. It is an estimate determined by the management of the Consolidated Company with reference to the market transaction price of similar properties in neighboring areas.

For the information on the amount of the investment property for secured loans, refer to Note 29.

xvi. Other assets

	December 31, 2022	December 31, 2021
Current		
Tax overpaid retained	$ 42,759	$ 20,143
Prepaid expenses	55,527	66,590
Prepayments for goods	18,361	11,989
Business tax refund receivable	4,606	5,114
Non-operating receivables	315	11,162
Temporary payments	12,523	4,554
Others	2,922	3,457
	$ 137,013	$ 123,009
Non-current		
Prepaid equipment (Note 30)	$ 167,909	$ 126,755
Refundable deposits	18,133	15,246
Long-term prepaid expenses	23,625	42,948
	$ 209,667	$ 184,949

xvii. Borrowings

(i). Short-term borrowings

	December 31, 2022	December 31, 2021
Unsecured borrowings		
Credit facility borrowings	$ 887,418	$ 1,004,059

As of December 31, 2022 and 2021, the interest rates on bank borrowings for operating turnover ranged from 1.401% to 4.63% and 0.35% to 0.85%, respectively.

(ii). Long-term borrowings

	December 31, 2022	December 31, 2021
Secured borrowings (Note 29)		
Bank borrowings	$ 345,000	$ 345,000
Less: Classified as due within 1 year	(9,374)	-
Long-term borrowings	$ 335,626	$ 345,000

The bank borrowings were secured by pledges of the Consolidated Company's self-owned land and buildings (see Note 29). The effective interest rates were 1.64% and 1.01% per annum for the years ended December 31, 2022 and 2021, respectively. The interest is paid every month during the period from the first to the second year and amortized together with the principal during the period from the third to the fifth year. The purpose of this drawdown is to raise funds for operating turnover.

The Consolidated Company's borrowings consist of:

	Maturity date	Major terms and conditions	Effective interest rate	December 31, 2022	December 31, 2021
Floating rate borrowings:	2026-12-13	Chang Hwa Commercial Bank, Ltd.			
		The borrowing amount is $499,512 thousand to finance the medium-term operating turnover with an interest rate equal to one-year floating rate of postal savings plus 0.2%. The borrowing period is from December 13, 2021 to December 13, 2026, with monthly interest deductions. Repayment is made on the 13th day of each month, starting from December 13, 2023, in 36 equal installments of principal and interest.	1.64%	$ 345,000	$ 345,000
		Less: Classified as due within 1 year		(9,374)	-
		Long-term borrowings		$ 335,626	$ 345,000

(iii) Long-term notes payable

	December 31, 2022	December 31, 2021
Commercial paper payable	$ 200,000	$ 200,000

Less: Discount on long-term notes payable	(20)	(65)
Long-term borrowings	$ 199,980	$ 199,935

Undue long-term notes payable as follows:

December 31, 2022

Guarantee/ acceptance inst.	Par value	Discount value	Carrying amount	Interest rate range	Collateral	Carrying amount of collateral
Commercial paper payable						
IBFC	$ 200,000	$ 20	$ 199,980	1.86%	None	$ -

December 31, 2021

Guarantee/ acceptance inst.	Par value	Discount value	Carrying amount	Interest rate range	Collateral	Carrying amount of collateral
Commercial paper payable						
IBFC	$ 200,000	$ 65	$ 199,935	1.19%	None	$ -

The Company entered into a contract on bank guaranteed revolving release, underwriting and purchase of commercial paper with International Bills Finance Corporation, and can perform circular release of 60-day bank guaranteed commercial paper within 3 years. The Company uses $200,000 thousand from the underwriting facility on January 18, 2021. The contract expires on January 17, 2024.

xviii. Accounts payable

	December 31, 2022	December 31, 2021
Accounts payable		
Occurred due to business	$ 1,959,619	$ 1,481,654

The average credit period for the purchase of some goods is one to three months, and no interest is accrued on the accounts payable. The Consolidated Company has a financial risk management policy to ensure that all payables are repaid within the pre-agreed credit periods.

xiv. Other Liabilities

	December 31, 2022	December 31, 2021
Current		
Other payables		
Salaries and bonuses payable	$ 154,380	$ 127,551
Leave payables	51,149	50,006
Interest payables	3,018	804
Other expense payables	97,454	77,233
	$ 306,001	$ 255,594
Other liabilities		
Temporary receipts	$ 16,347	$ 12,995
Others	1,009	262
	$ 17,356	$ 13,257

xx. Post-employment benefit plan

(i). Defined contribution plan

The pension system of the Consolidated Company under the “Labor Pension Act” is a government-administered defined contribution pension plan with 6% of employees’ monthly salaries contributed to the personal accounts at the Bureau of Labor Insurance.

(ii). Defined benefit plan

The pension system of the Consolidated Company under the “Labor Standards Act” is a government-administered defined benefit pension plan. Pension payment is calculated in accordance with the years of service and the average salary six months prior to the authorized retirement date. The Company appropriates 2% of the total monthly wage of an employee as the pension and remit the amount to the labor pension reserve fund account at the Bank of Taiwan in the name of the Labor Pension Fund Supervisory Committee. Before the end of each year, if the assessed balance in the account is inadequate to make a full payment of pensions to the employees who are expected to meet the retirement conditions in the next year, the Company will make up the difference in one lump sum by the end of March of the following year. The management of the dedicated account is entrusted to the

Bureau of Labor Funds, Ministry of Labor. The Consolidated Company has no right to influence the investment management strategy.

The amounts included in the consolidated balance sheets for defined benefit plan are shown below.

	December 31, 2022	December 31, 2021
Present value of defined benefit obligations	$ 18,625	$ 18,790
Fair value of plan assets	(36,945)	(33,812)
Net defined benefit assets	($ 18,320)	($ 15,022)

Changes in net defined benefit assets are as follows:

	Present value of defined benefit obligations	Fair value of plan assets	Net defined benefit assets
January 1, 2021	$ 25,558	($ 45,347)	($ 19,789)
Service costs			
Service costs for the period	55	-	55
Interest expenses (incomes)	205	(363)	(158)
Recognized in profit or loss	260	(363)	(103)
Remeasurement			
Return on plan assets (other than amounts included in net interest)	-	(402)	(402)
Actuarial losses			
- Change in financial assumptions	238	-	238
- Adjustments through experience	5,034	-	5,034
Recognized in other comprehensive income	5,272	(402)	4,870
Benefit payments	(12,300)	12,300	-
December 31, 2021	18,790	(33,812)	(15,022)
Service costs			
Service costs for the period	55	-	55

	Present value of defined benefit obligations	Fair value of plan assets	Net defined benefit assets
Interest expenses (incomes)	122	(219)	(97)
Recognized in profit or loss	177	(219)	(42)
Remeasurement			
Return on plan assets (other than amounts included in net interest)	-	(2,914)	(2,914)
Actuarial (profit) loss			
- Change in financial assumptions	(787)	-	(787)
- Adjustments through experience	445	-	445
Recognized in other comprehensive income	(342)	(2,914)	(3,256)
December 31, 2022	$ 18,625	($ 36,945)	($ 18,320)

The amounts recognized in profit or loss for defined benefit plan are summarized by function as follows:

	2022	2021
Operating costs	($ 6)	($ 10)
Promotional expenses	(2)	(3)
Administrative expenses	(27)	(80)
R&D expenses	(7)	(10)
	($ 42)	($ 103)

The subsidiaries in the Consolidated Company are exposed to the following risks as a result of the pension system under the "Labor Standards Act":

1. Investment risk: The Bureau of Labor Funds, Ministry of Labor invests the labor pension fund in domestic and foreign equity securities, debt securities, and bank deposits through its own management or entrusted third parties, but the amount allocated to the Consolidated Company's

plan assets is based on the income at a rate no less than the local bank's 2-year time deposit rate.

2. Interest rate risk: A decrease in interest rates on government/corporate bonds will increase the present value of the defined benefit obligation, but the return on debt investment in plan assets will also increase, which will have a partially offsetting effect on the net defined benefit obligation.

3. Salary Risk: The present value of the defined benefit obligation is calculated by reference to the future salary of the plan member. Therefore, increases in plan member's salary will result in an increase in the present value of the defined benefit obligation.

The present value of the Consolidated Company's defined benefit obligation was actuarially determined by a qualified actuary and the significant assumptions at the measurement date were as follows:

	December 31, 2022	December 31, 2021
Discount rate	1.25%	0.65%
Expected rate of salary increase	3.00%	3.00%

The amount by which the present value of the defined benefit obligation would increase (decrease) if there are reasonable possible changes in significant actuarial assumptions, with all other assumptions held constant, is as follows:

	December 31, 2022	December 31, 2021
Discount rate		
Increase by 0.25%	($ 315)	($ 389)
Decrease by 0.25%	$ 328	$ 405
Expected rate of salary increase		
Increase by 1%	$ 1,381	$ 1,676
Decrease by 1%	($ 1,217)	($ 1,466)

The sensitivity analysis above may not reflect actual changes in the present value of the defined benefit obligation because the actuarial assumptions may be correlated and changes in only one assumption are not feasible.

	December 31, 2022	December 31, 2021
Average duration to maturity of defined benefit obligations	12.3 years	13.8 years

xxi. Equity

(i). Common stock

	December 31, 2022	December 31, 2021
Authorized number of shares (thousand shares)	600,000	600,000
Authorized capital stock	$ 6,000,000	$ 6,000,000
Number of shares issued and fully paid (thousand shares)	307,536	307,536
Issued capital stock	$ 3,075,366	$ 3,075,366

The issued common stock has a face value of NT$10 per share and each share is entitled to one voting right and receiving dividends.

30,000 thousand shares of the authorized capital stock were reserved for the issuance of convertible bonds and employee restricted stock options.

(ii). Capital surplus

	December 31, 2022	December 31, 2021
For loss make-up, payment in cash or capitalization as equity (1)		
Stock issue premium	$ 772,829	$ 772,829
Corporate bond conversion premium	1,238,407	1,238,407
Gain on disposal of assets	167	167
Consolidation excess	42,695	42,695
	$ 2,054,098	$ 2,054,098

1. Such capital surplus may be used to make up for losses or, when the Company has no losses, to distribute cash or to capitalize equity,

provided that the capitalization is limited to a certain percentage of the paid-in capital each year.

(iii). Retained Earnings and Dividend Policy

In accordance with the earnings distribution policy of the Company's Articles of Incorporation, if there are any net earnings as indicated in the final accounts, the Company shall pay tax and make up for the accumulated losses, and then set aside 10% as legal reserve, and the rest shall be set aside as special reserve or offset by reversal of special reserve as required by law; if there are still remaining earnings, the Board of Directors shall prepare a proposal for the distribution of the remainder together with the accumulated unappropriated earnings at the beginning of the period, and submit it to the shareholder meeting for resolution on the distribution of dividends to shareholders. The Company's policy on the distribution of employees' and directors' remuneration as stipulated in the Company's Articles of Incorporation is described in Note 23(7) Employees' Remuneration and Directors' Remuneration.

Based on the resolution of a majority of directors at the meeting attended by two-thirds of the total number of directors, the Company shall distribute the dividend and bonus, in whole or in part, in the form of cash and report to the shareholders' meeting.

The legal reserve should be appropriated until the balance reaches the Company's total paid-in capital. The legal reserve may be used to make up for losses. If the Company has no losses, the excess of legal reserve over 25% of the paid-in capital may be distributed in cash in addition to capitalization as equity.

The Company has provided and reversed the special reserve in accordance with the letters Jin-Guan-Zheng-Fa-Zi Nos. 1010012865 (nullified on December 31, 2021), 1030006415 (nullified on December 31, 2021), 1090150022 and 10901500221 and the provisions of the "Questions and Answers on the Application of International Financial Reporting Standards (IFRSs) to the Provision of Special Reserve". If there is a reversal in the balance of deduction from equity, earnings can be distributed within the reversal.

The distribution of earnings for 2021 and 2020 is described below:

	2021	2020
Legal reserve	$ 21,802	$ 11,997
Special reserve	$ 40,494	($ 40,309)
Cash dividends	$ 148,768	$ 116,039
Cash dividends per share (NTD)	$ 0.5	$ 0.39

The above cash dividends were distributed following the resolutions made in Board of Directors meetings dated March 24, 2022 and May 11, 2021, respectively; the distribution of remaining earnings was resolved at the annual general meeting held on June 16, 2022 and July 20, 2021, respectively.

The Company held the general shareholders' meetings on July 20, 2021 to resolve the distribution capital surplus amounting to $32,729 thousand ($0.11 per share) in cash.

The Board of Directors proposed the following earnings distribution for 2022 on March 14, 2023:

	Earnings distribution proposal
Legal reserve	$ 36,066
Special reserve	($ 127,267)
Cash dividends	$ 297,537
Cash dividends per share	$ 1

The distribution of the aforementioned cash dividends has been approved by the Board of Directors. The remainder is pending resolution at the shareholders' meeting scheduled for June 20, 2023.

(iv). Treasury stock

Reason for recovery	Transfer of shares to employees (thousand shares)	Repurchase for retirement (thousand shares)	Shares of parent company held by subsidiaries (thousand shares)	Total (thousand shares)
Number of shares as of January 1, 2022	10,000	-	-	10,000
Number of shares as of December 31, 2022	10,000	-	-	10,000
Number of shares as of January 1, 2021	10,000	-	-	10,000
Number of shares as of December 31, 2021	10,000	-	-	10,000

The Company repurchased 10,000 thousand shares amounting to NTD 161,328 thousand and transfered them to the employees to motivate them and enhance their cohesiveness to the Company. The repurchased shares shall be transferred to employees within 5 years in accordance with the Securities and Exchange Act. If the shares are not transferred after the expiration date, they shall be considered as unissued shares of the Company and shall be registered for change.

Treasury stock held by the Company cannot be pledged under the Securities and Exchange Act, and is not entitled to dividend distribution or voting rights.

xxii. Revenue

	2022	2021
Customer contract revenues		
Merchandise sales revenues	$ 7,654,149	$ 6,478,555

Contract balance

	December 31, 2022	December 31, 2021
Accounts receivable (Note 10)	$ 3,231,689	$ 2,383,695

Contract liabilities - current

Merchandise sales	$ 17,045	$ 5,221

The change in contract liabilities mainly arises from the difference between the point at which performance obligations are satisfied and the point at which customers pay.

xxiii. Net profits before tax

(i). Interest incomes

	2022	2021
Bank deposits	$ 19,103	$ 18,182
Bonds with repurchase agreement	76	75
Imputed interest on deposits	24	16
Others	-	50
	$ 19,203	$ 18,323

(ii). Other incomes

	2022	2021
Lease incomes		
Rental incomes from operating lease		
- Investment property	$ 11,550	$ -
- Rental incomes from dormitory and parking lot	1,135	1,012
- Rental incomes from housing	4,658	3,825
	17,343	4,837
Incomes from insurance claims	11,369	-
Government subsidy incomes	9,886	31,759
Compensation incomes	-	7,436
Others	9,247	6,514
	$ 47,845	$ 50,546

(iii). Other incomes (expenses)

	2022	2021
Gain (loss) on financial assets and financial liabilities (Note 7)		
Financial assets mandatorily measured at fair value through profit or loss		
- Realized	($ 51,806)	$ 30,136
- Unrealized	2,680	8,465
	(49,126)	38,601
Net foreign currency exchange loss	$ 105,876	($ 30,743)
Gain on disposal of property, plant and equipment	920	2,099
Impairment reversal profit of property, plant and equipment	11,472	1,704
Others	(849)	(8,387)
	$ 68,293	$ 3,274

(iv). Financial costs

	2022	2021
Interest on bank borrowings	$ 24,301	$ 12,545
Interest on lease liabilities	59	66
	$ 24,360	$ 12,611

No interest capitalization in 2022 and 2021.

(v). Depreciation and amortization

	2022	2021
Depreciation expense is summarized by function		
Operating costs	$ 344,445	$ 382,720
Operating expenses	20,521	18,386
	$ 364,966	$ 401,106

(vi). Employee benefit expenses

	2022	2021
Post-employment benefits		
Defined contribution plans	$ 6,854	$ 5,819
Defined benefit plan (Note 20)	(42)	(103)
	6,812	5,716
Other employee benefits	1,482,791	1,396,885
Total employee benefit expenses	$ 1,489,603	$ 1,402,601
Summarized by function		
Operating costs	$ 1,157,108	$ 1,119,320
Operating expenses	332,495	283,281
	$ 1,489,603	$ 1,402,601

(vii). Employees' remuneration and directors' remuneration.

In accordance with the Company's Articles of Incorporation, the Company appropriates no less than 1% and no more than 3% of the profits before tax to employees' and directors' remuneration, respectively, for the year before the distribution of employees' and directors' remuneration. The estimated remuneration to employees and directors for the years ended 2022 and 2021 were resolved by the Board of Directors on March 14, 2023 and March 24, 2022, respectively, as follow:

Estimated percentage

	2022	2021
Remuneration to employees	3.10%	2.33%
Remuneration to directors	1.65%	1.94%

Amount

	2022	2021
	Cash	Cash
Remuneration to employees	$ 12,400	$ 6,000
Remuneration to directors	6,600	5,000

If there is a change in the amount of the consolidated financial statements after the date of its issuance, the amount is adjusted in the following year in accordance with the rules related to changes in accounting estimates.

There was no difference between the actual amount of employees' and directors' and supervisors' remuneration paid for 2021 and 2020 and the amount recognized in the consolidated financial statements in 2021 and 2020.

Please refer to the "Market Observation Post System" of the Taiwan Stock Exchange for information on the remuneration of employees, directors and supervisors resolved by the Board of Directors of the Company.

(viii). Foreign currency exchange gains (losses)

	2022	2021
Total foreign currency exchange gains	$ 564,790	$ 138,682
Total foreign currency exchange (losses)	(458,914)	(169,425)
Net gains (losses)	$ 105,876	($ 30,743)

xxiv. Income tax

(i). Income tax recognized in profit or loss

The major components of income tax expense are as follows:

	2022	2021
Income tax for the period		
Occurred in the year	$ 62,257	$ 17,100
Prior year adjustment	1,102	(6,988)
	63,359	10,112
Deferred tax		
Occurred in the year	55,013	37,425
Prior year adjustment	(562)	(2,788)
	54,451	34,637
Income tax expenses recognized in profit or loss	$ 117,810	$ 44,749

The reconciliation of accounting income to income tax expense is as follows:

	2022	2021
Net profits before tax	$ 475,217	$ 267,642
Income tax expenses at statutory tax rate on net profits before tax (20%)	$ 95,043	$ 53,528
Non-deductible expenses for tax purposes	1,394	4,111
Tax-exempt incomes	(159)	(58)
Unrecognized loss carryforwards	-	2,129
Tax rate change	43,916	-
Effect of consolidated entities with different tax rates	(12,056)	9,292
Adjustments to prior years' deferred tax expenses recorded in the year	(562)	(2,788)
Adjustments to prior years' current income tax expenses recorded in the year	1,102	(6,988)
Additional deductions for R&D expenses	(10,868)	(14,477)
Income tax expenses recognized in profit or loss	$ 117,810	$ 44,749

(ii). Current income tax assets and liabilities

	December 31, 2022	December 31, 2021
Current income tax assets		
Tax refund receivable	$ 36	$ 10,369
Current tax liabilities		
Income tax payables	$ 17,085	$ 5,532

(iii). Deferred tax assets and liabilities

Changes in deferred income tax assets and liabilities are as follows:

2022

	Balance at the beginning of the year	Recognized in profit or loss	Exchange difference	Balance at the end of the year
Deferred tax assets				
Temporary difference				
Leave payables	$ 11,945	($ 3,350)	$ 174	$ 8,769
Defined benefit pension plan	954	8	-	962
Unrealized loss on decline in value of inventories	50,245	(16,320)	867	34,792
Allowance for loss	7,886	(1,195)	9	6,700
Impairment of property, plant and equipment	1,216	(1,215)	(1)	-
Accrued expenses	16,258	(4,316)	281	12,223
Depreciation of property, plant and equipment	40,693	(8,448)	694	32,939
Others	69	(58)	-	11
	129,266	(34,894)	2,024	96,396
Loss carryforwards	25,741	(25,741)	-	-
	$ 155,007	($ 60,635)	$ 2,024	$ 96,396
Deferred tax liabilities				
Temporary difference				
Unrealized exchange gains	($ 8,466)	$ 6,282	$ -	($ 2,184)
Financial assets measured at fair value through profit or loss	(2,079)	79	(35)	(2,035)
Depreciation of property, plant and equipment	(3,937)	(177)	(171)	(4,285)
	($ 14,482)	$ 6,184	($ 206)	($ 8,504)

2021

Deferred tax assets	Balance at the beginning of the year	Recognized in profit or loss	Exchange difference	Balance at the end of the year
Temporary difference				
Leave payables	$ 11,708	$ 289	($ 52)	$ 11,945
Defined benefit pension plan	933	21	-	954
Unrealized loss on decline in value of inventories	63,737	(13,254)	(238)	50,245
Allowance for loss	8,672	(779)	(7)	7,886
Impairment of property, plant and equipment	1,216	-	-	1,216
Accrued expenses	16,160	174	(76)	16,258
Depreciation of property, plant and equipment	$ 49,565	($ 8,674)	($ 198)	$ 40,693
Others	263	(194)	-	69
	152,254	(22,417)	(571)	129,266
Loss carryforwards	45,774	(20,033)	-	25,741
	$ 198,028	($ 42,450)	($ 571)	$ 155,007

Deferred tax liabilities	Balance at the beginning of the year	Recognized in profit or loss	Exchange difference	Balance at the end of the year
Temporary difference				
Unrealized exchange gains	($ 5,339)	($ 3,127)	$ -	($ 8,466)
Financial assets measured at fair value through profit or loss	(8,403)	6,316	8	(2,079)
Depreciation of property, plant and equipment	(8,649)	4,624	88	(3,937)
	($ 22,391)	$ 7,813	$ 96	($ 14,482)

(iv). Unused loss carryforwards for deferred tax assets not recognized in the consolidated balance sheets

	December 31, 2022	December 31, 2021
Temporary difference	$ 6,082	$ 6,082
Loss carryforwards		
Expire in 2029	$ 10,413	$ 22,257

(v). Approval of Income Tax Returns

The Company's income tax returns have been assessed by the tax authorities up to 2020, but not yet for 2021.

xxv. Earnings per share

Weighted-average number of shares of common stock used to calculate earnings per share is as follows:

Net profits for the year

	2022	2021
Net profits used to calculate basic earnings per share	$ 357,407	$ 222,893
Net profits used to calculate diluted earnings per share	$ 357,407	$ 222,893

Number of shares Unit: Thousand shares

	2022	2021
Weighted-average number of shares of common stock used to calculate basic earnings per share	297,536	297,536
Impact of potential common stock with dilutive effect:		
Remuneration to employees	765	427
Weighted-average number of shares of common stock used to calculate diluted earnings per share	298,301	297,963

If the Consolidated Company may choose to have the employee compensation distributed via a stock or cash dividend, the calculation of the diluted earnings per share assumes that the bonus to employees is with a stock dividend distributed, with the weighted average number of shares outstanding included when the potential common stock has a diluted effect. The diluting effect of these potential common shares also continues to be considered in the calculation of diluted earnings per share before the number of shares awarded to employees in the following year's resolution.

xxvi. Capital risk management

The Consolidated Company engages in capital management to ensure that the Group's enterprises can maximize shareholder returns by optimizing debt and equity balances while continuing to operate.

The Consolidated Company's capital structure consists of the Consolidated Company's net debt (i.e., borrowings less cash and cash equivalents) and equity attributable to the shareholders of the Company (i.e., capital stock, capital surplus, retained earnings and other equity).

The Consolidated Company is not subject to any other external capital requirements.

The Consolidated Company's key management reviews the Group's capital structure annually, which includes consideration of the cost of various types of capital and the associated risks. The Consolidated Company will balance its overall capital structure by paying dividends, issuing new shares, repurchasing shares and issuing new debt or paying off old debt, as recommended by key management.

xxvii. Financial instruments

(i). Fair value information - Financial instruments that are not measured at fair value

The Company's management believes that the carrying amounts of financial assets and financial liabilities that are not measured at fair value on the balance sheet approximate their fair values.

(ii). Fair value information - Financial instruments measured at fair value on a recurring basis

1. Fair value hierarchy

December 31, 2022

	Level 1	Level 2	Level 3	Total
Financial assets measured at fair value through profit or loss				
Fund beneficiary certificates	$ 60,082	$ -	$ -	$ 60,082
Derivatives	-	11,387	-	11,387
	$ 60,082	$ 11,387	$ -	$ 71,469
Financial assets measured at fair value through other comprehensive income				
Investment in equity instruments —Domestic listed (OTC) stocks	$ -	$ -	$ 12,000	$ 12,000

December 31, 2021

	Level 1	Level 2	Level 3	Total
Financial assets measured at fair value through profit or loss				
Fund beneficiary certificates	$ 163,444	$ -	$ -	$ 163,444
Derivatives	-	8,307	-	8,307
	$ 163,444	$ 8,307	$ -	$ 171,751

There were no transfers between Level 1 and Level 2 fair value measurements in 2022 and 2021.

2. Adjustments to financial instruments measured at Level 3 fair value

	2022
Financial assets measured at fair value through other comprehensive income - equity instrument	
Balance as of January 1, 2022	$ -
Purchase	12,000
Balance as of December 31, 2022	$ 12,000

3. Level 2 fair value measurement valuation techniques and input values

Class of financial instruments	Valuation techniques and input values
Derivatives - Forward foreign exchange contracts	The discounted cash flow method: The future cash flows are estimated based on observable forward exchange rates and contracted exchange rates at the end of the period, and are discounted at a rate that reflects the credit risk of each counterparty.

4. Level 3 fair value measurement valuation techniques and input values

The fair value of non-listed (non-OTC) stocks is evaluated with reference to the recent closing prices of the underlying investment targets.

(iii). Types of financial instruments

	December 31, 2022	December 31, 2021
Financial asset		
Measured at fair value through profit or loss		
Mandatorily measured at fair value through profit or loss	$ 71,469	$ 171,751
Financial assets at amortized cost (Note 1)	5,108,172	4,513,682
Financial assets measured at fair value through other comprehensive income		
Investment in equity instruments	12,000	-
Financial liabilities		
Measured at amortized cost (Note 2)	3,505,966	3,115,717

Note 1: The balance includes financial assets measured at amortized cost, such as cash and cash equivalents, notes receivable, accounts receivable and refundable deposits.

Note 2: The balance includes financial liabilities measured at amortized cost, including short-term borrowings, accounts payable, other payables (excluding employee benefits payable), deposits received, long-term borrowings due within one year or operating cycle, long-term borrowings, and long-terms notes payable.

(iv). Financial risk management objectives and policies

The Consolidated Company's major financial instruments include investments in equity instruments, accounts receivable, accounts payable, and borrowings. The risks associated with the operations of the above financial instruments include market risk (including exchange rate risk, interest rate risk and other price risk), credit risk and liquidity risk.

1. Market risk

The main financial risks to which the Consolidated Company is exposed as a result of its operating activities are changes in foreign currency exchange rates (see (1) below) and changes in interest rates (see (2) below).

(1). Exchange rate risk

The Consolidated Company engages in foreign currency-denominated sales and purchase transactions, which expose the Consolidated Company to exchange rate risk. The Consolidated Company manages its exposure to exchange rate risk by using forward exchange contracts and options to the extent permitted by policy.

The carrying amounts of monetary assets and monetary liabilities denominated in non-functional currencies (including monetary items denominated in non-functional currencies that have been eliminated in the consolidated financial statements) and the carrying amounts of derivative instruments with exchange rate risk exposure as of the balance sheet date are described in Note 32.

<u>Sensitivity analysis</u>

The Consolidated Company is primarily affected by fluctuations in the USD exchange rate.

The following table details the sensitivity analysis of the Consolidated Company when the exchange rate of the NTD (functional currency) increases and decreases by 1% against each relevant foreign currency. 1% is the sensitivity percentage used for the Group's internal reporting of exchange rate risk to key management and represents management's assessment of the reasonably possible range of changes in foreign currency exchange rates. The sensitivity analysis includes only outstanding foreign currency monetary items and forward exchange contracts designated as cash flow hedges, and adjusts their period-end translation by a 1% change in exchange rates. The negative amount for USD below represents the decrease in net profits before tax when NTD strengthens by 1% against USD, and the positive amount when NTD depreciates by 1% against USD.

	Impact of USD	
	2022	2021
Profit (loss)	$ 10,607	$ 8,785

(i). Mainly derived from the Consolidated Company's receivables and payables that were outstanding at the balance sheet date and not hedged for cash flow.

(2). Interest rate risk

The Consolidated Company's bank deposits and borrowed funds carry both fixed and floating interest rates, resulting in interest rate risk.

The carrying amounts of financial assets and financial liabilities exposed to interest rate risk as of the balance sheet date were as follows:

	December 31, 2022	December 31, 2021
Fair value interest rate risk		
- Financial assets	$ 530,710	$ 1,155,840
- Financial liabilities	887,418	1,004,059
Cash flow interest rate risk		
- Financial assets	1,299,275	926,828
- Financial liabilities	544,980	544,935

Sensitivity analysis

The following sensitivity analysis is based on the interest rate risk of derivative and non-derivative instruments as of the balance sheet date. For floating rate liabilities, the analysis assumes that the amount of the liability outstanding at the balance sheet date is outstanding during the reporting period. The rate of change used in reporting interest rates internally to key management is a 0.25% basis point increase or decrease in interest rates, which also represents management's assessment of the range of reasonably possible changes in interest rates.

If interest rates had increased/decreased by 0.25% basis points, with all other variables held constant, the Consolidated Company's net profits before tax would have decreased/increased by $1,886 thousand and $955 thousand for 2022 and 2021, respectively.

(3). Other price risk

The Consolidated Company has equity price risk due to its investment in equity securities.

Sensitivity analysis

The following sensitivity analysis is based on the equity price exposure at the balance sheet date.

If the equity price had increased/decreased by 10%, profits or losses before tax for 2022 and 2021 would have increased/decreased by $6,008 thousand and $16,344 thousand, respectively, due to the increase/decrease in fair value of financial assets measured at fair value through profit or loss. Other comprehensive incomes before tax in 2022 and 2021 were increased/decreased by NTD1,200 thousand and $0 thousand due to increase/decrease of the fair value of the financial assets measured at fair value through other comprehensive income.

There was no significant change in the sensitivity of the Consolidated Company's investment in equity securities compared with the previous year.

2. Credit risk

Credit risk refers to the risk of financial loss due to default on contract obligations by the counterparties. As of the balance sheet date, the Consolidated Company's maximum exposure to credit risk of financial loss due to non-performance by counterparties and the provision of financial guarantees by the Consolidated Company was mainly due to:

(1) The carrying amount of financial assets recognized in the consolidated balance sheets.

(2). The maximum amount that the Consolidated Company may be required to pay for the provision of financial guarantees, regardless of the likelihood of occurrence.

The Consolidated Company's primary potential credit risk arises from financial instruments such as cash and cash equivalents and accounts receivable. The Consolidated Company's cash is deposited with various banks and financial institutions. The cash is held in time deposits with maturities of approximately 3 months, which have high liquidity and flexibility and enjoy high interest rates with near-zero risk. The Consolidated Company controls its exposure to the credit risk of each financial institution and believes that the Consolidated Company's cash and cash equivalents are not subject to significant concentrations of credit risk.

The counterparties of the Consolidated Company's accounts receivable are customers in the electronics industry. In order to reduce the credit risk of accounts receivable, the Consolidated Company's management has assigned a dedicated team to establish credit management rules and regulations and to be responsible for credit limit determination, credit approval and other monitoring procedures for the credit management of accounts receivable.

In addition, the Consolidated Company reviews the recoverable amounts of accounts receivable on a case-by-case basis every month to ensure that appropriate impairment losses have been recorded for uncollectible accounts receivable. Accordingly, the Consolidated Company's management believes that the Consolidated Company's credit risk is limited.

The Consolidated Company's credit risk is mainly concentrated in the Consolidated Company's top ten customers. As of December 31, 2022 and 2021, the percentage of total accounts receivable from the aforementioned customers was 67.05% and 62.51%, respectively.

3. Liquidity risk

The Consolidated Company manages and maintains sufficient balance of cash and cash equivalents to support the Group's operations and mitigate the impact of cash flow fluctuations. The Consolidated Company's management monitors the use of bank financing facilities and ensures compliance with the terms and conditions of the borrowing agreements.

Bank borrowings are an important source of liquidity for the Consolidated Company. See (2) below for a description of the

Consolidated Company's unused financing facilities as of December 31, 2022 and 2021.

(1). Liquidity and interest rate risk of non-derivative financial liabilities.

The analysis of the remaining contract maturities of non-derivative financial liabilities is prepared using the undiscounted cash flows of financial liabilities (including principal and estimated interest) based on the earliest possible date on which the Consolidated Company could be required to make repayment. Therefore, bank borrowings that the Consolidated Company may be required to repay immediately are shown in the the earliest period below, without regard to the probability that the bank will enforce the right immediately; the maturity analysis of other non-derivative financial liabilities is prepared based on the contract repayment dates.

December 31, 2022

	Less than 1 year	1 to 2 years	2 to 3 years	More than 3 years	Total
Non-derivative financial liabilities					
Accounts payable	$ 1,959,619	$ -	$ -	$ -	$ 1,959,619
Other payables	96,343	-	-	-	96,343
Borrowings	899,810	535,606			1,435,416
Lease liabilities	2,845	2,179	1,635	-	6,659
	$ 2,958,617	$ 537,785	$ 1,635	$ -	$ 3,498,037

December 31, 2021

	Less than 1 year	1 to 2 years	2 to 3 years	More than 3 years	Total
Non-derivative financial liabilities					
Accounts payable	$ 1,481,654	$ -	$ -	$ -	$ 1,481,654
Other payables	75,518	-	-	-	75,518
Borrowings	1,004,863	345,000	199,935	-	1,549,798
Lease liabilities	1,332	666	-	-	1,998
	$ 2,563,367	$ 345,666	$ 199,935	$ -	$ 3,108,968

(2). Financing facilities

	December 31, 2022	December 31, 2021
Unsecured bank borrowing facility (extendable by mutual consent)		
Financing facilities used	$ 1,087,418	$ 1,204,059
Financing facilities unused	4,111,326	3,786,205
	$ 5,198,744	$ 4,990,264
Secured bank borrowing facility (extendable by mutual consent)		
Financing facilities used	$ 345,000	$ 345,000
Financing facilities unused	154,512	154,512
	$ 499,512	$ 499,512

xxviii. Related party transactions

All transactions, account balances, incomes and expenses between the Company and its subsidiaries, which are related parties of the Company, are eliminated upon consolidation and are therefore not disclosed in this note. In addition to those disclosed in other notes, the transactions between the Company and other related parties are as follows:

Key management remuneration

	2022	2021
Short-term employee benefits	$ 21,344	$ 19,661
Post-employment benefits	521	380
	$ 21,865	$ 20,041

The remuneration of directors and other key management is determined by the Remuneration Committee based on individual performance and market trends.

xxix. Pledged assets

The following assets have been pledged as collaterals for borrowings and tariff guarantees for imported raw materials:

	December 31, 2022	December 31, 2021
Pledged time deposits (recorded as financial assets at amortized cost - current)	$ 51,444	$ 6,512
Pledged time deposits (recorded as financial assets at amortized cost - noncurrent)	2,127	2,127
Self-owned land	-	227,663
Buildings - net	-	78,702
Investment property	303,376	-
	$ 356,947	$ 315,004

xxx. Significant contingent liabilities and unrecognized contract commitments

(i). The total contract amount of the equipment contracted by the Consolidated Company with vendors was NTD 298,471 thousand. As of December 31, 2022, the Consolidated Company had paid NTD 167,909 thousand (recorded as prepayment for equipment) and the remaining NTD 130,562 thousand had not been paid.

(ii). As of December 31, 2022, the Consolidated Company had guaranteed for cooperative education and provided a reserve for the issuance of refundable deposit notes (including long-term borrowings and short-term borrowings) of approximately NTD 2,060,000 thousand and USD 8,500 thousand, respectively.

(iii). As of December 31, 2022, the Consolidated Company had received NTD 9,626 thousand in guarantee deposit notes for the purchase of equipment and construction.

xxxi. Other matters

As assessed by the Consolidated Company, the global COVID-19 pandemic did not have material effect on the ability of going concern, impairment of assets, and financing risk of the Consolidated Company.

xxxii. Information on foreign currency assets and liabilities with significant effect

The following information is expressed in aggregate in foreign currencies other than the entities of the Consolidated Company's functional currencies, and the exchange rates disclosed represent the rates at which such foreign currencies were converted to the functional currency. Foreign currency assets and liabilities with significant impact are as follows:

December 31, 2022

	Foreign currency	Exchange rate	Carrying amount
Foreign currency assets			
Monetary items			
USD	$ 84,699	30.710 (USD : NTD)	$ 2,601,112
USD	72,653	6.9646 (USD : RMB)	2,231,167
			$ 4,832,279
Foreign currency liabilities			
Monetary items			
USD	84,327	30.710 (USD : NTD)	$ 2,589,688
USD	38,486	6.9646 (USD : RMB)	1,181,890
			$ 3,771,578

December 31, 2021

	Foreign currency	Exchange rate	Carrying amount
Foreign currency assets			
Monetary items			
USD	$ 68,881	27.680 (USD : NTD)	$ 1,906,640
USD	67,484	6.3757 (USD : RMB)	1,867,945
			$ 3,774,585
Foreign currency liabilities			
Monetary items			
USD	70,951	27.680 (USD : NTD)	$ 1,963,912
USD	33,678	6.3757 (USD : RMB)	932,215
			$ 2,896,127

The Consolidated Company’s foreign currency exchange gains and losses (realized and unrealized) amounted to $105,876 thousand and $30,743 thousand for 2022 and 2021, respectively. Due to the wide variety of foreign currency transactions and the functional currencies of the entities of the Group, it is not possible to disclose the exchange gains and losses by each major currency.

xxxiii. Other disclosures

(i). Significant transactions and (ii) information on the investee enterprises:

No.	Item	Description
1	Lending funds to others	Exhibit 1
2	Endorsements and guarantees for others.	None
3	Marketable securities held at the end of the period. (Excluding investment in subsidiaries, affiliated enterprises and joint venture interests)	Exhibit 2
4	The cumulative amount of purchases or sales of the same marketable securities reaches at least NTD 300 million or 20% of the paid-in capital.	None
5	Acquisition of property amounting to at least NTD 300 million or 20% of the paid-in capital.	None
6	Disposal of property amounting to at least NTD 300 million or 20% of the paid-in capital.	None
7	The amount of purchase or sale with related parties is at least NTD 100 million or 20% of the paid-in capital.	Exhibit 3
8	Receivables from related parties amounting to at least NTD 100 million or 20% of the paid-in capital.	Exhibit 4
9	Engagement in derivative transactions.	Note 7
10	Others: Business relationships and significant transactions between the parent and subsidiaries and between subsidiaries and the amounts involved.	Exhibit 7
11	Information on investees	Exhibit 5

(iii). Information on investment in Mainland China:

No.	Item	Description
1	The name of the investees in Mainland China, principal business, paid-in capital, investment methods, capital outward and inward remittances, shareholding, investment gains and losses, investment carrying amount at the end of the period, repatriated investment gains and losses, and investment quota for Mainland China.	Exhibit 6
2	The following significant transactions with investees in Mainland China, directly or indirectly through third regions, and their prices, payment terms, and unrealized gains or losses:	
	(1). Amounts and percentages of purchases and related payables at the end of the period.	Exhibit 3
	(2). Amounts and percentages of sales and related receivables at the end of the period.	None
	(3). The amount of property transactions and the amount of gain or loss resulting from such transactions.	None
	(4). The ending balance of endorsement and guarantee of notes or provision of collateral and its purpose.	None
	(5). The maximum balance, ending balance, interest rate range and total current interest amount of financial accommodation.	None
	(6). Other transactions that have a significant effect on the current profit or loss or financial position, such as the provision or receipt of services.	None

(iv). Information on major shareholders:

Name, number and percentage of shares held by shareholders with 5% or more of the shares: Exhibit 8.

xxxiv. Segment information

(i). Financial information by industry and segment

The information provided to the chief business decision maker for allocating resources and measuring segment performance focuses on the type of product or service delivered or provided. In accordance with IFRS 8 “Operating Segments”, the Consolidated Company does not have an operating segment that meets the requirements of the IFRS, and the Consolidated Company’s business is concentrated on the production and sale of flexible boards and keypads, and there is no division of industrial segments, so the segment revenues, operating results and segment assets are the same as those in the income statement and balance sheet.

(ii). Regional information

The Consolidated Company operates in two main regions - Asia, the Americas and Europe.

Information on the Consolidated Company's revenues from external customers by region of operations and noncurrent assets by region of assets is presented below:

	Revenues from external customers		Noncurrent assets	
	2022	2021	December 31, 2022	December 31, 2021
America	$ 215,715	$ 217,298	$ 24,872	$ 23,256
Europe	55,440	16,279	36,014	24,908
Asia	7,382,774	6,217,537	2,993,144	2,996,706
Africa	220	27,441	-	-
	$ 7,654,149	$ 6,478,555	$ 3,054,030	$ 3,044,870

Noncurrent assets exclude financial instruments, deferred tax assets and assets arising from net defined benefit assets.

(iii). Information on major customers

Customers whose revenues accounted for more than 10% of the amount of revenues on the consolidated income statements were as follows:

	2022		2021	
Type of customer	Amount	Percentage of revenues on the consolidated income statement %	Amount	Percentage of revenues on the consolidated income statement %
Company I	$ 1,999,038	26	$ 937,676	14

(iv). Revenues from major products

Analysis of the revenues of the Consolidated Company's major products is as follows:

	2022	2021
Electronic components	$ 7,654,149	$ 6,478,555

ICHIA TECHNOLOGIES INC. and subsidiaries

Lending funds to others

January 1 to December 31, 2022

Exhibit 1

Unit: NTD and foreign currency in thousands, unless otherwise stated

No. (Note 1)	The lender company of funds	The borrower of funds	Transaction	Related party or not	Maximum balance for the period	Balance at the end of the period	Actual amounts drawn	Interest rate range	Nature of funds lending (Note 2)	Amount of business transactions	Reasons for the necessity of short-term financing	Amount of allowance for bad debts	Collateral		The limit for individual funds lending (Note 3)	The limit for total funds lending (Note 3)	Remarks
													Name	Value			
1	BVI-ICHIA	ICHIA Technologies Hungary Limited Liability Company	Other receivables - related party	Yes	$ 60,806 (USD 1,980)	$ 60,806 (USD 1,980)	$ 58,656 (USD 1,910)	-	2	$ -	Operating turnover	$ -	None	$ -	$11,153,083 (Note 4)	$11,153,083 (Note 4)	
		ICHIA TECHNOLOGIES INC.	Other receivables - related party	Yes	531,283 (USD 17,300)	531,283 (USD 17,300)	531,283 (USD 17,300)	-	2	-	Operating turnover	-	None	-	11,153,083 (Note 4)	11,153,083 (Note 4)	

Note 1: The number column is filled out as follows:

(1) Fill in 0 for the issuer.

(2). Investees are numbered sequentially from Arabic numeral 1 according to the company type.

Note 2: The nature of the funds lending is described as follows:

(1). Fill in 1 for those who have business transactions.

(2). Fill in 2 for those in need of short-term financing.

Note 3: Calculation and amount of funds lending limits.

i. The limit for individual funds lending

(1). The amount of funds lending of the Company to individual counterparties is limited to 30% of the Company’s current net worth (December 31, 2022), in accordance with the Company’s Operating Procedures for Lending Funds to Others.

(2). The amount of funds lending of an investee to individual counterparties is limited to 200% of the investee’s current net worth (December 31, 2022), in accordance with the investee’s Operating Procedures for Lending Funds to Others.

(3). The amount of funds lending of BVI-ICHIA to the Group’s parent company is limited to 200% of BVI-ICHIA’s current net worth (December 31, 2022) in accordance with BVI-ICHIA’s Operating Procedures for Lending Funds to Others.

ii. The limit for total funds lending:

(1). The cumulative amount of funds lending of the Company to external counterparties is limited to 40% of the Company’s current net worth (December 31, 2022), in accordance with the Company’s Operating Procedures for Lending Funds to Others.

(2). The cumulative amount of funds lending of an investee is limited to 200% of the investee’s current net worth (December 31, 2022), in accordance with the investee’s Operating Procedures for Lending Funds to Others.

(3) The cumulative amount of funds lending of BVI-ICHIA to the Group’s parent company is limited to 200% of BVI-ICHIA’s current net worth (December 31, 2022) in accordance with BVI-ICHIA’s Operating Procedures for Lending Funds to Others.

iii. The Company’s funds lending limit was calculated based on the net worth of the Company’s financial statements reviewed by CPA; the investee’s funds lending limit was calculated based on the net worth of the investee’s financial statements in foreign currencies reviewed by CPA.

v. The funds lending limits here are presented in NTD. If foreign currencies are involved, they are translated into NTD at the prevailing exchange rate on the date of the financial statements. (The spot exchange rate for USD as of December 31, 2022 was 30.71.)

Note 4: The funds lending between companies outside of the Republic of China in which the Company directly or indirectly holds 100% of the voting rights is not subject to the funds lending limits in Note 3.

ICHIA TECHNOLOGIES INC. and subsidiaries

Marketable securities held at the end of the period

December 31, 2022

Exhibit 2

Unit: NTD and foreign currency in thousands, unless otherwise stated

Subsidiaries held	Type and name of marketable securities (Note 1)	Relationship with the issuer of marketable securities	Account in the book	Period end				Remarks
				Number of shares	Carrying amount	Shareholding (%)	Fair value	
ICHIA TECHNOLOGIES INC.	Fund beneficiary certificates							
	UPAMC James Bond Money Market Fund	None	Financial assets measured at fair value through profit or loss - current	1,183,523	$ 20,056	-	$ 20,056	
	Sinopac TWD Money Market Fund	〃	〃	1,417,424	20,021	-	20,021	
	Cathay Taiwan Money Market Fund	〃	〃	1,585,251	20,005	-	20,005	
	Non-listed (non-OTC) stock - preferred stock							
	Ten Shen Precision Co., Ltd. (preferred stock)	〃	Financial assets measured at fair value through other comprehensive income - non-current	1,200,000	12,000	6%	12,000	
					$ 72,082		$ 72,082	

Note 1: Marketable securities referred to here are stocks, bonds, beneficiary certificates and marketable securities derived from the above items that fall within the scope of IFRS 9 "Financial Instruments".

Note 2: For information on investments in subsidiaries, affiliates and joint venture interests, please refer to Exhibit 5 and Exhibit 6.

ICHIA TECHNOLOGIES INC. and subsidiaries

The amount of purchase or sale with related parties is at least NTD 100 million or 20% of the paid-in capital.

January 1 to December 31, 2022

Exhibit 3

Unit: NTD thousand, unless otherwise stated

Purchase (sale) company	Trading partner name	Relationship	Transactions				The circumstances and reasons why the trading terms are different from those of ordinary transactions		Notes and accounts receivable (payable)		Remarks
			Purchase (sale)	Amount	Purchase (sale) company	Credit period	Unit price	Credit period	Balance	Percentage of total notes and accounts receivable (payable)	
ICHIA TECHNOLOGIES INC.	ICHIA SUZHOU	The same affiliate	Purchase	$ 4,017,004	85	150 days from monthly cut-off day	-	-	($ 1,821,567)	(87)	
	ZHONGSHAN ICHIA	〃	〃	492,262	10	150 days from monthly cut-off day	-	-	(187,553)	(9)	

ICHIA TECHNOLOGIES INC. and subsidiaries

Receivables from related parties amounting to at least NTD 100 million or 20% of the paid-in capital.

December 31, 2022

Exhibit 4

Unit: NTD thousand, unless otherwise stated

Companies with accounts receivable	Trading partner name	Relationship	Balance of receivables from related parties	Turnover rate	Overdue receivables from related parties		Receivables from related parties collected during the subsequent period	Amount of allowance for bad debts
					Amount	Processing method		
ICHIA SUZHOU	ICHIA TECHNOLOGIES INC.	The same affiliate	Accounts receivable $ 1,821,567	2.80	$ -	—	$ 815,842	$ -
ZHONGSHAN ICHIA	ICHIA TECHNOLOGIES INC.	The same affiliate	Accounts receivable 187,553	2.49	-	—	88,122	-
BVI-ICHIA	ICHIA TECHNOLOGIES INC.	The same affiliate	Other receivables 531,283	Note	-	—	-	-

Note: The turnover rate is not calculated because it is mainly due to other receivables arising from the lending of funds.

ICHIA TECHNOLOGIES INC. and subsidiaries

Information on investees, locations, ..., etc.

January 1 to December 31, 2022

Exhibit 5

Unit: NTD and foreign currency in thousands, unless otherwise stated

Investor	Investee	Location	Principle business	Original investment amount: The end of the period	Original investment amount: The end of last year	Holding at the end of period: Number of shares (thousand shares)	Holding at the end of period: Percentage %	Holding at the end of period: Carrying amount	Profit or loss of investees for the period	Investment gain (loss) recognized in the period	Remarks
ICHIA TECHNOLOGIES INC.	ICHIA HOLDINGS (B.V.I) Co., Ltd.	P.O. BOX957, Offshore Incorporation Centre, Road Town, Tortola, British Virgin Islands	Various investment businesses	$ 3,532,566 (USD 108,693)	$ 3,532,566 (USD 108,693)	108,693	100	$ 5,568,830	$ 276,576	$ 279,126	Subsidiary
	ICHIA USA Inc.	1057 Tierra Del Rey, Suite G ,Chula Vista, CA 91910 U.S.A.	International trading of various electronic components and materials	118,309 (USD 4,106)	118,309 (USD 4,106)	4,106	100	36,984	(4,422)	(4,422)	Subsidiary
	ICHIA RUBBER INDUSTRY (M) Sdn. Bhd.	997-A, Solok Pervshaan Tiga Prai Industrial Estate 13600 Prai, P.W. West Halasia Malaysia	Manufacturing, processing and trading of various electronic components and materials for various electronic and telecommunication computers.	119,432 (USD 3,762)	- (USD -)	9,000	100	120,748	12,113	(541)	Subsidiary Note 2
ICHIA HOLDINGS (B.V.I) Co., Ltd.	ICHIA UK. LTD.	P.O. Box 3152, Town, Tortola, British Virgin Islands	Various investment businesses	151,277 (USD 4,926)	151,277 (USD 4,926)	4,926	100	(25,520) (USD -831)	3,163 (USD 103)	3,163 (USD 103)	Subsidiary
	ICHIA RUBBER INDUSTRY (M) Sdn. Bhd.	997-A, Solok Pervshaan Tiga Prai Industrial Estate 13600 Prai, P.W. West Halasia Malaysia	Manufacturing, processing and trading of various electronic components and materials for various electronic and telecommunication computers.	- (USD -)	92,898 (USD 3,025)	-	-	- (USD -)	12,113 (USD 415)	12,654 (USD 433)	Subsidiary Note 2
	ICHIA HOLDINGS (H.K.) Co., Ltd.	Room 1004, National Health Centre, 151 Gloucester Road, Wanchai, Hong Kong	Various investment businesses	2,303,250 (USD 75,000)	2,303,250 (USD 75,000)	75,000	100	4,175,300 (USD 135,959)	228,237 (USD 7,432)	228,237 (USD 7,432)	Subsidiary
ICHIA UK. LTD.	ICHIA Technologies Hungary Limited Liability Company	2900 Komarom Ipari Park Banki Domat U. 2. Hungary	Manufacturing, processing and trading of rubber and plastic keypads	151,277 (USD 4,926)	151,277 (USD 4,926)	-	100	(25,520) (USD -831)	3,163 (USD 103)	3,163 (USD 103)	Subsidiary

Note 1: Please refer to Exhibit 6 for information on the investees in Mainland China.

Note 2: The Consolidate Company performed the adjustment of the organizational structure in September 2022 by completely transferring the equity held by B.V.I-ICHIA in ICHIA Malaysia to ICHIA RUBBER INDUSTRY (M) Sdn. Bhd.

ICHIA TECHNOLOGIES INC. and subsidiaries

Information on investment in Mainland China

January 1 to December 31, 2022

Exhibit 6

Unit: NTD and foreign currency in thousands, unless otherwise stated

1. The name of the investees in Mainland China, principal business, paid-in capital, investment methods, capital outward and inward remittances, shareholding, investment gains and losses, investment carrying amount, repatriated investment gains and losses:

Investee in Mainland China	Principle business	Paid-in capital	Type of investment (Note 1)	Accumulated investment amount remitted from Taiwan at the beginning of the period	Amount of investment remitted or recovered during the period		Accumulated investment amount remitted from Taiwan at the end of the period	Profit or loss of investees for the period	Shareholding percentage of the Company's direct or indirect investment	Investment gain (loss) recognized in the period (Note 2)	Carrying amount of investments at the end of the period	Investment income remitted back as of the end of the period
					Remittance	Recovery						
ICHIA SUZHOU	Rubber, plastic keypads and flexible printed circuit boards	$ 2,671,770 (USD 87,000)	(ii) B	$ 2,671,770 (USD 87,000)	$ -	$ -	$ 2,671,770 (USD 87,000)	$ 228,605 (USD 7,444)	100	$ 228,298 (USD 7,434) (ii) B	$ 4,172,997 (USD 135,884)	$ -
ZHONGSHAN ICHIA	Rubber and plastic keypads	522,070 (USD 17,000)	(ii) A	522,070 (USD 17,000)	-	-	522,070 (USD 17,000)	34,886 (USD 1,136)	100	35,624 (USD 1,160) (ii) C	806,076 (USD 26,248)	-

2. Investment quota for Mainland China.

Accumulated amount of investment from Taiwan to Mainland China at the end of the period	Amount of investment approved by the Investment Commission, Ministry of Economic Affairs	Investment quota for mainland China as stipulated by the Investment Commission, Ministry of Economic Affairs
NTD 3,193,840 (USD 104,000)	NTD 3,193,840 (USD 104,000)	NTD 3,642,844 (USD 118,621)

Note 1: The investment methods can be divided into the following three types, indicating as such suffices:

(i). Investment in Mainland China directly.

(ii). Investment in Mainland China through companies in third regions (please specify the investment company of the third region).

A. BVI-ICHIA

B. ICHIA HOLDINGS (H.K.) Co., Ltd.

(iii). Other types.

Note 2: In the column of investment gain or loss recognized in the current period:

(i). If the investment is under preparation and there is no investment gain or loss, it should be noted.

(ii). The basis for recognizing investment gains or losses is divided into the following three categories, which should be specified.

A. The financial statements have been audited by an international CPA firm with which CPA firms in the Republic of China have a cooperative relationship.

B. The financial statements have been audited by the attesting CPA of the parent company in Taiwan.

C. Others.

Note 3: The figures in this Exhibit are presented in NTD. Where foreign currencies are involved, the exchange rate at the date of financial reporting is used to translate into NTD. (The spot exchange rate for USD as of December 31, 2022 was 30.71)

ICHIA TECHNOLOGIES INC. and subsidiaries

Business relationships and significant transactions between the parent and subsidiaries and between subsidiaries and the amounts involved.

January 1 to December 31, 2022

Exhibit 7

Unit: NTD thousands

No. (Note 1)	Trader name	Counterparty	Relationship with trader (Note 2)	Transactions			
				Account	Amount	Trading terms (Note 4)	Percentage of consolidated total revenues or total assets (Note 3)
0	ICHIA TECHNOLOGIES INC.	ICHIA SUZHOU	1	Purchase	$ 4,017,004	—	52
		〃	1	Other receivables	29,362	—	-
		〃	1	Accounts payable	1,821,567	—	18
		ZHONGSHAN ICHIA	1	Purchase	492,262	—	6
		〃	1	Accounts payable	187,553	—	2
		〃	1	Other receivables	905	—	-
		BVI-ICHIA	1	Current accounts payables to related parties	531,283	—	5
		ICHIA RUBBER INDUSTRY (M) Sdn. Bhd.	1	Sale	122	—	-
1	BVI-ICHIA	ICHIA Technologies Hungary Limited Liability Company	3	Current accounts - receivables to related parties	58,656	—	1
		〃	3	Non-operating receivables	1,489	—	-
		〃	3	Temporary payments	2,291	—	-
2	ICHIA SUZHOU	ICHIA USA Inc.	3	Sale	8,880	—	-
		〃	3	Accounts receivable	4,813	—	-
		ZHONGSHAN ICHIA	3	Sale	3,390	—	-
		〃	3	Accounts receivable	13	—	-
		ICHIA RUBBER INDUSTRY (M) Sdn. Bhd.	3	Sale	3,890	—	-
		〃	3	Sales return	141	—	-

No. (Note 1)	Trader name	Counterparty	Relationship with trader (Note 2)	Transactions			
				Account	Amount	Trading terms (Note 4)	Percentage of consolidated total revenues or total assets (Note 3)
		〃	3	Accounts receivable	1,617	—	-
3	ZHONGSHAN ICHIA	ICHIA RUBBER INDUSTRY (M) Sdn. Bhd.	3	Purchase	332	—	-
		〃	3	Sale	2,879	—	-
		〃	3	Accounts receivable	869	—	-
		〃	3	Accounts payable	132	—	-
		ICHIA USA Inc.	3	Sale	2,111	—	-
		〃	3	Accounts receivable	1,145	—	-

Note 1: Information on business transactions between the parent company and subsidiaries should be indicated in the numbered column respectively, and the number should be filled in as follows:

1. 0 is for the parent company.
2. Subsidiaries are numbered sequentially from Arabic numeral 1 according to the company type.

Note 2: The relationship with the traders is classified into three types as follows, indicating the type suffices:

1. Parent company to subsidiary.
2. Subsidiary to parent company.
3. Subsidiary to subsidiary.

Note 3: The percentage of transaction amount to consolidated total revenues or total assets is calculated as the ending balance to consolidated total assets in the case of assets and liabilities, or as the amount to consolidated total revenues in the case of profit or loss.

Note 4: The trading terms for sales between parent company and subsidiaries are not materially different from those of ordinary sales. The trading terms for other transactions are based on the agreements between the parties because there are no similar transactions to follow.

ICHIA TECHNOLOGIES INC. and subsidiaries

Information on major shareholders

December 31, 2022

Exhibit 8

Name of Major Shareholder	Shares	
	Shareholding	Shareholding Percentage
Fa La Li Investment Co., Ltd.	19,098,481	6.21%
Creative Investment Co., Ltd.	18,872,480	6.13%

Note 1: The information on major shareholders in this Exhibit is compiled by Taiwan Depository & Clearing Corporation based on the last business day of the quarter in which the shareholders held 5% or more of the Company's common shares and preferred shares whose registration and delivery have been completed in non-physical form (including treasury shares). The number of shares recorded in the Company's consolidated financial statements and the actual number of shares registered and delivered in non-physical form may differ depending on the basis of preparation of the calculations.

Independent Auditor's Report

To the Board of Directors and Shareholders of ICHIA TECHNOLOGIES INC.:

Audit opinions

We have audited the accompanying stand-alone balance sheet of ICHIA TECHNOLOGIES INC. as of December 31, 2022 and 2021, and the related stand-alone comprehensive income statements, stand-alone statement of changes in equity, stand-alone cash flow statements, and notes to the stand-alone financial statements (including significant accounting policies) for the years then ended.

In our opinion, the stand-alone financial statements referred to above present fairly, in all material respects, the stand-alone financial position of ICHIA TECHNOLOGIES INC. as of December 31, 2022 and 2021, and its stand-alone financial performance and cash flows for the years ended December 31 2022 and 2021, in conformity with the requirements of Regulations Governing the Preparation of Financial Reports by Securities Issuers.

Basis for opinions

We conclude our audits in accordance with the Regulations Governing Auditing and Attestation of Financial Statements by Certified Public Accountants and Auditing Standards. Our responsibilities under those standards are further described in the responsibilities of auditors for the audit of the stand-alone financial statements. We are independent of ICHIA TECHNOLOGIES INC. in accordance with the Code of Professional Ethics for Certified Public Accountants, and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the 2022 stand-alone financial statements of ICHIA TECHNOLOGIES INC. These matters were addressed in the content of our audit of the stand-alone financial statements as a whole, and in forming our opinion thereon, and we do not provide separate opinions on those matters.

Key audit matters of the 2022 stand-alone financial statements of ICHIA TECHNOLOGIES INC. were as follows:

Authenticity of revenues recognized from sales to specific customers

ICHIA TECHNOLOGIES INC. manufactures a wide range of flexible printed circuit boards and mechanism integrated components (MVI) for the automotive and consumer electronics markets. The sales revenue is a major indicator for the management to evaluate the sales performance. Since the sales revenue from major customers occupies a substantial percentage of the overall sales revenues, the authenticity of the sales revenues recognized from sales to major customers with more significant changes in the increase and proportion of the sales revenue is included as key audit matters in this year’s stand-alone financial statements.

We have also performed the following major audit procedures with respect to the above key audit matters:

1. Understand and test the effectiveness of the design and implementation of the internal control system related to revenue recognition.
2. Conduct random inspection of the sales revenue from major customers and check relevant certificates and documents to make sure of the authenticity of the recognition.
3. Examine whether there are any abnormalities in the collection after the credit period granted to specific customers.

Responsibilities of management and those in charge with governance of the stand-alone financial statements

The management is responsible for the preparation and fair presentation of the stand-alone financial statements in accordance with the Regulations Governing the Preparation of Financial Statements by Securities Issuers, and for such internal control as the management determines is necessary to enable the preparation of the stand-alone financial statements to be free from material misstatement whether due to fraud or error.

In preparing the stand-alone financial statements, the management is also responsible for assessing the ability of ICHIA TECHNOLOGIES INC. as a going concern, disclosing, as applicable, matters related to a going concern and using the going concern basis of accounting. Unless the management either intends to liquidate ICHIA TECHNOLOGIES INC. or to cease operations, or has no other realistic alternative but to do so.

Those in charge of governance (including the Auditing Committee) are responsible for overseeing the reporting process of the financial statements of ICHIA TECHNOLOGIES INC.

Auditor's responsibilities for the audit of the stand-alone financial statements

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

As part of an audit in accordance with auditing standards, we exercise professional judgment and skepticism throughout the audit. We also:

1. Identify and assess the risks of material misstatement of the stand-alone financial statements, whether due to fraud or error; design, and perform countermeasures for assessed risks; and obtain evidence that is sufficient and appropriate to provide a basis of audit 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 effective in ICHIA TECHNOLOGIES INC.

3. Evaluate the appropriateness of accounting policies and the reasonableness of accounting estimates and related disclosures made by management.
4. Conclude the appropriateness of the use of the going concern basis of accounting by the management, and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on ICHIA TECHNOLOGIES INC. 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 stand-alone financial statements or, if such disclosure is inappropriate, 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 ICHIA TECHNOLOGIES INC. to cease as a going concern.
5. Evaluate the overall presentation, structure, and content of the stand-alone financial statements, including related notes, and whether the stand-alone 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 or the entities or business activities of ICHIA TECHNOLOGIES INC. to express an opinion on the stand-alone financial statements. We are responsible for the direction, supervision, and performance of the audit of ICHIA TECHNOLOGIES INC. 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 in charge of governance with a statement that we have complied with relevant ethical requirements regarding independence, and communicate with them all relationships and other matters that may reasonably be thought to affect on our independence, and other matters (including related protective measures).

From the matters communicated with those in charge of governance, we determine those matters that were of most significance in the audit of the 2022 stand-alone financial statements of ICHIA TECHNOLOGIES INC. and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Deloitte Touche Tohmatsu Limited

CPA Steven Hsieh

CPA Liu Shu-Lin

Approval No. from theFinancial SupervisoryCommission:
Jin-Guan-Zheng-Shen-Zi No. 1000028068

Approval No. from theFinancial SupervisoryCommission:
Jin-Guan-Zheng-Shen-Zi No. 1050024633

March14,2023

ICHIA TECHNOLOGIES INC.

Stand-alone Balance Sheet

December 31, 2022 and 2021

Unit: NTD thousands

Code	Assets	December 31, 2022 Amount	%	December 31, 2021 Amount	%
	Current asset				
1100	Cash and cash equivalents (Notes 4 and 6)	$ 920,799	9	$ 716,492	8
1110	Financial assets measured at fair value through profit or loss – current (Notes 4 and 7)	60,082	1	120,019	1
1150	Notes receivable (Notes 4 and 10)	-	-	42	-
1170	Accounts receivable - non-related parties (Note 4 and 10)	2,045,895	21	1,388,801	16
1210	Other receivables – related party (Note 28)	30,267	-	35,592	1
1220	Current income tax assets (Note 24)	12	-	120	-
130X	Inventory (Notes 4 and 11)	67,967	1	69,268	1
1470	Other current assets (Note 16)	19,479	-	24,885	-
11XX	Total current assets	3,144,501	32	2,355,219	27
	Noncurrent assets				
1517	Financial assets measured at fair value through other comprehensive income - non-current (Notes 4 and 8)	12,000	-	-	-
1535	Financial assets measured at amortized cost – non-current (Notes 4 and 9)	12,224	-	106,226	1
1550	Investment accounted for under the equity method (Notes 4 and 12)	5,726,562	59	5,205,699	61
1600	Property, plant and equipment (Notes 4 and 13)	487,947	5	815,796	10
1755	Right-of-use assets (Notes 4 and 14)	6,488	-	1,923	-
1760	Investment property (Notes 4 and 15)	303,376	3	-	-
1840	Deferred income tax assets (Notes 4 and 24)	11,643	-	39,336	1
1975	Net defined benefit assets -non-current (Notes 4 and 20)	18,320	1	15,022	-
1990	Other non-current assets (Note 16)	16,466	-	31,418	-
15XX	Total non-current assets	6,595,026	68	6,215,420	73
1XXX	Total assets	$ 9,739,527	100	$ 8,570,639	100

Code	Liabilities and equity	December 31, 2022 Amount	%	December 31, 2021 Amount	%
	Current liabilities				
2100	Short-term loans (Notes 4 and 17)	$ 400,000	4	$ 479,480	6
2170	Accounts payable – non-related parties (Note 18)	78,827	1	114,550	1
2180	Accounts payable --related parties (Note 18 and 28)	2,009,120	21	1,255,770	15
2130	Contract liabilities – current (Note 22)	1,404	-	4,291	-
2200	Other payables (Note 19)	79,579	1	57,238	1
2220	Other payables – related party (Note 28)	531,283	5	368,144	4
2230	Income tax liabilities in current period (Note 24)	2,529	-	-	-
2280	Lease liabilities - current (Notes 4 and 14)	2,762	-	1,298	-
2320	Long-term loans maturing within one year or operating cycle (Notes 4 and 17)	9,374	-	-	-
2399	Other current liabilities (Note 19)	7,444	-	3,220	-
21XX	Total current liabilities	3,122,322	32	2,283,991	27
	Non-current liabilities				
2541	Long-term loans (Notes 4 and 17)	335,626	4	345,000	4
2542	Long-term notes payable (Note 17)	199,980	2	199,935	2
2570	Deferred income tax liabilities (Notes 4 and 24)	2,184	-	8,466	-
2580	Lease liabilities - non-current (Notes 4 and 14)	3,758	-	661	-
2670	Other non-current liabilities (Note 19)	4,250	-	341	-
25XX	Total non-current liabilities	545,798	6	554,403	6
2XXX	Total liabilities	3,668,120	38	2,838,394	33
	Equity (Note 21)				
3110	Common stock	3,075,366	32	3,075,366	36
3200	Capital surplus	2,054,098	21	2,054,098	24
	Retained earnings				
3310	Legal reserve	607,392	6	585,590	7
3320	Special reserve	335,891	3	295,397	3
3350	Undistributed earnings	368,612	4	219,013	3
3300	Total retained earnings	1,311,895	13	1,100,000	13
3490	Other equities	(208,624)	(2)	(335,891)	(4)
3500	Treasury stock	(161,328)	(2)	(161,328)	(2)
3XXX	Total equity	6,071,407	62	5,732,245	67
	Total liabilities and equity	$ 9,739,527	100	$ 8,570,639	100

The attached notes are part of the stand-alone financial statements.

Corporate director: Creative Investment Co., Ltd. Representative: HUANG CHIU YUNG Managerial officer: Tseng Kung-Sheng Chief Accounting Officer: Cheng Ching-Yi

ICHIA TECHNOLOGIES INC.

Stand-alone Comprehensive Income Statement

January 1 to December 31, 2022 and 2021

Unit: NTD thousands; earnings per share: NTD dollar

Code		2022 Amount	2022 %	2021 Amount	2021 %
	Operating revenues				
4110	Sales revenue (Note 4, 22 and 28)	$ 5,184,601	101	$ 4,012,717	100
4170	Sales return	(39,432)	(1)	(1,661)	-
4190	Sales discount	(13,189)	-	(14,380)	-
4000	Total operating revenue	5,131,980	100	3,996,676	100
5000	Operating cost (Note 4, 11, 23 and 28)	4,826,737	94	3,718,828	93
5900	Operating gross profits	305,243	6	277,848	7
	Operating expenses (Note 23 and 28)				
6100	Promotional expenses	78,361	2	48,390	1
6200	Administrative expenses	114,731	2	103,365	3
6300	R&D expenses	30,487	1	19,527	-
6450	Loss (gain from price recovery) from expected credit impairment	1,573	-	(4,100)	-
6000	Total operating expenses	225,152	5	167,182	4
6900	Operating income	80,091	1	110,666	3
	Non-operating incomes and expenses (Notes 23)				
7100	Interest incomes	2,831	-	528	-
7190	Other incomes	13,690	-	4,037	-
7020	Other gains and losses	23,025	1	(469)	-
7050	Financial costs	(12,304)	-	(9,799)	-
7070	Share of profit/loss of subsidiaries under the equity method	274,163	5	141,814	3
7000	Total non-operating incomes and expenses	301,405	6	136,111	3

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Code		2022 Amount	2022 %	2021 Amount	2021 %
7900	Net profits before tax	$ 381,496	7	$ 246,777	6
7950	Income tax expenses (Notes 4 and 24)	(24,089)	-	(23,884)	(1)
8200	Net profits for the year	357,407	7	222,893	5
	Other comprehensive income				
8310	Titles not reclassified to profit or loss:				
8311	Remeasurement of defined benefit plan (Note 20)	3,256	-	(4,870)	-
8360	Titles likely to be reclassified to profit or loss subsequently:				
8361	Exchange differences in the financial statement translation of foreign operations	127,267	3	(40,494)	(1)
8300	Other comprehensive income in the year (net after tax)	130,523	3	(45,364)	(1)
8500	Total comprehensive income in the year	$ 487,930	10	$ 177,529	4
	Earnings per share (Note 25)				
9710	Basic	$ 1.20		$ 0.75	
9810	Diluted	$ 1.20		$ 0.75	

The attached notes are part of the stand-alone financial statements.

Corporate director: Creative Investment Co., Ltd. Representative: HUANG CHIU YUNG

Managerial officer: Tseng Kung-Sheng

Chief Accounting Officer: Cheng Ching-Yi

ICHIA TECHNOLOGIES INC.

Stand-alone Statement of Changes in Equity

January 1 to December 31, 2022 and 2021

Unit: NTD thousands

Code		Common stock: Number of shares (thousand shares)	Common stock: Amount	Capital surplus	Retained earnings: Legal reserve	Retained earnings: Special reserve	Retained earnings: Undistributed earnings	Other equity items: Exchange differences in the financial statement translation of foreign operations	Treasury stock	Total equity
A1	Balance as of January 1, 2021	307,536	$ 3,075,366	$ 2,086,827	$ 573,593	$ 335,706	$ 88,717	($ 295,397)	($ 161,328)	$ 5,703,484
	Allocation and distribution of earnings in 2020									
B1	Legal reserve	-	-	-	11,997	-	(11,997)	-	-	-
B5	Cash dividend for shareholders	-	-	-	-	-	(116,039)	-	-	(116,039)
B17	Reversal of special reserve	-	-	-	-	(40,309)	40,309	-	-	-
	Changes in other capital surplus									
C15	Cash dividend from capital surplus	-	-	(32,729)	-	-	-	-	-	(32,729)
D1	Net profit in 2021	-	-	-	-	-	222,893	-	-	222,893
D3	Other comprehensive income after tax in 2021	-	-	-	-	-	(4,870)	(40,494)	-	(45,364)
D5	Total comprehensive income in 2021	-	-	-	-	-	218,023	(40,494)	-	177,529
Z1	Balance as of December 31, 2021	307,536	3,075,366	2,054,098	585,590	295,397	219,013	(335,891)	(161,328)	5,732,245
	Allocation and distribution of earnings in 2021									
B1	Legal reserve	-	-	-	21,802	-	(21,802)	-	-	-
B3	Earnings set aside as a special reserve	-	-	-	-	40,494	(40,494)	-	-	-
B5	Cash dividend for shareholders	-	-	-	-	-	(148,768)	-	-	(148,768)
D1	Net profit in 2022	-	-	-	-	-	357,407	-	-	357,407
D3	Other comprehensive income after tax in 2022	-	-	-	-	-	3,256	127,267	-	130,523
D5	Total comprehensive income in 2022	-	-	-	-	-	360,663	127,267	-	487,930
Z1	Balance as of December 31, 2022	307,536	$ 3,075,366	$ 2,054,098	$ 607,392	$ 335,891	$ 368,612	($ 208,624)	($ 161,328)	$ 6,071,407

The attached notes are part of the stand-alone financial statements.

Corporate director: Creative Investment Co., Ltd.
Representative: HUANG CHIU YUNG

Managerial officer: Tseng Kung-Sheng

Chief Accounting Officer: Cheng Ching-Yi

ICHIA TECHNOLOGIES INC.

Stand-alone Cash Flow Statement

January 1 to December 31, 2022 and 2021

Unit: NTD thousands

Code		2022	2021
	Cash flow from operating activities		
A10000	Profit before tax in the year	$ 381,496	$ 246,777
A20010	Profit and loss items		
A20300	Loss (reversal profit) from expected credit impairment	1,573	(4,100)
A20100	Depreciation expense	81,423	101,715
A20400	Net gains on financial assets and liabilities measured at fair value through profit or loss	(414)	(104)
A20900	Financial costs	12,304	9,799
A21200	Interest incomes	(2,831)	(528)
A23700	Inventory devaluation and obsolescence loss	1,545	634
A22400	Share of profit/loss of subsidiaries recognized under the equity method	(274,163)	(141,814)
A22500	Gain on disposal and scrapping of property, plant, and equipment	(277)	(1,051)
A24100	Net foreign currency exchange loss	1,543	-
A30000	Net changes in operating assets and liabilities		
A31130	Notes receivable	42	(42)
A31150	Accounts receivable	(658,667)	118,169
A31180	Other receivables	5,325	6,101
A31200	Inventories	(244)	22,192
A31240	Other current assets	5,591	5,198
A31990	Other operating assets	(42)	(103)
A32125	Contract liabilities	(2,887)	1,544
A32150	Accounts payable	717,627	(240,696)
A32180	Other payables	22,225	8,594
A32230	Other current liabilities	4,224	(5,795)
A33000	Cash generated from operations	295,393	126,490
A33100	Interest received	2,646	511
A33300	Interest paid	(12,208)	(9,913)
A33500	Refunded (paid) income tax	(41)	282
AAAA	Net cash inflow from operating activities	285,790	117,370

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Code		2022	2021
	Cash flows from investment activities		
B00010	Acquisition of financial assets measured at fair value through other comprehensive income	($ 12,000)	$ -
B00050	Disposal of financial assets measured at amortized cost	94,002	20,373
B00100	Acquisition of financial assets measured at fair value through profit and loss	(100,000)	(240,000)
B02200	Net cash outflow to subsidiaries	(119,433)	-
B00200	Disposal of financial assets measured at fair value through profit or loss	160,351	140,086
B02700	Purchase of property, plants, and equipment	(39,350)	(24,496)
B02800	Disposal of property, plant, and equipment	1,331	230
B03700	Increase in refundable deposit	(2,522)	(15)
B06800	Decrease in other non-current assets	4,907	1,065
B07100	Increase in prepayments for equipment	(4,565)	(27,877)
BBBB	Net cash outflow from investment	(17,279)	(130,634)
	Cash flow from financing activities		
C00100	Increase in short-term loans	1,801,275	3,577,503
C00200	Decrease in short-term loans	(1,882,298)	(4,079,983)
C00500	Increase in short-term notes payable	50,000	-
C00600	Decrease in short-term notes payable	(50,000)	-
C01600	Borrowing of long-term loans	-	345,000
C01700	Repayment of long-term loans	-	(293,718)
C01800	Increase in long-term note payables	200,000	200,000
C01900	Decrease in long-term note payables	(199,935)	-
C03100	Increase in deposits received	4,200	-
C03700	Other payables - increase in related parties	163,139	-
C03800	Other payables – decrease in related parties	-	(10,640)
C04020	Repayment of principal for lease	(1,817)	(1,266)
C04500	Distribution of cash dividends	(148,768)	(148,768)
CCCC	Net cash outflow from financing activities	(64,204)	(411,872)
EEEE	Net increase (decrease) in cash and cash equivalents	204,307	(425,136)
E00100	Balance of cash and cash equivalents - beginning of the year	716,492	1,141,628
E00200	Balance of cash and cash equivalents - end of year	$ 920,799	$ 716,492

The attached notes are part of the stand-alone financial statements.

Corporate director: Creative Investment Co., Ltd. Representative: HUANG CHIU YUNG

Managerial officer: Tseng Kung-Sheng

Chief Accounting Officer: Cheng Ching-Yi

ICHIA TECHNOLOGIES INC.

Notes to the stand-alone financial statements

January 1 to December 31, 2022 and 2021

(Amounts NTD thousand, unless otherwise stated)

i. Company History

ICHIA TECHNOLOGIES INC. (hereinafter referred to as the Company) was established in November 1989 to manufacture, process, and trade various components (conductive silicone elastomers, plastic keys, keyboard assemblies, input devices, and flexible printed circuit boards) and materials for electronics, home appliances, electronical engineering, electrical equipment, communications (telecommunications), and computers, as well as to import and export domestic and foreign products and to engage in the agency, distribution, tender and quotation business.

The Company's shares have been listed on the Taiwan Stock Exchange since January 14, 2000.

The stand-alone financial statements are presented in New Taiwan dollars (NTD), which is the functional currency of the Company.

ii. Date and Procedure for Approval of Financial Statements

The stand-alone financial statements were approved by the Board of Directors on March 14, 2023.

iii. Application of New and Revised Standards and Interpretations

(i). First-time application of International Financial Reporting Standards ("IFRSs"), International Accounting Standards ("IAS"), Interpretations ("IFRICs") and Interpretations ("SICs") (hereinafter referred to as "IFRSs") endorsed by the Financial Supervisory Commission ("FSC") and issued to be effective

The adoption of the amended IFRSs endorsed and issued into effect by the FSC will not result in significant changes in the Company's accounting policies:

(ii) FSC-approved IFRSs to be applied in 2023

The new/amended/revised standards or interpretations	Effective date of IASB publication
Amendment to IAS 1 “Disclosure of Accounting Policies”	Sunday, January 1, 2023 (Note 1)
Amendment to IAS 8 “Definition of Accounting Estimates”	Sunday, January 1, 2023 (Note 2)
Amendment to IAS 12, “Deferred Tax related to Assets and Liabilities Arising from a Single Transaction”	Sunday, January 1, 2023 (Note 3)

Note 1: This amendment will apply to the annual reporting periods beginning after January 1, 2023.

Note 2: This amendment applies to changes in accounting estimates and changes in accounting policies that occur in annual reporting periods beginning after January 1, 2023.

Note 3: Except for the recognition of deferred income tax for the temporary differences related to leasing and decommissioning obligation on January 1, 2022, the amendments are applicable to transactions closed after January 1,2022.

Up to the approval and release date of the stand-alone financial statements, the Company considered that the amendments to other standards and interpretations would not have material impact on the financial position and performance of the Company after assessment.

(iii). The IFRSs released by the IASB but not yet endorsed and issued into effect by the FSC

The new/amended/revised standards or interpretations	Effective date of IASB publication (Note 1)
Amendment to IFRS 10 and IAS 28 “Sale or Contribution of Assets between an Investor and its Associate or Joint Venture”	To be determined
Amendments to IFRS 16 “Lease Liability in a Sale and Leaseback”	Monday, January 1, 2024 (Note 2)
IFRS 17 “Insurance Contracts”	January 1, 2023
Amendment to IFRS 17	January 1, 2023
Amendment to IFRS 17, “Initial Application of IFRS 17 and IFRS 9 - Comparative Information”	January 1, 2023

Amendment to IAS 1 "Classification of Liabilities as Current or Noncurrent"	Monday, January 1, 2024
Amendments to IAS 1 "Non-current Liabilities with Covenants"	Monday, January 1, 2024

Note 1: Unless otherwise stated, the aforementioned new/amended/revised standards or interpretation are effective for annual reporting periods beginning after the respective dates.

Note 2: The seller as a lessee shall be subject to IFRS 16 amendments retroactively in a sale and leaseback transaction agreed after the initial application of the IFRS 16.

The Company will continue to evaluate the effect of the amendment to other IFRSs on the financial positions and performance of the Company to the date the parent company only financial statements are approved and released, and will make appropriate disclosure after the evaluation.

iv. Summary of Significant Accounting Policies

(i). Compliance Statement

The stand-alone financial statements were prepared in accordance with the Regulations Governing the Preparation of Financial Statements by Securities Issuers.

(ii). Basis of preparation

The stand-alone financial statements were prepared on the historical cost basis, except for financial instruments measured at fair value and net defined benefit liabilities recognized at the present value of the defined benefit obligation less the fair value of plan assets.

The evaluation of fair value could be classified into Level 1 to Level 3 by the observable intensity and importance of the related input value:

1. Level 1 input value: refers to the quotation of the same asset or liability in an active market as of the evaluation date (before adjustment).
2. Level 2 input value: refers to the direct (the price) or indirect (inference of price) observable input value of asset or liability further to the quotation of Level 1.

3. Level 3 input value: the unobservable input value of asset or liability.

The Company when preparing the stand-alone financial statements processes the investment in subsidiaries and associates using the equity method. In order to make the same the current profit or loss, other comprehensive income and equity in the stand-alone financial statements as the current year's profit or loss, other comprehensive income and equity attributable to the owners of the Company in the consolidated financial statements, certain accounting differences between the stand-alone basis and consolidated basis are adjusted for "investments accounted for using the equity method," "profit or loss share of subsidiaries, affiliates and joint ventures accounted for using the equity method", "other comprehensive income share of subsidiaries, affiliates and joint ventures accounted for using the equity method" and related equity items.

(iii). Standards in differentiating current and noncurrent assets and liabilities

Current assets include:

1. Assets held primarily for trading purposes;
2. Assets expected to be realized within 12 months of the balance sheet date; and
3. Cash and cash equivalents (excluding those restricted from being exchanged or settled more than 12 months after the balance sheet date).

Current liabilities include:

1. Liabilities held primarily for trading purposes;
2. Liabilities due for settlement within 12 months after the balance sheet date, and
3. Liabilities whose settlement deadline cannot be unconditionally deferred until at least 12 months after the balance sheet date.

Those that are not current assets or liabilities above are classified as noncurrent assets or liabilities.

(iv). Foreign currency

For the transactions conducted in a currency other than the business entity's functional currency (foreign currency), it is to be translated to the functional currency in accordance with the exchange rate on the transaction date when preparing financial statements.

Foreign currency monetary items are translated at the closing rate on each balance sheet date. The exchange differences arising from the settlement of monetary items or translating monetary items are recognized in the current profit or loss, except for the following.

When a monetary item receivable from or payable to a foreign operation, the settlement of which is neither planned nor likely to occur in the foreseeable future (and therefore forms part of the net investment in the foreign operation), the exchange difference is recognized initially in other comprehensive income and is reclassified from equity to profit or loss upon disposal of the net investment.

The foreign non-currency items measured at fair value are translated in accordance with the exchange rate on the fair value determination date and the exchange difference is booked as profit or loss in the period. However, for the changes in fair value recognized in other comprehensive income, the exchange difference is recorded in other comprehensive income.

The foreign non-currency items measured at historical cost are translated in accordance with the exchange rate on the transaction date without the need for a translation again.

Upon preparation of the stand-alone financial reports, the assets and liabilities of overseas operating institutions (including the subsidiaries and affiliates in the countries of business operation or those using currencies different from the Company's) were converted to NTD based on the exchange rate quoted on every balance sheet date. Income and expense items are translated at the average exchange rate for the period and the exchange differences are booked in other comprehensive income.

If the Company disposes of its entire equity interest in a foreign operation, or disposes of part of its equity interest in a subsidiary that includes a foreign operation and loses control, or the retained equity interest after disposing of a joint agreement of a foreign operation or an affiliate is a financial asset and is accounted for as a financial instrument., all cumulative translation differences related to the foreign operation are reclassified to profit or loss.

If the partial disposal of a foreign operating subsidiary does not result in a loss of control, the accumulated exchange differences are included in equity transactions on a pro rata basis, but are not recognized in profit or loss. In the case of any other partial disposal of foreign operations, the cumulative exchange differences are reclassified to profit or loss in proportion to the disposal.

(v). Inventories

Inventories include raw materials, semi-finished goods, finished goods, work in process and in-transit. Inventories are valued in accordance with the lower of cost or net cash value. When comparing cost and net cash value, except for the homogeneous inventories, it is based on the itemized lower of cost or net cash value. Net realizable value refers to the estimated sale price under normal circumstances net of the estimated cost needed to complete the project and the estimated expenses needed to complete the sale. Inventories are valued at standard costs before book closing and adjusted upon book closing to approximate cost calculated on a weighted-average basis.

(vi). Investments in subsidiaries

The Company adopts the equity method for investment in subsidiaries.

A subsidiary is an entity (including a structured entity) over which the Company has control.

Under the equity method, investments in subsidiaries are originally recognized at cost; the book value after the acquisition date fluctuates along with the distribution of profit or loss from the subsidiaries and other comprehensive income by the Company. Additionally, the change in the interests the Company holds in subsidiaries is recognized pro rata to the shareholding percentages.

When a change in the Company's ownership interest in a subsidiary does not result in a loss of control, it is treated as an equity transaction. The difference between the carrying amount of the investment and the fair value of the consideration paid or received is recognized directly in equity.

When the Company's share of losses in a subsidiary equals or exceeds its interest in the subsidiary (including the carrying amount of the subsidiary under the equity method and other long-term interests that are in substance a component of the Company's net investment in the subsidiary), the Company continues to recognize losses in proportion to its equity in the subsidiary.

The excess of the acquisition cost over the Company's share of the net fair value of the identifiable assets and liabilities of the subsidiaries at the acquisition date is recorded as goodwill, which is included in the carrying amount of the investment and is not amortized; the excess of the Company's share of the net fair value of the identifiable assets and liabilities of the subsidiaries at the acquisition date over the acquisition cost is recorded as gain or loss for the period. When a subsidiary that does not constitute a business is acquired, the cost of acquisition is appropriately allocated to the identifiable assets acquired (including intangible assets) and the share of liabilities assumed, and no goodwill or current profit is generated.

The Company assesses impairment based on the cash-generating units as a whole in the financial statements and compares their recoverable amounts with their book values. If the amount of recoverable assets increases in the future, the reversal of impairment shall be recognized as income. The book value of the reversal of impaired assets shall not exceed the book value before recognition for impairment net of amortization. Impairment losses attributable to goodwill must not be reversed in subsequent periods.

When control over a subsidiary is lost, the Company measures its remaining investment in the subsidiary at fair value at the date of loss of control. The difference between the fair value of the remaining investment and the carrying amount of the investment at the date of loss of control, if any, is recognized in profit or loss for the period. In addition, all amounts recognized in other comprehensive income related to the subsidiary are accounted for on the same basis as if the Company had directly disposed of the related assets or liabilities.

Unrealized gains or losses on downstream transactions with subsidiaries are eliminated in the stand-alone financial statements. Gains or losses from upstream and side-stream transactions with subsidiaries are recognized in the stand-alone financial statements only to the extent that they are not related to the Company's equity interest in the subsidiary.

(vii). Property, plant and equipment

Property, plant, and equipment shall be recognized at cost and subsequently measured at cost less accumulated depreciation and accumulated impairment.

Except for land owned by the Company, which is not depreciated, property, plant and equipment are depreciated separately over their useful lives on a straight-line basis for each significant component. The Company reviews the estimated useful lives, residual values and depreciation methods at least at the end of each year and defers the effect of changes in applicable accounting estimates.

In removing property, plant, and equipment from book, the difference between the net proceeds of disposition and the book value shall be recognized as profit or loss for the period.

(viii). Investment property

An investment property is a property held for earning rent income or for capital appreciation, or both. The investment property includes land held without a definite purpose of use.

The investment property owned by the Company is initially measured based on the cost (including transaction cost) and subsequently measured based on the cost net of accumulated depreciations and accumulated impairment losses.

The investment property is depreciated on the straight line basis.

In removing investment property from the book, the difference between the net proceeds of disposition and the book value shall be recognized as profit or loss.

(ix). Impairment of property, plant and equipment, right-of-use assets, investment property, intangible assets and assets related to contract costs.

The Company assesses at each balance sheet date whether there is any indication that property, plant and equipment, right-of-use assets, intangible assets and assets related to contract costs may have been impaired If any indication of impairment exists, the recoverable amount of the asset is estimated. If the recoverable amount of an individual asset cannot be estimated, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs. Shared assets are allocated to the smallest group of cash-generating units on a reasonable and consistent basis.

The recoverable amount is the higher of the fair value less costs to sell and its value in use. If the recoverable amount of an asset or cash-generating unit is less than its carrying amount, the carrying amount of the asset or cash-generating unit is reduced to its recoverable amount, and the impairment loss is recognized in profit or loss.

When an impairment loss is subsequently reversed, the carrying amount of the asset or cash-generating unit is increased to the revised recoverable amount, provided that the increased carrying amount does not exceed the carrying amount (net of amortization or depreciation) that would have been determined if the impairment loss had not been recognized in prior years for that asset or cash-generating unit. Reversal of impairment loss is recognized in profit or loss.

(x). Financial instruments

Financial assets and financial liabilities are recognized in the stand-alone balance sheets when the Company becomes a party to the contracts of such instruments.

For the initial recognition of the financial assets and financial liabilities, if the financial assets or financial liabilities are not measured at fair value through profit or loss, it is measured at fair value plus transaction cost that is directly attributable to the acquisition or issuance of financial assets or financial liabilities. The transaction cost directly attributable to the acquisition or issuance of financial assets or financial liabilities that are measured at fair value through profit or loss is immediately recognized in profit or loss.

1. Financial assets

   The customary transaction of financial assets is recognized and derecognized in accordance with the trade date accounting.

   (1). Type of measurement

   The types of financial assets held by the Company are financial assets measured at fair value through profit or loss and at amortized cost as well as investment in equity instruments measured at fair value through other comprehensive income.

   A. Financial assets measured at fair value through profit or loss

   Financial assets measured at fair value through profit or loss include financial assets that are mandatorily measured at fair value through profit or loss and those designated as at fair value through profit or loss. Financial assets mandatorily measured at fair value through profit or loss include investments in equity instruments not designated by the Company as being measured at fair value through other comprehensive income, and investments in debt instruments not qualified for classification as being measured at amortized cost or at fair value through other comprehensive income.

   Financial assets at fair value through profit or loss are measured at fair value, which is determined as described in Note 27.

   B. Financial assets at amortized cost

The Company's financial assets, if meeting both of the following conditions, are classified as financial assets at amortized cost:

a. Financial assets held under a particular mode of operation and the purpose of holding is for the collection of contractual cash flows; and

b. The terms of the contracts give rise to cash flows at specified dates that are solely for the payment of principal and interest on the outstanding principal amount.

Financial assets (including cash and cash equivalents, accounts receivable measured at amortized cost) after initial recognition, are measured at their total carrying amount determined using the effective interest method, less amortized cost of any impairment loss, with any foreign currency exchange gain or loss recognized in profit or loss.

Interest income is calculated by multiplying the effective interest rate by the total carrying amount of the financial assets, except for the following two cases:

a. Interest income on financial assets that are credit-impaired upon acquisition or creation is calculated using the credit-adjusted effective interest rate multiplied by the amortized cost of the financial assets.

b. Interest income on financial assets that are not credit-impaired upon acquisition or creation but become credit-impaired subsequently is calculated using the effective interest rate multiplied by the amortized cost of the financial assets from the next reporting period after the impairment.

Cash equivalents include time deposits that are highly liquid, readily convertible into fixed amount of cash with minimal risk of changes in value within 3 months from the acquisition date and are used to meet short-term cash commitments.

C. Investment in equity instruments measured at fair value through other comprehensive income

At initial recognition, the Company may make an irrevocable selection to measure the investment in equity instruments held not for trading and not recognized by the acquirer in a business merger or with consideration at fair value through other comprehensive income.

Investment in equity instruments measured at fair value through other comprehensive income is measured at fair value. Subsequent changes in the fair value are recognized in other comprehensive income and accumulated in other equity. For disposal of the investment, any cumulative profits or losses are directly transferred to retained earnings and not reclassified as profit or loss.

After the Company's right to receive dividends is determined, the dividends of investment in equity instruments measured at fair value through other comprehensive income are recognized in profit or loss except that such dividends apparently represent a partial return of the investment cost.

(2). Impairment of financial assets and contract assets

The Company assesses impairment losses on financial assets measured at amortized cost (including accounts receivable) based on expected credit loss on each balance sheet date.

An allowance for losses is recognized for accounts receivable based on the expected credit loss over the duration. Other financial assets shall be evaluated for any significant increase of risk from the day of initial recognition. If none is found, recognize for provision for anticipated credit loss along a period of 12 months. If it is, recognize for provision of anticipated credit risk within the lifetime of the assets.

Anticipated credit loss is the weighted average loss of credit on the basis of the weight of the risk of default. Anticipated credit loss in a period of 12 months means the expected loss of credit from the financial instruments within 12 months due to default. Anticipated credit loss with the lifetime of the financial instruments means the expected loss of credit from the financial instruments within the lifetime of these financial instruments.

All impairment losses on financial assets are accounted for by reducing the carrying amount through an allowance account.

(3). The derecognition of financial assets

The Company has financial assets derecognized only when the contractual rights from the cash flows of a financial asset become invalid or when the financial assets are transferred, and almost all the risks and rewards of the asset ownership have been transferred to other enterprises.

When a particular entry of financial assets measured at amortized cost is removed, the difference between its book value and consideration shall be recognized as profit or loss.

2. Financial liabilities

(1). Subsequent measurement

All financial liabilities are measured at amortized cost using the effective interest method, except for the following.

<u>Financial liabilities at fair value through profit or loss</u>

Financial liabilities at fair value through profit or loss comprise financial liabilities held for trading and those designated as at fair value through profit or loss.

(2). Derecognition of financial liabilities

When derecognizing financial liabilities, the difference between the book amount and the consideration paid (including any transferred non-cash assets or assumed liabilities) is recognized as profit or loss.

3. Derivatives

The derivatives entered into by the Company include forward exchange contracts, which are used to manage the Company's exchange rate risk.

Derivatives are initially recognized at fair value when the derivative contracts are entered into and subsequently remeasured at fair value at the balance sheet date. Gains or losses arising from subsequent measurements are recognized directly in profit or loss, except for derivatives designated as effective hedging instruments, for which the point of recognition in profit or loss will depend on the nature of the hedging. When the fair value of the derivatives is positive, it is classified as a financial asset; when the fair value is negative, it is classified as a financial liability.

For derivatives embedded in asset master contracts within the scope of IFRS 9 "Financial Instruments", the classification of financial assets shall be determined based on the overall contract. A derivative is considered to be a separate derivative if it is embedded in an asset master contract that is not within the scope of IFRS 9 (e.g., embedded in a master contract of a financial liability) and the embedded derivative meets the definition of a derivative, the risks and characteristics of which are not closely related to those of the master contract and the hybrid contract is not measured at fair value through profit or loss.

(xi). Revenue recognition

The Company allocates the transaction price to each performance obligation after the performance obligation is identified in the customer contract and recognizes revenue when each performance obligation is satisfied.

Merchandise sales revenues

Merchandise sales revenues are derived from sales of electronic parts and components. The Company recognizes revenues and accounts receivable at the point when the products arrive at the customer's designated location because the customer has the right to determine resale prices and use the products and has the primary responsibility for re-selling the products and bears the risk of obsolescence.

When materials are supplied to subcontractors for processing, the control and the ownership of the processed products have not been transferred, so revenues are not recognized for the materials supplied.

(xii). Lease

The Company assesses whether a contract is (or contains) a lease at the contract inception date.

1. The Company is the lessor

A lease is classified as a capital lease when the terms of the lease transfer substantially all the risks and rewards incidental to the ownership of the asset to the lessee. All other leases are classified as operating leases.

For an operating lease, the net lease payments of the lease incentives are recognized as income on a straight-line basis over the relevant lease periods. The original direct cost incurred in acquiring an operating lease is added to the carrying amount of the subject asset and recognized as an expense on a straight-line basis over the lease period.

2. The Company is the lessee

Except for the low-value leased assets entitled to exemption and lease payments for short-term leases recognized as expenses on a straight-line basis over the lease period, the right-of-use assets and lease liabilities of other leases are recognized starting from the lease commencement date.

The right-of-use assets are initially measured at cost (including the original measured amount of lease liability, the lease payment paid before the lease commencement date net of the lease incentives collected, the original direct costs, and the estimated cost of the recovered underlying assets), and then subsequently measured at the net cost of the accumulated depreciation and accumulated impairment loss; also, the remeasured amount of the lease liability is adjusted. Right-of-use assets are expressed separately in the stand-alone balance sheet.

The right-of-use assets are depreciated on a straight-line basis over the period starting from the lease commencement date to the end of their useful life or the expiration of the lease period, whichever is sooner.

Lease liabilities are measured initially at the present value of lease payments (including fixed benefits). If the implied interest rate of the lease is readily determinable, the lease payments are discounted using that rate. If said lease implied interest rate is not easy to determine, the lease payment is discounted at the lessee's incremental borrowing rate of interest.

Subsequently, the lease liability is measured according to the effective interest method and the amortized cost; also, the interest expense is amortized over the lease period. If a change in the lease period results in a change in future lease payments, the Company remeasures the lease liability and adjusts the right-of-use asset accordingly. However, if the carrying amount of the right-of-use asset is reduced to zero, the remaining remeasurement amount is recognized in profit or loss. Lease liabilities are expressed separately in the stand-alone balance sheet.

(xiii). Cost of borrowing

Borrowing costs directly attributable to acquiring, building or producing assets that meet the requirements are part of the costs of such assets until the completion of all necessary activities have achieved their intended use or sale condition.

The income of a temporary investment with a specific loan that has not yet met the essential requirement of capital expenditure is deducted from the loan cost that meets the essential requirement of capitalization.

In addition to the above, all other loan costs are recognized as profit and loss upon occurring.

(xiv). Government subsidies

Government subsidies are recognized only when it is reasonably certain that the Company will comply with the conditions attached to the government subsidies and that the subsidies will be received.

Government subsidies related to revenues are recognized in other income on a systematic basis over the period in which the related costs for which they are intended to compensate are recognized as expenses by the Company.

Government subsidies are recognized in profit or loss in the period in which they become collectible if they are intended to compensate for expenses or losses already incurred or to provide immediate financial support to the Company and have no future related costs.

(xv). Employee benefits

1. Short-term employee benefits

Liabilities related to short-term employee benefits are measured at the non-discounted amount expected to be paid in exchange for employee services.

2. Post-employment benefits

Under the defined contribution pension plan, the pension amount appropriated during the service years of the employees is recognized as an expense.

The defined benefit cost (including service cost, net interest and remeasurement) of the defined benefit pension plan is actuarially determined using the projected unit credit method. Service cost (including current service cost) and net interest on net defined benefit liabilities (assets) are recognized as employee benefit expense as incurred. Remeasurements (including actuarial gains and losses and return on plan assets, net of interest) are recognized in other comprehensive income and included in retained earnings as incurred and are not reclassified to profit or loss in subsequent periods.

The net defined benefit liability (asset) represents the deficit (remaining) of the defined benefit pension plan appropriation. The net defined benefit asset may not exceed the present value of refunds of appropriations from the plan or reductions in future appropriations.

(xvi). Income tax

Income tax expense is the sum of the current income tax and deferred income tax.

1. Income tax for the period

Additional income tax on unappropriated earnings calculated in accordance with the Republic of China Income Tax Act is recognized in the year in which resolutions are made at the shareholder meeting.

The adjustment to prior years' income tax payable is booked as current period's income tax.

2. Deferred tax

Deferred tax is calculated on temporary differences between the carrying amounts of assets and liabilities and the tax bases used to compute taxable income.

Deferred tax liabilities are generally recognized for all taxable temporary differences, while deferred tax assets are recognized to the extent that it is probable that taxable profit will be available against which income tax credits can be utilized, such as deductions for temporary differences, loss carryforwards and investment tax credits.

Deferred tax liabilities are recognized for taxable temporary differences associated with investments in subsidiaries, affiliates and joint ventures, except where the Company can control the timing of the reversal of the temporary differences and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognized for deductible temporary differences associated with such investments only to the extent that it is probable that sufficient taxable income will be available to allow the temporary differences to be realized and to the extent that a reversal is expected in the foreseeable future.

The carrying amount of deferred tax assets is reviewed on each balance sheet date and reduced to the extent that it is no longer probable that sufficient tax assets will be available to allow recovery of all or part of the asset, and part of the asset should be adjusted down. Deferred tax assets that are not recognized as such initially are reviewed on each balance sheet date and the carrying amount is increased to the extent that it is probable that future taxable income will be available to recover all or part of the assets.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the liability is settled or the asset is realized, which are based on tax rates and tax laws that have been legislated or substantively legislated on the balance sheet date. The measurement of deferred income tax liabilities and assets reflects the tax consequence resulting from the book value of the assets or liabilities expected by the Company to be recovered or liquidated on the balance sheet date.

3. Current and deferred income tax

Current and deferred income taxes are recognized in the profit or loss, except for the current and deferred income taxes related to the items recognized in other comprehensive income or directly included in the equity, which are respectively recognized in other comprehensive income or directly included in the equity.

v. Significant Accounting Judgments and Estimations, and Main Sources of Assumption Uncertainties

When adopting accounting policies, the Company's management is required to make judgments, estimates and assumptions that are based on historical experience and other factors that are not readily apparent from other sources Actual results may differ from estimates.

As consideration for the consideration for significant accounting estimates, the management will review the estimates and basic assumptions on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised if they affect only that period. The revisions are recognized in the period of the revisions and future periods if they affect both current and future periods.

vi. Cash and cash equivalents

	December 31, 2022	December 31, 2021
Cash on hand and revolving funds	$ 35	$ 35
Bank checking accounts and demand deposits	629,019	226,470
Cash equivalents (investments with an original maturity of less than 3 months)		
Bank time deposits	291,745	406,896
Bonds with repurchase agreement	-	83,091
	$ 920,799	$ 716,492

The interest rate ranges for bank deposits as of the balance sheet date were as follows:

	December 31, 2022	December 31, 2021
Bank demand deposits	0.01%～0.38%	0.01%～0.385%
Bank time deposits	2.50%～4.30%	0.04%～0.21%
Bonds with repurchase agreement	-	0.28%～0.29%

vii. Financial instruments at fair value through profit or loss

	December 31, 2022	December 31, 2021
Financial assets - current		
Mandatorily measured at fair value through profit or loss		
Non-derivative financial assets		
- Fund beneficiary certificates	$ 60,082	$ 120,019

viii. Financial assets measured at fair value through other comprehensive income

	December 31, 2022	December 31, 2021
Non-current		
Equity instrument investments measured at fair value through other comprehensive income		
Domestic investment		
Non-listed (non-OTC) stock - preferred stock	$ 12,000	$ -

The purpose of the holding by the Company is for long-term strategic investment and they have been designated as measured at fair value through other comprehensive income.

ix. Financial assets measured at amortized cost

	December 31, 2022	December 31, 2021
Non-current		
Pledge of time deposits (1)	$ 2,127	$ 2,127
Restricted foreign exchange deposits with offshore funds (ii)	10,097	104,099
	$ 12,224	$ 106,226

(i). As of December 31, 2022 and 2021, the interest rate ranges for pledged time deposits were respectively 1.46% and 0.84% to 1.15% per annum.

(ii). On August 26, 2020, the Company remitted $146,285 thousand (USD 5,000 thousand) in accordance with the "The Management, Utilization, and Taxation of Repatriated Offshore Funds Act" and deposited the net amount after tax in a dedicated account for foreign exchange deposits, as approved by National Taxation Bureau of the Northern Area, Ministry of Finance. The deposits in the dedicated account are subject to restrictions on the free use of the funds as prescribed by law, except for financial investments or real investments and part of the free use of the funds as prescribed by law, which can be withdrawn in three-year increments after five years from the date of deposit in the dedicated account.

(iii). For information on pledges of financial assets measured at amortized cost, see Note 29.

x. Notes/accounts receivable and overdue receivables

	December 31, 2022	December 31, 2021
Notes receivable		
Measured at amortized cost		
Total carrying amount	$ -	$ 42
Less: Allowance for loss	-	-
	$ -	$ 42

	December 31, 2022	December 31, 2021
Accounts receivable		
Measured at amortized cost		
Total carrying amount	$ 2,046,441	$ 1,389,715
Less: Allowance for loss	(546)	(914)
	$ 2,045,895	$ 1,388,801
Overdue receivables		
Measured at amortized cost		
Total carrying amount	$ 52,132	$ 50,191
Less: Allowance for loss	(52,132)	(50,191)
	$ -	$ -

Accounts receivable

The average credit period of the Company's merchandise sales is 150 days. In determining the collectibility of accounts receivable, the Company considers any changes in the credit quality of the accounts receivable from the original credit grant date to the balance sheet date. To mitigate credit risk, the Company's management has assigned a dedicated team to be responsible for credit limit determination, credit approval and other monitoring procedures to ensure that appropriate actions are taken to collect overdue accounts receivable. In addition, the Company reviews the recoverable amounts of accounts receivable on a case-by-case basis at the balance sheet date to ensure that appropriate impairment losses have been recorded for uncollectible accounts receivable. Accordingly, the Company's management believes that the Company's credit risk has been significantly reduced.

An allowance for losses is recognized for accounts receivable by the Company based on the expected credit loss over the duration. Expected credit losses for the duration are calculated using an allowance matrix, which takes into account the customer's past default history and current financial condition, the economic situation of the industry, as well as GDP forecasts and industry outlook. Since the Company's credit loss history shows that there is no significant difference in the loss patterns of different customer groups, therefore, instead of further differentiating the customer groups, the allowance matrix only sets the expected credit loss rate based on the number of days past due on accounts receivable.

If there is evidence that the counterparty is in serious financial difficulty and the Company cannot reasonably expect to recover the amount, for example, if the counterparty is in liquidation or the debt is overdue for more than 365 days, the Company reclassifies the amount directly to overdue receivable and continues the collection activities, and the amount recovered is offset against the related overdue receivable.

The Company estimated the allowance for losses on notes and accounts receivable based on the provision matrix as follows:

Notes receivable

December 31, 2021

	Not overdue	Overdue 1 to 180 days	Overdue 180 to 365 days	Total
Expected credit loss rate	0%	0%	0%	-
Total carrying amount	$ 42	$ -	$ -	$ 42
Allowance for loss (Expected credit losses over the duration)	-	-	-	-
Amortized cost	$ 42	$ -	$ -	$ 42

Accounts receivable

December 31, 2022

	Not overdue	Overdue 1 to 180 days	Overdue 180 to 365 days	Total
Expected credit loss rate	0%	0.31%	8.02%	-
Total carrying amount	$1,914,791	$ 129,892	$ 1,758	$2,046,441
Allowance for loss (Expected credit losses over the duration)	-	(405)	(141)	(546)
Amortized cost	$1,914,791	$ 129,487	$ 1,617	$2,045,895

December 31, 2021

	Not overdue	Overdue 1 to 180 days	Overdue 180 to 365 days	Total
Expected credit loss rate	0%	1.00%	12.74%	-
Total carrying amount	$1,299,825	$ 89,733	$ 157	$1,389,715
Allowance for loss (Expected credit losses over the duration)	-	(894)	(20)	(914)
Amortized cost	$1,299,825	$ 88,839	$ 137	$1,388,801

Information on the changes in the allowance for losses on accounts receivable is as follows:

	2022	2021
Balance at the beginning of the year	$ 914	$ 442
Add: Provision for impairment loss for the year	2,277	1,219
Less: Reclassification for the year	(2,645)	(747)
Balance at the end of the year	$ 546	$ 914

Information on the changes in the allowance for losses on overdue receivables is as follows:

	2022	2021
Balance at the beginning of the year	$ 50,191	$ 54,768
Add: Reclassification for the year	2,645	747
Less: Actual write off for the year	-	(5)
Less: Reversal of impairment loss for the year	(704)	(5,319)
Balance at the end of the year	$ 52,132	$ 50,191

xi. Inventory

	December 31, 2022	December 31, 2021
Finished goods	$ 38,243	$ 42,663
Semi-finished goods	1,624	472
Work in progress	4,428	5,420
Raw materials	21,010	17,486
In-transit	2,662	3,227
	$ 67,967	$ 69,268

The nature of cost of goods sold is as follows:

	2022	2021
Cost of inventories sold	$ 4,826,152	$ 3,719,342
Inventory devaluation loss	1,545	634
Others	(960)	(1,148)
	$ 4,826,737	$ 3,718,828

xii. Investments accounted for using the equity method

Investments in subsidiaries

	December 31, 2022	December 31, 2021
ICHIA USA Inc.	$ 36,984	$ 37,672
ICHIA HOLDINGS (B.V.I) Co., Ltd.	5,568,830	5,168,027
ICHIA RUBBER INDUSTRY (M) Sdn. Bhd.	120,748	-
	$ 5,726,562	$ 5,205,699

	Percentage of ownership interest and voting rights	
Subsidiary name	December 31, 2022	December 31, 2021
ICHIA USA Inc.	100%	100%
ICHIA HOLDINGS (B.V.I) Co., Ltd.	100%	100%
ICHIA RUBBER INDUSTRY (M) Sdn. Bhd.	100%	-

The Company performed the adjustment of the organizational structure in September 2022 by completely transferring the equity held by B.V.I-ICHIA in ICHIA Malaysia to ICHIA TECHNOLOGIES INC.

Please refer to Note 33 for the details of the Company’s indirect investment in subsidiaries.

The shares of profit or loss and other comprehensive income of the subsidiaries under the equity method for the years ended December 31, 2022 and 2021 were recognized based on the audited financial statements of each subsidiary for the same period.

xiii. Property, plant, and equipment

Self-use

	Self-owned land	Buildings	Machinery and equipment	Other equipment	Total
Cost					
Balance as of January 1, 2022	$ 516,225	$ 556,941	$ 483,941	$ 229,845	$ 1,786,952
Addition	-	1,926	15,095	22,329	39,350
Disposal	-	(95)	(3,912)	(6,543)	(10,550)
Transfer to investment property	(227,663)	(148,886)	-	-	(376,549)
Reclassification	-	210	6,947	9,975	17,132
Balance as of December 31, 2022	$ 288,562	$ 410,096	$ 502,071	$ 255,606	$ 1,456,335
Accumulated depreciation and impairment					
Balance as of January 1, 2022	$ -	$ 382,241	$ 388,943	$ 199,972	$ 971,156
Disposal	-	(94)	(2,568)	(6,543)	(9,205)
Transfer to investment property	-	(70,281)	-	-	(70,281)
Depreciation expense	-	18,192	44,295	14,231	76,718
Balance as of December 31, 2022	$ -	$ 330,058	$ 430,670	$ 207,660	$ 968,388
Net as of December 31, 2022	$ 288,562	$ 80,038	$ 71,401	$ 47,946	$ 487,947
Cost					
Balance as of January 1, 2021	$ 516,225	$ 535,413	$ 542,790	$ 223,782	$ 1,818,210
Addition	-	3,383	14,399	6,714	24,496
Disposal	-	(770)	(86,637)	(7,543)	(94,950)
Reclassification	-	18,915	13,389	6,892	39,196
Balance as of December 31, 2021	$ 516,225	$ 556,941	$ 483,941	$ 229,845	$ 1,786,952
Accumulated depreciation and impairment					
Balance as of January 1, 2021	$ -	$ 363,413	$ 408,890	$ 193,222	$ 965,525
Disposal	-	(770)	(86,489)	(7,543)	(94,802)
Depreciation expense	-	19,598	66,542	14,293	100,433
Balance as of December 31, 2021	$ -	$ 382,241	$ 388,943	$ 199,972	$ 971,156
Net as of December 31, 2021	$ 516,225	$ 174,700	$ 94,998	$ 29,873	$ 815,796

Depreciation expense is provided on a straight-line basis over the following useful life:

Building	
Main structure	51 years
Air conditioning system	26 years
Improvement to main structures	4 to 51 years
Machinery and equipment	13 years
Other equipment	16 years

For the amount of self-use property, plant and equipment used as collaterals for loans, please refer to Note 29.

xiv. Lease agreement

(i). Right-of-use assets.

	December 31, 2022	December 31, 2021
Carrying amount of right-of-use assets		
Transportation equipment	$ 6,488	$ 1,923

	2022	2021
Addition of right-of-use assets.	$ 6,378	$ -
Depreciation expense of right-of-use assets		
Transportation equipment	$ 1,813	$ 1,282

Other than the above additions and depreciation expense recognized, there were no significant subleases or impairments of the Company's right-of-use assets in 2022 and 2021.

(ii). Lease liabilities

	December 31, 2022	December 31, 2021
Carry amount of lease liabilities		
Current	$ 2,762	$ 1,298
Non-current	$ 3,758	$ 661

The discount rate range for lease liabilities is as follows:

	December 31,	December 31,

	2022	2021
Transportation equipment	1.615%～2.5%	2.5%

(iii). Information on other leases

	2022	2021
Short-term lease expenses	$ 139	$ 129
Low-value asset lease expenses	$ 172	$ 128
Total cash (outflow) from leases	($ 2,187)	($ 1,589)

The Company has elected to apply the recognition exemption to leases of buildings, structures and office equipment that qualify as short-term leases and certain other equipment that qualify as low-value asset leases and does not recognize the related right-of-use assets and lease liabilities for these leases.

The amount of short-term lease commitments for which the recognition exemption was applicable (including short-term lease commitments commencing after the balance sheet date) was $550 thousand and $547 thousand as of December 31, 2022 and 2021, respectively.

The Company has no commitments to enter into leases for periods beginning after the balance sheet date.

xv. Investment property

	Completed investment properties
Cost	
Balance as of January 1, 2022	$ -
From property, plant and equipment	376,549
Balance as of December 31, 2022	$ 376,549
Accumulated depreciation and impairment	
Balance as of January 1, 2022	$ -
From property, plant and equipment	(70,281)
Depreciation expense	(2,892)
Balance as of December 31, 2022	($ 73,173)
Net as of December 31, 2022	$ 303,376

Depreciation expense of investment properties is provided on a straight-line basis over the following useful life:

Main structure	51 years
Elevator equipment	16 years
Air conditioning system	26 years
Improvement to main structures	4 to 49 years

The fair value of the investment property amounted to $736,644 thousand as of December 31, 2022. This fair value has not been valuated by a valuator. It is an estimate determined by the management of the Consolidated Company with reference to the market transaction price of similar properties in neighboring areas.

For the information on the amount of the investment property for secured loans, refer to Note 29.

xvi. Other assets

	December 31, 2022	December 31, 2021
Current		
Prepaid expenses	$ 14,180	$ 13,564
Tax overpaid retained	-	6,210
Other receivables	1,580	1,914
Temporary payments	1,226	-
Payment for others	-	172
Others	2,493	3,025
	$ 19,479	$ 24,885
Non-current		
Prepaid equipment (Note 29)	$ 5,612	$ 18,179
Refundable deposits	10,514	7,992
Long-term prepaid expenses	340	5,247
	$ 16,466	$ 31,418

xvii. Borrowings

(i). Short-term borrowings

	December 31, 2022	December 31, 2021
Unsecured borrowings		
Credit facility borrowings	$ 400,000	$ 479,480

As of December 31, 2022 and 2021, the interest rates on bank borrowings for operating turnover ranged from 1.401% to 1.506% and 0.80% to 0.85%, respectively.

(ii). Long-term borrowings

	December 31, 2022	December 31, 2021
Secured borrowings (Note 29)		
Bank borrowings	$ 345,000	$ 345,000
Less: Classified as due within 1 year	(9,374)	-
Long-term borrowings	$ 335,626	$ 345,000

The bank borrowings were secured by pledges of the Company's self-owned land and buildings (see Note 29). The effective interest rates were 1.64% and 1.01% per annum for the years ended December 31, 2022 and 2021, respectively. The interest is paid every month during the period from the first to the second year and amortized together with the principal during the period from the third to the fifth year. The purpose of this drawdown is to raise funds for operating turnover.

The Company's borrowings consist of:

	Maturity date	Major terms and conditions	Effective interest rate	December 31, 2022	December 31, 2021
Floating rate borrowings:	2026-12-13	Chang Hwa Commercial Bank, Ltd.			
		The borrowing amount is $499,512 thousand to finance the medium-term operating turnover with an interest rate equal to one-year floating rate of postal savings plus 0.2%. The borrowing period is from December 13, 2021 to December 13, 2026, with monthly interest deductions. Repayment is made on the 13th day of each month, starting from December 13, 2023, in 36 equal installments of principal and interest.	1.64%	$ 345,000	$ 345,000
		Less: Classified as due within 1 year		(9,374)	-
		Long-term borrowings		$ 335,626	$ 345,000

(iii) Long-term notes payable

	December 31, 2022	December 31, 2021
Commercial paper payable	$ 200,000	$ 200,000
Less: Discount on long-term notes payable	(20)	(65)
Long-term borrowings	$ 199,980	$ 199,935

Undue long-term notes payable as follows:

December 31, 2022

Guarantee/acceptance inst.	Par value	Discount value	Carrying amount	Interest rate range	Collateral	Carrying amount of collateral
Commercial paper payable						
IBFC	$ 200,000	$ 20	$ 199,980	1.86%	None	$ -

December 31, 2021

Guarantee/acceptance inst.	Par value	Discount value	Carrying amount	Interest rate range	Collateral	Carrying amount of collateral
Commercial paper payable						
IBFC	$ 200,000	$ 65	$ 199,935	1.19%	None	$ -

The Company entered into a contract on bank guaranteed revolving release, underwriting and purchase of commercial paper with International Bills Finance Corporation, and can perform circular release of 60-day bank guaranteed commercial paper within 3 years. The Company uses $200,000 thousand from the underwriting facility on January 18, 2021. The contract expires on January 17, 2024.

xviii. Accounts payable

	December 31, 2022	December 31, 2021
Accounts payable		
Non-related party - Occurred due to business	$ 78,827	$ 114,550
Related party - Occurred due to business	$ 2,009,120	$ 1,255,770

The average credit period for the purchase of goods is one to three months, and no interest is accrued on the accounts payable. The Company has a financial risk management policy to ensure that all payables are repaid within the pre-agreed credit periods.

xiv. Other Liabilities

	December 31, 2022	December 31, 2021
Current		
Other payables		
Salaries and bonuses payable	$ 39,871	$ 29,562
Leave payables	11,173	11,131
Interest payables	524	467
Other expense payables	28,011	16,078
	$ 79,579	$ 57,238
Other liabilities		
Temporary receipts	$ 6,976	$ 3,220
Others	468	-
	$ 7,444	$ 3,220
Non-current		
Other liabilities		
Guarantee deposits received	$ 4,200	$ -
Deferred credits	50	341
	$ 4,250	$ 341

xx. Post-employment benefit plan

(i). Defined contribution plan

The pension system of the Company under the “Labor Pension Act” is a government-administered defined contribution pension plan with 6% of employees’ monthly salaries contributed to the personal accounts at the Bureau of Labor Insurance.

(ii). Defined benefit plan

The pension system of the Company under the “Labor Standards Act” is a government-administered defined benefit pension plan. Pension payment is calculated in accordance with the years of service and the average salary six months prior to the authorized retirement date. The Company appropriate 2% of employees’ monthly salaries as pension funds, which is deposited by the Supervisory Committee of Labor Retirement Reserve in the name of the Committee into a dedicated account at the Bank of Taiwan. Before the end of the year, if the balance in the dedicated account is estimated to be insufficient to pay for employees who are expected to meet the retirement requirements in the following year, the difference will be made up in one lump sum by the end of March of the following year. The management of the dedicated account is entrusted to the Bureau of Labor Funds, Ministry of Labor. The Company has no right to influence the investment management strategy.

The amounts included in the stand-alone balance sheets for defined benefit plan are shown below:

	December 31, 2022	December 31, 2021
Present value of defined benefit obligations	$ 18,625	$ 18,790
Fair value of plan assets	(36,945)	(33,812)
Net defined benefit assets	($ 18,320)	($ 15,022)

Changes in net defined benefit assets are as follows:

	Present value of defined benefit obligations	Fair value of plan assets	Net defined benefit assets
January 1, 2021	$ 25,558	($ 45,347)	($ 19,789)
Service costs			
Service costs for the period	55	-	55
Interest expenses (incomes)	205	(363)	(158)
Recognized in profit or loss	260	(363)	(103)
Remeasurement			
Return on plan assets (other than amounts included in net interest)	-	(402)	(402)
Actuarial losses			
- Change in financial assumptions	238	-	238
- Adjustments through experience	5,034	-	5,034
Recognized in other comprehensive income	5,272	(402)	4,870
Benefit payments	(12,300)	12,300	-
December 31, 2021	18,790	(33,812)	(15,022)
Service costs			
Service costs for the period	55	-	55
Interest expenses (incomes)	122	(219)	(97)
Recognized in profit or loss	177	(219)	(42)
Remeasurement			
Return on plan assets (other than amounts included in net interest)	-	(2,914)	(2,914)
Actuarial (profit) loss			
- Change in financial assumptions	(787)	-	(787)
- Adjustments through experience	445	-	445
Recognized in other comprehensive income	(342)	(2,914)	(3,256)
December 31, 2022	$ 18,625	($ 36,945)	($ 18,320)

The amounts recognized in profit or loss for defined benefit plan are summarized by function as follows:

	2022	2021
Operating costs	($ 6)	($ 10)
Promotional expenses	(2)	(3)
Administrative expenses	(27)	(80)
R&D expenses	(7)	(10)
	($ 42)	($ 103)

The Company is exposed to the following risks as a result of the pension system under the "Labor Standards Act":

1. Investment risk: The Bureau of Labor Funds, Ministry of Labor invests the labor pension fund in domestic and foreign equity securities, debt securities, and bank deposits through its own management or entrusted third parties, but the amount allocated to the Consolidated Company's plan assets is based on the income at a rate no less than the local bank's 2-year time deposit rate.
2. Interest rate risk: A decrease in interest rates on government/corporate bonds will increase the present value of the defined benefit obligation, but the return on debt investment in plan assets will also increase, which will have a partially offsetting effect on the net defined benefit obligation.
3. Salary Risk: The present value of the defined benefit obligation is calculated by reference to the future salary of the plan member. Therefore, increases in plan member's salary will result in an increase in the present value of the defined benefit obligation.

The present value of the Company's defined benefit obligation was actuarially determined by a qualified actuary and the significant assumptions at the measurement date were as follows:

	December 31, 2022	December 31, 2021
Discount rate	1.25%	0.65%
Expected rate of salary increase	3.00%	3.00%

The amount by which the present value of the defined benefit obligation would increase (decrease) if there are reasonable possible changes in significant actuarial assumptions, with all other assumptions held constant, is as follows:

	December 31, 2022	December 31, 2021
Discount rate		
Increase by 0.25%	($ 315)	($ 389)
Decrease by 0.25%	$ 328	$ 405
Expected rate of salary increase		
Increase by 1%	$ 1,381	$ 1,676
Decrease by 1%	($ 1,217)	($ 1,466)

The sensitivity analysis above may not reflect actual changes in the present value of the defined benefit obligation because the actuarial assumptions may be correlated and changes in only one assumption are not feasible.

	December 31, 2022	December 31, 2021
Average duration to maturity of defined benefit obligations	12.3 years	13.8 years

xxi. Equity

(i). Common stock

	December 31, 2022	December 31, 2021
Authorized number of shares (thousand shares)	600,000	600,000
Authorized capital stock	$ 6,000,000	$ 6,000,000
Number of shares issued and fully paid (thousand shares)	307,536	307,536
Issued capital stock	$ 3,075,366	$ 3,075,366

The issued common stock has a face value of NT$10 per share and each share is entitled to one voting right and receiving dividends.

30,000 thousand shares of the authorized capital stock were reserved for the issuance of convertible bonds and employee restricted stock options.

(ii). Capital surplus

	December 31, 2022	December 31, 2021
For loss make-up, payment in cash or capitalization as equity (1)		
Stock issue premium	$ 772,829	$ 772,829
Corporate bond conversion premium	1,238,407	1,238,407
Gain on disposal of assets	167	167
Consolidation excess	42,695	42,695
	$ 2,054,098	$ 2,054,098

1. Such capital surplus may be used to make up for losses or, when the Company has no losses, to distribute cash or to capitalize equity, provided that the capitalization is limited to a certain percentage of the paid-in capital each year.

(iii). Retained Earnings and Dividend Policy

In accordance with the earnings distribution policy of the Company's Articles of Incorporation, if there are any net earnings as indicated in the final accounts, the Company shall pay tax and make up for the accumulated losses, and then set aside 10% as legal reserve, and the rest shall be set aside as special reserve or offset by reversal of special reserve as required by law; if there are still remaining earnings, the Board of Directors shall prepare a proposal for the distribution of the remainder together with the accumulated unappropriated earnings at the beginning of the period, and submit it to the shareholder meeting for resolution on the distribution of dividends to shareholders. The Company's policy on the distribution of employees' and directors' remuneration as stipulated in the Company's Articles of Incorporation is described in Note 23(7) Employees' Remuneration and Directors' Remuneration.

Based on the resolution of a majority of directors at the meeting attended by two-thirds of the total number of directors, the Company shall distribute the dividend and bonus, in whole or in part, in the form of cash and report to the shareholders' meeting.

The legal reserve should be appropriated until the balance reaches the Company's total paid-in capital. The legal reserve may be used to make up for losses. If the Company has no losses, the excess of legal reserve over 25% of the paid-in capital may be distributed in cash in addition to capitalization as equity.

The Company has provided and reversed the special reserve in accordance with the letters Jin-Guan-Zheng-Fa-Zi Nos. 1010012865 (nullified on December 31, 2021), 1030006415 (nullified on December 31, 2021), 1090150022 and 10901500221 and the provisions of the "Questions and Answers on the Application of International Financial Reporting Standards (IFRSs) to the Provision of Special Reserve". If there is a reversal in the balance of deduction from equity, earnings can be distributed within the reversal.

The distribution of earnings for 2021 and 2020 is described below:

	2021	2020
Legal reserve	$ 21,802	$ 11,997
Special reserve	$ 40,494	($ 40,309)
Cash dividends	$ 148,768	$ 116,039
Cash dividends per share	$ 0.5	$ 0.39

The above cash dividends were distributed following the resolutions made in Board of Directors meetings dated March 24, 2022 and May 11, 2021, respectively; the distribution of remaining earnings was resolved at the annual general meeting held on June 16, 2022 and July 20, 2021, respectively.

The Company held the general shareholders' meeting on July 20, 2021 to resolve the distribution capital surplus amounting to $32,729 thousand ($0.11 per share) in cash.

The Board of Directors proposed the following earnings distribution for 2022 on March 14, 2023:

	Earnings distribution proposal
Legal reserve	$ 36,066
Special reserve	($ 127,267)
Cash dividends	$ 297,537
Cash dividends per share	$ 1

The distribution of the aforementioned cash dividends has been approved by the Board of Directors. The remainder is pending resolution at the shareholders' meeting scheduled for June 20, 2023.

(iv). Treasury stock

Reason for recovery	Transfer of shares to employees (thousand shares)	Repurchase for retirement (thousand shares)	Shares of parent company held by subsidiaries (thousand shares)	Total (Thousand shares)
Number of shares as of January 1, 2022	10,000	-	-	10,000
Number of shares as of December 31, 2022	10,000	-	-	10,000
Number of shares as of January 1, 2021	10,000	-	-	10,000
Number of shares as of December 31, 2021	10,000	-	-	10,000

The Company repurchased 10,000 thousand shares amounting to NTD 161,328 thousand and transfered them to the employees to motivate them and enhance their cohesiveness to the Company. The repurchased shares shall be transferred to employees within 5 years in accordance with the Securities and Exchange Act. If the shares are not transferred after the expiration date, they shall be considered as unissued shares of the Company and shall be registered for change.

Treasury stock held by the Company cannot be pledged under the Securities and Exchange Act, and is not entitled to dividend distribution or voting rights.

xxii. Revenue

	2022	2021
Customer contract revenues		
Merchandise sales revenues	$ 5,131,980	$ 3,996,676

Contract balance

	December 31, 2022	December 31, 2021
Accounts receivable (Note 10)	$ 2,045,895	$ 1,388,801
Contract liabilities - current		
Merchandise sales	$ 1,404	$ 4,291

The change in contract liabilities mainly arises from the difference between the point at which performance obligations are satisfied and the point at which customers pay.

xxiii. <u>Net profits before tax</u>

(i). Interest incomes

	2022	2021
Bank deposits	$ 2,730	$ 437
Bonds with repurchase agreement	77	75
Imputed interest on deposits	24	16
	$ 2,831	$ 528

(ii). Other incomes

	2022	2021
Lease incomes		
Rental incomes from operating lease		
- Investment property	$ 11,550	$ -
- Rental incomes from dormitory and parking lot	1,135	1,012
Government subsidy incomes	239	-
Compensation incomes	-	1,695
Others	766	1,330
	$ 13,690	$ 4,037

(iii). Other incomes (expenses)

	2022	2021
Loss on financial assets (Note 7)		
Financial assets mandatorily measured at fair value through profit or loss		
－Realized	$ 352	$ 85
－Unrealized	62	19
	414	104
Net foreign currency exchange loss	22,334	(1,078)
Gain on disposal of property, plant and equipment	277	1,051
Others	-	(546)
	$ 23,025	($ 469)

(iv). Financial costs

	2022	2021
Interest on bank borrowings	$ 12,245	$ 9,733
Interest on lease liabilities	59	66
	$ 12,304	$ 9,799

No interest capitalization in 2022 and 2021.

(V) Depreciation

	2022	2021
Depreciation expense is summarized by function		
Operating costs	$ 71,159	$ 91,002
Operating expenses	10,264	10,713
	$ 81,423	$ 101,715

(vi). Employee benefit expenses

	2022	2021
Post-employment benefits		
Defined contribution plans	$ 6,854	$ 5,819
Defined benefit plan (Note 20)	(42)	(103)
	6,812	5,716
Other employee benefits	198,804	161,273
Total employee benefit expenses	$ 205,616	$ 166,989
Summarized by function		
Operating costs	$ 93,384	$ 76,336
Operating expenses	112,232	90,653
	$ 205,616	$ 166,989

(vii). Employees' remuneration and directors' remuneration.

In accordance with the Company's Articles of Incorporation, the Company appropriates no less than 1% and no more than 3% of the profits before tax to employees' and directors' remuneration, respectively, for the year before the distribution of employees' and directors' remuneration. The estimated remuneration to employees and directors for the years ended 2022 and 2021 were resolved by the Board of Directors on March 14, 2023 and March 24, 2022, respectively, as follow:

Estimated percentage

	2022	2021
Remuneration to employees	3.10%	2.33%
Remuneration to directors	1.65%	1.94%

Amount

	2022	2021
	Cash	Cash
Remuneration to employees	$ 12,400	$ 6,000
Remuneration to directors	6,600	5,000

If there is a change in the amount of the stand-alone financial statements after the date of its issuance, the amount is adjusted in the following year in accordance with the rules related to changes in accounting estimates.

There was no difference between the actual amount of employees' and directors' remuneration paid for 2021 and 2020 and the amount recognized in the stand-alone financial statements in 2021 and 2020.

Please refer to the "Market Observation Post System" of the Taiwan Stock Exchange for information on the remuneration of employees and directors resolved by the Board of Directors of the Company.

(viii) Foreign currency exchange gains (losses)

	2022	2021
Total foreign currency exchange gains	$ 299,626	$ 91,166
Total foreign currency exchange (losses)	(277,292)	(92,244)
Net gains (losses)	$ 22,334	($ 1,078)

xxiv. Income tax

(i). Income tax recognized in profit or loss

The major components of income tax expense are as follows:

	2022	2021
Income tax for the period		
Occurred in the year	$ 2,678	$ -
Prior year adjustment	-	210
	2,678	210
Deferred tax		
Occurred in the year	21,876	25,255
Prior year adjustment	(465)	(1,581)
	21,411	23,674
Income tax expenses recognized in profit or loss	$ 24,089	$ 23,884

The reconciliation of accounting income to income tax expense is as follows:

	2022	2021
Net profits before tax	$ 381,496	$ 246,777
Income tax expenses at statutory tax rate on net profits before tax	$ 76,299	$ 49,355
Non-deductible expenses for tax purposes	3,170	2,153
Tax-exempt incomes	(54,915)	(28,382)
Unrecognized loss carryforwards	$ -	$ 2,129
Adjustments to prior years' deferred tax expenses recorded in the year	(465)	(1,581)
Adjustments to prior years' current income tax benefits recorded in the period	-	210
Income tax expenses recognized in profit or loss	$ 24,089	$ 23,884

(ii). Current income tax assets

	December 31, 2022	December 31, 2021
Current income tax assets		
Tax refund receivable	$ 12	$ 120
Current tax liabilities		
Income tax payables	$ 2,529	$ -

(iii). Deferred tax assets and liabilities

Changes in deferred income tax assets and liabilities are as follows:

2022

	Balance at the beginning of the year	Recognized in profit or loss	Balance at the end of the year
Deferred tax assets			
Temporary difference			
Leave payables	$ 2,226	$ 8	$ 2,234
Defined benefit pension plan	954	8	962
Unrealized gain on decline in value of inventories	1,789	309	2,098
Allowance for loss	7,341	(1,003)	6,338
Impairment of property, plant and equipment	1,216	(1,216)	-
Others	69	(58)	11
	13,595	(1,952)	11,643
Loss carryforwards	25,741	(25,741)	-
	$ 39,336	($ 27,693)	$ 11,643
Deferred tax liabilities			
Temporary difference			
Unrealized exchange gains	($ 8,466)	$ 6,282	($ 2,184)

2021

	Balance at the beginning of the year	Recognized in profit or loss	Balance at the end of the year
Deferred tax assets			
Temporary difference			
Leave payables	$ 2,109	$ 117	$ 2,226
Defined benefit pension plan	933	21	954
Unrealized gain on decline in value of inventories	1,662	127	1,789
Allowance for loss	7,926	(585)	7,341
Impairment of property, plant and equipment	1,216	-	1,216
Others	263	(194)	69
	14,109	(514)	13,595
Loss carryforwards	45,774	(20,033)	25,741
	$ 59,883	($ 20,547)	$ 39,336
Deferred tax liabilities			
Temporary difference			
Unrealized exchange gains	($ 5,339)	($ 3,127)	($ 8,466)

(iv). Unused loss carryforwards for deferred tax assets not recognized in the stand-alone balance sheets

	December 31, 2022	December 31, 2021
Temporary difference	$ 6,082	$ 6,082
Loss carryforwards		
Expire in 2029	$ 10,413	$ 22,257

(v). Approval of Income Tax Returns

The Company's income tax returns have been assessed by the tax authorities up to 2020, but not yet for 2021.

xxv. Earnings per share

Weighted-average number of shares of common stock used to calculate earnings per share is as follows:

Net profits for the year

	2022	2021
Net profits used to calculate basic earnings per share	$ 357,407	$ 222,893
Net profits used to calculate diluted earnings per share	$ 357,407	$ 222,893

Number of shares

Unit: Thousand shares

	2022	2021
Weighted-average number of shares of common stock used to calculate basic earnings per share	297,536	297,536
Impact of potential common stock with dilutive effect:		
Remuneration to employees	765	427
Weighted-average number of shares of common stock used to calculate diluted earnings per share	298,301	297,963

If the Company may choose to have the employee compensation distributed via a stock or cash dividend, the calculation of the diluted earnings per share assumes that the bonus to employees is with a stock dividend distributed, with the weighted average number of shares outstanding included when the potential common stock has a diluted effect. The diluting effect of these potential common shares also continues to be considered in the calculation of diluted earnings per share before the resolution on the number of shares awarded to employees as remumeration or profit-sharing in the following year's resolution.

xxvi. Capital risk management

The Company engages in capital management to ensure that it can maximize shareholder returns by optimizing debt and equity balances while continuing to operate.

The Company's capital structure consists of net debt (i.e., borrowings less cash and cash equivalents) and equity (i.e., capital stock, capital surplus, retained earnings and other equity).

The Company is not subject to any other external capital requirements.

The Company's key management reviews the Company's capital structure annually, which includes consideration of the cost of various types of capital and the associated risks. The Company will balance its overall capital structure by paying dividends, issuing new shares, repurchasing shares and issuing new debt or paying off old debt, as recommended by key management.

xxvii. Financial instruments

(i). Fair value information - Financial instruments that are not measured at fair value

The Company's management believes that the carrying amounts of financial assets and financial liabilities that are not measured at fair value on the balance sheet approximate their fair values.

(ii). Fair value information - Financial instruments measured at fair value on a recurring basis

1. Fair value hierarchy

December 31, 2022

	Level 1	Level 2	Level 3	Total
Financial assets measured at fair value through profit or loss				
Fund beneficiary certificates	$ 60,082	$ -	$ -	$ 60,082
Financial assets measured at fair value through other comprehensive income				
Investment in equity instruments — Domestic non-listed (non-OTC) stock	$ -	$ -	$ 12,000	$ 12,000

December 31, 2021

	Level 1	Level 2	Level 3	Total
Financial assets measured at fair value through profit or loss				
Fund beneficiary certificates	$ 120,019	$ -	$ -	$ 120,019

There were no transfers between Level 1 and Level 2 fair value measurements in 2022 and 2021.

2. Adjustments to financial instruments measured at Level 3 fair value

	2022
Financial assets measured at fair value through other comprehensive income - equity instrument	
Balance as of January 1, 2022	$ -
Purchase	12,000
Balance as of December 31, 2022	$ 12,000

3. Level 2 fair value measurement valuation techniques and input values

Class of financial instruments	Valuation techniques and input values
Derivatives - Forward foreign exchange contracts	The discounted cash flow method: The future cash flows are estimated based on observable forward exchange rates and contracted exchange rates at the end of the period, and are discounted at a rate that reflects the credit risk of each counterparty.

4. Level 3 fair value measurement valuation techniques and input values

The fair value of non-listed (non-OTC) stocks is evaluated with reference to the recent closing prices of the underlying investment targets.

(iii). Types of financial instruments

	December 31, 2022	December 31, 2021
Financial asset		
Measured at fair value through profit or loss		
Mandatorily measured at fair value through profit or loss	$ 60,082	$ 120,019
Financial assets at amortized cost (Note 1)	3,019,699	2,257,101
Financial assets measured at fair value through other comprehensive income		
Investment in equity instruments	12,000	-
Financial liabilities		
Measured at amortized cost (Note 2)	3,596,945	2,779,424

Note 1: The balance includes financial assets measured at amortized cost, such as cash and cash equivalents, notes receivable, accounts receivable (including related parties), other receivables (including related parties) and refundable deposits.

Note 2: The balance includes financial assets measured at amortized cost, including short-term borrowings, accounts payable (including related parties), other payables (including related parties, excluding employee benefits payable), deposits received, long-term borrowings due within one year or operating cycle, long-term borrowings, and long-terms notes payable.

(iv). Financial risk management objectives and policies

The Company's major financial instruments include investments in equity instruments, accounts receivable, accounts payable, borrowings and notes payable. The risks associated with the operations of the above financial instruments include market risk (including exchange rate risk, interest rate risk and other price risk), credit risk and liquidity risk.

1. Market risk

The main financial risks to which the Company is exposed as a result of its operating activities are changes in foreign currency exchange rates (see (1) below) and changes in interest rates (see (2) below).

(1). Exchange rate risk

The Company engages in foreign currency-denominated sales and purchase transactions, which expose the Company to exchange rate risk. The Company manages its exposure to exchange rate risk by using forward exchange contracts and options to the extent permitted by policy.

The carrying amounts of monetary assets and monetary liabilities denominated in non-functional currencies as of the balance sheet date are shown in Note 32.

<u>Sensitivity analysis</u>

The Company is primarily affected by fluctuations in the USD exchange rate.

The following table details the sensitivity analysis of the Company when the exchange rate of the NTD (functional currency) increases and decreases by 1% against each relevant foreign currency. 1% is the sensitivity percentage used for the Company's internal reporting of exchange rate risk to key management and represents management's assessment of the reasonably possible range of changes in foreign currency exchange rates. The sensitivity analysis includes only outstanding foreign currency monetary items and forward exchange contracts designated as cash flow hedges, and adjusts their year-end translation by a 1% change in exchange rates. The negative amount for USD below represents the decrease in net profits before tax when NTD strengthens by 1% against USD, and the positive amount when NTD depreciates by 1% against USD.

	Impact of USD		
	2022	2021	
Profit (loss)	$ 114	($ 573)	(i)

(i). Mainly derived from the Company's receivables and payables that were outstanding at the balance sheet date and not hedged for cash flow.

(2). Interest rate risk

The Company's bank deposits and borrowed funds carry both fixed and floating interest rates, resulting in interest rate risk.

The carrying amounts of financial assets and financial liabilities exposed to interest rate risk as of the balance sheet date were as follows:

	December 31, 2022	December 31, 2021
Fair value interest rate risk		
- Financial assets	$ 303,969	$ 596,213
- Financial liabilities	400,000	479,480
Cash flow interest rate risk		
- Financial assets	629,019	226,470
- Financial liabilities	544,980	544,935

Sensitivity analysis

The following sensitivity analysis is based on the interest rate risk of derivative and non-derivative instruments as of the balance sheet date. For floating rate liabilities, the analysis assumes that the amount of the liability outstanding at the balance sheet date is outstanding during the reporting period. The rate of change used in reporting interest rates internally to key management is a 0.25% basis point increase or decrease in interest rates, which also represents management's assessment of the range of reasonably possible changes in interest rates.

If interest rates had increased/decreased by 0.25% basis points, with all other variables held constant, the Company's net profits before tax would have increased/decreased by $210 thousand and $796 thousand for 2022 and 2021, respectively.

(3). Other price risk

The Company has equity price risk due to its investment in equity securities.

Sensitivity analysis

The following sensitivity analysis is based on the equity price exposure at the balance sheet date.

If the equity price had increased/decreased by 10%, profits or losses before tax for 2022 and 2021 would have increased/decreased by $6,008 thousand and $12,002 thousand, respectively, due to the increase/decrease in fair value of financial assets measured at fair value through profit or loss. Other comprehensive incomes before tax in 2022 and 2021 were increased/decreased by NTD1,200 thousand and $0 thousand due to increase/decrease of the fair value of the financial assets measured at fair value through other comprehensive income.

There was no significant change in the sensitivity of the Company's investment in equity securities compared with the previous year.

2. Credit risk

Credit risk refers to the risk of financial loss due to default on contract obligations by the counterparties. As of the balance sheet date, the Company's maximum exposure to credit risk of financial loss due to non-performance by counterparties and the provision of financial guarantees by the Company was mainly due to:

(1) The carrying amount of financial assets recognized in the stand-alone balance sheets.

(2). The maximum amount that the Company may be required to pay for the provision of financial guarantees, regardless of the likelihood of occurrence.

The Company's primary potential credit risk arises from financial instruments such as cash and cash equivalents and accounts receivable. The Company's cash is deposited with various banks and financial institutions. The cash is held in time deposits with maturities of approximately 3 months, which have high liquidity and flexibility and enjoy high interest rates with near-zero risk. The Company controls its exposure to the credit risk of each financial institution and believes that the Company's cash and cash equivalents are not subject to significant concentrations of credit risk.

The counterparties of the Company's accounts receivable are customers in the electronics industry. In order to reduce the credit risk of accounts receivable, the Company's management has assigned a dedicated team to establish credit management rules and regulations and to be responsible for credit limit determination, credit approval and other monitoring procedures for the credit management of accounts receivable.

In addition, the Company reviews the recoverable amounts of accounts receivable on a case-by-case basis every month to ensure that appropriate impairment losses have been recorded for uncollectible accounts receivable. Accordingly, the Company's management believes that the Company's credit risk is limited.

The Company's credit risk is mainly concentrated in the Company's top ten customers. As of December 31, 2022 and 2021, the percentage of total accounts receivable from the aforementioned customers was 83.44% and 74.10%, respectively.

3. Liquidity risk

The Company manages and maintains sufficient balance of cash and cash equivalents to support the Group's operations and mitigate the impact of cash flow fluctuations. The Company's management monitors the use of bank financing facilities and ensures compliance with the terms and conditions of the borrowing agreements.

Bank borrowings are an important source of liquidity for the Company. See (2) below for a description of the Company's unused financing facilities.

(1). Liquidity and interest rate risk of non-derivative financial liabilities.

The analysis of the remaining contract maturities of non-derivative financial liabilities is prepared using the undiscounted cash flows of financial liabilities (including principal and estimated interest) based on the earliest possible date on which the Company could be required to make repayment. Therefore, bank borrowings that the Company may be required to repay immediately are shown in the the earliest period below, without regard to the probability that the bank will enforce the right immediately; the maturity analysis of other non-derivative financial liabilities is prepared based on the contract repayment dates.

December 31, 2022

	Less than 1 year	1 to 2 years	2 to 3 years	More than 3 years	Total
Non-derivative financial liabilities					
Accounts payable	$ 2,087,947	$ -	$ -	$ -	$ 2,087,947
Other payables	558,183	-	-	-	558,183
Borrowings	409,898	535,606	-	-	945,504
Lease liabilities	2,845	2,179	1,635	-	6,659
	$ 3,058,873	$ 535,785	$ 1,635	$ -	$ 3,598,293

December 31, 2021

	Less than 1 year	1 to 2 years	2 to 3 years	More than 3 years	Total
Non-derivative financial liabilities					
Accounts payable	$ 1,370,320	$ -	$ -	$ -	$ 1,370,320
Other payables	382,507	-	-	-	382,507
Borrowings	479,947	345,000	199,935	-	1,024,882
Lease liabilities	1,332	666	-	-	1,998
	$ 2,234,106	$ 345,666	$ 199,935	$ -	$ 2,779,707

(2). Financing facilities

	December 31, 2022	December 31, 2021
Unsecured bank borrowing facility (extendable by mutual consent)		
Financing facilities used	$ 600,000	$ 679,480
Financing facilities unused	1,948,674	1,743,480
	$ 2,548,674	$ 2,422,960
Secured bank borrowing facility (extendable by mutual consent)		
Financing facilities used	$ 345,000	$ 345,000
Financing facilities unused	154,512	154,512
	$ 499,512	$ 499,512

xxviii. Related party transactions

In addition to those disclosed in other notes, the transactions between the Company and its related parties are as follows:

(i). Names of related parties and relationships

Name of related party	Relationship with the Company
ICHIA HOLDINGS (B.V.I) Co., Ltd. (hereafter referred to as BVI-ICHIA)	Subsidiary
ICHIA RUBBER INDUSTRY (M) Sdn. Bhd. (hereinafter referred to as ICHIA Malaysia)	Subsidiary
ZHONGSHAN ICHIA ELECTRONICS CO., LTD. (hereafter referred to as ZHONGSHAN ICHIA)	Subsidiary
ICHIA TECHNOLOGY (SUZHOU) CO., LTD. (hereafter referred to as ICHIA SUZHOU)	Subsidiary

(ii). Operating revenues

Account in the book	Type of related party	2022	2021
Sales revenues	Subsidiary	$ 122	$ -

Sales to related parties are determined based on the Company's transfer pricing.

(iii). Purchase

Name of related party	2022	2021
ICHIA SUZHOU	$ 4,017,004	$ 2,882,688
ZHONGSHAN ICHIA	492,262	497,994
	$ 4,509,266	$ 3,380,682

Purchases from related parties are determined based on the Company's transfer pricing.

(iv). Receivables from related parties (excluding loans to related parties and contract assets)

Account in the book	Name of related party	December 31, 2022	December 31, 2021
Other receivables - related party	ICHIA SUZHOU	$ 29,362	$ 35,592
	ZHONGSHAN ICHIA	905	-
		$ 30,267	$ 35,592

The outstanding receivables from related parties are not guaranteed. No allowance for loss has been provided for the receivables from related parties in 2022 and 2021.

(v). Payables to related parties (excluding borrowings from related parties)

Account in the book	Name of related party	December 31, 2022	December 31, 2021
Accounts payable - related party	ICHIA SUZHOU	$ 1,821,567	$ 1,047,838
	ZHONGSHAN ICHIA	187,553	207,932
		$ 2,009,120	$ 1,255,770

The outstanding payables to related parties are not guaranteed.

(vi). Borrowings from related parties

Name of related party	December 31, 2022	December 31, 2021
Other payables		
BVI-ICHIA	$ 531,283	$ 368,144

The loans to BVI-ICHIA in 2022 and 2021 were all unsecured loans.

(vii). Key management remuneration

	2022	2021
Short-term employee benefits	$ 21,344	$ 19,661
Post-employment benefits	521	380
	$ 21,865	$ 20,041

The remuneration of directors and other key management is determined by the Remuneration Committee based on individual performance and market trends.

xxix. Pledged assets

The following assets have been pledged as collaterals for borrowings and tariff guarantees for imported raw materials:

	December 31, 2022	December 31, 2021
Pledged time deposits (recorded as financial assets at amortized cost - noncurrent)	$ 2,127	$ 2,127
Self-owned land	-	227,663
Buildings - net	-	78,702
Investment property	303,376	-
	$ 305,503	$ 308,492

xxx. Significant contingent liabilities and unrecognized contract commitments

(i). The total contract amount of the equipment contracted by the Company with vendors was NTD 9,127 thousand. As of December 31, 2022, the Company had paid NTD 5,612 thousand (recorded as prepayment for equipment) and the remaining NTD 3,560 thousand had not been paid.

(ii). As of December 31, 2022, the Company had guaranteed for cooperative education and provided a reserve for the issuance of refundable deposit notes (including long-term borrowings and short-term borrowings) of approximately NTD 2,060,000 thousand and USD 8,500 thousand, respectively.

(iii). As of December 31, 2022, the Company had received NTD 9,626 thousand in guarantee deposit notes for the purchase of equipment and construction.

xxxi. Other matters

As assessed by the Company, the global COVID-19 pandemic did not have material effect on the ability of going concern, impairment of assets, and financing risk of the Company.

xxxii. Information on foreign currency assets and liabilities with significant effect

The following information is expressed in aggregate in foreign currencies other than the Company's functional currency, and the exchange rates disclosed represent the rates at which such foreign currencies were converted to the functional currency. Foreign currency assets and liabilities with significant impact are as follows:

December 31, 2022

	Foreign currency	Exchange rate	Carrying amount
Foreign currency assets			
Monetary items			
USD	$ 84,699	30.71 (USD : NTD)	$ 2,601,112
Non-monetary items			
Subsidiaries under the equity method			
USD	116,561	30.71 (USD : NTD)	$ 5,726,562
Foreign currency liabilities			
Monetary items			
USD	84,327	30.71 (USD : NTD)	$ 2,589,688

December 31, 2021

Foreign currency assets	Foreign currency	Exchange rate	Carrying amount
Monetary items			
USD	$ 68,881	27.68 (USD : NTD)	$ 1,906,640
Non-monetary items			
Subsidiaries under the equity method			
USD	112,799	27.68 (USD : NTD)	$ 5,205,699
Foreign currency liabilities			
Monetary items			
USD	70,951	27.68 (USD : NTD)	$ 1,963,912

Foreign currency translation gains and losses (realized and unrealized) with significant impact as follows:

	2022		2021	
Foreign currency	Exchange rate	Net exchange gains (losses)	Exchange rate	Net exchange gains (losses)
USD	30.71 (USD : NTD)	$ 22,334	27.68(USD : NTD)	($ 1,078)

xxxiii.. <u>Other disclosures</u>

(i). Significant transactions and (ii) information on the investee enterprises:

No.	Item	Description
1	Lending funds to others	Exhibit 1
2	Endorsements and guarantees for others.	None
3	Marketable securities held at the end of the period. (Excluding investment in subsidiaries, affiliated enterprises and joint venture interests)	Exhibit 2
4	The cumulative amount of purchases or sales of the same marketable securities reaches at least NTD 300 million or 20% of the paid-in capital.	None
5	Acquisition of property amounting to at least NTD 300 million or 20% of the paid-in capital.	None
6	Disposal of property amounting to at least NTD 300 million or 20% of the paid-in capital.	None
7	The amount of purchase or sale with related parties is at least NTD 100 million or 20% of the paid-in capital.	Exhibit 3
8	Receivables from related parties amounting to at least NTD 100 million or 20% of the paid-in capital.	Exhibit 4
9	Engagement in derivative transactions.	Note 7
10	Information on investees	Exhibit 5

(iii). Information on investment in Mainland China:

No.	Item	Description
1	The name of the investees in Mainland China, principal business, paid-in capital, investment methods, capital outward and inward remittances, shareholding, investment gains and losses, investment carrying amount at the end of the period, repatriated investment gains and losses, and investment quota for Mainland China.	Exhibit 6
2	The following significant transactions with investees in Mainland China, directly or indirectly through third regions, and their prices, payment terms, and unrealized gains or losses:	
	(1). Amounts and percentages of purchases and related payables at the end of the period.	Exhibit 3
	(2). Amounts and percentages of sales and related receivables at the end of the period.	None
	(3). The amount of property transactions and the amount of gain or loss resulting from such transactions.	None

	(4). The ending balance of endorsement and guarantee of notes or provision of collateral and its purpose.	None
	(5). The maximum balance, ending balance, interest rate range and total current interest amount of financial accommodation.	None
	(6). Other transactions that have a significant effect on the current profit or loss or financial position, such as the provision or receipt of services.	None

(iv). Information on major shareholders:

Name, number and percentage of shares held by shareholders with 5% or more of the shares: Exhibit 7.

ICHIA TECHNOLOGIES INC. and subsidiaries

Lending funds to others

January 1 to December 31, 2022

Exhibit 1 Unit: NTD and foreign currency in thousands, unless otherwise stated

No. (Note 1)	The lender company of funds	The borrower of funds	Transaction	Related party or not	Maximum balance for the period	Balance at the end of the period	Actual amounts drawn	Interest rate range	Nature of funds lending (Note 2)	Amount of business transactions	Reasons for the necessity of short-term financing	Amount of allowance for bad debts	Collateral		The limit for individual funds lending (Note 3)	The limit for total funds lending (Note 3)	Remarks
													Name	Value			
1	BVI-ICHIA	ICHIA Technologies Hungary Limited Liability Company	Other receivables - related party	Yes	$ 60,806 (USD 1,980)	$ 60,806 (USD 1,980)	$ 58,656 (USD 1,910)	-	2	$ -	Operating turnover	$ -	None	$ -	$ 11,153,083 (Note 4)	$ 11,153,083 (Note 4)	
		ICHIA TECHNOLOGIES INC.	Other receivables - related party	Yes	531,283 (USD 17,300)	531,283 (USD 17,300)	531,283 (USD 17,300)	-	2	-	Operating turnover	-	None	-	11,153,083 (Note 4)	11,153,083 (Note 4)	

Note 1: The number column is filled out as follows:

(1) Fill in 0 for the issuer.

(2). Investees are numbered sequentially from Arabic numeral 1 according to the company type.

Note 2: The nature of the funds lending is described as follows:

(1). Fill in 1 for those who have business transactions.

(2). Fill in 2 for those in need of short-term financing.

Note 3: Calculation and amount of funds lending limits.

i. The limit for individual funds lending

(1). The amount of funds lending of the Company to individual counterparties is limited to 30% of the Company's current net worth (December 31, 2022), in accordance with the Company's Operating Procedures for Lending Funds to Others.

(2). The amount of funds lending of an investee to individual counterparties is limited to 200% of the investee's current net worth (December 31, 2022), in accordance with the investee's Operating Procedures for Lending Funds to Others.

(3). The amount of funds lending of BVI-ICHIA to the Group's parent company is limited to 200% of BVI-ICHIA's current net worth (December 31, 2022) in accordance with BVI-ICHIA's Operating Procedures for Lending Funds to Others.

ii. The limit for total funds lending:

(1). The cumulative amount of funds lending of the Company to external counterparties is limited to 40% of the Company's current net worth (December 31, 2022), in accordance with the Company's Operating Procedures for Lending Funds to Others.

(2). The cumulative amount of funds lending of an investee is limited to 200% of the investee's current net worth (December 31, 2022), in accordance with the investee's Operating Procedures for Lending Funds to Others.

(3) The cumulative amount of funds lending of BVI-ICHIA to the Group's parent company is limited to 200% of BVI-ICHIA's current net worth (December 31, 2022) in accordance with BVI-ICHIA's Operating Procedures for Lending Funds to Others.

iii. The Company's funds lending limit was calculated based on the net worth of the Company's financial statements reviewed by CPA; the investee's funds lending limit was calculated based on the net worth of the investee's financial statements in foreign currencies reviewed by CPA.

v. The funds lending limits here are presented in NTD. If foreign currencies are involved, they are translated into NTD at the prevailing exchange rate on the date of the financial statements. (The spot exchange rate for USD as of December 31, 2022 was 30.71.)

Note 4: The funds lending between companies outside of the Republic of China in which the Company directly or indirectly holds 100% of the voting rights is not subject to the funds lending limits in Note 3.

ICHIA TECHNOLOGIES INC. and subsidiaries

Marketable securities held at the end of the period

December 31, 2022

Exhibit 2

Unit: NTD and foreign currency in thousands, unless otherwise stated

Subsidiaries held	Type and name of marketable securities (Note 1)	Relationship with the issuer of marketable securities	Account in the book	Period end				Remarks
				Number of shares	Carrying amount	Shareholding (%)	Fair value	
ICHIA TECHNOLOGIES INC.	Fund beneficiary certificates							
	UPAMC James Bond Money Market Fund	None	Financial assets measured at fair value through profit or loss - current	1,183,523	$ 20,056	-	$ 20,056	
	Sinopac TWD Money Market Fund	〃	〃	1,417,424	20,021	-	20,021	
	Cathay Taiwan Money Market Fund	〃	〃	1,585,251	20,005	-	20,005	
	Non-listed (non-OTC) stock - preferred stock							
	Ten Shen Precision Co. Ltd.	〃	Financial assets measured at fair value through other comprehensive income - non-current	1,200,000	12,000	6%	12,000	
					$ 72,082		$ 72,082	

Note 1: Marketable securities referred to here are stocks, bonds, beneficiary certificates and marketable securities derived from the above items that fall within the scope of IFRS 9 “Financial Instruments”.

Note 2: For information on investments in subsidiaries, affiliates and joint venture interests, please refer to Exhibit 5 and Exhibit 6.

ICHIA TECHNOLOGIES INC. and subsidiaries

The amount of purchase or sale with related parties is at least NTD 100 million or 20% of the paid-in capital.

January 1 to December 31, 2022

Exhibit 3

Unit: NTD thousand, unless otherwise stated

Purchase (sale) Company	Trading partner name	Relationship	Transactions				The circumstances and reasons why the trading terms are different from those of ordinary transactions		Notes and accounts receivable (payable)		Remarks
			Purchase (sale)	Amount	Purchase (sale) company	Credit period	Unit price	Credit period	Balance	Percentage of total notes and accounts receivable (payable)	
ICHIA TECHNOLOGIES INC.	ICHIA SUZHOU	The same affiliate	Purchase	$ 4,017,004	85	150 days from monthly cut-off day	-	-	($ 1,821,567)	(87)	
	ZHONGSHAN ICHIA	〃	〃	492,262	10	150 days from monthly cut-off day	-	-	(187,553)	(9)	

ICHIA TECHNOLOGIES INC. and subsidiaries

Receivables from related parties amounting to at least NTD 100 million or 20% of the paid-in capital.

December 31, 2022

Exhibit 4

Unit: NTD thousand, unless otherwise stated

Companies with accounts receivable	Trading partner name	Relationship	Balance of receivables from related parties	Turnover rate	Overdue receivables from related parties		Receivables from related parties collected during the subsequent period	Amount of allowance for bad debts
					Amount	Processing method		
ICHIA SUZHOU	ICHIA TECHNOLOGIES INC.	The same affiliate	Accounts receivable $ 1,821,567	2.80	$ -	—	$ 815,842	
ZHONGSHAN ICHIA	ICHIA TECHNOLOGIES INC.	The same affiliate	Accounts receivable 187,553	2.49	-	—	88,122	
BVI-ICHIA	ICHIA TECHNOLOGIES INC.	The same affiliate	Other receivables 531,283	Note	-	—		

Note: The turnover rate is not calculated because it is mainly due to other receivables arising from the lending of funds.

ICHIA TECHNOLOGIES INC. and subsidiaries

Information on investees, locations, ..., etc.

January 1 to December 31, 2022

Exhibit 5

Unit: NTD and foreign currency in thousands, unless otherwise stated

Investor	Investee	Location	Principle business	Original investment amount		Holding at the end of period			Profit or loss of investees for the period	Investment gain (loss) recognized in the period	Remarks
				The end of the period	The end of last year	Number of shares (thousand shares)	Percentage %	Carrying amount			
ICHIA TECHNOLOGIES INC.	ICHIA HOLDINGS (B.V.I) Co., Ltd.	P.O. BOX957, Offshore Incorporation Centre, Road Town, Tortola, British Virgin Islands	Various investment businesses	$ 3,532,566 (USD 108,693)	$ 3,532,566 (USD 108,693)	108,693	100	$ 5,568,830	$ 276,576	$ 279,126	Subsidiary
	ICHIA USA Inc.	1057 Tierra Del Rey, Suite G ,Chula Vista, CA 91910 U.S.A.	International trading of various electronic components and materials	118,309 (USD 4,106)	118,309 (USD 4,106)	4,106	100	36,984	(4,422)	(4,422)	Subsidiary
	ICHIA RUBBER INDUSTRY (M) Sdn. Bhd.	997-A, Solok Pervshaan Tiga Prai Industrial Estate 13600 Prai, P.W. West Halasia Malaysia	Manufacturing, processing and trading of various electronic components and materials for various electronic and telecommunication computers.	119,432 (USD 3,762)	- (USD -)	9,000	100	120,748	12,113	(541)	Subsidiary Note 2
ICHIA HOLDINGS (B.V.I) Co., Ltd.	ICHIA UK. LTD.	P.O. Box 3152, Town, Tortola, British Virgin Islands	Various investment businesses	151,277 (USD 4,926)	151,277 (USD 4,926)	4,926	100	(25,520) (USD -831)	3,163 (USD 103)	3,163 (USD 103)	Subsidiary
	ICHIA RUBBER INDUSTRY (M) Sdn. Bhd.	997-A, Solok Pervshaan Tiga Prai Industrial Estate 13600 Prai, P.W. West Halasia Malaysia	Manufacturing, processing and trading of various electronic components and materials for various electronic and telecommunication computers.	- (USD -)	92,898 (USD 3,025)	-	-	- (USD -)	12,113 (USD 415)	12,654 (USD 433)	Subsidiary Note 2
	ICHIA HOLDINGS (H.K.) Co., Ltd.	Room 1004, National Health Centre, 151 Gloucester Road, Wanchai, Hong Kong	Various investment businesses	2,303,250 (USD 75,000)	2,303,250 (USD 75,000)	75,000	100	4,175,300 (USD 135,959)	228,237 (USD 7,432)	228,237 (USD 7,432)	Subsidiary
ICHIA UK. LTD.	ICHIA Technologies Hungary Limited Liability Company	2900 Komarom Ipari Park Banki Domat U. 2. Hungary	Manufacturing, processing and trading of rubber and plastic keypads	151,277 (USD 4,926)	151,277 (USD 4,926)	-	100	(25,520) (USD -831)	3,163 (USD 103)	3,163 (USD 103)	Subsidiary

Note 1: Please refer to Exhibit 6 for information on the investees in Mainland China.

Note 2: The Consolidate Company performed the adjustment of the organizational structure in September 2022 by completely transferring the equity held by B.V.I-ICHIA in ICHIA Malaysia to ICHIA RUBBER INDUSTRY (M) Sdn. Bhd.

ICHIA TECHNOLOGIES INC. and subsidiaries

Information on investment in Mainland China

January 1 to December 31, 2022

Exhibit 6

Unit: NTD and foreign currency in thousands, unless otherwise stated

1. The name of the investees in Mainland China, principal business, paid-in capital, investment methods, capital outward and inward remittances, shareholding, investment gains and losses, investment carrying amount, repatriated investment gains and losses:

Investee in Mainland China	Principle business	Paid-in capital	Type of investment (Note 1)	Accumulated investment amount remitted from Taiwan at the beginning of the period	Amount of investment remitted or recovered during the period		Accumulated investment amount remitted from Taiwan at the end of the period	Profit or loss of investees for the period	Shareholding percentage of the Company's direct or indirect investment	Investment gain (loss) recognized in the period (Note 2)	Carrying amount of investments at the end of the period	Investment income remitted back as of the end of the period
					Remittance	Recovery						
ICHIA SUZHOU	Rubber, plastic keypads and flexible printed circuit boards	$ 2,671,770 (USD 87,000)	(ii) B	$ 2,671,770 (USD 87,000)	$ -	$ -	$ 2,671,770 (USD 87,000)	$ 228,605 (USD 7,444)	100	$ 228,298 (USD 7,434) (ii) B	$ 4,172,997 (USD 135,884)	$ -
ZHONGSHAN ICHIA	Rubber and plastic keypads	522,070 (USD 17,000)	(ii) A	522,070 (USD 17,000)	-	-	522,070 (USD 17,000)	34,886 (USD 1,136)	100	35,624 (USD 1,160) (ii) C	806,076 (USD 26,248)	-

2. Investment quota for Mainland China.

Accumulated amount of investment from Taiwan to Mainland China at the end of the period	Amount of investment approved by the Investment Commission, Ministry of Economic Affairs	Investment quota for mainland China as stipulated by the Investment Commission, Ministry of Economic Affairs
NTD 3,193,840 (USD 104,000)	NTD 3,193,840 (USD 104,000)	NTD 3,642,844 (USD 118,621)

Note 1: The investment methods can be divided into the following three types, indicating as such suffices:

(i). Investment in Mainland China directly.

(ii). Investment in Mainland China through companies in third regions (please specify the investment company of the third region).

A. BVI-ICHIA

B. ICHIA HOLDINGS (H.K.) Co., Ltd.

(iii). Other types.

Note 2: In the column of investment gain or loss recognized in the current period:

(i). If the investment is under preparation and there is no investment gain or loss, it should be noted.

(ii). The basis for recognizing investment gains or losses is divided into the following three categories, which should be specified.

A. The financial statements have been audited by an international CPA firm with which CPA firms in the Republic of China have a cooperative relationship.

B. The financial statements have been audited by the attesting CPA of the parent company in Taiwan.

C. Others.

Note 3: The figures in this Exhibit are presented in NTD. Where foreign currencies are involved, the exchange rate at the date of financial reporting is used to translate into NTD. (The spot exchange rate for USD as of December 31, 2022 was 30.71.)

ICHIA TECHNOLOGIES INC. and subsidiaries

Information on major shareholders

December 31, 2022

Exhibit 7

Name of Major Shareholder	Shares	
	Shareholding	Shareholding Percentage
Fa La Li Investment Co., Ltd.	19,098,481	6.21%
Creative Investment Co., Ltd.	18,872,480	6.13%

Note 1: The information on major shareholders in this Exhibit is compiled by Taiwan Depository & Clearing Corporation based on the last business day of the quarter in which the shareholders held 5% or more of the Company's common shares and preferred shares whose registration and delivery have been completed in non-physical form (including treasury shares). The number of shares recorded in the Company's stand-alone financial statements and the actual number of shares registered and delivered in non-physical form may differ depending on the basis of preparation of the calculations.

§Statements of Major Accounting Items§

ICHIA TECHNOLOGIES INC.

Statement of Cash and Cash Equivalents

December 31, 2022

Statement 1

Unit: NTD thousand, unless unless otherwise stated

Item	Summary	Amount
Cash		
Cash on hand and revolving funds		$ 35
Bank deposits		
Bank check and demand deposits		368,301
Foreign currency demand deposits	Including USD 8,484 thousand, @27.68; HKD 4 thousand, @3.938; GBP 2 thousand, @37.09; EUR 2 thousand, @32.72; and RMB 3 thousand, @4.408	260,718
Cash equivalents (investments with an original maturity of less than 3 months)		
Bank time deposits	Interest rate 2.50% to 4.30%	291,745
		$ 920,799

ICHIA TECHNOLOGIES INC.

Statement of Accounts Receivable

December 31, 2022

Statement 2 | Unit: NTD thousands

Name of customer	Summary	Amount
Non-related party		
Shanghai Innolux Optoelectronics Ltd.	Payment for purchase	$ 852,248
Aptos Technology Inc.	〃	248,544
AU Optronics (Suzhou) Corp., Ltd.	〃	138,307
Others (Note)	〃	807,342
		2,046,441
Less: allowance for impairment		(546)
		$ 2,045,895

Note: The balance of all the accounts did not exceed 5% of the balance of this account.

ICHIA TECHNOLOGIES INC.

Statement of Inventories

December 31, 2022

Statement 3 Unit: NTD thousands

Name	Cost	Market price (Note)
Raw materials	$ 24,187	$ 20,336
Semi-finished goods	2,599	1,399
Work in progress	5,512	5,241
Finished goods	43,496	40,340
In-transit	2,662	2,662
	78,456	$ 69,978
Less: Allowance for inventory devaluation loss	(10,489)	
	$ 67,967	

Note: The inventory of the Company is measured based on the net realizable value. The comparison is conducted on the basis of the individual items except for the inventories of the same type.

ICHIA TECHNOLOGIES INC.

Statement of Changes in Investment under Equity Method

January 1 to December 31, 2022

Statement 4

Unit: NTD thousand, unless unless otherwise stated

	Balance - beginning of the period		Increase (decrease) in current period (Note 3)			Investment profit (loss)		Balance at the end of the period			Market price or net equity		
Name	Number of shares (thousand shares)	Amount	Number of shares (thousand shares)	Amount	Distribution of cash dividends	(Note 1)	Cumulative Translation Adjustment	Number of shares (thousand shares)	Shareholding (%)	Amount	Unit price (NTD) (Note 2)	Total price	Provided as guarantee or pledge
Non-publicly quoted company													
ICHIA USA Inc.	4,106	$ 37,672	-	$ -	$ -	($ 4,422)	$ 3,734	4,106	100	$ 36,984	9.01	$ 36,984	None
BVI-ICHIA	108,693	5,168,027	-	-	-	279,126	121,677	108,693	100	5,568,830	51.23	5,568,830	None
ICHIA RUBBER INDUSTRY (M) Sdn. Bhd.	-	-	9,000	119,433	-	(541)	1,856	9,000	100	120,748	13.42	120,748	None
		$ 5,205,699		$ 119,433	$ -	$ 274,163	$ 127,267			$ 5,726,562		$ 5,726,562	

Note 1: It was calculated based on the CPA audited financial statements of 2022.

Note 2: The net value of equity is calculated based on the financial statements of the invested company and the shareholding percentage of the Company.

Note 3: The increase in the current period is mainly because the Company performed the adjustment of the organizational structure in September 2022 by completely transferring the equity held by BVI-ICHIA in ICHIA Malaysia to ICHIA TECHNOLOGIES INC.

ICHIA TECHNOLOGIES INC.

Statement of Changes in Right-of-use Assets

January 1 to December 31, 2022

Statement 5 Unit: NTD thousands

Item	Transportation equipment
Cost	
Balance at the beginning of the year	$ 3,846
Increase	6,378
Balance at the end of the year	$ 10,224
Accumulated depreciation	
Balance at the beginning of the year	$ 1,923
Depreciation expense	1,813
Balance at the end of the year	$ 3,736
Net amount at year end	$ 6,488

ICHIA TECHNOLOGIES INC.

Statement of Short-term Loans

December 31, 2022

Statement 6

Unit: NTD thousands

	Life of loan	Annual interest rate (%)	Balance	Financing facility	Mortgage or guarantee
Credit loan					
Taiwan Cooperative Bank	2022.10.12~2023.1.12	1.401%	$ 50,000	$ 200,000	None
Yuanta Bank	2022.11.16~2023.1.17	1.45%	50,000	50,000	None
Yuanta Bank	2022.11.16~2023.1.17	1.47%	50,000	50,000	None
Cathay United Bank	2022.12.5~2023.2.3	1.47%	100,000	150,000	None
Hua Nan Commercial Bank	2022.12.30~2023.1.3	1.51%	150,000	150,000	None
			$ 400,000	$ 600,000	

ICHIA TECHNOLOGIES INC.

Statement of Accounts Payable

December 31, 2022

Statement 7 Unit: NTD thousands

Name	Summary	Amount
Non-related party		
Hotechnic Precious Hardware Limited	Payment for purchase	$ 13,308
Jiue Tai Industry Co., Ltd.	〃	5,463
ITEQ (Guangzhou) Corporation	〃	4,756
Others (Note)	〃	55,300
		$ 78,827
Related party		
ICHIA SUZHOU	Payment for purchase	$ 1,821,567
ZHONGSHAN ICHIA	〃	187,553
		$ 2,009,120

Note: The amount of all the accounts did not exceed 5% of the balance of this accounts.

ICHIA TECHNOLOGIES INC.

Statement of Operating Revenue

January 1 to December 31, 2022

Statement 8 Unit: NTD thousands

Name	Amount
Flex PCB	$ 4,282,627
Keypad product	901,974
	5,184,601
Less: sales return	(39,432)
Sales discount	(13,189)
	$ 5,131,980

ICHIA TECHNOLOGIES INC.

Statement of Operating Costs

January 1 to December 31, 2022

Statement 9 | Unit: NTD thousands

Item	Amount
Raw material consumption in current period	
Stock at beginning of the period	$ 20,569
Add: Purchase of material in current period	84,811
Work in progress transfer in	128,531
Less: Transfer to expenses	(20,128)
Material sold	(3,066)
Raw material at end of the period	(26,786)
	183,931
Direct labor	52,481
Manufacturing expenses	219,416
Manufacturing costs	455,828
Add: Work in process at beginning of the period	6,025
Less: Transfer to materials for reproduction	(128,531)
Work in process at end of the period	(5,512)
Finished product cost	327,810
Add: Finished goods at beginning of the period	48,391
In-transit at beginning of the period	3,227
Purchase in current period	425,022
Less: Transfer to expenses	(2,779)
Finished good at end of the period	(43,496)
In-transit at end of the period	(2,662)
Manufacturing and sales costs	755,513
Sales cost of outsourced goods	
Add: Purchase in current period	4,093,972
Cost of sales	4,849,485
Other operating costs	
Add: Cost to sell raw materials	3,066
Inventory devaluation loss	1,545
Less: Income from scraps	(960)
Adjustment to sell back	(26,399)
Operating costs	$ 4,826,737

ICHIA TECHNOLOGIES INC.

Statement of Operating Expenses

January 1 to December 31, 2022

Statement 10 | Unit: NTD thousands

Name	Promotional expenses	Administrative expenses	R&D expenses	Total
Payroll expense (including pension)	$ 18,706	$ 67,203	$ 17,025	$ 102,934
Commission expense	17,810	108	-	17,918
Import/export expense	29,222	18	84	29,324
Other expenses (Note)	12,623	47,402	13,378	73,403
	$ 78,361	$ 114,731	$ 30,487	$ 223,579

Note: The amount of all the items did not exceed 5% of the amount of the account concerned.

ICHIA TECHNOLOGIES INC.

Statement of Current Employee Benefits, Depreciation and Amortization Expenses by Function

January 1 to December 31, 2022

Statement 11

Unit: NTD thousands

	2022			2021		
	Classified as operating cost	Classified as operating expense	Total	Classified as operating cost	Classified as operating expense	Total
Employee benefit expense						
Salary expense	$ 77,046	$ 90,500	$ 167,546	$ 64,218	$ 72,718	$ 136,936
Labor and health insurance expense	8,341	6,546	14,887	4,843	5,917	10,760
Pension expense	3,338	3,474	6,812	2,633	3,083	5,716
Remuneration to directors	-	8,960	8,960	-	7,340	7,340
Other employee benefit expenses	4,659	2,752	7,411	4,642	1,595	6,237
	$ 93,384	$ 112,232	$ 205,616	$ 76,336	$ 90,653	$ 166,989
Depreciation expense	$ 71,159	$ 10,264	$ 81,423	$ 91,002	$ 10,713	$ 101,715

1. The number of employees as of December 31, 2022 and 2021 was 238 and 204, respectively, and the number of directors who were not employees was 5 in both years.
2. Companies that are listed for trading on Taiwan Securities Exchange or trade shares through Taipei Exchange shall additionally disclose following information:
   (1)The average employee benefit expenses in the year were $844 thousand (“Total employee benefit expenses in the year – total remuneration to directors” / “Number of employees in the year – number of directors who were not employees”.)
   The average employee benefit expenses in the previous year were $802 thousand (“Total employee benefit expenses in the previous year – total remuneration to directors” / “Number of employees in the previous year – number of directors who were not employees”.)
   (2)The average employee salary expenses in the year were $719 thousand (Total salary expenses in the year／Number of employees in the year – number of directors who were not employees.)
   The average employee salary expenses in the previous year were $688 thousand (Total salary expenses in the previous year／ “Number of employees in the previous year – number of directors who were not employees”.)
   (3)The average employee salary expenses changed by 4.5% (“Average employee salary expense in the year – average employee salary expense in the previous year” / average employee salary expense in the previous year.)
   (4)The Company does not appoint supervisors.
   (5)The Company’s remuneration policy is described as follows:
   I. The Company's remuneration policy is based on the individual's ability, contribution to the Company, performance, and the correlation with the operating performance.
   II. The remuneration to the directors of the Company is paid subject to the resolution of the Board of Directors pursuant to Article 23 of the Articles of Incorporation, and shall be reported to the shareholders’ meeting. The remuneration of the directors of the Company shall be set in accordance with the Company's Articles of Incorporation. It shall be authorized to the Board of Directors, with consideration of the directors' participation in the Company's operations and the value of their contributions, and with reference to domestic and international industry standards. The management officers’ compensation is determined by the results of the performance evaluation.
   III. The Company has set up the Renumeration Committee. It follows Article 4 of the Company's Remuneration Committee Charter and establishes and periodically reviews the policy, system, standard and structure for the performance evaluation and remuneration of the the Company's directors and managerial officers. The Remuneration Committee also Regularly reviews and adjusts directors' and managers' remuneration, and submit the proposals to the Board of Directors for discussion.