Stock Code：8183

Info-Tek Corporation

Parent Company Only Financial Statements for the Years Ended December 31, 2022 and 2021 and Independent Auditors' Report

(Translation)

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

INDEPENDENT AUDITORS' REPORT

The Board of Directors and Shareholders
Info-Tek Corporation

Opinion

We have audited the accompanying parent company only financial statements of Info-Tek Corporation (the "Company"), which comprise the parent company only balance sheets as of December 31, 2022 and 2021, and the parent company only statements of comprehensive income, changes in equity and cash flows for the years then ended, and the notes to the parent company only financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying parent company only financial statements present fairly, in all material respects, the accompanying parent company only financial position of the Company as of December 31, 2022 and 2021, and its parent company only financial performance and its parent company only cash flows for the years then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers.

Basis for Opinion

We conducted our audits in accordance with the Regulations Governing Auditing and Attestation of Financial Statements by Certified Public Accountants and Standards on Auditing of the Republic of China for the year ended December 31, 2022 and 2021. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Parent Company Only Financial Statements section of our report. We are independent of the Company in accordance with The Norm of Professional Ethics for Certified Public Accountant of the Republic of China, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the parent company only financial statements for the year ended December 31, 2022. These matters were addressed in the context of our audit of the parent company only financial statements as a whole, and in forning our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matters for the Company's parent company only financial statements for the year ended December 31, 2022 are stated as follows:

<u>When the Revenue Should Be Recognized</u>

The Company is engaged in the Electronics Manufacturing Services (EMS), no own-brand, only accept commissioned manufacturing from customer, focusing on the electronics manufacturing services. The Company's sales revenue is based on the transaction conditions agreed by individual customers, the transaction conditions of each customer are not the same. It is significant that to judge the transfer of the control of sales of goods and whether the timing of recognizing the revenue was correct for the expression of parent company only financial statements. Therefore, the timing of recognizing the revenue from key customers was considered as a key audit matter for this year. Please refer to Note 4 to the parent company only Financial Statements for the relevant accounting policies and relevant disclosure information related to the recognition of operating revenue. We have performed our audit procedures to the key audit matter are follows:

1. Evaluate and test the implementation of the internal control system and actual process of sales transactions.

2. Review the incorn terms and credit lines of these key customers, and understand the similarities, differences and rationality of the trading conditions and general customers.

3. Select samples from the sales revenue sub-ledger, review relevant documents and the rationality of recognized revenue, and check external shipping documents and customer signature documents.

4. Confirm whether the timing of transfer of control is appropriate according to the contract.

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

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

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

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

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

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

Auditors' Responsibilities for the Audit of the Parent Company Only Financial Statements

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

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

1. Indentify and assess the risks of material misstatement of the parent company only financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion.

The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

2. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.

3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

4. Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the parent company only financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, furure events or conditions may cause the Company to cease to continue as a going concern.

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

6. Obtain sufficient and appropriate audit evidence regarding the financial information of entities or business activities within the Company to express an opinion on the parent company only financial statements. We are responsible for the direction, supervision, and performance of the Company audit. We remain solely responsible for our audit opinion.

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the parent company only financial statements for the year ended December 31, 2022 and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partners on the audit resulting in this independent auditors' report are Chun-Ming Hsueh and Sheng-Hsiung Yao.

Deloitte & Touche
Taipei, Taiwan
Republic of China

March 9, 2023

Notice to Readers

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

For the convenience of readers, the independent auditors, report and the accompanying consolidated financial statement have been translated into English from the orginal Chinese version prepared and used in the Republic of China. IF there is any conflict between the English version and the original Chinese version or any difference in the interpretation of the two versions, the Chinese-language independent auditors' report and consolidated financial statements shall prevail.

INFO-TEK CORPORATION

PARENT COMPANY ONLY BALANCE SHEETS
DECEMBER 31, 2022 AND 2021
(In Thousands of New Taiwan Dollars)

	December 31, 2022		December 31, 2021	
ASSETS	Amount	%	Amount	%
CURRENT ASSETS				
Cash and cash equivalents（Notes 4 and 6）	$ 219,076	6	$ 144,937	5
Financial assets at fair value through profit or loss - current（Notes 4,7and26）	25,005	1	52,859	2
Trade receivables (Notes 4 and 8)	196,108	5	132,598	4
Trade receivables from related parties (Note 27)	34,576	1	24,183	1
Other receivables (Note 8)	384	-	-	-
Other receivables from related parties (Note 27)	16,779	-	27,590	1
Inventories (Notes 4,5 and 9)	58,009	2	29,907	1
Other current assets (Note 15)	1,854	-	3,180	-
Total current assets	551,791	15	415,254	14
NON-CURRENT ASSETS				
Investments accounted for using the equity method（Notes 4 and 10）	2,791,884	76	2,226,667	74
Property, plant and equipment (Notes 4 ,11,27 and 28)	289,263	8	277,139	9
Right-of-use assets (Notes 4 and 12)	1,737	-	2,840	-
Investment properties (Notes 4 ,13 and 28)	20,427	1	21,860	1
Intangible assets (Notes 4 and 14)	417	-	1,548	-
Deferred tax assets (Notes 4 and 23)	10,113	-	58,818	2
Refundable deposits	33	-	33	-
Other non-current assets (Note 15)	6,000	-	6,000	-
Total non-current assets	3,119,874	85	2,594,905	86
TOTAL	$ 3,671,665	100	$ 3,010,159	100
LIABILITIES AND EQUITY				
CURRENT LIABILITIES				
Short-term borrowings (Notes 16 and 28)	$ 362,000	10	$ 300,000	10
Trade payables (Note 17)	98,184	3	35,256	1
Trade payables to related parties (Note 27)	3,199	-	4,140	-
Other payables (Note 18)	119,587	3	102,669	4
Other payables to related parties (Note 27)	2,641	-	2,941	-
Current tax liabilities (Note 4)	14,860	1	4,540	-
Lease liabilities – current (Notes 4 and 12)	1,024	-	1,012	-
Other current liabilities (Note 18)	11,201	-	6,804	-
Total current liabilities	612,696	17	457,362	15
NON-CURRENT LIABILITIES				
Deferred tax liabilities（Notes 4 and 23)	71,946	2	45,865	2
Lease liabilities - current (Notes 4 and 12)	821	-	1,845	-
Net defined benefit liabilities（Notes 4 and 19)	9,892	-	15,659	-
Guarantee deposits received	1,165	-	1,165	-
Total non-current liabilities	83,824	2	64,534	2
Total liabilities	696,520	19	521,896	17
EQUITY ATTRIBUTABLE TO OWNERS OF THE COMPANY				
Share capital	1,212,511	33	1,212,511	40
Capital surplus				
Additional paid-in capital	179,924	5	179,924	6
Treasury share transactions	4,036	-	4,036	-
Employee stock option	7,646	-	7,646	-
Other capital reserve	85	-	85	-
Total capital surplus	191,691	5	191,691	6
Retained earnings				
Legal reserve	130,650	3	80,610	3
Special reserve	106,006	3	106,006	3
Unappropriated earnings	1,427,192	39	952,088	32
Total retained earnings	1,663,848	45	1,138,704	38
Other equity	(42,909)	(1)	(38,752)	(1)
Treasury shares	(49,996)	(1)	(15,891)	-
Total equity	2,975,145	81	2,488,263	83
TOTAL LIABILITIES AND EQUITY	$ 3,671,665	100	$ 3,010,159	100

The accompanying notes are an integral part of the parent company only financial statements.

INFO-TEK CORPORATION

PARENT COMPANY ONLY STATEMENTS OF COMPREHENSIVE INCOME
FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021
(In Thousands of New Taiwan Dollars, Except Earnings Per Share)

	2022		2021	
	Amount	%	Amount	%
OPERATING REVENUE (Notes 4, 21 and 27)	$465,637	100	$399,037	100
COST OF GOODS SOLD (Notes 4,9,19,22 and 27)	362,934	78	352,091	88
GROSS PROFIT	102,703	22	46,946	12
OPERATING EXPENSES (Notes 19, 22 and 27)				
Selling and marketing expenses	7,799	1	7,820	2
General and administrative expenses	98,878	21	79,898	20
Expected credit loss (reversal gain) (Notes 4,8 and27)	(1,147)	-	1,023	-
Total operating expenses	105,530	22	88,741	22
LOSS FROM OPERATIONS	(2,827)	-	(41,795)	(10)
NON-OPERATING INCOME AND EXPENSES(Notes 4, 22 and 27)				
Interest income	1,942	-	41	-
Other income	10,628	2	9,873	2
Other gains and losses	16,446	4	(4,412)	(1)
Finance costs	(4,465)	(1)	(2,579)	(1)
Share of profit or loss of subsidiaries and associates	758,954	163	573,315	144
Total non-operating income and expenses	783,505	168	576,238	144
PROFIT BEFORE INCOME TAX FROM CONTINUING OPERATIONS	780,678	168	534,443	134

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INFO-TEK CORPORATION

PARENT COMPANY ONLY STATEMENTS OF COMPREHENSIVE INCOME
FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021
(In Thousands of New Taiwan Dollars, Except Earnings Per Share)

	2022		2021	
	Amount	%	Amount	%
INCOME TAX EXPENSE (Notes 4 and 23)	105,220	23	34,041	8
NET PROFIT FOR THE YEAR	675,458	145	500,402	126
OTHER COMPREHENSIVE INCOME (LOSS)				
Items that will not be reclassified subsequently to profit or loss:				
Unrealized loss on investments in quity instruments at fair value through other comprehensive income	(27,854)	(6)	(20,099)	(5)
Remeasurement of defined benefit plans	5,327	1	(654)	-
	(22,527)	(5)	(20,753)	(5)
Items that may be reclassified subsequently to profit or loss:				
Exchange differences on translating the financial statements of foreign operations	18,370	4	(10,598)	(3)
	18,370	4	(10,598)	(3)
Other comprehensive income(loss) for the year, net of income tax	(4,157)	(1)	(31,351)	(8)
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	$ 671,301	144	$ 469,051	118
EARNINGS PER SHARE (Note 24)				
Basic	$ 5.63		$ 4.16	
Diluted	$ 5.60		$ 4.15	

The accompanying notes are an integral part of the parent company only financial statements.

INFO-TEK CORPORATION AND SUBSIDIARIES

PARENT COMPANY ONLY STATEMENTS OF CHANGES IN EQUITY
FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021
(In Thousands of New Taiwan Dollars)

	Share Capital	Capital Surplus	Retained Earnings（Notes 4 and 20）			Other equity(Note 20)				
	(Note 20)	(Note 20)	Legal Reserve	Special Reserve	Unappropriated Earnings	Exchange Differences on Translating the Financial Statements of Foreign Operations	Unrealized gain(loss) on financial assets measured at fair value through other comprehensive income	Remeasurement of defined benefit obligation	Treasury shares(Note 20)	Total
BALANCE AT JANUARY 1, 2021	$ 1,212,511	$ 191,606	$ 59,832	$ 106,006	$ 568,665	($ 81,828)	$ 71,749	$ 2,678	($ 15,891)	$ 2,115,328
Appropriation of the 2020 earnings										
Legal reserve	-	-	20,778	-	(20,778)	-	-	-	-	-
Cash dividends distributed by the Company	-	-	-	-	(96,201)	-	-	-	-	(96,201)
Net profit for the year ended December 31, 2021	-	-	-	-	500,402	-	-	-	-	500,402
Other comprehensive income (loss) for the year ended December 31, 2021	-	-	-	-	-	(10,598)	(20,099)	(654)	-	(31,351)
Total comprehensive income (loss) for the year ended December 31, 2021	-	-	-	-	500,402	(10,598)	(20,099)	(654)	-	469,051
Other changes in capital surplus	-	85	-	-	-	-	-	-	-	85
BALANCE AT DECEMBER 31, 2021	1,212,511	191,691	80,610	106,006	952,088	(92,426)	51,650	2,024	(15,891)	2,488,263
Appropriation of the 2021 earnings										
Legal reserve	-	-	50,040	-	(50,040)	-	-	-	-	-
Cash dividends distributed by the Company	-	-	-	-	(150,314)	-	-	-	-	(150,314)
Purchase of treasury shares	-	-	-	-	-	-	-	-	(34,105)	(34,105)
Net profit for the year ended December 31, 2022	-	-	-	-	675,458	-	-	-	-	675,458
Other comprehensive income (loss) for the year ended December 31, 2022	-	-	-	-	-	18,370	(27,854)	5,327	-	(4,157)
Total comprehensive income (loss) for the year ended December 31, 2022	-	-	-	-	675,458	18,370	(27,854)	5,327	-	671,301
BALANCE, AT DECEMBER 31, 2022	$ 1,212,511	$ 191,691	$ 130,650	$ 106,006	$ 1,427,192	($ 74,056)	$ 23,796	$ 7,351	($ 49,996)	$ 2,975,145

The accompanying notes are an integral part of the parent company only financial statements.

INFO-TEK CORPORATION AND SUBSIDIARIES

PARENT COMPANY ONLY STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021
(In Thousands of New Taiwan Dollars)

	2022	2021
CASH FLOWS FROM OPERATING ACTIVITIES		
Income before before income tax from continuing operations	$780,678	$534,443
Adjustments for:		
Expected credit loss (reversal gain) of trade receivables	(1,147)	1,023
Depreciation expense	29,637	29,571
Amortization expense	1,131	1,873
Interest expense	4,465	2,579
Share of profit of subsidiaries and associates	(758,954)	(573,315)
Interest income	(1,942)	(41)
Dividend income	(1,427)	(1,903)
(Reversed) Write-downs of inventories	4,570	(5,812)
Gain(Loss) on disposals of Right-of-use asset	-	(5)
Net gain on foreign currency exchange	(74)	394
Changes in operating assets and liabilities		
Trade receivables	(64,175)	(58,870)
Trade receivables from related parties	(10,467)	(18,408)
Other receivables	(384)	428
Other receivables from related parties	10,508	(12,875)
Inventories	(32,672)	9,009
Other current assets	1,326	1,938
Trade payables	65,133	(1,070)
Trade payables to related parties	(928)	(1,734)
Other payables	19,635	24,166
Other payables to related parties	(300)	2,023
Net defined benefit liabilities	(440)	56
Other current liabilities	4,374	2,246
Cash generated from operations	48,547	(64,284)
Interest paid	(4,367)	(2,500)
Income tax paid	(26,039)	(14,521)
Net cash generated from operating activities	18,141	(81,305)

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INFO-TEK CORPORATION AND SUBSIDIARIES

PARENT COMPANY ONLY STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021
(In Thousands of New Taiwan Dollars)

	2022	2021
CASH FLOWS FROM INVESTING ACTIVITIES		
Interest received	1,942	41
Dividends received	218,128	109,328
Decrease prepayments for equipment received	-	155
Purchase of property, plant and equipment	(41,858)	(6,843)
Acquisition of intangible assets	-	(400)
Net cash used in investing activities	178,212	102,281
CASH FLOWS FROM FINANCING ACTIVITIES		
Increase in short-term borrowings	62,000	110,000
Increase in guarantee deposits received	-	513
Repayment of the principal of lease liabilities	(1,037)	(631)
Dividends paid to shareholders of the Company	(150,314)	(96,201)
Payments for purchase of treasury stock	(34,105)	-
Exercising the right of disgorgement	-	85
Net cash flows used in financing activities	(123,456)	13,766
EFFECTS OF EXCHANGE RATE CHANGES ON THE BALANCE OF CASH HELD IN FOREIGN CURRENCIES	1,242	(479)
NET INCREASE IN CASH AND CASH EQUIVALENTS	74,139	34,263
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR	144,937	110,674
CASH AND CASH EQUIVALENTS AT THE END OF THE TEAR	$219,076	$144,937

The accompanying notes are an integral part of the parent company only financial statements.

(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

1. GENERAL INFORMATION

Info-Tek Corporation (the “Company”) was incorporated in the Republic of China (ROC) in December, 1990.The Company started its business in April 1991 and is mainly engaged in the manufacture, assembly and processing, sales and distribution of information electronic products.

The company's shares were officially traded on the Taipei Exchange in March 2005.

The parent company only financial statements are presented in the Company’s functional currency, the New Taiwan dollars.

2. APPROVAL OF FINANCIAL STATEMENTS

The parent company only financial statements were approved by the Company’s board of directors on February 22, 2023.

3. APPLICATION OF NEW, AMENDED AND REVISED STANDARDS AND INTERPRETATIONS

(1) Initial application of the amendments to the Regulations Governing the Preparation of Financial Reports by Securities Issuers and the International Financial Reporting Standards (IFRS), International Accounting Standards (IAS), IFRIC Interpretations (IFRIC), and SIC Interpretations (SIC) (collectively, “IFRSs”) did not have a significant effect on the company accounting policies.

The initial application of the IFRSs endorsed and issued into effect by the FSC did not have material impact on the Company’s accounting policies.

(2) The IFRSs endorsed by the FSC for application starting from 2023:

New IFRSs	Effective Date Announced by IASB
Amendments to IAS 1 “Disclosure of Accounting Policies”	January 1, 2023 (Note1)
Amendments to IAS 8 “Definition to Accounting Estimates”	January 1, 2023 (Note2)
Amendments to IAS 12 “Defferred Tax related to Assets and Liabilities arising from a Single Transaction”	January 1, 2023 (Note3)

Note 1: The amendments will be applied prospectively for annual reporting periods beginning on or after January 1, 2023.

Note 2: The amendments are applicable to changes in accounting estimates and changes in accounting policies that occur on or after the annual reporting period beginning on or after January 1, 2023.

Note 3: Except for deferred taxes that will be recognized on January 1, 2022 for temporary differences associated with leases and decommissioning obligations, the amendments will be applied prospectively to transactions that occur on or after January 1, 2022.

a. Amendments to IAS 1 “Disclosure of Accounting Policies”
The amendments specify that the Company should refer to the definition of material to determine its material accounting policy information to be disclosed. Accounting policy information is material if it can reasonably be expected to influence decisions that the primary users of general

purpose financial statements make on the basis of those financial statements. The amendments also clarify that:

- Accounting policy information that relates to immaterial transactions, other events or conditions is immaterial and need not be disclosed;

- The Company may consider the accounting policy information as material because of the nature of the related transactions, other events or conditions, even if the amounts are immaterial; and

- Not all accounting policy information relating to material transactions, other events or conditions is itself material.

The amendments also illustrate that accounting policy information is likely to be considered as material to the financial statements if that information relates to material transactions, other events or conditions and:

(i) The Company changed its accounting policy during the reporting period and this change resulted in a material change to the information in the financial statements;

(ii) The Company chose the accounting policy from options permitted by the standards;

(iii) The accounting policy was developed in accordance with IAS 8 "Accounting Policies, Changes in Accounting Estimates and Errors" in the absence of an IFRS that specifically applies;

(iv) The accounting policy relates to an area for which the Company is required to make significant judgements or assumptions in applying an accounting policy, and the Company discloses those judgements or assumptions; or

(v) The accounting is complex and users of the financial statements would otherwise not understand those material transactions, other events or conditions.

b. Amendments to IAS 8 "Definition of Accounting Estimates"

The amendments define that accounting estimates are monetary amounts in financial statements that are subject to measurement uncertainty. In applying accounting policies, the Company may be required to measure items at monetary amounts that cannot be observed directly and must instead be estimated. In such a case, the Company uses measurement techniques and inputs to develop accounting estimates to achieve the objective. The effects on an accounting estimate of a change in a measurement technique or a change in an input are changes in accounting estimates unless they result from the correction of prior period errors.

c. Amendments to IAS 12 "Deferred Tax related to Assets and Liabilities arising from a Single Transaction"

The amendments clarify that the initial recognition exemption under IAS 12 does not apply to transactions in which equal taxable and deductible temporary differences arise on initial recognition. The Company will recognize a deferred tax asset (to the extent that it is probable that taxable profit will be available against which the deductible temporary difference can be utilized) and a deferred tax liability for all deductible and taxable temporary differences associated with leases and decommissioning obligations on January 1, 2022, and recognize the cumulative effect of initial application in retained earnings at that date. The Company will apply the amendments prospectively to transactions other than leases and decommissioning obligations that occur on or after January 1, 2022.

Except for the above impact, as of the date the consolidated financial statements were authorized for issue, the Company is continuously assessing the possible impact that the application of other standards and interpretations will have on the Company’s financial position and financial performance and will disclose the relevant impact when the assessment is completed.

(3) New IFRSs in issue but not yet endorsed and issued into effect by the FSC

New IFRSs	Effective Date Issued by IASB(Note 1)
Amendments to IFRS 10 and IAS 28 "Sale or Contribution of Assets between An Investor and Its Associate or Joint Venture	To be determined by IASB
Amendments to IFRS 16" Leases Liability in a Sale and Leaseback"	January 1, 2024（Note 2）
IFRS 17 "Insurance Contracts"	January 1, 2023
Amendments to IFRS 17	January 1, 2023
Amendments to IFRS 17 'Initial Application of IFRS 9 and IFRS 17 -Comparative Information"	January 1, 2023
Amendments to IAS 1 "Classification of Liabilities as Current or Non-current"	January 1, 2024
Amendments to IAS 1 "Non-current Liabilities with Covenants"	January 1, 2024

Note 1: Unless stated otherwise, the above New IFRSs are effective for annual reporting periods beginning on or after their respective effective dates.

Note 2: A seller-lessee shall apply the Amendments to IFRS 16 retrospectively to sale and leaseback transactions entered into after the date of initial application of IFRS 16.

a. Amendments to IFRS 10 and IAS 28 “Sale or Contribution of Assets between an Investor and its Associate or Joint Venture”

The amendments stipulate that, when the Company sells or contributes assets that constitute a business (as defined in IFRS 3) to an associate or joint venture, the gain or loss resulting from the transaction is recognized in full. Also, when the Company loses control of a subsidiary that contains a business but retains significant influence or joint control, the gain or loss resulting from the transaction is recognized in full.

Conversely, when the Company sells or contributes assets that do not constitute a business to an associate or joint venture, the gain or loss resulting from the transaction is recognized only to the extent of the Company’s interest as an unrelated investor in the associate or joint venture, i.e., the Company’s share of the gain or loss is eliminated. Also, when the Company loses control of a subsidiary that does not contain a business but retains significant influence or joint control over an associate or a joint venture, the gain or loss resulting from the transaction is recognized only to the extent of the Company’s interest as an unrelated investor in the associate or joint venture, i.e., the Company’s share of the gain or loss is eliminated.

b. Amendments to IAS 1 "Classification of Liabilities as Current or Non-current" (referred to as the"2020 amendments") and "Non-current Liabilities with Covenants" (referred to as the "2022amendments")

The 2020 amendments clarify that for a liability to be classified as non-current, the Company shall assess whether it has the right at the end of the reporting period to defer settlement of the liability for at least twelve months after the reporting period. If such rights are in existence at the end of the reporting period, the liability is classified as non-current regardless of whether the Company will exercise that right. The amendments stipulate that, for the purpose of liability classification, the aforementioned settlement refers to a transfer of cash, other economic resources or the Company's own equity instruments to the counterparty that results in the extinguishment of the liability. However, if the terms of a liability that could, at the option of the counterparty, result in its settlement by a transfer of the Company's own equity instruments, and if such option is recognized separately as equity in accordance with IAS 32 "Financial Instruments: Presentation", the aforementioned terms would not affect the classification of the liability.

The 2020 amendments also stipulate that, if the right to defer settlement is subject to compliance with specified conditions, the Company must comply with those conditions at the end of the reporting period even if the lender does not test compliance until a later date. The 2022 amendments further clarify that only covenants with which an entity is required to comply on or before the reporting date should affect the classification of a liability as current or non-current. Although the covenants to be complied with within twelve months after the reporting period do not affect the classification of a liability, the Company shall disclose information that enables users of financial statements to understand the risk of the Company that may have difficulty complying with the covenants and repay its liabilities within twelve months after the reporting period.

The 2020 amendments stipulate that, for the purpose of liability classification, the aforementioned settlement refers to a transfer of cash, other economic resources or the Company's own equity instruments to the counterparty that results in the extinguishment of the liability. However, if the terms of a liability that could, at the option of the counterparty, result in its settlement by a transfer of the Company's own equity instruments, and if such option is recognized separately as equity in accordance with IAS 32 "Financial Instruments: Presentation", the aforementioned terms would not affect the classification of the liability.

c. Amendments to IFRS 16 "Leases Liability in a Sale and leaseback"

The amendments clarify that the liability that arises from a sale and leaseback transaction-that satisfies the requirements in IFRS 15 to be accounted for as a sale-is a lease liability to which IFRS 16 applies. However, if the lease in a leaseback that includes variable lease payments that do not depend on an index or rate, the seller-lessee shall measure lease liabilities arising from a leaseback in a way that it does not recognize any amount of the gain or loss that relates to the right of use it retains. Seller-lessee subsequently recognizes in profit or loss the difference between the payments made for the lease and the lease payments that reduce the carrying amount of the lease liability.

Except for the above impact, as of the date the parent company only financial statements were authorized for issue, the Company is continuously assessing the possible impact of the application of other standards and interpretations on the Company's financial position and financial performance and will disclose the relevant impact when the assessment is completed.

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(1) Statement of compliance

The parent company only financial statements have been prepared in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers.

(2) Basis of preparation

The parent company only financial statements have been prepared on the historical cost basis except for financial instruments that are measured and net defined benefit liabilities which are measured at the present value of the defined benefit obligation less the fair value of plan assets.

The fair value is grouped into Levels 1 to 3 based on the measurable and observable degree of its input:

a. Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities;

b. Level 2: Other than those quoted prices of Level 1, the input of fair value at level 2 is from a price of assets or liabilities which can be observed directly or derived indirectly.

c. Level 3: The input of fair value at level 3 is unobservable from assets or liabilities.

When preparing these financial statements, the Company used the equity method to account for its investments in subsidiaries and associates. In order for the amounts of the net profit for the year, other comprehensive income for the year and total equity in the financial statements to be the same with the amounts attributable to the owners of the Company in its consolidated financial statements, adjustments arising from the differences in accounting treatments between the basis and the consolidated basis were made to investments accounted for using the equity method, the share of profit or loss of subsidiaries and associates, the share of other comprehensive income of subsidiaries and associates and the related equity items, as appropriate, in these financial statements.

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

Current assets include:

a. Assets held primarily for the purpose of trading;

b. Assets expected to be realized within 12 months after the reporting period; and

c. Cash and cash equivalents unless the assets are restricted from being exchanged or used to settle a liability for at least 12 months after the reporting period.

Current liabilities include:

a. Liabilities held primarily for the purpose of trading;

b. Liabilities due to be settled within 12 months after the reporting period; and

c. Liabilities for which the Company does not have an unconditional right to defer settlement for at least 12 months after the reporting period.

Assets and liabilities that are not classified as current are classified as non-current.

(4) Foreign currencies

In preparing the parent only company financial statements, transactions in currencies other than the Company's functional currency (foreign currencies) are recognized at the rates of exchange prevailing at the dates of the transactions.

At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Exchange differences on monetary items arising from settlement or translation are recognized in profit or loss in the period in which they arise.

Non-monetary items measured at fair value that are denominated in foreign currencies are retranslated at the rates prevailing at the date when the fair value was determined. Exchange differences arising from the retranslation of non-monetary items are included in profit or loss for the period except for exchange differences arising from the retranslation of non-monetary items in respect of which gains and losses are recognized directly in other comprehensive income, in which case, the exchange differences are also recognized directly in other comprehensive income.

Non-monetary items that are measured at historical cost in a foreign currency are not retranslated.

For the purposes of presenting parent company only financial statements, the assets and liabilities of the Company's foreign operations (including of the subsidiaries in other countries or currencies used different with the Company) are translated into New Taiwan dollars using exchange rates prevailing at the end of each reporting period. Income and expense items are translated at the average exchange rates for the period. Exchange differences arising, if any, are recognized in other comprehensive income.

On the disposal of a foreign operation (a disposal of the Company's entire interest in a foreign operation, or a disposal involving the loss of control over a subsidiary that includes a foreign operation, or a disposal of an associate of a foreign operation when the associate’s retained interest is a kind of financial asset applicable to financial instrument accounting treatments), all of the exchange differences accumulated in equity in respect of that operation attributable to the owners of the Company are reclassified to profit or loss.

In relation to a partial disposal of a subsidiary that does not result in the company losing control over the subsidiary, the proportionate share of accumulated exchange differences is re-attributed to the non-controlling interests of the subsidiary and is not recognized in profit or loss. For all other partial disposals, the proportionate share of the accumulated exchange differences recognized in other comprehensive income is reclassified to profit or loss.

(5) Inventories

Inventories consist of raw materials, work in progress and finished goods are stated at the lower of cost or net realizable value. The inventory cost, unless it is of the same kind, is compared with net realizable value item by item. The net realizable value is the estimated selling price of inventories less all estimated costs of completion and costs necessary to make the sale. Inventories are recorded at weighted-average cost at the end of the reporting period.

(6) Investment in subsidiaries

Investments accounted for using the equity method include investments in subsidiaries.

Subsidiary is an entity that is controlled by the Company.

Under the equity method, an investment in a subsidiary is initially recognized at cost and adjusted thereafter to recognize the Company's share of profit or loss and other comprehensive income of the subsidiary as well as the distribution received. The Company also recognized its share in the changes in the equity of subsidiaries.

Changes in the Company's ownership interests in subsidiaries that do not result in the Company losing control over the subsidiaries are accounted for as equity transactions. Any difference between the carrying amount of the subsidiary and the fair value of the consideration paid or received is recognized directly in equity.

When the Company's share of loss of a subsidiary exceeds its interest in that subsidiary (which includes any carrying amount of the investment accounted for using the equity method and long-term interests that, in substance, form part of the Company's net investment in the subsidiary), the Company continues recognizing its share of further loss.

Any excess of the cost of acquisition over the Company's share of the net fair value of the identifiable assets and liabilities of a subsidiary that constitutes a business at the date of acquisition is recognized as goodwill, which is included within the carrying amount of the investment and is not amortized. Any excess of the Company's share of the net fair value of the identifiable assets and liabilities of a subsidiary that constitutes a business over the cost of acquisition is recognized immediately in profit or loss.

The Company assesses its investment for any impairment by comparing the carrying amount with the estimated recoverable amount as assessed based on the investee's financial statements as a whole. Impairment loss is recognized when the carrying amount exceeds the recoverable amount. If the recoverable amount of the investment subsequently increases, the Company recognizes a reversal of the impairment loss; the adjusted post-reversal carrying amount should not exceed the carrying amount that would have been recognized had no impairment loss been recognized in prior years. An impairment loss recognized on goodwill cannot be reversed in a subsequent period.

When the Company loses control of a subsidiary, any retained investment of the former subsidiary is measured at the fair value at that date. A gain or loss is recognized in profit or loss and calculated as the difference between (a) the aggregate of the fair value of consideration received and the fair value of any retained interest at the date when control is lost; and (b) the previous carrying amount of the investments in such subsidiary. In addition, the Company shall account for all amounts previously recognized in other comprehensive income in relation to the subsidiary on the same basis as would be required if the subsidiary had directly disposed of the related assets and liabilities.

When the Company transacts with its subsidiaries, profits and losses resulting from the transactions with the subsidiaries are recognized in the Company's financial statements only to the extent of interests in the subsidiaries that are not owned by the Company.

(7) Property, plant and equipment

Property, plant and equipment are initially measured at cost and subsequently measured at cost less accumulated depreciation and accumulated impairment.

Depreciation of property, plant and equipment（Including assets held under finance leases） is recognized using the straight-line method. Each significant part is depreciated separately. The estimated useful lives, residual values and depreciation methods are reviewed at the end of each reporting period, with the effects of any changes in the estimates accounted for on a prospective basis.

The difference between the sales proceeds and the carrying amount of an item of property, plant and equipment to be disposed will be determined as disposal gain or loss and is recognized in profit or loss.

(8) Investment properties

Investment properties are properties held to earn rental or for future capital appreciation. Investment properties also include land held for a currently undetermined future use.

Investment properties are initially measured at cost, including transaction costs. Subsequent to initial recognition, investment properties are measured at cost less accumulated depreciation and accumulated impairment loss.

Depreciation of investment properties is recognized using the straight-line method.
The difference between the sales proceeds and the carrying amount of an item of investment properties to be disposed will be determined as disposal gain or loss and is recognized in profit or loss.

(9) Intangible assets

a. Intangible assets acquired separately

Intangible assets with finite useful lives that are acquired separately are initially measured at cost and subsequently measured at cost less accumulated amortization and accumulated impairment. Amortization is recognized on a straight-line basis. The estimated useful lives, residual values, and amortization methods are reviewed at the end of each reporting period, with the effect of any changes in the estimates accounted for on a prospective basis. Intangible assets with indefinite useful lives that are acquired separately are measured at cost less accumulated impairment.

b. Derecognition of intangible assets

The difference between the sales proceeds and the carrying amount of an item of intangible assets to be disposed will be determined as disposal gain or loss and is recognized in profit or loss.

(10) Impairment of property, plant and equipment, right-of-use asset, intangible assets and contract cost related assets

At the end of each reporting period, the Company reviews the carrying amounts of its property, plant and equipment, right-of-use asset, and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss. When it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs. Corporate assets are allocated to the individual cash-generating units on a reasonable and consistent basis of allocation.

Intangible assets with indefinite useful lives and intangible assets not yet available for use are tested for impairment at least annually and when there is an indication that the assets may be impaired.

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

An impairment loss is recognized for inventory, property, plant and equipment, and intangible assets recognized under customer contracts in accordance with the inventory impairment rules and the above provisions, and an impairment loss is recognized for the amount by which the carrying amount of the contract cost-related assets exceeds the estimated residual value of the consideration to be received for the provision of the related goods or services, less directly related costs. The carrying amount of the assets related to contract costs is included in the respective cash-generating unit for the purpose of assessing the impairment of the cash-generating unit.

When an impairment loss is subsequently reversed, the carrying amount of the asset, cash-generating unit or contract cost-related asset 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 had no impairment loss been recognized for the asset, cash-generating unit or contract cost-related asset in prior years. Reversals of impairment losses are recognized in profit or loss.

(11) Financial instruments

Financial assets and financial liabilities are recognized when the Company becomes a party to the contractual provisions of the instruments.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issuance of financial assets and financial liabilities (other than financial assets and financial liabilities at FVTPL) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at FVTPL are recognized immediately in profit or loss.

01. Financial assets

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

I. Measurement categories

Financial assets are classified into the following categories: financial assets at amortized cost and equity instruments at FVTOCI.

A. Financial assets at amortized cost

Financial assets that meet the following criteria are classified as financial assets amortized cost:

a. The financial asset is held in a business model whose objective of holding these financial assets is to collect contractual cash flows; and

b. Base on the contract, the financial assets will generate a cash flow that are solely for the payments of principal and interest on the outstanding principal amount.

Subsequent to initial recognition, financial assets at amortized cost, including cash and cash equivalents, trade receivables at amortized cost, are measured at amortized cost, which equals the gross carrying amount determined using the effective interest method less any impairment loss. Exchange differences are recognized in profit or loss.

Interest income is calculated by applying the effective interest rate to the gross carrying amount of such a financial asset, except for:

a. The interest revenue of purchased or originated credit-impaired financial assets is calculated by multiplying the credit-adjusted effective interest rate by the amortized cost of such financial assets; and

b. If financial assets, that are not credit-impaired originally or upon purchasing, subsequently become credit impaired, its interest income is calculated by multiplying the credit-adjusted effective interest rate by the amortized cost of such financial assets.

A financial asset is credit impaired when one or more of the following events have occurred:

i) Significant financial difficulty of the issuer or the borrower;
ii) Breach of contract, such as a default;
iii) It is becoming probable that the borrower will enter bankruptcy or undergo a financial reorganization; or
iv) The disappearance of an active market for that financial asset because of financial difficulties.

Cash equivalents include time deposits with original maturities within 3 months from the date of acquisition, which are highly liquid, readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value. These cash equivalents are held for the purpose of meeting short-term cash commitments.

B. Investments in equity instruments at FVTOCI

On initial recognition, the Company may irrevocably designate investments in equity instruments, that is not held for trading and is a contingent consideration of a business acquisition, as at FVTOCI.

Investments in equity instruments at FVTOCI are subsequently measured at fair value with gains and losses arising from changes in fair value recognized in other comprehensive income and accumulated in other equity. The cumulative gain or loss will not be reclassified to profit or loss on disposal of the equity investments; instead, it will be transferred to retained earnings.

Dividends on these investments in equity instruments are recognized in profit or loss when the Company’s right to receive the dividends is established, unless the dividends clearly represent a recovery of part of the cost of the investment.

II. Impairment of financial assets and contract assets

At the end of each reporting period, a loss is recognized for financial assets at amortized cost (including trade receivables) and contract assets.

The Company always recognizes lifetime expected credit losses (ECLs) for trade receivables. For all other financial instruments, the Company recognizes lifetime ECLs when there has been a significant increase in credit risk since initial recognition. If, on the other hand, the credit risk on a financial instrument has not increased significantly since initial recognition, the Company measures the loss allowance for that financial instrument at an amount equal to 12-month ECLs.

Expected credit losses reflect the weighted average of credit losses with the respective risks of default occurring as the weights. Lifetime ECLs represent the expected credit losses that will result from all possible default events over the expected life of a financial instrument. In contrast, 12-month ECLs represent the portion of lifetime ECLs that is expected to result from default events on a financial instrument that are possible within 12 months after the reporting date.

For internal credit risk management purposes, the Company determines that the following situations indicate a financial asset is in default (without taking into account any collateral held by the Group):

A. Internal or external information shows that the debtor is unlikely to pay its creditors.

B. Financial asset is more than 90 days past due unless the Company has reasonable and corroborative information to support a more lagged default criterion.

The impairment loss of all financial assets is recognized in profit or loss by a reduction in their carrying amounts through a loss allowance account, except for investments in debt instruments that are measured at FVTOCI, for which the loss allowance is recognized in other comprehensive income and the carrying amounts of such financial assets are not reduced.

III. Derecognition of financial assets

The Company derecognizes a financial asset only when the contractual rights to the cash flows from the asset expire or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party.

On derecognition of a financial asset at amortized cost in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognized in profit or loss. However, on derecognition of an investment in an equity instrument at FVTOCI, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognized in profit or loss, and the cumulative gain or loss which had been recognized in other comprehensive income is transferred directly to retained earnings, without recycling through profit or loss.

02. Equity Instruments

Debt and equity instruments issued by the Company are classified as financial liabilities or equity based on the substance of the contractual agreements and the definitions of financial liabilities and equity instruments.

Equity instruments issued by the Company are recognized at the acquisition price less direct issuance costs.

The carrying amount of equity instruments that are retracted from the Company's own equity is recognized and deducted under equity and is calculated on a weighted-average basis by type of stock. The purchase, sale, issuance or cancellation of the Company's own equity instruments are not recognized in profit or loss.

03. Financial liabilities

i. Subsequent measurement

Financial liabilities are measured at amortized cost using the effective interest method.（See the accounting policy above for an explanation of the effective interest method.）。

ii. Derecognition of financial liabilities

The difference between the carrying amount of the financial liability derecognized and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognized in profit or loss.

(12) Provisions

Provisions are measured at the best estimate of the discounted cash flows of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation.

<u>Warranty</u>

The warranty obligation to conform to the agreed-upon specifications is based on management's best estimate of the expenses required to settle the Company's obligations and is recognized as revenue from the related merchandise.

(13) Revenue recognition

The Company identifies contracts with customers, allocates the transaction price to the performance obligations and recognizes revenue when performance obligations are satisfied.

If the interval between the transfer of goods or services and the receipt of consideration is less than one year, the transaction price is not adjusted for significant financial components of the contract.

<u>Sales revenue</u>

The Company recognizes revenue and accounts receivable at the point of sale when the customer has the right to set the price and use of the merchandise and has the primary responsibility for re-selling the merchandise and bears the risk of obsolescence. Prepayments for product sales are recognized as contractual liabilities until the product arrives.

The Company does not recognize any revenue when materials are delivered to subcontractors because the title of control is not transferred along with the delivery.

(14) Lease

At the inception of a contract, the Company assesses whether the contract is a lease.

For contracts with lease and non-lease components, the Company apportions the consideration in the contracts on the basis of relatively separate prices and treats them separately.

i. The Company as lessor

Leases are classified as finance leases whenever the terms of a lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

Lease payments (less any lease incentives payable) from operating leases are recognized as income on a straight-line basis over the terms of the relevant leases. Initial direct costs incurred in obtaining operating leases are added to the carrying amounts of the underlying assets and recognized as expenses on a straight-line basis over the lease terms.

ii. The Company as lessee

The Company recognizes right-of-use assets and lease liabilities for all leases at the commencement date of a lease, except for short-term leases and low-value asset leases accounted for applying a recognition exemption where lease payments are recognized as expenses on a straight-line basis over the lease terms.

Right-of-use assets are initially measured at cost and subsequently measured at cost less accumulated depreciation and impairment losses, and adjusted for any remeasurement of the lease liabilities. Right-of-use assets are presented on a separate line in the parent company only balance sheets.

Right-of-use assets are depreciated using the straight-line method from the commencement dates to the earlier of the end of the useful lives of the right-of-use assets or the end of the lease terms. If the lease transfers ownership of the underlying assets to the Company by the end of the lease terms or if the cost of right-of-use assets reflects that the Company will exercise a purchase option, the Company depreciates the right-of-use assets from the commencement dates to the end of the useful lives of the underlying assets.

Lease liabilities are initially measured at the present value of the lease payments. The lease payments are discounted using the interest rate implicit in a lease, if that rate can be readily determined. If that rate cannot be readily determined, the Company uses the lessee’s incremental borrowing rate.

Subsequently, lease liabilities are measured at amortized cost using the effective interest method, with interest expense recognized over the lease terms. When there is a change in a lease term, a change in the amounts expected to be payable under a residual value guarantee, or a change in future lease payments resulting from a change in an index or a rate used to determine those payments, the Company remeasures the lease liabilities with a corresponding adjustment to the right-of-use-assets. However, if the carrying amount of the right-of-use assets is reduced to zero, any remaining amount of the remeasurement is recognized in profit or loss. For lease modifications that are not treated as separate leases, the remeasurement of the lease liability due to a reduction in the scope of the lease is a reduction of the right-of-use asset and the recognition of gain or loss on partial or full termination of the lease; the remeasurement of the lease liability due to other modifications is an adjustment to the right-of-use asset.Lease liabilities are presented on a separate line in the consolidated balance sheets.

(15) Borrowing costs

All borrowing costs are recognized in profit or loss in the period in which they are incurred.

(16) Government grants

Government grants are not recognized until there is reasonable assurance that the Company will comply with the conditions attached to them and that the grants will be received.

Government grants are recognized in profit or loss on a systematic basis over the periods in which the Company recognizes as expenses the related costs for which the grants are intended to compensate.

Government grants that are receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the Company with no future related costs are recognized in profit or loss in the period in which they are received.

(17) Employee benefits

i. Short-term employee benefits
Liabilities recognized in respect of short-term employee benefits are measured at the undiscounted amount of the benefits expected to be paid in exchange for the related services.

ii. Retirement benefits
Payments to defined contribution retirement benefit plans are recognized as an expense when employees have rendered services entitling them to the contributions.

Defined benefit costs (including service cost, net interest and remeasurement) under defined benefit retirement benefit plans are determined using the projected unit credit method. Service cost (including current service cost) and net interest on the net defined benefit liabilities (assets) are recognized as employee benefits expense in the period in which they occur. Remeasurement, comprising actuarial gains and losses and the return on plan assets (excluding interest), is recognized in other comprehensive income in the period in which it occurs. Remeasurement recognized in other comprehensive income is reflected immediately in other equity and will not be reclassified to profit or loss.

Net defined benefit liabilities (assets) represent the actual deficit (surplus) in the Company's defined benefit plans. Any surplus resulting from this calculation is limited to the present value of any refunds from the plans or reductions in future contributions to the plans.

(18) Taxation

Income tax expense represents the sum of the tax currently payable and deferred tax.

i. Current tax

According to the Income Tax Law in the ROC, an additional tax on unappropriated earnings is provided for in the year the shareholders approve to retain earnings.

Adjustments of prior years' tax liabilities are added to or deducted from the current year's tax provision.

ii. Deferred tax
Deferred tax is recognized on temporary differences between the carrying amounts of assets and liabilities and the corresponding tax bases used in the computation of taxable profit.

Deferred tax liabilities are generally recognized for all taxable temporary differences. Deferred tax assets are generally recognized for all deductible temporary differences and unused loss carryforward to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilized.

Deferred tax liabilities are recognized for taxable temporary differences associated with investments in subsidiaries and associates, except where the Company is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax assets arising from deductible temporary differences associated with such investments and interests are only recognized to the extent that it is probable that there will be sufficient taxable profits against which to utilize the benefits of the temporary differences and they are expected to reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. A previously unrecognized deferred tax asset is also reviewed at the end of each reporting period and recognized to the to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liabilities are settled or the assets are realized, based on tax rates and tax laws that have been enacted or substantively enacted by the end of the reporting period. The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Company expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

iii. Current and Deferred Income Taxes

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

5. CRITICAL ACCOUNTING JUDGMENTS AND KEY SOURCES OF ESTIMATION AND UNCERTAINTY

In the application of the Group’s accounting policies, management is required to make judgments, estimates and assumptions on the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered relevant. Actual results may differ from these estimates.

The Group takes into account the recent development of the novel coronavirus pneumonia outbreak and its possible impact on the economic environment in its consideration of cash flow projections, growth rates, discount rates, profitability, and other related significant accounting estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

The accounting policies, estimates and underlying assumptions used by the Group have not been evaluated by the Group's management and there are no significant accounting judgments, estimates and assumptions that are uncertain.

6. CASH AND CASH EQUIVALENTS

	December 31	
	2022	2021
Cash on hand	$ 160	$ 160
Checking accounts and demand deposits	218,916	144,777
	$ 219,076	$ 144,937

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

	December 31	
	2022	2021
Time deposits	3.92%-5.1%	-

7. FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

	December 31	
	2022	2021
Current		
Domestic investments		
Listed stocks	$ 25,005	$ 52,859

The Company invests for medium- and long-term strategic purposes and expects to earn profits from its long-term investments. The management of the Company believes that if the short-term fluctuations on fair value of these investments are included in profit or loss, it will be inconsistent with the Company's aforementioned medium and long-term investment strategy, and therefore, the management chooses to designate these investments as measured at fair value through other comprehensive profit or loss.

8. TRADE RECEIVABLES AND OTHER RECEIVABLES

	December 31	
	2022	2021
Trade receivables		
At amortized cost		
Gross carrying amount	$ 196,114	$ 133,743
Less: Allowance for impairment loss	(6)	(1,145)
	$ 196,108	$ 132,598
Other receivables		
Gross carrying amount	$ 384	$ -

(1) NOTES RECEIVABLE AND TRADE RECEIVABLES

The average credit period of sales was 60 to 120 days. No interest was charged on trade receivables.

The Company adopted a policy of new customers' credit rating and, when necessarily, obtained sufficient collateral to mitigate the risk of financial loss from defaults. Credit rating information is obtained from independent rating agencies where available or, if not available, the Company uses other publicly available financial information or its own trading records to rate its major customers. The Company continuously monitored the credit ratings of its customers and its credit exposure. To control the credit exposure, the Company will decide a transaction limit for customers.

In order to minimize credit risk, the management of the Company has delegated a team responsible for determining credit limits, credit approvals and other monitoring procedures to ensure that action is taken to recover overdue debts. In addition, the Company reviews the recoverable amount of each individual trade receivable at the end of the year to ensure that adequate allowance is made for possible irrecoverable amounts. In this regard, the management believes the Company's credit risk was significantly reduced.

The Company measures the loss allowance for trade receivables at an amount equal to lifetime expected credit losses (ECL) in compliance with IFRS 9. The expected credit losses on trade receivables are estimated using an aging analysis by reference to the past default experience of the debtor and an analysis of the debtor's current financial position, adjusted for general economic conditions of the industry in which the debtors operate and an assessment of both the current as well as the forecasted direction of economic conditions at the reporting date. As the Company's historical credit loss experience does not show significantly different loss patterns for different customer segments, the provision for loss allowance based on past due status is not further distinguished according to the Company's different customer base. The estimated percentages of expected credit loss of receivables are based the receivables' aging analysis.

The Company writes off a trade receivable when there is information indicating that the debtor is in severe financial difficulty and there is no realistic prospect of recovery. For trade receivables that have been written off, the Company continues to engage in recourse action to attempt to recover the receivables. The recoveries, if any, are recognized in profit or loss.

Aging analysis of trade receivables and allowance for impairment loss were as follows:

December 31, 2022

	Not Past Due	1 to 30 Days	31 to 60 Days	61 to 90 Days	91 to 180 Days	181 to 360 Days	Over 360 Days	Total
Expected credit loss percentage	0%	1%	5%	10%	25%	50%	100%	-
Gross carrying amount	$ 195,640	$ 473	$ 1	$ -	$ -	$ -	$ -	$ 196,114
Loss allowance (Lifetime ECLs)	-	(6)	-	-	-	-	-	(6)
Amortized cost	$ 195,640	$ 467	$ 1	$ -	$ -	$ -	$ -	$ 196,108

December 31, 2021

	Not Past Due	1 to 30 Days	31 to 60 Days	61 to 90 Days	91 to 180 Days	181 to 360 Days	Over 360 Days	Total
Expected credit loss percentage	0%	1%	5%	10%	25%	50%	100%	-
Gross carrying amount	$ 129,592	$ 1,803	$ -	$ -	$ 193	$ 2,155	$ -	$ 133,743
Loss allowance (Lifetime ECLs)	-	(19)	-	-	(48)	(1,078)	-	(1,145)
Amortized cost	$ 129,592	$ 1,784	$ -	$ -	$ 145	$ 1,077	$ -	$ 132,598

The movements of the loss allowance of trade receivables were as follows:

	For the Years Ended December 31	
	2022	2021
Balance at January 1	$ 1,145	$ 1
Provision		1,287
(Reversal)	(1,139)	(143)
Balance at December 31	$ 6	$ 1,145

(2) OTHER RECEIVABLES

The movements of the loss allowance of other receivables were as follows:

	For the Years Ended December 31	
	2022	2021
Balance at January 1	$ -	$ 121
provision	-	(121)
Balance at December 31	$ -	$ -

Aging analysis of other receivables and allowance for impairment loss were as follows:

December 31, 2022

	Not Past Due	1 to 30 Days	31 to 60 Days	61 to 90 Days	91 to 180 Days	181 to 360 Days	Over 360 Days	Total
Expected credit loss percentage	0%	1%	5%	10%	25%	50%	100%	
Gross carrying amount	$ 384	$ -	$ -	$ -	$ -	$ -	$ -	$ 384
Loss allowance (Lifetime ECLs)	-	-	-	-	-	-	-	-
Amortized cost	$ 384	$ -	$ -	$ -	$ -	$ -	$ -	$ 384

December 31, 2021

	Not Past Due	1 to 30 Days	31 to 60 Days	61 to 90 Days	91 to 180 Days	181 to 360 Days	Over 360 Days	Total
Expected credit loss percentage	0%	1%	5%	10%	25%	50%	100%	
Gross carrying amount	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Loss allowance (Lifetime ECLs)	-	-	-	-	-	-	-	-
Amortized cost	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -

As of December 31, 2022, the Company had no other receivables that were past due and not impaired. The Company does not hold any collateral for the balances of these other receivables.

9. INVENTORIES

	December 31	
	2022	2021
Finished goods	$ 7,452	$ 261
Work in progress	9,411	6,185
Raw materials	41,143	23,455
Materials	3	6
	$ 58,009	$ 29,907

The cost of goods sold is as follows：

	For the Years Ended December 31	
	2022	2021
Cost of goods sold	$ 358,364	$ 357,903
Inventory write-downs (reversed) (1)	4,570	(5,812)
	$ 362,934	$ 352,091

(1) Previous write-downs were reversed as a result of selling

10. INVESTMENTS ACCOUNTED FOR USING EQUITY METHOD

Investment in Subsidiaries

	December 31	
	2022	2021
Unlisted shares		
SUN RISE CORPORATION	$ 2,585,988	$ 2,039,101
INFO-TEK HOLDING CO., LTD.	205,896	187,566
	$ 2,791,884	$ 2,226,667

	Percentage of ownership and voting rights	
	December 31	
Subsidiary Name	2022	2021
SUN RISE CORPORATION	100%	100%
INFO-TEK HOLDING CO., LTD.	100%	100%

The shares of profit or loss and other comprehensive income of the subsidiaries using 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.

11. PROPERTY, PLANT AND EQUIPMENT

	Land	Buildings and Improvements	Machinery and Equipment	Transportation Equipment	office equipment	Other Equipment	Unfinished project	Total
Cost								
Balance at January 1, 2021	$ 101,551	$ 290,329	$ 157,870	$ 932	$ 16,904	$ 15,047	$ 1,144	$ 583,777
Additions	-	1,468	-	-	-	176	4,544	6,188
Reclassified	-	(420)	-	-	-	-	-	(420)
Disposals	-	3,939	362	-	642	745	(5,688)	-
Transfer to investment real estate	-	(20,556)	-	-	-	-	-	(20,556)
Balance at December 31, 2021	$ 101,551	$ 274,760	$ 158,232	$ 932	$ 17,546	$ 15,968	$ -	$ 568,989
Accumulated depreciation and impairmen								
Balance at January 1, 2021	$ -	$ 144,886	$ 107,588	$ 932	$ 12,561	$ 11,146	$ -	$ 277,113
Depreciation expense	-	(420)	-	-	-	-	-	(420)
Disposals	-	13,295	11,048	-	1,625	1,293	-	27,261
Transfer to investment real estate	-	(12,104)	-	-	-	-	-	(12,104)
Balance at December 31, 2021	$ -	$ 145,657	$ 118,636	$ 932	$ 14,186	$ 12,439	$ -	$ 291,850
Carrying amount at December 31, 2021	$ 101,551	$ 129,103	$ 39,596	$ -	$ 3,360	$ 3,529	$ -	$ 277,139

(Continue)

	Land	Buildings and Improvements	Machinery and Equipment	Transportation Equipment	office equipment	Other Equipment	Unfinished project	Total
Cost								
Balance at January 1, 2022	$ 101,551	$ 274,760	$ 158,232	$ 932	$ 17,546	$ 15,968	$ -	$ 568,989
Additions	-	2,997	35,136	-	-	-	1,092	39,225
Disposals	-	(1,963)	(100)	-	-	(1,390)	-	(3,453)
Reclassified	-	1,092	-	-	-	-	(1,092)	-
Balance at December 31, 2022	$ 101,551	$ 276,886	$ 193,268	$ 932	$ 17,546	$ 14,578	$ -	$ 604.761
Accumulated depreciation and impairment								
Balance at January 1, 2022	$ -	$ 145,657	$ 118,636	$ 932	$ 14,186	$ 12,439	$ -	$ 291,850
Disposals	-	(1,963)	(100)	-	-	(1,390)	-	(3,453)
Depreciation expense	-	13,682	10,248	-	1,334	1,359	-	26,623
Reclassified	-	478	-	-	-	-	-	478
Balance at December 31, 2022	$ -	$ 157,854	$ 128,784	$ 932	$ 15,520	$ 12,408	$ -	$ 315,498
Carrying amount at December 31, 2022	$ 101,551	$ 119,032	$ 64,484	$ -	$ 2,026	$ 2,170	$ -	$ 289,263

The above items of property, plant and equipment are depreciated on a straight-line basis over their estimated useful lives as follows:

Buildings	
Main buildings	35 year
Electrical mechanical and power equipment	3-35 year
Machinery and Equipment	2-8 year
Transportation Equipment	5 year
Office Equipment	2-5 year
Other Equipment	3-10 year

For the amount of real estate, plant and equipment pledged as loan guarantee, please refer to Note 28。

12. LEASE AGREEMENT

(1) Right-of-use-assets

	Land	Machinery and Equipment	Transportation Equipment	Total
Cost				
Balance at January 1, 2021	$ -	$ 641	$ 2,232	$ 2,873
Additions	2,409	-	-	2,409
Disposals	-	-	(1,627)	(1,627)
Lease liability remeasurement	-	-	-	-
Balance at December 31, 2021	$ 2,409	$ 641	$ 605	$ 3,655
Accumulated depreciation and impairment				
Balance at January 1, 2021	$ -	$ 270	$ 827	$ 1,097
Disposals	-	-	(908)	(908)
Depreciation expense	66	135	425	626
Balance at December 31, 2021	$ 66	$ 405	$ 344	$ 815
Carrying amount at December 31, 2021	$ 2,343	$ 236	$ 261	$ 2,840
Cost				
Balance at January 1, 2022 to Balance at December 31, 2022	$ 2,409	$ 641	$ 605	$ 3,655
Accumulated depreciation and impairment				
Balance at January 1, 2022	$ 66	$ 405	$ 344	$ 815
Depreciation expense	803	135	165	1,103
Balance at December 31, 2022	$ 869	$ 540	$ 509	$ 1,918
Carrying amount at December 31, 2022	$ 1,540	$ 101	$ 96	$ 1,737

In addition to the addition and recognition of depreciation expenses listed above, there were no major subleases and impairments of the right-of-use assets of the Company in 2022 and 2021.

(2) Lease liabilities

	Rental period	December 31 2022	December 31 2021
Current			
Land	2021/12/1-2024/11/30	$ 822	$ 708
Machinery and Equipment	2018/7/1-2023/9/1	104	137
Transportation Equipment	2019/11/1-2023/7/1	98	167
		$ 1,024	$ 1,012

	Rental period	December 31 2022	December 31 2021
Non- current			
Land	2021/12/1-2024/11/30	$ 821	$ 1,643
Machinery and Equipment	2018/7/1-2023/9/1	-	104
Transportation Equipment	2019/11/1-2023/7/1	-	98
		$ 821	$ 1,845

Range of discount rates for lease liabilities were as follows: ：

	December 31 2022	December 31 2021
Land	1.031%	1.031%
Machinery and Equipment	1.35%	1.35%
Transportation Equipmen	1.35%	1.35%

(3) Other lease information

	For the Years Ended December 31 2022	For the Years Ended December 31 2021
Expenses relating to short-term leases	$ 150	$ 379
Expenses relating to low-value asset leases	$ 26	$ 97
Total cash outflow of leases	$ 1,213	$ 1,107

Some buildings、office equipment 、transportation equipment and other equipment leases of the Company are qualified as short-term leases or low-value assets leases, the Company has elected to apply the recognition exemption and thus, did not recognize right-of-use assets and lease liabilities for these leases.

13. INVESTMENT PROPERTIES

	Buildings and Improvements
Cost	
Balance at January 1, 2021	$ 34,238
Reclassified	20,556
Balance at December 31, 2021	$ 54,794
Accumulated depreciation	
Balance at January 1, 2021	$ 19,146
Depreciation	1,684
Reclassified	12,104
Balance at December 31, 2021	$ 32,934
Carrying amount at December 31, 2021	$ 21,860
Cost	
Balance at January 1, 2022& Balance at December 31, 2022	$ 54,794
Accumulated depreciation	
Balance at January 1, 2022	$ 32,934
Depreciation	1,911
Reclassified	(478)
Balance at December 31, 2022	$ 34,367
Carrying amount at December 31, 2022	$ 20,427

On December 31, 2022 and 2021, the total lease payments to be received for investment property leased under operating leases are as follows:

	For the Years Ended December 31	
	2022	2021
1 year	$ -	$ 6,720
2 year	-	6,720
3 year	-	6,809
4 year	-	6,846
5 year	-	6,846
Over 5 years	-	29,792
	$ -	$ 63,733

The lease has been proposed terminate by the associated company- INPAQ TECHNOLOGY CO., LTD. on November 1, 2022, and the lease had end on December 31, 2022.

The investment properties are depreciated using the straight-line method over their estimated useful lives, depreciation expense accounts for other gains and losses:

Buildings	35 year
Other Equipment	3-35 year

The fair value of investment real estate has not been evaluated by an independent appraiser, but only by the management of the Company with reference to market evidence of similar real estate transaction prices. The fair value of the evaluation is as follows:

	December 31	
	2022	2021
Fair value	$ 88,370	$ 92,656

All investment real estate of the Company is its own equity. Please refer to Note 28 for the amount of investment real estate set as loan guarantee.

14. INTANGIBLE ASSETS

	Computer Software
Cost	
Balance at January 1, 2021	$ 30,048
Additions	400
Balance at December 31, 2021	$ 30,448
Accumulated amortization and impairment	
Balance at January 1, 2021	$ 27,027
Amortization expense	1,873
Balance at December 31, 2021	$ 28,900
Carrying amount at December 31, 2021	$ 1,548
Cost	
Balance at January 1, 2022& Balance at December 31, 2022	$ 30,448
Accumulated depreciation	
Balance at January 1, 2022	$ 28,900
Depreciation	1,131
Balance at December 31, 2022	$ 30,031
Carrying amount at December 31, 2022	$ 417

Computer Software are amortized of 3 to 8 years using the straight-line method.

15. OTHER ASSETS

	December 31	
	2022	2021
Current		
Prepayments	$ 1,481	$ 2,744
Payment on behalf of others	227	406
Others	146	30
	$ 1,854	$ 3,180
Non-current		
Golf Membership Cards	$ 6,000	$ 6,000

16. BORROWINGS

Short-term borrowings

	December 31	
	2022	2021
Secured loan(Note28)		
Bank loans	$ -	$ 70,000
Unsecured borrowings		
Line of credit borrowings	362,000	230,000
	$ 362,000	$ 300,000

The interest rates on the borrowings ranged from 1.531% to 1.925% and 1.00% to 1.05% as of December 31, 2022 and 2021, respectively.

17. ACCOUNTS PAYABLE

	December 31	
	2022	2021
Accounts payable		
Occurred as a result of business	$ 98,184	$ 35,256

18. OTHER LIABILITIES

	December 31	
	2022	2021
Other payables		
Salaries and bonuses payable	$ 88,591	$ 71,502
Equipment Payables	2,053	4,686
Interest payable	203	130
Others	28,740	26,351
	$ 119,587	$ 102,669
Other current liabilities		
Allowance for returns and discounts	$ 3,582	$ 3,984
Advance receivable	1,018	411
Temporary receivable	5,452	1,498
Receipts under custody	355	357
,Others	794	911
	$ 11,201	$ 6,804

19. RETIREMENT BENEFIT PLANS

(1) Defined contribution plans

The pension system applicable to the "Labor Pension Act" of the Company is a government-managed definite contribution retirement plan, and 6% of the employee's monthly salary is allocated to the individual account of the Labor Insurance Bureau.

(2) Defined Benefit Plan

The pension system of the Company is a defined benefit retirement plan managed by the government in accordance with the "Labor Standards Law" of the country. The payment of employee pensions is calculated based on the years of service and the average salary of the six months before the approved retirement date. The Company allocate pensions based on 2% of the total monthly salary of employees, and submit them to the Labor Retirement Reserve Supervision Committee to deposit them in the special account of the Bank of Taiwan in the name of the committee. Before the end of the year, if the estimated balance in the special account is insufficient to pay for the next year for workers who are estimated to meet the retirement conditions, the difference will be allocated before the end of March of the following year. The special account is managed by the Labor Fund Utilization Bureau of the Ministry of Labor, and the Company has no right to influence the investment management strategy.

The amounts included in the parent company only balance sheets in respect of the Company’s defined benefit plans were as follows:

	December 31	
	2022	2021
Present value of defined benefit obligation	$ 24,630	$ 33,314
Fair value of plan assets	(14,738)	(17,655)
Net defined benefit liabilities	$ 9,892	$ 15,659

	Present Value of the Defined Benefit Obligation	Fair Value of the Plan Assets	Net Defined Benefit (Assets) Liabilities
Balance at January 1, 2021	$ 31,893	($ 16,944)	$ 14,949
Service cost			
Current service cost	$ 217	$ -	$ 217
Net interest expense (income)	128	(68)	60
Recognized in profit or loss	345	(68)	277
Remeasurement			
Return on the plan assets （Except for amounts included in net interest）	-	(258)	(258)
Actuarial profit - changes in financial assumptions	(478)	-	(478)
Actuarial profit - experience adjustments	1,390	-	1,390
Recognized in other comprehensive income	912	(258)	654
Contributions from the employer	$ -	($ 385)	($ 385)
Corporate Rotation	164	-	164
Balance at December 31, 2021	$ 33,314	($ 17,655)	$ 15,659
Balance at January 1, 2022	$ 33,314	($ 17,655)	$ 15,659
Service cost			
Current service cost	153	-	153
Net interest expense (income)	183	(98)	85
Recognized in profit or loss	336	(98)	238
Remeasurement			
Return on the plan assets （Except for amounts included in net interest）	-	(1,376)	(1,376)
Actuarial profit - changes in financial assumptions	(1,492)	-	(1,492)
Actuarial profit - experience adjustments	(3,791)	-	(3,791)
Recognized in other comprehensive income	(5,283)	(1,376)	(6,659)
Contributions from the employer	-	(407)	(407)
Benefit Payments	(4,798)	4,798	-
Corporate Rotation	1,061	-	1,061
Balance at December 31,2022	$ 24,630	($ 14,738)	$ 9,892

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

	For the Years Ended December 31	
	2022	2021
Operating Cost	$ 176	$ 196
Marketing expenses	11	9
Management expenses	51	72
	$ 238	$ 277

Through the defined benefit plans under the Labor Standards Law, the Company is exposed to the following risks:

a) Investment risk: The plan assets are invested in domestic and foreign equity and debt securities, bank deposits, etc. The investment is conducted at the discretion of the Bureau or under the mandated management. However, in accordance with relevant regulations, the return generated by plan assets should not be below the interest rate for a 2-year time deposit with local banks.

b) Interest risk: A decrease in the government bond interest rate will increase the present value of the defined benefit obligation; however, this will be partially offset by an increase in the return on the plan's debt investments.

c) Salary risk：The calculation of the present value of the defined benefit obligation refers to the future salary of the plan members. An increase in plan member salaries will therefore increase the present value of the defined benefit obligation.

The present value of the confirmed benefit obligations of the Company is calculated by a qualified actuary, and the major assumptions on the measurement date are as follows:

	December 31	
	2022	2021
Discount Rate	1.25%	0.55%
Salary Expected Increase Rate	2.5%	2.5%

If possible reasonable change in each of the significant actuarial assumptions occur and all other assumptions remain constant, the present value of the defined benefit obligation will increase (decrease) as follows:

	For the Years Ended December 31	
	2022	2021
Discount rate		
0.25% increase	($ 514)	($ 772)
0.25% decrease	$ 533	$ 802
Expected rate of salary increase		
1% increase	$ 2,244	$ 3,386
1% decrease	($ 1,975)	($ 2,982)

The sensitivity analysis presented above may not be representative of the actual change in the present value of the defined benefit obligation as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated.

	For the Years Ended December 31	
	2022	2021
The expected contributions to the plan for the next year	$ 407	$ 385
The average duration of the defined benefit obligation	10.9 years	11.3 years

20. EQUITY

(1) Share capital

Ordinary shares

	December 31	
	2022	2021
Authorized shares (in thousands)	136,060	136,060
Authorized capital	$ 1,360,600	$ 1,360,600
Issued and paid shares (in thousands)	121,251	121,251
Issued capital	$ 1,212,511	$ 1,212,511

a. As of December 31, 2022, the Company's paid-in capital was $1,212,511 thousand, divided into 121,251 thousand shares with a par value of $10 per share, all of which are ordinary shares.

b. Fully paid ordinary shares, which have a par value of $10, carry one vote per share and carry a right to dividends.

(2) Capital surplus

	December 31	
	2022	2021
May be used to offset a deficit, distributed as cash dividends, or transferred to share capital (a)		
Additional paid-in capital	$ 179,924	$ 179,924
Treasury share transactions	4,036	4,036
Only used in deficit offset (b)		
exercising the right of disgorgement	85	85
Not for other usage		
Additional paid-in capital－Employee Stock Options	7,646	7,646
	$ 191,691	$ 191,691

a. Such capital surplus may be used to offset a deficit; in addition, when the Company has no deficit, such capital surplus may be distributed as cash dividends or transferred to share capital (limited to a certain percentage of the Company's capital surplus and once a year).

b. This type of capital surplus represents the Company's exercise of the right of disgorgement in accordance with Article 157 of the Securities and Exchange Act and the recognition of the benefit from the exercise of the right as capital surplus – other

(3) Retained earnings and dividend policy

Under the dividend policy as set forth in the Company's articles of incorporation (the "Articles"), if the Company has current profits in the financial statement, the losses should be made up first, and then 10% of the remaining profits would be allocated as Legal reserves, after that the special reserves are provisioned or reversed according to the law. If profits are remaining, it will be considered as distributable profit along with the accumulated unallocated earnings from the beginning of the period. The distribution plan will be proposed by the Board of Directors and the profits will be distributed after the resolution of the shareholders meeting for the policies on the distribution of employees' compensation and remuneration of directors in the Articles, refer to employees' compensation and remuneration of directors in Note 22-7 to the consolidated financial statements.

The industrial environment that the Company relates to is volatile, and its enterprise life cycle has entered the mature stage. Considering our future working capital requirements and long-term financial planning, and the need of satisfying the need for cash flow by shareholders, thus the annual cash dividend distribution shall not be less than 5% of the total shareholder dividends.

Aligning with the current year's earnings for allotment and the balancing dividend policy, as well as in accordance with relevant laws and regulations, the Company may allocate all or part of its capital reserve as capital increase allotments. The distribution plan shall be proposed by the Board of Directors and distributed after being approved by the shareholders meeting resolution.

Appropriation of earnings to the legal reserve shall be made until the legal reserve equals the Company's paid-in capital. The legal reserve may be used to offset deficit. If the Company has no deficit and the legal reserve has exceeded 25% of the Company's paid-in capital, the excess may be transferred to capital or distributed in cash.

The Company has provided and reversed the special reserve in accordance with the "FSC No. 1010012865", "FSC No. 1010047490", "FSC No. 1030006415" and "Questions and Answers on the Application of International Financial Reporting Standards (IFRSs) to the Provision of Special Reserve".

The appropriations of earnings for 2021 and 2020 approved in the shareholders' meetings on June 9, 2022 and July 5, 2021, respectively, were as follows:

	Appropriation of Earnings For the Years Ended December 31	
	2021	2020
Legal reserve	$ 50,040	$ 20,778
Cash dividends	$ 150,314	$ 96,201
Dividends Per Share (NT$)	$ 1.25	$ 0.8

The appropriations of earnings for 2022 is to be presented for approval in ITC's shareholders' meeting to be held on June 14, 2023 (expected).

Information on the employees' compensation and remuneration of directors resolved by the Company's board of directors is available at the Market Observation Post System website of the Taiwan Stock Exchange.

(4) Special reserve

	For the Years Ended December 31	
	2022	2021
Opening and closing balance	$ 106,006	$ 106,006

As the increase in retained earnings generated from the initial application of IFRSs was insufficient for appropriation as dividends, it was appropriated to a special reserve. As the special reserve appropriated by foreign operations (including subsidiaries) due to the exchange differences upon translation of their financial statements was reversed in proportion to the Company's disposal of the foreign operations; upon the Company's loss of significant influence, the entire special reserve relating to exchange differences arising from those foreign operations will be reversed. Additional special reserve should be appropriated for the amount equal to the difference between net debit balance reserves and the special reserve appropriated on the first-time adoption of IFRSs. Any special reserve appropriated may be reversed to the extent that the net debit balance reverses; the reversed amount may be distributed.

(5) Other equity items

a. Exchange differences on translating the financial statements of foreign operations

	For the Years Ended December 31	
	2022	2021
Balance at January 1	($ 92,426)	($ 81,828)
Current period generated		
Exchange differences arising from the translation of net assets of foreign operating entities	18,370	(10,598)
Balance at December 31	($ 74,056)	($ 92,426)

b. Unrealized valuation gain on financial assets at FVTOCI

	For the Years Ended December 31	
	2022	2021
Balance at January 1	$ 51,650	$ 71,749
Current period generated		
Unrealized profit and loss-Equity Tools	(27,854)	(20,099)
Other comprehensive income or loss for the period	(27,854)	(20,099)
Balance at December 31	$ 23,796	$ 51,650

c. Remeasurement of defined benefit obligation

	For the Years Ended December 31	
	2022	2021
Balance at January 1	$ 2,024	$ 2,678
Remeasurement of defined benefit obligation	5,327	(654)
Balance at December 31	$ 7,351	$ 2,024

(6) Treasury shares

Purpose of Acquisition	Treasury shares granted to employees(In Thousands)
Shares Held as of January 1, 2022	1,000
Increase During the Year	500
Shares Held as of December 31, 2022	1,500

Purpose of Acquisition	Treasury shares granted to Employees(In Thousands)
Shares as of January 1, 2022 and December 31, 2022	1,000

Pursuant to the Securities and Exchange Act of the ROC, the treasury shares held by the Company should not be pledged as collateral, are not eligible for dividends and do not have voting rights.

21. REVENUE

	For the Years Ended December 31	
	2022	2021
Revenue from contracts with customers		
Sale of Goods	$ 465,637	$ 399,037

Please refer to Note 33 to the consolidated financial statements for a breakdown of revenues.

22. NET PROFIT FROM CONTINUING OPERATIONS

Net Profit from continuing operations including the following items：

(1) Other income

	For the Year Ended December 31	
	2022	2021
Rental income	$ 7,419	$ 6,877
Dividends	1,427	1,903
Others	1,782	1,093
	$ 10,628	$ 9,873

(2) Interest income

	For the Year Ended December 31	
	2022	2021
Interest income from bank deposits	$ 1,942	$ 41

(3) Other gains and losses

	For the Year Ended December 31	
	2022	2021
Gain (loss) on disposal of property, plant andequipment	$ -	$ 5
Foreign exchange gains (losses)	18,601	(2,480)
Others	(2,135)	(1,937)
	$ 16,466	($ 4,412)

(4) Finance costs

	For the Year Ended December 31	
	2022	2021
Interest on bank loans	$ 4,338	$ 2,558
Interest on lease liabilitie	118	14
Deposit Settlement Interest	9	7
	$ 4,465	$ 2,579

(5) Depreciation and Amortization Expenses

	For the Year Ended December 31	
	2022	2021
Property,Plant and quipment	$ 26,623	$ 27,261
Right-of-use asset	1,103	626
Investment Property	1,911	1,684
Other intangible assets	1,131	1,873
	$ 30,768	$ 31,444
Summary of depreciation expense by function		
Operating costs	$ 24,870	$ 24,934
Operating expenses	2,856	2,953
Other expenses	1,911	1,684
	$ 29,637	$ 29,571

(Continue)

	For the Year Ended December 31	
	2022	2021
Amortization expenses summarized by function		
Operating costs	$ 28	$ 48
Operating expenses	1,103	1,825
	$ 1,131	$ 1,873

(6) Employee Benefit Expenses

	For the Year Ended December 31	
	2022	2021
Short-term employee benefits	$ 205,270	$ 206,693
Post-employment benefits		
Defined contribution plan	5,038	5,602
Defined Benefit Plan(Note 19)	220	277
	5,258	5,879
Other employee benefit expenses	9,112	10,395
Total employee benefit expenses	$ 219,640	$ 222,967
Summary by function		
Operating costs	$ 126,223	$ 152,494
Operating expenses	93,417	70,473
	$ 219,640	$ 222,967

(7) Employees' compensation and remuneration of directors

The Company accrues employees' compensation and remuneration of directors at the rates of 2%-10% and no higher than 2%, respectively, of net profit before income tax, employees' compensation, and remuneration of directors. The employees' compensation and remuneration of directors for the years ended December 31, 2022 and 2021, which were approved by the Company's board of directors on February 22, 2023 and January 14, 2022, respectively, were as follows:

Accrual rate

	For the Years Ended December 31	
	2022	2021
Employees' compensation	3.8%	3.8%
Remuneration of directors	1.4%	1.4%

Amounts

	For the Years Ended December 31	
	2022	2021
	Cash	Cash
Employees' compensation	$ 31,293	$ 21,422
Remuneration of directors	$ 11,529	$ 7,892

If there is a change in the amounts after the annual consolidated financial statements are authorized for issue, the differences are recorded as a change in the accounting estimate and adjusted in the next year.

There was no difference between the actual amounts of employees' compensation and remuneration of directors and supervisors paid and the amounts recognized in the consolidated financial statements for the years ended December 31, 2022 and 2021.

Information on the compensation of employees and remuneration of directors and supervisors resolved by the Company's board of directors is available at the Market Observation Post System website of the Taiwan Stock Exchange.

(8) Foreign net exchange gain or loss

	For the Years Ended December 31	
	2022	2021
Foreign exchange gain	$ 37,846	$ 3,859
Foreign exchange loss	(19,245)	(6,339)
Net exchange gain or loss	$ 18,601	($ 2,480)

23. INCOME TAXES RELATING TO CONTINUING OPERATIONS

(1) Detail of income tax recognized in profit or loss was as follows:

	For the Years Ended December 31	
	2022	2021
Current income tax expenses		
In respect of the current period	$ 4,320	$ -
Income tax on unappropriated earnings	15,002	4,540
Adjustments for prior periods	(314)	(836)
Others	17,350	10,742
Deferred income tax		
In respect of the current period	68,862	19,595
Income tax expense recognized in profit or loss	$ 105,220	$ 34,041

The reconciliation of income before income tax and income tax expenses recognized in profit and loss was as follows
:

	For the Years Ended December 31	
	2022	2021
Profit before income tax from continuing operations	$ 780,678	$ 534,443
Income tax expense calculated at the statutory rate	$ 156,136	$ 106,889
Non-deductible expenses for tax purposes	148	190
Tax-exempt income	(285)	(381)
Income tax on unappropriated earnings	15,002	4,540
Unrecognized deductible Temporary differences	(82,817)	(87,103)
Adjustments for prior periods	(314)	(836)
Others	17,350	10,742
Income tax expense recognized in profit or loss	$ 105,220	$ 34,041

In July 2019, the President announced the amendment of the Industrial Innovation Act. The construction or acquisition of specific assets or technology from the undistributed earnings of FY107 onward is explicitly provided as a deduction from the calculation of undistributed earnings.

(2) Income taxes recognized in other comprehensive income

	For the Years Ended December 31	
	2022	2021
Deferred income tax		
Current income tax expenses recognized in current year		
—Conversion of foreign operating institutions	$ 4,593	($ 2,650)
—Determine the number of benefit plans before measuring	1,331	-
	$ 5,924	($ 2,650)

(3) Deferred Tax Assets and Liabilities

The movements of deferred tax assets and deferred tax liabilities were as follows:

2022

Deferred Tax Assets	Opening Balance	Recognized in Profit or Loss	Recognized in other Consolidated profit or loss	Closing Balance
Temporary differences				
Allowance for decline in value of inventories and doubtful losses	$ 2,978	$ 914	$ -	$ 3,892
Defined benefit obligations	3,132	177	(1,331)	1,978
Exchange differences on translating the financial statements of foreign	4,198	-	(4,198)	-
Provision for warranty	797	(80)	-	717
Other	929	2,597	-	3,526
	12,034	3,608	(5,529)	10,113
Loss Deduction Credit	46,784	(46,784)	-	-
	$ 58,818	($ 43,176)	($ 5,529)	$ 10,113

Deferred Tax Liabilities	Opening Balance	Recognized in Profit or Loss	Recognized in other Consolidated profit or loss	Closing Balance
Temporary differences				
Undistributed earnings of subsidiaries	$ 45,865	$ 25,686	$ -	$ 71,551
Recognized in other Consolidated profit or loss	-	-	395	395
	$ 45,865	$ 25,686	$ 395	$ 71,946

2021

Deferred Tax Assets	Opening Balance	Recognized in Profit or Loss	Recognized in other Consolidated profit or loss	Closing Balance
Temporary differences				
Allowance for decline in value of inventories and doubtful losses	$ 4,141	($ 1,163)	$ -	$ 2,978
Defined benefit obligations	2,990	142	-	3,132
Exchange differences on translating the financial statements of foreign	1,548	-	2,650	4,198
Provision for warranty	210	587	-	797
Other	1,736	(807)	-	929
	10,625	(1,241)	2,650	12,034
Loss Deduction Credit	58,933	(12,149)	-	46,784
	$ 69,558	($ 13,390)	$ 2,650	$ 58,818

Deferred Tax Liabilities	Opening Balance	Recognized in Profit or Loss	Recognized in other Consolidated profit or loss	Closing Balance
Temporary differences				
Undistributed earnings of subsidiaries	$ 39,660	$ 6,205	$ -	$ 45,865

Income tax returns of the Company through 2020 have been assessed and approved by the tax authorities.

24. EARNINGS PER SHARE

Unit: NT$ Per Share

	For the Years Ended December 31	
	2022	2021
Basic earnings per share	$ 5.63	$ 4.16
Diluted earnings per share	$ 5.60	$ 4.15

The EPS and weighted average number of ordinary shares outstanding (in thousands of shares) were as follows:

Net income available to common shareholders

	For the Years Ended December 31	
	2022	2021
Net income available to common shareholders	$ 675,458	$ 500,402
Net income used to calculate basic and diluted earnings per share	$ 675,458	$ 500,402

	For the Years Ended December 31	
	2022	2021
Weighted average number of ordinary shares used in the computation of basic earnings per share	119,970	120,251
Effect of potentially dilutive ordinary shares		
Shares issued for employees' compensation	648	438
Weighted average number of ordinary shares used in the computation of diluted earnings per share	120,618	120,689

If the Company may choose to pay employees in stock or cash, the calculation of diluted earnings per share assumes that employee compensation will be paid in stock and is included in the weighted-average number of shares outstanding when the potential common stock has a dilutive effect to calculate diluted earnings per share. The dilutive effect of these potential common shares will also continue to be considered in the calculation of diluted earnings per share before the number of employee compensation shares is resolved at the following annual shareholders' meeting.

25. CAPITAL MANAGEMENT

The Company manages its capital to ensure that all the entities of the Company will be able to continue as going concerns while maximizing the return of stakeholders through the optimization of the debt and equity balance.

The capital structure of the Company consists of the Company's net debt (ie, borrowings less cash and cash equivalents) and equity attributable to owners of the parent company (ie, share capital, capital reserves, retained earnings, and other equity items).

The Company are not subject to other external capital requirements.

26. FINANCIAL INSTRUMENTS

a. Fair value of financial instruments not measured at fair value

The management considers the carrying amounts of financial assets and financial liabilities recognized in the parent company only financial statements approximate the fair values.

b. Fair value of financial instruments that are measured at fair value on a recurring basis

December 31, 2022

	Level 1
Financial assets at fair value through other comprehensive income	
through other comprehensive income	
Domestic listed shares	$ 25,005

December 31, 2021

	Level 1
Financial assets at fair value through other comprehensive income	
through other comprehensive income	
Domestic listed shares	$ 52,859

There were no transfers between Levels 1 and 2 for the years ended December 31, 2022 and 2021.

c. Categories of financial instruments

	December 31	
	2022	2021
Financial assets		
Financial assets at amortized cost （Note 1）	$ 466,923	$ 329,308
Financial assets at FVTOCI－Investment in equity instruments	25,005	52,859
Financial liabilities		
Financial liabilities at amortized cost（Note 2）	585,611	445,006

Note 1: The balance includes financial assets measured at amortized cost, such as cash and cash equivalents, accounts receivable, accounts receivable - related parties, other receivables, other receivables - related parties and other financial assets.

Note 2：The balance is included short-term loan、Payables、Payables-Related parties 、 Other payables 、 and Other payables- Related parties Financial liabilities measured at amortized cost.

d. Financial risk management objectives and policies

The Company’s major financial instruments include cash and cash equivalents, trade receivables, trade receivables-related parties, other receivables, other receivables-related parties, borrowings, trade payables, trade payables-related parties, other payables, other payables-related parties and lease liabilities. The Company’s corporate treasury function provides services to the business, coordinates access to domestic and international financial markets, and monitors and manages the financial risks relating to the operations of the Company through internal risk reports that analyze exposures by degree and magnitude of risks. These risks include market risk (including foreign currency risk and interest rate risk), credit risk and liquidity risk.

i. Market risk

The Company is exposed to the financial market risks, primarily changes in foreign currency exchange rates (see (1) below) and interest rates (see (2) below).

(1) Foreign currency risk

The Company engages in sales and purchase transactions denominated in foreign currencies, thus exposing the Company to exposure to exchange rate fluctuations.

The carrying amounts of monetary assets and monetary liabilities denominated in nonfunctional currencies and with risk of foreign currency risk of the Company at the balance sheet date are shown in Note 30.

Sensitivity analysis

The Company is mainly exposed to the variance of the exchange rate of U.S. dollar.

The following table details the sensitivity analysis of the Company when the exchange rates of NTD (functional currency) against each relevant foreign currency increase and decrease by 10%. Sensitivity analysis only includes monetary items in foreign currencies in circulation, and the year-end conversion is adjusted by 10% exchange rate change. The positive numbers in the table below represent the amount that will reduce the net profit after tax when the NT dollar or the functional currency appreciates by 10% relative to the relevant currencies; when the NT dollar or the functional currency depreciates by 10% relative to the relevant foreign currencies, the impact on net profit after tax will be a negative amount of the same amount.

	The effect of U.S. dollar on NTD as the functional currency	
	For the Years Ended December 31	
	2022	2021
Loss (gain)	($ 16,416)	($ 14,190)

(2) Interest rate risk

The Company's interest rate risk mainly comes from fixed and floating rate borrowings. Fluctuations in interest rates will affect future cash flows, but not fair value.

Assuming that the floating-rate loans at the end of the reporting period are held for the entire reporting period, if the interest rate increases by 100 basis points (1%) and other conditions remain unchanged, the net interest expense of the Company's floating-rate loans will increase by $2,896 thousand and $2,400 thousand in 2022 and 2021, respectively.

ii. Credit Risk

Credit risk represents the risk of financial loss to the Company due to default of contractual obligations by counterparties. As of the balance sheet date, the Company's maximum exposure to credit risk (without considering collateral or other credit enhancement instruments and the maximum amount of irrevocable exposure) that could result in financial loss due to the failure of counterparties to perform their obligations and the provision of financial guarantees by the Company is mainly from:

(1) The carrying amount of financial assets recognized in the parent company only balance sheet.

(2) The maximum amount that the Company may be required to pay to provide financial guarantees is not considered probable.

iii. Liquidity risk

The Company has established an appropriate liquidity risk management framework to meet short-term, medium-term and long-term financing and liquidity management needs.The Company manages liquidity risk by maintaining adequate reserves, bank facilities and borrowing commitments, continuously monitoring projected and actual cash flows, and matching the maturities of financial assets and liabilities. As of December 31, 2022 and 2021, the Company's unused short-term bank financing amounted to 1,058,000 thousand and 1,140,360 thousand respectively.

Liquidity and interest rate risk table for non-derivative financial liabilities

The remaining contractual maturity analysis of non-derivative financial liabilities is prepared based on the undiscounted cash flows of financial liabilities (including principal and estimated interest) based on the earliest date on which the Company may be required to repay. Therefore, the bank loans that the Company can be required to repay immediately are listed in the earliest period in the table below, regardless of the probability of the bank's immediate execution of the right; the maturity analysis of other non-derivative financial liabilities is prepared based on the agreed repayment date.

For interest cash flows paid at floating rates, the undiscounted interest amount is derived from the yield curve at the balance sheet date.

December 31, 2022

	1 to 3 months	3 months to 1 year	1 to 5 years	Total
Non-derivative financial liabilities				
No interest bearing liabilities	$ 215,306	$ 8,305	$ -	$ 223,611
Lease liability	192,000	170,000	-	362,000
Floating Rate Instrument	280	744	821	1,845
	$ 407,582	$ 179,049	$ 821	$ 587,456

December 31, 2021

	1 to 3 months	3 months to 1 year	1 to 5 years	Total
Non-derivative financial liabilities				
No interest bearing liabilities	$ 136,862	$ 8,097	$ -	$ 144,959
Lease liability	250	762	1,845	2,857
Floating Rate Instrument	270,000	30,000	-	300,000
	$ 407,112	$ 38,859	$ 1,845	$ 447,816

27. TRANSACTIONS WITH RELATED PARTIES

Details of transactions between the Company and other related parties are disclosed below.

(1) Related party name and categories

Related Party Name	Related Party Category
Global Brands Manufacture Ltd.	Associate
INFO-TEK HOLDING CO., LTD. (INFO-TEK)	Subsidiary
SUN RISE CORPORATION(SUN RISE)	Subsidiary
Info-Tek Electronics (Suzhou) Co., Ltd. (Note1)	Sub-subsidiary
Walsin Technology Corp.	Associate
WALSIN LIHWA Corp.	Associate
Suzhou Walsin Technology Electronics Co., Ltd.	Other Related Party
HannStar Board Corp.	Associate
HannStar Board Technology (Jiang Yin) Corp.	Other Related Party
Prosperity Dielectrics Co., Ltd.	Other Related Party
Kunshan Yuanmao Electronics Technology Co., Ltd.	Other Related Party
HannStar Display Corp.	Other Related Party
VVG INC.	Other Related Party
Dong Guan Yujia Electronics Technology Co., Ltd.	Other Related Party
HannStar Display (Nanjing) Corp.	Other Related Party
INPAQ TECHNOLOGY CO., LTD.	Other Related Party
Silitech Technology Corporation	Other Related Party

Note1：Due to the demand for capacity expansion, nfo-Tek Electronics (Suzhou) Co., Ltd. was established in Wuhu Branch on May 30,2021.

(2) Sales revenue

Account items	Category/name of related party	For the Year Ended December 31 2022	2021
Sales of goods	Other related party	$ 80,142	$ 51,246
	Sub-subsidiary	1,331	879
		$ 81,473	$ 52,125

The terms of the transactions are the same as those for ordinary non-affiliated parties, and there are no special circumstances.

(3) Purchases of goods

Category/name of related party	For the Year Ended December 31 2022	2021
Other related party	$ 8,952	$ 6,214
Associate	3,308	4,168
Sub-subsidiary	-	94
	$ 12,260	$ 10,476

The terms of the transactions are the same as those for ordinary non-affiliated parties, and there are no special circumstances.

(4) Amount receivables to related parties (Excluding lending to related parties)

Account items	Category/name of related party	December 31 2022	December 31 2021
Trade receivables from related parties	Other related party	$ 34,576	$ 24,183
Other receivables from related parties	Subsidiary		
	INFO-TEK	$ 8,649	$ 15,262
	SUN RISE	-	15
	Sub-subsidiary		
	Info-Tek Electronics (Suzhou) Co., Ltd.	7,932	8,996
	Other related party	198	3,325
	Less: Allowance for losses	(-)	(8)
		198	3,317
		$ 16,779	$ 27,590

No guarantee is received for amounts due from related parties in circulation.

(5) Payables to related parties

Account items	Category/name of related party	December 31 2022	December 31 2021
Accounts Payables - Related Parties	Sub-subsidiary		
	Info-Tek Electronics (Suzhou) Co., Ltd.	$ -	$ 47
	Associate		
	Walsin Technology Corp.	1,216	1,576
	Other related party	1,983	2,517
		$ 3,199	$ 4,140
Other Payables - related parties	Subsidiary		
	INFO-TEK	$ 10	$ -
	Associate	2,631	1,698
	Other related party	-	1,243
		$ 2,641	$ 2,941

The balance of the outstanding amount due to related parties is not guaranteed.

(6) Acquisition of property, plant and equipment

Category/name of related party	Purchase Price For the Year Ended December 31 2022	Purchase Price For the Year Ended December 31 2021
Other related party	$ -	$ 1,222

(7) Other

Account items	Category/name of related party	For the Year Ended December 31 2022	2021
Administration and general expenses - Professional service fees	Associate	$ 9,537	$ 6,906
	Other Related Parties	-	1,168
		$ 9,537	$ 8,074
Administration and general expenses-Stock service fee	Associate	$ 1,512	$ 1,532
Marketing expenses - entertainment expenses	Other Related Parties	$ -	$ 36
Management and general expenses - fees	Other Related Parties	$ 622	$ -
Marketing expenses - Professional service fees	Other Related Parties	$ 205	$ -
Manufacturing Costs –Professional service fees	Other Related Parties	$ 199	$ -
Management and general expenses - transportation costs	Other Related Parties	$ 45	$ -
Marketing expenses - entertainment expenses	Other Related Parties	$ 33	$ -
Manufacturing Costs - Processing Costs	Other Related Parties	$ 28	$ -
Other income	Brother company	$ 740	$ 581

(8) Compensation of key management personnel

The total remuneration of directors and other key management personnel is as follows：

	For the Year Ended December 31 2022	2021
Short-term employee benefits	$ 21,868	$ 26,081
Postretirement benefits	259	296
	$ 22,127	$ 26,377

The remuneration of directors and other key management is determined by the Remuneration Committee in accordance with individual performance and market trends, after review and approval by the Board of Directors.

28. Mortgage assets

The following assets have been pledged or hypothecated as collateral for the first-refundable taxes on imported goods and long- and short-term borrowing lines:

	December 31,2022	December 31,2021
Land	$ 101,551	$ 101,551
Buildings - net	119,031	129,103
Investment real estate - net	20,427	21,860
	$ 241,009	$ 252,514

29. SIGNIFICANT CONTINGENT LIABILITIES AND UNRECOGNIZED COMMITMENTS

In addition to those described in other notes, the significant commitments and contingencies of the Group as of the balance sheet date were as follows:

(3) As of December 31, 2021, the Group issued promissory notes in the amount of NT$962,000 thousand and US$2,000 thousand to secure long- and short-term loans and to accept entrusted processing.

(4) As of December 31, 2022, the Group was issued a letter of guarantee by a bank for the period from March 10, 2021 to February 23, 2022 for the amount of NT$2,500 thousand for importing goods before taxation.

30. EXCHANGE RATE INFORMATION OF FOREIGN CURRENCY FINANCIAL ASSETS AND LIABILITIES

The following information is summarized and expressed in foreign currencies other than the functional currencies of The Company. The foreign currency assets and liabilities with significant impact are as follows:

December 31, 2022

	Foreign currency	Exchange rate	Carrying Amount
Financial assets			
Monetary items			
USD	$ 8,969	30.71 (USD：NTD)	$ 275,438
JPY	8,427	0.2324 (JPY：NTD)	1,958
EUR	4	32.72 (EUR：NTD)	131
HKD	39	3.938 (HKD：NTD)	154
RMB	47	4.408 (RMB：USD)	207
			$ 277,888
Non-monetary items			
Subsidiaries under the equity method	46,710	4.408 (RMB：NTD)	$ 205.896
Financial liabilities			
Monetary items			
USD	2,287	30.71 (USD：NTD)	$ 70,234

December 31, 2021

	Foreign currency	Exchange rate	Carrying Amount
Financial assets			
Monetary items			
USD	$ 7,513	27.68 (USD：NTD)	$ 207,960
JPY	1,492	0.2405 (JPY：NTD)	359
EUR	33	31.32 (EUR：NTD)	1,034
HKD	39	3.549 (HKD：NTD)	138
RMB	172	4.344 (RMB：NTD)	747
			$ 210,238
Non-monetary items			
Subsidiaries under the equity method	43,178	4.344 (RMB：NTD)	$ 187,566
Financial liabilities			
Monetary items			
USD	1,105	27.68 (USD：NTD)	$ 30,586

31. ADDITIONAL DISCLOSURES

(1). Information about significant transactions and investees:

a. Financings provided: (Table 1)
b. Marketable securities held (excluding investments in subsidiaries): (Table 2)
c. Marketable securities acquired and disposed of at costs or prices of at least NT$300 million or 20% of the paid-in capital: None
d. Acquisition of individual real estate properties at costs of at least NT$300 million or 20% of the paid-in capital: None
e. Disposal of individual real estate properties at prices of at least NT$300 million or 20% of the paid-in capital: None
f. Total purchases from or sales to related parties of at least NT$100 million or 20% of the paid-in capital: None
g. Receivables from related parties amounting to at least NT$100 million or 20% of the paid-in capital: None
h. Information about the derivative financial instruments transaction: None
i. Information on investees: (Table 3)

(2). Information on investment in mainland China

a. The name of the investee in mainland China, the main businesses and products, its issued capital, method of investment, information on inflow or outflow of capital, percentage of ownership, income (losses) of the investee, share of profits/losses of investee, ending balance, amount received as dividends from the investee, and the limitation on investee. (Table 4)

b. Any of the following significant transactions with investee companies in mainland China, either directly or indirectly through a third party, and their prices, payment terms, and unrealized gains or losses. (Table 5)
   (1) The amount and percentage of purchases and the balance and percentage of the related payables at the end of the year
   (2) The amount and percentage of sales and the balance and percentage of the related receivables at the end of the year
   (3) The amount of property transactions and the amount of the resultant gains or losses
   (4) The balance of negotiable instrument endorsements or guarantees or pledges of collateral at the end of the year and the purposes
   (5) The highest balance, the ending balance, the interest rate range, and total current period interest with respect to the financing of funds
   i. (6) Other transactions that have a material effect on the profit or loss for the year or on the financial position, such as the rendering or receipt of services

(3). Information of major shareholders

List all shareholders with ownership of 5% or greater showing the name of the shareholder, the number of shares owned, and percentage of ownership of each shareholder (Table 7)

INFO-TEK CORPORATION

FINANCING PROVIDED TO OTHERS
FOR THE YEAR ENDED DECEMBER 31, 2022
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

No.	Lender	Borrower	Financial Statement Account	Related Party	Highest Balance for the Period	Ending Balance	Actual Borrowing Amount	Interest Rate (%)	Nature of Financing	Reasons for Short-term Financing	Allowance for Impairment Loss	Collateral		Financing Limit for Each Borrower（Note 4）	Aggregate Financing Limit（Note 5）
												Item	Value		
1	SUN RISE CORPORATION（Note 1）	Info-Tek Electronics (Suzhou) CO.,LTD.（Note 2）	Other receivables due from related parties	Y	$ 51,819 (RMB 11,500)	$ 50,692 (RMB 11,500)	$ 50,692 (RMB 11,500)	3%	Note 3	Operating turnover	$ -	-	-	$1,190,058	$1,190,058
2	INFO-TEK HOLDINGS CO, Ltd.（Note 1）	Info-Tek Electronics (Suzhou) CO.,LTD.（Note 2）	Other receivables due from related parties	Y	31,993 (RMB 7,100)	-	-	-	Note 3	Operating turnover	-	-	-	-	-

Note1： Equity-method investees。

Note2： The Company is an equity-method investee of SUN RISE CORPORATION and INFO-TEK HOLDINGS CO, Ltd.

Note3： There is a need for short-term financing.

Note4：The lending limit to individual customers or foreign companies in which the Company directly or indirectly holds 100% of the voting shares shall not exceed 40% of the Company's latest audited or reviewed net financial statements in Taiwan.

Note5：The total amount of the capital loan shall not exceed 40% of the net value of the Company's most recent financial statements.

Note6：The closing balance was translated at the exchange rate of RMB1=4.408 as of December 31, 2022.

TABLE 2

INFO-TEK CORPORATION

MARKETABLE SECURITIES HELD
DECEMBER 31, 2022
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

Holding Company Name	Type of Marketable Securities（Note1）	Name of Marketable Securities	Relationship with the Holding Company（Note2）	Financial Statement Account	December 31, 2022				Note（Note 4）
					Number of Shares	Carrying Amount（Note3）	Percentage of Ownership (%)	Fair Value	
Info-Tek Corporation	Common Stock	WalsinTechnology Corporation	Associate	Financial assets at FVTOCI	316,521	$25,005	-	$25,005	

Note1：Marketable securities referred to in this table are stocks, bonds, beneficiary certificates and marketable securities derived from the above items that fall within the scope of IFRS 9, "Financial Instruments".

Note2：If the issuer of marketable securities is not a related party, the column is not required to be filled in.

Note3：For those who are not measured at fair value, please enter the carrying amount of amortized cost (net of allowance for losses) in column B. For those who are not measured at fair value, please enter the carrying amount of amortized cost (net of allowance for losses) in column B.

Note4：Please refer to Table 3 and Table 4 for the investment subsidiaries.

TABLE 3

INFO-TEK CORPORATION

INFORMATION ON INVESTEES
FOR THE YEAR ENDED DECEMBER 31, 2022
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

Investor Company	Investee Company	Location	Main Businesses and Products	Original Investment Amount		As of December 31, 2022			Net Income (Loss) of the Investee	Share of Profit (Loss)（Note1）	Note
				December 31, 2022	December 31, 2021	Number of Shares	（%）	Carrying Amount			
Info-Tek Corporation	INFO-TEK HOLDING CO., LTD.	British Virgin Islands	Trade industry	$ 110,726	$ 110,726	3,700,000	100	$ 205,896	$ 15,629	$ 15,629	Investments accounted for using equity method
	SUN RISE CORPORATION	Samoa	Investment industry	1,167,689	1,167,689	35,500,000	100	2,585,988	743,325	743,325	〃
SUN RISE CORPORATION	Info-Tek Electronics (Suzhou) CO.,LTD.	Jiangsu,China	Manufacture and assembly of motherboards for information electronic products	1,142,037	1,142,037	Table 4	92.21	2,252,414	805,874	743,079	〃
INFO-TEK HOLDING CO., LTD.	Info-Tek Electronics (Suzhou) CO.,LTD.	Jiangsu,China	Manufacture and assembly of motherboards for information electronic products	91,525	91,525	Table 4	7.79	190,345	805,874	62,795	〃

Note1：The calculation is based on the investees' audited financial statements as of December 31, 2022, based on the percentage of shareholding.

Note2：Please refer to Table 4 for information on our Mainland China investee companies.。

TABLE 4

INFO-TEK CORPORATION

INFORMATION ON INVESTMENTS IN MAINLAND CHINA
FOR THE YEAR ENDED DECEMBER 31, 2022
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

Investee Company	Main Businesses and Products	Paid-in Capital	Method of Investment	Accumulated Outward Remittance for Investment from Taiwan as of January 1, 2022	Remittance of Funds		Accumulated Outward Remittance for Investment from Taiwan as of December 31, 2022（Note3）	Net Income (Loss) of the Investee（Note2）	% Ownership of Direct or Indirect Investment	Investment Gain (Loss) (Note 2)	Carrying Amount as of December 31, 2022(Note 2)	Accumulated Appropriation of Investment Income as of December 31, 2022
					Outward	Inward						
Info-Tek Electronics (Suzhou) CO.,LTD.	Manufacture and assembly of motherboards for information electronic products	$ 1,233,562	（Note1）	$ 1,233,562	$ -	$ -	$ 1,233,562	$ 805,874	100%	$ 805,874	$ 2,442,759	$ 410,926

Accumulated Outward Remittance for Investments in Mainland China as of December 31, 2022（Note3）	Investment Amount Authorized by the Investment Commission, MOEA（Note 4）	Upper Limit on the Amount of Investments Stipulated by the Investment Commission, MOEA
$ 1,617,552 (USD 50,509,323.8)	$ 1,617,552 (USD 50,509,323.8)	$ 1,785,087（Note4）

Note 1: Investment in mainland China companies through an existing company established in a third region.

Note 2: Based on the financial statements of the investee company audited by the attesting CPA of the Taiwan parent company.

Note 3: The conversion rate is based on the prevailing exchange rate of each investment.

Note 4: The Company was certified by the Industrial Development Bureau of the Ministry of Economic Affairs as being in compliance with the scope of operation of the operating headquarters, which expired in June 2021, and no further amounts were remitted.

TABLE 5

INFO-TEK CORPORATION

The following significant transactions with Mainland China investees, directly or indirectly through third parties, and their prices, payment terms, unrealized gains or losses, and other related information
DECEMBER 31, 2022
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

Company Name	Purchase/(Sale)	Amount	Price	Transaction terms		Other receivables		Sales revenue	Note
				Payment terms	Comparison with Normal Transactions	Amount	%		
Info-Tek Electronics (Suzhou) CO.,LTD.	Raw material	$ 20,086	Market Price	Payment Term 90 Days	No significant difference	$ 7,931	46%	$ 1,331	-

TABLE 5

INFO-TEK CORPORATION

INFORMATION OF MAJOR SHAREHOLDERS
DECEMBER 31, 2022

Name of Major Shareholder	Shares	
	Number of Shares	Percentage of Ownership (%)
Global Brands Manufacture Ltd.	33,270,949	27.43%
Giga Investment Co.	9,985,834	8.23%

Note 1: Major shareholders list includes shareholders having ownership of 5% or more.

Note 2: The percentage of ownership does not take into account the treasury shares that have beenrepurchased by the Company.

THE CONTENTS OF STATEMENTS OF MAJOR ACCOUNTING ITEMS

STATEMENT 1

INFO-TEK CORPORATION

STATEMENT OF CASH AND CASH EQUIVALENTS
DECEMBER 31, 2022
(In Thousands of New Taiwan Dollars)

Item	Amount
Cash on hand	$ 160
Bank Deposit	
Demand deposits	52,067
Checking deposits	15
Foreign currency deposits(Note 1)	21,883
Foreign Currency Time Deposit(Note 2)	144,951
	218,916
	$ 219,076

Note 1: Including US $633,000 at an exchange rate of US$1 = $30.71, Japanese $8,427,000 at an exchange rate of JPY$1 = $0.2324, Hong Kong $39,000 at an exchange rate of HK$1 = $3.938, and Euro $4,000 at an exchange rate of EUR$1 = $32.72.

Note 2: Including US$4,720,000, the exchange rate is US$1=$30.71.

STATEMENT 2

INFO-TEK CORPORATION

STATEMENT OF ACCOUNTS RECEIVABLES, NET
DECEMBER 31, 2022
(In Thousands of New Taiwan Dollars)

Client's Name	Amount
Non-relative	
Cleint A	$ 83,898
Cleint B	48,464
Cleint C	31,930
Others (Note 1)	31,822
Subtotal	196,114
Less: Loss Allowance(Note 2)	(6)
Net amount	$ 196,108

Note 1：The amount of each client in others does not exceed 5% of the account balance.

Note 2: The allowance for doubtful accounts was assessed in accordance with the Company's accounts receivable valuation policy.

STATEMENT 3

INFO-TEK CORPORATION

STATEMENT OF CHANGES IN INVESTMENTS ACCOUNTED FOR USING EQUITY METHOD
DECEMBER 31, 2022
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

Investee Company	Par value per share	Balance, January 1, 2021		Additions in Investment		Decrease in Investment		Share of profit of subsidiaries and associates accounted for using the equity method (Loss)Gain(note1)	Cumulative Conversion Adjustment	Adjustment of changes in equity of subsidiaries	Balance, December 31, 2021			Net Assets Value	Note
		Shares	Amount	Shares	Amount	Shares	Amount				Shares	%	Amount		
Long-term equity investments accounted for under the equity method Long-term equity investments															
SUN RISE CORPORATION	US$ 1	35,500,000	$2,039,101	-	$ -	-	$ 216,701	$ 743,325	$ 20,263	$ -	35,500,000	100	$2,585,988	$2,585,988	Note 1
INFO-TEK HOLDING CO., LTD.	US$ 1	3,700,000	187,566	-	-	-	-	15,629	2,701	-	3,700,000	100	205,896	205,896	Note 1
			$2,226,667		$ -		$ 216,701	$ 758,954	$ 22,964	$ -			$2,791,884	$2,791,884	

Note 1: Calculated based on the financial statements audited by the accountant for the year ended December 31, 2022

Note 2: The decrease in the current period represents the receipt of dividends.

STATEMENT 4

INFO-TEK CORPORATION

STATEMENT OF SHORT-TERM LOAN
DECEMBER 31, 2022
(In Thousands of New Taiwan Dollars)

Borrowing Type / Debt Banks	Term of contract	Interest rate (%)	Amount: Original currency	Amount: Equivalent NTD	Financing Amount (Note1)	Collateral or pledge
Credit loan						
Taiwan Cooperative Bank	2022/04/27-2023/04/27	1.53	NTD	$ 70,000	$ 70,000	None
E.SUN Bank	2022/07/14-2023/01/14	1.58	NTD	30,000	30,000	None
The Export–Import Bank of the Republic of China	2022/08/29-2023/08/29	1.13	NTD	100,000	100,000	None
Land bank of taiwan	2022/10/21-2023/01/19	1.65	NTD	30,000	30,000	None
Cathay United Bank	2022/12/01-2023/03/01	1.65	NTD	50,000	50,000	None
Taiwan Business Bank Co., Ltd.	2022/12/21-2023/02/21	1.85	NTD	80,000	80,000	None
First Commercial Bank	2022/12/22-2023/01/19	1.925	NTD	2,000	2,000	None
				$362,000	$362,000	

Note1：The consolidated borrowing amount for each type of loan (such as foreign material purchase, domestic material purchase, credit loan, etc.) is the same for the same bank, together with the consolidated borrowing amount of approximately NT$1,420,000 thousand provided by the bank with no borrowing balance as of December 31, 2022.(As of the end of December 2022, the amount of borrowings from subsidiaries sharing the credit line with the Company was $0 thousand)As of December 31, 2022, the Company had unused borrowings of approximately $1,058,000 thousand, of which $0 thousand was shared with subsidiaries.

STATEMENT 5

INFO-TEK CORPORATION

STATEMENT OF ACCOUNTS PAYABLES
DECEMBER 31, 2022
(In Thousands of New Taiwan Dollars)

Vender's Name	Amount
Vender A	$ 33,045
Vender B	10,713
Vender C	6,140
Vender D	4,833
Vender E	3,335
Other (Note)	40,118
Total	$ 98,184

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

STATEMENT 6

INFO-TEK CORPORATION

STATEMENT OF NET SALES
FOR THE YEAR ENDED DECEMBER 31, 2022
(In Thousands of New Taiwan Dollars)

Item	Amount
PCBA	$ 473,799
Less: Sales returns and Sales discounts	8,162
Operating income	$ 465,637

STATEMENT 7

INFO-TEK CORPORATION

STATEMENT OF COST OF GOODS SOLD
FOR THE YEAR ENDED DECEMBER 31, 2022
(In Thousands of New Taiwan Dollars)

Item	Amount
Self-made and OEM, substitute materials	
Raw materials	
Balance, beginning of year	$ 23,455
Raw materials purchased	307,737
Sales of raw material	(18,467)
Raw materials, end of year	(41,143)
Raw materials consumed in year	271,582
Supplies	
Balance, beginning of year	6
Supplies purchased	270
Supplies, end of year	(3)
Others	(1)
Supplies consumed in year	272
Direct labor	78,513
Manufacturing expenses	108,572
Outsourced expenses	6,723
Manufacturing Costs	465,662
Work in process, beginning of year	6,185
Work in process, end of year	(9,411)
Finished goods costs	462,436
Finished goods, beginning of year	261
Operating expenses	(2)
Work in process, end of year	(7,452)
Others	(110,634)
Cost of goods sold	344,609
Sales	
Cost of selling raw materials	18,467
Operating expenses	(1)
Income from sales of scrap materials	(141)
Operating Costs	$ 362,934

Note：Inventories at the beginning and end of the period include allowance for inventory decline and doubtful loss of $14,891 thousand and $19,461 thousand, respectively, and inventory decline loss of $4,570 thousand for the period.

INFO-TEK CORPORATION

STATEMENT OF MANUFACTURING EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2022
(In Thousands of New Taiwan Dollars)

Item	Amount
Payroll(contain pension)	$ 38,386
Depreciation	24,870
Utilities expense	6,145
Others (Note)	39,171
Total	$ 108,572

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

STATEMENT 9

INFO-TEK CORPORATION

STATEMENT OF OPERATING EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2022
(In Thousands of New Taiwan Dollars)

Item	Selling and marketing expenses	General and administrative expenses	Amount
Payroll(contain pension)	$ 5,563	$ 83,550	$ 89,113
Depreciation	84	2,469	2,553
Insurance expense	555	2,845	3,400
Shipping expenses	376	31	407
Others (Note)	1,221	8,836	10,057
Total	$ 7,799	$ 97,731	$ 105,530

Note 1: The amount of each item in others does not exceed 5% of the account balance.
Note 2︰Administrative and general expenses include expected credit losses.

STATEMENT 10

INFO-TEK CORPORATION

STATEMENT OF LABOR, DEPRECIATION AND AMORTIZATION BY FUNCTION
FOR THE YEAR ENDED DECEMBER 31, 2022
(In Thousands of New Taiwan Dollars)

	For the year ended December 31, 2022				For the year ended December 31, 2021			
	Classified as operating costs	Classified as operating expenses	Classified as operating Non-operating losses	Total	Classified as operating costs	Classified as operating expenses	Classified as operating Non-operating losses	Total
Employ benefits expense								
Salary and bonus	$ 102,163	$ 76,468	$ -	$ 178,631	$ 124,848	$ 58,144	$ -	$ 182,992
Labor and health insurance	11,798	3,313	-	15,111	13,318	2,540	-	15,858
Pension	4,142	1,116	-	5,258	4,963	916	-	5,879
Board compensation	-	11,529	-	11,529	-	7,843	-	7,843
Others	8,120	991	-	9,111	9,365	1,030	-	10,395
	$ 126,223	$ 93,417	$ -	$ 219,640	$ 152,494	$ 70,473	$ -	$ 222,967
Depreciation	$ 24,870	$ 2,856	$ 1,911	$ 29,637	$ 24,934	$ 2,953	$ 1,684	$ 29,571
Amortization Expense	$ 28	$ 1,103	$ -	$ 1,131	$ 48	$ 1,825	$ -	$ 1,873

Note 1. For the year of 2022, the Company had 267 employees, including 6 non-employee directors. For the year of 2021, the Company had 309 employees, including 6 non-employee directors.

Note 2. (1) Average employee benefit expenses for the year $797 thousand ("Total employee benefit expenses for the year - Total directors' remuneration"/"Number of employees for the year - Number of directors who did not also serve as employees".
The average employee benefit expense for the previous year was $710 thousand ("Total employee benefit expense for the previous year - Total directors' remuneration"/"Number of employees for the previous year - Number of directors who did not also serve as employees").

(2) Average employee salary expense for the year $684 thousand (Total salary expense for the year / "Number of employees for the year - Number of directors who did not also serve as employees").
Average employee salary expense of $604 thousand for the previous year (Total salary expense for the previous year / "Number of employees for the previous year - Number of directors who did not also serve as employees").

(3) Change in average employee salary cost adjustment scenario 13.2% ("Current year average employee salary cost - Previous year average employee salary cost"/ Previous year average employee salary cost).

(4) 3,899 thousand for the current year and $907 thousand for the previous year.

(5) The Company's compensation policy (including directors, supervisors, managers and employees).

A. Directors, Independent Directors and Supervisors
(a) Fixed compensation: Based on the payment standard approved by the board of directors.
(b) Variable compensation: Not more than 2% of the annual profit is provided as remuneration to directors and supervisors in accordance with the Company's Articles of Incorporation.

B. The manager uses the key performance indicators such as "Corporate Performance", "Performance of Subordinate Units" and "Individual Performance" as reference items to approve the change in compensation in accordance with the Company's performance management system.

C. Employees are paid in accordance with the Company's payroll regulations and with reference to market wages. Employees are paid 2% to 10% of annual profit in accordance with the Company's Articles of Incorporation.

D. The compensation of directors, supervisors and managers shall be evaluated and determined by the Compensation Committee of the Company on a regular basis in accordance with the regulations.