Stock Code：8183

INFO-TEK CORPORATION

2022 Annual Report

Notice to readers

This English translation is prepared in accordance with the Chinese version and is for reference only. If there is any inconsistency between the Chinese version and this translation, the Chinese version shall prevail.

Company Website: http：//www.psaitc.com
Taiwan Stock Exchange Market Observation Post System :http：//mops.twse.com.tw
Printed on May 10, 2023

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Corporate Website：http：//www.psaitc.com

Table of Content

I. Letter to Shareholders

Dear shareholders, ladies and gentlemen,
First, on behalf of the managing team and all the staff, we would like to express our gratitude to all shareholders for the long-time support and care for INFO-TEK. Here is the report on the business performance in 2022 and the business plan for 2023:

1. Business Performance in 2022:
In 2022, after the resolution of the COVID-19 pandemic, we experienced different challenges such as an imbalance in the supply and needs of electronic components and critical parts. On the other hand, the new energy vehicles market worldwide benefitted from government policies and the developing trend of the industry. Sales of new energy vehicles are continually increasing. We have invested in the market of new energy vehicles for many years, and there is prominent growth in automotive products.

For Taiwan factory, because of the introduction of mass production for new customers, cost reduction and increased efficiency in factories, profits are continually rising.

For factories in Mainland China, with the Suzhou factory operating at full capacity and the introduction of the Wuhu factory, production capacities are expanding. Through our persistence in quality control and steady supply, we gained support from customers and received more orders. In addition, sustained internal cost control led to continued growth in profits.

Conclusively, compared with the previous year, the revenue and profit in 2022 have significantly increased, and it was the best year in profits since the company went public on Taipei Exchange in 2005.

The annual consolidated revenue in 2022 is NTD(as in amounts below) 6.852 billion, which had an increase of 52.1% in comparison to $4.513 billion in the previous year; The individual revenue of the parent company is 466 million, which had an increase of 16.7% in comparison to $399 million in the previous year. In terms of profits, In 2022, the annual consolidated net profit after tax is 675 million, which had a growth of 35% in comparison to 500 million in the previous year. The basic EPS is 5.63 dollars.

(1) Performance of Implementation of the Business Plan

A**. Consolidated Profit and Loss of 2022**

Currency: Except EPS, others are in thousand NTD

Item	The year 2022		The year 2021		Differences	
	Amount	%	Amount	%	Amount	%
Operating Revenue	6,861,906	100%	4,512,644	100%	2,349,262	52.1%
Cost of Good Sold	5,374,849	78.3%	3,454,791	76.6%	1,920,058	55.6%
Operating Gross Profit	1,487,057	21.7%	1,057,853	23.4%	429,204	40.6%
Operating Expense	545,504	7.9%	440,459	9.8%	105,045	23.8%
Profit from Operations	941,553	13.7%	617,394	13.7%	324,159	52.5%
Total non-operating income and expenses	(14,220)	-0.2%	14,375	0.3%	(28,595)	-198.9%
Profit Before Income Tax from Continuing Operations	927,333	13.5%	631,769	14.0%	295,564	46.8%
Income tax expense	251,875	3.7%	131,367	2.9%	120,508	91.7%
Consolidated Net Profit	675,458	9.8%	500,402	11.1%	175,056	35.0%
EPS (Unit:Dollar)	5.63		4.16		1.47	

B. Financial Ratios of Consolidated Report

Item Analysis \ Fiscal Year		The year 2022	The year 2021
Financial Structure	Debt ratio (%)	54.2%	44.4%
Solvency	Current Ratio(%)	160.4%	187.7%
	Quick Ratio(%)	135.4%	159.6%
Profitability	Return on Assets(%)	10.4%	12.4%
	Return on Equity (%)	22.7%	21.7%
	Profit Margin(%)	9.8%	11.1%

(2) Research and Development Status

We are dedicated to the enhancement of the SMT production process, research and introduction of advanced processes, and continuously recruit outstanding talents to improve the quality and ability of the research personnel in software and hardware technologies, so that the key techniques in production can be improved. The results of research and development in 2022 are listed below:

A. Aiming at the passenger car project for customers, we developed an automatic production line in the entire production process.

B. We continuously submitted applications for intellectual property rights such as software copyrights, invention patents, and utility model patents. In 2022, we declared 8 utility model patents, 5 invention patents, and have an accumulation of 65 applications, of which 48 of them have gained authorization.

2. Summary of 2023 Business Plan

(1) Business Policy

A. We uphold the spirit of honesty, rapid responses, and accurate feedback, providing our customers with more complete service in terms of delivery time and quality.

B. In the field of new energy, automobile electronics, and industrial control, we continuously increase the value of professional manufacturing factories with a high competitive advantage.

C. The Taiwan factory takes the initiative in expanding new customers and implementing mass production, steadily focusing on Smart Home/Data Center products that are on-trend with IOT and 5G industries.The Suzhou factory continues to grow in the field of new energy, automobile electronics, and industrial control.

D. Management Implementation: Strengthening the internal control and division of labor based on functions, and an inter-departmental coordination mechanism is established to reduce risks and enhance cost control.

E. Learning and growth: Strengthening industry-academia cooperation, integrating necessary skills, systematic management, building a knowledge base and keep on innovating.

(2) Important Policy on Marketing

A. Improve the structure between products, customers, and providers

(a) Continuously increase the ratio of automobile electronics products, especially the three key electronic components of new energy vehicles, and make strategic plans to expand overseas customers and markets.

(b) Modify and enhance the customers' groups, and our future is targeted as a first-rated car factories in future. Decluttering in the process of strategic adjustments, cutting down existing businesses that are below quality standards, and releasing more resources to focus on major customer groups and products.

(c) Strategic purchases are endorsed to confirm the delivery date and price of the original material. There is coordination when executing production and marketing to achieve assurance of supply and reduce inventory risks

(d) Utilizing the MES system to establish a standardized platform for information on production management, which can promote information exchange and communication between the on-site control and the management of the company. Thus the core competitiveness of the enterprise can be enhanced.

(3) Development of Research Technologies

A. The product engineering team is strengthened to satisfy the need for sophisticated craftsmanship in OEM services, and also constantly improving the production capacity and yield rate, as well as reducing costs.

B. Engage in academic exchange and industrial cooperation with academic institutions and research organizations to improve the technological standard of research and development of our company.

C. Constantly applying intellectual property rights such as software, invention patents, and utility model patents.

3. Development Strategy of the company in the future

(1) We are continually expanding the automobile electronics market, such as auto driving, vehicle-to-everything, three key electronic components in new energy vehicles, etc. Besides that, we keep on implementing automation facilities to improve production efficiency and quality, reduce costs and increase competitiveness.

(2) We are constantly enhancing production techniques and promoting different systematic improvements at work, to strive for higher production precision and yield rate, and provide world-class consumer quality assurance.

(3) We constructed a high-value supply chain network with an open mindset. In the adversity of lacking

chips, we proactively reached out to major chip manufacturers and distributors and built a highly effective communication channel. In the process of strategic inventory planning, we reached an agreement with customers, manufacturers, and distributors and formed strategic partnerships.

(4) Utilizing the resource advantage of the PSA Group, we can also gain inter-regional production resources and supply advantage on parts and materials.

(5) We actively care about our employees, enhance employee welfare and implement a system of rewards and punishments. The Academy of New Energy Intelligence Industry has been established to shoulder social responsibility, train professional talents, improve techniques and services, create favorable employment and competitive advantage, and constantly increase the influence of our brand.

4. The effect of the external competitive environment, regulatory environment and the overall operating environment

Looking ahead to 2023, with the alleviation of the pandemic, countries are opening their borders in succession, with the hope of restoring lives before the pandemic. This will help the revival of the economy and the market. However, during the pandemic, due to the imbalance of supply and demand of electronic components and critical parts, the inventory level is still high with slow clearance. Besides that, with the effect of high inflation and high-interest rates on the financial environment, and trading worldwide is still under the influence of the Russo-Ukrainian War, geopolitics, and protectionism, the EMS industry and our business are still facing great challenges.

As countries strive for goals such as zero carbon emissions and ESG sustainable development, there is significant growth of new energy vehicles(NEV) in 2023, in which China is the most iconic as it is the largest manufacturer and sales of NEVs. According to the statistics released by the China Association of Automobile Manufacturers, the production of vehicles reached 27.02 million, and 26.86 million vehicles were sold in 2022, with an increase of 3.4% and 2.1% respective on year-over-year growth. Among them, the production of NEVs reached 7.058 million, and 6.887 million NEVs were sold, with an increase of 96.9% and 94.3% respective on year-over-year growth, and the market share is 25.6%. In future years, as countries keep pursuing zero carbon emissions, the growing trend of NEVs will remain unchanged.

When facing the aforementioned challenges and opportunities, we follow the philosophy of Passive System Alliance (PSA), which is “Equal significance of shareholder values, employee welfare, and social responsibility”, hoping that the company can achieve profitability, shareholders can have reasonable returns, and corporate social responsibility can be fulfilled at the same time, creating a high-quality working environment that benefitted mutually with colleagues. Thus the operation performance can be strengthened, and we can give back to the shareholders and contribute the society, achieving management with multiple win-win cycles. Finally, I wish all shareholders good health and everything goes well!

Cheers!

Chairman: YuHeng Chiao
General Manager : ChenYu Liu
Accounting Supervisor: PoChang Huang

II. Company Profile

1. Company Description

(1) Date of Incorporation: December 15, 1990

(2) Corporate History:

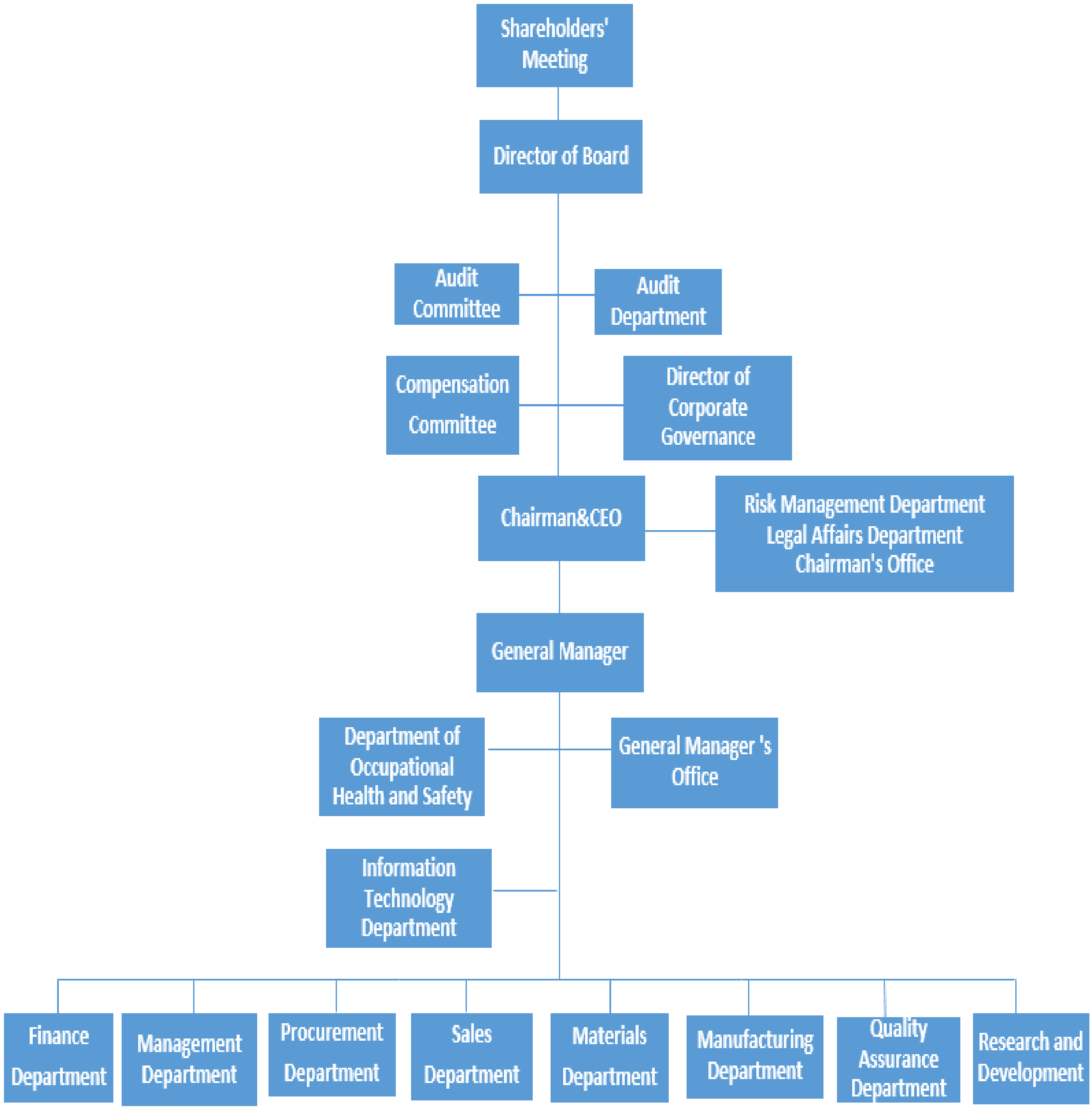
Year	Important Matters
1990/12	The company is established and registered with a capital of NTD 50,000,000. It is located at No. 145, Taibei Road, Zhubei City, Hsinchu County, and engaged in the business of manufacturing and selling electronic components.
1993/06	The company has purchased a land of 493 square meters and a factory of 516 square meters located on Zhonghua Road in the Hukou Township of Hsinchu County.
1995/12	Taiwanese parent company obtains ISO-9002 certification.
1999/10	Expanded SMT production line equipment, increasing the number of production lines to 10.
2000/05	Received the honor of being ranked 41st in profitability and 45th in fastest growing companies in the (2000 edition)among the top 2000 manufacturing companies in the country in the CommonWealth Magazine.
2001/02	The expansion of the factory has been completed, and the total building area of the plant has been increased to 3,822 square meters.
2001/09	Establishment of INFO-TEK Electronics (Suzhou) Co., Ltd. (referred to as INFO-TEK (Suzhou)), engaged in the production and sales of information electronic products.
2001/11	Obtained ISO-9001 certification.
2002/05	Received the 409th place in the revenue ranking 1000 edition for Manufacturing Companies in Taiwan by CommonWealth Magazine.
2002/10	INFO-TEK(SuZhou) purchased 45,576.9 square meters of land in Suzhou New District.
2003/03	Established a Taipei branch in the Nangang Software Park in Taipei.
2004/02	The company applied to register as an Emerging Stock on the Taipei Exchange.
2004/05	Ranked 343rd in the 2003 manufacturing revenue ranking and 20th in the fastest-growing companies in the 1000 edition of CommonWealth Magazine.
2004/09	Obtained ISO-14001 Environmental Management System certification.
2004/12	INFO-TEK(SuZhou) completed the first phase of its factory building with an area of 24,731.05 square meters and began production.
2005/03	Listed on the Taipei Exchange's Emerging Stock Board
2005/05	Ranked 253rd in the 2004, 1000 edition Revenue of Manufacturing Companies by CommonWealth Magazine
2005/08	INFO-TEK(SuZhou) promoted ISO-9001 and obtained certification
2006/12	INFO-TEK(SuZhou) completed the second phase construction of the factory, with a total area of 7,597.88 square meters
2007/05	Ranked 280rd in the 2006, 1000 edition Revenue of Manufacturing Companies by CommonWealth Magazine
2008/03	Obtained the IECO QC080000 system (HSPM hazardous substance process management system) certification.
2008/06	INFO-TEK(SuZhou) obtained ISO-14001 Environmental Management System certification.
2008/07	INFO-TEK(SuZhou) obtained ISO/ TS16949 Automotive Electronic Management System Certification.
2009/07	Joined PSA Group
2009/12	INFO-TEK(SuZhou) obtained the IECQ QC080000 system (HSPM hazardous substance process management system) certification.
2010/11	Obtained ISO13485 Medical Device Management System Certification

2013/08	INFO-TEK(SuZhou) obtained ISO13485 Medical Device Management System Certification
2014/09	Obtained TS16949 Automotive Electronic Management System Certification
2016/03	Obtained AS9100 Aerospace Product Management System Certification
2016/08	INFO-TEK(SuZhou) obtained ESD S20.20 Product Management System certification and IPC QML Product Management System Certification
2017/06	INFO-TEK(SuZhou) obtained ISO27001 Information Security Management System Certification
2018/07	INFO-TEK(SuZhou)'s automotive management system TS16949 has been upgraded to IATF16949 with Certification
2018/11	INFO-TEK(SuZhou) was awarded the National High-Tech Enterprise Certification in China
2019/02	INFO-TEK(SuZhou) has obtained the ISO/IEC17025 (CNAS "Criteria for the Accreditation of Testing and Calibration Laboratories") System Certification.
2022/02	INFO-TEK(SuZhou) establishes INFO-TEK(SuZhou) New Energy Intelligent Industry Academy
2022/06	INFO-TEK(SuZhou) expanded its automotive production line and established the Wuhu Plant to start production

III. Corporate Governance Report

3.1 Organization

(1) Organization structure (2023/4/30)



(2) Business of Each Main Department

Department	Main Business
Chairman's Office	Execute the resolutions made by the board of directors, review and approve significant decisions of the company, as well as oversee and promote the planning, marketing, and various business operations of the company for future development.
Risk Management Department	Customer credit investigation, annual credit limit accounting and adjustment, and collection of overdue accounts receivable.
Legal Affairs Department	Drafting, reviewing, and managing contracts; providing legal advice and answers; handling litigation, mediation, and arbitration cases; collecting laws and conducting special research; planning and protecting intellectual property and trade secrets; collecting overdue accounts receivable; reporting to and liaising with regulatory authorities; promote legal education and training; establishing legal workplace standards and employee training.
General Manager	1. According to the company's board of directors' resolution, formulate the company's business policies, business objectives, and business plans, and decompose them to each department for organized implementation. 2. Propose a plan for setting up the company's organizational structure. 3. Responsible for handling conflicts and issues among departments. 4. Responsible for reviewing the company's operating expenses. 5. Other work related to the overall operations of the company.
Audit Department	Audit and evaluate the internal control systems of each department for deficiencies and effectiveness, and provide improvement suggestions.
Director of Corporate Governance	Handle matters related to the board of directors and shareholders' meetings in accordance with the law, provide information needed for directors to perform their duties, collect and manage the latest legal and regulatory developments related to the company to assist the directors in compliance with laws and regulations, and assist with the appointment of directors and their ongoing education and training.
Department of Occupational Health and Safety	Responsible for the company's occupational health and safety management system, leading the occupational health and safety audits of each permanent department and project, and study improvement plans for occupational health and safety.
Information Technology Department	1. Planning and management of information systems. 2. Maintenance and management of information security. 3. Overall construction and management of networks. 4. Evaluation and implementation of information software and hardware.
Finance Department	1. Planning, establishing, and executing accounting systems. 2. Accounting and financial statement preparation and analysis. 3. Establishing, reviewing, binding, and safeguarding various accounting items. 4. Planning, summarizing, and executing annual budgets, and conducting reviews and analyses. 5. Financial planning, fund raising, scheduling, and foreign exchange management and operations. 6. Cash management, securities custody. 7. Management of re-investment 8. Tax planning and processing operations. 9. Planning and handling of stock affairs, board of directors and shareholder meetings. 10. Announcements and reporting matters required by laws and regulations.
Management Department	1. Compilation of internal management regulations. 2. Implementation of human resource development, recruitment, dismissal, rewards and punishments, salary, attendance, education and training, and other related management tasks of the company. 3. Management of general affairs, public safety, and asset maintenance. 4. Evaluation, planning, supervision, and execution of factory engineering. 5. Co-assistance and implementation of the environmental and safety management system. 6. Formulation of the company's sustainable development policies, systems, or related management guidelines and specific promotion plans, which will be approved by the board of directors and reported to the shareholders' meeting.
Procurement Department	Responsible for the procurement and supplier management of raw materials, non-production supplies, and fixed assets for the entire company, as well as the integration of purchasing resources; and execution of related matters such as strategic procurement direction.
Sales Department	Responsible for formulating and executing sales and marketing strategies, developing markets, collecting market intelligence, processing customer orders, collecting accounts receivable, handling customer service and complaints, and promoting production and sales coordination.
Materials Department	Responsible for production scheduling, shipment scheduling, inventory control, raw

	material/semi-finished product/finished product management, packaging and transportation management, regular inventory counting in the warehouse, etc.
Manufacturing Department	Responsible for manufacturing and engineering operations. 1.The Manufacturing Department is responsible for production management and control of the company's products, as well as maintenance and upkeep of machinery and equipment. It consists of units such as SMT, PTH, and system assembly. They handle new processes, technologies, and equipment operations, as well as evaluating their efficiency. Also design and establish tooling, assist in product quotation, and control product quality through analysis and improvement of anomalies. Planning the layout and equipment configuration according to the product category and production needs, as well as manage manufacturing costs. 2.The Engineering Department is responsible for the introduction of new products, production process planning, specification development, production procedure drafting, transformation of production processes and technologies, evaluation and production of testing and tooling, document management and control, repair of defective products, and RMA repair.
Quality Assurance Department	1.Responsible for promoting, planning, implementing, and maintaining the normal operation of the quality management system. 2.Track and analyze the reasons for product abnormalities. 3.Provide suggestions for product quality improvement direction. 4.Conduct raw material acceptance, real-time quality control on the production line, and inspection of shipped finished products. 5.Customer service, response to complaints and abnormalities, and tracking of countermeasures. 6.Promote quality education and training.
Research and Development	Department is responsible for technical research and development in areas such as processes, testing, and engineering services.

3.2 Directors and ManagementTeam ..

(1) Information of directors

A. Directors

April 16, 2023

Title	Nationality or Place of Registration	Name	Gender, Age	Date Elected	Duration (year)	Date First Elected	Shareholding When Elected		Current Shareholding		Current Shareholding of Spouse & Minor		Shareholding by Nominee Arrangement		Main Experience/Educational Background	Current Positions at The Company and Other Companies	Others with a relationship of spouse or second degree relative			Note
							Share involvement	Shareholding Ratio	Share involvement	Shareholding Ratio	Share involvement	Shareholding Ratio	Share involvement	Shareholding Ratio			Title	Name	Relationship	
Chairman	ROC	YuHeng Chiao	Male 61~70	2021.7.5	3	2010.9.15	169,000	0.14%	398,000	0.33%	0	0%	0	0%	Golden Gate University MBA Walsin Lihwa Corporation- Vice Chairman	INFO-TEK Corporation - CEO Global Brands Manufacture LTD - Chairman and CEO Walsin Technology Corporation-Chairman Walton Advanced Engineering, Inc. - Chairman and CEO Prosperity Dielectrics Co., LTD - Chairman and CEO HannStar Board International Holdings Ltd. - Chairman and CEO Walsin Lihwa Corporation-Director Career Technology (MFG.) Co., Ltd. - Chairman INPAQ Technology CO., LTD. - Director Silitech Technology Corporation -Chairman	None	None	None	Note 1
Director	ROC	PengHuang Peng	Male 61~70	2021.7.5	3	1991.1.05	5,003,000	4.13%	5,003,000	4.13%	52,000	0.04%	0	0%	Soochow University (Institute of Business Administration) - Master degree INFO-TEK Corporation - General Manager	SUN RISE CORP. - Director INFO-TEK HOLDING CO,.LTD. - Director InFo-Tek Electronics (Suzhou) CO,.LTD.- Director Singatron Enterprise Co., Ltd.- Chairman and General Manager Singatron Enterprise (China) Co., Ltd.- Director Kingstate Electronics Corporation - Director Tranwo Technology Corporation-Chairman Fuyu Communications （Suzhou） Limited Company - Chairman GIGA-BYTE TECHNOLOGY CO.,LTD.- Compensation Committee	None	None	None	
Director	ROC	MingHsiung Liu	Male 51~60	2021.7.5	3	2002.6.20	0	0%	0	0%	0	0%	0	0%	National Chengchi University - EMBA GIGA-BYTE TECHNOLOGY CO.,LTD.- Vice Chairman and General Manager	GIGA-BYTE TECHNOLOGY CO.,LTD. - Vice Chairman Giga Investment CO.,LTD - Director GIGA-BYTE COMMUNICATIONS INC- Director Yingjia Technology Engineering Development Co.,Ltd Director Senyun Precision Optical Corporation - supervisor Ming Wei Investment CO., LTD. - Director CLOUDMATRIX CO., LTD.- Director Shining Wei Investment CO., LTD. – Director JM MATERIAL TECHNOLOGY INC- Director BYTE International Co., Ltd- Director Allied Biotech Corporation - Director SAGATEK CONSULTANT CO., LTD.- Director KING CORE ELECTRONICS INC. - Independent Director AMIDA TECHNOLOGY, INC.- Director	None	None	None	
Director	ROC	Global Brands Manufacture LTD	-	2021.7.5	3	2010.9.15	33,270,949	27.44%	33,270,949	27.44%	0	0%	0	0%	-	-	None	None	None	

		Representative : YuSheng Chiu	Male 61~70	2021.7.5	3	2021.7.5	0	0%	0	0%	0	0%	0	0%	Tatung University (Department of Business Administration) Walsin Technology Corporation - General Manager of Resource Recovery Business Unit at PSA Group.	GLOBAL BRANDS MANUFACTURE LTD.- Director and vice genral manager Hanyu Caiyi (Shanghai) Electronic Plastic Co., Ltd. - Chairman and LDirector Suzhou Huake Caiyi Trading Co., Ltd.- Chairman and Director	None	None	None	
Independent Director	ROC	HuiChoa Chen	Male 51~60	2021.7.5	3	2002.6.20	0	0%	0	0%	808	0%	0	0%	National Chengchi University - EMBA Senyun Precision Optical Corporation - Chairman	Senyun Precision Optical Corporation - Director HUA JUNG COMPONENTS CO.,LTD.- Independent Director Singatron Enterprise Co., Ltd.- Independent Director CHING HWA BIOTECH. CO., LTD. - Consultant	None	None	None	
Independent Director	ROC	PiLan Chang	Female 61~70	2021.7.5	3	2015.6.10	0	0%	0	0%	0	0%	0	0%	Fu Jen Catholic University (Department of Business Administration) Chaintech Technology Corporation- Vice Chairman Bo Shen Investments Co., Ltd. - Chairman	GLOBALSAT WORLDCOM CORPORATION - Independent Director Walsin Technology CORPORATION - Compensation Committee G-HOME TECHNOLOGIES, INC.- Director	None	None	None	
Independent Director	ROC	WenYuan Chu	Male 61~70	2021.7.5	3	2021.7.5	0	0%	0	0%	0	0%	0	0%	University of Oregon (Business Administration) - Master degree Walsin Technology Corporation = Global Procurement Manager	Joyin Co., Ltd - Independent Director	None	None	None	

Note 1: When the Chairman and General Manager or equivalent positions (top managers) are the same person, spouses or relatives within the first degree of kinship, the reason, rationality, necessity, and relevant information on coping measures should be explained: Our company's Chairman concurrently serves as the CEO to develop the company's operating strategies and enhance its operational efficiency. However, to enhance the function of the Board of Directors and corporate governance operations, more than half of our directors do not concurrently serve as employees or managers. In the future, we will plan for director and independent director members in accordance with the company's development and relevant laws and regulations to strengthen the function of the Board of Directors.
Note 2: Independent directors of the company who are authorized by the board to participate in the company's operations on a regular basis may receive remuneration. The amount of compensation is determined by the Compensation committee based on the level of participation and contribution to the company's operations by the director, taking into account industry standards both domestically and internationally. The compensation is subject to approval by the board of directors.

B. Major shareholders of the institutional shareholders

Name of Institutional Shareholders	Major Shareholders
Global Brands Manufacture LTD As of 2023/4/16	Hannstar board Corporation (40.65%) Citi Managed Norway's Central Bank Investment Account (1.32%) Yu-Heng, Chiao (0.84%) Min-Hue, Liao (0.74%) Ji-Cheng Investment Co. Ltd ((0.68%) Chase managed the Vanguard Emerging Markets Stock Index Fund Account (0.66%) Chase Hosts Advanced Starlight Advanced Aggregate International Stock Index (0.62%) Citibank Trust DFA core securities investment account for emerging markets (0.52%) Ying-zhao Investment Co. Ltd ((0.50%) Ji-Fu,Chiou(0.50%)

C. Major shareholders of the Company's major institutional shareholders

Name of Institutional Shareholders	Major Shareholders
HannStar Board Corporation As of 2023/4/17	Walsin technology Corporation.(20.32%) Walsin Lihwa Corporation (12.06%) Career Technology (Mfg.) Co., Ltd(5.44%) Chin-Xin Investment Co. Ltd (3.55%) Yu-Heng, Chiao (2.19%) Pai-Yung, Hong (1.86%) Prosperity Dielectrics Co., Ltd.(1.07%) Tsai Yi Corporation (0.96%) Xing Xing Investment Co., Ltd.(0.92%) Yu-Yue Inc. (0.89%)

D. Disclosure of the professional qualifications of directors and the independence of independent directors

Criteria / Name	Professional qualifications and experience	Independence situation	Number of Other Public Companies in Which the Individual is Concurrently Serving as an Independent Director
YuHeng Chiao	(1) Director YuHeng Chiao joined INFO-TEK Corporation in 2010 and has served as a director and CEO. He took over as chairman in 2007 and has held the position to date. Current Chairman of Walsin Technology Corporation, HannStar Board International Holdings Ltd., Global Brand Manafucturing Ltd, Walton Advanced Engineering, Inc ,Prosperity Dielectrics Co., LTD, and Silitech Technology Corporation, Career Technology (MFG.) Co., Ltd.The director possesses the professional expertise and experience necessary for business management and the development of the company's operations. (2) There are no circumstances falling under any subparagraph of Article 30 of the Company Act.	There is no spouse or relative within the second degree of kinship with any other director of the company.	None
PengHuang Peng	(1) Director PengHuang Peng, founded Taiwan INFO-TEK Corporation in 1991 and has served as its general manager, CEO, director, vice chairman and chairman. Current position: Chairman and General Manager of Singatron Enterprise Co., Ltd. Director of Singatron Enterprise (China) Co., Ltd. and Kingstate Electronics Corporation. Chairman of Tranwo Technology Corporation and Fuyu Communications（Suzhou） Limited Company. Compensation Committee of GIGA-BYTE TECHNOLOGY CO.,LTD Has experience in founding and managing company. (2) There are no circumstances falling under any subparagraph of Article 30 of the Company Act.	There is no spouse or relative within the second degree of kinship with any other director of the company.	None
MingHsiung Liu	(1)Director Ming-Hsiung Liu's current position: Vice chairman of GIGA-BYTE TECHNOLOGY CO.,LTD and Director of Giga Investment CO.,LTD, GIGA-BYTE COMMUNICATIONS INC, Yingjia Technology Engineering Development Co.,Ltd, BYTE International Co., Ltd,., KING CORE ELECTRONICS INC. and AMIDA TECHNOLOGY, INC. Main education background is National Chengchi University – EMBA.Have extensive industry experience, as well as professional expertise in strategic planning, organizational management, and corporate governance. (2)There are no circumstances falling under any subparagraph of Article 30 of the Company Act.	There is no spouse or relative within the second degree of kinship with any other director of the company.	None

Global Brands Manufacture LTD Representative: YuSheng Chiu	(1) Director YuSheng Chiu’s current position: Director and Vice General Manager of Global Brands Manufacture LTD. Current position in other companies are: Chairman and Director of Hanyu CaiYi (Shanghai) Electronic Plastic Co., Ltd., as well as Chairman and legal representative director of Suzhou Huake CaiYi Trading Co., Ltd. Been dedicated to the electronics industry, with expertise in corporate strategy, business operation framework planning, and the implementation of corporate organizational restructuring and transformation promotion. (2) There are no circumstances falling under any subparagraph of Article 30 of the Company Act.	There is no spouse or relative within the second degree of kinship with any other director of the company.	None
HuiChoa Chen	(1) Director HuiChoa Chen is the member of our audit committee, his current position in other companies are: Senyun Precision Optical Corporation Director,HUA JUNG COMPONENTS CO.,LTD.- Independent Director, Singatron Enterprise Co., Ltd.- Independent Director, CHING HWA BIOTECH. CO., LTD. - Consultant Have many years of experience in the design and manufacturing of optical products, and providing supervision and professional opinions to the board of directors. (2) There are no circumstances falling under any subparagraph of Article 30 of the Company Act.	The independent director of our company had no circumstances falling under Article 3, Paragraph 1, Sub paragraphs 1 to 8 of the "Regulations Governing the Appointment of Independent Directors and Compliance Matters for Public Companies" during the two years prior to the appointment and the term of office.	2
PiLan Chang	(1) Director PiLan Chang is the member of our audit committee, her current position in other companies are: GLOBALSAT WORLD COMCORPORATION - Independent Director, Walsin Technology Coporation - Compensation Committee, G-HOME TECHNOLOGIES, INC.- Director. Having years of practical experience in financial and business operations, and providing supervision and professional opinions to the board of directors to assist the company in becoming more diverse and innovative in its thinking. (2) There are no circumstances falling under any subparagraph of Article 30 of the Company Act.		1

WenYuan Chu	(1) Director WenYuan Chu serves as a member of the Audit Committee. He holds a Master's degree in Business Administration (Finance) from the University of Oregon, USA. He has held various positions including Global Procurement Manager at Walsin Technology Corporation,and Independent Director of Joyin Co., Ltd - With expertise in financial management, corporate procurement, and asset management, as well as extensive experience in rigorous risk management and practical business operations, he provides professional insights for the overall development and strategic positioning of the group. (2) There are no circumstances falling under any subparagraph of Article 30 of the Company Act.		1

E Diversity and independence of the board:

(a) Diversity of the board:

The nomination and selection of members of the board of directors of our company are carried out in accordance with the provisions of the company's articles of association, adopting a candidate nomination system and in line with the company's operational model and development plans.

Diversity goals for members of the board of directors:

A. Basic criteria: nationality, gender, age, etc.

B. More than half of the directors on the board should not concurrently serve as employees or managers, in order to achieve the goal of supervision.

C. Board members should possess diverse expertise related to the industry, management, accounting, and finance, including core competencies such as leadership decision-making, operational judgment, business management, financial analysis, crisis management, production and sales, industry expertise, and international market knowledge.

The board of directors consists of seven members, including one female director. The current list of directors consists of individuals with expertise in leadership, operational judgment, business management, crisis management, industry knowledge, and a global perspective, namely YuHengChiao, MingHsiung Liu, and HuiChoa Chen. There are also specialists in the field of finance and accounting, including WenYuan Chu and PiLan Chang. Additionally, PengHuang Peng brings extensive industry experience, while YuSheng Chiu excels in industry analysis and corporate management.

Name	Nationality	Gender, Age	Concurrently serving as an employee in our company	Age		Duration of service as an independent director			Main Business							
				51 to 60 years old	61~70 years old	Below 3 years	3 to 9 years	Above 9 years	Leadership decision-making	Operational judgment	Business management	Finance and accounting	Crisis management	Production and sales	Industry expertise	International market
YuHeng Chiao	ROC	Male	V		V				V	V	V	V	V	V	V	V
PengHuang Peng	ROC	Male			V				V	V	V	V	V	V	V	V
MingHsiung Liu	ROC	Male		V					V	V	V	V	V	V	V	V
YuSheng Chiu	ROC	Male			V				V	V	V	V	V	V	V	V
PiLan Chang	ROC	Female			V		V		V	V	V	V	V	V	V	V
HuiChoa Chen	ROC	Male		V				V	V	V	V	V	V	V	V	V
WenYuan Chu	ROC	Male			V	V			V	V	V	V	V	V	V	V

(b) Independence of the board:：

Our current board of directors consists of seven directors, including three independent directors. The proportion of independent directors is 43%. One independent director has been serving for more than 10 years, and one independent director has been serving for less than three years. , there are no situations falling under the provisions of Article 26-3, paragraphs 3 and 4 of the Securities and Exchange Act between the directors, nor are there any spousal or relative within the second degree of kinship relationship among the directors.

(2) Information of general managers, vice general managers, each department and branch managers'.

April 16, 2023

Title	Nationality	Name	Gender	Date Elected	Current Shareholding		Current Shareholding of Spouse & Minor		Shareholding by Nominee Arrangement		Main Experience/Educational Background	Current Positions at The Company and Other Companies	Others with a relationship of spouse or second degree relative			Note
					Share involvement	Ratio	Share involvement	Ratio	Share involvement	Ratio			Title	Name	Relation ship	
CEO	ROC	YuHeng Chiao	Male	2017.3.30	398,000	0.33%	0	0%	0	0%	Golden Gate University MBA Walsin Lihwa Corporation- Vice Chairman	NFO-TEK Corporation - CEO Global Brands Manufacture LTD - Chairman and CEO Walsin Technology Corporation-Chairman Walton Advanced Engineering, Inc. - Chairman and CEO Prosperity Dielectrics Co., LTD - Chairman and CEO HannStar Board International Holdings Ltd. - Chairman and CEO Walsin Lihwa Corporation-Director Career Technology (MFG.) Co., Ltd. - Chairman INPAQ Technology CO., LTD. -Directo Silitech (Bermuda) Holding Ltd. -Chairman	None	None	None	Note 1
General Manager	ROC	ChenYu Liu	Male	2010.11.2	100,000	0.08%	10,000	0%	0	0%	Tamkang University (Department of PublicAdministration) Hanyu Broad Co., Ltd - Head ofDepartment Global Brands Manufacture LTD - Assistant Director	SUN RISE CORP. - Director INFO-TEK HOLDING CO,.LTD. - Director INFO-TEK Electronics (Suzhou) CO,.LTD.-Chairman and General Manager	None	None	None	
General Manager of Operation	ROC	YuChen Hsu	Female	2010.11.2	521,790	0.43%	0	0%	0	0%	Swiss Hotel Management School (César Ritz Colleges Switzerland) - MBA degree Silitech (Bermuda) Holding Ltd. - Special Assistant of Chairman, Sale manager Weber-Stephen Products Limited - Director	Silitech (Bermuda) Holding Ltd.- General Manager Silitech Technology Corp. Sdn. Bhd. - Director Representative Silitech Technology Corp. Ltd. - Director Representative Xurong Electronics (Shenzhen) Co., Ltd. - Director Representative	None	None	None	
Manager of Financial Accounting and Corporate Governance	ROC	PoChang Huang	Male	2019.10.3	45,000	0.04%	0	0%	0	0%	Feng Chia University (Department of Accounting) China Cinda Accounting Firm - Audit Staff Walsin Technology Corporation -Accountant	SUN RISE CORP. - Director INFO-TEK HOLDING CO,.LTD. - Director InFo-Tek Electronics (Suzhou) CO,.LTD.-Supervisor	None	None	None	

Note 1: Please refer to the Directors information page (3.1) note 1.

3.3 Remunerations paid to Directors, President and Vice Presidents in the most recent year

A. Remuneration paid to Directors and Independent Directors

Unit: NT$ thousands; thousand shares

Title	Name	Directors Remuneration								Total Remuneration (A+B+C+D) and percentage of net income (%)		Relevant Remuneration Received by Directors Who are Also Employees								Total Remuneration and percentage of net income (%) (A+B+C+D+E+F+G) and percentage of net income (%)		Compensation from investments other than subsidiaries or the parent company
		Base Compensation (A)		Severance Pay (B)		Directors Compensation (C) (Note 1)		Allowances (D)				Salary, Bonuses, and Allowances (E)		Severance Pay (F)		Employee Compensation (G) (Note 2)						
		The company	Companies in the consolidated financial statements	The company	Companies in the consolidated financial statements	The company	Companies in the consolidated financial statements	The company	Companies in the consolidated financial statements	The company statements	Companies in the consolidated financial statements	The company	Companies in the consolidated financial statements	The company	Companies in the consolidated financial statements	The company		Companies in the consolidated financial statements		The company	Companies in the consolidated financial statements	
																Cash	Stock	Cash	Stock			
Chairman	YuHeng Chiao	0	0	0	0	7,206	7,206	140	140	7,346 1.09%	7,346 1.09%	12,051	12,051	0	0	6000	0	6000	0	25,397 3.76%	25,397 3.76%	None
Director	MingHsiung Liu																					
Director	PengHuang Peng																					
Director	Global Brands Manufacture LTD Representative: YuSheng Chiu																					
Independent Director	HuiChoa Chen	0	0	0	0	4,323	4,323	105	105	4,428 0.66%	4,428 0.66%	0	0	0	0	0	0	0	0	4,428 0.66%	4,428 0.66%	None
Independent Director	PiLan Chang																					
Independent Director	WenYuan Chu																					

Salary Range Table

Range of remuneration pay to each director of the company	Name of Directors			
	Total Remuneration (A+B+C+D)		Total Remuneration (A+B+C+D+E+F+G)	
	The company	Companies in the consolidated financial statements	The company	Companies in the consolidated financial statements
Below NT$ 1,000,000	0	0	0	0
NT$ 1,000,000 (inclusive) ~ NT$ 2,000,000(exclusive)	MingHsiung Liu,PengHuang Peng,Global Brands Manufacture LTD Representative: YuSheng Chiu, HuiChoa Chen,PiLan Chang, WenYuan Chu	MingHsiung Liu,PengHuang Peng,Global Brands Manufacture LTD Representative: YuSheng Chiu, HuiChoa Chen,PiLan Chang, WenYuan Chu	MingHsiung Liu,PengHuang Peng,Global Brands Manufacture LTD Representative: YuSheng Chiu, HuiChoa Chen,PiLan Chang, WenYuan Chu	MingHsiung Liu,PengHuang Peng,Global Brands Manufacture LTD Representative: YuSheng Chiu, HuiChoa Chen,PiLan Chang, WenYuan Chu
NT$ 2,000,000 (inclusive) ~ NT$ 3,500,000(exclusive)	YuHeng Chiao	YuHeng Chiao	0	0
NT$ 3,500,000 (inclusive) ~ NT$ 5,000,000(exclusive)	0	0	0	0
NT$ 5,000,000 (inclusive) ~ NT$ 10,000,000(exclusive)	0	0	0	0
NT$ 10,000,000 (inclusive) ~ NT$ 15,000,000(exclusive)	0	0	0	0
NT$ 15,000,000 (inclusive) ~ NT$ 30,000,000(exclusive)	0	0	YuHeng Chiao	YuHeng Chiao
NT$ 30,000,000 (inclusive) ~ NT$ 50,000,000(exclusive)	0	0	0	0
NT$ 50,000,000 (inclusive) ~ NT$ 100,000,000(exclusive)	0	0	0	0
Above NT$ 100,000,000	0	0	0	0
Total	7	7	7	7

Note 1: This refers to the director remuneration amount proposed and approved by the board of directors before the 2023 annual shareholders' meeting for the proposed profit distribution plan.

Note 2: This refers to the employees' remuneration amount proposed and approved by the board of directors before the 2023 annual shareholders' meeting for the proposed profit distribution plan.

B. Remuneration paid to General Managers, and Vice General Managers

Unit: NT$ thousands; thousand shares

<table>
<tr><th rowspan="3">Title</th><th rowspan="3">Name</th><th colspan="2">Salary (A)</th><th colspan="2">Severance Pay (B) (Note 1)</th><th colspan="2">Bonuses and Allowances (C)</th><th colspan="4">Employee Compensation (D)</th><th colspan="2">Total Remuneration (A+B+C+D) and percentage of net income (%)</th><th rowspan="3">Compensation from investments other than subsidiaries or the parent company</th></tr>
<tr><th rowspan="2">The company</th><th rowspan="2">Companies in the consolidated financial statements</th><th rowspan="2">The company</th><th rowspan="2">Companies in the consolidated financial statements</th><th rowspan="2">The company</th><th rowspan="2">Companies in the consolidated financial statements</th><th colspan="2">The company</th><th colspan="2">Companies in the consolidated financial statements</th><th rowspan="2">The company</th><th rowspan="2">Companies in the consolidated financial statements</th></tr>
<tr><th>Cash</th><th>Stock</th><th>Cash</th><th>Stock</th></tr>
<tr><td>CEO</td><td>YuHeng Chiao</td><td rowspan="3">7,166</td><td rowspan="3">7,798</td><td rowspan="3">197</td><td rowspan="3">197</td><td rowspan="3">15,500</td><td rowspan="3">15,500</td><td rowspan="3">12,300</td><td rowspan="3">0</td><td rowspan="3">12,300</td><td rowspan="3">0</td><td rowspan="3">35,163
5.21%</td><td rowspan="3">35,795
5.30%</td><td rowspan="3">None</td></tr>
<tr><td>General Manager</td><td>ChenYu Liu</td></tr>
<tr><td>General Manager Of Operation</td><td>YuChen Hsu</td></tr>
</table>

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Salary Range Table

Range of remuneration pay to each General Manager of the company	Name of General Managers, and Vice General Managers	
	The company	Companies in the consolidated financial statements E
Below NT$ 1,000,000	0	0
NT$ 1,000,000 (inclusive) ~ NT$ 2,000,000(exclusive)	0	0
NT$ 2,000,000 (inclusive) ~ NT$ 3,500,000(exclusive)	0	0
NT$ 3,500,000 (inclusive) ~ NT$ 5,000,000(exclusive)	0	0
NT$ 5,000,000 (inclusive) ~ NT$ 10,000,000(exclusive)	YuChen Hsu	YuChen Hsu
NT$ 10,000,000 (inclusive) ~ NT$ 15,000,000(exclusive)	ChenYu Liu	ChenYu Liu
NT$ 15,000,000 (inclusive) ~ NT$ 30,000,000(exclusive)	YuHeng Chiao	YuHeng Chiao
NT$ 30,000,000 (inclusive) ~ NT$ 50,000,000(exclusive)	0	0
NT$ 50,000,000 (inclusive) ~ NT$ 100,000,000(exclusive)	0	0
Above NT$ 100,000,000	0	0
Total	3	3

Note 1: The Severance Pay shown in the table for the General Managers, and Vice General Managers of the Company are all set-aside amounts, and the actual amount paid is zero.
Note 2: The figures listed represent all bonuses, incentives, transportation and lodging expenses, special allowances, housing, vehicle provisions, and other forms of compensation received by the General Managers, and Vice General Managers during the most recent fiscal year.
Note 3: This refers to the employees’ remuneration amount proposed and approved by the board of directors before the 2023 annual shareholders' meeting for the proposed profit distribution plan.

C. Names of managerial officers allocated with remuneration to employees and facts of allocation

2022 Fiscal Year/Unit: NT$ thousands

	Title	Name	Stock Amount (Note 1)	Cash Amount (Note 1)	Total	Ratio of the Aggregate Amount to the Net Income After Tax (%)
Manager	CEO	YuHeng Chiao	0	13,100	13,100	1.94%
	General Manager	ChenYu Liu				
	General Manager Of Operation	YuChen Hsu				
	Manager	PoChang Huang				

Note 1: This refers to the manager's remuneration amount proposed and approved by the board of directors before the 2023 annual shareholders' meeting for the proposed profit distribution plan.

D. Comparison of Remuneration for Directors, Supervisors, President and Vice Presidents in the Most Recent Two Fiscal Years and Remuneration Policy for Directors, Supervisors, President and Vice Presidents.

(a) The ratio of total remuneration paid by the Company and by all companies included in the consolidated financial statements for the two most recent fiscal years to directors, supervisors, president and vice presidents of the Company, to the net income.

Project / Title	Ratio of the Net Income After Tax (%)			
	2021 (Note 1)		2022 (Note 2)	
	The company	Companies in the consolidated financial statements	The company	Companies in the consolidated financial statements
Director	1.38%	1.38%	4.42%	4.42%
General Managers, and Vice General Managers	5.80%	6.12%	5.21%	5.30%

Note 1: Calculated based on the net income of NT$500,402 thousand in the individual (consolidated) financial statements for the 2021 fiscal year.

Note 2: Calculated based on the net income of NT$675,458 thousand in the individual (consolidated) financial statements for the 2022 fiscal year.

(b) In compliance with the amendment of the Company Law, the Company revised its articles of incorporation, and on June 6, 2016, the shareholders' meeting approved the addition of Article 22-1, which outlines the policy, criteria, and composition of remuneration, as well as the procedure for determining remuneration and its correlation with business performance and future risks: "If the Company is profitable at the end of the year, the company shall allocate 2% to 10% of its annual profits (i.e. profits before distributing to employees and paying remuneration to directors and supervisors) as employee compensation, and shall also allocate no more than 2% as remuneration for director supervisors." But if the Company still has accumulated losses, a reserve amount for offsetting such losses shall be retained in advance.

On January 18, 2016, the Company's Compensation Committee reviewed and approved the "Remuneration Policy for Directors and Supervisors" and the "Performance Evaluation and Management Measures for Executive Compensation" during the same day's Board of Directors meeting. The "Director and Supervisor Remuneration Guidelines" stipulate that director remuneration includes compensation, retirement pensions, director bonuses, and business execution expenses. The "Manager Remuneration and Performance Evaluation Management Guidelines" stipulate that manager remuneration includes salary, bonuses, employee remuneration for profit distribution, employee stock options, and retirement pensions. The standards for payment, the procedures for determining remuneration, and the relationship between business performance and future risks are implemented based on the content of these guidelines. Regarding the distribution of employee and director remuneration for annual profit sharing, the distribution ratio follows the company's articles of incorporation, and the actual amount of distribution should be reviewed by the Compensation committee, approved by the board of directors, and reported to the shareholders' meeting.

3.4 Implementation of Corporate Governance

(1) Informational of Board of Directors Operations

The board of directors met for 7 times in year 2022. Directors attending the meetings are as follows:

Title	Name	Attendance in Person	By Proxy	Attendance Rate (%)	Note
Chairman	YuHeng Chiao	7	0	100%	
Director	MingHsiung Liu	7	0	100%	
Director	PengHuang Peng	7	0	100%	
Director	Global Brands Manufacture LTD Representative: YuSheng Chiu	7	0	100%	
Independent Director	PiLan Chang	7	0	100%	
Independent Director	HuiChoa Chen	7	0	100%	
Independent Director	WenYuan Chu	7	0	100%	

Attendance of independent directors at each board meeting: In 2022, the company held 7 board meetings, and all three independent directors attended each meeting in person.

Other mentionable items:

1. If any of the following circumstances occur, the dates of the meetings, sessions, contents of motion, all independent directors' opinions and the company's response should be specified:
   1.1 Matters referred to in Article 14-3 of the Securities and Exchange Act: This company has established an audit committee and is not subject to the provisions of Article 14-3 of the Securities and Exchange Act. Please refer to the operating status of the audit committee in this annual report for related information.
   1.2 Other matters involving objections or expressed reservations by independent directors that were recorded or stated in writing that require a resolution by the board of directors: Not applicable.
2. If there are directors' avoidance of motions in conflict of interest, the directors' names, contents of motion, causes for avoidance and voting should be specified:

Item	Date	Name of Director	Content of Proposal	Reason for Avoidance	Involve in Voting
1	12th term, 4th Meeting 2022.1.14	YuHeng Chiao	The issuance of performance bonuses to the management team for 2021 of the Company.	Personal interests and relationships	Avoid participating in the discussion and voting in accordance with the law
2	12th term,5th Meeting 2022.2.21	YuHeng Chiao YuSheng Chiu	Our wholly-owned subsidiary, INFO-TEK Electronics (Suzhou) Co., Ltd., is planning to establish a branch in Wuhu.	Personal interests and relationships	Avoid participating in the discussion and voting in accordance with the law
		YuHeng Chiao	Our company intends to make charitable donations.		
3	12th term,6th Meeting 2022.4.26	YuHeng Chiao	Distribution of employee compensation for managers of our company in 2021.	Personal interests and relationships	Avoid participating in the discussion and voting in accordance with the law
4	12th term,7th Meeting 2022.5.30	YuHeng Chiao YuSheng Chiu	Our wholly-owned subsidiary, INFO-TEK Electronics (Suzhou) Co., Ltd., is Expanding Investment Plan for Whuhu Branch.	Personal interests and relationships	Avoid participating in the discussion and voting in accordance with the law

3. The self-evaluation (or peer evaluation) cycle and period, scope, method, and content of the Board:

Evaluation Cycle	Evaluation Period	Scope	Method	Content
Once every year	2022.1.1 to	Board of Directors	Internal self evaluation	1. Participation in company operations 2. Improving the quality of board decisions

	2022.12.31			3. Composition and structure of the board of directors 4. Selection and continuing education of directors 5. Internal control
Once every year	2022.1.1 to 2022.12.31	Functional Committees (including the Remuneration committee and the audit committee)	Self-evaluation of the functional committees	1. Participation in company operations 2. Improving the quality of board decisions 3. Composition and structure of the board of directors 4. Selection and continuing education of directors 5. Internal control
Once every year	2022.1.1 to 2022.12.31	Individual Directors	Individual Directos Self-evaluation	1.Understanding of the company's goals and missions. 2. Awareness of director responsibilities. 3. Participation in company operations 4. Internal relationship management and communication 5. Selection and continuing education of directors 6. Internal control
At least once every three years	2021.10.1 To 2022.9.30	Board of Directors and other functional committees	External Institutional Assessment	1.The five dimensions of the board of directors' evaluation include composition and professional development 2.Decision-making quality 3.Operational efficiency 4.Internal control and risk management 5.Participation in corporate social responsibility

4.Evaluation of achievement of the goal of strengthening functions of the board of directors (e.g. establishing an audit committee, enhancing transparency of information, etc.) during the current year and the latest years:

4.1 Establishment of Audit Committee: In compliance with the regulations of the Securities and Exchange Act, our company established an Audit Committee on July 5th, 2021 to replace the role of the Supervisor. The Audit Committee is comprised of all independent directors of the company, and the selection of independent directors is carried out through a candidate nomination system in accordance with Article 192-1 of the Company Act and the Company's Articles of Association.

4.2 Establishing corporate governance regulations: In addition to defining the powers and duties of the Board of Directors in the company's articles of incorporation, the company has also established various regulations, including the "Board of Directors Meeting Code of Conduct," "Code of Ethics for Directors, Supervisors, and Managers," "Practical Guidelines for Corporate Governance," "Code of Conduct and Procedures for Conducting Business with Integrity," "Management Guidelines for the Operations of the Compensation Committee," "Standard Operating Procedures for Handling Director Requests," "Board of Directors Performance Evaluation Measures," "Employee Code of Conduct," and "Sustainability Guidelines," to strengthen the operation of the Board of Directors and corporate governance.

4.3 Board Performance Evaluation: In order to implement corporate governance and enhance the functionality of our Board of Directors, we have established performance targets to strengthen the efficiency of the Board. Accordingly, we have formulated the Board Performance Evaluation Guidelines in accordance with the Corporate Governance Best-Practice Principles for listed and OTC companies.
These guidelines are applicable to all members of the Board, functional committees, and individual directors. The Company's Board Performance Evaluation Guidelines were established on January 20, 2020, and were most recently revised and approved by the Board on October 31, 2022, and implemented during that fiscal year. Board of Directors and Functional Committees The internal self-evaluation method for committees involves each committee providing a questionnaire for the board members to complete during the month of December.
In addition, the committee should provide the completed attachments and relevant information on performance evaluation to the board for reference.

A. External Evaluation Section:
In early 2022, our company appointed the Taiwan Investor Relations Association, an independent organization with no business relations with us, to evaluate the effectiveness of our board of directors.
The evaluation was conducted through a questionnaire and online interviews, focusing on five dimensions: composition and professional development of the board, quality of decision-making, operational efficiency, internal control and risk management, and participation in corporate social responsibility. By seeking the scrutiny of a professional organization, we obtained objective evaluation results and recommendations through the guidance and communication of the evaluation committee.

On January 16, 2023, we reported the evaluation results to the board of directors and disclosed the contents on our company website.

Recommendations from external independent professional organization evaluation		Remedial actions
Establishment of a "Sustainability Development Committee"	Establish a "Sustainability Development Committee" to enhance the supervisory function of the board and strengthen the management function.	The company will set up the committee according to the schedule planned under the "Corporate Sustainability Best Practice Principles for Listed and Over-the-Counter Companies" and abide by the principles to deepen the management function.
Develop a Sustainability Report"	The company should fully disclose relevant and reliable sustainability-related information and prepare a "Sustainability Report" annually.	The company will prepare a sustainability report based on practical needs in accordance with the "Operation Procedures for Preparation and Submission of Sustainability Reports by OTC Listed Companies". The company will use the GRI guidelines to establish risk assessments related to environmental, social, and corporate governance issues, and set relevant performance indicators to manage major topics.
Establish risk management policies and procedures is essential to strengthen corporate governance and enhance the effectiveness of risk management within the company.	The company will establish risk management policies and procedures based on the group's risk management policy to ensure stable operations, balance profit and risk, and protect the interests of shareholders.	The company adheres to the group's risk management policy, ensuring stable operations and safety as a prerequisite, while pursuing a balanced development between profitability and risk, and safeguarding the interests of shareholders, creditors,and employees. Subsequently, relevant measures will be formulated based on practical needs.
Establish an intellectual property management system to meet the requirements and expectations of regulatory authorities	Develop a management plan for intellectual property that is aligned with its operational objectives.	The company adheres to the regulations related to intellectual property management, such as patent law, trademark law, copyright law, and trade secret law, to meet the requirements of the competent authority. Subsequently, relevant measures will be developed based on practical needs.
Addition of an Independent Director	As the Chairman also serves as the CEO,the company will add an independent director position in the future to complywith legal requirements.	In accordance with the company's governance policy of Sustainability Development Blueprint 3.0, relevant measures will be taken to comply with the "Checklist for Setting Up and Exercising Authority of the Board of Directors of Over-the Counter Companies." By the end of 2023, an independent director will be added or the chairman will no longer conurrently hold the position of CEO to comply with regulations.
Regular internal Performance evaluations will be conducted for functional committees.	The functional committees should undergo internal performance evaluations on a regular basis, and the execution status and evaluation results should be disclosed on the company website or annual report to enhance the operation of the functional committees.The company has already conducted internal performance evaluations for the Remuneration and Audit Committees in December of 2022, and the execution status and evaluation results have been disclosed on the company website.	The company has already conducted internal performance evaluations for the Remuneration and Audit Committees in December of 2022, and the execution status and evaluation results have been disclosed on the company website.

B. Regarding the internal evaluation in 2022, the performance evaluation results of our Board of Directors for the year 2022 are as follows:

1. The overall average score of the board of directors' self-evaluation for the Year 2022 was 99 points.
2. The overall average score of the board members' self-evaluation was 96.9 points.

In December 2022, our company conducted an annual internal board performance evaluation based on the evaluation indicators and procedures of the Board of Directors Performance Evaluation Method. The evaluation covered the overall board, individual directors, and functional committees. After collecting the questionnaires, the data was collated and scored, and improvement suggestions for the year 2022 were proposed. The improvement suggestions have been made on the level of participation of directors in the company's operations, and the report was consolidated with the tracking status of suggestions from the external evaluation agency. The report was presented to the Compensation Committee, Audit Committee, and Board of Directors on January 16, 2023 and its detailed contents were disclosed on our company's website.

4.4 Enhancing the transparency of company information: The company website and the Market Observation Post System are voluntarily disclosing the relevant laws and regulations that the company complies with, as well as significant decisions made by the board of directors to facilitate shareholders' understanding of the company's dynamics and enhance the transparency of company information.

4.5 Implement functional committee performance evaluation: The members of functional committees of our company refer to the latest version of "Board of Directors Performance Evaluation Measures" promulgated by the competent authority and conduct self-evaluation based on the evaluation indicators in December each year, in order to measure the performance of leading the company's strategic direction and supervising the operation and management of the company, and to enhance the long-term value for shareholders.

4.6 To enhance the corporate governance abilities of our directors, our company regularly arranges courses in compliance with the "Guidelines for Continuing Education of Directors and Supervisors of Listed and OTC Companies" for their further education.

5. Succession planning for board members and key management personnel: Based on the company's development direction and goals, the company includes integrity and alignment with company values as essential qualities in addition to professional competence when planning for succession.

5.1 Succession planning for board members

Our company currently has a board of directors consisting of seven members (including three independent directors), all of whom possess the necessary abilities in business, finance, accounting, or company operations. The composition and background of the board members will remain the same in the future. Regarding the board succession plan, we maintain regular communication with existing corporate shareholders to discuss the selection of successor candidates. As for independent directors, they are required by law to have working experience in business, law, finance, accounting, or company operations. Therefore, they will be selected by professionals from the academic and industrial sectors in Taiwan.

5.2 Succession Plan for Management Level:

The company regularly reviews and screens potential candidates for each level to establish a talent pool and implement a talent development plan that includes professional and managerial capabilities, personal development plans, and job rotation programs. The following measures are implemented:

5.2.1. Develop decision-making skills through practical work reports, participation in important meetings such as goal setting and management, and regular performance evaluations by senior executives to provide guidance and feedback on individual development.

5.2.2. Develop diverse work abilities and perspectives through cross-functional or cross-departmental (plant) job rotations, project task planning and execution, job sharing, job proxy, or investment relocation assignments, and provide practical experience.

5.2.3. Participate in relevant internal and external training programs based on individual development needs, to cultivate decision-making and judgment abilities.

5.2.4. Establish complete training records and regularly review the talent development plan to adjust to the needs of the organization's operations.

5.2.5.Encourage mid-to-high level talents to exercise creativity, self-directed learning, propose further studies, internships, or alternative learning opportunities. The company provides resource support or job design adjustments to facilitate a more diverse and resilient overall human resources.

(2) Audit Committee Operations:

A. The Audit Committee primarily deliberates on:

(a) Developing or revising internal control systems in accordance with Article 14-1 of the Securities and Exchange Act.
(b) Evaluating the effectiveness of internal control systems.
(c) Handling procedures for significant financial business transactions related to asset acquisition or disposal, derivative transactions, lending funds to others, endorsing or guaranteeing for others, in accordance with Article 36-1 of the Securities and Exchange Act.
(d) Matters involving directors' own interests.
(e) Significant asset or derivative transactions.
(f) Significant lending, endorsing, or guaranteeing of funds.
(g) The issuance, offering, or private placement of equity securities.
(h) Appointment, dismissal, or compensation of signing accountants.
(i) Appointment and dismissal of financial, accounting, or internal audit executives.
(j) Financial reports signed or stamped by the Chairman, managerial personnel, or accounting executives.
(k) Other significant matters as required by the company or regulatory authorities.

B. Annual Focus of the Audit Committee

(a) Reviewing the annual report, financial statements, and dividend distribution proposal: The Audit Committee has reviewed the annual report, financial statements, and dividend distribution proposal, and a audit report has been issued by the convener of the Audit Committee for record keeping.

(b) Deliberating on significant asset transactions, major fund loans, and endorsement and guarantee matters.

(c) Evaluating the effectiveness of internal control systems.

(d) Appointment of the signing accountant (independent evaluation of accountant independence): In accordance with Article 29 of the "Corporate Governance Best Practice Principles for Listed and OTC Companies, " regular evaluations of the independence of the signing accountant were conducted during the review of the Company's financial statements for 2022. After evaluation, both Mr. HsinChuan Hsieh and Mr. ShengHsiung Yao, certified public accountants at Ernst & Young, have met the independence standards and is qualified to serve as the signing accountant for the Company.

(e) Establishing and revising organizational regulations and related operating procedures.

C.The first term of the Audit Committee was from July 5th, 2021 to July 4th, 2024. The committee held a total of 6 meetings during the fiscal year 2022.

The attendance of each committee member during the fiscal year 2022 is as follows:

Title	Name	Attendance in Person	By Proxy	Attendance Rate (%)	Note
Convener	PiLan Chang	6	0	100%	
Member	HuiChoa Chen	6	0	100%	
Member	WenYuan Chu	6	0	100%	

Other mentionable items:

1. If any of the following circumstances occur, the dates of the meetings, sessions, contents of motion, all independent directors' opinions and the company's response should be specified:

   (1) Matters listed under Article 14-5 of the Securities and Exchange Act:

Term of the Audit Committee Date(s) of the meeting(s)	Agenda items discussed and decisions made	Any objections, reservations or significant recommendations made by independent directors	Responded to the opinions of the Audit Committee
1st term,3rd Meeting 2022.1.14	Subject: Appointment, compensation, and independence assessment of the company's financial statement auditors for the fiscal year 2022. Resolution: The proposal was approved after voting.	None	All attending directors agreed and passed.
1st term,4rd Meeting 2022.2.21	Subject: The Business Report and Financial Statements for the year 2021 of the company. Resolution: The proposal was approved after voting.	None	All attending directors agreed and passed.
	Subject: Draft of the internal control statement for the fiscal year 2021 of the company. Resolution: The proposal was approved after voting.	None	All attending directors agreed and passed..
	Subject: Our wholly-owned subsidiary, INFO-TEK(Suzhou) establish the Whuhu Branch. Resolution: The proposal was approved after voting.	None	All attending directors agreed and passed.
	Subject: Our company intends to make charitable donations. Resolution: The proposal was approved after voting.	None	All attending directors agreed and passed.
1st term,5rd Meeting 2022.4.26	Subject: Consolidated Financial Statements for the First Quarter of 2022 of the company Resolution: The proposal was approved after voting.	None	All attending directors agreed and passed.
	Subject: Resolution on profit distribution for the fiscal year 2021. Resolution: The proposal was approved after voting.	None	All attending directors agreed and passed.
	Subject: Revised "Asset Acquisition or Disposal Procedures" of our company. Resolution: The proposal was approved after voting.	None	All attending directors agreed and passed.
	Subject: Proposed Loan from the Company's Subsidiary to a Grandchild Company Resolution: The proposal was approved after voting.	None	All attending directors agreed and passed.
1st term,6rd Meeting 2022.5.30	Subject: Our wholly-owned subsidiary, IN-FO-TEK(Suzhou) is expanding investment plan for Whuhu Branch. Resolution: The proposal was approved after voting.	None	All attending directors agreed and passed.
	Subject: Proposed Revision of "Internal Control - Stock Affairs Operations" for 2022 of the company. Resolution: The proposal was approved after voting.	None	All attending directors agreed and passed.

1st term,7rd Meeting 2022.8.3	Subject: Consolidated Financial Statements for the Second Quarter of 2022 of the company. Resolution: The proposal was approved after voting	None	All attending directors agreed and passed.
1st term,8rd Meeting 2022.10.31	Subject: Consolidated Financial Statements for the Third Quarter of 2022 of the company. Resolution: The proposal was approved after voting.	None	All attending directors agreed and passed.
	Subject: Proposed amendment to the "Electronic Data Processing Cycle" and "Internal Audit - Electronic Data Processing Cycle" sections of the Company's internal control system. Resolution: The proposal was approved after voting.	None	All attending directors agreed and passed.
	Subject: The audit plan for the fiscal year 2023 of our company. Resolution: The proposal was approved after voting.	None	All attending directors agreed and passed.

(2). Other items that have not been approved by the Audit Committee but have been approved by over two-thirds of the directors present at the meeting are as follows: N/A

2. If there are independent directors' avoidance of motions in conflict of interest, the directors' names, contents of motion, causes for avoidance and voting should be specified: N/A

3. Communications between the independent directors, the Company's chief internal auditor and CPAs (e.g., the material items, methods and results of audits of corporate finance or operations, etc.):

(1) Communication Policy between Independent Directors and Internal Audit Head and Accountants

A. The Audit Committee shall invite the external auditors to attend at least twice a year to report on the results of the financial statement review or audit of the Company and its subsidiaries, as well as the findings of internal control audits. The external auditors will provide a comprehensive update to the Audit Committee, including any significant adjustments or the impact of regulatory changes. This allows for effective communication and ensures that the Audit Committee is fully informed about the financial reporting and internal control status of the Company.

B. The Audit Committee will convene communication meetings with the auditors as necessary to address specific matters or issues.

C. The Internal Audit Manager and Independent Directors will present reports on the company's internal audit performance and internal control operations at regular quarterly meetings of the Audit Committee. In the event of significant anomalies, meetings may be convened at any time to address the matter.

D. In addition to the regular meetings mentioned earlier, the convener of the Audit Committee will hold ad-hoc discussions with the Internal Audit Manager on the status of internal control operations on a quarterly basis.

(2) Summary of Communications between Independent Directors/Internal Audit Manager and the Accountant:

A. Summary of Communications between Independent Directors and Internal Audit Manager in 111th Fiscal Year:

Date	Meeting	Communication matters	Results of communication
2022.2.21	Audit Committee and Board of Directors	Draft of the internal control statement for the fiscal year 2021	No comments and suggestions
2022.5.30	Audit Committee and Board of Directors	Proposed Revision of "Internal Control - Stock Affairs Operations" for fiscal year 2022 of the company.	No comments and suggestions
2022.10.31	Audit Committee and Board of Directors	1. Proposed amendment to the "Electronic Data Processing Cycle" and "Internal Audit - Electronic Data Processing Cycle" sections of the Company's internal control system. 2. The audit plan for the fiscal year 2023 of our company.	No comments and suggestions

2022.1.1 2022.12.31		Audit reports are sent to the Audit Committee for review on a monthly basis. The Audit Committee provides feedback on each audit report, and the audit activities are carried out in accordance with the instructions given by the Audit Committee.	All audits have been conducted and reported in accordance with the instructions given by the Audit Committee.

B. Communication Policy between Independent Directors and CPA：

The communication between the independent directors and CPA is excellent.

Date	Meeting	Focus of communication	Results of communication
2022.2.21	Audit Committee and Board of Directors	The accountant provided an explanation regarding the key issues and audit results of the individual and consolidated financial statements for the fiscal year 2021.	The individual and consolidated financial statements for the fiscal year 2021 have been approved by the Audit Committee and were presented on February 21, 2022. Twelfth (12th) term, fifth (5th) meeting.
2022.4.26	Audit Committee and Board of Directors	The auditor provided an explanation of the review results for the consolidated financial statements of the company for the first quarter of 2022.	The consolidated financial statements for the first quarter of 2022 have been approved by the Audit Committee and were discussed during the 6th meeting of the 12th term of Board of Directors held on April 26, 2022.
2022.8.3	Audit Committee and Board of Directors	The auditor provided an explanation of the review results for the consolidated financial statements of the company for the secong quarter of 2022.	The consolidated financial statements for the second quarter of 2022 have been approved by the Audit Committee and were discussed during the 8th meeting of the 12th term of Board of Directors held on August 3, 2022.
2022.10.31	Audit Committee and Board of Directors	The auditor provided an explanation of the review results for the consolidated financial statements of the third quarter of 2022.	The consolidated financial statements for the third quarter of 2022 have been approved by the Audit Committee and were discussed in the 10th meeting of the 12th term of Board of Directors held on October 31, 2022.

(3) The operational status of corporate governance and the differences from the Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies are as follows:

Evaluation Item	Implementation Status			Deviations from the Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies and Reasons
	Yes	No	Description of Summary	
1.Does the company establish and disclose the Corporate Governance Best-Practice Principles based on "Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies"?	V		The company has established its "Corporate Governance Best Practices" in accordance with the "Corporate Governance Guidelines for Best-Practice Principles for TWSE/TPEx Listed Companies." The relevant provisions and guidelines are incorporated into various corporate documents such as the "Articles of Incorporation," "Board Meeting Rules," "Compensation committee Operation Guidelines," "Shareholders Meeting Rules," and "Director and Supervisor Election Procedures." These guidelines and rules are also disclosed on the company's website, ensuring transparency and accessibility to stakeholders. http://www.psaitc.com/investors/download_org	N/A

Evaluation Item	Implementation Status			Deviations from the Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies and Reasons
	Yes	No	Description of Summary	
2. Shareholding structure & shareholders' rights (1) Does the company establish an internal operating procedure to deal with shareholders' suggestions, doubts, disputes and litigations, and implement based on the procedure?	V		(1) The company has established its "Corporate Governance Best Practices" which include the establishment of a spokesperson system and the provision of an investor service mailbox. A dedicated personnel is responsible for handling shareholder suggestions, inquiries, and disputes, and ensures that they are addressed in accordance with the established procedures.	N/A
(2) Does the company possess the list of its major shareholders as well as the ultimate owners of those shares?	V		(2) The company's shareholding unit is able to accurately identify the major shareholders of the company and the ultimate controllers of these major shareholders.	N/A
(3) Does the company establish and execute the risk management and firewall system within its conglomerate structure?	V		(3) The company has established internal procedures such as "Supervision Operations for Subsidiaries," "Operational Procedures for Loans to Others," "Operational Procedures for Endorsements and Guarantees," and "Asset Acquisition or Disposal Procedures." These measures are designed to establish appropriate risk management mechanisms and firewalls. Additionally, the company has appointed audit personnel to regularly and periodically supervise the implementation of these procedures.	N/A
(4) Does the company establish internal rules against insiders trading with undisclosed information?	V		(4) The company has established the Operating Procedure for Processing of Internal Important Information to regulate its operation of internal important information confidentiality and its procedure of banning purchase and sale in order to prevent insider trading.	N/A

Evaluation Item	Implementation Status			Deviations from the Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies and Reasons
	Yes	No	Description of Summary	
3. Composition and responsibilities of the board of directors (1)) Have a diversity policy and specific management objectives been adopted for the board and have they been fully implemented?	V		(1) The nomination and selection of board members in the company are conducted in accordance with the provisions outlined in the company's articles of incorporation. The process follows a candidate nomination system, taking into consideration the company's operational model and development plans. 1. Diversity goals for the board of directors: 1.1 Basic criteria: nationality, gender, age, etc. 1.2 More than half of the directors on the board should not concurrently serve as employees or manager in order to achieve the goal of supervision. 1.3 Diversity goals for board members include possessing a range of expertise in relevant industries, management, accounting, and finance. This encompasses key competencies such as leadership decision-making, operational judgment, business management, financial analysis, crisis management, production and sales, industry specialization, and international market knowledge. 2. Achievement of Board Diversity Goals: All members of the board possess extensive experience in the relevant industry.One female director with extensive experience in business management is part of the board. Other directors possess diverse professional backgrounds, excelling in leadership decision-making, operational judgment, business management, financial analysis, crisis management, production and sales, industry expertise, and a global perspective on international markets. Out of the seven directors, three of them are independent directors, ensuring the independence of the board; each independent director possesses specialized expertise, with professional academic backgrounds and practical experience in their respective fields. The board of directors of our company possesses the necessary professional knowledge, skills, and qualifications to carry out their responsibilities. With their diverse backgrounds and practical experience, they continually strengthen the governance and operational effectiveness of our company. 3. Please refer to Section II, which provides information on the diversity implementation of the Board of Directors, General Managers, vice General Managers, department heads, and branch managers	N/A

Evaluation Item	Implementation Status			Deviations from the Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies and Reasons
	Yes	No	Description of Summary	
(2) Has the Company voluntarily established other functional committees in addition to the Compensation committee and the audit committee?		V	(2) The other functional committees are as follows: 1. Personnel Evaluation Committee 2. Occupational Health and Safety Committee	The following summary at the left column provides an explanation of the differences.
(3) Has the Company established rules and methodology for evaluating the performance of its Board of Directors, implemented the performance evaluations on an annual basis, and submitted the results of performance evaluations to the board of directors and used them as reference in determining salary/compensation for individual directors and their nomination and additional office terms?	V		(3) The company established the Board of Directors Performance Evaluation Guidelines in 2020. An internal evaluation of the Board's performance is conducted annually, and if necessary, an external independent organization or a team of external experts and scholars may be engaged to perform the evaluation. The evaluation results are disclosed on the company's website and in the annual report, in accordance with the regulations. 1. The revised "Board and Functional Committee Performance Evaluation Guidelines" were approved by the Board of Directors on October 31, 2022. 2. The implementation status of the Board evaluation for the year 2022 is provided separately in the Annual Report under the section on Board operations.	N/A
(4) Does the Company regularly evaluate its external auditors' independence?	V		(4)The company appoints reputable firms and auditors with excellent credentials for the Board each year and reviews their independence. After confirming that the auditors have no conflicts of interest with the company other than fees related to attest and tax matters, and their family members also comply with independence requirements, the appointment and fees of the auditors are deliberated. The auditors are required to issue an "Independence Statement" annually, and detailed notes on the independent evaluation criteria are provided (refer to Note 1).	N/A

Evaluation Item	Implementation Status			Deviations from the Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies and Reasons
	Yes	No	Description of Summary	
4. Does the TWSE/TPEx listed company have in place an adequate number of qualified corporate governance officers and has it appointed a chief corporate governance officer with responsibility corporate governance practices (including but not limited to providing information necessary for directors and supervisors to perform their duties, aiding directors and supervisors in complying with laws and regulations, organizing board meetings and annual general meetings of shareholders as required by law, and compiling minutes of board meetings and annual general meetings)?	V		1. On April 28, 2021, the company passed a resolution through the Board of Directors to establish the position of Corporate Governance Officer. The role of the Corporate Governance Officer includes handling matters related to Board of Directors meetings in accordance with the law, preparing meeting minutes, assisting Directors in their appointment and continuous education, providing necessary information for Directors to carry out their duties, assisting Directors in compliance with laws and regulations, and other matters specified in the company's bylaws or contracts. 2. The current Corporate Governance Officer of the company is Mr. Bo Zhang Huang, who serves as the Manager of the Finance Department. Mr. Huang has more than three years of experience as a financial executive in a publicly traded company, meeting the statutory qualifications for the position of Corporate Governance Officer. 3. The company duly established the "Standard Operating Procedure for Handling Director Requests" on April 26, 2019, in accordance with the regulations, through a resolution passed by the Board of Directors. The implementation of this operating procedure ensures that the Corporate Governance Officer provides appropriate operational guidelines for supplying the necessary information to the directors. 4. The performance of the Corporate Governance Officer in executing responsibilities during the fiscal year 2022 is as follows: (1) Fulfilled the legal obligations by handling pre-registration for the shareholders' meeting, preparing the meeting notices, agenda, and minutes within the statutory time limits. Additionally, they have facilitated the registration of changes related to the amended bylaws and director elections. (2) Responsible for drafting the board meeting agenda, providing notice to directors at least seven days in Advance, convening the meeting, and distributing relevant meeting materials. They are also responsible for preparing the board meeting minutes within twenty days after the meeting.Board of Directors (3) Provides information on professional development courses for directors and assists in the completion of the directors' training plan. (4) Assists in the procedures and compliance of board and shareholders' meetings, as well as supports directors in their duties and provides necessary information. (5) Assists in the procedures and compliance of board and shareholders' meetings, as well as supports directors in their duties and provides necessary information.	N/A

Evaluation Item	Implementation Status			Deviations from the Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies and Reasons
	Yes	No	Description of Summary	
5.Has the Company established channels for communicating with its stakeholders (including but not limited to shareholders, employees, customers, suppliers, etc.) and created a stakeholders section on its company website? Does the Company appropriately respond to stakeholders' questions and concerns on important corporate sustainability issues?	V		The company maintains open and effective communication channels with its customers, suppliers, business partners, banks, investors, employees, and other stakeholders, and respects their rightful and legitimate interests. Furthermore, the company has established a dedicated "Stakeholder Engagement Zone" on its website to provide a platform for stakeholders to express their opinions and concerns.	N/A
6. Does the company appoint a professional shareholder service agency to deal with shareholder affairs?		V	The company has decided in the board meeting held on November 9, 2010, to handle the share administration internally. Currently, there is a Share Administration Office responsible for managing shareholder meeting affairs, and no professional share administration agency has been appointed for this purpose.	The following summary at the left column provides an explanation of the differences.
7. Information Disclosure (1) Does the company establish a corporate website to disclose information regarding the company's financial, business and corporate governance status?	V		(1)The company has established a website to update the disclose its financial business and governance information regularly.	N/A
(2)Does the company have other information disclosure channels (e.g., maintaining an English language website, appointing responsible people tohandle information collection and disclosure, creating a spokesperson system, webcasting investor conference on company website)?	V		(2)The company has appointed a dedicated person responsible for information collection and disclosure, and has implemented a spokesperson system. The proceedings of the corporate briefing sessions are also made available on the company's website.	N/A
(3) Does the company announce and report annual financial statements within two months after the end of each fiscal year, and announce and report Q1, Q2, and Q3 financial statements, as well as monthly operation results, before the prescribed time limit?		V	(3)The company is currently unable to announce and file the annual financial report within two months after the end of the accounting year.	The following summary at the left column provides an explanation of the differences.

Evaluation Item	Implementation Status			Deviations from the Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies and Reasons
	Yes	No	Description of Summary	
8. Is there any other important information to facilitate a better understanding of the company's corporate governance practices (e.g., including but not limited to employee rights, employee wellness, investor relations, supplier relations, rights of stakeholders, directors' and supervisors' training records, the implementation of risk management policies and risk evaluation measures, the implementation of customer relations policies, and purchasing insurance for directors and supervisors)?	V		(1) The company's systems, measures, and performance related to employee benefits and employee care can be found in the "Operations Overview - Section Five" of this year's annual report. (2) Relationship with Investors: The company handles its own share-related matters and has dedicated personnel to handle investor relations, shareholder suggestions, and shareholder affairs. (3) Relationship with Suppliers: The company engages in regular communication with suppliers through various channels such as email, telephone, and physical meetings to exchange opinions and engage in discussions. These channels serve as information communication platforms. Additionally, a dedicated "Stakeholder Zone" is established on the company's website to provide a platform for suppliers to express their opinions. (4) Rights of Stakeholders: Stakeholders are encouraged to communicate and provide feedback to the company in order to maintain their rightful collaborative interests. Furthermore, a dedicated "Stakeholder Zone" is established on the company's website to allow stakeholders to express their opinions. (5) Current Training Programs for Directors and Supervisors: Please refer to Note 2 for more details. (6) Performance of Risk Management Policy and Risk Evaluation Standards: The company has established an internal control system in accordance with regulations, which is effectively implemented and regularly reviewed and revised. Additionally, an audit department has been set up under the board of directors to assist the board and management in regularly identifying and assessing operational risks. (7) Performance of Customer Policy: In case of product complaints, the sales department serves as the primary contact point, while the quality assurance department handles subsequent quality tracking and improvement matters. Customer satisfaction is regarded as one of the company's key management objectives. (8) Insurance Acquired by the company for Directors and Supervisors: The company has obtained directors' and officers' liability insurance for both the fiscal year 2022 and 2023.	N/A

9. Please explain the improvements which have been made in accordance with the results of the Corporate Governance Evaluation System released by the Corporate Governance Center, Taiwan Stock Exchange, and provide the priority enhancement measures. A. Based on the corporate governance evaluation for the year 2021, the following improvements were made in 2022: early submission of the shareholder meeting agenda and disclosure of the linkage between director and executive performance evaluation and compensation. The company will continue to enhance compliance with relevant indicators of the Company Law and disclosure items on the company's website to facilitate investors and relevant stakeholders in understanding the company's actual operations and corporate governance status. B. Priority areas and measures for improvement: Continuously monitoring work safety, environmental pollution, product safety, and other related matters to understand and respond to important sustainability issues raised by stakeholders. Planning disclosure items on the company's website to enhance transparency and address stakeholder concerns.

Note 1: CPA's Independent evaluation items

Evaluation Item	Evaluation Results	Compliance with Independence?
1. Do the auditors and their family members have any direct or indirect significant financial interests in the company?	No	Yes
2. Do the auditors and their family members have any financing or guarantee transactions with the directors of the company?	No	Yes
3. Do the auditors and their family members have any business relationships that could affect their independence with the company or its directors, supervisors, or managers?	No	Yes
4. Has the auditor held any positions as a director, supervisor, or manager in the company or had any significant influence over audit matters in the past two years? Have they made any commitments to hold such positions in the future?	No	Yes
5. During the audit period, did any family members of the auditor hold positions as directors, supervisors, or managers in the company or have any direct and significant influence over the audit work?	No	Yes
6. During the audit period, did any close relatives of the auditor, including immediate family members or close relatives by blood or marriage within two degrees of kinship, hold positions as directors, supervisors, or managers in the company or have any direct and significant influence over the audit work? Did they hold any significant financial interests in the company?	No	Yes
7. Did the auditor receive any significant gifts or gratuities of substantial value (beyond customary social etiquette) from the company, its directors, supervisors, managers, or major shareholders?	No	Yes
8. Has the audit team of the auditor executed the necessary independence/conflict of interest procedures, and are there any instances of independence violations or unresolved conflicts of interest?	No	Yes

Note 2:
Disclosure of director's training status can be found in the Annual Report under "Part, Corporate Governance Report, IV, Implementation of Corporate Governance (8) Other Important Information to Enhance Understanding of Corporate Governance Practices."

(4) Composition, Responsibilities, and Operation of the Compensation committee: The company established the "Compensation committee" on December 22, 2011, and formulated the "Compensation committee Charter". The Compensation committee consists of three members, all of whom are independent directors. Its primary objective is to assist the Board of Directors in formulating and periodically reviewing policies, systems, criteria, and structures for performance evaluation and remuneration of directors and executives. The committee also conducts regular assessments and establishes remuneration packages for directors and executives.

(1) Information on Members of the Compensation committee

Title	Criteria / Name	Professional qualifications and experience	Independence situation	Number of Other Public Companies in Which the Individual is Concurrently Serving as an Compensation committee	Note
Independent Director	PiLan Chang	Please refer to the "Disclosure of Directors' Professional Qualifications and Independent Directors' Independence" table on pages 12 to 13 for further information.		1	
Independent Director	HuiChoa Chen			0	
Independent Director	WenYuan Chu			0	

(2) Attendance of Members at Compensation committee Meetings

1. The Compensation committee of the Company is comprised 3 members.
2. Committee members' tenure of their current term: From July 5, 2021, until the expiration of the term of office of the 12th Board of Directors of our company.
3. The Compensation committee held 5 meetings(A) in 2022, during the most recent year, and members' qualifications and their attendance are given as bellows:

Title	Name	Attendance in Person(B)	By Proxy	Attendance Rate (%) (B/A) (Note)	Note
Convener	PiLan Chang	5	0	100%	
Member	HuiChoa Chen	5	0	100%	
Member	WenYuan Chu	5	0	100%	

Other mentionable items:

1.If the board of directors declines to adopt or modifies a recommendation of the Compensation committee, it should specify the date of the meeting, session, content of the motion, resolution by the board of directors, and the Company's response to the Compensation committee's opinion (If the remuneration approved by the Board of Directors exceeds the recommendations of the Compensation committee, the differences and reasons for such variances should be disclosed): N/A

2. Resolutions of the Compensation committee objected to by members or expressed reservations and recorded or declared in writing, the date of the meeting, session, content of the motion, all members' opinions and the response to members' opinion should be specified:

Date/Term	Content of Proposal and How the company dealt with it subsequently	Resolution	Responded to the opinions of the Audit Committee
5th Term 3rd Meeting 2022.1.14	1. The distribution percentage of employee and director remuneration for 2022. 2. Discuss the proposal for the manager's annual bonus in 2021.	After consulting with all attending members, the Chairman confirmed that there were no objections.	The resolution was unanimously approved by all attending directors at the board meeting.
5th Term 4th Meeting 2022.2.21	1. The proposed distribution of executive bonuses for the second half of 2021	After consulting with all attending members, the Chairman confirmed that there were no objections.	The resolution was unanimously approved by all attending directors at the board meeting.
5th Term 5th Meeting 2022.4.26	1. The allocation plan for individual director and supervisor remuneration for 2021. 2. Distribution of employee compensation for managers of our company in 2021.	After consulting with all attending members, the Chairman confirmed that there were no objections.	The resolution was unanimously approved by all attending directors at the board meeting.
5th Term 6th Meeting 2022.8.3	1. The proposed distribution of executive bonuses for the first half of 2022	After consulting with all attending members, the Chairman confirmed that there were no objections.	The resolution was unanimously approved by all attending directors at the board meeting.
5th Term 7th Meeting 2022.8.29	1. The proposed distribution of executive bonuses for the second half of 2022. 2. Salary Adjustment of Managers of the Company for the 2022.	After consulting with all attending members, the Chairman confirmed that there were no objections.	The resolution was unanimously approved by all attending directors at the board meeting.

3. Responsibilities of the Compensation committee: The members of the Compensation committee are appointed by the Board of Directors. The Committee members should exercise due care and act in the best interests of the Board of Directors. Their responsibilities include formulating and periodically reviewing policies, systems, standards, and structures for the evaluation of the performance of the Board of Directors and executives, as well as determining the remuneration of the Board of Directors and executives through regular assessments. There have been no instances of violation of fiduciary duty in any meetings held until the printing date of the most recent annual report.

(5) Promotion of Sustainable Development – Implementation Status and Deviations from the Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies and the Reasons

Evaluation Item	Implementation Status			Deviations from the Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies and the Reasons
	Yes	No	Description of Summary	
1. Has the Company established a governance framework for promoting sustainable development, and established an exclusively (or concurrently) dedicated unit to be in charge of promoting sustainable development? Has the board of directors authorized senior management to handle related matters under the supervision of the board?		V	The company completed the schedule plan for greenhouse gas inventory and verification in April of the 2022 fiscal year and submitted it for approval by the board of directors. The company will establish dedicated (or concurrent) positions, implement talent training, set strategic objectives, establish control mechanisms, plan internal audits, and external verification. The progress of implementation will be reported to the board of directors on a quarterly basis for oversight and control. In response to customer demands, the company voluntarily decided to proactively adopt the ISO 14064-1 standard for Scope 1, Scope 2, and Scope 3 greenhouse gas (GHG) inventories. We are currently working towards completing the inventory and plan to undergo third-party verification by the end of June 2023.	The following summary at the left column provides an explanation of the differences.
2. Does the company conduct risk assessments of environmental, social and corporate governance (ESG) issues related to the company's operations in accordance with the materiality principle, and formulate relevant risk management policies or strategies?	V		In April 2020, the Board of Directors of our company approved the establishment of the Corporate Governance Committee. This committee is responsible for setting and overseeing policies, management principles, and objectives related to the company's environmental sustainability, and risk management. environmental sustainability, and risk management. Each relevant department will conduct risk assessments and develop corresponding measures within their respective scopes of responsibility. These assessments and measures will be submitted to the Corporate Governance Committee for discussion and implementation. Regular reviews will be conducted on an annual basis to ensure the effectiveness of these measures.	N/A

Evaluation Item	Implementation Status			Deviations from the Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies and the Reasons Yes
	Yes	No	Description of Summary	
3. Environmental Issues (1) Has the Company set an environmental management system designed to industry characteristics?	V		(1) Each factory has obtained certification for the Environmental Management System (ISO 14001) and ensures compliance with the relevant regulations and requirements of the environmental management system. Monthly regulatory audits are conducted to assess compliance with the regulatory requirements, and an annual compliance assessment is conducted in January to ensure the applicability of the environmental protection policies within the factories.	N/A
(2) Does the Company endeavor to use energy more efficiently and to use renewable materials with low environmental impact?	V		(2)In our commitment to green production and environmental sustainability, we actively promote the use of customer recycling bins. Our company ensures that recyclable resources such as waste paper, tin cans, and plastic waste, as well as production-related scrap materials like waste trimmings, plastic trays, and tin slag, are all recycled with a 100% recycling rate.	N/A

Evaluation Item	Implementation Status			Deviations from the Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies and the Reasons Yes
	Yes	No	Description of Summary	
(3) Has the Company evaluated the potential risks and opportunities posed by climate change for its business now and in the future and adopted relevant measures to address them?	V		(3) Our company periodically assesses the potential risks and opportunities of climate change on our business, both present and future. We take proactive measures to address climate-related issues. In accordance with the resolution passed by the board of directors in January of the 2022 fiscal year, we have revised our "Practical Guidelines for Sustainable Development." Under Article 17 of these guidelines, we refer to widely recognized domestic and international standards or guidelines. We actively participate in energy-saving and carbon reduction seminars, regulatory briefings, and other events to seek opportunities for improvement.	N/A
(4) Did the company collect data for the past two years on greenhouse gas emissions, volume of water consumption, and the total weight of waste, and establish policies for greenhouse gas reduction, reduction of water consumption, or management of other wastes?	V		(4)The greenhouse gas emissions, water consumption, and total waste weight of our company over the past two years are summarized in the table below. We have implemented policies for energy conservation, carbon reduction, and the management of greenhouse gas emissions, water usage, and other waste in accordance with legal requirements. In order to reduce water usage and waste, we have not only developed relevant policies but also replaced outdated equipment and achieved a waste recycling rate of over 99%. This year, we have planned greenhouse gas inventory reduction and third-party verification projects. For detailed statistical data and policies, please refer to our annual report, section 5 - Operational Overview.	N/A

Items	Carbon Emissions (metric tons/year)	Water Consumption (metric tons/year)	Waste (metric tons/year)Water Consumption (metric tons/year)
2021 fiscal year	1,815	19,013	128.74
2022 fiscal year	1,724	20,584	151.02

Evaluation Item	Implementation Status			Deviations from the Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies and the Reasons Yes
	Yes	No	Description of Summary	
4. Social Issues (1) Has the company formulated relevant management policies and procedures in accordance with relevant laws and regulations and international human rights conventions?	V		(1) Our company respects and supports internationally recognized human rights norms and principles, including the Universal Declaration of Human Rights, the United Nations Global Compact, and the International Labour Organization's Declaration on Fundamental Principles and Rights at Work. We comply with the laws and regulations of the countries in which we operate and reference the United Nations Guiding Principles on Business and Human Rights to implement human rights measures and safeguard the legitimate rights and interests of our employees. Additionally, we have established a Code of Conduct for sustainable development to adhere to relevant legal requirements and uphold international human rights conventions, including principles such as gender equality, the right to work, and the prohibition of discrimination, to ensure proper human rights protection for our workforce.	N/A
(2) Has the Company established and implemented reasonable employee welfare measures (include salary/compensation, leave, and other benefits), and are business performance or results appropriately reflected in employee salary/compensation ?	V		(2)In order to fully take care of our employees and ensure their well-being, we provide favorable working conditions and meet their needs. In addition to complying with legal requirements for basic protections, we go beyond by offering and supporting various welfare programs. These programs are promoted through the Employee Welfare Committee, which organizes welfare activities and provides subsidies. Our company has established compensation policies, bonus schemes, and performance evaluation methods that effectively link job performance to individual remuneration.	N/A
(3) Does the Company provide employees with a safe and healthy working environment, and implement regular safety and health education for employees ?	V		(3) Our company has obtained certification for the Occupational Health and Safety Management System (ISO 45001:2018). Committed to adhering to the requirements of the ISO 45001 standard and complying with relevant regulations pertaining to occupational health and safety. This certification validates the efforts in implementing a robust occupational health and safety management system within the organization. 1. Our company goes beyond regulatory requirements by conducting regular general health checks for employees every two years and special operation health checks on an annual basis. 2. In compliance with the law, our company conducts operational environmental monitoring in our factory premises every six months. This monitoring process is designed to assess and ensure a safe and healthy working environment for our employees. 3. Health management is carried out by our medical personnel based on the health examination reports. This process allows us to gather valuable insights into employees' health conditions, identify potential areas of concern, and provide personalized care and support. Through these interviews, we aim to understand employees' well-being, address any health issues, and offer appropriate guidance and assistance to promote their overall health and welfare.	N/A

Evaluation Item	Implementation Status			Deviations from the Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies and the Reasons Yes
	Yes	No	Description of Summary	
(4) Has the Company established effective career development training programs for employees? (5) Does the company comply with the relevant laws and international standards with regards to customer health and safety, customer privacy, and marketing and labeling of products and services, and implement consumer protection and grievance policies ？ (6) Has the company formulated supplier management policies requiring suppliers to comply with relevant regulations on issues such as environmental protection, occupational safety and health, or labor rights, and what is the status of their implementation?	V V V		4. Develop an annual training plan and implement relevant training programs (including safety and health education) according to the plan. (4) Our company has an annual training plan and training roadmap in place, and we conduct relevant training programs according to the plan and roadmap. (5) The company have established a Quality Management Committee to ensure the high quality standards of our products. We adhere to relevant regulations and international guidelines and have formulated policies and procedures to protect consumer or customer rights, as well as channels for complaints and feedback. (6) Our company has established procedures for selecting and evaluating suppliers. We maintain a database of basic supplier information and implement effective management practices for supplier selection and evaluation. This includes, but is not limited to, requiring suppliers to comply with relevant regulations and standards on environmental protection, occupational health and safety, and labor rights. In supplier selection, we require suppliers to have ISO 9000 quality management system certification, ISO 14001 environmental management system verification, and their products to comply with environmental labeling. Suppliers are also expected to adopt environmentally friendly and recyclable packaging methods and materials, and adhere to our company's environmental policies and relevant industrial practices for waste reduction, energy conservation, pollution prevention, and compliance with environmental regulations. We also emphasize that suppliers should prioritize labor rights, ensure a safe and healthy working environment, and work towards improving unfavorable working conditions. If existing suppliers cause or are likely to cause significant negative impacts on the environment, labor conditions, human rights, or society, we hold them accountable to immediately improve their practices or terminate the contract.	N/A N/A N/A
5. Does the company refer to international reporting standards or guidelines when preparing its sustainability report and other reports disclosing non-financial information? Does the company obtain third party assurance or certification for the reports above ？		V	The company has not yet prepared a sustainability report.	The following summary at the left column provides an explanation of the differences.

6. If the Company has adopted its own sustainable development best practice principles based on the Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies, please describe any deviation from the principles in the Company's operations: N/A
7. Other important information that helps understand the implementation of sustainable development (includes the company's systems, measures, and performance in environmental protection, community engagement, social contributions, social services, public welfare, consumer rights, human rights, occupational health and safety, and other sustainable development activities.) (1) Environmental Protection and Occupational Health and Safety: 1. The company is committed to providing environmentally friendly products that comply with environmental requirements. Through the implementation of environmental management methods, the company aims to reduce pollution and damage caused by its production activities. It adheres to relevant domestic regulations and continuously improves production processes and pollution prevention measures to protect the environment and enhance the company's green competitiveness. 2. With the rise of environmental awareness, government requirements for businesses have become increasingly stringent. Our company has obtained ISO 14001 certification and has successfully passed the IECQ QC 080000: 2017 Hazardous Substance Process Management System certification. We are also committed to complying with the RoHS regulations of the European Union. (2) Community Contribution, Services, and Philanthropy: The company is dedicated to community development, cultural preservation, and art through the establishment of the "PSA Group Charitable Foundation," a foundation jointly formed by the corporate group. It continuously invests resources in activities that support youth development, promote cultural education, and contribute to social welfare initiatives such as emergency assistance, disaster relief, and charitable donations. 1. The company holds regular activities in collaboration with the PSA Charitable Foundation to enhance and care for employee relations. 2. The company has signed agreements with a technology university for projects such as "Off-campus Internship" for Students" and "International Student Industry-Academia Cooperation Program." 3. In order to actively promote the training of professionals in 5G and AI technologies and enhance students' practical skills and employability the PSA Group has signed a letter of intent for cooperation with colleges and universities to establish an industry-academia cooperation platform and promote practical training and industry-academia collaboration. (3) Consumer Rights: The products produced by our company are not end-user products and do not have direct contact with consumers. (4) Health and Safety and Other Sustainable Development Activities: The company has obtained ISO 45001 certification and regularly conducts self-inspections. The factory facilities and equipment are also regularly maintained and improved. A comprehensive 7S activity is implemented to enhance the level of the work environment. Fire drills for employees are conducted annually to emphasize the importance of safety, and environmental testing and employee health checks are carried out in compliance with the law. These measures aim to provide employees with a safe working environment free from accidents. Every year, the company cooperate with the "Huako Business Group Charitable Foundation," established by the group, to organize various philanthropic activities, promoting a culture of public welfare.

(6) Implementation of Ethical Corporate Management and Deviations from the "Ethical Corporate Management Best-Practice Principles for TWSE/TPEx Listed Companies" and Reasons

valuation Item	Implementation Status			Deviations from the Ethical Corporate Management Best-Practice Principles for TWSE/TPEx Listed Companies and Reasons
	Yes	No	Description of Summary	
1. Establishment of ethical corporate management policies and programs (1) Does the company have an ethical corporate management policy approved by its Board of Directors, and bylaws and publicly available documents addressing its corporate conduct and ethics policy and measures, and commitment regarding implementation of such policy from the Board of Directors and the top management team?	V		(1)The company engages in business activities based on the principles of fairness, honesty, trustworthiness, and transparency. To implement our policy of conducting business with integrity and actively prevent dishonest behavior, we have established the "Code of Conduct and Operational Procedures for Business Integrity" and the "Code of Ethics for Directors, Supervisors, and Managers."	N/A
(2) Whether the company has established an assessment mechanism for the risk of unethical conduct; regularly analyzes and evaluates, within a business context, the business activities with a higher risk of unethical conduct; has formulated a program to prevent unethical conduct with a scope no less than the activities prescribed in Article 7, paragraph 2 of the Ethical Corporate Management Best Practice Principles for TWSE/TPE Listed Companies?	V		(2) The company has established "Work Rules" and "Code of Conduct and Operational Procedures for Business Integrity" to regulate the interaction between our employees and customers, external business activities, financial transactions, conflict of interest avoidance, and confidential information management.	N/A
(3) Does the company clearly set out the operating procedures, behavior guidelines, and punishment and appeal system for violations in the unethical conduct prevention program, implement it, and regularly review and revise the plan?	V		(3) The company has established "Work Rules" and "Code of Conduct and Operational Procedures for Business Integrity." We also require employees and suppliers to sign the "Integrity Commitment Letter," which prohibits accepting bribes or other benefits from the company, customers, competitors, or suppliers during the execution of business activities.	N/A

valuation Item	Implementation Status			Deviations from the Ethical Corporate Management Best-Practice Principles for TWSE/TPEx Listed Companies and Reasons
	Yes	No	Description of Summary	
2. Ethical Management Practice (1) Does the company assess the ethics records of those it has business relationships with and include ethical conduct related clauses in the business contracts?	V		2. (1) A.To avoid conducting transactions with individuals or entities with a history of dishonest behavior: a. When selecting suppliers for procurement, the company review their past transaction records for creditworthiness. During the bidding and price comparison process, we also emphasize to the suppliers our principles of fair, open, and transparent vendor selection. b.Sales Targets:The company maintains long-term tracking of credit management data for existing customers, while for new customers, appropriate credit limits are determined based on internal and external credit investigations. B.The inclusion of explicit clauses regarding integrity in commercial contracts: Such as signing anti-corruption commitments with trading suppliers, which clearly state the prohibition of directly or indirectly demanding or providing kickbacks, commissions, bribes, or any form of improper benefits.The contracts also establish a reporting mechanism and punitive provisions to deter any illicit practices.	N/A
(2) Has the company set up a dedicated unit to promote ethical corporate management under the board of directors, and does it regularly (at least once a year) report to the board of directors on its ethical corporate management policy and program to prevent unethical conduct and monitor their implementation? (3) Has the company established policies to prevent conflict of interests, provided appropriate communication and complaint channels, and properly implemented such policies?	V V		(2)The Board of Directors, through its auditing function, conducts reviews of the formulation and implementation of the company's integrity management policy. Regular reports are presented to the Board, and any irregularities or abnormalities are reported during Board meetings. (3)The company has established "Code of. Conduct" and "Integrity Management Policies and Procedures" to prevent conflicts of interest among employees regarding the company, customers, competitors, and suppliers. An employee suggestion box is set up internally, and a "Stakeholder's Corner" is available on the company's website to provide a communication channel between employees and the company.	N/A N/A

valuation Item	Implementation Status			Deviations from the Ethical Corporate Management Best-Practice Principles for TWSE/TPEx Listed Companies and Reasons
	Yes	No	Description of Summary	
(4) Does the company have effective accounting and internal control systems in place to enforce ethical corporate management? Does the internal audit unit follow the results of unethical conduct risk assessments and devise audit plans to audit compliance with the systems to prevent unethical conduct or hire outside accountants to perform the audits?	V		(4)The Audit Department conducts regular audits based on the relevant regulations set by the Finance Department and Management Department. An audit report is prepared annually to assess compliance with established procedures, and the audit results are reported to the regular board meetings. Additionally, a Certified Public Accountant (CPA) performs annual tests on the effectiveness of internal control systems to ensure reasonable assurance of the financial statements.	N/A
(5) Does the company provide internal and external ethical corporate management training programs on a regular basis?	V		(5)The company assigns employees to attend. relevant seminars and courses organized by regulatory authorities on an irregular basis. The company also periodically promotes these activities through internal announcements. Additionally, the company organizes internal education and training sessions on a regular basis.	N/A
3. Implementation of Complaint Procedures (1) Has the company established specific whistle-blowing and reward procedures, set up conveniently accessible whistle-blowing channels, and appointed appropriate personnel specifically responsible for handling complaints received from whistle-blowers?	V		(1)The company has established an email address for whistleblowing and an employee suggestion box as channels for colleagues to file complaints. The auditing department is designated as the responsible unit for receiving and handling these matters.	N/A
(2) Has the company established standard operation procedures for investigating the complaints received, follow-up measures taken after investigation, and mechanisms ensuring such complaints are handled in a confidential manner ？	V		(2)The company has established management procedures for the employee suggestion box, measures to prevent workplace violence and sexual harassment, procedures for complaints and disciplinary actions, and an employee code of conduct, all of which include provisions for whistleblowing. Employees can file complaints or reports to the management department or internal auditing supervisor, who will conduct investigations according to the procedures outlined. Confidentiality of the whistleblowers and related information will be strictly maintained.	N/A
(3) Has the company adopted proper measures to protect whistle-blowers from retaliation for filing complaints?	V		(3)The aforementioned measures explicitly state the protection of whistleblowers against any form of Retaliation or unfair treatment as a result of their whistleblowing activities.	N/A

valuation Item	Implementation Status			Deviations from the Ethical Corporate Management Best-Practice Principles for TWSE/TPEx Listed Companies and Reasons
	Yes	No	Description of Summary	
4. Strengthening Information Disclosure Does the company disclose its ethical corporate management policies and the results of their implementation on its website and the Market Observation Post System (MOPS)?	V		The company adheres to high business ethical standards, effective accountability mechanisms, and rigorous corporate governance. It operates with a sense of responsibility and honesty in conducting its business activities, and discloses relevant information in its annual reports. The procedures and policies related to these matters are also disclosed on the company's website.	N/A
5. If the company has adopted its own ethical corporate management best practice principles based on the Ethical Corporate Management Best Practice Principles for TWSE/TPEx Listed Companies, please describe any deviations between the principles and their implementation: The company has established the "Code of Conduct and Operating Procedures for Business Integrity," and its operation is in line with the defined guidelines without any significant differences.				
6. Other important information to facilitate a better understanding of the status of operation of the company's ethical corporate management policies (e.g., the company's reviewing and amending of its ethical corporate management best practice principles): The "Code of Conduct and Operating Procedures for Business Integrity" of the company has been revised in accordance with relevant legal amendments, and the revised version was approved by the Board of Directors on April 27, 2020. The execution status and annual plan were reported to the Board of Directors on January 14, 2022. Furthermore, the company will proactively monitor the development of domestic and international regulations related to business integrity. The company encourage directors, managers, and employees to engage in continuous learning and training and to contribute suggestions and improvements when appropriate, with the aim of enhancing the effectiveness of our business integrity practices.				

(7) If the Company has established Corporate Governance Best Practice Principles and related regulations, the inquiry methods shall be disclosed：

The relevant regulations have been disclosed on the "Public Information Observation Point System" website at http://mops.twse.com.tw, as well as on our company's website at http://psaitc.com. The company has established the following related regulations and procedures in accordance with the "Corporate Governance Best Practice Principles for Listed and OTC Companies": "Shareholders' Meeting Rules," "Board Meeting Rules," "Director Election Procedures," "Asset Acquisition or Disposal Handling Procedures," "Endorsement and Guarantee Operation Procedures," "Funds Loan to Others Operation Procedures," "Supervision of Subsidiaries Operation Procedures," "Operation Management Procedures for Group Enterprises, Specific Companies, and Related Party Transactions," "Corporate Governance Best Practice Principles," "Code of Conduct and Operation Procedures for Ethical Business Practices," "Code of Ethics for Directors, Supervisors, and Managers," "Management Procedures for Remuneration and Compensation Committee Operations," "Corporate Social Responsibility Best Practice Principles," and others.

(8) Other Important Information Relating to Governance of the company:

A. The participation of the company's directors in training programs covering corporate governance topics in the most recent fiscal year is as follows:

Title	Name	Study Date	Sponsoring Organization	Course	Training hours	Does it comply with the "Guidelines for Continuing Education of Directors and Supervisors of TWSE/TPE Listed Companies"?
Chairman	YuHeng Chiao	2022/10/6	The Securities and Futures Market Development Foundation of the ROC.	Preventing Corporate Fraud; The Role of the Board of Directors and the Legality of Cyber security Management in the Face of Ransom ware Threats.	3 hours	Yes
		2022/10/7	The Securities and Futures Market Development Foundation of the ROC.	Global Risk Perception - Opportunities and Challenges for the Next Decade.	3 hours	Yes
		2022/11/4	Chinese Corporate Governance Association	Walsin Technology Corporations' significant growth in the field of passive components.	3 hours	Yes
Director	PengHuang Peng	2022/10/6	The Securities and Futures Market Development Foundation of the ROC.	Preventing Corporate Fraud; The Role of the Board of Directors and the Legality of Cyber security Management in the Face of Ransom ware Threats.	3 hours	Yes
		2022/10/7	The Securities and Futures Market Development Foundation of the ROC.	Global Risk Perception - Opportunities and Challenges for the Next Decade.	3 hours	Yes
		2022/10/25	Chinese Corporate Governance Association	Important Economic and Trade Research and Outlook for 2022	3 hours	Yes
Director	MingHsiung Liu	2022/4/18	Institute of Accounting Research and Development Foundation of the ROC	Creating New Value for Businesses through ESG: Business Challenges, Responses, and Strategies	3 hours	Yes
		2022/6/10	The Securities and Futures Market Development Foundation of the ROC.	Promotion Event on Preventing Insider Trading for the Year 2022	3 hours	Yes
		2022/8/12	Institute of Accounting Research and Development Foundation of the ROC	Trends and Challenges in Information Security Governance	3 hours	Yes
		2022/10/6	The Securities and Futures Market Development Foundation of the ROC.	Preventing Corporate Fraud; The Role of the Board of Directors and the Legality of Cyber security Management in the Face of Ransom ware Threats.	3 hours	Yes

		2022/10/7	The Securities and Futures Market Development Foundation of the ROC.	Global Risk Perception - Opportunities and Challenges for the Next Decade.	3 hours	Yes
		2022/10/25	Chinese Corporate Governance Association	Important Economic and Trade Research and Outlook for 2022	3 hours	Yes
		2022/11/4	Chinese Corporate Governance Association	Walsin Technology Corporations' significant growth in the field of passive components.	3 hours	Yes
Director	YuSheng Chiu	2022/10/6	The Securities and Futures Market Development Foundation of the ROC.	Preventing Corporate Fraud; The Role of the Board of Directors and the Legality of Cyber security Management in the Face of Ransom ware Threats.	3 hours	Yes
		2022/10/7	The Securities and Futures Market Development Foundation of the ROC.	Global Risk Perception - Opportunities and Challenges for the Next Decade.	3 hours	Yes
		2022/10/25	Chinese Corporate Governance Association	Important Economic and Trade Research and Outlook for 2022	3 hours	Yes
		2022/11/4	Chinese Corporate Governance Association	Walsin Technology Corporations' significant growth in the field of passive components.	3 hours	Yes
Independent Director	PiLan Chang	2022/10/25	Chinese Corporate Governance Association	Important Economic and Trade Research and Outlook for 2022	3 hours	Yes
		2022/11/4	Chinese Corporate Governance Association	Walsin Technology Corporations' significant growth in the field of passive components.	3 hours	Yes
Independent Director	HuiChoa Chen	2022/8/8	Institute of Accounting Research and Development Foundation of the ROC	Best Practices for Compliance Auditing in Corporate Audit Committees	6 hours	Yes
		2022/10/6	The Securities and Futures Market Development Foundation of the ROC.	Preventing Corporate Fraud; The Role of the Board of Directors and the Legality of Cyber security Management in the Face of Ransom ware Threats.	3 hours	Yes
		2022/10/7	The Securities and Futures Market Development Foundation of the ROC.	Global Risk Perception - Opportunities and Challenges for the Next Decade.	3 hours	Yes
		2022/10/25	Chinese Corporate Governance Association	Important Economic and Trade Research and Outlook for 2022	3 hours	Yes
		2022/11/4	Taiwan Investor Relations Association	Sharing on the Development and Practices of Sustainable Development Bonds in our country	3 hours	Yes
Independent Director	WenYuan Chu	2022/10/6	The Securities and Futures Market Development Foundation of the ROC.	Preventing Corporate Fraud; The Role of the Board of Directors and the Legality of Cyber security Management in the Face of Ransom ware Threats.	3 hours	Yes
		2022/10/7	The Securities and Futures Market Development Foundation of the ROC.	Global Risk Perception - Opportunities and Challenges for the Next Decade.	3 hours	Yes

B. To review the attendance of directors at board meetings, please refer to the "Part, Corporate Governance Report - Section Four, Operation of Corporate Governance (1)" in this year's annual report.

C. The recent annual participation of our company's executives (including the General Manager, Accountant, Finance Manager, Internal Audit Manager, etc.) in training programs covering corporate governance topics is as follows:

Title	Name	Study Date	Sponsoring Organization	Course	Training hours	Does it comply with the "Guidelines for Corporate Governance Training Implementation"?
Internal Audit Manager	WeiRong Lai	2022.9.13	Internal Audit Associatio	Practical Audit Skills and Techniques	6 hours	Yes
		2022.10.21	Foundation for Securities and Futures Development	Audit Practices for Real Estate and Equipment Cycle and Payroll Cycle	6 hours	Yes
Finance, Accounting, and Corporate Governance Manager	PoChang Huang	2022.3.10	Institute of Accounting Research and Development Foundation of the ROC	Common Deficiencies in Company's Financial Statement Preparation and Best Practices in Internal Audit and Legal Compliance	6 hours	Yes
		2022.3.25	Institute of Accounting Research and Development Foundation of the ROC	Financial and Tax Issues and Best Practices in Tax Governance for Outbound Investment by Taiwanese Enterprises	3 hours	Yes
		2022.10.06	The Securities and Futures Market Development Foundation of the ROC.	Preventing Corporate Fraud; The Role of the Board of Directors and the Legality of Cyber security Management in the Face of Ransom ware Threats.	3 hours	Yes
		2022.10.07	The Securities and Futures Market Development Foundation of the ROC.	Global Risk Perception - Opportunities and Challenges for the Next Decade.	3 hours	Yes

(9) The Performance in Internal Control System shall disclose items given as follows:

A. Declaration of Internal Control System

INFO-TEK CORPORATION

Declaration of Internal Control System

Date: February 22, 2023

Over the Company's internal control system of Year 2022, based on the results of our self-evaluation, we'd hereby like to declare enumerated below:

1. Here at the Company, we confirm full awareness that implementation and maintenance of the internal control system are the inherent responsibility of the Company's Board of Directors and managers. The Company has duly set up such internal control system in an attempt to provide rational assurance of the effect and efficiency of the business operation (including profitability, performance and assurance of the safety of assets), reliability of reports, timeliness, transparency and accomplishment of the compliance targets on related requirements, laws and regulations.
2. Internal control system is subject to inherent restriction, disregarding how sound it has been designed. Effective internal control system could only provide rational assurance for accomplishment of the three aforementioned targets. Besides, in line with the changes in circumstances and environments, effectiveness of internal control system might change as well. For the Company's internal control system, nevertheless, we have set up sound self-superintendence mechanism. As soon as a defect is identified, the Company would take corrective action forthwith.
3. Exactly in accordance with the items of judgment for the effectiveness of the internal control system under "Regulations Governing Establishment of Internal Control Systems by Public Companies" (hereinafter referred to as "Managerial Regulations"), we duly judge whether the internal control system is effective in design and implementation. The items adopted for aforementioned "Managerial Regulations" for judgment of internal control system are the process for management control. The internal control system is composed of five composition elements: 1. Circumstances of control, 2. Risk evaluation, 3. Control operation, 4. Information and communication, and 5. Superintendence. Each and every composing element includes a certain items. For more details regarding the aforementioned items, please refer to contents of the "Criteria".
4. Here at the Company, we have adopted the aforementioned items of judgment over internal control system to evaluate the effectiveness of the design and implementation of the internal control system.
5. On the grounds of the results of evaluation in the preceding paragraph, we are confident that the Company's internal control system in design and implementation as of December 31, 2022 (including the superintendence and management over subsidiaries), including the understanding of the results and efficiency of business operation in accomplishment of the targets, reliability of reports, timeliness, transparency and compliance of the relevant laws and regulations are effective and would reasonably assure accomplishment of the aforementioned targets.
6. The Declaration will function as the key element of the Company's Annual Report and Prospectus and will be made public externally. In the event that the aforementioned made public involve misrepresentation, concealment or such unlawful practice, the Company shall get involved in the legal responsibilities under Articles 20, 32, 171 and 174 of the Securities and Exchange Act.
7. This Declaration has been approved by the Company's Board of Directors on February 22, 2023. Seven (7) directors were in attendance, none kept objecting opinions, and all directors in attendance hereby state their agreement to the contents of this declaration.

INFO-TEK CORPORATION

Chairman: Mr. YuHeng Chiao

General Manager: Mr. ChenYu Liu

B. Where accountant was commissioned to perform ad hoc review on the internal control system, the accountant review report required to be disclosed: N/A

(10) For the most recent fiscal year or during the current fiscal year up to the date of publication of the annual report, disclose any sanctions imposed in accordance with the law upon the company or its internal personnel, any sanctions imposed by the company upon its internal personnel for violations of internal control system provisions, principal deficiencies, and the state of any efforts to make improvements: N/A.

(11) In the most recent year and as of the Annual Report issuance date, the Key Resolutions resolved in the shareholders' meeting and Board of Directors are as below:

1. Significant Resolutions and Implementation Status of the 2022 Annual General Meeting of Shareholders (June 9, 2022)

(a) The summary and important resolutions made at the shareholders' meeting and the status of performance are stated as follows:

A: Approved proposal of recognizing the business report and financial statements of fiscal year 2021.

B: Approved proposal of recognizing the proposal of earnings distribution plan for 2021.

C: Approved the amendment of the Company's Articles of Incorporation.

D: Approved the amendment of the Company's "Shareholders' Meeting Rules" and "Asset Acquisition or Disposal Procedures"

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(b) Implementation status of the resolutions:

A. The major announcement on the day of the shareholders' meeting was regarding important resolutions of the shareholders' meeting.

B. Set August 15, 2022, as the ex-dividend date and September 2, 2022, as the payment date. (Dividend distribution of NT$1.25 per share)

C ~D. Conduct the relevant operations in accordance with the amended management regulations, and disclose the revised articles on the company website.

2. Important resolutions of the Board of Directors for the fiscal year 2022 and up to the date of printing of this year's annual report are as follows:

Date	Important Resolution
2022.1.14	1. Approved the adoption of the amendment to the "Decision-making Authority" of the Company and its significant subsidiary, INFO-TEK Electronics (Suzhou) Co., Ltd. 2. Approved the adoption of the amendment to the "Sustainable Development Practices Guidelines" of the Company. 3. Approved the credit facilities granted by banks to the Company and its investment holding subsidiaries. 4. Appointment, remuneration, and independence assessment of the auditor for the Company's fiscal year 2022 financial statements. 5. Approved the distribution ratio of employee and director remuneration for the Company's fiscal year 2021. 6. Approved the disbursement of management incentives for the Company's fiscal year 2021.
2022.2.21	1. Approved the total amount of remuneration for directors, supervisors, and employees for the Company's fiscal year 2021. 2. Approved the Company's fiscal year 2021 business report and financial statements. 3. Approved the operational plan for the Company's fiscal year 2022. 4. Approved the establishment of a branch office in Wuhu by the Company's wholly-owned subsidiary, INFO-TEK Electronics (Suzhou) Co., Ltd. 5. Approval of engaging in charitable donations by the Company. 6. Approved the proposed date and agenda for the Company's fiscal year 2022 annual general meeting. 7. Approved the designated period for accepting shareholder proposals for the Company's fiscal year 2022. 8. Approved the preparation of the Company's fiscal year 2021 internal control statement. 9. Approved the disbursement of GK bonuses to the Company's management for the second half of fiscal year 2021.
2022.4.26	1. Approved the Consolidated Financial Statements for the first quarter of 2022 of the company. 2. Approved the proposal of recognizing the proposal of earnings distribution plan for 2021. 3. Approved the amendment of the Company's Articles of Incorporation. 4. Approved the amendment of the Company's "Shareholders' Meeting Rules" and "Asset Acquisition or Disposal Procedures" 5. Approved the amendments to the "Board Meeting Rules," "Corporate Governance Practices,"and "Employee Transfer Scheme for the Sixth Share Repurchase Program" of the Company. 6. Approved the amendments to the agenda for the Company's fiscal year 2022 annual general meeting.

	7. Approved the extension of funds provided by the Company to its subsidiary for investment in a subsidiary company. 8. Approved the individual remuneration distribution for directors and supervisors for the Company's fiscal year 2021. 9. Approved the employee remuneration distribution for the Company's management for the Company's fiscal year 2021.
2022.5.30	1.Approved the investment in our wholly-owned subsidiary,INFO-TEK Electronics (Suzhou) Co., Ltd’s Expanding Investment Plan for Whuhu 2. Approved the Company's proposed application for financing facilities from the Export-Import Bank of China. 3. Approved the revision of "Internal Control - Stock Affairs Operations" for fiscal year 2022 of the company. 4. implementation of the seventh share repurchase program (first program of 2022 fiscal year) for the Company's own shares, and the subsequent transfer of the repurchased shares to employees within a period of five years from the repurchase date.
2022.8.03	1. Approved the Consolidated Financial Statements for the second quarter of 2022 of the company. 2. Approved the Company's proposed application for financing facilities. 3. Approved the distribution of executive bonuses for the first half of 2022 fiscal year.
2022.8.29	1. Approved the disbursement of GK bonuses to the Company's management for the first half of fiscal year 2022. 2. Approved the Salary Adjustment of Managers of the Company for the 2022 fiscal Manager.
2022.10.31	1. Approved the Consolidated Financial Statements for the third quarter of 2022 of the company. 2. Approved matter regarding to opening a bank account for SUN RISE COPORATION on behalf of SUN RISE COPORATION. 3. Approved the amendment to the "Board Meeting Rules" and "Performance Evaluation Guidelines for the Board and Functional Committees" of the Company. 4. Approved the adoption of the "Internal Major Information and Prevention of Insider Trading Management Procedures" for the Company. 5. Approved the amendment to the "Corporate Governance Practices Guidelines" of the Company. 6. Approved the amendment to the "Electronic Data Processing Cycle" and "Internal Audit - Electronic Data Processing Cycle" of the Company's internal control system. 7. Approved the audit plan for the 2023 fiscal year of the Company.
2023.1.16	1. Approved the credit facilities granted by banks to the Company and its investment holding subsidiaries. 2. Approved the distribution ratio of employee and director remuneration for the Company's fiscal year 2022. 3. Approved the disbursement of management incentives for the Company's fiscal year 2022.
2023.2.22	1. Approved the total amount of remuneration for directors, supervisors, and employees for the Company's fiscal year 2022. 2. Approved the Company's fiscal year 2022 business report and financial statements. 3. Approved the operational plan for the Company's fiscal year 2023. 4. Approved the proposed date and agenda for the Company's fiscal year 2023 annual general meeting. 5. Approved the appointment, remuneration, and independence assessment of the auditor for the Company's fiscal year 2022. 6. Approved the revision of "Internal Control - Stock Affairs Operations" for fiscal year 2023 of the company. 7. Approved the preparation of the Company's fiscal year 2022 internal control statement. 8. Approved the amendment of the Company's Articles of Incorporation and "Employee Transfer Scheme for the Sixth Share Repurchase Program" of the Company. 9. Approved the transfer of treasury stocks purchased in the Company's sixth share buyback to employees. 10. Approval of engaging in charitable donations by the Company. 11. Approved the disbursement of GK bonuses to the Company's management for the second half of fiscal year 2022.

2023.5.3	1. Approved the Consolidated Financial Statements for the first quarter of 2023 of the company. 2. Approved the capital expenditure for the expansion of the Wuhu plant. 3. Approved the proposal of recognizing the proposal of earnings distribution plan for 2022. 4. Approved the revised "Asset Acquisition or Disposal Procedures" of our company. 5. Approved the revision of "Internal Control - Stock Affairs Operations" for fiscal year 2023 of the company. 6. Approved the amendments to the agenda for the Company's fiscal year 2023 annual general meeting. 7. Approved the individual remuneration distribution for directors and supervisors for the Company's fiscal year 2022. 8. Approved the employee remuneration distribution for the Company's management for the Company's fiscal year 2022.

(12) In the most recent year and as of the Annual Report issuance date, different opinions posed by the directors to the key resolutions in the board of directors, as backed with written records or declaration in writing: N/A

(13) In the most recent year and as of the Annual Report issuance date, facts regarding the compilation for resignation, discharge of the chairman, general manager, chief accountant, financial head, principal internal auditor, Corporate Governance Officer, and research & development head: N/A

3.5 Information on CPAs' fees

Unit: NT$ thousands

Name of accounting firm	Names of CPAs	Period covered by the CPA audit	Audit fees	Non-audit fees	Total	Remarks
Deloitte & Touche, CPA Accounting Firm	Chun-Ming Hsueh Sheng-Hsiung Yao	2022/1/1 ~ 2022/12/31	2,600	320	2,920	None

Note: Non-audit fees - These are expenses incurred for reimbursements and compensation for full-time employees who do not hold executive positions.

(1) When the company changes its accounting firm and the audit fees paid for the fiscal year in which such change took place are lower than those for the previous fiscal year, the amounts of the audit fees before and after the change and the reasons shall be disclosed: N/A

(2) When the audit fees paid for the current fiscal year are lower than those for the previous fiscal year by 10 percent or more, the reduction in the amount of audit fees, reduction percentage, and reason(s) therefor shall be disclosed：N/A

3.6 Information on replacement of Certified Public Accountant

(1) Information regarding the former CPAs

<table>
<tr><td>Date of replacement</td><td colspan="3">January 01, 2022</td></tr>
<tr><td>Reason for replacement and explanation</td><td colspan="3">Explanation of Internal Rotation Adjustment at Ernst & Young Certified Public Accountants:</td></tr>
<tr><td rowspan="3">The internal rotation adjustment is made when the appointee or accountant terminates the appointment or declines to accept it.</td><td>Parties
Circumstances</td><td>CPAs</td><td>The Company</td></tr>
<tr><td>Terminated the engagement</td><td>N/A</td><td>N/A</td></tr>
<tr><td>No longer accepted (discontinued) the engagement</td><td>N/A</td><td>N/A</td></tr>
<tr><td>If the CPAs issued an audit report expressing any opinion other than an unqualified opinion during the 2 most recent years, specify the opinion and the reasons</td><td colspan="3">None</td></tr>
<tr><td>Disagreement with the</td><td>Yes</td><td></td><td>Accounting principles or practices</td></tr>
</table>

Company?			Disclosure of financial reports
			Audit scope or steps
			Other
	No	V	
	Explanation: None		
Other disclosures	None		

(2) Information Regarding the Successor CPAs

Name of accounting firm	Deloitte & Touche, CPA Accounting Firm
Names of CPAs	Chun-Ming Hsueh and Sheng-Hsiung Yao
Date of engagement	January 01, 2022
Subjects discussed and results of any consultation with the CPAs prior to the engagement, regarding the accounting treatment of or application of accounting principles to any specified transaction, or the type of audit opinion that might be issued on the company's financial report	None
Successor CPAs' written opinion regarding the matters of disagreement between the Company and the former CPAs	None

(3) The reply letter from the former CPA regarding the Company's disclosures: N/A

3.7 Where the Company's chairperson, general manager, or any managerial officer in charge of finance or accounting maters has in the most recent year held a position at the accounting firm of its certified public accountant or at an affiliated enterprise of such accounting firm, the name and position of the person, and the period during which the position was held, shall be disclosed:N/A

3.8 Any transfer of equity interests and/or pledge of or change in equity interest by a director, managerial officer, or shareholder with a stake of more than 10 percent during the most recent fiscal year or during the current fiscal year up to the date of publication of the annual report:

(1) Changes in directors, managerial officers and Major shareholders

Title (Note 8)	Name	2022		Up to March 31, 2023	
		Holding Increase (Decrease)	Pledged Holding Increase (Decrease)	Holding Increase (Decrease)	Pledged Holding Increase (Decrease)
Chairman and CEO	YuHeng Chiao	0	0	229,000	0
Director and Major shareholders	Global Brands Manufacture LTD and CEO	0	0	0	0
Director	Global Brands Manufacture LTD Representative: YuSheng Chiu	0	0	0	0
Director	MingHsiung Liu	0	0	0	0
Director	PengHuang Peng	0	(100,000)	0	0
Independent Director	HuiChoa Chen	0	0	0	0
Independent Director	PiLan Chang	0	0	0	0
Independent Director	WenYuan Chu	0	0	0	0
General Manager	ChenYu Liu	0	0	100,000	0
Operation General Manager	YuChen Hsu	0	0	100,000	0

Manager	PoChang Huang	0	0	45,000	0

(2) Information regarding the transfer of shares by directors, executives, and major shareholders: None

(3) Where the pledge of equity transfer is a related party, the Company should disclose the name, his or her relationship with the Company, the Company's directors and supervisors, key shareholders holding over 10% shares and the number of shares held: None

Name	Reason(s) for change in Pledged Holding	Transaction date	Counter party	Relationship between related parties and the company, directors, executives, and shareholders holding more than ten percent of the shares.	Number of shares	Shareholding Ratio	Pledged Ratio	Pledge (Redemption) Amount
PengHuang Peng	Redemption	2022.9.01	Shin Kong International Securities Co., Ltd.	N/A	(100,000)	4.13	0.08	(5.8 million)

3.9 Relationship information, if among the Company's 10 largest shareholders any one is a related party or a relative within the second degree of kinship of another:

April 16, 2023

Name (Note 1)	Current Shareholding		Spouse's/minor's Shareholding		Shareholding by Nominee Arrangement		Name and Relationship Between the Company's Top 10 Shareholders, or Spouses or Relatives Within Two Degrees (Note 3)		Remarks
	Number of shares	Shareholding Ratio (Note 2)	Number of shares	Shareholding Ratio (Note 2)	Number of shares	Shareholding Ratio (Note 2)	Name	Relationship	
Global Brands Manufacture LTD	33,270,949	27.44%	0	0%	0	0%	None	None	
Global Brands Manufacture LTD Representative: YuHeng Chiao	398,000	0.33%	0	0%	0	0%	None	None	The Chairman and CEO of our compnay
Giga Investment Co.Ltd.	9,985,834	8.24%	0	0%	0	0%	None	None	
Giga Investment Co.Ltd. Representative: PeiCheng Yeh	0	0%	0	0%	0	0%	None	None	
PengHuang Peng	5,003,000	4.13%	52,000	0.04%	0	0%	None	None	
MeiLing Chen	4,295,317	3.54%	0	0%	0	0%	None	None	
MingDe Hsu	1,751,051	1.44%	0	0%	0	0%	None	None	
YongFu Huang	627,000	0.52%	0	0%	0	0%	None	None	
BiZhu Huang	626,083	0.52%	0	0%	0	0%	None	None	
RuiYan Chen	528,000	0.44%	0	0%	0	0%	None	None	
YuChen Hsu	521,790	0.43%	0	0%	0	0%	None	None	
Hong-Hai Chiang	448,000	0.37%	0	0%	0	0%	None	None	

Note 1: The top ten shareholders shall be listed in full; corporate shareholder shall list its name and the names of its proxy separately.
Note 2: The calculation of the shareholding percentage refers to the percentage of shares held in his/her/its own name, or under the name of his/her/its spouse, children under 18 years of age, or others.
Note 3: The relationship between above-listed juristic person shareholders and natural person shareholders shall be disclosed pursuant to the regulations governing the preparation of financial reports of the issuer.

3.10 The number of shares of the same investee held by the Company, its directors, managers and which the Company controls directly or indirectly, with the aggregate shareholding percentages

Investees	Investments of the Company		Investment by directors, supervisor, manager and directly or indirectly controlled company		Comprehensive investments	
	Number of shares	%	Number of shares	%	Number of shares	%
INFO-TEK HOLDING CO,.LTD.	3,700,000	100%	0	0%	3,700,000	100%
SUN RISE CORPORATION	35,500,000	100%	0	0%	35,500,000	100%
INFO-TEK Electronics (Suzhou) CO,.LTD.	0	100%	0	0%	0	100%

Note: This investment is accounted for using the equity method by the company.

IV. Fundraising Overview

4.1 Capital and Shares

(1) Source of Capital

A. Process for the share capital to come into being

Unit: NT$ /shares

Month/ Year	Par Value	Authorized Capital		Paid-in Capital		Remarks		
		Number of shares	Amount	Number of shares	Amoumt	Source of Capital	Capital Increased By Assets Other than Cash	Other
1990.12	10	5,000,000	50,000,000	3,000,000	30,000,000	Established Share Capital	None	
1993.08	10	5,000,000	50,000,000	5,000,000	50,000,000	Increment in cash 20,000,000	None	
1996.08	10	10,000,000	100,000,000	10,000,000	100,000,000	Capital increase by earnings 50,000,000	None	
1998.07	10	50,000,000	500,000,000	35,000,000	350,000,000	Increment in Capital by earnings 42,500,000 Increment in Employee Bonus Capitalization 7,500,000 Increment in cash 200,000,000	None	
1999.09	10	50,000,000	500,000,000	49,675,500	496,755,000	Increment in Capital by earnings 52,500,000 Increment in Employee Bonus Capitalization 9,843,750 Increment in cash 49,411,250 Capital Surplus to capital increase 35,000,000	None	Note 1
2000.06	10	120,000,000	1,200,000,000	84,220,139	842,201,390	Increment in Capital by earnings 124,188,750 Increment in Employee Bonus Capitalization 21,257,640 Increment in cash 200,000,000	None	Note 2
2001.06	10	120,000,000	1,200,000,000	93,632,978	936,329,780	Increment in Capital by earnings 42,110,070 Increment in Employee Bonus Capitalization 9,908,250 Capital Surplus to capital increase 42,110,070	None	Note 3
2002.07	10	120,000,000	1,200,000,000	98,325,908	983,259,080	Increment in Capital by earnings 37,453,190 Increment in Employee Bonus Capitalization 9,476,110	None	Note 4
2004.06	10	120,000,000	1,200,000,000	105,558,068	1,055,580,680	Increment in Capital by earnings 58,995,550 Increment in Employee Bonus Capitalization 13,326,050	None	Note 5
2005.03	10	136,060,000	1,360,600,000	120,558,068	1,205,580,680	Increment in cash 15,000,000	None	Note 6
2007.09	10	136,060,000	1,360,600,000	121,218,068	1,212,180,680	Stock option certificate transferred to capital increase 6,600,000	None	Note 7
2007.10	10	136,060,000	1,360,600,000	121,263,068	1,212,630,680	Stock option certificate transferred to capital increase 25,000	None	Note 8
2008.12	10	136,060,000	1,360,600,000	121,450,680	1,212,450,680	Stock option certificate transferred to capital increase 20,000	None	Note 9
2008.12	10	136,060,000	1,360,600,000	115,126,068	1,151,260,680	Cancellation of Treasury Shares 6,137,000	None	Note 10
2010.03	10	136,060,000	1,360,600,000	116,091,068	1,160,910,680	Stock option certificate transferred to capital increase 965,000	None	Note 11
2016.09	10	136,060,000	1,360,600,000	113,251,068	1,132,510,680	Cancellation of Treasury Shares 28,400,000	None	Note 12

2017.08	10	136,060,000	1,360,600,000	112,051,068	1,120,510,680	Cancellation of Treasury Shares 12,000,000	None	Note 13
2017.09	10	136,060,000	1,360,600,000	121,251,068	1,212,510,680	Increment in cash 92,000,000	None	Note 14

Note 1: Approved by letter No. 66620 from the Taiwan Financial Supervisory Commission on July 20, 1999.
Note 2: Approved by letter No. 34442 from the Taiwan Financial Supervisory Commission on April 28, 2000.
Note 3: Approved by letter No. 131023 from the Taiwan Financial Supervisory Commission on May 18, 2001.
Note 4: Approved by letter No. 0910139561 from the Taiwan Financial Supervisory Commission on July 16, 2002.
Note 5: Approved by letter No. 0930126810 from the Taiwan Financial Supervisory Commission on June 17, 2004.
Note 6: Approved by letter No. 0930159708 from the Financial Supervisory Commission on January 06, 2005.
Note 7: Approved by letter No. 09601237630 from the Ministry of Economic Affairs on September 29, 2007.
Note 8: Approved by letter No. 09701071420 from the Ministry of Economic Affairs on March 20, 2008.
Note 9: Approved by letter No. 09701309690 from the Ministry of Economic Affairs on December 11, 2008.
Note 10: Approved by letter No. 09701309690 from the Ministry of Economic Affairs on December 11, 2008.
Note 11: Approved by letter No. 09901080260 from the Ministry of Economic Affairs on April 21, 2010.
Note 12: Approved by letter No. 10501244680 from the Ministry of Economic Affairs on October 14, 2016.
Note 13: Approved by letter No. 1030025062 from the Financial Supervisory Commission on June 25, 2014.
Note 14: Approved by letter No. 1060026559 from the Financial Supervisory Commission on July 25, 2017.

B. Types of issued shares

April 16, 2023/Unit: Shares

Categories of shares	Authorized Capital				Remark
	Outstanding shares	Treasury Stock	Unissued shares	Total	
Common Shares	120,751,068	500,000	28,748,932	150,000,000	OTC Stocks

C. Summary Declaration System: N/A

(2) Structure of Shareholders

April 16, 2023

Structure of Shareholders / Quantity	Government Agencies	Financial Institutions	Other Juridical Persons	Individuals	Foreign Institutions & foreigners	China	Total
Number of Shareholders	0	3	160	30,465	46	1	30,675
Current Shareholding	0	219,961	44,883,555	75,186,487	961,064	1	121,251,068
Shareholding Percentage	0%	0.18%	37.01%	62.01%	0.80%	0%	100.00%

Note: As of the record date of the shareholders' meeting, the company holds 500,000 shares of treasury stock that have not been transferred or canceled.

(3) Shareholding Distribution Status

A. Common Shares

NT$10 per share/April 16, 2023

Class of Shareholding (Unit: Share)	Number of Shareholders	Current Number of Shareholding	Shareholding Percentage
1 to 999	16,926	333,285	0.27%
1,000 to 5,000	11,563	21,803,976	17.98%
5,001 to 10,000	1,223	10,025,138	8.27%
10,001 to 15,000	314	4,081,831	3.37%
15,001 to 20,000	244	4,615,815	3.81%
20,001 to 30,000	162	4,307,350	3.55%
30,001 to 40,000	66	2,433,366	2.01%
40,001 to 50,000	57	2,678,631	2.21%
50,001 to 100,000	66	4,961,210	4.09%
100,001 to 200,000	30	4,490,639	3.70%
200,001 to 400,000	13	3,962,803	3.27%
400,001 to 600,000	4	1,997,790	1.65%
600,001 to 800,000	2	1,253,083	1.03%
800,001 to 1,000,000	0	0	0%
Above 1,000,001	5	54,306,151	44.79%
Total	30,675	121,251,068	100.00%

B. Preferred Shares: N/A

(4) List of Major Shareholders:

April 16, 2023

Name \ Shares	Shareholding	Percentage
Global Brands Manufacture LTD	33,270,949	27.44%
Giga Investment Co.Ltd.	9,985,834	8.24%
PengHuang Peng	5,003,000	4.13%
MeiLing Chen	4,295,317	3.54%
MingDe Hsu	1,751,051	1.44%
YongFu Huang	627,000	0.52%
BiZhu Huang	626,083	0.52%
RuiYan Chen	528,000	0.44%
YuChen Hsu	521,790	0.43%
Hong-Hai Chiang	448,000	0.37%

(5) Market price per share, net value, earnings, dividends and other related information for the most recent 2 years:

Unit: NT$; share

Items \ Year			2021	2022	As of the first quarter of the fiscal year 2023 (Note 8)
Market price per share (Note 1)	Highest		73.00	77.40	59.20
	Lowest		19.45	50.50	51.70
	Average		44.57	59.71	55.10
Net Value per share	Before Distribution		20.69	24.84	26.15
	After Distribution		19.44	22.94	-
Earnings per share	Weighted Average Shares (thousand shares)		120,251	120,251	120,751
	Earnings per share (Note 3)		4.16	5.63	0.93
Dividends per share	Cash Dividends		1.25	1.90	-
	Stock Dividends	From retained earnings -	-	-	-
		From capital surplus -	-	-	-
	Accumulated Undistributed Dividends (Note 4)		-	-	-
Return on Investment	Price / Earnings Ratio (Note 5)		10.72	10.60	-
	Price / Dividend Ratio (Note 6))		35.66	29.86	-
	Cash Dividend Yield Rate (Note 7)		2.80%	3.18%	-

Note 1：list the highest and lowest price of the common stocks in that year, and the average market price for that year is calculated based on the transaction values and transaction amounts.

Note 2：Use the number of circulated shares at the end of the year as the base, then the dividend distributed determined by the board or in the coming year's stockholders' meeting.

Note 3：If there is any retroactive adjustment from the stock dividend without compensation, then it should list earning per share on before and after adjustment.

Note 4：If the equity investment has constraint that limits the undistributed dividend for that year and it is cumulated until to later profitable year. Then it should disclose the cumulative undistributed dividend up to that year .

Note 5: Price / Earnings Ratio = Average Market Price / Earnings per Share

Note 6: Price / Dividend Ratio = Average Market Price / Cash Dividends per Share

Note 7: Cash Dividend Yield Rate = Cash Dividends per Share / Average Market Price

Note 8: The net value per share and earnings per share should be filled in with the information checked by the accountant in the most recent quarter of the annual report. The remaining fields should be filled in the year of the year as of the date of publication of the annual report.

Note 9: The profit distribution for the fiscal year 2022 has been approved by the Board of Directors on May 3rd 2023, but it has not yet been approved by the shareholders' meeting.

(6) Dividend Policy and Implementation

A. Dividend Policy of the company

According to Article 22-1 of our company's bylaws, in the event that the company generates profits in a fiscal year (i.e., after deducting employee and director remuneration from pre-tax profits), a portion ranging from 2% to 10% shall be allocated as employee remuneration. Additionally, a portion not exceeding 2% shall be allocated as director remuneration. However, if the company has accumulated losses, an amount shall be reserved in advance for offsetting the losses. The recipients of the dividends, whether in the form of stocks or cash, include employees of subsidiary companies who meet certain conditions, which are determined by the authorization of the Chairman of the Board. According to Article 23 of our company's bylaws, in the annual financial statements, if there are current-year profits, they should first be used to offset any accumulated losses. Then, 10% shall be allocated as legal reserve, and any required allocation or reversal to special reserve shall be made in accordance with the law. If there is still a surplus after these allocations, along with the accumulated undistributed earnings from the beginning of the period, it shall be available for distribution. The distribution plan shall be formulated by the Board of Directors and approved by the shareholders' meeting. Considering the changing industry environment and the fact that the company has entered the mature stage of its life cycle, in order to meet the future capital needs and long-term financial planning, as well as to satisfy the shareholders' demand for cash inflows, the annual cash dividends distributed shall not be less than 5% of the total shareholder dividends. The company may allocate all or part of the capital surplus as bonus shares in accordance with the relevant laws and regulations, taking into account the profit distribution situation of the current year and balancing the dividend policy. The distribution plan shall be prepared by the Board of Directors and distributed after approval by the shareholders' meeting.

B. Allocation of dividend for the year having been proposed

On May 3, 2023, the Board of Directors proposed the profit distribution plan for the fiscal year 2022, which is expected to distribute a cash dividend of NT$ 229,427,030 (based on the current outstanding shares of 120,751,068 shares, with a dividend per share of NTD1.9). The dividend distribution is subject to approval at the shareholder meeting on June 14, 2023.

C. If there is a significant change in the expected dividend policy, it should be stated: N/A

(7) The impact of proposed stock dividend on the Company's business performance and earnings per share:

The company, following the proposal approved by the board of directors on May 3, 2023, regarding the distribution of earnings for the fiscal year 2022, plans to distribute a cash dividend of NT$ 229,427,030. There are no plans to carry out any bonus issues, such as the conversion of earnings or capital reserves. The distribution of dividends is subject to the resolution of the shareholders' meeting scheduled for June 14, 2023.

(8) Employees' and Directors' compensation:

A. Percentage or range of employees'/directors' compensation stated in the Articles of Incorporation: Article 22-1: In the event that the company generates profits during the fiscal year (i.e., pre-tax income after deducting employee remuneration and director's compensation), a provision of 2% to 10% shall be allocated for employee remuneration. Additionally, a provision of no more than 2% shall be allocated for director's compensation. However, when the company has accumulated losses, an amount shall be reserved in advance for offsetting purposes. The recipients of the distribution, whether in the form of stocks or cash, include subsidiary company employees who meet certain conditions, as authorized by the Chairman of the Board of Directors.

B. Basis of calculation for employees'/directors' compensation and share-based compensation, And accounting treatment for any discrepancies between the amounts estimated and the amounts paid:

(1) The basis for estimating the amount of employee remuneration and director's compensation for the current period: It is based on the pre-tax net profit as of the end of the period, estimated within a certain percentage range as specified in the Articles of Incorporation.

(2) Calculation basis for employee remuneration in the form of stock distribution: N/A

(3) Accounting treatment for differences from the estimated amounts: For the relevant accounting treatment principles, please refer to the "Financial Overview - 4. Financial Statements for the Most Recent Fiscal Year - II. Continuing Operations - Net Profit" section in this annual report.

C. Compensation approved by the board of directors:

(1) The amount of employee remuneration and director's compensation distributed in cash or stock: The Board of Directors approved the distribution of employee cash remuneration for the fiscal year 2022 in the amount of NT$31,293,011 and director's compensation of NT$11,529,004 on May 3, 2023.

(2) Differences, reasons, and treatment of variances between the estimated amounts and the recognized expenses for the fiscal year: N/A

(3) Amount of employee remuneration in the form of stock distribution and its proportion to the post-tax net income and total employee remuneration for the period: N/A

D. Allocation of compensation to employees and directors in the preceding year with significant discrepancy of the acknowledgment of bonus to employees and compensation to directors, the causes, and countermeasures:

(1) Distribution of employee cash remuneration, stock-based remuneration, director's and supervisor's remuneration: The company distributed employee cash remuneration of NT$ 21,422,821 and director's remuneration of NT$ 7,892,618 for the fiscal year 2021.

(2) Differences, reasons, and treatment of variances between the recognized employee remuneration and director's and supervisor's remuneration: N/A

(3) For relevant accounting treatment principles, please refer to the "Financial Overview, Section Four, Recent Financial Reports, 22. Net Income of Continuing Operations" in the current annual report.

(9) Share buybacks

A. Executed transactions:

April 30, 2023

Repurchase Session	The Sixth Time	The Seventh Time
Purpose of buy-back	Transfer to employees	Transfer to employees
Timeframe of buy-back	2020/1/21 - 2020/3/20	2022/5/31 - 2022/7/29
Price range	NT$15-24 per share	NT$60-75 per share
Class, quantity of shares repurchased	Common Stock 1,000,000 shares	Common Stock 500,000 shares
Value of shares repurchased	NT$15,891,000	NT$34,105,242
Quantity of repurchased shares as a percentage of total shares to be repurchased	100%	100%
Shares Cancelled / transferred	1,000,000 shares	0
Accumulated number of company shares held	0	500,000 shares
Percentage of total company shares held	0	0.41%

B. Ongoing executions: N/A.

4.2 Issuance of Corporate Bonds: N/A.

4.3 Issuance of Preferred Shares: N/A.

4.4 Issuance of Global Depositary Receipts: N/A.

4.5.Status of employee stock option plan and Status of employee restricted stock: N/A.

4.6 Status of new shares issuance in connection with mergers and acquisitions: N/A.

4.7.Progress on planned use of capital: N/A.

Ⅴ. Overview of Business Operations

5.1 Business activities

A. Main Content of Operating Activities

(a) CC01080 - Electronics Components Manufacturing
(b) CF01011 - Medical Materials and Equipment Manufacturing
(c) CB01020 - Office Machines Manufacturing
(d) CC01030 - Electrical Appliances and Audiovisual Electronic Products Manufacturing
(e) CC01120 - Data Storage Media Manufacturing and Duplicating
(f) CC01060 - Wired Communication Equipment and Apparatus Manufacturing
(g) CC01070 - Telecommunication Equipment and Apparatus Manufacturing
(h) CE01030 - Optical Instruments Manufacturing
(i) F113020 - Wholesale of Household Appliance
(j) F113050 - Wholesale of Computers and Clerical Machinery Equipment
(k) F113070 - Wholesale of Telecommunication Apparatus
(l) F116010 - Wholesale of Photographic Equipment
(m) F119010 - Wholesale of Electronic Materials
(n) ZZ99999 All business items that are not prohibited or restricted by law, except those that are subject to special approval.

B. Ratio of Operating Revenue

Information disclosed from a consolidated perspective (basis) includes:

Unit: NT$ thousands

Year / Item	2021		2022	
	Amount	Weighting	Amount	Weighting
EMS-PCBA	4,082,611	90.47	6,152,216	89.66
Other	430,035	9.53	709,690	10.34
Total	4,512,644	100.00	6,861,906	100.00

Note: EMS (Electronics Manufacturing Services) refers to professional electronic product manufacturing services. The main service offerings include PCB assembly, semi-finished product assembly, and finished product assembly.

C. Current Products (Services) of the Company

The main products and service offerings of our company are in the field of professional electronic manufacturing services (EMS). A detailed description is provided below:

①Differentiating by service offerings:
A. PCBA (Printed Circuit Board Assembly) Contract Manufacturing Service
B. Electronic Component Procurement Service
C. Semi-Finished, Finished, and System Assembly Service
D. Functional Testing Service
E. Repair Service

②Differentiating by application domains:
A. Automotive Electronic Products
B. Industrial Control Products
C. Defense and Aerospace Products
D. Wireless Communication Products
E. Cloud Application Products
F. Medical Equipment-related Products
G. LED Control Boards
H. Computer Motherboards
I. Consumer Electronics Products

D. New Products (Services) Planned to be Developed

Our company will continue to strive towards improving factory production processes, automation, and enhancing engineering capabilities. The Research, Development and improvement plans for the fiscal year 2023 are as follows:

(1) Research and adopt new processes based on customer and product development directions to enhance production capacity and yield, while reducing material and labor costs.
(2) Implement real-time furnace temperature monitoring system to eliminate manual temperature measurement, saving line changeover time and reducing furnace temperature plate losses.
(3) Develop testing and aging schemes for high-power DCDC and PET products to facilitate future product integration.
(4) Develop software for centralized program control, enabling program scanning and calibration to prevent human errors.
(5) Filed a total of 8 utility model patents and 5 invention patents in the fiscal year 2022.

(2) Overview of the Industry

(a) Current Situation and Development of the Industry

Regarding the current status of our company's core business in the field of Electronics Manufacturing Services (EMS), a detailed description is provided below: EMS, or Electronics Manufacturing Services, refers to the specialized manufacturing services that cater to the production needs of electronic products on behalf of clients.

Unlike companies with their own brand, EMS focuses solely on providing all the necessary services for electronic product manufacturing. The scope of EMS encompasses various industries, including not only the PC industry but also automotive electronics, industrial control boards, network communications, consumer products, medical and measurement equipment, and even the military and aerospace sectors. EMS caters to a wide range of product businesses within these industries.

Since its establishment, our company has been involved in EMS services for various electronic products, specifically PCB assembly and processing. The primary process includes using surface mounting technology to attach microprocessors, memory modules, and other relevant electronic components onto PCBs. This allows for the interconnection of wiring circuits on the PCB, enabling the functionality designed for the PCB.

Throughout the subsequent stages, additional processes such as applying protective coatings, thermal adhesive application, assembly, and enclosure locking are carried out. These steps ensure that the products are assembled into finished goods and undergo final functional testing before being shipped to our customers. Surface mounting technology is currently widely utilized in the manufacturing of various electronic products, including computers and peripherals, optoelectronics, networking, telecommunications, consumer electronics, medical electronics, automotive electronics, industrial electronics, military, and aerospace electronics. Below, we will provide a description and outlook on the current status of the PCBA EMS industry in which our company operates: Specialization and outsourcing trends have created favorable business development opportunities in the global electronics industry.

The industry has shifted from standardized specifications during the PC era to a focus on customized specifications for mobile devices, new energy vehicles, and other products. The rise of emerging markets has led to price competitiveness and shortened product cycles in the electronics sector. On a global scale, the emergence of Chinese brands, the conglomerate business model of South Korea, and the reshoring initiatives in the United States pose threats and challenges to the Taiwanese electronics industry. To assess its core competitiveness, the Taiwanese electronics industry is adjusting its operational structure by increasing the proportion of outsourced manufacturing. This allows specialized PCBA EMS providers to offer manufacturing services characterized by speed, flexibility, and small to medium batch production.

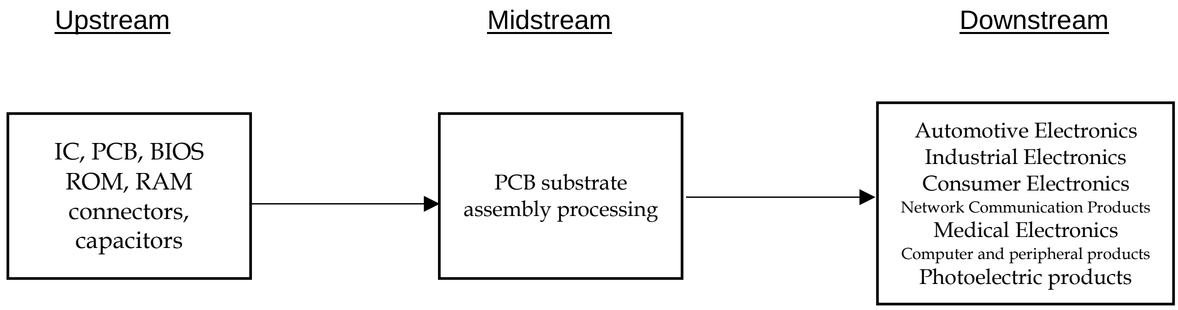
PCBA manufacturing companies are increasingly expanding their scale, while original equipment manufacturers (OEMs) specializing in electronic manufacturing outsource their production. In order to reduce inventory costs and secure sufficient capacity, OEMs commonly require contract manufacturers to provide comprehensive services, including material procurement and assembly. This aligns with the demand for small to medium batch production with diverse and immediate product needs. To meet the requirements of OEMs, only manufacturers with substantial scale and flexibility can undertake and handle the dynamic nature of these business orders.

The product application scope for PCBA is increasingly broad, and the market growth is promising. Due to the wide range of applications for PCBA in various electronic products, including IT products, wireless communication devices, cloud-based applications, smartphones, tablets, USB drives, LED products, automotive electronics, industrial computers, medical equipment, aerospace electronics, and more, the demand for PCBA manufacturing services is continuously expanding. With the rise of 5G applications, cloud servers, industrial IoT, automotive electronics, electric vehicles, smart homes, and other thriving sectors, the overall demand for electronic product outsourcing services is growing rapidly.

To enhance the value proposition, PCBA manufacturers have diversified their service offerings.The services provided by PCBA companies have evolved from simple consignment manufacturing to encompass various stages such as component procurement management, manufacturing, assembly, mass production, testing, system integration, distribution support, and even maintenance services. This comprehensive service model aims to provide end-to-end solutions and added value to customers.

(b). Relevance to Upstream, Midstream and Downstream Suppliers in the Industry

The diagram below illustrates the main products of our company and their relationships with the upstream, midstream, and downstream industries:



(c) Trends of Product Development and Competition

①Providing customers with a comprehensive solution (Total Solution): EMS manufacturers, in addition to production and manufacturing, must incorporate front-end activities such as product prototype design and material management, as well as back-end support including product assembly, testing, distribution, repair, and after-sales service into their service scope, thus forming a complete electronic manufacturing service.

②Enhancing manufacturing process technology: In response to the trend of electronic products becoming smaller, thinner, and lighter, PCB assembly manufacturers such as EMS must continuously improve their entire production process technology, including SMT (Surface Mount Technology), PTH (Plated Through-Hole), coating, assembly, and functional testing, to achieve higher production yield and comprehensive product traceability.This is done to meet increasingly stringent product quality and control requirements.

③Adapting service offerings to market developments: In response to market trends, EMS contract manufacturers have been adjusting their services to accommodate different types of electronic products. These include computer-related products such as motherboards, USB drives, SSDs, and RAM modules. Additionally, they cater to LED streetlight driver modules, wireless communication products, cloud application servers, multifunctional office equipment, automotive electronic control boards, automotive battery management systems, and medical equipment such as medical-grade displays.

④Lead-free and halogen-free: In line with environmental considerations and relevant regulations, the content of specific hazardous substances in electronic products must be reduced or even eliminated. The European Union has already implemented a comprehensive ban on the use of lead in electronic products, and any products exceeding the lead content standards are strictly prohibited or subject to conditional importation. Therefore, PCB assembly manufacturers have adopted lead-free and cadmium-free processes, ensuring their products are fully lead-free. Our company has also complied with updated laws, regulations, and requirements by implementing ROHS and halogen-free practices in material procurement and manufacturing processes, to meet the demands of our customers.

⑤Expansion of production base in China: In the early stages, electronic manufacturing companies sought lower production costs by taking advantage of the cost benefits in China, such as land, factory, and labor costs. Furthermore, driven by the cluster effect of the production supply chain, they established production bases in China and gradually shifted their production focus to the region. In recent years,China has emerged as a top region for domestic demand, with a vast consumer market and a significant customer base. This presents an excellent opportunity for expanding production capacity to serve customers and the market in close proximity.

(d) Competitive situation of the products

Our company currently provides a series of services, including Printed Circuit Board Assembly (PCBA), electronic component procurement, and electronic product assembly. We are a specialized electronic manufacturing service provider focusing on PCBA. In Taiwan, there are numerous companies involved in this industry, with over half of them being small and medium-sized enterprises. Larger players in the market include Hon Hai (Foxconn), Quanta, Wistron, Inventec, and Realtek. Currently, there is intense competition among PCBA providers as they compete for orders. This situation has continued as the industry has relocated to China. In recent years, not only Taiwanese companies but also many domestic Chinese enterprises have entered this industry, intensifying the competition even further. When choosing an outsourced manufacturing partner, electronic manufacturers often evaluate SMT production capacity, process technology, product quality, delivery speed, and material preparation capabilities as key factors. Therefore, EMS providers must invest in machinery and equipment, cultivate skilled engineering personnel to enhance process technology, strengthen their electronic material procurement capabilities and inventory management, and maintain strong financial stability to cope with this competitive trend.

(3) Technology and R&D

(a) Our company is a specialized contract manufacturer in the assembly and processing of electronic products. Our services include SMT (Surface Mount Technology), PTH (Plated Through-Hole) insertion and soldering, testing of various processes, and case assembly. As the demand for higher and more diverse technical services in contract manufacturing increases, the requirement for stringent quality standards also rises. Based on our principle of being a reliable partner to our customers, we continuously develop various process technologies that meet their needs. Since our establishment in 2008, we have accumulated significant technical expertise in advanced processes through the development of various products. We have also nurtured numerous technical talents in the electronics industry. As market mainstream products evolve over time, we have provided customers with different levels of technical support. The product services we have provided include desktop computer motherboards, computer peripheral cards, scanners, CD-ROM drives, set-top boxes, cable modems, network communication cards, card readers, ADSL devices, wireless LAN devices, digital cameras, laptop computer motherboards, combo optical drives, DVD-ROM drives, TFT-LCD driver control boards, flexible circuit boards for mobile phones, industrial control products, medical equipment-related products, defense aviation products, cloud application products, enterprise-level and high-end gaming motherboards, heavy machinery control modules, automotive electronic products, and new energy vehicle-related products such as battery management system modules (BMS), microcontrollers (MCUs), ADAS system modules, and more. These different types of products have distinct process and technical requirements, but our company has deepened our process technology to serve customers at different times. As electronic products rapidly advance and production processes continuously evolve, we will continue to invest in research and development of the latest production technologies to meet customer demands and achieve win-win outcomes.

(b) R&D expenses in the most recent year: NT$250,323 thousand, accounting for approximately 4% of the annual revenue.

(c)Successful technologies or products developed recently. Significant process improvement initiatives implemented by our company in the past three years are listed below: 2020 The company have been continuously applying for patents to protect our intellectual property rights in software copyrights, invention patents, and utility model patents.

In 2020,

①Our Suzhou plant filed a total of 15 utility model patents and 3 invention patents (including 1 utility model patent and 1 invention patent that have already been granted with authorization certificates). 2021 Continuously file applications for software copyrights, invention patents, utility model patents, and other intellectual property rights.

②Developed the third-generation testing system and platform.

③Added hot riveting technology and laser depaneling technology.

④Developed automated adhesive application process.

⑤Mastered coating process know-how to save equipment and labor costs.

⑥Mastered the specification definition of special-shaped nickel plates and welding process know-how, enabling the production of PACK harness boards.

⑦Successfully developed welding processes for oversized bus bars and MOSFETs.

In 2021

①The Suzhou plant filed a total of 10 utility model patents and 1 invention patent (with 9 utility model patents receiving approval).

②Completed the development of a fully automated production line for automotive projects and

implemented it in October. 2022 Continuously file applications for software copyrights, invention patents, and utility model patents to protect intellectual property rights.
③Successfully developed welding processes for oversized bus bars and MOSFETs, and have acquired full mastery of their welding techniques and bubble control process parameters.
④Overcame process bottlenecks in automotive product manufacturing, resulting in cost reduction and increased efficiency.
In 2022,
①The Suzhou plant filed a total of 8 utility model patents and 5 invention patents.2022 Filed a total of 8 utility model patents and 5 invention patents in the fiscal year 2022.
②Developed a fully automated production line for customer passenger vehicle projects.
③Developed routing-based dynamic vacuuming processes and automated adhesive attachment processes for wire harness board products to enhance automation in production.
④Developed a bottom filling adhesive process for automotive BGA (Ball Grid Array) components to meet the requirements of next-generation automotive products.

(4) Long-term and Short-term Business Development Plans

(a) Short-term plans

①Marketing Strategy:

A. Continuously develop niche product orders from international major manufacturers and gradually deepen the cooperation relationship.

B. Strengthen existing customer base, enhance service and product quality, and expand orders for other product lines from existing customers to strengthen mutual cooperation.

②Production Strategy:

A. Improve production efficiency and shorten turnover days:
Provide lean, fast, and flexible production capabilities, utilize a large number of automated equipment to improve production efficiency and quality, reduce costs, increase competitiveness, and mitigate inventory risks.

B. Strengthen the existing strategic cooperation mechanism for material supply chains, bypass regional production restrictions, and proactively secure material supply.

③Operation and Financial Strategy:

A. Establish a command-driven and execution-focused approach, fostering a "can-do" attitude through collaborative cooperation.

B. Proactively care for employees, strengthen employee welfare, implement reward and punishment systems, cultivate professional talents, enhance skills and services to create recruitment and competitive advantages.

C. Strengthen inventory and accounts receivable management to reduce asset impairment losses.

D. Enhance fundraising and capital allocation capabilities to meet future business growth needs.

E. Build a robust management information system to facilitate the integration of internal resources and make informed business decisions.

(b). Long-term plans

①Business Strategy:

A. Business Policy:

(1) Operational Aspect: Uphold the spirit of integrity, rapid response, and accurate feedback, providing customers with comprehensive services in terms of delivery and quality.

(2) Customer Focus: The Taiwan factory actively expands new customers and focuses on the production of Smart Home/Data Center products in line with the trends of the IoT and 5G industries. The Suzhou factory continues to grow in the new energy, automotive, and industrial control sectors.

(3) Implementing Management: Strengthen internal controls, establish effective, rapid, and accurate internal processes to reduce risks and enhance cost control.

(4) Talent Development: Proactively care for employees, strengthen employee welfare, and implement reward and punishment systems. Establish the New Energy Intelligent Industry Academy to fulfill social responsibilities, cultivate professional talents, enhance skills and services, create favorable recruitment and competitive advantages, and continuously enhance the group's brand influence.

B. Continuously innovate to break through current challenges, constantly renew to address existing deficiencies, and continuously seek the direction of survival through new systems, new process technologies, new products, new markets, and new service capabilities to enhance market competitiveness.

C. Continuously monitor geopolitical dynamics and risks and opportunities after the COVID-19 pandemic, and utilize the production flexibility of both Taiwan and Suzhou factories to achieve optimal business development opportunities.

②Marketing Strategy:

A. Continuously expand into the automotive electronics market, such as autonomous driving, connected cars, automotive sensors, and new energy powertrain systems, and expand the market reach to global markets.
B. Adjust and optimize the customer base, focusing on top-tier automotive manufacturers for future targeting. In the process of strategic adjustments, divest non-quality target businesses, release more resources, and concentrate on key customer groups and products.
C. Expand into new areas and markets in accordance with the production and sales strategy, adjust service offerings and customers, and engage in vertical integration of the upstream and downstream supply chain to ensure sustained competitiveness and market share.
D. Utilize core technology in key components and leverage in-house EMS production capabilities to establish a vertically integrated production advantage, aiming to establish cooperation relationships with international major manufacturers.

③Production Strategy

A. Continuously enhance manufacturing production technology and drive systematic improvement initiatives to achieve higher production accuracy and yield, aiming for zero defects and providing world-class customer quality assurance.
B. Continuously invest in automation equipment to improve production efficiency and quality, reduce costs, and increase competitiveness.
C. Adopt a strategic approach to procurement, ensuring timely delivery and favorable pricing of raw materials, and coordinating production and sales execution to achieve supply assurance while reducing inventory risks.
D. Utilize the advantages of group resources to acquire cross-regional manufacturing resources and gain advantages in component material supply. E. Leverage the capabilities of the national CNAS laboratory for testing and analysis, providing a competitive edge beyond peers and offering a more diversified range of services.

④Operations and Financial Strategy

A. Strengthen education and training and actively cultivate middle and senior-level executives to meet the talent needs of company growth.
B. Utilize diverse capital market funding channels to strengthen the financial structure and corporate resilience. Align with the company's operational scale growth, enrich the management team, enhance the company's reputation and image, and steadily move towards becoming a large-scale enterprise.
C. Establish a comprehensive management information system for the entire group to facilitate the integration of internal resources and make informed business decisions.
D. Actively care for employees, enhance employee welfare, and implement a system of rewards and penalties. Establish a new energy intelligent industry academy to fulfill social responsibility, cultivate professional talents, enhance skills and services, and create advantages in recruitment and competition.

5.2 Market analysis and sales overview

(1) Market Analysis

A. Sales of main products (services)

Information disclosed from a consolidated perspective (basis) includes:
Unit: NT$ thousands

Year / Sale area	2021		2022		2023 First quarter	
	Amount	%	Amount	%	Amount	%
Taiwan	304,210	6.74	360,207	5.25	75,554	5.03
China	4,101,913	90.90	6,357,940	92.65	1,396,630	93.08
Asia	4,413	0.10	4,085	0.06	0	0.00
America	2,394	0.05	48,537	0.71	1,226	0.08
Europe	99,714	2.21	91,137	1.33	27,197	1.81
Total	4,512,644	100.00	6,861,906	100.00	1,500,607	100.00

B**. Market Share and Future Market Supply and Demand Situation and Growth**

(a) Market Share

In Taiwan, apart from our company, the major competitors in the PCB board processing and assembly industry include listed companies such as Wistron Information Technology, Taimide Tech, and Weltrend Electronic, among others. However, due to the widespread presence of PCBA outsourcing in all electronics-related industries, including the IT industry, display industry, communication industry, medical equipment industry, automotive electronics industry, aerospace industry, etc., there is no relevant comparative basis available for estimating market share.

(b) Market supply and demand

The company's main products in the EMS business are automotive electronic products and industrial control products. The future prospects for these markets are explained as follows:

A. Automotive Electronic Products： Over the past 30 years, approximately 70% of automotive innovations have come from the field of automotive electronics. The rapid development of automotive electronic technology has revolutionized aspects such as power, economy, safety, comfort, and emission reduction in automobiles. According to Grand View Research, the global automotive electronics market was estimated to reach $272.3 billion in 2021 and is projected to reach $415.6 billion by 2027, with a compound annual growth rate of 7.1% during the forecast period from 2022 to 2027. Currently, the automotive electronics market is dominated by driver information systems, vehicle connectivity, Advanced Driver Assistance Systems (ADAS), and new energy vehicle powertrain systems.

In terms of safety, the automotive industry is shifting from passive safety to active safety, with ADAS systems playing a crucial role. Due to the increasing proportion of software and emerging electronics in ADAS, there is a significant increase in product profitability, estimated at around 40%. This attracts a large number of companies to participate in the research and development of ADAS products. Within the ADAS system, there are three main technologies: sensor technology, image processing technology, and control algorithms. With advancements in these technologies in recent years, there will be improvements in active warning systems for vehicles. In terms of information, the development of entertainment systems, navigation systems, and vehicle connectivity allows us to obtain various information about the car, including collision alerts, driver fatigue, theft, and occupant protection. The integration of mobile devices and in-car systems enables users to conveniently access and utilize external information, while T-box products equipped with SIM communication modules allow car owners to access and control their vehicles from anywhere. In terms of energy conservation, various levels of the automotive industry are developing energy-saving technologies, and new energy vehicles and electric vehicle technologies are major directions for future development. This includes the three-electric systems of new energy vehicles: vehicle controllers, motor controllers, and battery management systems, all of which are closely related to automotive electronics. Both our Taiwan and China facilities have obtained IATF 16949 certification for automotive electronic management systems, and in recent years, we have actively engaged with automotive electronics-related customers. Since the fiscal year 2016, several automotive electronic customers have entered mass production, with automotive electronic products accounting for approximately 75% of our total consolidated revenue in fiscal year 2022.

B. Industrial Control Products:

Industrial control systems (ICS) refer to a variety of control systems and related instruments used in process control. Currently, our company's industrial control products are mainly used in excavating machinery. According to statistics from the China Construction Machinery Industry Association, a total of 261,300 excavating machinery products were sold in China in 2022, representing a year-on-year decrease of 23.8%. Among them, domestic sales were 151,900 units, a year-on-year decrease of 44.6%, while exports reached 109,000 units, a year-on-year increase of 59.8%. The situation in the first quarter of 2023 is expected to remain similar to 2022, with domestic sales continuing to decline while exports increase. Looking ahead to 2023, the post-pandemic economy in China is expected to gradually recover. However, the real estate investment has not shown a clear reversal, and although there is policy support for infrastructure-related projects, domestic demand is expected to remain sluggish. On the other hand, the overseas market is expected to continue growing. Our company has been providing professional EMS services for industrial control equipment in the domestic excavator market.

(c) Competitive Niche

①Advanced production and manufacturing process technology:

Since its establishment, our company has been actively engaged in new technology and process improvements to establish a competitive advantage in terms of technology, production, and quality. Since 1990, in line with technological and product development trends, we have introduced advanced SMT equipment, testing equipment, auxiliary fixtures, no-clean processes, double-sided processes, micro BGA processes, lead-free processes, laser automatic inspection systems, micro BGA & micro LED repair technologies to enhance our competitiveness. In addition, to adapt to the trend of electronic products becoming smaller and thinner, we have continuously improved the accuracy of component placement and the capability of PCB board thickness, in order to master advanced manufacturing process technology and provide the best service to our customers. In recent years, we have also obtained IATF 16949 certification for automotive electronic management systems, ISO 13485 certification for medical product management systems, and AS9100 certification for aerospace product management systems, strengthening our overall quality management capabilities.

②Ensure economies of scale in mass production and high manufacturing flexibility:

The company has been engaged in professional EMS outsourcing for a considerable period of time, and our production lines have reached significant production capacities. With extensive manufacturing experience, automated manufacturing equipment, high production efficiency, and high manufacturing flexibility, the company can quickly respond to customer demands for new product introductions or urgent production orders.

③Complete manufacturing facilities:

In addition to our facilities in Hsinchu, Taiwan and Suzhou, China, The company established a new production site in Wuhu, Anhui in June 2022. This allows us to provide localized services to customers and leverage the advantages of cross-strait division of labor, effectively reducing production costs and facilitating overall logistics management.

④Professional management team:

The company's management team has accumulated years of technical expertise and experience. The management executives are seasoned industry professionals who have a strong grasp of the critical technologies in the industry. This enables us to fully understand changes in the overall market and maintain a competitive advantage, allowing our company to sustain its key position in the industry.

(d) Favorable Factors for Development Prospects

①Taiwan and China have a complete electronic industry supply chain.

Taiwanese manufacturers in the electronic industry have a complete and internationally competitive supply chain, with a complete upstream and downstream system, easy access to raw materials, stable supply, and low prices.

②Under the growth in demand for electronic products and the trend of outsourcing, it is advantageous for EMS (Electronic Manufacturing Services) to have future development opportunities.

In recent years, large electronic information companies have been adopting outsourcing for their production and manufacturing, mainly to fully leverage the cost management advantages of EMS companies in order to reduce costs. Currently, cost reduction is not limited to manufacturing costs alone but focuses on reducing the overall process total cost from order placement, material procurement to shipment.The application range of EMS products is broad and covers the entire electronics industry. With the continuous growth of the electronics industry and the trend of outsourcing, it will be beneficial for the future development of the EMS industry.

③EMS companies possess numerous experienced technical personnel with the ability to operate with high efficiency and manufacturing production flexibility, and the products they produce are of excellent quality.

④With a global logistics model, EMS companies can provide services to customers nearby by having trading companies and production bases overseas and in China.

⑤This facilitates the integration of production resources and logistics management across the Taiwan Strait, in line with future market developments. Entering the production of automotive electronics has high barriers and higher quality requirements compared to general industries. It is important to seize existing cooperative customers and use existing experience to develop other customers in this industry, thus enhancing competitive advantages.

(e) Unfavorable Factors for Development Prospects and Corresponding Strategies

①Geopolitics and US-China trade tensions.

Corresponding Strategies:

A. Enhance the technological capabilities and reduce production costs of Taiwanese manufacturing bases, and explore orders outside of China.
B. Chinese factories actively cooperate with China's policy of promoting domestic manufacturing and expand their presence in the domestic supply chain.

②Exported products are greatly affected by exchange rate fluctuations, and drastic appreciation or depreciation can have an impact.

Corresponding Strategies:

A. Flexibly adjust US dollar positions based on capital needs and exchange rate fluctuations, determining the appropriate timing for currency settlement, payment of invoices, and repayment of foreign currency loans.
B. Adjust the currency composition of receivables, payables, and foreign currency asset-liability allocation to reduce net exchange rate exposure and achieve natural hedging effects.
C. Consider exchange rate fluctuations when quoting prices to ensure reasonable profitability for the company.
D. Stay vigilant and closely monitor real-time exchange rate information, and plan foreign exchange hedging actions. Information technology products face intense competition and increasingly shorter product life cycles, resulting in low profit margins.

③Intense competition and rapidly shrinking product life cycles in the information electronics industry have led to slim profit margins.

Corresponding Strategies:

A. Strengthen cooperation with upstream component suppliers to achieve close coordination between production and sales.
B. Diversify product manufacturing to industries such as automotive electronics, industrial control, and medical equipment, to reduce the impact of individual products.
C. Enhance process innovation and manufacturing flexibility to meet customer demands and create differentiation advantages.
D. Cost control and internal management.
E. Outsource products with low gross margins.

④As labor costs continue to rise, manufacturing costs also increase.

Corresponding Strategies:

A. Develop process and warehouse automation to replace manual labor with equipment and reduce labor costs.
B. Strengthen cross-training of manufacturing department personnel, enabling each individual to learn operations at various workstations for flexible workforce scheduling.
C. Focus on orders from high-value niche industries.

(2) Important Use and Manufacturing Processes of Main Products

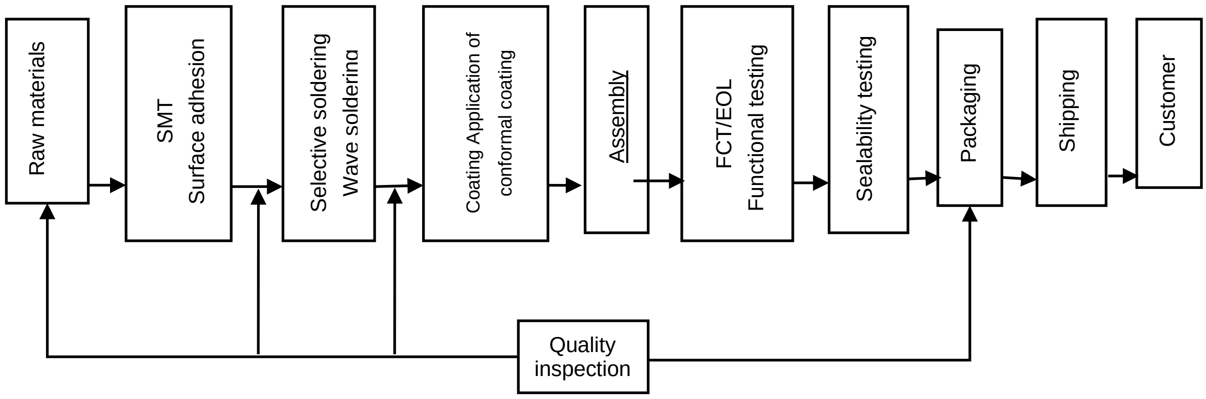
(a) Important Purposes of Main Products

①Automotive Electronics: The global automotive market is booming. According to Grand View Research, the global automotive electronics market was estimated to reach $272.3 billion in 2021 and is projected to reach $415.6 billion by 2027, with a compound annual growth rate of 7.1% during the forecast period from 2022 to 2027. Vehicle safety systems are no longer limited to image sensors but must also incorporate information from vehicle safety and communication systems to achieve proactive safety control. Taiwan's automotive electronics products mainly focus on navigation, multimedia, and automotive imaging. With the maturity of communication technology in connected vehicles, the growing momentum of emerging markets in ASEAN, and the emphasis on promoting energy-efficient vehicles worldwide, the future of smart mobility will involve point-to-point transportation. Taiwanese companies have gradually transitioned from consumer electronics to automotive communication hardware and services and are gradually integrating into the international automotive supply chain. In addition, Taiwan's ICT industry, which is experienced in smart buildings and smart factories, can leverage its strengths in areas such as body electronics, vehicle security, and entertainment systems in the automotive sector.

②Construction Machinery Products: Currently, the Chinese market is the largest construction machinery market globally, with an increasing use of corresponding electronic control units. With the demand for rural urbanization construction and strict environmental emission requirements in the 145 Plan in China, the replacement demand for construction machinery is expected to continue, making it a promising specialized field. Smart Home Products: The demand for smart home products has gradually increased due to the impact of the pandemic and the need for home isolation. The development of 5G IoT applications has further expanded the scope of smart home applications, including: 1. Security

③Monitoring: Surveillance cameras, video recorders, electronic locks, door/window sensors, smoke detectors, and temperature/humidity sensors. 2. Home Entertainment: Smart TV boxes, smart TVs, Chromecast, and smart speakers. 3. Smart Appliances: Connected refrigerators, connected washing machines, robotic vacuum cleaners, smart air conditioners, internet-connected air purifiers, and smart fans. 4. Home Care: Health smart wristbands, smartwatches, internet-connected blood pressure monitors, internet-connected blood glucose meters, automatic pet feeders, and emergency call devices.

④Industrial Computers: With technological advancements and the human pursuit of greater



convenience, industrial computers have extended to every aspect of human life. Their new application directions have gradually entered the fields of industrial automation and home automation. Currently, in addition to the manufacturing industry, various types of computer automation controls and servers are applied in industries such as finance, telecommunications, and even public environments. Examples include subway card machines, automated ticket vending machines, ATMs, karaoke song selection machines, computer-telephony integration systems, defense and navigation systems, intelligent transportation systems, environmental monitoring systems, and specialized measurement equipment. Industrial computers are primarily applied in four major areas: industrial automation, industrial and home automation, computer-telecom integration, and internet applications.

⑤Medical display products can be divided into four major categories: 1. Diagnostic displays; 2. Image capture displays; 3. Surgical displays; 4. Clinical monitoring displays.

⑥Their applications include displaying examination results such as X-rays, ultrasound, CT scans, endoscopy, and laparoscopy, etc. Other information, communication, and consumer electronic products, or motherboards, primarily serve as platforms for the operation of consumer electronics, or as important components for connecting other network devices. They are indispensable components of system products.

(b). Manufacturing Processes of Main Products

Our company's EMS PCBA production manufacturing process:

Note: The electronic products manufactured by our company, in addition to TFT-LCD driver control boards, generally follow the production processes outlined above.

(3) Quality of Supplied Main Raw Materials

Raw materials/ Company	Supplier
Chipsets	Huawei, Guangzhou Ligong, ARROW, Etron, ScioTeq, China Electronics, Wellypower, MaxLinear, SINANFL, Maxim Integrated, MISC, FUTURE, Nanjing Chuangbeihi, Vitec, Allwinner, Melexis, Junlong Technology, STARDAY, Wuxi Yuanyang, Weijian, Jiansan Electronics, Honghui, Suzhou Tuling, Suzhou Sailunsi, ITC-TW, Shenzhen Qiancheng
Printed Circuit Boards	Jinlu, Ruxin, Shennan, CIA, Shiyun Electronics, Shenghong Technology, Hangsheng Circuit, Jiangxi Zhihao, Hanbo (Jiangyin), HOIHO, Jiangsu Kangbo
Connectors	Yimai, Yishi Electronics, Shanghai Yachuan, Aerospace Electric, Jinghongzhi, Teco Electronics, AFSC, Lengqi, Yingtaige, Amphenol Socapex, Bonnison Micro, China Aviation Optoelectronics, Sangu, Jiemai Technology, Yuda, Etron,

(4) The name of the suppliers (clients) and the amount and proportion of the goods in which the 10% total amount of goods has been accounted for in either of the two most recent years, and the reasons for the increase or decrease.

A. Suppliers accounted for at least 10% of annual consolidated net procurement in recent two years

Unit: NT$ thousands

2021				2022				As to 2023 First quarter			
Company Name	Amount	Net procurement percentage for a company %	Relation to the Company	Company Name	Amount	Net procurement percentage for a company %	Relation to the Company	Company Name	Amount	Net procurement amount as of the end of the previous quarter in the current	Relation to the Company
Other	2,927,061	100%	-	Other	4,999,128	100%	-	Other	1,047,231	100%	-
Total net procurement	2,927,061	100%	-	Total net procurement	4,999,128	100%	-	Total net procurement	1,047,231	100%	-

B. Customers that accounted for at least 10% of annual consolidated net revenue in recent two years

Unit: NT$ thousands

2021				2022				As to 2023 First quarter			
Customer Name	Amount	As % of total net Revenue	Relation to the Company	Customer Name	Amount	As % of total net Revenue	Relation to the Company	Customer Name	Amount	As % of total net Revenue	Relation to the Company
A	1,561,624	34.61	None	B	1,789,169	26.07	None	B	365,101	24.33	None
B	1,147,105	25.42	None	A	1,267,056	18.47	None	A	233,516	15.56	None
-	-	-	-	C	905,988	13.20	None	D	286,946	19.12	None
-	-	-	-	D	908,500	13.24	None	C	152,057	10.13	None
Other	1,803,915	39.97	-	Other	1,991,193	29.02	-	Other	462,987	30.86	-
Revenue	4,512,644	100.00	-	Revenue	6,861,906	100.00	-	Revenue	1,500,607	100.00	-

Reasons for increase or decrease: Due to clientr production strategy adjustments and the company's sales strategy adjustments, the sales revenue of client A has been decreasing year by year. The sales revenue of client B, C, and D has been increasing due to stable production capacity and quality, and increased customer demand.

(5) Table of the production volume in recent two years

Unit: Thousand pieces (units); NT$ thousands

Year / Production volume / Major Products	2021			2022		
	Capacity	Production	Value	Capacity	Production	Value
PCBA	25,992	19,494	3,484,212	31,153	23,364	5,419,625
Total	25,992	19,494	3,484,212	31,153	23,364	5,419,625

Note: Production capacity refers to the quantity that a company can produce using existing production equipment under normal operation, taking into account necessary shutdowns, holidays, and other factors.

(6) Table of the volume of units sold in recent two years

Unit: Thousand pieces (units); NT$ thousands

Year / volume value / Major products	2021				2022			
	Domestic sales		Export sales		Domestic sales		Export sales	
	Volume	Value	Volume	Value	Volume	Value	Volume	Value
PCBA	15,296	3,749,195	6,393	333,415	19,407	5,853,004	3,449	299,212
Other	0	422,676	0	7,358	24,942	709,529	0	161
Total	15,296	4,171,871	6,393	340,773	44,349	6,562,533	3,449	299,373

Note: Domestic sales: Including sales to Taiwan and China regions.

5.3 Workforce Structure

Year		2021	2022	2023.3.31
Number of Employees	Direct Labor	1,077	1,690	1,323
	Indirect Labor	414	517	516
	Total	1,491	2,207	1,839
Average Age		28.29	26.56	28.69
Average Years of Service		2.94	1.96	2.31
Education Level Percentage (%)	Doctor	0.00	0.00	0.00
	Master	0.87	0.47	0.58
	College	18.58	21.55	25.84
	High school	64.72	78.35	71.84
	Below High school	15.83	15.91	20.23

5.4 Disbursements for Environmental Protection

A. Significant environmental capital expenditures in the past year and future projections:

Our company is committed to corporate sustainability and fulfilling its responsibilities as a good corporate citizen by actively investing in environmental protection.In recent years, in addition to taking active measures in pollution prevention and control, we have also focused on energy conservation. Apart from the ongoing replacement of energy-saving light bulbs, in the past year, we have systematically assessed our factory equipment and allocated necessary funds to replace inefficient air conditioning equipment and cooling towers, while installing precision electronic instruments to accurately measure power consumption and achieve energy savings. Priority is given to energy-efficient air compressors and chillers, and regular cleaning and maintenance of cooling towers are conducted to enhance their efficiency.

B. Company's response to environmental directives:

Our company has obtained certification in ISO 14001:2015 Environmental Management System and IECQ QC 080000: 2017 Hazardous Substance Process Management System. We uphold the values of cherishing natural resources, pollution prevention, and continuous improvement. We actively promote green products, implement recycling mechanisms, and strive to achieve reduction and elimination of hazardous substances (HSF) in our products and production processes, in compliance with the environmental requirements of RoHS and WEEE, and to achieve HSF goals. Additionally, all employees undergo GP training courses to enhance awareness of RoHS requirements.

C. Company's response to international business environmental and sustainable development trends:

3.1 Air pollution prevention and control: Our Taiwan plant does not fall under the category of fixed pollution sources subject to permits as announced by the Environmental Protection Agency (EPA). However, for processes involving volatile organic compounds (VOCs), we are required to report VOC emissions to the EPA to ensure that we do not procure or store excessive amounts of VOCs. Storage areas for VOCs are equipped with ventilation systems, spill prevention facilities, fire extinguishers, and personal protective equipment, which comply with environmental regulations. Additionally, our workspaces have overall ventilation and local exhaust systems. We conduct triennial waste monitoring in our Suzhou plant and annual workplace inspections. X-ray departments perform quarterly checks on personal dosimeters worn by employees and annual inspections on equipment. Our workshop waste emission treatment facilities were officially put into operation in 2019 and have since been continuously improved to meet legal requirements, creating a safe and comfortable working environment for employees.

3.2 Greenhouse gas emissions and reduction control: Although our company is not subject to the EPA's announced inventory and registration requirements, we actively manage, monitor, and improve carbon emissions through energy conservation. We incorporate carbon emission management information into our ISO 14001 environmental management system. Based on the recorded carbon emissions from Taiwan Power Company and water utility expenses, our greenhouse gas carbon emissions were approximately 1,815 metric tons in 2021 and 1,724 metric tons in 2022. Other factors such as government leases, transportation vehicles, suppliers, employee commuting, and business travel, which have small emissions and are not within our control, are not included in the calculations. In April 2022, we planned to implement the greenhouse gas inventory program ISO 14064-1 and aim to complete third-party verification by the end of June 2023.

3.3 Water pollution prevention: Our Taiwan plant is designated under Article 2, Clause 7 of the Water Pollution Control Act and does not generate process wastewater, only domestic wastewater. Based on the company's water utility records, our water consumption was approximately 19,013 metric tons in 2021 and 20,584 metric tons in 2022. We implement separate rainwater and sewage systems, where domestic wastewater flows into the company's wastewater treatment tank and is then treated by the industrial zone's wastewater treatment plant. Company The industrial zone's wastewater treatment plant regularly tests the incoming water quality from our company to ensure compliance with regulations. We also submit biannual water pollution reports to ensure effective water pollution prevention. In our Suzhou plant, rainwater and sewage systems are implemented according to local regulations, with domestic wastewater flowing into the municipal sewage management network through sewage pipes. We conduct regular tests on the incoming water quality from our company and ensure proper water pollution prevention.

3.4 Waste management and resource recycling: Our company is classified as a designated business required to prepare a waste management plan, and we have dedicated personnel responsible for waste management. Our waste management focuses on waste reduction in processes and considers outsourcing for reuse and disposal. To ensure proper waste tracking, we carefully select waste removal and recycling vendors to ensure that all waste undergoes legal treatment or reuse, avoiding secondary environmental pollution. In the past two years, our waste disposal quantities were approximately 128.74 metric tons in 2021 and 150.02 metric tons in 2022.

3.5 Below provide a detailed explanation of the application and establishment processes according to local regulations in our Suzhou plant, if pollution facilities installation permits, pollution discharge permits, or environmental unit personnel certifications are required:

Pollution Control Items	Relevant Requirements	Application and Establishment Status
Air Pollution Control	Installation Permit for Fixed Pollution Sources	Pollution Discharge Permit 91320505731789500B001U
	Dedicated personnel	2 individuals
Wastewater Treatment	Discharge Permit	Pollution Discharge Permit 91320505731789500B001U Valid until November 19, 2027
	Dedicated personnel	2 individuals
Business Waste Management	Waste Clearance Plan	*Government Approval: Environmental Industry Letter which issued on November 16, 2021. No. 1108659523

D.Environmental Management Objectives

Established clear environmental and energy conservation goals for the use of resources and the emission of pollutants. V arious environmental management systems have been implemented to ensure continuous improvement. The following are management objectives focusing on important environmental considerations. Our aim is to achieve a sustainable and eco-friendly environment throughout the product production, usage, and disposal processes.

4.1 Carbon Reduction Goal

Addressing the impacts of climate change is a shared responsibility globally. The company is committed to mitigating greenhouse gas emissions and striving for carbon neutrality as a long-term carbon management goal. Although we are not yet certified under ISO 14064 standards, we actively adhere to its principles and establish control measures for greenhouse gas emissions. The company is continuously promoting emission reduction efforts and aim to achieve an additional 1% reduction in carbon emissions by 2022.

4.2 Energy Saving Goal

According to ISO 14064 standards, electricity consumption accounts for over 95% of our major greenhouse gas emissions. Therefore, energy-saving measures play a crucial role in reducing carbon emissions. The company prioritize energy management and implement various energy-saving initiatives. In 2021, we achieved a reduction in energy consumption by over 1%, meeting the requirements of the Ministry of Economic Affairs' Energy Bureau. Our energy-saving target for 2022 remains the same.

4.3 Energy-saving Measures

4.3.1 Employee Education and Training for Energy Conservation

The compnay incorporate environmental and energy conservation topics into the essential training program for new employees and organize awareness activities on environmental energy. This helps reinforce employees' understanding and awareness of environmental energy conservation.

4.3.2 Promotion of Energy-saving Measures

In addition to replacing conventional lighting with energy-saving bulbs, we continuously plan for the replacement of inefficient air conditioning equipment and cooling towers. The company also install precision electronic instruments to accurately calculate energy consumption and achieve optimal energy-saving results. Priority is given to more energy-efficient air compressors and chillers. Other specific energy-saving practices include maintaining a constant air conditioning temperature of 26 degrees Celsius, encouraging employees to switch off lights when not in use, promoting the use of personal utensils and cups, advocating for unplugging computers and appliances at the end of the workday, and encouraging stair usage instead of elevators.

4.3.3 Use of Electronic Invoices for Environmental Sustainability

The annual issuance of paper invoices consumes significant amounts of forest resources. To promote environmental protection and global carbon reduction efforts, we have been implementing electronic invoicing since 2018. This aligns with the Ministry of Finance's e-invoice policy and invites everyone to join us in creating a sustainable and better future.

E. Environmental and Safety Protection Measures

5.1 Our company has obtained the Environmental Management System (ISO 14001:2015) and

Occupational Health and Safety Management System (ISO 45001:2018) certifications. The company have established an Occupational Safety and Health Committee and an Environmental Management Organization. In accordance with environmental, occupational safety and health, and labor laws, The company have formulated an Environmental Health and Safety (EHS) policy to continuously enhance environmental performance and maintain a safe and healthy workplace.

5.2The company have developed EHS work guidelines and operational standards for various machinery and equipment to ensure employees' compliance during their tasks. In 2021, we successfully passed the verification of the ISO 45001 Occupational Health and Safety Management System, jointly maintaining a safe working environment.

5.3 Assessment of EHS Risks and Countermeasures: Each year, the company identify the following principles of ISO 14001 and ISO 45001 systems. The company identify significant environmental and safety risks, review unacceptable risks, and develop measures and management plans to control and mitigate these risks.

5.4 Inspection of Machinery and Equipment: Regular inspections are conducted on general machinery and equipment on a daily, weekly, monthly, quarterly, and annual basis. Additionally, the competent authority for regulated machinery and equipment conducts periodic inspections to ensure safe operation.

5.5 Inspection of Utility Facilities: Buildings, electrical equipment, elevator systems, air conditioning systems, and other utility facilities undergo regular inspections conducted by the competent authority for regulated machinery and equipment or are subject to periodic automatic inspections to ensure their safety.

5.6 Operation Environment Management: Regular 7S assessments are carried out company-wide to maintain a clean and organized environment. Regular environmental operation monitoring is also conducted.

5.7 The company have established an Occupational Safety and Health Committee within the company in compliance with the law. Committee members are appointed from department-level supervisors, and regular meetings are held to discuss policy formulation and review relevant issues. Furthermore, a safety and health management unit is established, comprising safety and health managers and administrators responsible for implementing safety and health tasks. The establishment of this unit has been duly approved by the relevant authorities.

5.8 Safety and Health Education and Training: New employees, personnel engaged in specific tasks or management roles, first aid responders, safety officers, and fire safety managers receive education and training in accordance with legal requirements.

5.9 Fire Safety: In accordance with fire safety regulations, the company have established a comprehensive fire protection system. Annual inspections and declarations are conducted as required by law, and fire emergency drills are conducted by employees every six months.

5.10 Radiation Protection Management: To ensure the safety of workers, regular equipment testing is diligently carried out, and the use of radiation arm badges is mandated for personnel working in radiation-related tasks.

5.5 Labor Relations

(a) State employee welfare measures, advanced study, training, retirement system, implementation of retirement system, agreements between the employer and the employees, and measures for protection of employees' rights and interests:

A. Welfare System:

The company has always adhered to the business philosophy of respecting humanity and caring for employees. To fully take care of our colleagues and ensure their livelihood needs, allowing them to focus on their contributions to the company without worries, we not only provide basic legal protections but also offer or sponsor various welfare programs. The company have formed an Employee Welfare Committee, organized by mutual nomination among all employees, responsible for planning and implementing employee welfare initiatives.

The current welfare measures include:

(1) The company provides mandatory national health insurance, labor insurance, provisions for the old retirement pension system as well as offers a new retirement pension

(2) The company offers special bonuses during festive seasons, distributes dividends from company profits to employees, organizes employee health check-ups, high-quality health and wellness lectures, and rewards employees through stock options to enhance their engagement.

(3) The company operates an employee cafeteria and provides meal subsidies to our colleagues.

(4) The company implement a suggestion improvement system to reward employees for actively participating in business management, utilizing their innovative ideas to enhance the company's structure and improve operational performance. Rewards and recognition are given based on the effectiveness of implementation.

(5) In order to motivate employees, boost morale, and increase productivity,
the company provides performance bonuses as rewards for employees who achieve or exceed

organizational goals.

(6) To strengthen our welfare measures, the Employee Welfare Committee was established on June 6th, 1996, to plan and execute various welfare initiatives. These include organizing regular domestic and international trips, year-end banquets, distributing bonuses for major holidays (such as the Lunar New Year and Labor Day), wedding and funeral allowances, emergency assistance, and hosting various recreational activities.

(7) Based on the belief that "the growth of employees is the driving force for company progress," the company places great emphasis on employee education and training. In addition to conducting internal training and study groups, the company periodically send representatives to relevant academic institutions and private counseling organizations to participate in seminars, workshops, and other events to enhance personal skills. Our goal is to enable each employee to excel in their respective areas of work, creating mutual benefits for both the company and its employees.

B Employee Development and Training: The company conducts the following training programs annually:

Number	Training Program Category	Specific Training Program Category	Training Content
1	Orientation Training for New Employees	General Training Programs for All Employees	Company development history, introduction to departments, management system, product introduction, product safety and counterfeit parts awareness, quality environmental policy and quality assurance environmental system introduction, hazard general training, counter terrorism education and 7S environment and energy conservation, etc.
		Professional Training	Target: All new employees, transferred or promoted employees should receive professional training according to the following provisions. Objective: To ensure that new employees (newly hired, transferred, or promoted) are familiar with and possess the. necessary knowledge and skills related to their job. Content: (a) Procedures and work instructions related to the job. (b) Other professional knowledge and. skills required for performing the duties.
		Mentorship Program	To accelerate employees' understanding of the company and facilitate their quick adaptation to the work environment through experience sharing and knowledge transfer. This program aims to provide employees with valuable guidance and support, both professionally and personally, to outline their individual development paths.
2	On-the-Job Training for General Employees	Common/Professional/Management Training	(1) Each year, alongside the preparation of the upcoming year's budget, the Human Resources Department will distribute the "Annual Training Needs Survey Form" to all departments. Department managers will then plan the employees' training needs and allocate training budgets based on the objectives for the following year.

			(2) Managers may determine the frequency of retraining for their staff based on actual needs (e.g., once a year or once every three years) and include these training requirements in the department's annual training plan.
3.	Middle Manager Training (Managers, Assistant Managers, Department Heads)	Management Training	Developed annually based on organizational needs, inviting external trainers to conduct courses. The course content includes, but is not limited to, the following: ● Problem Analysis and Solving ● Execution Power ● Emotional Management ● Fundamental Management Courses ● Time Management ● Innovation and Organizational Change...
4	Senior Executive Level Training and Development	Management/Strategic Planning	Annually, based on organizational needs, the management department provides information on external training courses for senior executives to consider attending. The content of the external training courses includes, but is not limited to, the following: ● Strategic Planning ● Business management ● Corporate Governance ● EMBA-related courses...

**In the 2022 fiscal year, there were over 352 instances of internal training for employees, totaling over 498.5 hours. Additionally, there were nearly 40 instances of external training, totaling nearly 275.5 hours, with external training expenses exceeding NT$ 54,500.

C. Employee Conduct and Code of Ethics:

The company has established work ethics and values, various management policies, and work rules to provide employees with guidelines to follow.

The details are as follows:

3.1 Work Ethics:

3.1.1 Work rules, employee code of conduct, code of ethics for integrity in business operations, and operational procedures are established, including service discipline and performance evaluation regulations.

3.1.2 Ethical standards for directors, supervisors, and managers: Explicitly define behavioral guidelines for directors, supervisors, and senior managers.

3.1.3 Management procedures for unlawful infringement and sexual harassment: Take appropriate preventive, corrective, and punitive measures against workplace unlawful infringement to ensure the safety and well-being of employees' physical and mental health.

3.1.4 Work ethics and values: The company has established 20 work ethics and values as guidelines for employees' work.

3.1.5 Employment contracts: Provision on faithful performance of duties.

3.1.6 Integrity commitment: All employees are required to sign the integrity service regulations.

3.2 Protection of Intellectual Property Rights, Confidentiality of Trade Secrets, and Personal Data Protection:

3.2.1 Confidentiality agreements: Sign confidentiality obligations, intellectual property rights, confidential information, non-competition clauses, and other terms with all employees.

3.2.2 Prohibited photography management regulations: To comply with customers' confidentiality requirements for the products and product information entrusted to the company, manage and prohibit photography for employees, customers, suppliers, contractors, and other visitors entering the restricted areas of the company.

3.2.3 Personal data protection measures: These measures strengthen the protection and control of personal data owned by the company.

3.2.4 Information security: To protect the company's related information assets, including physical environments, hardware and software facilities, data, and information, from risks such as leakage, destruction, or loss due to external threats or improper internal management by personnel, internal management procedures are established.

3.3 Work Discipline:

3.3.1 Assignment of rights and responsibilities: Clearly define the responsibilities of each unit, and provide job descriptions for each position.

3.3.2 Attendance management:

A. Attendance and leave management procedures: Clearly define the company's leave principles and regulations and implement a job delegation mechanism.

B. Overseas personnel dispatch management procedures: Manage personnel dispatched overseas.

C. Overtime management procedures: Clearly define the principles and regulations for overtime in the company.

3.3.3 Rewards and penalties: Establish operational procedures for rewards and penalties, providing appropriate rewards or disciplinary actions for employees with outstanding performance or violations of regulations within the company.

3.4 Human Resource Development: Establish regulations for human resource training and awareness, implementing internal and external training for new employees, current employees, mid-level managers, and senior executives to enhance the capabilities of personnel at all levels and achieve individual and organizational goals.

3.5 Performance Management: Establish employee performance evaluation management procedures, following the plan, execute, check, and act management cycle. Each year, employees and supervisors jointly set goals at the beginning of the year. Employees are responsible for execution, and the achievement is assessed jointly by employees and supervisors. Employees' results are appropriately evaluated, and their capabilities are developed.

3.6 Communication Channels:

3.6.1 Regulations for establishing colleague suggestion boxes and complaint hotlines are in place to provide employees with a direct channel to express opinions and complaints to the company, safeguard colleagues' rights, and promote communication of opinions.

3.6.2 Regulations for proposal improvement system management encourage employees to propose ideas and wisdom to assist the company in continuous improvement.

4. Workplace Organization and Improvement Measures:

The company implements the 7S activity comprehensively to enhance the level of the work environment based on the concept of
7S, providing employees with a safe and accident-free work environment.

5. Retirement System:

To provide employees with a secure and worry-free work guarantee, the company has established a retirement policy in accordance with the "Labor Standards Act" and the "Labor Pension Act." The "Retirement Preparation Fund Supervision Committee" was established in July 1996, and the new labor retirement system was implemented in July 2005. The company allocates retirement benefits according to whether employees choose the old or new system. Employees under the old system have their monthly contributions deposited into a retirement reserve account at the Bank of Taiwan, while employees under the new system have 6% of their salary deducted monthly for retirement benefits, which are then deposited into their personal accounts at the Labor Insurance Bureau. Employees can also voluntarily contribute within the 6% range based on their individual needs to meet their retirement planning requirements.

6. Labor-Management Meetings or Agreements: The company has always adhered to the management approach of involving all employees. Department managers and subordinates engage in effective communication through regular meetings, educational training, or labor-management meetings.

(2) In the recent fiscal year and up to the date of the annual report, the company has not incurred any losses due to labor disputes. The estimated amount of potential losses and corresponding measures are disclosed as follows: The company holds regular labor-management meetings to facilitate two-way communication and maintain harmonious labor relations. There is a very low possibility of incurring losses due to labor disputes in the future.

(3) The situation regarding the obtaining of relevant licenses designated by the competent authorities by the personnel related to financial information transparency within the company is as follows: None of the personnel responsible for financial information transparency in the company have obtained the required licenses.

5.6 Cyber security management

(1) Information Security Management Policy:

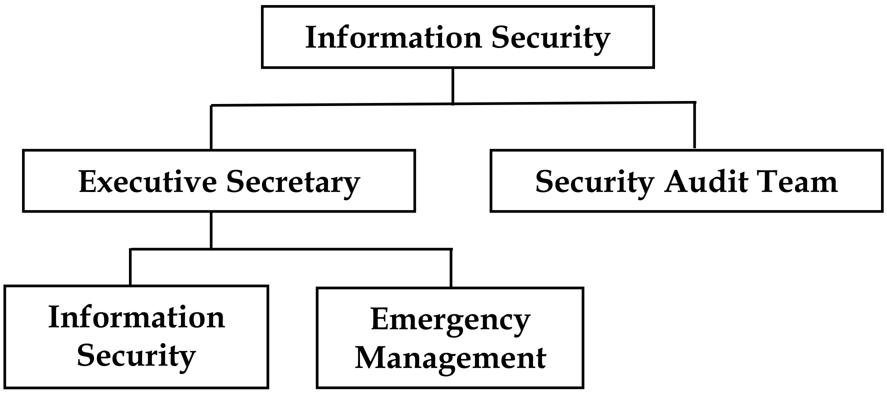
INFO-TEK Corporation fully understands its commitments and responsibilities to customers, shareholders, and employees. Therefore, it has established clear information security strategies and management guidelines to strictly control the company's trade secrets and confidential information not publicly disclosed, including patents, processes, formulas, and other intellectual property rights. This is done to ensure the best interests of customers, the company, shareholders, suppliers, and employees.

The company's information security management policy includes the following aspects: strengthening employees' awareness of information security, implementing stringent measures to prevent the leakage of trade secrets, integrating information security into daily operations, and ensuring that all services are secure and available. The information security management review has been completed by the Information Security Management Committee, and a comprehensive report on information security management, including the information security policy and risk management framework, has been presented to the board of directors. The revised internal control provisions for electronic computer operations have been approved by the board of directors.

(2) Information Security Management Framework and Practices:

To effectively manage information security risks, INFO-TEK Corporation has established an Information Security Committee, chaired by the head of the information department, with committee members consisting of department heads from various business units. The committee oversees the Information Security Audit Team and serves as the executive secretary, responsible for implementing information security measures and handling emergency response during major incidents. In accordance with the guidelines for information security control in listed and OTC companies, one information executive and several professional information personnel have been appointed to formulate information security policies,plan and execute information security operations, ensure the implementation of information security policies, and handle emergency information security incidents. All relevant personnel receive annual professional training on information security.The operation of the information security organization follows a cycle of policy development, implementation, risk assessment, and risk improvement (Plan-Do-Check-Act, PDCA) to ensure the achievement of information security objectives and ongoing risk control, continuously improving weaknesses. To enhance the capability of intelligence gathering and incident response, INFO-TEK CORPORATIONhas joined the Taiwan Computer Emergency Response Team/Coordination Center (TWCERT/CC) and the Science Park Information Security Information Sharing and Analysis Center. By participating in these collaborative organizations, the company enhances its security protection plans and complements them with well-established emergency response procedures to effectively handle unforeseen information security incidents.

Information Security Committee Structure and Responsibilities:



(3) List any losses suffered by the company in the most recent fiscal year and up to the annual report publication date due to significant cyber security incidents, the possible impacts therefrom, and measures being or to be taken: N/A

5.7 Material Contracts

As of the date of the annual report printing, the significant contracts that are still valid and in effect or expiring in the recent fiscal year and could have an impact on shareholders' equity are as follows: N/A

VI. Financial Information

6.1 Financial Information for the most recent five fiscal years

(1) Adoption of International Financial Reporting Standards

A. Condensed Consolidated Statement of Financial Position - Adoption of International Financial Reporting Standards

Unit: NT$ thousands

Year / Item		Financial information for the past five years (Note 1)					Financial Information As of the year ended 2023.3.31 (Note 2)
		2018	2019	2020	2021	2022	
Current assets		2,718,358	2,311,389	2,459,907	3,349,311	5,065,713	5,038,824
Property, plant and equipment		779,570	976,960	938,347	883,877	1,081,196	1,089,916
Intangible assets		7,842	7,439	6,502	6,233	6,106	5,792
Other assets		146,700	133,849	196,218	246,155	339,303	316,811
Total assets		3,652,470	3,429,637	3,600,974	4,485,576	6,492,318	6,451,343
Current liabilities	Before distribution	`	1,428,525	1,393,011	1,784,223	3,158,548	2,948,182
	After distribution	1,788,882	1,482,638	1,489,212	1,934,537	3,387,975	-
Non-current liabilities		53,764	48,378	92,635	213,090	358,625	345,132
Total liabilities	Before distribution	1,794,146	1,476,903	1,485,646	1,997,313	3,517,173	3,293,314
	After distribution	1,842,646	1,531,016	1,581,847	2,147,627	3,746,600	-
Equity attributable to owners of parent		1,858,324	1,952,734	2,115,328	2,488,263	2,975,145	3,158,029
Capital stock		1,212,511	1,212,511	1,212,511	1,212,511	1,212,511	1,212,511
Capital surplus		191,606	191,606	191,606	191,691	191,691	231,854
Retained earnings	Before distribution	466,248	580,835	734,503	1,138,704	1,663,848	1,775,014
	After distribution	417,748	526,722	638,302	988,390	1,434,421	-
Other equity interest		(12,041)	(32,218)	(7,401)	(38,752)	(42,909)	(27,245)
Treasury Stock		-	-	(15,891)	(15,891)	(49,996)	(34,105)
Non-controlling interest		-	-	-	-	-	-
Total equity	Before distribution	1,858,324	1,952,734	2,115,328	2,488,263	2,975,145	3,158,029
	After distribution	1,809,824	1,898,621	2,019,127	2,337,949	2,745,718	-

Note 1: The financial information for each fiscal year has been audited by certified accountants, and no asset revaluation has been conducted in any of the years.

Note 2: The financial data for the first quarter of the year 2023 has been reviewed by certified accountants, and no asset revaluation has been conducted.

Note 3: The profit distribution plan for the fiscal year 2022 of the company has been approved by the board of directors on May 3, 2023, and is pending approval by the shareholders' meeting.

B. The Consolidated Condensed Statement of Comprehensive Income (IFRS)

Unit: NT$ thousands

Year / Item	Financial information for the past five years (Note 1)					Financial informational As of the year ended 2023.3.31 (Note 2)
	2018	2019	2020	2021	2022	
Operating revenue	4,037,962	3,584,256	2,939,214	4,512,644	6,861,906	1,500,607
Gross profit from operations	522,062	568,899	609,318	1,057,853	1,487,057	308,603
Operating net profit/loss	201,734	214,259	245,678	617,394	941,553	151,290
Non-operating income and expenses	(27,716)	(14,301)	14,335	14,375	(14,220)	(5,595)
Profit before income tax	174,018	199,958	260,013	631,769	927,333	145,695
Net Profit from Continuing Operations	144,061	163,087	207,781	500,402	675,458	111,166
Loss from Discontinued Operations	-	-	-	-	-	-
Net Profit (Loss)	144,061	163,087	207,781	500,402	675,458	111,166
Other comprehensive income (net of income tax)	(4,353)	(20,177)	24,817	(31,351)	(4,157)	15,664
Total comprehensive income	(4,353)	(20,177)	24,817	(31,351)	(4,157)	15,664
Net profit attributable to owners of parent	144,061	163,087	207,781	500,402	675,458	111,166
Net profit attributableTo NCI	-	-	-	-	-	-
Total comprehensive income attributable to owners of parent	139,708	142,910	232,598	469,051	671,301	126,830
Total comprehensive income attributable to NCI	-	-	-	-	-	-
Earnings per share	1.19	1.35	1.73	4.16	5.63	0.93

Note 1: The financial information for each fiscal year has been audited and certified by accountants.
Note 2: The financial data for the first quarter of the year 2023 has been reviewed by accountants.

C. The Condensed Statement of Financial Position (IFRS)- Parent Company Only

Unit: NT$ thousands

Item \ Year		Financial information for the past five years (Note 1)				
		2018	2019	2020	2021	2022
Current assets		566,043	452,238	317,784	415,254	551,791
Property, plant and equipment		252,609	319,392	306,664	277,139	289,263
Intangible assets		5,287	4,475	3,021	1,548	417
Other assets		1,422,441	1,620,645	1,866,639	2,316,218	2,830,194
Total assets		2,246,380	2,396,750	2,494,108	3,010,159	3,671,665
Current liabilities	Before distribution	362,602	424,724	322,846	457,362	612,696
	After distribution	411,102	478,837	419,047	607,676	842,123
Non-current liabilities		25,454	19,292	55,934	64,534	83,824
Total liabilities	Before distribution	388,056	444,016	378,780	521,896	696,520
	After distribution	436,556	498,129	474,981	672,210	925,947
Equity attributable to owners of parent		1,858,324	1,952,734	2,115,328	2,488,263	2,975,145
Capital stock		1,212,511	1,212,511	1,212,511	1,212,511	1,212,511
Capital surplus		191,606	191,606	191,606	191,691	191,691
Retained earnings	Before distribution	466,248	580,835	734,503	1,138,704	1,663,848
	After distribution	417,748	526,722	638,302	988,390	1,434,421
Other equity interest		(12,041)	(32,218)	(7,401)	(38,752)	(42,909)
Treasury Stock		-	-	(15,891)	(15,891)	(49,996)
Non-controlling interest		-	-	-	-	-
Total Equity	Before distribution	1,858,324	1,952,734	2,115,328	2,488,263	2,975,145
	After distribution	1,809,824	1,898,621	2,019,127	2,337,949	2,745,718

Note 1: The financial information for each fiscal year has been audited by certified accountants, and no asset revaluation has been conducted in any of the years.

Note 2: The profit distribution plan for the fiscal year 2022 of the company has been approved by the board of directors on May 3, 2023, and is pending approval by the shareholders' meeting.

D.The Condensed Statement of Comprehensive Income (IFRS)- Parent Company Only

Unit: NT$ thousands

Item \ Year	Financial information for the past five years (Note 1)				
	2018	2019	2020	2021	2022
Operating revenue	682,725	430,001	363,066	399,037	465,637
Gross profit from operations	52,884	29,119	3,932	46,946	102,703
Operating net profit/loss	(16,176)	(52,214)	(61,690)	(41,795)	(2,827)
Non-operating income and expenses	186,787	220,329	274,359	576,238	783,505
Profit before income tax	170,611	168,115	212,669	534,443	780,678
Net Profit from Continuing Operations	144,061	163,087	207,781	500,402	675,458
Loss from Discontinued Operations	-	-	-	-	-
Net Profit (Loss)	144,061	163,087	207,781	500,402	675,458
Other comprehensive income (net of income tax)	(4,353)	(20,177)	24,817	(31,351)	(4,157)
Total comprehensive income	139,708	142,910	232,598	469,051	671,301
Net profit attributable to owners of parent	144,061	163,087	207,781	500,402	675,458
Net profit attributable to NCI	-	-	-	-	-
Total comprehensive income attributable to owners of parent	139,708	142,910	232,598	469,051	671,301
Total comprehensive income attributable to NCI	-	-	-	-	-
Earnings per share	1.19	1.35	1.73	4.16	5.63

Note 1: The financial information for each fiscal year has been audited and certified by accountants

(2) Names of the CPAs and the audit opinion for the past five years

Year	Name of accounting firm	Names of CPAs	Audit Opinion
2018	Deloitte & Touche, CPA Accounting Firm	ShengXiong Yao,YiLong Zhou	Unqualified Opinion
2019	Deloitte & Touche, CPA Accounting Firm	YiLong Zhou, ShengXiong Yao	Unqualified Opinion
2020	Deloitte & Touche, CPA Accounting Firm	YiLong Zhou, ShengXiong Yao	Unqualified Opinion
2021	Deloitte & Touche, CPA Accounting Firm	YiLong Zhou, ShengXiong Yao	Unqualified Opinion
2022	Deloitte & Touche, CPA Accounting Firm	ChunMin Hsueh, ShengHsiung Yao	Unqualified Opinion

6.2 Financial analysis for the most recent five fiscal years

A. Financial analysis - Consolidated Financial Statements (IFRS)

Item (Year)		Financial analysis for the past five years (Note 1)					March 31, 2023. (Note 2)
		2018	2019	2020	2021	2022	
Financial Structure (%)	Debt Ratio (%)	49.12	43.06	41.26	44.53	54.17	51.05
	Ratio of long-term capital to property, plant and equipment (%)	245.27	204.83	235.30	305.63	308.34	321.42
Solvency	Current ratio (%)	156.19	161.08	176.59	187.72	160.38	170.91
	Quick ratio (%)	133.62	133.22	136.91	152.83	127.29	131.09
	Times interest earned	6.85	7.19	24.76	87.40	28.99	11.64
Operating ability	Accounts receivable turnover (times)	2.61	2.31	1.94	2.32	2.38	1.76
	Average collection days	140	158	188	157	153	208
	Inventory turnover (times)	8.99	8.54	5.51	7.08	8.31	5.79
	Accounts payable turnover (times)	4.70	4.01	2.86	3.53	3.59	2.48
	Average days in sales	41	43	66	52	44	63
	Property, plant and equipment turnover (times)	5.11	4.08	3.07	4.95	6.98	5.53
	Total assets turnover (times)	1.14	1.01	0.84	1.12	1.25	0.93
Profitability	Return on total assets (%)	4.72	5.34	6.16	12.52	12.79	7.55
	Return on stockholders'equity (%)	7.95	8.56	10.22	21.74	24.73	14.50
	Pre-tax income to paid-in capital (%)	14.35	16.49	21.44	52.10	76.48	48.06
	Profit ratio (%)	3.57	4.55	7.07	11.09	9.84	7.41
	Earnings per share (NT$)	1.19	1.35	1.73	4.16	5.63	0.93
Cash flow (%)	Cash flow ratio (%)	11.15	31.42	14.06	10.26	12.76	4.14
	Cash flow adequacy ratio (%)	58.16	71.98	75.48	72.64	72.22	66.63
	Cash reinvestment ratio (%)	5.09	13.47	4.56	2.35	5.64	2.57
Leverage	Operating leverage	1.57	1.59	1.54	1.23	1.23	1.46
	Financial leverage	1.17	1.18	1.05	1.01	1.04	1.10

Analysis of financial ratio differences for the last two years: (Not required if the difference does not exceed 20%)

1. Debt Ratio: The increase in accounts payable, notes payable, and borrowings is primarily due to the growth in business scale.
2. Times interest earned Ratio: The increase in borrowings and discounted notes has resulted in a relatively higher interest expense.
3. Property, plant and equipment turnover ratio: The increase is primarily due to the growth in operating revenue.
4. Pre-tax Net Profit to Paid-in Capital Ratio, Earnings per Share: The increase is primarily attributed to the growth in revenue and improved profitability.
5. Cash Flow Ratio, Cash Reinvestment Ratio: The increase is primarily due to the higher net cash inflow from operating activities.

Note 1: The financial information for each fiscal year has been audited and certified by accountants.

Note 2: The financial data for the first quarter of the year 2023 has been reviewed by accountants.

Note 3: In the case of a net loss from operations for the year, the ratio cannot be calculated or disclosed. Additionally, if the operating profit is insufficient to cover the interest expense, the ratio is also not disclosed.

B. Financial analysis - Financial Statements (IFRS)- Parent Company Only

Item	Year	Financial analysis for the past five years				
		2018	2019	2020	2021	2022
Financial structure	Debt Ratio (%)	17.27	18.53	15.19	17.34	18.97
	Ratio of long-term capital to property, plant and equipment (%)	745.73	617.43	708.03	921.13	1,057.50
Solvency	Current ratio (%)	156.11	106.48	98.43	90.79	90.06
	Quick ratio (%)	132.00	88.91	86.59	83.56	80.29
Ability	Times interest earned	100.71	76.97	75.88	208.23	175.84
Operating ability	Accounts receivable turnover (times)	7.70	4.16	3.58	3.36	2.40
	Average collection days	47	88	102	109	152
	Inventory turnover (times)	6.14	5.58	7.26	11.18	8.26
	Accounts payable turnover (times)	7.51	7.63	7.49	8.60	5.16
	Average days in sales	59	65	50	33	44
	Property, plant and equipment turnover (times)	2.62	1.5	1.16	1.37	1.64
	Total assets turnover (times)	0.31	0.19	0.15	0.14	0.14
Profitability	Return on total assets (%)	6.52	7.10	8.59	18.26	20.32
	Return on stockholders'equity (%)	7.95	8.56	10.22	21.74	24.73
	Pre-tax income to paid-in capital (%)	14.07	13.87	17.54	44.08	64.39
	Profit ratio (%)	21.1	37.93	57.23	125.40	145.06
	Earnings per share (NT$)	1.19	1.35	1.73	4.16	5.63
Cash Flow （%）	Cash flow ratio (%)	7.91	0.00	8.04	0.00	2.96
	Cash flow adequacy ratio (%)	160.13	118.89	82.21	34.86	11.51
	Cash reinvestment ratio (%)	-0.93	-2.17	-1.15	-3.38	-3.92
Leverage	Operating leverage	-1.04	0.31	0.42	0.25	-9.88
	Financial leverage	0.9	0.96	0.96	0.94	0.39

Analysis of financial ratio differences for the last two years: (Not required if the difference does not exceed 20%)

1. Accounts Receivable Turnover Ratio, Average Collection Period: The increase is primarily due to the growth in operating revenue, resulting in a relative increase in accounts receivable.
2. Inventory Turnover Ratio, Average Sales Days: The increase is mainly attributed to stocking inventory in response to existing orders, leading to an increase in inventory.
3. Accounts Payable Turnover Ratio: The increase is primarily due to an increase in accounts payable.
4. Pre-tax Net Profit to Paid-in Capital Ratio, Earnings per Share: The increase is primarily attributed to the growth in revenue, improved profitability, and an increase in equity method investment income.
5. Cash Flow Adequacy Ratio: The increase is primarily due to an increase in capital expenditure, inventory, and cash dividends.
6. Operating Leverage, Financial Leverage: The increase is primarily attributed to the growth in revenue, improved profitability, and a reduction in operating losses.

Note 1: The financial information for each fiscal year has been audited and certified by accountants.

Note 2: In the case of a net loss from operations for the year, the ratio cannot be calculated or disclosed. Additionally, if the operating profit is insufficient to cover the interest expense, the ratio is also not disclosed.

Note 3: The following formulas for the calculation of the financial ratios shall be listed below this table in the annual report:

1. Financial structure
   (1) Debt to assets ratio = total liabilities / total assets.
   (2) Ratio of long-term capital to property, plant and equipment = (total equity + non-current liabilities) / net property, plant and equipment.
2. Solvency
   (1) Current ratio = current assets / current liabilities.
   (2) Quick ratio = (current assets - inventory - prepaid expenses) / current liabilities.
   (3) Times interest earned = earnings before tax and interest expenses / current interest expenses.
3. Operating performance
   (1) Accounts receivable (including accounts receivable and notes receivable arising from business activities)

turnover = net sales / average accounts receivable balance (including accounts receivable and notes receivable arising from business activities).

(2) Average collection days = 365 / accounts receivable turnover.

(3) Inventory turnover = cost of goods sold / average inventory.

(4) Accounts payable (including accounts payable and notes payable arising from business activities) turnover = cost of goods sold / average accounts payable balance (including accounts payable and notes payable arising from business activities).

(5) Average days in sales = 365 / inventory turnover

(6) Property, plant and equipment turnover = net sales / average net property, plant and equipment.

(7) Total asset turnover = net sales / average total assets.

4. Profitability

(1) Return on total assets = (net income + interest expenses * (1 - effective tax rate)) / average total assets.

(2) Return on equity = net income after tax / average total equity.

(3) Net profit margin = net income after tax / net sales.

(4) Earnings per share = (income attributable to owners of parent - preferred stock dividends) / weighted average number of shares outstanding.

5. Cash flow

(1) Cash flow ratio = net cash flows from operating activities / current liabilities.

(2) Net cash flow adequacy ratio = 5-year sum of net cash flow from operating activities / 5-year sum of (capital expenditures + increases in inventory + cash dividends).

(3) Cash reinvestment ratio = (cash from operating activities - cash dividends) / (gross property, plant and equipment + long-term investments + other non-current assets + working capital).

6. Leverage:

(1) Operating leverage = (net operating revenue – variable operating costs and expenses) / operating income.

(2) Financial leverage = operating income / (operating income – interest expenses).

6.3 Audit Committee’s Review Report for the most recent year .

INFO-TEK CORPORATION

Audit Committee’s Review Report

The Board of Directors has prepared and submitted the Company's 2022 business report, financial statements and the profit distribution proposal, of which the financial statements had been audited by Chun-Ming Hsueh and Sheng-Hsiung Yao, CPAs of Deloitte & Touche, who also provided an auditor's report. The above business report, financial statements and the profit distribution proposal have been verified by the Audit Committee without any discrepancies found. This report is prepared in accordance with Article 14-4 of the Securities and Exchange Act and Article 219 of the Company Act.

INFO-TEK CORPORATION

Convener of Audit Committee: PiLan Chang

May 03, 2023

6.4 Financial statement for the most recent fiscal year

REPRESENTATION LETTER

The entities that are required to be included in the combined financial statements of Info-Tek Corporation as of and the year ended December 31, 2022, under the Criteria Governing the Preparation of Affiliation Reports, Consolidated Business Reports and Consolidated Financial Statements of Affiliated Enterprises are the same as those included in the consolidated financial statements prepared in conformity with the International Financial Reporting Standard 10, “Consolidated Financial Statements.” In addition, the information required to be disclosed in the combined financial statements is included in the consolidated financial statements. Consequently, Info-Tek Corporation and Subsidiaries do not prepare a separate set of combined financial statements.

Very truly tours,

INFO-TEK CORPORATION

March 9, 2023

Stock Code：8183

Info-Tek Corporation and Subsidiaries

Consolidated 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 consolidated financial statements of Info-Tek Corporation (the Company) and its subsidiaries (collectively referred to as the "Group"), which comprise the consolidated balance sheets as of December 31, 2022 and 2021, and the consolidated statements of comprehensive income, changes in equity and cash flows for the years then ended, and the notes to the consolidated financial statements, including a summary of significant accounting policies.

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

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 Consolidated 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 consolidated financial statements for the year ended December 31, 2022. These matters were addressed in the context of our audit of the consolidated 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 Group's consolidated financial statements for the year ended December 31, 2022 are stated as follows:

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

The Group is engaged in the Electronics Manufacturing Services (EMS), no own-brand, only accept commissioned manufacturing from customer, focusing on the electronics manufacturing services. The Group'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 consolidated 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 Consolidated 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.

Other Matter

We have also audited the parent company only financial statements of Info-Tek Corporation as of and for the years ended December 31, 2022 and 2021 on which we have issued an unqualified option.

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

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

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

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

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

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

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

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

Auditors' Responsibilities for the Audit of the Consolidated Financial Statements

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

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

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

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

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

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

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

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements 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 AND SUBSIDIARIES

CONSOLIDATED 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)	$ 488,330	8	$ 390,662	9
Financial assets at fair value through other comprehensive income - current (Notes 4 、7and 27)	25,005	-	52,859	1
Notes receivable (Notes 4 and 8)	722,426	11	867,549	19
Trade receivables (Notes 4 and 8)	2,727,271	42	1,388,108	31
Trade receivables from related parties (Note 28)	34,576	1	24,183	1
Other receivables (Note 8)	22,558	-	134	-
Other receivables from related parties (Note 28)	198	-	3,317	-
Inventories (Notes 4 、5 and 9)	790,382	12	502,637	11
Other current assets (Notes 6 and 15)	254,967	4	119,862	3
Total current assets	5,065,713	78	3,349,311	75
NON-CURRENT ASSETS				
Property, plant and equipment (Notes 4 、11、28 and 29)	1,081,196	17	883,877	20
Right-of-use assets (Notes 4 、12 and 28)	176,793	3	70,864	2
Investment properties (Notes 4 、13 and 29)	20,427	-	21,860	-
Intangible assets (Notes 4 and 14)	6,106	-	6,233	-
Deferred tax assets (Notes 4 and 23)	31,091	-	84,096	2
Refundable deposits	8,328	-	14,242	-
Other non-current assets (Note 15)	102,664	2	55,093	1
Total non-current assets	1,426,605	22	1,136,265	25
TOTAL ASSETS	$6,492,318	100	$4,485,576	100
LIABILITIES AND EQUITY				
CURRENT LIABILITIES				
Short-term borrowings (Notes 16 and 29)	$ 516,330	8	$ 300,000	7
Notes payable (Note 17)	749,611	12	333,874	8
Trade payables (Note 17)	1,170,625	18	723,752	16
Trade payables to related parties (Note 28)	8,747	-	6,606	-
Other payables (Note 18)	473,429	7	271,675	6
Other payables to related parties (Note 28)	6,515	-	2,941	-
Current tax liabilities (Note 4)	43,728	1	16,800	-
Lease liabilities – current (Notes 4、12 and 28)	77,384	1	18,110	-
Current portion of long-term borrowings (Note 16)	882	-	-	-
Other current liabilities (Note 18)	111,297	2	110,465	3
Total current liabilities	3,158,548	49	1,784,223	40
NON-CURRENT LIABILITIES				
Long-term borrowings (Note 16)	87,278	1	-	-
Deferred tax liabilities（Notes 4 and 23)	85,218	1	58,944	1
Lease liabilities –non- current (Notes 4 、12and 28)	65,445	1	15,290	-
Net defined benefit liabilities（Notes 4 and 19)	9,892	-	15,659	1
Guarantee deposits received	98,132	2	110,721	3
Other current liabilities	12,660	-	12,476	-
Total non-current liabilities	358,625	5	213,090	5
Total liabilities	3,517,173	54	1,997,313	45
EQUITY ATTRIBUTABLE TO OWNERS OF THE COMPANY				
Share capital	1,212,511	19	1,212,511	27
Capital surplus				
Additional paid-in capital	179,924	3	179,924	4
Treasury share transactions	4,036	-	4,036	-
Employee stock option	7,646	-	7,646	-
Other capital reserve	85	-	85	-
Total capital surplus	191,691	3	191,691	4
Retained earnings				
Legal reserve	130,650	2	80,610	2
Special reserve	106,006	2	106,006	2
Unappropriated earnings	1,427,192	22	952,088	21
Total retained earnings	1,663,848	26	1,138,704	25
Other equity	(42,909)	(1)	(38,752)	(1)
Treasury shares	(49,996)	(1)	(15,891)	-
Total equity	2,975,145	46	2,488,263	55
TOTAL LIABILITIES AND EQUITY	$6,492,318	100	$4,485,576	100

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

INFO-TEK CORPORATION AND SUBSIDIARIES

CONSOLIDATED 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 28)	$6,861,906	100	$4,512,644	100
COST OF GOODS SOLD (Notes 4,9,19,22 and 28)	5,374,849	78	3,454,791	76
GROSS PROFIT	1,487,057	22	1,057,853	24
OPERATING EXPENSES (Notes 19, 22 and 28)				
Selling and marketing expenses	72,178	1	40,763	1
General and administrative expenses	246,970	3	173,883	4
Research and development expenses	250,323	4	209,279	5
Expected credit loss (reversal gain) (Notes 4,8 and28)	(23,967)	-	16,534	-
Total operating expenses	545,504	8	440,459	10
PROFIT FROM OPERATIONS	941,553	14	617,394	14
NON-OPERATING INCOME AND EXPENSES(Note 22)				
Interest income	6,090	-	3,605	-
Other income	17,581	-	23,071	-
Other gains and losses	(4,760)	-	(4,989)	-
Finance costs(Note 28)	(33,131)	-	(7,312)	-
Total non-operating income and expenses	(14,220)	-	14,375	-
PROFIT BEFORE INCOME TAX FROM CONTINUING OPERATIONS	927,333	14	631,769	14
INCOME TAX EXPENSE (Notes 4 and 23)	251,875	4	131,367	3

(Continued)

INFO-TEK CORPORATION AND SUBSIDIARIES

CONSOLIDATED 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	%
NET PROFIT FOR THE YEAR	$ 675,458	10	$ 500,402	11
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)	-	(20,099)	(1)
Remeasurement of defined benefit plans	5,327	-	(654)	-
	(22,527)	-	(20,753)	(1)
Items that may be reclassified subsequently to profit or loss:				
Exchange differences on translating the financial statements of foreign operations	18,370	-	(10,598)	-
	18,370	-	(10,598)	-
Other comprehensive income(loss) for the year, net of income tax	(4,157)	-	(31,351)	(1)
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	$ 671,301	10	$ 469,051	10
EARNINGS PER SHARE (Note 24)				
Basic	$ 5.63		$ 4.16	
Diluted	$ 5.60		$ 4.15	

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

INFO-TEK CORPORATION AND SUBSIDIARIES

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

	Share Capital (Note 20)	Capital Surplus (Note 20)	Retained Earnings (Notes 4 and 20)			Other equity(Note 20)			Treasury shares(Note 20)	Total
			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		
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 consolidated financial statements.

INFO-TEK CORPORATION AND SUBSIDIARIES

CONSOLIDATED 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	$ 927,333	$ 631,769
Adjustments for:		
Expected credit loss (reversal gain) of trade receivables	(23,967)	16,534
Depreciation expense	212,686	137,860
Amortization expense	3,199	3,818
Interest expense	33,131	7,312
Interest income	(6,090)	(3,605)
Dividend income	(1,427)	(1,903)
Gain (Loss) on disposal of property, plant and equipment	(80)	5,767
Gain (Loss) on disposals of Right-of-use asset	808	(5)
(Reversed) Write-downs of inventories	(16,488)	29,627
Net gain on foreign currency exchange	(990)	(1,988)
Changes in operating assets and liabilities		
Notes receivable	145,123	(397,905)
Trade receivables	(1,339,981)	(279,642)
Trade receivables from related parties	(10,467)	(18,408)
Other receivables	(21,874)	397
Other receivables from related parties	3,127	(3,214)
Inventories	(272,791)	(58,960)
Other current assets	(135,105)	(40,546)
Non-current assets	2,688	2,728
Notes payable	415,737	130,519
Trade payables	451,716	46,841
Trade payables to related parties	996	(5,895)
Other payables	190,004	82,634
Other payables to related parties	4,730	867
Other current liabilities	427	33,243
Net defined benefit liabilities	(440)	56
Non-current liabilities	184	(96)
Cash generated from operations	562,189	317,805
Interest paid	(7,295)	(3,147)
Income tax paid	(151,786)	(131,587)
Net cash generated from operating activities	403,108	183,071

(Continued)

INFO-TEK CORPORATION AND SUBSIDIARIES

CONSOLIDATED 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		
Purchase of property, plant and equipment	($ 415,502)	($ 112,176)
Proceeds from disposal of property, plant and equipment	19,837	283
Interest received	5,540	3,624
Dividends received	1,427	1,903
Acquisition of intangible assets	(2,355)	(3,248)
(Increase) decrease in refundable deposits	5,914	(11,171)
Net cash used in investing activities	(385,139)	(120,785)
CASH FLOWS FROM FINANCING ACTIVITIES		
Increase in short-term borrowings	216,330	110,000
Proceeds from long-term borrowings	88,160	-
Increase (decrease) in guarantee deposits received	(12,589)	99,418
Repayment of the principal of lease liabilities	(44,893)	(6,010)
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	62,589	107,292
EFFECTS OF EXCHANGE RATE CHANGES ON THE BALANCE OF CASH HELD IN FOREIGN CURRENCIES	17,110	(8,068)
NET INCREASE IN CASH AND CASH EQUIVALENTS	97,668	161,510
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR	390,662	229,152
CASH AND CASH EQUIVALENTS AT THE END OF THE TEAR	$ 488,330	$ 390,662

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

INFO-TEK CORPORATION AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021
(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 consolidated financial statements are presented in the Company’s functional currency, the New Taiwan dollars.

2. APPROVAL OF FINANCIAL STATEMENTS

The consolidated 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 Group’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 Group 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 Group 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 Group 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 Group 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 Group is required to make significant judgements or assumptions in applying an accounting policy, and the Group 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 Group may be required to measure items at monetary amounts that cannot be observed directly and must instead be estimated. In such a case, the Group 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 Group is continuously assessing the possible impact that the application of other standards and interpretations will have on the Group'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 Group 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 Group 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 Group 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 Group's interest as an unrelated investor in the associate or joint venture, i.e., the Group's share of the gain or loss is eliminated. Also, when the Group 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 Group's interest as an unrelated investor in the associate or joint venture, i.e., the Group'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 Group 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 Group will exercise that right. The amendments also clarify that, if the right to defer settlement is subject to compliance with specified conditions, the Group 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 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 Group 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 Group shall disclose information that enables users of financial statements to understand the risk of the Group 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 Group’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 Group’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 consolidated financial statements were authorized for issue, the Group is continuously assessing the possible impact of the application of other standards and interpretations on the Group'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 consolidated financial statements have been prepared in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and IFRSs as endorsed and issued into effect by the FSC.

(2) Basis of preparation

The consolidated 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.

(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 Group 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) Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Company and the entities controlled by the Company (its subsidiaries). Income and expenses of subsidiaries acquired or disposed of during the period are included in the consolidated statement of comprehensive income from the effective dates of acquisitions up to the effective dates of disposals, as appropriate. When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with those used by the Company. All intra-group transactions, balances, income and expenses are eliminated in full upon consolidation. Total comprehensive income of subsidiaries is attributed to the owners of the Company and to the non-controlling interests even if the comprehensive in come of the non-controlling interests having a deficit balance.

Changes in the Group’s ownership interests in subsidiaries that do not result in the Group losing control over the subsidiaries are accounted for as equity transactions. The carrying amounts of the interests of the Group and the non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiaries. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognized directly in equity and attributed to the owners of the Company.

See Note 10 and attached Tables 4 for detailed information on subsidiaries (including percentages of ownership and main businesses).

(5) Foreign currencies

In preparing the financial statements of each individual entity, transactions in currencies other than the entity'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 consolidated 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 Group'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 Group 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.

(6) 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.

(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 Group 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 Group 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 Group 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 FVTPL, financial assets at amortized cost and equity instruments at FVTOCI.

A. Financial assets at FVTPL

Financial assets are classified as at FVTPL when such a financial asset is mandatorily classified or designated as at FVTPL. Financial assets mandatorily classified as at FVTPL include investments in equity instruments which are not designated as at FVTOCI criteria. Any gain or loss arising from remeasurement is recognized in profit or loss. The net gain or loss recognized in profit or loss incorporates any interest earned on the financial asset.

Financial assets carried at FVTPL are measured at fair value. Dividends and interest generated are recognized in other income and interest income, respectively, and gains or losses arising from remeasurement are recognized in other gains and losses. For the determination of fair value, please refer to Note 27.

B. 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.

C. Investments in equity instruments at FVTOCI

On initial recognition, the Group 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 Group’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 Group always recognizes lifetime expected credit losses (ECLs) for trade receivables. For all other financial instruments, the Group 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 Group 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 Group 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 Group 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 Group 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 Group 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 Group 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 Group's obligations and is recognized as revenue from the related merchandise.

(13) Revenue recognition

The Group 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 Group 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 Group 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 Group assesses whether the contract is a lease.

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

i. The Group 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 Group as lessee

The Group 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 consolidated 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 Group 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 Group 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 Group 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 Group 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 Group 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 Group’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

Income tax payable (recoverable) is based on taxable profit (loss) for the year determined according to the applicable tax laws of each tax jurisdiction.

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 Group 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 Group 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	$ 589	$ 590
Checking accounts and demand deposits	487,741	390,072
	$ 488,330	$ 390,662

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%	1.75%

Some of the deposits were transferred to "Other current assets" because they were provided as margin for opening bankers' acceptances, and the amounts were as follows

	December 31	
	2022	2021
Banker's Acceptance	$ 164,025	$ 66,820

7. FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

	December 31

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

The Group invests for medium- and long-term strategic purposes and expects to earn profits from its long-term investments. The management of the Group 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 Group'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. NOTES RECEIVABLE, TRADE RECEIVABLES AND OTHER RECEIVABLES

	December 31	
	2022	2021
Notes receivable		
At amortized cost		
	$ 722,426	$ 867,549

As of December 31, 2022 and 2021, the notes receivable were assessed to be free of doubtful accounts and therefore no allowance for doubtful accounts was provided.

	December 31	
	2022	2021
Trade receivables		
At amortized cost		
Gross carrying amount	$ 2,728,552	$ 1,412,901
Less: Allowance for impairment loss	(1,281)	(24,793)
	$ 2,727,271	$ 1,388,108
Other receivables		
Gross carrying amount	$ 22,558	$ 134

(1) NOTES RECEIVABLE AND TRADE RECEIVABLES

The average credit period of sales was 60 to 150 days. No interest was charged on trade receivables.

The Group 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 Group uses other publicly available financial information or its own trading records to rate its major customers. The Group continuously monitored the credit ratings of its customers and its credit exposure. To control the credit exposure, the Group will decide a transaction limit for customers.

In order to minimize credit risk, the management of the Group 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 Group 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 Goup's credit risk was significantly reduced.

The Group 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 Group’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 Group’s different customer base. The estimated percentages of expected credit loss of receivables are based the receivables’ aging analysis.

The Group 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 Group 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	$2,690,464	$ 31,426	$ 5,995	$ 667	$ -	$ -	$ -	$2,728,552
Loss allowance (Lifetime ECLs)	-	(314)	(300)	(667)	-	-	-	(1,281)
Amortized cost	$2,690,464	$ 31,112	$ 5,695	$ -	$ -	$ -	$ -	$2,727,271

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	$ 1,379,242	$ 4,777	$ 1,377	$ 2,645	$ 11,474	$ 13,386	$ -	$1,412,901
Loss allowance (Lifetime ECLs)	-	(575)	(316)	(265)	(11,329)	(12,308)	-	(24,793)
Amortized cost	$ 1,379,242	$ 4,202	$ 1,061	$ 2,380	$ 145	$ 1,078	$ -	$1,388,108

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

	For the Years Ended December 31	
	2022	2021
Balance at January 1	$ 24,793	$ 14,974
Provision	6,246	71,941
Amounts written off	-	(6,985)
(Reversal)	(30,205)	(55,288)
Foreign exchange gains and losses	447	151
Balance at December 31	$ 1,281	$ 24,793

Please refer to Note 27 for the amount and related terms of the notes receivable sold by the Group.

(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	$22,558	$ -	$ -	$ -	$ -	$ -	$ -	$22,558
Loss allowance (Lifetime ECLs)	-	-	-	-	-	-	-	-
Amortized cost	$22,558	$ -	$ -	$ -	$ -	$ -	$ -	$22,558

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	$ 134	$ -	$ -	$ -	$ -	$ -	$ -	$ 134
Loss allowance (Lifetime ECLs)	-	-	-	-	-	-	-	-
Amortized cost	$ 134	$ -	$ -	$ -	$ -	$ -	$ -	$ 134

As of December 31, 2022 and 2021, the Group had no other receivables that were past due and not impaired.

9. INVENTORIES

	December 31	
	2022	2021
Finished goods	$ 231,505	$ 192,851
Work in progress	9,410	6,185
Raw materials	547,438	302,642
Materials	2,029	959
	$ 790,382	$ 502,637

The cost of goods sold is as follows

	For the Years Ended December 31	
	2022	2021
Cost of goods sold	$ 5,391,337	$ 3,425,164
Inventory write-downs (reversed) (1)	(16,488)	29,627
	$ 5,374,849	$ 3,454,791

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

10. SUBSIDIARIES

Subsidiaries included in the consolidated financial statements：

			Proportion of Ownership (%) December 31	
Investor	Investee	Nature of Activities	2022	2021
Info-Tek Corporation	INFO-TEK HOLDING CO., LTD.	Trading Business	100	100
	SUN RISE CORPORATION	Investment	100	100
SUN RISE CORPORATION	Info-Tek Electronics (Suzhou) CO.,LTD.	Manufacture and assembly of motherboards for information electronic products	92.21	92.21
INFO-TEK HOLDING CO., LTD.	Info-Tek Electronics (Suzhou) CO.,LTD.	Manufacture and assembly of motherboards for information electronic products	7.79	7.79
Info-Tek Electronics (Suzhou) CO.,LTD.	Info-Tek Trading CO.,LTD.	Sale and purchase of information electronic products, related technical services and after-sales services	-	-

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.

In order to integrate resources, Info-Tek Electronics (Suzhou) CO., LTD. had merge Info-Tek Trading CO., LTD. on November 30, 2021. Info-Tek Trading CO., LTD. was extinguished on January 6, 2022.

In order to expansion of production capacity, Info-Tek Electronics (Suzhou) CO., LTD.had set up Info-Tek Electronics (Suzhou) CO., LTD (Wuhu) Branch on May 30, 2022.

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	$ 625,289	$ 949,752	$ 2,087	$ 24,711	$ 119,750	$ 13,857	$1,836,997
Additions	-	4,801	41,421	-	97	10,848	4,544	61,711
Reclassified	-	24,079	18,241	-	642	745	(15,041)	28,666
Disposals	-	(420)	(14,950)	-	(954)	(5,919)	-	(22,243)
Effect of foreign currency exchange differences	-	(2,329)	(5,239)	(9)	(61)	(733)	(176)	(8,547)
Transfer to investment real estate	-	(20,556)	-	-	-	-	-	(20,556)
Balance at December 31, 2021	$ 101,551	$ 630,864	$ 989,225	$ 2,078	$ 24,435	$ 124,691	$ 3,184	$1,876,028
Accumulated depreciation and impairment								
Balance at January 1, 2021	$ -	$ 263,661	$ 531,559	$ 2,077	$ 19,403	$ 81,950	$ -	$ 898,650
Depreciation expense	-	23,524	81,806	10	2,231	21,375	-	128,946
Disposals	-	(420)	(12,841)	-	(944)	(5,510)	-	(19,715)
Effect of foreign currency exchange differences	-	(861)	(2,231)	(9)	(52)	(473)	-	(3,626)
Transfer to investment real estate	-	(12,104)	-	-	-	-	-	(12,104)
Balance at December 31, 2021	$ -	$ 273,800	$ 598,293	$ 2,078	$ 20,638	$ 97,342	$ -	$ 992,151
Carrying amount at December 31, 2021	$ 101,551	$ 357,064	$ 390,932	$ -	$ 3,797	$ 27,349	$ 3,184	$ 883,877
Cost								
Balance at January 1, 2022	$ 101,551	$ 630,864	$ 989,225	$ 2,078	$ 24,435	$ 124,691	$ 3,184	$1,876,028
Additions	-	2,996	222,921	-	1,737	28,899	1,268	257,821
Reclassified	-	1,092	106,816	-	-	9,637	(1,268)	116,277
Disposals	-	(1,963)	(29,333)	-	(571)	(8,453)	-	(40,320)
Effect of foreign currency exchange differences	-	5,246	11,651	17	106	1,619	47	18,686
Balance at December 31, 2022	$ 101,551	$ 638,235	$1,301,280	$ 2,095	$ 25,707	$ 156,393	$ 3,231	$2,228,492
Accumulated depreciation and impairment								
Balance at January 1, 2022	$ -	$ 273,800	$ 598,293	$ 2,078	$ 20,638	$ 97,342	$ -	$ 992,151
Depreciation expense	-	27,340	110,473	-	1,934	25,694	-	165,441
Reclassified	-	478	-	-	-	-	-	478
Disposals	-	(1,963)	(12,690)	-	(564)	(5,407)	-	(20,624)
Effect of foreign currency exchange differences	-	1,848	6,716	17	95	1,174	-	9,850
Balance at December 31, 2022	$ -	$ 301,503	$ 702,792	$ 2,095	$ 22,103	$ 118,803	$ -	$1,147,296
Carrying amount at December 31, 2022	$ 101,551	$ 336,732	$ 598,488	$ 2,095	$ 3,604	$ 37,590	$ 3,231	$1,081,196

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	35-45 year
Electrical mechanical and power equipment	3-35 year
Machinery and Equipment	2-10 year
Transportation Equipment	5 year
Office Equipment	3-5 year
Other Equipment	3-10 year

For the amount of real estate, plant and equipment pledged as loan guarantee, please refer to Note 29。

12. LEASE ARRANGEMENTS

(1) Right-of-use assets

	December 31	
	2022	2021
Carrying amounts		
Land	$ 38,434	$ 39,996
Buildings	116,245	28,809
Machinery and Equipment	21,255	314
Office Equipment	-	201
Transportation Equipment	859	1,544
	$ 176,793	$ 70,864

	For the Years Ended December 31	
	2022	2021
Additions to right-of-use assets	$ 157,760	$ 36,582
Depreciation charged for right-of-use assets		
Land	$ 2,121	$ 1,357
Buildings	40,952	4,122
Machinery and Equipment	1,351	443
Office Equipment	205	480
Transportation Equipment	705	828
	$ 45,334	$ 7,230

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 Group in 2022 and 2021.

(2) Lease liabilities

	December 31	
	2022	2021
Carrying amount		
Current	$ 77,384	$ 18,110
Non-current	65,445	15,290
	$ 142,829	$ 33,400

Range of discount rates for lease liabilities were as follows:

	December 31	
	2022	2021
Land	1.031%	1.031%
Buildings	3.700%~4.200%	4.200%
Machinery and Equipment	1.35%~4.45%	1.35%~4.785%
Transportation Equipment	1.35%~4.7%	1.35%~4.785%
Office Equipment	-	4.785%

(3) Other lease information

	For the Years Ended December 31	
	2022	2021
Expenses relating to short-term leases	$ 4,353	$ 4,963
Expenses relating to low-value asset leases	$ 26	$ 97
Total cash outflow of leases	$ 49,272	$ 11,070

Some buildings、office equipment 、transportation equipment and other equipment leases of the Group are qualified as short-term leases or low-value assets leases, the Group 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 and 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

The total future leasepayments 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	-	29,492
	$ -	$ 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 Group 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 Group is its own equity. Please refer to Note 29 for the amount of investment real estate set as loan guarantee.

14. INTANGIBLE ASSETS

	Computer Software
Cost	
Balance at January 1, 2021	$ 37,141
Additions	3,247
Prepaid equipment reclassified	322
Effect of foreign currency exchange differences	(40)
Balance at December 31, 2021	$ 40,670
Accumulated amortization and impairment	
Balance at January 1, 2021	$ 30,639
Amortization expense	3,818
Effect of foreign currency exchange differences	(20)
Balance at December 31, 2021	$ 34,437
Carrying amount at December 31, 2021	$ 6,233
Cost	
Balance at January 1, 2022	$ 40,670
Reclassified	634
Effect of foreign currency exchange differences	157
Balance at December 31, 2022	$ 43,816
Accumulated amortization and impairment	
Balance at January 1, 2022	$ 34,437
Amortization expense	3,199
Effect of foreign currency exchange differences	74
Balance at December 31, 2022	$ 37,710
Carrying amount at December 31, 2022	$ 6,106

Computer Software are amortized of 2 to 8 years using the straight-line method.

15. OTHER ASSETS

	December 31	
	2022	2021
Current		
Prepayments	$ 78,940	$ 44,823
Prepayment for purchases	11,544	5,373
Payment on behalf of others	227	405
Other current financial assets（Note6）	164,025	66,820
Others	231	2,441
	$ 254,967	$ 119,862
Non-current		
Prepayments for equipment	$ 95,507	$ 45,213
Golf Membership Cards	7,157	7,140
Others	-	2,740
	$ 102,664	$ 55,093

16. BORROWINGS

a. Short-term borrowings

	December 31	
	2022	2021
Secured loan（Note29）		
Bank loans	$ -	$ 70,000
Unsecured borrowings		
Line of credit borrowings	516,330	230,000
	$ 516,330	$ 300,000

The interest rates on the borrowings ranged from 1.531% to 3.65% and 1.00% to 1.05% as of December 31, 2022 and 2021, respectively.

b. Long-term borrowings

	December 31	
	2022	2021
Unsecured borrowings		
Line of credit borrowings	$ 88,160	$ -
Less: Current portion	(882)	-
Long-term borrowings	$ 87,278	$ -

The interest rate on the borrowings was 3.2% as of December 31, 2022.

17. Notes payable and Accounts payable

	December 31	
	2022	2021
Notes payable		
Occurred as a result of business	$ 749,611	$ 333,874
Accounts payable		
Occurred as a result of business	$ 1,170,625	$ 723,752

18. Other liabilities

	December 31	
	2022	2022
Other payables		
Salaries and bonuses payable	$ 183,964	$ 130,146
Equipment payables	21,969	12,384
Interest payable	438	130
Payable service fee	33,919	24,495
Repairs payable	24,546	25,295
Premium payable	2,477	3,138
Freight payable	29,822	15,918
Coping tools	89,683	-
employee benefits payable	1,111	1,923
Others	85,500	58,246
	$ 473,429	$ 271,675
Other current liabilities		
Allowance for returns and discounts	$ 64,533	$ 54,664
Temporary receivable	8,597	1,587
Contract liabilities	17,680	20,130
Others	20,487	34,084
	$ 111,297	$ 110,465

Relevant product return and discount liability reserves are estimated product returns and discounts that may occur based on historical experience, management judgment and other known reasons.

19. RETIREMENT BENEFIT PLANS

(1) Defined contribution plans

The pension system applicable to the "Labor Pension Act" of the company in the Group 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 in the Group 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. These companies 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 Group has no right to influence the investment management strategy.

The amounts included in the consolidated balance sheets in respect of the Group’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)

(Continue)

	Present Value of the Defined Benefit Obligation	Fair Value of the Plan Assets	Net Defined Benefit (Assets) Liabilities
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 Group 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 Group 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 22-6 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	Appropriation of Earnings For the Years Ended December 31 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

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.

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

(5) Other equity items

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

	For the Years Ended December 31 2022	For the Years Ended December 31 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	$ 6,861,906	$ 4,512,644

Please refer to Note 33 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	$ 7,750	$ 7,057
Dividends	1,427	1,903
Others	8,404	14,111
	$ 17,581	$ 23,071

(2) Other gains and losses

	For the Year Ended December 31	
	2022	2021
Gain (loss) on disposal of property, plant andequipment	$ 80	($ 5,767)
Gain (loss) on disposal of right-of-use assets	(808)	5
Foreign exchange gains (losses)	(532)	3,103
Others	(3,500)	(2,330)
	($ 4,760)	($ 4,989)

(3) Finance costs

	For the Year Ended December 31	
	2022	2021
Interest on lease liabilitie	$ 3,601	$ 381
Discounted interest on notes receivable	21,927	3,719
Interest on bank loans	7,603	3,212
	$ 33,131	$ 7,312

(4) Depreciation and amortization

	For the Year Ended December 31	
	2022	2021
Property,Plant and quipment	$ 165,441	$ 128,946
Right-of-use asset	45,334	7,230
Investment Property	1,911	1,684
Other intangible assets	3,199	3,818
Total	$ 215,885	$ 141,678
An ananysis of depreciation by function		
Operating costs	$ 157,721	$ 109,756
Operating expenses	53,054	26,420
Other expenses	1,911	1,684
	$ 212,686	$ 137,860
An ananysis of amortization by function		
Operating costs	$ 189	$ 55
Operating expenses	3,010	3,763
	$ 3,199	$ 3,818

(5) Employee Benefit Expenses

	For the Year Ended December 31	
	2022	2021
Short-term employee benefits	$ 685,474	$ 512,245
Post-employment benefits		
Defined contribution plan	5,807	5,602
Defined Benefit Plan （Note 19）	238	277
	6,045	5,879
Other employee benefit expenses	36,053	20,390
Total employee benefit expenses	$ 727,572	$ 538,514
Summary by function		
Operating costs	$ 509,306	$ 372,159
Operating expenses	218,266	166,355
	$ 727,572	$ 538,514

(6) 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.

(7) Foreign net exchange gain or loss

	For the Years Ended December 31	
	2022	2021
Foreign exchange gain	$ 62,058	$ 17,570
Foreign exchange loss	(62,590)	(14,467)
Net exchange gain or loss	($ 532)	$ 3,103

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	$ 134,702	$ 108,279
Income tax on unappropriated earnings	15,002	4,540
Adjustments for prior periods	943	(1,102)
Others	27,690	10,742
	178,337	122,459
Deferred income tax		
In respect of the current period	73,538	8,908
Income tax expense recognized in profit or loss	$ 251,875	$ 131,367

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	$ 927,333	$ 631,769
Income tax expense calculated at the statutory rate	$ 297,510	$ 209,524
Non-deductible expenses for tax purposes	422	384
Tax-exempt income	(285)	(381)
Income tax on unappropriated earnings	15,002	4,540
Unrecognized deductible Temporary differences	(82,882)	(87,103)
Adjustments for prior periods	943	(1,102)
Others	21,165	5,505
Income tax expense recognized in profit or loss	$ 251,875	$ 131,367

The tax rate applicable to subsidiaries in the PRC is 25%; in addition, according to the management method of high-tech enterprise recognition. Info-Tek Electronics (Suzhou) CO., LTD. High-tech enterprises that have been approved as national key support are entitled to a preferential tax rate of 15% for corporate income tax. Taxes generated in other jurisdictions are calculated according to the tax rates applicable in the respective jurisdictions.

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

	Opening Balance	Recognized in Profit or Loss	Recognized in other Consolidated profit or loss	Exchange Difference	Closing Balance
Deferred Tax Assets					
Temporary differences					
Allowance for decline in value of inventories and doubtful losses	$ 13,425	($ 2,169)	$ -	$ 156	$ 11,412
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	8,400	1,349	-	110	9,859
Other	8,157	(425)	-	110	7,842
	37,312	(1,067)	(5,529)	376	31,091
Loss Deduction Credit	46,784	(46,784)	-	-	-
	$ 84,096	($ 47,851)	($ 5,529)	$ 376	$ 31,091
Deferred Tax Liabilities					
Temporary differences					
Other financial liabilities	$ 13,079	$ -	$ -	$ 193	$ 13,272
Exchange differences on translating the financial statements of foreign	-	-	395	-	395
Undistributed earnings of subsidiaries	45,865	25,686	-	-	71,551
	$ 58,944	$ 25,686	$ 395	$ 193	$ 85,218

2021

	Opening Balance	Recognized in Profit or Loss	Recognized in other Consolidated profit or loss	Exchange Difference	Closing Balance
Deferred Tax Assets					
Temporary differences					
Allowance for decline in value of inventories and doubtful losses	$ 8,627	$ 4,734	$ -	$ 64	$ 13,425
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	5,340	3,057	-	3	8,400

(Continue)

	Opening Balance	Recognized in Profit or Loss	Recognized in other Consolidated profit or loss	Exchange Difference	Closing Balance
Other	6,643	1,513	-	1	8,157
	25,148	9,446	2,650	68	37,312
Loss Deduction Credit	58,933	(12,149)	-	-	46,784
	$ 84,081	($ 2,703)	$ 2,650	$ 68	$ 84,096

Deferred Tax Liabilities	Opening Balance	Recognized in Profit or Loss	Recognized in other Consolidated profit or loss	Exchange Difference	Closing Balance
Temporary differences					
Other financial liabilities	$ 13,178	$ -	$ -	($ 99)	$ 13,079
Undistributed earnings of subsidiaries	39,660	6,205	-	-	45,865
	$ 52,838	$ 6,205	$ -	($ 99)	$ 58,944

(4) 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 Group manages its capital to ensure that all the entities of the Group 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 Group consists of the Group'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 Group are not subject to other external capital requirements.

26. CASHLESS TRANSACTION

The Group carried out the following non-cash investment activities in 2022 and 2021:

	For the Years Ended December 31	
	2022	2021
Increase in property, plant and equipment	($ 257,821)	($ 61,711)
Increase in prepaid equipment	(167,266)	(38,655)
Increase in payables for equipment	9,585	(11,810)
Acquisition of real estate, plant and equipment pay cash	($ 415,502)	($ 112,176)

27. 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 consolidated 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 FVTPL		
Financial assets at amortized cost（Note 1）	$ 4,159,384	$ 2,740,773
Financial assets at FVTOCI－Investment in equity instruments	25,005	52,859
Financial liabilities		
Financial liabilities at amortized cost（Note 2）	3,013,417	1,638,848

Note 1: The balance includes financial assets measured at amortized cost, such as cash and cash equivalents, notes receivable, 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、Notes payable、Payables、Payables-Related parties、Other payables、Other payables- Related parties、Long-term loans due within one year and Long term loan Financial liabilities measured at amortized cost.

d. Financial risk management objectives and policies

The Group’s major financial instruments include cash and cash equivalents, notes receivable, trade receivables, trade receivables-related parties, other receivables, other receivables-related parties, borrowings, notes payable, trade payables, trade payables-related parties, other payables, other payables-related parties, current portion of long-term borrowings, Long-term borrowings 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 Group 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 Group engages in sales and purchase transactions denominated in foreign currencies, thus exposing the Group 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 group at the balance sheet date are shown in Note 31.

Sensitivity analysis

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

The following table details the sensitivity analysis of the Group when the exchange rates of NTD (functional currency) and RMB 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)	($ 20,660)	($ 11,995)

	The effect of U.S. dollar on RMB as the functional currency	
	For the Years Ended December 31	
	2022	2021
Loss (gain)	$ 8,256	$ 9,117

(2) Interest rate risk

The Group'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 Group's floating-rate loans will increase by $4,957 thousand and $2,400 thousand in 2022 and 2021, respectively.

ii. Credit Risk

Credit risk represents the risk of financial loss to the Group due to default of contractual obligations by counterparties. As of the balance sheet date, the Group'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 Group is mainly from:

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

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

iii. Liquidity risk

The Group has established an appropriate liquidity risk management framework to meet short-term, medium-term and long-term financing and liquidity management needs.The Group 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 Group's unused short-term bank financing amounted to 2,317,491 thousand and 2,862,864 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 Group may be required to repay. Therefore, the bank loans that the Group 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	$1,654,716	$ 754,211	$ -	$2,408,927
Lease liability	17,945	59,439	65,445	142,829
Floating Rate Instrument	258,611	170,441	175,438	604,490
	$1,931,272	$ 984,091	$ 240,883	$3,156,246

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	$ 944,155	$ 394,693	$ -	$1,338,848
Lease liability	4,886	13,224	15,290	33,400
Floating Rate Instrument	270,000	30,000	-	300,000
	$1,219,041	$ 437,917	$ 15,290	$1,672,248

e. Financial Asset Transfer Information

The Group did not sell any accounts receivable during the period.

Information about the Group's sale of notes receivable is as follows:

For the years ended December 31, 2022 and 2021, the Group discounted $3,362,484 thousand and $722,381 thousand, respectively, of notes without recourse.The discounted notes were derecognized from the notes receivable at the time of discounting because they did not carry recourse.

28. TRANSACTIONS WITH RELATED PARTIES

Balances and transactions between the Company and its subsidiaries, which are related parties of the Company, have been eliminated on consolidation and are not disclosed in this note. Details of transactions between the Group and other related parties are disclosed below.

(1) Related party name and categories

Related Party Name	Related Party Category
Walsin Technology Corp.	Associate
Walsin Lihwa Corporation	Associate
HannStar Board Corporation	Associate
Global Brands Manufacture Ltd.	Associate
Suzhou Walsin Technology Electronics Co., Ltd.	Other related party
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
Dong Guan CMK Global Brands Manufacture Ltd.	Other related party
DongGuan Yujia Electronics Technology Co., Ltd.	Other related party
VVG Inc.	Other related party
Hannstar Display (Nanjing) Co., Ltd.	Other related party
Inpaq Technology Co., Ltd	Other related party
Silitech Technology Corporation	Other related party
Jingjia Electronics Technology (Wuhu) Co., Ltd.	Other related party
Kunshan Yuansong Electronics Technology Co., Ltd.	Other related party

(2) Sales revenue

Account items	Category / name of related party	For the Years Ended December 31 2022	2021
Sales of goods	Other related party	$ 80,142	$ 51,246

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 Years Ended December 31 2022	2021
Other related party	$ 27,781	$ 19,150
Associate	11,081	10,188
	$ 38,862	$ 29,338

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

(4) Receivables from related parties

Account items	Category/name of related party	December 31 2022	2021
Accounts Receivables - Related Parties	Other related party	$ 34,576	$ 24,183
Other Receivables - related parties	Other related party	$ 198	3,325
	Less: Loss Allowance	-	(8)
		$ 198	$ 3,317

The outstanding trade receivables from related parties are unsecured.

(5) Payables to related parties

Account items	Category/name of related party	December 31 2022	December 31 2021
Accounts Payable - Related Parties	Other related party	$ 5,321	$ 4,810
	Associate	3,426	1,796
		$ 8,747	$ 6,606
Other payables - related parties	Other related party	$ 3,884	$ 1,243
	Associate	2,631	1,698
		$ 6,515	$ 2,941

The outstanding trade payables to related parties are unsecured.

(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		
Jingjia Electronics Technology (Wuhu) Co., Ltd.	$ 130,288	$ -
Kunshan Yuansong Electronics Technology Co., Ltd.	31,030	-
Silitech Technology Corporation	-	1,222
	$ 161,318	$ 1,222

(7) Disposal of property, plant and equipment

Category/name of related party	Proceeds For the Year Ended December 31 2022	Proceeds For the Year Ended December 31 2021	Gain on Disposal For the Year Ended December 31 2022	Gain on Disposal For the Year Ended December 31 2021
Other related party				
Jingjia Electronics Technology (Wuhu) Co., Ltd.	$ 3,828	$ -	$ 288	$ -
Kunshan Yuansong Electronics Technology Co., Ltd.	15,781	-	344	-
	$ 19,609	$ -	$ 632	$ -

(8) Lease Agreement

Category/name of related party	For the Year Ended December 31 2022	For the Year Ended December 31 2021
Acquisition of right-of-use assets		
Other related party		
Jingjia Electronics Technology (Wuhu) Co., Ltd.	$ 92,848	$ -

Account Item	Related Party Category	December 31 2022	December 31 2021
Lease liabilities	Other related party	$ 77,329	$ -

Category/name of related party	For the Year Ended December 31 2022	2021
Interest expense		
Other related party		
Jingjia Electronics Technology (Wuhu) Co., Ltd.	$ 1,883	$ -

The Group leased the factory of Jingjia Electronics Technology (Wuhu) Co., Ltd.in June 2022 for a period of three years at a fixed monthly rental payment based on the lease agreement with reference to the rental rate of similar assets.

(9) Rental Agreement

Operating Lease

The Group leases a factory to an affiliate, INPAQ Technology Co., Ltd. The lease period is 10 years. Rental rates are based on the rental rates of similar assets. A fixed monthly lease payment will be charged according to the lease agreement. The lease income recognized in 2022 was $6,729 thousand.

On November 1, 2022, the lease agreement was terminated early and the lease term expires on December 31, 2022.

(10) Other

Account Item	Category/name of related party	For the Year Ended December 31 2022	2021
Management and general expenses - Professional service fees	Associate	$ 9,537	$ 6,906
	Other related parties	-	1,168
		$ 9,537	$ 8,074
Management and general expenses – Mixcellaneous expenses	Other related parties	$ 622	$ -
	Associate	92	-
		$ 714	$ -
Management and general expenses - stock expense	Associate	$ 1,512	$ 1,532
Marketing expenses - entertainment expenses	Other related parties	$ -	$ 36
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	$ -
Management and general expenses －entertainment expenses	Other related parties	$ 33	$ -

Manufacturing Costs－Processing Fee	Other related parties	$ 28	$ -

(11) 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	$ 22,859	$ 28,460
Postretirement benefits	259	296
	$ 23,118	$ 28,756

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.

29. 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	2021
Land	$ 101,551	$ 101,551
Buildings - net	119,031	129,103
Investment real estate - net	20,427	21,860
	$ 241,009	$ 252,514

30. 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:

(1) 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.

(2) 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.

31. 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 Group. 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	$ 10,351	30.71	（USD：NTD）	$ 317,879
USD	1,566	6.9625	（USD：RMB）	48,062
JPY	8,502	0.2324	（JPY：NTD）	1,976
EUR	4	32.72	（EUR：NTD）	131

HKD	39	3.938 （HKD：NTD）	154
RMB	48	4.408 （RMB：NTD）	212
			$ 368,414

	Foreign currency	Exchange rate	Carrying Amount
Financial liabilities			
Monetary items			
USD	$ 2,287	30.71 （USD：NTD）	$ 70,234
USD	4,808	6.963 （USD：RMB）	147,561
EUR	55	7.4229 （EUR：RMB）	1,800
			$ 219,595

December 31, 2021

	Foreign currency	Exchange rate	Carrying Amount
Financial assets			
Monetary items			
USD	$ 6,718	27.68 （USD：NTD）	$ 185,954
USD	1,149	6.3742 （USD：RMB）	31,815
JPY	1,567	0.2405 （JPY：NTD）	377
EUR	33	31.32 （EUR：NTD）	1,034
HKD	39	3.549 （HKD：NTD）	138
RMB	347	4.344 （RMB：NTD）	1,507
			$ 220,825
Financial liabilities			
Monetary items			
USD	1,103	27.68 （USD：NTD）	$ 30,531
USD	5,078	6.3742 （USD：RMB）	140,607
EUR	18	7.2099 （EUR：RMB）	564
			$ 171,702

The Group's foreign currency exchange gains (losses) (realized and unrealized) amounted to $(532) thousand and $3,103 thousand in 2022 and 2021, respectively. Due to the wide variety of foreign currency transactions and the Group's individual functional currencies, it is not possible to disclose the exchange gains or losses by each material currency.

32. ADDITIONAL DISCLOSURES

i. 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. Others: The business relationship between the parent and the subsidiaries and

significant transactionsbetween them: (Table 5)

j. Information on investees: (Table 3)

ii. 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 6)
(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
(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

iii. Information of major shareholders
List of all shareholders with ownership of 5% or greater showing the names and the number of shares and percentage of ownership held by each shareholder. (Table 7)

33. SEGMENT INFORMATION

Information reported to the chief operating decision maker for the purpose of resource allocation and assessment of segment performance focuses on the types of goods or services delivered or provided.
PCBA －EMS1
－EMS3

(1) Segment revenue and results

The following was an analysis of the Group’s revenue and results from continuing operations by reportable segments:

	Operating revenue		Profit (loss) from operations	
	For the Year Ended December 31			
	2022	2021	2022	2021
PCBA －EMS1	$ 465,637	$ 399,037	$ 59,405	$ 271
－EMS3	6,397,600	4,114,579	961,455	671,606
Adjustments	(1,331)	(972)	(79,307)	(54,483)
Profit from operations	$ 6,861,906	$ 4,512,644	$ 941,553	$ 617,394
Interest income			$ 6,090	$ 3,605
Dividend income			1,427	1,903
Gain (Loss)on disposal of property, plant and equipment			80	(5,767)
Gains on disposals of Right-of-use asset			(808)	5

Foreign exchange (loss) gain			(532)	3,103

	Operating revenue		Profit (loss) from operations	
	For the Year Ended December 31			
	2022	2021	2022	2021
Rental income			7,750	7,057
Financial costs			(33,131)	(7,312)
Other income			4,904	11,781
Profit before Income tax from continune operations			$ 927,333	$ 631,769

The revenue reported above was generated from transactions with external clients. For the years 2022 and 2021 do not include any intersegment sales.

Segment interests refer to the profits earned by each department, excluding interest income, dividend income, disposition of real estate, plant and equipment gains and losses, net gains (losses) from foreign currency exchange, rental income, financial instrument evaluation gains and losses, financial costs, and other income and income tax expense. This measure is provided to the chief operating decision maker to allocate resources to segments and measure their performance.

(2) Total segmental assets and liabilities

	December 31	
	2022	2021
Segment assets		
Continuing Operations Segment		
EMS1	$ 853,087	$ 700,400
EMS3	5,608,140	3,701,080
Segment assets	6,461,227	4,401,480
Unallocated assets	31,091	84,096
Total assets	$ 6,492,318	$ 4,485,576
Segment liabilities		
Continuing Operations Segment		
EMS1	$ 153,288	$ 73,315
EMS3	2,674,177	1,565,054
Segment liabilities	2,826,587	1,638,369
Unallocated liabilities	689,708	358,944
Total liabilities	$ 3,517,173	$ 1,997,313

Based on the purpose of monitoring departmental performance and allocating resources to each department:

a. All assets other than deferred tax assets are allocated to reportable segments. Assets used jointly by reportable departments are apportioned on the basis of income earned by the respective reportable departments; and

b. All liabilities other than borrowings and current and deferred income tax liabilities are allocated to reportable segments. Liabilities jointly borne by reportable departments are apportioned in proportion to departmental assets

(3) Revenue from major products

The following was an analysis of the Group's revenue from continuing operations from its major products and services:

	For the Years Ended December 31	
	2022	2021
PCBA	$ 6,861,906	$ 4,512,644

(4) Geographical information

The Group operates in two main regions - Taiwan and China.

The Group's revenue from continuing operations unit of external customers by location of operations were detailed as below:

	Revenue from External Customers	
	For the Years Ended December 31	
	2021	2021
Asia	$ 6,770,769	$ 4,410,537
Europe	91,137	99,714
America	-	2,393
	$ 6,861,906	$ 4,512,644

(5) Information about major customers

Single customers contributing 10% or more to the Group's revenue were as follows:

	For the Years Ended December 31	
	2022	2021
Customer A	$ 1,789,169	$ 1,147,105
Customer B	1,267,056	$ 1,561,624
Customer C	905,988	188,201
Customer D	908,550	111,279
Other（Note 1）	1,991,193	1,504,435
	$ 6,861,906	$ 4,512,644

Note: Revenue less than 10% of the Group's revenue.

TABLE 1

INFO-TEK CORPORATION AND SUBSIDIARIES

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.

INFO-TEK CORPORATION AND SUBSIDIARIES

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 AND SUBSIDIARIES

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 AND SUBSIDIARIES

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 AND SUBSIDIARIES

INTERCOMPANY RELATIONSHIPS AND SIGNIFICANT INTERCOMPANY TRANSACTIONS

FOR THE YEAR ENDED DECEMBER 31, 2022
(Amounts In Thousands of New Taiwan Dollars)

No. (Note 1)	Investee Company	Counterparty	Relationship (Note 2)	Transaction Details			
				Financial Statement Accounts	Amount	Payment Terms	% of Total Sales or Assets (Note 3)
0	Info-Tek Corporation	Info-Tek Electronics (Suzhou) CO., LTD.	1	Other receivables from related parties	$ 7,932	No significant difference with non-related parties	
		Info-Tek Electronics (Suzhou) CO., LTD.	1	Sales	1,331	〃	
		INFO-TEK HOLDING CO., LTD.	1	Other receivables from related parties	8,649	〃	
		INFO-TEK HOLDING CO., LTD.	1	Other payables from related parties	10	〃	
		INFO-TEK HOLDING CO., LTD.	1	Other income	740	〃	
1	Info-Tek Electronics (Suzhou) CO.,LTD.	Info-Tek Corporation	2	Trade payables to related parties	7,915	〃	
		Info-Tek Corporation	2	Other payables from related parties	17	〃	
		Info-Tek Corporation	2	Cost of goods sold	1,331	〃	
		INFO-TEK HOLDING CO., LTD.	3	Finance costs	278	〃	
		INFO-TEK HOLDING CO., LTD.	3	Other payables from related parties	16,997	〃	
		SUNRISE CORPORATION	3	Finance costs	1,535	〃	
		SUNRISE CORPORATION	3	Other payables from related parties	252,165	〃	3.88%
2	INFO-TEK HOLDING CO., LTD.	Info-Tek Corporation	2	Other payables from related parties	8,649	〃	
		Info-Tek Corporation	2	Other receivables from related parties	10	〃	
		Info-Tek Corporation	2	Operating expenses	740	〃	
		Info-Tek Electronics (Suzhou) CO., LTD	3	Other receivables from related parties	16,997	〃	
		Info-Tek Electronics (Suzhou) CO., LTD	3	Interest income	278	〃	
3	SUNRISE CORPORATION	Info-Tek Electronics (Suzhou) CO., LTD	3	Other receivables from related parties	252,165	〃	3.88%
		Info-Tek Electronics (Suzhou) CO., LTD.	3	Interest income	1,535	〃	

Note 1: The number “0” represents for parent company, and the subsidiaries is numbered sequentially.

Note 2: The relationship is classified in 3 categories:
1: Represents for the transaction from parent company to subsidiary;
2: Represents for the transaction from subsidiary to parent company;
3: Represents for the transactions between subsidiaries.

Note 3: The percentage of total assets is calculated using the ending balance divided by the total consolidated assets; the percentage of total revenue is calculated using the accumulated amount during the period divided by the total consolidated sales revenue.

TABLE 6

INFO-TEK CORPORATION AND SUBSIDIARIES

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 7

INFO-TEK CORPORATION AND SUBSIDIARIES

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 been repurchased by the Company.

6.5 A parent company only financial statement for the most recent fiscal year

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:

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

6. 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.

7. 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.

8. 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

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.

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:

7. 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.

8. 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.

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

10. 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.

11. 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.

12. 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

(Continued)

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 (Note 20)	Capital Surplus (Note 20)	Retained Earnings（Notes 4 and 20）			Other equity(Note 20)			Treasury shares(Note 20)	Total
			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		
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)

(Continued)

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)

34. 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.

35. APPROVAL OF FINANCIAL STATEMENTS

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

36. 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.

37. 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:

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

d. 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:

c. Assets held primarily for the purpose of trading;

d. 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:

d. Liabilities held primarily for the purpose of trading;

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

f. 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

c. 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.

d. 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.

IV. 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:

c. 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

d. 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.

V. 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.

VI. 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.

Warranty

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.

Sales revenue

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.

iv. 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.

v. 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.

vi. 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.

38. 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%	-

13. 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	$ -

(8) 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.

(9) 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	11.3years

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

c. 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.

d. 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

c. 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).

d. 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

(10) 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.

(11) 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.

(12) 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

(13) 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

	2022	2021
	$ 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

f. 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.

g. 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.

h. 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.

i. 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. <u>ADDITIONAL DISCLOSURES</u>

(1). Information about significant transactions and investees:

k. Financings provided: (Table 1)
l. Marketable securities held (excluding investments in subsidiaries): (Table 2)
m. Marketable securities acquired and disposed of at costs or prices of at least NT$300 million or 20% of the paid-in capital: None
n. Acquisition of individual real estate properties at costs of at least NT$300 million or 20% of the paid-in capital: None
o. Disposal of individual real estate properties at prices of at least NT$300 million or 20% of the paid-in capital: None
p. Total purchases from or sales to related parties of at least NT$100 million or 20% of the paid-in capital: None
q. Receivables from related parties amounting to at least NT$100 million or 20% of the paid-in capital: None
r. Information about the derivative financial instruments transaction: None
s. 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)

TABLE 1

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 Shares	Balance, January 1, 2021 Amount	Additions in Investment Shares	Additions in Investment Amount	Decrease in Investment Shares	Decrease in Investment Amount	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 Shares	Balance, December 31, 2021 %	Balance, December 31, 2021 Amount	Net Assets Value	Note
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.

STATEMENT 8

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.

6.6 Any financial crunch confronted by the Company or its subsidiaries and related impacts in the most recent year and up to the date of annual report publication: N/A

VII. Financial Status, Operating Results and Risk Management

7.1 Financial Status

The significant changes in assets, liabilities, and equity over the past two years and their respective impacts

Unit: NT$ thousands

Item \ Year	2022	2021	Difference	
			Amount	%
Current assets	5,065,713	3,349,311	1,716,402	51.25
Property, plant and equipment	1,081,196	883,877	197,319	22.32
Intangible assets	6,106	6,233	(127)	-2.04
Other assets	339,303	246,155	93,148	37.84
Total assets	6,492,318	4,485,576	2,006,742	44.74
Current liabilities	3,158,548	1,784,223	1,374,325	77.03
Long term liability	358,625	213,090	145,535	68.30
Total liabilities	3,517,173	1,997,313	1,519,860	76.10
Capital stock	1,212,511	1,212,511	0	-
Capital surplus	191,691	191,691	0	-
Retained earnings	1,663,848	1,138,704	525,144	46.12
Other equity interest	(42,909)	(38,752)	(4,157)	-10.73
Treasury Stock	(49,996)	(15,891)	(34,105)	-214.62
Total equity of the shareholders	2,975,145	2,488,263	486,882	19.57

●Adoption of International Financial Reporting Standards

Analysis of the changes in proportion:

1. Current Assets: The increase is primarily due to an increase in accounts receivable and inventory.
2. Property, Plant, and Equipment: The increase is mainly a result of increased capital expenditures to meet order demand.
3. Other Assets: The increase is primarily due to the addition of operating lease assets, prepaid equipment expenses, and refundable deposits.
4. Total Assets: The increase is mainly attributable to the increase in accounts receivable, inventory, and other assets.
5. Current Liabilities, Long-term Liabilities, Total Liabilities: The increase is primarily due to an increase in short-term and long-term borrowings, accounts payable, and notes payable.
6. Retained Earnings: The increase is mainly attributed to the growth in revenue and profitability.
7. Treasury Stock: The decrease is due to the repurchase of 500 shares of treasury stock in the 111th year.

7.2 Financial Performance

The main reasons for significant changes in operating revenue, operating profit, and pre-tax profit in the past two years

Unit: NT$ thousands

Year / Item	2022	2021	Difference	Percentage change(%)
Operating revenue	6,861,906	4,512,644	2,349,262	52.06
Operating costs	5,374,849	3,454,791	1,920,058	55.58
Gross profit from operations	1,487,057	1,057,853	429,204	40.57
Operating expenses	545,504	440,459	105,045	23.85
Operating Income	941,553	617,394	324,159	52.50
Non-operating income and expenses	-14,220	14,375	-28,595	-198.92
Profit before income tax	927,333	631,769	295,564	46.78
Income tax expense	251,875	131,367	120,508	91.73
Net Profit	675,458	500,402	175,056	34.98

●Adoption of International Financial Reporting Standards

Analysis of the changes in proportion:

1.Increased operating revenue, operating expenses, and gross profit:
This is due to the growth in demand from end customers in the fiscal year 2022, resulting in increased revenue. Additionally, adjustments in product mix and strict cost control measures have contributed to the increase in gross profit.

2.Increased operating expenses: The increase in operating expenses is attributable to the growth in revenue in the fiscal year 2022, as operating expenses tend to increase alongside revenue.

3.Increased pre-tax net profit, income tax expense, and net profit for the period: This is a result of the increase in net profit in the fiscal year 2022, which leads to a relative increase in income tax expense.

7.3 Cash Flow

A. Cash Flow Analysis for the Current Year

Unit: NT$ thousands

Cash and Cash Equivalents, Beginning of Year ①	Annual net cash flow from operating activities.	Cash Outflow ③	Cash Surplus (Deficit) ①+②-③	Leverage of Cash Deficit	
				Investment Plans	Financing Plans
390,662	403,108	305,440	488,330	-	-

(1) Analysis of recent year's (2022) cash flow changes:

Operating Activities: Net cash inflow of NT $ 403,108 thousands , mainly due to an increase in pre tax net income and the collection of accounts receivable control.

Investing Activities: Net cash outflow of NT $ 385,139 thousands , primarily due to an increase in real estate, plant, and equipment.

Financing Activities: Net cash inflow of NT $ 62,589 thousands, mainly due to an increase in borrowings during the period.

(2) Contingency plans for projected insufficient cash position: N/A

B. Cash Flow Analysis for the Coming Year

Unit: NT$ thousands

Cash and Cash Equivalents, Beginning of Year ①	Annual net cash flow from operating activities.	Cash Outflow ③	Cash Surplus (Deficit) ①+②-③	Leverage of Cash Deficit	
				Investment Plans	Financing Plans
488,330	643,375	672,728	458,977	-	-

(1) Cash Flow Analysis for the Coming Year (2023):

Operating Activities: Expected cash inflow of NT$ 643,375 thousands, primarily due to the expected net income for the period and depreciation and amortization expenses. .

Investing Activities: Expected cash outflow of NT$ 148,185 thousands, mainly due to payments for the purchase of machinery and equipment.

Financing Activities: Expected net cash outflow of NT$ 524,543 thousands, primarily due to the payment of cash dividends and repayment of loans.

(2) Contingency plans for projected insufficient cash position: N/A

7.4 Major Capital Expenditures and Impact on Financial and Business in the most recent year:

In 2022, capital expenditures were used to increase automation equipment, replace old machinery and equipment, and undertake factory renovation projects. Through these investments, the company aimed to enhance production line capacity, efficiency, yield, and order fulfillment capabilities, thereby strengthening its competitiveness and profit-making ability.

7.5 I Investment Policy of the Past Year, Profit/Loss Analysis, Improvement Plan and Investment Plan for the Coming Year

The main reasons for profits or losses and the investment plans for the coming year:

Unit:NT$ thousands

Item / Reinvestment	Investment gains or losses	Reason(s) for investment gains or losses	Improvement Plan	Investment Plans for the Coming Year:
INFO-TEK HOLDING CO., LTD.	15,629	It is mainly due to the profitability of the subsidiary company, INFO-TEK Electronics CO,.LTD., which accounted for 7.79% of the investment income.	Continued Operations	None
INFO-TEK Electronics (Suzhou) CO,.LTD.	805,874	Mainly due to increased revenue, changes in product structure, and improved production efficiency.	Continued Operations	None
SUN RISE CORPORATION	743,325	It is mainly due to the profitability of the subsidiary company, INFN-TEK Electronics CO, .LTD., which accounted for 92.21% of the investment income.	Continued Operations	None

7.6 Risk Management

A .The effect upon the Company's profits (losses) of interest and exchange rate fluctuations and changes in the inflation rate, and response measures to be taken in the future.

(1) The effect upon the Company's profits (losses) of interest rate fluctuations and response measures to be taken in the future. In recent years, both New Taiwan Dollar and foreign currency interest rates have fluctuated with market mechanisms. The overall borrowing position of our company is adjusted based on operational needs. In terms of fund planning, the company prioritize conservatism, safety, and liquidity. The company also regularly evaluate currency market interest rates and financial information. Assuming that our company's borrowings at the end of 2022 year are held throughout the year with an increase of 1% in interest rates, and other conditions remain unchanged, the interest expense will increase by approximately NT$ 4.96 million (about 0.07% of revenue). Therefore, the interest rate fluctuations have not had a significant impact on our company.

(2) The effect upon the Company's profits (losses) of exchange rate fluctuations and response measures to be taken in the future. In recent years, the exchange rate of the New Taiwan Dollar has fluctuated up and down with changes in the global economic environment. In the 2022 fiscal year, our company recognized a net exchange loss of NT$ 530,000, accounting for 0.008% of the net operating income for that year. Therefore, the impact of exchange rate fluctuations on our company remains under control. To respond to exchange rate fluctuations, our company collects quotations and data on international finance, exchange rates, and interest rate products provided by partner banks to timely monitor exchange rate movements. In addition, the company have implemented the following exchange rate hedging measures: Establishing foreign exchange accounts to adjust the holding positions of US dollars flexibly, based on fund requirements and exchange rate volatility, to determine the appropriate timing for settlement, payment of goods, and repayment of foreign currency loans. Engaging in forward exchange transactions for pre-purchase and pre-sale of foreign currencies to secure import and export interests during exchange rate fluctuations. Adjusting the currency composition of receivables, payables, and foreign currency assets and liabilities, as well as seeking ways to reduce net exchange rate risk exposure, in order to achieve natural hedging effects.

Exchange rate factors are considered when quoting prices to customers to ensure reasonable profitability for the company.

(3) The effect upon the Company's profits (losses) of inflation rate and response measures to be taken in the future. Due to the impact of the pandemic and the conflict between Russia and Ukraine, inflation reached a peak in 2022. The U.S. Federal Reserve has been aggressively raising interest rates in an attempt to reduce inflation. Our company develops products tailored to specific customer needs rather than general consumer products. As a result, we are able to reflect the increased costs resulting from inflation in the selling prices of our products. Therefore, inflation has a minimal impact on our company.

B. Policies, Main Causes of Gain or Loss and Future Response Measures with Respect to Highrisk, High-leveraged Investments, Lending or Endorsement Guarantees, and Derivatives Transactions

(1) The company follows its established policies and measures outlined in the "Asset Acquisition or Disposal Procedures," "Funds Lending Procedures," and "Endorsement and Guarantee Procedures" for its activities related to lending funds to others, endorsing guarantees, and engaging in derivative transactions.

(2) The company focuses on the development of its core business and did not engage in high-risk or highly leveraged transactions in the fiscal year 2022. It only provided funds lending to its wholly-owned subsidiaries to help them obtain lower-cost sources of funds. 。

(3) The company provided endorsement guarantees only to its wholly-owned subsidiaries for financing activities and did not provide endorsement guarantees to others in the fiscal year 2022. (4) When engaging in derivative transactions, the company adheres to the procedures outlined in the "Derivative Financial Instrument Trading Procedures" approved by the shareholders' general meeting. Up to the present time, the company's derivative financial instrument transactions have been limited to forward foreign exchange operations for the purpose of hedging foreign currency positions, resulting in limited profits and losses.

C. Future Research & Development Projects and Corresponding Budget

1. Future Research & Development Projects
   (1) Development of fully automated production lines for the entire process of passenger car projects.
   (2) Development of automated adhesive bonding processes for Routing Vacuuming and Wire Harness Board products to enhance automation in production.
   (3) Development of BGA bottom fill adhesive processes for automotive applications, addressing the demands of next-generation automotive products.
   (4) Continuously applying for intellectual property rights, such as software, invention patents, and utility model patents.
2. Expected Research Expenditure: R&D expenses accounting about 3%~5% of total operating revenue in 2023.

D. Effects of and Response to Changes in Policies and Regulations Relating to Corporate Finance and Sales

1. Impact of the US-China trade war on the company's business:
   (1) Impact on the company's China factory:
      a. Impact of the US-China trade war on the company's business:
      The company's China factory has actively cooperated with government policies and become part of the local supply chain, primarily catering to the China market. Therefore, the direct impact of the US-China trade war on the company's China factory orders is limited.
      b. Impact on the company's Taiwan factory:
      Due to restrictions on tech products manufactured in China by the US, many companies have adjusted their sourcing regions and shifted orders away from the China market, with some being redirected to Taiwan for production. The company's Taiwan factory will actively pursue these orders. Overall, this situation is advantageous for the Taiwan factory.
   (2) Corresponding Strategies
   In response to the diversion effect caused by the US-China trade war, the company's Taiwan factory has been carrying out factory renovations, acquiring additional machinery and equipment, expanding its workforce, and scaling up production to seize new business opportunities.
2. In the future, the company's management team will continue to closely monitor any policies and regulations that may affect the company's operations. Appropriate strategies will be implemented to respond to these changes and ensure that any impacts develop in a favorable and positive direction.

F. Effect on the company's financial operations of developments in science and technology (including cyber security risks) as well as industrial change, and measures to be taken in response:

The company's management team has always closely monitored any relevant information and trends regarding technological changes and industry developments. In the future, the company will actively invest in research and development to enhance its competitiveness. Additionally, the company will continue to promote cybersecurity initiatives to mitigate information security risks and achieve the goal of continuous operations.

G. The Impact of Changes in Corporate Image on Corporate Risk Management, and the Company's Response Measures: The company has always upheld the principles of professionalism and integrity, committed to maintaining its corporate image and complying with legal regulations. In the event of any situations that may impact the corporate image or violate legal requirements, a dedicated task force will be formed to develop appropriate response strategies. As of now, no incidents that could significantly affect the corporate image or breach legal regulations have occurred.

H. Expected Benefits from, Risks Relating to and Response to Merger and Acquisition Plans: The company did not have any merger or acquisition plans in the most recent fiscal year. However, in the future, if there are any merger or acquisition plans, the company will approach them with a cautious evaluation mindset, considering whether the proposed mergers or acquisitions can bring tangible synergies to the company and effectively safeguard shareholders' rights and interests.

I. Expected Benefits from, Risks Relating to and Response to Factory Expansion Plans:

(1) In addition to continuously expanding the production capacity of the Hsinchu and Suzhou plants, the company also added a new plant in Wuhu last year to meet the growing demand from customers.

(2) Expected benefits: The capital expenditure in the fiscal year 2022 was used to increase the automation equipment, replace outdated machinery and equipment, and renovate the plant. Through this investment, the company aims to increase the production capacity, efficiency, yield, and order fulfillment capability of the production lines, thus enhancing the company's competitiveness and profitability.

(3) The newly acquired machinery and equipment have a high level of commonality, allowing for the production of other SMT products if the existing products are not being manufactured. In case of long-term idle capacity, they can also be resold to other manufacturers, ensuring high liquidity and limited risk of loss.

J. Risks Relating to and Response to Excessive Concentration of Purchasing Sources and Excessive Customer Concentration:

1. Risk of Concentrated Purchasing

The main materials procured by the company are primarily printed circuit boards, chipsets, connectors, inductors, capacitors, and electronic components. There have been no significant changes in the suppliers of these materials in the past three years, and the major material suppliers have more than two sources, mitigating the risks of supply shortages or excessive concentration of purchasing sources.

2. Risk of Concentrated Sales

In the fiscal year 2022, sales to the largest customer accounted for 26.07% of total sales, a decrease from 34.61% in 2021. Apart from the impact of industry demand, the company continues to attract new customers, secure new orders, and actively pursue the application and development of new processes and technologies. By expanding the service scope and diversifying the customer base, the company aims to mitigate the risk of excessive concentration of sales.

K. Effects of, Risks Relating to and Response to Large Share Transfers or Changes in Shareholdings by Directors, Supervisors, or Shareholders with Shareholdings of over 10%: Remedial actions: There is no Large Share Transfers or Changes in Shareholdings by Directors, Supervisors, or Shareholders with Shareholdings of over 10%

L. Effects of, Risks Relating to and Response to the Changes in Management Rights: There is no effects of, Risks Relating to the Changes in Management Rights:

M. Litigious and non-litigious matters. List major litigious, non-litigious or administrative disputes that:

(1) involve the Company and/or any company director, any company supervisor, the general manager, any person with actual responsibility for the firm, any major shareholder holding a stake of greater than 10 percent, and/or any company or companies controlled by the Company; and

(2) have been concluded by means of a final and unappealable judgment, or are still under litigation.

Where such a dispute could materially affect shareholders' equity or the prices of the Company's securities, the annual report shall disclose the facts of the dispute, amount of money at stake in the dispute, the date of litigation commencement, the main parties to the dispute, and the status of the dispute as of the date of publication of the annual report: N/A.

N. Other important risks, and mitigation measures being or to be taken:

The COVID-19 pandemic has had an impact on the supply chain of information technology products, resulting in inventory risks and potential downward risks to global long-term economic growth. The company will continue to closely monitor the macro environment and flexibly adjust its organization and business operations. Additionally, it will strengthen its working capital to adapt to various changes.

7.7 Other Major Issues: N/A

VIII. Special Disclosure

8.1 Summary of Affiliated Enterprise

(1) Related Party Consolidated Operating Report: Please refer to pages 239-241.

(2) Related Party Consolidated Financial Statements: Please refer to pages 92-158.

(3) Related Party Report: Not available.

8.2 Progress of private placement of securities during the most recent year and up to the date of annual report publication: N/A

8.3 The subsidiaries' shareholding or disposal of the company's shares during the most recent year and up to the date of annual report publication: N/A

8.4 Other supplemental information: N/A

8.5 Corporate events with material impact on shareholders' equity or stock prices set forth in Subparagraph 2,Paragraph 2, Article 36 of the Securities and Exchange Act during the most recent year and up to theannual report publication date: N/A.

INFO-TEK CORPORATION

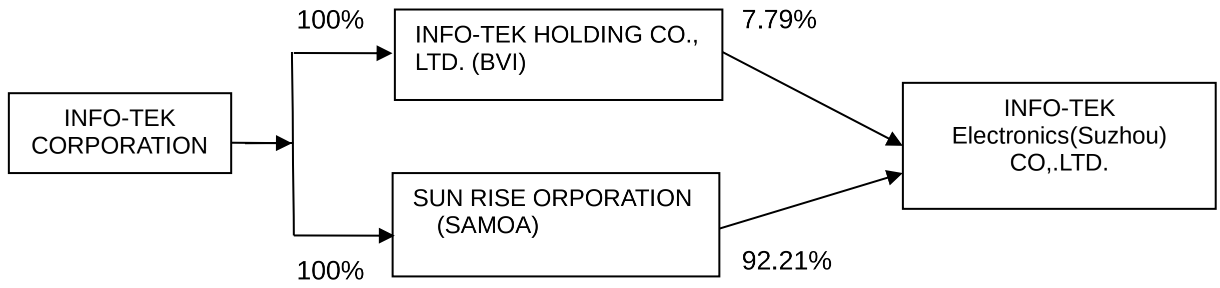
Related Party Consolidated Operating Report

2022

(1) Affiliates information

1. Organization chart of Affiliated Enterprise

March 31, 2022



2. Basic information of affiliates

December 31, 2022
Unit: NT$ thousands

Company Name	Established Date	Address	Paid-in Capital	Main Business or ProductionItem
INFO-TEK HOLDING CO., LTD.	1998/8/6	Vistra Corporate Services Centre, Wickhams Cay Ⅱ, Road Town Tortola,VG1110, British Virgin Islands	110,726	General Trading and General Investment Business
SUN RISE CORPORATION	2000/8/4	Vistra Corporate Services Centre, Ground Floor NPF Building, Beach Road, Apia, Samoa	1,167,689	General Investment Business
INFO-TEK Electronics (Suzhou) CO,.LTD.	2001/9/28	183 Jinfeng Road, Suzhou New District, Suzhou City, Jiangsu Province.	1,233,562	Manufacturing, assembly, and sales of information electronic product motherboards.

(3) Shareholders representing both holding companies and subordinates: None

(4) Business Scope of the Company and Its Affiliated Companies:
The main business of our company and its related enterprises is the manufacturing, processing, and sales of computer, communication, and consumer electronic products, including 3C electronic products. Additionally, some of the related enterprises are engaged in investment activities.Overall, these related enterprises collaborate and support each other through the exchange of technology, production capacity, marketing, and services, aiming to create maximum synergies.

1. Our company is responsible for coordinating and managing the entire group, as well as overseeing production, sales, and investment activities.
2. INFO-Tek Electronics (Suzhou) CO,.LTD. is our company's production and sales hub located in Suzhou, China.
3. SUN RISE CORPORATION primarily engages in general investment activities, focusing on investing in subsidiary companies in China.
4. INFO-TEK HOLDING CO., LTD. primarily engages in sales operations and after-sales services across different regions.

(5) Directors, Supervisors and Presidents of Affiliated Companies

December 31, 2022/Unit: Shares

<table>
<tr><th rowspan="2">Company Name</th><th rowspan="2">Title</th><th rowspan="2">Name or Representative</th><th colspan="2">Shareholding</th></tr>
<tr><th>Number of shares</th><th>Ratio (%)</th></tr>
<tr><td>INFO-TEK HOLDING CO., LTD</td><td>Director</td><td>INFO-TEK CORPORATION (Representatives: ZhenYou Liu, Penghuang Peng, PoChang Huang)</td><td>3,700,000</td><td>100</td></tr>
<tr><td>SUN RISE CORPORATION</td><td>Director</td><td>INFO-TEK CORPORATION (Representatives: ZhenYou Liu, Penghuang Peng, PoChang Huang)</td><td>35,500,000</td><td>100</td></tr>
<tr><td rowspan="3">INFO-TEK Electronics (Suzhou) CO,.LTD.</td><td>Chairman</td><td>SUN RISE CORPORATION (Representatives: ZhenYou Liu)</td><td rowspan="3">-</td><td rowspan="3">100</td></tr>
<tr><td>Director</td><td>SUN RISE CORPORATION (Representatives: Penghuang Peng, YuChen Hsu)</td></tr>
<tr><td>Supervisor</td><td>SUN RISE CORPORATION (Representatives: PoChang Huang)</td></tr>
</table>

Note 1: The invested companies are limited liability companies, therefore their investment amounts and investment ratios are presented.

2. Affiliates' Operating Results

December 31, 2022
Unit: NT$ thousands

Company Name	Paid-in capital	Total Assets	Total Liability	Net Value	Operating Income	Operating Profit (Loss)	Net Income (Loss) (After tax)
INFO-TEK HOLDING CO., LTD.	110,726	244,812	16,815	227,997	2	(42,037)	15,629
SUN RISE CORPORATION	1,167,689	2,585,988	-	2,585,988	-	(119)	743,325
INFO-TEK Electronics (Suzhou) CO,.LTD.	1,233,562	5,532,775	3,090,016	2,442,759	6,397,598	985,766	805,874