

Ampacs Corporation

Individual Financial Statements
and Auditor's Report
Year 2022 and Year 2021

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For the convenience of readers and for information purpose only, the auditors' report and the accompanying financial statements have been translated into English from the original Chinese version prepared and used in the Republic of China. In the event of any discrepancy between the English version and the original Chinese version or any differences in the interpretation of the two versions, the Chinese-language auditors' report and financial statements shall prevail.

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Accountant's audit report

Ampacs Corporation statements :

Audit opinion

The individual balance sheets of Ampacs Corporation as of December 31, Year 2022 and Year 2021, and the individual income statements, individual statement of changes in equity, individual cash flow statements, and notes to the financial statements (including a summary of significant accounting policies) for the period January 1, Year 2022 through December 31, Year 2022 and January 1, Year 2021 through December 31, Year 2021 have been audited by our auditors.

Based on the opinion of our auditors and other auditor's reports (please refer to the Other Matters section), the individual financial statements above have been prepared in accordance with the Financial Reporting Standards for Issuers of Securities and are adequate to represent the individual financial position of Ampacs Corporation as of December 31, Year 2022 and Year 2021, as well as the individual financial performance and cash flows for the period from January 1, Year 2022 through December 31, Year 2022 and January 1, Year 2021 through December 31, Year 2021, in all material respects.

Basis of Audit Opinion

We, as auditors, have conducted our audit work in accordance with the Regulations Governing the Audit Signatures of Certified Public Accountants and the Auditing Standards. The accountant's responsibility under these standards will be further explained in the paragraph of responsibility of the accountant for examining the individual financial report. Personnel of our accounting firm subject to the independent requirements have complied with the code of professional ethics of certified public accountants, stayed fully independent of Ampacs Co., Ltd., and fulfilled other responsibilities in accordance with the code. Based on our audit findings and the audit

reports of other auditors, we believe that we have obtained sufficient and appropriate audit evidence to serve as the 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 Ampacs Corporation's individual financial statements for the year ended December 31, 2022. These matters were addressed during the audit of the overall parent company only financial statements and in the formation of our opinion. We do not express our opinion on these matters separately.

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit on the Ampacs Corporation's individual financial statements for the year ended December 31, 2022.

Sales Revenue Recognition

The main source of operating revenue for Ampacs Corporation comes from the production and sales of earphone products, with changes primarily driven by the volume of products manufactured for specific customer groups. As the recognition of revenue from specific sales has a significant impact on financial performance, the recognition of sales revenue from specific customers for Ampacs Corporation is identified as a key audit matter for the current year.

Audit procedures related to the occurrence of sales revenue are summarized as follows:

1. Understand the relevant internal control systems and operating procedures related to the sales transaction process, assess the design and implementation of internal controls, and perform internal control testing to obtain sufficient and appropriate audit evidence on the effectiveness of relevant control execution.
2. Determine appropriate sampling methods and sample sizes, audit internal and external evidence to verify the occurrence of sales transactions and confirm the accuracy of the annual sales revenue.
3. Review the records of receipts and their corresponding invoices to evaluate whether the amount of receipts and the recipient of funds are consistent with the shipping recipient to provide evidence of the occurrence of sales transactions.

Other Matters

The financial statements of the entity include an investment in a company, Ability Technology Co., Ltd. which is accounted for using the equity method. However, the financial statements of JAAbility Technology Co., Ltd were audited by another auditor instead of our firm. Therefore, with respect to the investment accounted for using the equity method, the amount and disclosure in the financial statements of the entity are based on the audit report of the other auditor. The investment balance accounted for using the equity method in the aforementioned investee company as of December 31, 2022, was NTD 14,968 thousand, accounting for 0.24% of the total assets. The investment loss recognized for the investee company accounted for using the equity method from January 1, 2022, to December 31, 2022, was (NTD 4,442 thousand), accounting for (3.67%) of the total comprehensive income.

Responsibility of the Management and the Governing Body for the Individual Financial Reports

The responsibilities of management are to prepare appropriately stated parent company only financial statements in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers. Management is also responsible for maintaining necessary internal control relevant to the preparation of the parent company only financial statements to ensure that the parent company only financial statements are free from material misstatement by fraud or error.

In preparing the individual financial statements, the management's responsibility also includes evaluating the ability of Ampacs Corporation to continue as a going concern, disclosing related matters, and adopting the going concern basis of accounting, unless the management intends to liquidate Ampacs Corporation or cease operations, or there are no other viable alternatives other than liquidation or cessation of operations.

The governing body of Ampacs Corporation (including the audit committee) is responsible for supervising the financial reporting process.

Account's responsibilities for the audit of parent company only financial statements

The objectives of accounts for auditing parent company only financial statements are to obtain reasonable assurance about whether the parent company only financial statements as a whole are free from any material misstatement due to fraud or error and

to issue an accountant's report accordingly. It is reasonable assurance, which is a high level of assurance, but the audit work performed in accordance with the auditing standards cannot guarantee the detection of material misstatements in the individual financial statements. Misstatements may arise from fraud or errors. A misstated dollar amount, individually or in the aggregate, that could be reasonably predicted to influence the economic decision of the user of the parent company only financial statements can be viewed as material.

Our auditor exercised professional judgment and skepticism in accordance with the auditing standards. We also performed the following tasks:

1. We identified and assessed the risks of material misstatement of the parent company only Individual financial statements, whether due to fraud or errors, designed and performed audit procedures according to those risks, and obtained audit evidence that can sufficiently and appropriately form the basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for the one resulting from error because fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
2. We obtained an understanding of internal control relevant to the audit in order to design audit procedures suitable for the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Ampacs Corporation Co., Ltd.'s internal control.
3. We evaluated the appropriateness of accounting policies adopted and the reasonableness of accounting estimates and related disclosures made by management.
4. We concluded on the appropriateness of management's use of the going concern basis of accounting and whether a material uncertainty exists related to events or conditions that may cast significant doubt on Ampacs Corporation's ability to continue as a going concern based on the audit evidence we have obtained. If we conclude that a material uncertainty exists, we will need to draw attention in our accountant's report to the related disclosures in the parent company only financial statements or to modify our opinion if such disclosures are inadequate. Our conclusions are based on the audit evidence obtained up to the date of this

accountant's report. However, future events or circumstances may cause Ampacs Corporation to cease to have the ability to continue as a going concern.

5. We evaluated the overall presentation, structure and contents of the parent company only financial reports, including the attached notes, and whether the parent company on financial statements represent the underlying transactions and events in a fair manner.
6. Obtain sufficient and appropriate audit evidence regarding the financial information of entities within the Ampacs Corporation to cease to express an opinion on the consolidated financial statements. The auditor is responsible for directing, supervising, and performing the audit, and for forming an opinion on the financial statements of Ampacs Corporation.

We have communicated with those charged with governance regarding the planned scope and the timing of the audit as well as material audit findings (including significant internal control shortcomings identified in the audit).

We have also provided those charged with governance the statement that the personnel of our accounting firm subject to the requirements of independence have complied with the requirements of independence of the code of professional ethics of certified public accountants and communicate with those charged with governance relationships and other matters that may influence our independence (including related preventive measures).

From the matters communicated with the governing body, this auditor determined the key audit matters for the audit of the individual financial statements of Ampacs Corporation for the year 2022. We described these matters in the accountant's report, unless the laws and regulations prohibit such disclosure or under rare condition that we decide not to communicate a given matter because the negative impact from such communication may override its public benefits under reasonable assumption.

Accountant Liu Ming-Xian

Accountant Chen Yan-Jun

Approval Number from Financial
Supervisory Commission
Chin Kuan Cheng Shen Tzu
No.1100356048

Approval Number from Financial
Supervisory Commission
Chin Kuan Cheng Shen Tzu
No.1100356048

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Ampacs Corporation
Individual balance sheets
December 31, 2022 and 2021

Unit: NT\$1,000

C o d e	A s s e t s	December 31, 2022		December 31, 2021	
		A m o u n t	%	A m o u n t	%
	Current Assets				
1100	Cash (Note 6)	\$ 79,162	1	\$ 89,677	1
1136	Financial assets measured at amortized cost (Note 4, 8 and 26)	358,608	6	275,690	4
1170	Net Accounts Receivable (Note 4 and 9)	873,241	14	1,657,603	24
1180	Net Accounts Receivable - related parties (Note 25)	37,008	1	47,174	1
1200	Other receivables	319	-	170	-
1210	Net Accounts Receivable - related parties (Note 25)	478,299	8	2,006,876	29
130X	Net Inventory (Note 4 and 10)	14,727	-	15,374	-
1421	Prepayments for purchases (Note 25)	1,577,907	26	68,448	1
1470	Other Current Assets	3,500	-	3,415	-
11XX	Total Current Assets	<u>3,422,771</u>	<u>56</u>	<u>4,164,427</u>	<u>60</u>
	Non-Current Assets				
1517	Financial assets carried at fair value through other comprehensive income - non-current (Note 4 and 7)	3,043	-	4,196	-
1550	Investments Using Equity Method (Note 4 and 11)	1,261,105	20	1,285,119	19
1600	Real Estate, Plant, and Equipment (Note 4, 12 and 26)	1,322,768	22	1,396,955	20
1780	Net Intangible Assets (Note 4 and 15)	5,563	-	8,246	-
1840	Deferred Tax Assets (Note 4 and 21)	39,151	1	48,276	1
1915	Prepayments for equipment	310	-	310	-
1990	Other non-current assets (Note 4 and 14)	59,198	1	73	-
15XX	Total Non-Current Assets	<u>2,691,138</u>	<u>44</u>	<u>2,743,175</u>	<u>40</u>
1XXX	Total Assets	<u>\$ 6,113,909</u>	<u>100</u>	<u>\$ 6,907,602</u>	<u>100</u>
	Liability and Equity				
	Current Liabilities				
2100	Short-Term Loans (Note 4 and 16)	\$ 1,742,348	28	\$ 2,414,693	35
2110	Short term notes payable (Note 4 and 16)	100,000	2	-	-
2170	Accounts payable	230,292	4	396,414	6
2180	Accounts payables - related parties (Note 25)	10,529	-	190,369	3
2200	Other Payables (Note 17)	49,595	1	38,753	1
2230	Current Income Tax Liabilities (Note 4 and 21)	143,751	2	136,021	2
2320	Long-Term Liabilities Due Within One Year (Note 4 and 16)	240,993	4	91,571	1
2399	Other Current Liabilities (Note 25)	22,951	-	26,177	-
21XX	Total current liabilities	<u>2,540,459</u>	<u>41</u>	<u>3,293,998</u>	<u>48</u>
	Non-current liabilities				
2540	Long-Term Loans (Note 4 and 16)	770,145	13	859,092	12
2645	Guarantee deposits received	3,574	-	2,071	-
25XX	Total non-current liabilities	<u>773,719</u>	<u>13</u>	<u>861,163</u>	<u>12</u>
2XXX	Total liabilities	<u>3,314,178</u>	<u>54</u>	<u>4,155,161</u>	<u>60</u>
	Equity (Note 19)				
3110	Common Stock	1,500,000	24	1,500,000	22
3200	Capital surplus	1,097,937	18	1,161,362	17
	Retained earnings				
3310	Legal reserve	175,449	3	175,449	3
3320	Special surplus reserve	191,736	3	174,422	2
3350	Retained earnings	163,929	3	118,238	2
3300	Total Retained Earnings	<u>531,114</u>	<u>9</u>	<u>468,109</u>	<u>7</u>
	Other equity				
3410	Exchange differences on translation of foreign financial statements	(115,816)	(2)	(165,115)	(3)
3420	Unrealized gains (losses) of financial assets are measured at fair value through other comprehensive income	(28,210)	-	(26,621)	-
3400	Total Other equity	<u>(144,026)</u>	<u>(2)</u>	<u>(191,736)</u>	<u>(3)</u>
3500	Treasury stock	(185,294)	(3)	(185,294)	(3)
3XXX	Total equity	<u>2,799,731</u>	<u>46</u>	<u>2,752,441</u>	<u>40</u>
	Total liabilities and equity	<u>\$ 6,113,909</u>	<u>100</u>	<u>\$ 6,907,602</u>	<u>100</u>

The accompanying notes are an integral part of these individual financial statements.

(Please refer to the audit report of Deloitte Taiwan, dated March 22, 2023.)

Chairman: Huang Chang Ching

Manager: Huang Chang Ching

Accounting Supervisor: Lin Renjie

Ampacs Corporation
Individual Statement of Comprehensive Income
Year 2022 and January 1 to December 31, 2021

Unit: NT\$ thousands, except
earnings (loss) per share in NT\$

Code		Year 2022		Year 2021	
		A m o u n t	%	A m o u n t	%
4000	Operating revenue (Note 25)	\$ 4,928,989	100	\$ 5,549,875	100
5000	Operating Cost (Note 10,20 and 25)	(4,603,923)	(94)	(4,607,061)	(83)
5900	Operating gross profit	325,066	6	942,814	17
	Operating expenses (Note 20)				
6100	Selling expenses	(40,610)	(1)	(49,179)	(1)
6200	Management expense	(97,785)	(2)	(95,966)	(2)
6300	Research and development expenses.	(113,923)	(2)	(108,978)	(2)
6450	Expected Credit Impairment Reversal Interest (Note 9)	-	-	434	-
6000	Total operating expenses	(252,318)	(5)	(253,689)	(5)
6900	Operating Net Profit	72,748	1	689,125	12
	Non-operating income and expenses (Note 20)				
7010	Other Revenue	16,571	-	7,840	-
7020	Other gains and losses	197,048	4	(24,871)	-
7050	Finance costs	(81,820)	(1)	(36,822)	(1)
7070	Share of loss of subsidiaries accounted for using the equity method	(97,695)	(2)	(644,354)	(11)

7000	Total non-operating income and expenses	<u>34,104</u>	<u>1</u>	(<u>698,207</u>)	(<u>12</u>)
7900	Profit (loss) before tax	106,852	2	(9,082)	-
7950	Income tax expense (Note 4 and 21)	(<u>33,522</u>)	(<u>1</u>)	(<u>40,163</u>)	(<u>1</u>)
8200	Profit (loss)	<u>73,330</u>	<u>1</u>	(<u>49,245</u>)	(<u>1</u>)

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Code		Year 2022		Year 2021	
		A m o u n t	%	A m o u n t	%
	other comprehensive profit (loss) (Note 19)				
	Items may be subsequently reclassified to profit/loss				
8361	Exchange differences on translation of foreign financial statements	\$ 49,889	1	(\$ 17,528)	-
8367	Unrealized gains and losses on debt instruments measured at fair value through other comprehensive income	(1,589)	-	214	-
8371	Exchange differences arising from the translation of the financial statements of foreign operations accounted for using the equity method	(590)	-	-	-
8360		<u>47,710</u>	<u>1</u>	<u>(17,314)</u>	<u>-</u>
8300	Other comprehensive income	<u>47,710</u>	<u>1</u>	<u>(17,314)</u>	<u>-</u>
8500	Total comprehensive income (loss)	<u>\$ 121,040</u>	<u>2</u>	<u>(\$ 66,559)</u>	<u>(1)</u>
	Earnings (loss) per share (Note 22)				
9750	Basic	<u>\$ 0.50</u>		<u>(\$ 0.33)</u>	

9850 Diluted \$ 0.50 (\$ 0.33)

The accompanying notes are an integral part of these individual financial statements.
(Please refer to the audit report of Deloitte Taiwan, dated March 22, 2023.)

Chairman: Huang Chang Ching Manager: Huang Chang Ching Accounting Supervisor: Lin Ren Jie.

Ampacs Corporation
Statement of Changes in Equity
Year 2022 and January 1 to December 31, 2021

Unit: NT\$1,000

Code		Capital stock (Note 19)		Capital surplus (Note 19)	R e t a i n e d E a r n i n g s (Note 19)			Other equity (Note 19)	Treasury stock (Note 19)	Total equity
		Number of shares (1000 shares)	A m o u n t		Legal reserve	Special surplus r e s e r v e	Retained earnings			
A1	January 1, 2021 balance	122,000	\$ 1,220,000	\$ 1,446,762	\$ 126,591	\$ 91,552	\$ 493,811	(\$ 174,422)	\$ -	\$ 3,204,294
	Distribution of earnings for the year 2020									
B1	Appropriation to legal reserve	-	-	-	48,858	-	(48,858)	-	-	-
B3	Appropriation to special earnings reserve	-	-	-	-	82,870	(82,870)	-	-	-
B5	Cash dividends - NT\$0.30 per share	-	-	-	-	-	(36,600)	-	-	(36,600)
B9	Stock dividends - NT\$1.2951 per share	15,800	158,000	-	-	-	(158,000)	-	-	-
	Other changes in capital surplus:									
C13	Distribution of stock dividends from capital surplus - NT\$1.00 per share.	12,200	122,000	(122,000)	-	-	-	-	-	-
C15	Capital surplus distribution in cash - NT\$1.3393 per share	-	-	(163,400)	-	-	-	-	-	(163,400)
D1	Net loss in 2021	-	-	-	-	-	(49,245)	-	-	(49,245)
D3	Other comprehensive loss in 2021	-	-	-	-	-	-	(17,314)	-	(17,314)
L1	stock repurchase	-	-	-	-	-	-	-	(185,294)	(185,294)
Z1	December 31, 2021 balance	150,000	1,500,000	1,161,362	175,449	174,422	118,238	(191,736)	(185,294)	2752441
	Distribution of earnings for the year 2021									
B3	Appropriation to special earnings reserve	-	-	-	-	17,314	(17,314)	-	-	-
B5	Cash dividends - NT\$0.07 per share	-	-	-	-	-	(10,325)	-	-	(10,325)
	Other changes in capital surplus:									
C15	Distribution of Cash dividends from capital surplus - NT\$0.43 per share.	-	-	(63,425)	-	-	-	-	-	(63,425)
D1	Net income in 2022	-	-	-	-	-	73,330	-	-	73,330
D3	Other comprehensive benefits in 2022	-	-	-	-	-	-	47,710	-	47,710
Z1	December 31, 2022 balance	<u>150,000</u>	<u>\$ 1,500,000</u>	<u>\$ 1,097,937</u>	<u>\$ 175,449</u>	<u>\$ 191,736</u>	<u>\$ 163,929</u>	<u>(\$ 144,026)</u>	<u>(\$ 185,294)</u>	<u>\$ 2,799,731</u>

The accompanying notes are an integral part of these individual financial statements. (Please refer to the audit report of Deloitte Taiwan, dated March 22, 2023.)

Chairman: Huang Chang Ching

Manager: Huang Chang Ching

Accounting Supervisor: Lin Ren Jie

Ampacs Corporation
Individual statement of cash flows
Year 2022 and January 1 to December 31, 2021

Unit: NT\$1,000

C o d e		Year 2022	Year 2021
	Cash flows from operating activities		
A10000	Profit (loss) before tax	\$ 106,852	(\$ 9,082)
A20010	Revenue, expense, and loss items		
A20100	Depreciation expenses	16,209	14,107
A20200	Amortization expense	3,653	3,820
A20300	Expected credit turnover		
	benefits.	-	(434)
A20900	Finance costs	81,820	36,822
A21200	Interest income	(1,741)	(424)
A22400	Share of loss of subsidiaries		
	accounted for using the		
	equity method	97,695	644,354
A24100	Unrealized foreign exchange		
	loss (gain)	23,751	(2,688)
A30000	Net Changes in Operating Assets		
	and Liabilities		
A31150	Accounts receivable	765,305	(401,546)
A31160	Accounts receivable - related		
	parties	9,419	(47,174)
A31180	Other receivables	(149)	36
A31190	Other accounts receivable -		
	related parties	1,533,381	(998,798)
A31200	Inventories	647	3,120
A31230	Prepayments for purchases	(1,509,459)	44,706
A31240	Other Current Assets	(85)	172,254
A32150	Accounts payable	(167,012)	72,482
A32160	Accounts payable - related		
	parties	(179,761)	(446,875)
A32180	Other accounts payable	5,852	(33,078)
A32230	Other current liabilities	(3,226)	3345
A33000	Operating Cash Inflows		
	(Outflows)	783,151	(945,053)
A33100	Interests received	1,741	424
A33300	Financial cost paid	(76,571)	(35,953)
A33500	Income taxes paid	(21,049)	(161,951)
AAAA	Net cash inflows (outflows)		
	from operating activities	<u>687,272</u>	<u>(1,142,533)</u>

	Cash flow from investing activities		
B00010	Acquisition of financial assets at fair value through other comprehensive income	-	(4,081)
B00040	Obtain Financial Assets Measured at Amortized Cost	(82,918)	(69,229)
B01800	Acquisition of long-term equity investments accounted for by the equity method	(20,000)	-
B02700	Purchase of property, plant and equipment	(1,336)	(974,478)

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<u>C o d e</u>		<u>Year 2022</u>	<u>Year 2021</u>
B04500	Purchase of intangible assets	(\$ 970)	(\$ 3,207)
B04600	Disposal of intangible assets.	<u>-</u>	<u>41</u>
BBBB	Net cash outflows from investment activities	(<u>105,224</u>)	(<u>1,050,954</u>)
	Cash flows from financing activities		
C00100	Increase in short-term borrowings	-	104,0524
C00200	Decrease in short-term borrowings	(680,791)	-
C00500	Increase in short-term notes and bills payable	100,000	-
C01600	Borrowing of long-term loans	150,000	577,708
C01700	Repayment of long-term loans	(89,525)	-
C03000	Increase in guarantee deposits received	1,503	2,071
C04500	Cash dividends paid	(73,750)	(200,000)
C04900	Stock repurchase cost	<u>-</u>	(<u>185,294</u>)
CCCC	Net cash inflows (outflows) from financing activities	(<u>592,563</u>)	<u>1,235,009</u>
EEEE	Net decrease in cash	(10,515)	(958,478)
E00100	Beginning cash balance	<u>89,677</u>	<u>1,048,155</u>
E00200	Ending cash balance	<u>\$ 79,162</u>	<u>\$ 89,677</u>

The accompanying notes are an integral part of these individual financial statements.

(Please refer to the audit report of Deloitte Taiwan, dated March 22, 2023.)

Chairman: Huang Chang Ching

Manager: Huang Chang Ching

Accounting Supervisor: Lin Ren Jie

Ampacs Corporation

Attached parent company only financial statements

Year 2022 and January 1 to December 31, 2021

(Unless otherwise indicated, amounts are expressed in thousands of New Taiwan Dollars.)

1. Company History

Ampacs Corporation (hereinafter referred to as "the Company") was established in July 1998, primarily engaged in the design and manufacture of plastic components and earphone products for consumer electronics. The Company's stock has been listed on the Taiwan Stock Exchange since December 14, 2020.

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

2. Date and procedure of approval of the financial report

The individual financial report was approved by the board of directors on March 22, 2023.

3. Application of Newly Issued or Revised Accounting Standards and Interpretations

(1) The initial adoption of International Financial Reporting Standards (IFRSs), International Accounting Standards (IASs), Interpretations (IFRICs), and Standing Interpretations Committee (SICs) endorsed and issued by the Financial Supervisory Commission (FSC) (referred to as "IFRSs").

The application of the revised IFRSs endorsed and issued by the FSC will not result in significant changes in the Company's accounting policies.

(2) IFRSs endorsed by the FSC for application in 2023.

<u>Applicability of newly issued / revised / amended standards and interpretations</u>	<u>Effective date of IASB issuance</u>
Revision of IAS 1 "Disclosure of Accounting Policies"	January 1, 2023 (Note 1)
Revision of IAS 8 "Definition of Accounting Estimates"	January 1, 2023 (Note 2)
The amendment to IAS 12 "Deferred Tax Related to Assets and Liabilities Arising from a Single Transaction or Event".	January 1, 2023 (Note 3)

Note 1 : This amendment applies to annual reporting periods beginning on or after January 1, 2023.

Note 2 : The amendment shall be applied to changes in accounting estimates and accounting policies that occur during the reporting period beginning on or after January 1, 2023.

Note 3 : The amendment applies to transactions occurring on or after January 1, 2022, except for temporary differences relating to leases and decommissioning obligations recognized for deferred tax purposes as of January 1, 2022.

1. Revision of IAS 1 "Disclosure of Accounting Policies"

The amendment specifies that the Company should determine the significant accounting policy information to be disclosed based on the definition of "significant". An accounting policy information is considered significant if it can be reasonably expected to affect the decisions made by the primary users of the general purpose financial statements based on such financial statements. The amendment also clarifies that:

- Accounting policy information related to transactions, other events or conditions that are not significant is not significant, and The Company does not need to disclose such information.
- The Company may determine that related accounting policy information is significant due to the nature of transactions, other events, or conditions, even if the amount is not significant.
- Not all accounting policy information related to significant transactions, other matters, or circumstances is considered significant.

In addition, the amendment provides examples where accounting policy information may be considered significant if it is related to significant transactions, other matters, or circumstances and meets one of the following criteria:

- (1) This company has changed its accounting policy during the reporting period, and the change has resulted in a significant change in the information presented in the financial statements;
- (2) This company has selected one of the accounting policies permitted by the standard;
- (3) In the absence of specific guidance, this company has developed an accounting policy in accordance with IAS 8 "Accounting Policies, Changes in Accounting Estimates and Errors";
- (4) This company discloses its significant accounting policies that require the use of significant judgment or assumptions.
- (5) It involves complex accounting treatment regulations and financial statement users rely on such information to understand the significant transactions, other matters, or situations.

2. Revision of IAS 8 "Definition of Accounting Estimates".

The amendment explicitly refers to monetary amounts in financial statements that are affected by measurement uncertainty. In applying accounting policies, the Company may need to measure financial statement items using estimated monetary amounts that cannot be directly observed, and therefore, it must use measurement techniques and input values to develop accounting estimates for this purpose. The impact of changes in measurement techniques or input values on accounting estimates, unless it relates to the correction of prior period errors, constitutes changes in accounting estimates.

As of the date of issuance of this financial report, the Company has assessed that any other amendments or interpretations of standards would not have a significant impact on the financial position and financial performance.

(3) IFRSs issued by the IASB but not yet approved and effective by FSC

<u>Applicability of newly issued / revised / amended standards and interpretations</u>	<u>Effective date of the IASB's issued (Note)</u>
Amendment to IFRS 10 and IAS 28 "Sales or Contributions of Assets between an Investor	Undecided

<u>Applicability of newly issued / revised / amended standards and interpretations and its Associates or Joint Ventures"</u>	<u>Effective date of the IASB's issued (Note)</u>
Amendment to IFRS 16 "Leases: Lease liability in a sale and leaseback"	January 1, 2024 (Note 2)
IFRS 17 "Insurance Contracts"	January 1, 2023
Amendment to IFRS 17	January 1, 2023
The amendment of IFRS 17 "Initial Application of IFRS 17 and IFRS 9 - Comparative Information"	January 1, 2023
The amendment of IAS 1 "Classification of Liabilities as Current or Non-current"	January 1, 2024
The amendment of IAS 1 "Non-current Liabilities with Contractual Maturities"	January 1, 2024

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

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

Amendment to IAS 1 "Classification of liabilities as current or non-current"
(2020 amendment) and "Non-current liabilities with contract terms" (2022 amendment)

The 2020 amendment clarifies that when determining whether a liability should be classified as non-current, the company should assess whether it has the right to defer settlement for at least 12 months after the end of the reporting period. If the company has this right at the end of the reporting period, regardless of whether it expects to exercise that right, the liability is classified as non-current.

In 2020, the amendment clarified that when determining whether a liability should be classified as non-current, the company should assess whether it has the right to deferred settlement for at least 12 months after the end of the reporting period. In 2022, the amendment further clarified that only contract terms that need to be complied with before the end of the reporting period

would affect the classification of liabilities. Although contract terms that need to be complied with within 12 months after the reporting period would not affect the classification of liabilities, relevant information must be disclosed to enable financial report users to understand the risk that the company may not be able to comply with contract terms and must make repayments within 12 months after the reporting period.

In 2020, the amendment stipulated that for the purpose of classifying liabilities, the aforementioned settlement refers to the transfer of cash, other economic resources, or equity instruments of the entity to the counterparty to extinguish the liability. However, if the terms of the liability may be settled by the transfer of equity instruments of the entity to the counterparty, and the option to settle in that manner is classified as an equity instrument under IAS 32, the terms of the liability do not affect its classification.

As of the date of issuance of these consolidated financial statements, the Company is still assessing the impact of the above standards and the amendments to the interpretations thereof on the financial position and financial performance, and will disclose the relevant impact when the assessment is completed.

4. Summary of Significant Accounting Policies

(1) Compliance Statement

This parent company only financial report is prepared in accordance with Regulations Governing Preparation of Financial Reports by Securities Issuers.

(2) Preparation Foundation

Except for financial instruments measured at fair value, the individual financial statements of the entity are prepared on a historical cost basis.

Fair value measurement is classified into Level 1 to Level 3 according to the observability and significance of relevant inputs:

1. The input values of the first level refer to the quoted prices for identical assets or liabilities in active markets on the measurement date (without adjustment).

2. The input values of the second level refer to observable input values for the asset or liability, other than quoted prices included in level 1, either directly or indirectly derived from prices.
3. The input values of the third level refer to unobservable input values for the asset or liability.

The Company applies the equity method in accounting for investments in subsidiaries or joint ventures when preparing its individual financial statements. To ensure that the profit or loss, other comprehensive income and equity for the current year presented in the individual financial statements are the same as those presented in the consolidated financial statements attributed to the owners of the Company, certain accounting treatment differences between the individual basis and consolidated basis are adjusted for "investments accounted for using the equity method," "share of profit or loss in associates and joint ventures accounted for using the equity method," "share of other comprehensive income in associates and joint ventures accounted for using the equity method" and related equity items.

(3) Classification of Assets and Liabilities as Current or Non-current.

Current assets include:

1. Primarily held for trading purposes.
2. Assets expected to be realized within 12 months after the balance sheet date.
3. Cash (excluding that which is restricted for exchange or settlement of liabilities beyond 12 months after the balance sheet date).

Current Liability includes:

1. Primarily held for the purpose of trading;
2. Liabilities due for settlement within 12 months after the balance sheet date.
3. Liabilities that cannot be unconditionally postponed beyond 12 months after the balance sheet date.

Non-current assets or liabilities are classified as such if they do not meet the criteria for current assets or liabilities mentioned above.

(4) Foreign Currency

When the Company conducts transactions in currencies other than its functional currency, the transactions are recorded in the functional currency using the exchange rate on the transaction date.

Foreign currency monetary items are translated into the functional currency using the closing exchange rate on each balance sheet date. Exchange differences arising from settlement of foreign currency monetary items or translation of foreign currency monetary items are recognized in profit or loss in the year in which they arise.

Foreign currency non-monetary items that are measured at fair value are translated into the functional currency using the exchange rate on the date when the fair value was determined. The exchange differences arising from this translation are recognized in profit or loss in the year in which they arise, except for those recognized in other comprehensive income as part of the fair value gain or loss.

Foreign currency non-monetary items that are measured at historical cost are translated into the functional currency using the exchange rate on the transaction date and are not re-measured.

In preparing the financial statements of the individual entity, the assets and liabilities of foreign operating entities (including subsidiaries operating in countries or using currencies different from the Company) are translated into New Taiwan Dollars at the exchange rates on each balance sheet date. The items of revenue and expenses are translated at the average exchange rates for the year, and the resulting exchange differences are recorded in other comprehensive income (allocated to the Company's owners and non-controlling interests separately).

(5) Inventories

Inventories consist of merchandise inventory. Inventories are measured at the lower of cost and net realizable value. When comparing cost and net realizable value, individual items are assessed, and net realizable value refers to the estimated selling price under normal conditions, less the estimated

cost of completion and the estimated costs necessary to make the sale. The cost of inventories is determined using the weighted average method.

(6) Investment in Subsidiaries

The Company adopts the equity method to account for investments in subsidiaries.

Subsidiaries refer to entities that the Company has control over.

Under the equity method, the investment is initially recognized at cost, and subsequently adjusted for the Company's share of the subsidiaries' income or loss and other comprehensive income, as well as profit distribution. Additionally, changes in other equity of the subsidiaries that the Company is entitled to are recognized based on the Company's proportionate interest.

When changes in the ownership of equity instruments of subsidiaries do not result in a loss of control by the Company, they are accounted for as equity transactions. The difference between the investment carrying amount and the fair value of consideration paid or received is directly recognized as equity.

When the Company's share of losses in a subsidiary equals or exceeds its equity investment, the losses are continued to be recognized based on the proportion of shareholding.

If the cost of investment exceeds the identifiable net assets' fair value of the subsidiary attributable to the business acquired by the Company at the acquisition date, the excess amount is recognized as goodwill. This goodwill is included in the investment's carrying amount and is not amortized. If the identifiable net assets' fair value exceeds the cost of investment, the excess amount is recognized as income for the current year.

When assessing impairment, the Company considers the overall financial report and compares the cash generating units' recoverable amount with their carrying amount. If the recoverable amount of an asset increases in subsequent periods, any impairment loss previously recognized will be reversed and recognized as income. However, the carrying amount of the

asset after the impairment loss reversal cannot exceed the carrying amount that would have been determined had no impairment loss been recognized, less any depreciation or amortization that would have been recognized. Impairment losses on goodwill cannot be reversed in subsequent periods.

When control over a subsidiary is lost, the remaining investment in the former subsidiary is remeasured at its fair value at the date when control is lost, and any difference between the fair value of the remaining investment and the carrying amount of the investment on the date control is lost, as well as any proceeds from the disposal of the investment, is recognized in the income statement for the current period. Furthermore, any amounts recognized in other comprehensive income related to the subsidiary are accounted for on the same basis as required for the disposal of assets or liabilities directly related to the Company.

Unrealized gains and losses on upstream transactions between the Company and its subsidiaries are eliminated in individual financial statements. Gains and losses from downstream and lateral transactions between the Company and its subsidiaries are recognized only to the extent that they are not related to the Company's equity interests in the subsidiaries, and are recorded in individual financial statements.

(7) Investments in Associates and Joint Ventures

Associates refer to enterprises in which the Company has significant influence but are not subsidiaries or joint ventures. Joint ventures refer to agreements between the Company and other parties for the joint control of net assets.

The Company uses the equity method for investments in associates and joint ventures.

Under the equity method, investments in associates and joint ventures are initially recognized at cost, and subsequently adjusted for the Company's share of gains and losses, as well as other comprehensive income and profit distributions from the associates and joint ventures. Furthermore, changes in the equity of associated companies and joint ventures are recognized based on the percentage of ownership.

When the acquisition cost exceeds the identifiable net assets of associated companies and joint ventures, the excess is recognized as goodwill, which is included in the carrying amount of the investment and cannot be amortized. If the identifiable net assets of associated companies and joint ventures exceed the acquisition cost, the excess is recognized in the current period's profit or loss.

If the company does not subscribe to newly issued shares of associated companies and joint ventures based on its percentage of ownership, resulting in a change in ownership interest and a corresponding change in the carrying amount of the investment, the change is adjusted against the capital reserve, the change in ownership interest, and the investment accounted for using the equity method. However, if the company does not subscribe to or acquire shares based on its percentage of ownership, resulting in a reduction in its ownership interest in associated companies and joint ventures, the amount recognized in other comprehensive income related to the associated companies and joint ventures is reclassified based on the decrease in proportion. The accounting treatment is based on the same principles as when associated companies and joint ventures directly dispose of related

assets or liabilities. If the adjustment requires a debit to the capital reserve and the balance of the capital reserve resulting from the investment accounted for using the equity method is insufficient, the difference is debited to retained earnings.

When the company's share of losses in an associated company or joint venture equals or exceeds its equity (including the carrying amount of investments in associated companies or joint ventures under the equity method and other long-term equity components that essentially form part of the company's net investment in the associated company or joint venture), no further losses shall be recognized. The company recognizes additional losses and liabilities only within the scope of statutory obligations, presumed obligations, or payments made on behalf of associated companies or joint ventures.

When assessing impairment, the company regards the entire carrying amount of the investment (including goodwill) as a single asset and compares the recoverable amount to the carrying amount in conducting an impairment test. Any impairment loss recognized is not allocated to any asset forming part of the carrying amount of the investment, including goodwill. Any reversal of impairment losses shall be recognized within the scope of the subsequent increase in the recoverable amount of the investment.

From the date when the company no longer applies the equity method to an associated company or joint venture, the company measures any remaining interest in the associated company or joint venture at fair value, and the difference between the fair value and the carrying amount of the investment as of the date when the equity method is no longer applied, as well as the disposal proceeds, is recognized in profit or loss for the current period. In addition, the basis for accounting for all amounts related to associated companies or joint ventures recognized in other comprehensive income is the same as the basis that must be followed when directly disposing of assets or liabilities related to associated companies or joint

ventures. If the investment in an associate becomes an investment in a joint venture or vice versa, the Company will continue to apply the equity method and will not reassess the carrying amount of the retained interest.

The gains and losses arising from upstream, downstream, and lateral transactions between the Company and its associates and joint ventures will only be recognized in the individual financial statements to the extent that they are not related to the Company's interests in the associates and joint ventures.

(8) Real Estate, Plant and Equipment

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

Depreciation is recognized on a straight-line basis over the estimated useful lives of the assets, except for freehold land, and is allocated to each significant part of an asset separately. The estimated useful lives, residual values, and depreciation methods are reviewed at least annually, and the effects of any changes in accounting estimates are deferred.

When real estate, factories, and equipment are disposed of, the difference between the net proceeds and the book value of the asset shall be recognized in the income statement.

(9) Investment properties

Investment properties are real estate (including right-of-use assets that meet the definition of investment properties) held for the purpose of earning rental income or capital appreciation, or both. Investment properties also include land held for future use, the intended use of which has not yet been determined.

Investment properties owned by the company are initially measured at cost (including transaction costs) and subsequently measured at cost less accumulated depreciation and accumulated impairment losses.

Depreciation for investment properties is calculated on a straight-line basis.

Real estate that was previously classified as property, plant and equipment or as right-of-use assets are transferred to investment properties at the carrying amount when it ceases to be used by the company.

When investment properties are disposed of, the difference between the net proceeds and the carrying amount of the asset shall be recognized in the income statement.

(10) Intangible Assets

1. Individually acquired

Intangible assets with limited useful lives acquired individually are initially measured at cost, and subsequently measured at cost less accumulated amortization and accumulated impairment losses. Intangible assets are amortized on a straight-line basis over their useful lives. The estimated useful lives, residual values and amortization methods are reviewed at each reporting date and adjusted prospectively if necessary to reflect the current expectations of the asset's useful life.

2. Disposal

When intangible assets are disposed of, the difference between the net disposal proceeds and the carrying amount of the assets is recognized in profit or loss for the year.

(11) Impairment of Property, Plant and Equipment, Investment Property and Intangible Assets

The Company assesses at each reporting date whether there is any indication that property, plant and equipment, investment property, and intangible assets may be impaired. If any impairment indicators exist, the recoverable amount of the asset is estimated. If 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.

The recoverable amount is the higher of the fair value less costs of disposal and the value in use. If the recoverable amount of an individual asset or cash-generating unit is less than its carrying amount, the carrying

amount of the asset or the cash-generating unit is reduced to its recoverable amount, and the impairment loss is recognized in the statement of income.

When an impairment loss is reversed in a subsequent period, the carrying amount of the asset or cash-generating unit is increased to its revised recoverable amount, but not exceeding the carrying amount that would have been determined, net of depreciation or amortization, if no impairment loss had been recognized in previous years. The reversal of impairment loss is recognized in the statement of income.

(12) Financial Instruments

Financial assets and financial liabilities are recognized in the individual balance sheet of the Company when they become one of the contractual terms of the tool.

When initially recognizing financial assets or financial liabilities, if they are not measured at fair value through profit or loss, they are measured at fair value plus transaction costs directly attributable to the acquisition or issuance of the financial asset or financial liability. Transaction costs directly attributable to the acquisition or issuance of financial assets or financial liabilities measured at fair value through profit or loss are immediately recognized in profit or loss.

1. Financial assets

The customary transactions of financial assets are recognized and derecognized on the accounting date of the transaction.

(1) Types of measurement

The types of financial assets held by the Company are debt instruments measured at fair value through other comprehensive income and financial assets measured at amortized cost.

A. Financial Assets Measured at Amortized Cost

If a financial asset held by the Company simultaneously satisfies the following two conditions, it shall be classified as a financial asset measured at amortized cost:

- a. It is held under a business model whose objective is to hold the financial asset in order to collect contractual cash flows; and
- b. The contractual terms give rise to cash flows on specified dates that are solely payments of principal and interest on the principal amount outstanding.

After initial recognition, financial assets measured at amortized cost (including cash, receivables measured at amortized cost, and other receivables (including related parties)) are measured at the amortized cost using the effective interest method less any impairment losses. Any foreign exchange gains or losses are recognized in profit or loss.

Except for the following two situations, interest income is calculated as the product of the effective interest rate and the total carrying amount of financial assets:

- a. For financial assets with credit impairments that are purchased or originated, interest income is calculated by multiplying the amortized cost of the financial asset by the post-credit-adjusted effective interest rate.
- b. For financial assets that are not purchased or originated with credit impairments, but subsequently become credit-impaired, interest income shall be calculated by multiplying the amortized cost of the financial asset by the effective interest rate from the next reporting period after the credit impairment.

Credit-impaired financial assets refer to financial assets whose issuers or debtors have experienced significant financial difficulties, default, are likely to file for bankruptcy or other financial restructuring, or whose active market for financial assets has disappeared due to financial difficulties.

B. Debt instrument investments measured at fair value through other comprehensive income

If the company's debt instrument investments meet the following two conditions at the same time, they shall be classified as financial assets measured at fair value through other comprehensive income:

- a. The financial assets are held under a business model where the objective is to generate cash flows from collecting contractual cash flows and selling the financial assets; and
- b. The contractual terms give rise to cash flows on specified dates that are solely payments of principal and interest on the principal amount outstanding.

Investments in debt instruments measured at fair value through other comprehensive income are measured at fair value, and changes in their carrying amount including interest income computed using the effective interest method, foreign exchange gains or losses, impairment losses or reversals thereof, are recognized in profit or loss, while other changes are recognized in other comprehensive income. Upon disposal of the investments, amounts previously recognized in other comprehensive income are reclassified to profit or loss.

(2) Impairment of Financial Assets

The Company recognizes impairment losses on financial assets (including accounts receivable) measured at amortized cost and debt instruments measured at fair value through other comprehensive income based on expected credit losses evaluated at each balance sheet date.

Allowance for impairment losses is recognized on accounts receivable based on the expected credit losses over their respective periods of existence. For other financial assets, the Company first assesses whether there has been a significant increase in credit risk

since initial recognition. If there has not been a significant increase, the Company recognizes allowance for impairment losses based on 12-month expected credit losses. If there has been a significant increase, the Company recognizes allowance for impairment losses based on the expected credit losses over the respective periods of existence.

Expected credit losses are weighted average credit losses using the risk of default as the weight. 12-month expected credit losses represent the expected credit losses resulting from default events that are possible within 12 months after the reporting date. The expected credit losses over the respective periods of existence represent the expected credit losses resulting from all possible default events during the expected periods of existence of the financial assets.

For the purpose of internal credit risk management, and without considering the collateral held, the Company determines that a financial asset has defaulted under the following circumstances:

- A. There is internal or external information indicating that the debtor is unlikely to repay the debt.
- B. The debt is overdue by more than one year, unless there is reasonable and verifiable information indicating that the criteria for delayed default are more appropriate.

The impairment loss for all financial assets is reduced by adjusting their carrying amount through the provision account. However, the provision for impairment loss on debt instrument investments measured at fair value through other comprehensive income is recognized in other comprehensive income and does not reduce their carrying amount.

(3) Disposal of Financial Assets

The Company only derecognizes financial assets when the rights to receive cash flows from the financial asset have expired or the Company has transferred the financial asset and has transferred substantially all risks and rewards of ownership to another entity.

When financial assets measured at amortized cost are derecognized as a whole, any difference between the carrying amount and the consideration received is recognized in profit or loss. When equity investments measured at fair value through other comprehensive income are derecognized as a whole, any difference between the carrying amount and the consideration received, plus any cumulative gain or loss previously recognized in other comprehensive income, is recognized in profit or loss.

2. Equity Instruments

Debt and equity instruments issued by the Company are classified as financial liabilities or equity instruments in accordance with the substance of the contractual agreement and the definitions of financial liabilities and equity instruments.

Equity instruments issued by the Company are recognized at the amount of proceeds received, net of directly attributable issuance costs.

Treasury shares held by the Company are recognized in equity and deducted from equity, and their carrying amount is calculated on a weighted average basis by type of share. Purchase, sale, issuance, or cancellation of the Company's own equity instruments are not recognized in the income statement.

3. Financial Liabilities

(1) Subsequent measurement

All financial liabilities are measured at amortized cost using the effective interest method.

(2) Derecognition of financial liabilities

When financial liabilities are derecognized, the difference between the carrying amount and the consideration paid (including any non-cash assets transferred or liabilities assumed) is recognized in the income statement.

(13) Liabilities for provisions

The amount recognized for liabilities for provisions is the best estimate of the expenditure required to settle the obligation at the balance sheet date, taking into account the risks and uncertainties associated with the obligation. Liabilities for provisions are measured at the present value of estimated cash flows required to settle the obligation.

The warranty obligation for guaranteed products that meet the agreed specifications is recognized at the time of revenue recognition based on the best estimate of the expenditure required to settle the Company's obligations.

(14) Revenue recognition

After identifying performance obligations in customer contracts, this company allocates transaction prices to each obligation and recognizes revenue upon satisfying each obligation.

Sales of goods revenue

Revenue from sales of goods is generated from the sale of products. As the customer has established a price and the right to use the product upon delivery to the specified location, and bears the primary responsibility of resale and the risk of obsolescence, the company recognizes revenue and accounts receivable at that point in time.

(15) Leases

At the contract inception date, the Company evaluates whether the contract is or contains a lease.

1. The company is the lessor

If a lease transfers substantially all of the risks and rewards of ownership of an asset to the lessee, it is classified as a finance lease. All other leases are classified as operating leases. For operating leases, lease payments, net of any lease incentives, are recognized as income on a straight-line basis over the lease term.

The initial direct costs incurred to acquire an operating lease are capitalized to the carrying amount of the underlying asset and recognized as expenses on a straight-line basis over the lease term. The direct incremental costs incurred in obtaining an operating lease are added to the carrying amount of the leased asset, and recognized as expenses on a straight-line basis over the lease term.

2. The Company as a lessee

Lease payments for leases of low-value assets and short-term leases that qualify for recognition exemptions are recognized as expenses on a straight-line basis over the lease term.

(16) Government Grants

Government grants are recognized only when there is reasonable assurance that the Company will comply with the conditions attached to them and the grants will be received.

Government grants related to revenue are recognized as other income on a systematic basis over the periods in which the related costs for which the grant is intended to compensate are recognized as expenses. °

If a government grant is used to compensate for expenses or losses that have already occurred or to provide immediate financial assistance to the company without any future related costs, it should be recognized in the period in which it is receivable in the income statement.

(17) Employee Benefits

1. Short-term employee benefits

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

2. Post-employment benefits

The determined amount of retirement benefits to be provided under the retirement plan should be recognized as expenses during the period in which the employees provide services.

(18) Income Taxes

Income tax expenses represent the sum of current income taxes and deferred income taxes.

1. Current Income Taxes

The company determines current income based on tax regulations and calculates the income tax payable accordingly.

The income tax surcharge calculated in accordance with the Taiwan Income Tax Act on the undistributed earnings is recognized annually upon resolution by the shareholders' meeting.

Adjustment for prior-year income tax payable has been included in the current year income tax.

2. Deferred income tax

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

Deferred income tax liabilities are generally recognized for all temporary differences that will result in taxable amounts in the future, while deferred income tax assets are recognized for temporary differences that will result in deductible amounts in the future, to the extent that it is probable that taxable profits will be available against which the deductible temporary differences can be utilized.

Deferred income tax liabilities are recognized for all temporary differences related to investment in subsidiaries, except for those temporary differences that the Company can control the timing of their reversal and it is probable that the temporary differences will not reverse in the foreseeable future. In relation to such investments, deductible temporary differences are recognized as deferred income tax assets only when it is probable that sufficient taxable income will be available to realize the temporary differences and when it is expected to reverse within a foreseeable future.

The carrying amount of deferred income tax assets is reviewed at each balance sheet date and is reduced for any portion that it is no longer probable to be realized. The carrying amount of items not previously recognized as deferred income tax assets is reviewed at each balance sheet date and is increased for any portion that it is probable to be realized in the future.

Deferred income tax assets and liabilities are measured at the enacted or substantively enacted tax rates and laws expected to apply to the period in which the deferred income tax assets and liabilities are expected to be settled or realized. The measurement of deferred income tax liabilities and assets reflects the tax consequences that would arise from the manner in which the company expects, at the balance sheet

date, to recover or settle the carrying amounts of its assets and liabilities.

3. Current and Deferred Income Taxes

Current and deferred income tax are recognized in profit or loss, except for items related to current and deferred income tax that are recognized in other comprehensive income or directly in equity, in which case the current and deferred income tax are separately recognized in other comprehensive income or directly in equity.

5. Critical accounting judgments, estimates and key sources of assumption uncertainty

When adopting accounting policies, the management of the Company must make judgments, estimates and assumptions based on historical experience and other relevant factors for items that are not readily obtainable from other sources. Actual results may differ from estimates.

The recent development of the COVID-19 pandemic in Taiwan and its potential impact on the economic environment have been taken into account in assessing significant accounting estimates. The management will continuously review estimates and underlying assumptions. If the revision of estimates affects only the current period, it will be recognized in the current period. If the revision of accounting estimates affects both the current and future periods, it will be recognized in the current period and future periods.

6. Cash

	<u>December 31, 2022</u>	<u>December 31, 2021</u>
Cash in Treasury	\$ 200	\$ 200
Bank checks and demand deposits.	<u>78,962</u>	<u>89,477</u>
	<u>\$ 79,162</u>	<u>\$ 89,677</u>

Interest rate range of bank deposits as of the balance sheet date:

	<u>December 31, 2022</u>	<u>December 31, 2021</u>
Bank deposit	0.385%-1.05%	0.001%-0.30%

7. Financial Assets Measured at Fair Value Through Other Consolidated Income

	<u>December 31, 2022</u>	<u>December 31, 2021</u>
<u>Non-current</u>		
Debt securities investment	<u>\$ 3,043</u>	<u>\$ 4,196</u>

Debt securities investment

	<u>December 31, 2022</u>	<u>December 31, 2021</u>
<u>Non-current</u>		
Foreign investments		
Ford Motor Company		
bonds	<u>\$ 3,043</u>	<u>\$ 4,196</u>

In February 2021, the Company purchased 26-year corporate bonds issued by Ford Motor Company with a face value interest rate of 5.291% and a yield rate of 4.70%.

8. Decision- Financial assets measured at amortized cost

	<u>December 31, 2022</u>	<u>December 31, 2021</u>
<u>Current</u>		
Pledged certificate deposit	\$ 151,417	\$ 117,795
Pledged current deposits	<u>207,191</u>	<u>157,895</u>
	<u>\$ 358,608</u>	<u>\$ 275,690</u>

Information on financial assets pledged at amortized cost is disclosed in Note 26.

9. Net accounts receivable

	<u>December 31, 2022</u>	<u>December 31, 2021</u>
<u>Accounts receivable</u>		
Measurement at amortized cost		
Total carrying amount	\$ 873,525	\$ 1,657,887
Loss allowance	<u>(284)</u>	<u>(284)</u>
	<u>\$ 873,241</u>	<u>\$ 1,657,603</u>

To mitigate credit risk, the management of the Company has assigned a dedicated team to make decisions on credit limits, credit approvals, and other monitoring procedures to ensure that appropriate actions have been taken for the recovery of overdue receivables. In addition, as of the balance sheet date, the Company has conducted a review of the recoverable amount of each

receivable to ensure that adequate impairment losses have been provided for any unrecoverable receivables. Based on this, the management of the Company believes that the credit risk of the Company has significantly decreased.

The Company recognizes the provision for credit losses on accounts receivable based on the expected credit losses over the life of the receivables. The expected credit losses over the life of the receivables are determined by considering the customer's past default history and current financial condition, as well as the industry and economic situation. Since the Company's historical credit loss experience shows no significant difference in loss patterns among different customer groups, the Company did not further classify customer groups and only determined the expected credit loss rate based on the number of days the accounts receivable is past due.

If there is evidence that the counterparty is facing severe financial difficulties and the Company is unable to reasonably estimate the recoverable amount, the Company will fully provide for the allowance for doubtful accounts, but will continue its collection efforts, and the amount recovered will be recognized in profit or loss.

The aging analysis of accounts receivable is as follows:

	<u>December 31, 2022</u>	<u>December 31, 2021</u>
Within 30 days	\$ 865,962	\$ 1,637,153
31-120 days	5,286	20,450
121-240 days	1,993	-
241-360 days	-	-
Over 360 days	<u>284</u>	<u>284</u>
	<u>\$ 873,525</u>	<u>\$ 1,657,887</u>

The aging analysis is based on the number of days past due.

Changes in the allowance for loss for accounts receivables:

	<u>Year 2022</u>	<u>Year 2021</u>
Beginning balance	\$ 284	\$ 718
Expected credit turnover benefits.	<u>-</u>	<u>(434)</u>
Ending balance	<u>\$ 284</u>	<u>\$ 284</u>

Please refer to Note 24(5) for information on the amounts and terms of the company's sold and assigned receivables.

The company has also pledged some of its receivables as collateral for borrowings, please refer to Note 26.

10. Net inventory

	<u>December 31, 2022</u>	<u>December 31, 2021</u>
Commodities	<u>\$ 14,727</u>	<u>\$ 15,374</u>

The nature of cost of goods sold is as follows:

	<u>Year 2022</u>	<u>Year 2021</u>
Operating costs related to inventory	<u>\$ 4,603,923</u>	<u>\$ 4,607,061</u>

11. for Investments Using Equity Method

	<u>December 31, 2022</u>	<u>December 31, 2021</u>
Investment in subsidiaries	\$ 1,246,137	\$ 1,285,119
Investment in associates and joint ventures.	<u>14,968</u>	<u>-</u>
	<u>\$ 1,261,105</u>	<u>\$ 1,285,119</u>

(1) Investment in subsidiaries

	<u>December 31, 2022</u>	<u>December 31, 2021</u>
Tech. Pioneer, Ltd.	\$ 863,735	\$ 790,476
Ampacs International Company Limited	<u>382,402</u>	<u>494,643</u>
	<u>\$ 1,246,137</u>	<u>\$ 1,285,119</u>

	<u>Ownership interests and percentage of voting rights</u>	
<u>S u b s i d i a r y N a m e</u>	<u>December 31, 2022</u>	<u>December 31, 2021</u>
Tech. Pioneer, Ltd.	100.00%	100.00%
Ampacs International	100.00%	100.00%

Company Limited

The share of profit or loss and other comprehensive income of subsidiaries accounted for using the equity method for the years 2022 and 2021 are recognized based on the audited financial reports of those companies for the same periods.

(2) Individually insignificant associated companies and joint ventures

	<u>December 31, 2022</u>	<u>December 31, 2021</u>
Individually insignificant associated companies and joint ventures		
Ability Technology Co., Ltd.	<u>\$ 14,968</u>	<u>\$ -</u>

Individually insignificant associated companies and joint ventures as follows:

C o m p a n y n a m e	Nature of Business	Primary business v e n u e	Ownership equity and voting percentage	
			December 31, 2022	December 31, 2021
Ability Technology Co., Ltd.	Manufacturing and trading of computer peripherals, photographic equipment, and electronic components	New Taipei City	40%	-

In April 2022, the Company signed an agreement with Canon Inc. to establish a joint venture named Ability Technology Co., Ltd. with a 40% equity interest by investing cash of NT\$20,000 thousand. The Company does not have substantive control over the joint venture.

The investments accounted for using the equity method, and the Company's share of their profit or loss and other comprehensive income are recognized based on the audited financial statements for the same period.

Summary information on individually immaterial affiliated companies and joint ventures

December 31, 2022

Shares held by the company	
Net loss for the current year	(4,442)
Other comprehensive income	(590)
Total comprehensive profit and loss	<u>(\$ 5,032)</u>

12. Net Property, Plant and Equipment

		Buildings a n d	Office e q u i p m e n t	Machinery a n d	T e s t	O t h e r	T o t a l
<u>Cost</u>	<u>L a n d</u>	<u>s t r u c t u r e s</u>	<u>e q u i p m e n t</u>	<u>e q u i p m e n t</u>	<u>e q u i p m e n t</u>	<u>e q u i p m e n t</u>	<u>T o t a l</u>
January 1, 2021 balance	\$ 374,681	\$ 42,054	\$ 9,902	\$ 446	\$ 26,083	\$ 7,866	\$ 461,032
Add	<u>831,844</u>	<u>107,508</u>	<u>3,604</u>	<u>-</u>	<u>26,071</u>	<u>3925</u>	<u>972,952</u>
December 31, 2021 balance	<u>\$ 1,206,525</u>	<u>\$ 149,562</u>	<u>\$ 13,506</u>	<u>\$ 446</u>	<u>\$ 52,154</u>	<u>\$ 11,791</u>	<u>\$ 1,433,984</u>
 <u>Accumulated depreciation</u>							
January 1, 2021 balance	\$ -	\$ 2,944	\$ 6,724	\$ 291	\$ 8,398	\$ 4,565	\$ 22,922
Depreciation expenses	<u>-</u>	<u>2,431</u>	<u>2,665</u>	<u>37</u>	<u>7,075</u>	<u>1,899</u>	<u>14,107</u>
December 31, 2021 balance	<u>\$ -</u>	<u>\$ 5,375</u>	<u>\$ 9,389</u>	<u>\$ 328</u>	<u>\$ 15,473</u>	<u>\$ 6,464</u>	<u>\$ 37,029</u>
Net at December 31, 2021	<u>\$ 1,206,525</u>	<u>\$ 144,187</u>	<u>\$ 4,117</u>	<u>\$ 118</u>	<u>\$ 36,681</u>	<u>\$ 5,327</u>	<u>\$ 1,396,955</u>
 <u>Cost</u>							
January 1, 2022 balance	\$ 1,206,525	\$ 149,562	\$ 13,506	\$ 446	\$ 52,154	\$ 11,791	\$ 1,433,984
Add	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>650</u>	<u>497</u>	<u>1,147</u>
Reclassify	<u>-</u>	<u>(61,321)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(61,321)</u>
December 31, 2022 balance	<u>\$ 1,206,525</u>	<u>\$ 88,241</u>	<u>\$ 13,506</u>	<u>\$ 446</u>	<u>\$ 52,804</u>	<u>\$ 12,288</u>	<u>\$ 1,373,810</u>

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	<u>L a n d</u>	<u>B u i l d i n g s a n d s t r u c t u r e s</u>	<u>O f f i c e e q u i p m e n t</u>	<u>M a c h i n e r y a n d e q u i p m e n t</u>	<u>T e s t e q u i p m e n t</u>	<u>O t h e r e q u i p m e n t</u>	<u>T o t a l</u>
<u>Accumulated depreciation</u>							
January 1, 2022 balance	\$ -	\$ 5,375	\$ 9,389	\$ 328	\$ 15,473	\$ 6,464	\$ 37,029
Depreciation expenses	-	1,968	2,055	37	9,127	1,999	15,186
Reclassify	-	(1,173)	-	-	-	-	(1,173)
December 31, 2022 balance	<u>\$ -</u>	<u>\$ 6,170</u>	<u>\$ 11,444</u>	<u>\$ 365</u>	<u>\$ 24,600</u>	<u>\$ 8,463</u>	<u>\$ 51,042</u>
Net at December 31, 2022	<u>\$ 1,206,525</u>	<u>\$ 82,071</u>	<u>\$ 2,062</u>	<u>\$ 81</u>	<u>\$ 28,204</u>	<u>\$ 3,825</u>	<u>\$ 1,322,768</u>

Depreciation expenses are recognized on a straight-line basis over the following useful lives:

Buildings and structures	50 years
Office equipment	3 - 6 years
Machinery and equipment	3 - 5 years
Test equipment	3 - 10 years
Other equipment	2 - 5 years

Refer to Note 26 for the amount of real estate, plant, and equipment set as collateral for borrowings.

13. Lease Agreement

	<u>Year 2022</u>	<u>Year 2021</u>
Lease expenses for low-value assets	<u>\$ 104</u>	<u>\$ 69</u>
Total cash outflows from leases.	<u>\$ 104</u>	<u>\$ 69</u>

The Company chooses to apply an exemption to recognize related right-of-use assets and lease liabilities for office equipment leases that meet the low-value asset lease criteria.

14. Investment Properties (recorded as other non-current assets)

	<u>December 31, 2022</u>
<u>Cost</u>	
January 1, 2022 balance	\$ -
From Property plant, and equipment	<u>61,321</u>
December 31, 2022 balance	<u>\$ 61,321</u>
<u>Accumulated depreciation</u>	
January 1, 2022 balance	\$ -
Depreciation expenses	1,023
From Property plant, and equipment	<u>1,173</u>

December 31, 2022 balance	<u>\$ 2,196</u>
Net at December 31, 2022	<u>\$ 59,125</u>

The investment properties are depreciated on a straight-line basis over their estimated useful lives as follows:

Buildings	50 years
-----------	----------

The fair value of investment properties located in the Taipei area that the Company holds has not been assessed by independent appraisers. The assessment of their fair values is based on market evidence of transactions for similar properties and is provided by the management of the Company. The fair values obtained are as follows:

Fair value	<u>December 31, 2022</u> <u>\$432,295</u>
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Note 26 of the financial statements contains the amount of investment properties that have been designated as collateral for borrowings.

15. Intangible Assets - Net

	<u>P a t e n t</u>	<u>Trademarks</u>	<u>C o s t o f c o m p u t e r s o f t w a r e</u>	<u>T o t a l</u>
<u>Cost</u>				
January 1, 2021 balance	\$ 2,120	\$ 520	\$ 18,262	\$ 20,902
Acquisition	252	-	2,955	3,207
Disposition	(46)	-	-	(46)
December 31, 2021 balance	<u>\$ 2,326</u>	<u>\$ 520</u>	<u>\$ 21,217</u>	<u>\$ 24,063</u>
<u>Accumulated Amortization</u>				
January 1, 2021 balance	\$ 1,511	\$ 400	\$ 10,091	\$ 12,002
Amortization	74	33	3713	3820
Disposition	(5)	-	-	(5)
December 31, 2021 balance	<u>\$ 1,580</u>	<u>\$ 433</u>	<u>\$ 13,804</u>	<u>\$ 15,817</u>
Net at December 31, 2021	<u>\$ 746</u>	<u>\$ 87</u>	<u>\$ 7,413</u>	<u>\$ 8,246</u>
<u>Cost</u>				
January 1, 2022 balance	\$ 2,326	\$ 520	\$ 21,217	\$ 24,063
Acquisition	-	-	970	970

	<u>P a t e n t</u>	<u>Trademarks</u>	<u>C o s t o f c o m p u t e r s o f t w a r e</u>	<u>T o t a l</u>
December 31, 2022 balance	\$ <u>2,326</u>	\$ <u>520</u>	\$ <u>22,187</u>	\$ <u>25,033</u>
<u>Accumulated</u>				
<u>Amortization</u>				
January 1, 2022 balance	\$ 1,580	\$ 433	\$ 13,804	\$ 15,817
Amortization	<u>55</u>	<u>33</u>	<u>3,565</u>	<u>3,653</u>
December 31, 2022 balance	\$ <u>1,635</u>	\$ <u>466</u>	\$ <u>17,369</u>	\$ <u>19,470</u>
Net at December 31, 2022	\$ <u>691</u>	\$ <u>54</u>	\$ <u>4,818</u>	\$ <u>5,563</u>

Depreciation expenses are recognized on a straight-line basis and calculated based on the following estimated useful lives:

Patent	1 - 19 years
Trademarks	10 years
Cost of computer software	2 - 10 years

Amortization expenses are aggregated by function:

	<u>Year 2022</u>	<u>Year 2021</u>
Research and development expenses	\$ 3,582	\$ 3,761
Management expense	<u>71</u>	<u>59</u>
	\$ <u>3,653</u>	\$ <u>3,820</u>

16. Borrowings

(1) Short-term borrowings.

	<u>December 31, 2022</u>	<u>December 31, 2021</u>
Loans with collateral (Note 26)		
Bank-guaranteed loans	\$ 969,817	\$ 1,054,182
Receivables-backed loans	<u>504,995</u>	<u>926,343</u>
	<u>1,474,812</u>	<u>1,980,525</u>
<u>Unsecured loans</u>		
Bank borrowings	<u>267,536</u>	<u>434,168</u>
	\$ <u>1,742,348</u>	\$ <u>2,414,693</u>
Interest rate range	<u>1.718%~6.818%</u>	<u>1.08%~3.33%</u>

(2) Short-term tickets payable

	<u>December 31, 2022</u>	<u>December 31, 2021</u>
Commercial paper payable	<u>\$ 100,000</u>	<u>\$ -</u>
Interest rate range	<u>2.258%</u>	<u>-</u>

(3) Long-term borrowings

	<u>December 31, 2022</u>	<u>December 31, 2021</u>
Loans with collateral (Note 26)		
Bank-guaranteed loans	\$ 951,138	\$ 860,663
Less: Portion due within 1 year	(<u>210,993</u>)	(<u>61,571</u>)
	<u>740,145</u>	<u>799,092</u>
<u>Unsecured loans</u>		
Credit Loan	60,000	90,000
Less: Portion due within 1 year	(<u>30,000</u>)	(<u>30,000</u>)
	<u>30,000</u>	<u>60,000</u>
	<u>\$ 770,145</u>	<u>\$ 859,092</u>
Interest rate range	<u>1.925%~2.224%</u>	<u>1.09%~1.337%</u>

17. Other payables

	<u>December 31, 2022</u>	<u>December 31, 2021</u>
Accrued salaries and bonuses	\$ 23,331	\$ 22,123
Interests payable	8,406	3,157
Labor fees payable	3,211	3,551
Others (Note)	<u>14,647</u>	<u>9,922</u>
	<u>\$ 49,595</u>	<u>\$ 38,753</u>

Note: Other expenses are mainly insurance fees, sample fees, miscellaneous purchase and transportation costs.

18. Post-retirement benefits Plan

The retirement scheme adopted by the Company is governed by the Labor Retirement Pension Act, which is a government-managed defined contribution retirement plan. Retirement funds are allocated at a rate of 6% of employees' monthly salaries and deposited into individual accounts with the Labor Insurance Bureau.

19. Equity

(1) Capital stocks

Common Stock

	<u>December 31, 2022</u>	<u>December 31, 2021</u>
Rated number of shares (1000 shares)	<u>500,000</u>	<u>500,000</u>
Rated share capital	<u>\$ 5,000,000</u>	<u>\$ 5,000,000</u>
Number of shares issued and fully received (1000 shares)	<u>150,000</u>	<u>150,000</u>
Issued share capital	<u>\$ 1,500,000</u>	<u>\$ 1,500,000</u>

The Company's shareholders' meeting on July 29, 2021, resolved to increase the capital through capital surplus by issuing 12,200 thousand shares and through retained earnings by issuing 15,800 thousand shares, with a par value of NTD 10 per share. The record date for the capital increase is September 21, 2021. The paid-up capital after the increase amounts to NTD 1,500,000 thousand, and the change of registration has been completed.

(2) Capital surplus

	<u>December 31, 2022</u>	<u>December 31, 2021</u>
May be used to cover losses, release cash or replenish share capital (1)		
Share issuance premium	\$ 1,092,275	\$ 1,155,700
Differences between actual acquisition or disposal price of subsidiary shares and their book values.	2,481	2,481
Repurchase stock trading	<u>801</u>	<u>801</u>
	<u>1,095,557</u>	<u>1,158,982</u>
<u>It can only be used to cover losses</u>		
Number of changes in ownership interests recognized in subsidiaries (2)	<u>2,380</u>	<u>2,380</u>
	<u>\$ 1,097,937</u>	<u>\$ 1,161,362</u>

1. Such capital surplus may be used to offset losses and, when the company has no losses, it may be used for cash distribution or capitalization, subject to a certain percentage of the paid-up capital when capitalizing.
2. The impact of equity transactions related to changes in subsidiary equity is recognized in this capital surplus when the Company does not actually acquire or dispose of subsidiary equity.

(3) Retention of surplus and dividend policy

In accordance with the Company's articles of incorporation, when there is a surplus in the annual financial statements, an estimate should be made for the provision of taxes and donations, offsetting losses as required by law, allocation to legal reserve funds, and the allocation or reversal of special reserve funds according to relevant laws and regulations. For the distribution of surplus in cash, it shall be determined by the Board of Directors. When distribution is made through the issuance of new shares, it shall be resolved by the shareholders' meeting as stipulated.

For the Company's policies on employee and director remuneration distribution, please refer to Note 20(6) Employee and Director Remuneration Explanation.

The legal reserve fund shall be allocated until its balance reaches the total amount of the Company's paid-up capital. The legal reserve fund may be used to offset losses. When the legal reserve fund exceeds 25% of the total paid-up capital and there are no losses, the excess amount may be distributed in cash in addition to capitalization.

When allocating to the special reserve fund from the net balance of other accumulated comprehensive income in previous periods, if the undistributed earnings from previous periods are insufficient for allocation, the amount will be allocated from the current year's retained earnings, including items other than the current year's net profit after tax, into the undistributed earnings of the current period.

Earnings Distribution for the Years 2021 and 2020:

	Earnings Distribution Plan		Dividend per share (NTD)	
	Year 2021	Year 2020	Year 2021	Year 2020
Legal reserve	\$ -	\$ 48,858	\$ -	\$ -
Special surplus reserve	17,314	82,870	-	-
Cash dividends	10,325	36,600	0.07	0.30
Shareholder stock dividends	-	158,000	-	1.2951
Capital reserve distribution				
Cash dividends	63,425	163,400	0.43	1.3393
Capital reserve distribution				
Shareholder stock dividends	-	122,000	-	1

The cash dividends mentioned above were distributed on April 28, 2022, and March 25, 2021, respectively, as resolved by the Board of Directors. The remaining earnings distribution items were also resolved by the Shareholders' Meeting on June 14, 2022, and July 29, 2021.

As of the date of this financial report, the Board of Directors has not yet proposed the earnings distribution plan for the year 2022.

(4) Special surplus reserve

	Year 2022	Year 2021
Beginning balance	\$ 174,422	\$ 91,552
Appropriation to special earnings reserve		
Subtract from other equity items	17,314	82,870
Ending balance	\$ 191,736	\$ 174,422

(5) Other Equity Items

1. Exchange differences on translation of foreign financial statements

	Year 2022	Year 2021
Beginning balance	(\$ 165,115)	(\$ 147,587)
Produced in the current year		
Exchange differences on	49,889	(17,528)

translation of foreign financial statements		
Share of a joint venture using the equity method	(<u>590</u>)	<u>-</u>
Other consolidated gains and losses for the year	<u>49,299</u>	(<u>17,528</u>)
Ending balance	(<u>\$ 115,816</u>)	(<u>\$ 165,115</u>)

2. Unrealized gains (losses) of financial assets are measured at fair value through other comprehensive income

	<u>Year 2022</u>	<u>Year 2021</u>
Beginning balance	(\$ 26,621)	(\$ 26,835)
Produced in the current year		
Unrealized gains and losses		
Debt instruments	(1,589)	214
Other consolidated gains and losses for the year	(1,589)	214
Ending balance	<u>(\$ 28,210)</u>	<u>(\$ 26,621)</u>

(6) Treasury stock

<u>Reason for reacquisition</u>	<u>Proposed transfer of shares to employees (in thousands)</u>
January 1, 2022 Number of shares held	2,500
Increases this year	<u>-</u>
December 31, 2022 Number of shares held	<u>2,500</u>
January 1, 2021 Number of shares held	-
Increases this year	<u>2,500</u>
December 31, 2021 Number of shares held	<u>2,500</u>

In August 2021, the company's Board of Directors approved the repurchase of treasury shares for the purpose of transferring them to employees.

The treasury shares held by the company are subject to regulations under the Securities and Exchange Act, which prohibit pledging and restrict the rights to receive dividends and exercise voting rights.

20. Net profit

(1) Other income

	<u>Year 2022</u>	<u>Year 2021</u>
Interest income	\$ 1,741	\$ 424
Rental income	<u>14,830</u>	<u>7,416</u>
	<u>\$ 16,571</u>	<u>\$ 7,840</u>

(2) Other gains and losses

	<u>Year 2022</u>	<u>Year 2021</u>
Net foreign exchange gains (losses)	\$ 208,004	(\$ 28,048)
Investment property - depreciation expenses	(1,023)	-
Others	(<u>9,933</u>)	<u>3,177</u>
	<u>\$ 197,048</u>	<u>(\$ 24,871)</u>

(3) Finance costs

	<u>Year 2022</u>	<u>Year 2021</u>
Interest expenses of bank borrowings	\$ 76,628	\$ 31,042
Pledge receivables handling fee	<u>5,192</u>	<u>5,780</u>
	<u>\$ 81,820</u>	<u>\$ 36,822</u>

(4) Depreciation and amortization

	<u>Year 2022</u>	<u>Year 2021</u>
Depreciation expenses are summarized by function		
Operating expenses	\$ 15,186	\$ 14,107
Other gains and losses	<u>1,023</u>	<u>-</u>
	<u>\$ 16,209</u>	<u>\$ 14,107</u>
Amortization charges are aggregated by function		
Operating expenses	<u>\$ 3,653</u>	<u>\$ 3,820</u>

(5) Employee benefit expense

	<u>Year 2022</u>	<u>Year 2021</u>
Short-term employee benefits	\$ 174,251	\$ 163,139
Post-retirement benefits		
Defined contribution plans	7,091	7,342
Other Employee benefit	<u>3,037</u>	<u>3,701</u>
Total employee benefit expenses	<u>\$ 184,379</u>	<u>\$ 174,182</u>
Aggregated by function		
Operating expenses	<u>\$ 184,379</u>	<u>\$ 174,182</u>

(6) Employee and Director Remuneration

In accordance with the company's articles of incorporation, the company is required to allocate a portion of the pre-tax income, excluding employee and director compensation, for the payment of employee compensation, which shall not be less than 1%, and director compensation, which shall not exceed 3%. However, in the event of accumulated losses, they shall be offset first.

The estimated allocation for employee and director compensation in 2022 was approved by the Board of Directors on March 22, 2023, as follows:

Mention the scale

	<u>Year 2022</u>	<u>Year 2021</u>
Employee compensation	1%	-
Director Compensation	1%	-

Amount

	<u>Year 2022</u>		<u>Year 2021</u>	
	<u>C a s h</u>	<u>S t o c k s</u>	<u>C a s h</u>	<u>S t o c k s</u>
Employee compensation	\$ 1,090	\$ -	\$ -	\$ -
Director Compensation	1,090	-	-	-

Due to the net loss incurred by the company in 2021, no estimation or distribution was made for employee compensation and director compensation.

If the amount remains unchanged after the date of issuance of the annual individual financial report, it will be treated according to the change in accounting estimates and adjusted and recorded in the following year

The actual amount of employee and director compensation distributed in the year 2020 was consistent with the recognized amount in the individual financial statements for the same period.

For information on employee remuneration and directors' remuneration resolved by the Board of Directors of the Company, please visit the Taiwan Stock Exchange Public Information Observatory.

(7) Gains (losses) on foreign currency exchange

	<u>Year 2022</u>	<u>Year 2021</u>
Total foreign exchange gains	\$ 461,038	\$ 53,159
Total amount of foreign currency exchange (loss).	(<u>253,034</u>)	(<u>81,207</u>)
Net profit (loss)	<u>\$ 208,004</u>	<u>(\$ 28,048)</u>

21. Income Tax

(1) The main components of income tax expense recognized in profit or loss

	<u>Year 2022</u>	<u>Year 2021</u>
Current income tax		
Generator of the year	\$ 36,167	\$ 127,914
Tax on unappropriated earnings	-	8,113
Income tax adjustments	(7,388)	18

for previous years		
Deferred income tax.		
Generator of the year	<u>4,743</u>	(<u>95,882</u>)
Income tax expense		
recognized in profit or		
loss	<u>\$ 33,522</u>	<u>\$ 40,163</u>

The reconciliation of net profit (loss) before tax and income tax expense (profit) is as follows:

	<u>Year 2022</u>	<u>Year 2021</u>
Profit (loss) before tax	<u>\$ 106,852</u>	<u>(\$ 9,082)</u>
Income tax expense (benefit) of net profit before tax at statutory rate	\$ 21,370	(\$ 1,816)
Tax on unappropriated earnings	-	8,113
Temporary differences may be deducted if not recognized	19,540	33,848
Income tax adjustments for previous years	<u>(7,388)</u>	<u>18</u>
Income tax expense recognized in profit or loss	<u>\$ 33,522</u>	<u>\$ 40,163</u>

(2) Deferred tax assets and liabilities

Changes in deferred tax assets and liabilities are as follows:

Year 2022

<u>Deferred tax assets</u>	<u>Beginning balance</u>	<u>Recognized in (loss) income</u>	<u>Recognized in other comprehensive income (loss)</u>	<u>Ending balance</u>
Transient differences				
Unrealized exchange loss	\$ 5,612	(\$ 4,887)	\$ -	\$ 725
Provision for short-term liabilities for warranty	3,018	144	-	3,162
Investment Credits Using the Equity Method	39,310	-	(4,382)	34,928
Asset impairment losses	22	-	-	22
Bonus for not taking leave	<u>314</u>	<u>-</u>	<u>-</u>	<u>314</u>
	<u>\$ 48,276</u>	<u>(\$ 4,743)</u>	<u>(\$ 4,382)</u>	<u>\$ 39,151</u>

Year 2021

	Beginning balance	Recognized in (loss) income	Recognized in other comprehen- sive (loss) income	Ending balance
<u>Deferred tax assets</u>				
<u>Transient differences</u>				
Unrealized exchange loss	\$ 6,150	(\$ 538)	\$ -	\$ 5,612
Provision for short-term liabilities for warranty	1,762	1,256	-	3,018
Investment Credits Using the Equity Method	-	34,928	4,382	39,310
Asset impairment losses	22	-	-	22
Bonus for not taking leave	174	140	-	314
	<u>\$ 8,108</u>	<u>\$ 35,786</u>	<u>\$ 4,382</u>	<u>\$ 48,276</u>
 <u>Deferred income tax liabilities:</u>				
<u>Temporary difference</u>				
Investment Credits Using the Equity Method	<u>\$ 60,096</u>	<u>(\$ 60,096)</u>	<u>\$ -</u>	<u>\$ -</u>

(3) Approval conditions of income tax

The corporate income tax of the company has been filed and assessed by the tax authorities until the year ended 2020.

22. Earnings (loss) per share

	Unit: NTD per share	
	<u>Year 2022</u>	<u>Year 2021</u>
Basic earnings (losses) per share	<u>\$ 0.50</u>	<u>(\$ 0.33)</u>
Diluted Earnings (loss) per share	<u>\$ 0.50</u>	<u>(\$ 0.33)</u>

The earnings (loss) used in the calculation of earnings per share and the weighted average number of ordinary shares are as follows:

Profit (loss)

	<u>Year 2022</u>	<u>Year 2021</u>
The earnings (loss) and the	<u>\$ 73,330</u>	<u>(\$ 49,245)</u>

weighted average number of common shares used to calculate earnings per share (loss) are as follows:

Number of shares Unit: 1000 shares

	<u>Year 2022</u>	<u>Year 2021</u>
The weighted average number of common shares used to calculate basic earnings per share	147,500	149,336
The impact of potential ordinary shares with dilutive effect :		
Employee compensation	<u>30</u>	<u>-</u>
The weighted average number of common shares used to calculate Diluted earnings per share	<u>147,530</u>	<u>149,336</u>

When calculating diluted earnings per share, assuming the employee compensation is to be issued in the form of stock, and when the potential common shares have a dilutive effect, they are included in the weighted average number of diluted shares outstanding to calculate diluted earnings per share. When calculating diluted earnings per share before the decision on the issuance of employee compensation shares for the following year, the dilutive effect of such potential common shares continues to be considered. However, for the calculation of diluted loss per share for the year 2021, the potential common shares related to employee compensation are not included as they would have an anti-dilutive effect.

23. Capital risk management

The Company conducts capital management to ensure that the Company is able to make commitments prior to continuing operations by maximizing shareholder returns by optimizing debt and equity balances. There have been no material changes to the Company's overall strategy.

The Company is required to maintain capital to meet the needs of upgrading equipment. Therefore, the Company's capital management is to

ensure that the necessary financial resources and operating plans are in place to meet the working capital, capital expenditure, research and development expenses, debt repayment and dividend expenses required for the next 12 months.

24. Financial instruments

- (1) Measure the fair value of financial instruments at amortized cost

The Company's management considers that the carrying amount of financial assets and financial liabilities measured at amortized cost in these financial statements is approaching their fair value.

- (2) Fair Value Information - Financial instruments measured at fair value on a repetitive basis

Fair value hierarchy

December 31, 2022

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>T o t a l</u>
<u>Unrealized losses on</u> <u>financial assets</u> <u>measured at fair value</u> <u>through other</u> <u>comprehensive</u> <u>income.</u>				
Debt securities investment	\$ <u>3,043</u>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>3,043</u>

December 31, 2021

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>T o t a l</u>
<u>Unrealized losses on</u> <u>financial assets</u> <u>measured at fair value</u> <u>through other</u> <u>comprehensive</u> <u>income.</u>				
Debt securities investment	\$ <u>4,196</u>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>4,196</u>

There were no transfers between Level 1 and Level 2 fair value measurements during the periods from January 1 to December 31 in 2022 and 2021.

(3) Types of financial instruments

	December 31, 2022	December 31, 2021
<u>Financial Assets</u>		
Unrealized losses on financial assets measured at fair value through other comprehensive income.	\$ 3,043	\$ 4,196
Measurement at amortized cost (Note 1)	1,826,710	4,077,263
<u>Financial liabilities</u>		
Measurement at amortized cost (Note 2)	3,147,476	3,992,963

Note 1 : The balance includes cash, financial assets measured at amortized cost (including related parties), accounts receivable (including related parties), other receivables (including related parties), and deposits paid measured at amortized cost.

Note 2 : The balance includes short-term borrowings, accounts payable (including related parties), other payables, long-term borrowings (including the portion due within one year), and deposits received measured at amortized cost.

(4) Objectives and Policies of Financial Risk Management

The main financial instruments of the Company include accounts receivable, accounts payable, and short- and long-term borrowings. The Company's financial management department provides services to various business units, overseeing and managing financial risks related to the Company's operations through the analysis of internal risk reports on the degree and scope of potential risks. These risks include market risk (including foreign exchange risk, interest rate risk, and other price risks), credit risk, and liquidity risk.

1. Market Risk

The main financial risks that the company is exposed to as a result of its operations are foreign exchange rate risk (as described in (1) below) and interest rate risk (as described in (2) below).

There have been no changes in the company's exposure to financial market risks and its methods of managing and measuring such risks.

(1) Foreign exchange rate risk

The company engages in sales and purchases denominated in foreign currencies, thereby exposing the company to foreign exchange rate fluctuations. The company's management regularly monitors foreign exchange risk, and necessary measures will be considered to address significant exchange rate risks and manage the risks arising from foreign exchange fluctuations.

The amounts of monetary assets and monetary liabilities denominated in non-functional currencies as of the balance sheet date are disclosed in Note 28.

Sensitivity analysis

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

The following table provides a detailed sensitivity analysis of the company's response to a 1% increase or decrease in the exchange rate between the New Taiwan Dollar (functional currency) and the US Dollar. The sensitivity analysis includes only foreign currency monetary items outstanding and debt instruments measured at fair value through other comprehensive income. In the table below, positive numbers indicate that a 1% appreciation of the US dollar against the New Taiwan Dollar will increase pre-tax net income by the corresponding amount. Conversely, a 1% depreciation of the US dollar against the New Taiwan Dollar will have an equal negative impact on pre-tax net income.

	<u>Year 2022</u>	<u>Year 2021</u>
profit (loss)	<u>\$ 18,343</u>	<u>\$ 15,096</u>

(2) Interest Rate Risk

Due to the company's borrowing of funds at floating interest rates, interest rate exposure arises. The company manages interest rate risk by maintaining an appropriate portfolio of floating interest rates.

As of the balance sheet date, the financial assets and financial liabilities subject to interest rate exposure are as follows:

	<u>December 31, 2022</u>	<u>December 31, 2021</u>
Fair value interest rate risk		
Financial Assets	\$ 151,417	\$ 117,795
Financial liabilities	100,000	-
Cash flow interest rate risk		
Financial Assets	286,020	247,242
Financial liabilities	2,753,486	3,365,356

Sensitivity analysis

The following sensitivity analysis is based on the interest rate exposure of derivative and non-derivative instruments on the balance sheet date. For floating rate liabilities, the analysis assumes that the outstanding liabilities on the balance sheet date remain outstanding throughout the reporting period. The management reports on interest rates to the key management personnel using a rate fluctuation of ± 100 basis points, which represents the assessed reasonable range of interest rate fluctuations by the management.

If the interest rates increase by 100 basis points, with all other variables held constant, the company's pre-tax income for the years 2022 and 2021 would decrease by NT\$24,675 thousand and NT\$31,181 thousand, respectively. Conversely, if the interest rates

decrease by 100 basis points, the impact on pre-tax income would be the same amount but in negative. This is primarily due to the company's floating rate bank deposits and borrowings.

(3) Other price risks.

The company is exposed to price risk of debt instruments due to its investments in debt instruments. The primary objective of the company is to collect cash flows from bond instruments and evaluate their potential sale when necessary.

2. Credit Risk

Credit risk refers to the risk of financial loss to the company resulting from counterparties' failure to fulfill contractual obligations. As of the balance sheet date, the maximum credit risk exposure arising from counterparties' non-performance of obligations is primarily derived from the carrying amount of financial assets recognized on the balance sheet.

The company's credit risk is primarily concentrated in its top five customers. As of December 31, 2022, and December 31, 2021, the total accounts receivable from these customers accounted for 70% and 85%, respectively, of the total accounts receivable.

3. Liquidity Risk

The company manages and maintains sufficient cash positions to support its operations and mitigate the impact of cash flow fluctuations. The management oversees the utilization of bank financing facilities and ensures compliance with loan agreement terms.

Bank borrowings are an important source of liquidity for the company. As of December 31, 2022, and December 31, 2021, the unused financing facilities are detailed in the following explanation of (2) Financing Facilities.

(1) Liquidity and Interest Rate Risk of Non-Derivative Financial Liabilities Table

The analysis of remaining contractual maturities of non-derivative financial liabilities is based on the earliest possible repayment date when the company may be required to repay the financial liabilities, using undiscounted cash flows (including

principal and estimated interest). Therefore, bank borrowings that may be required to be repaid immediately are listed within the earliest period in the table, without considering the probability of the bank exercising that right immediately. Other non-derivative financial liabilities are analyzed based on their contractual repayment dates.

The undiscounted interest amounts for interest cash flows paid at floating interest rates are derived based on the yield curve at the balance sheet date.

December 31, 2022

	<u>In 1 year</u>	<u>1-5 years</u>	<u>More than 5 y e a r s</u>
<u>Non-derivative financial liabilities</u>			
Non-Interest-Beari ng Liabilities	\$ 282,010	\$ -	\$ -
Fixed Interest Rates instrument	100,000	-	-
Floating rate instruments	<u>2,002,857</u>	<u>342,528</u>	<u>490,208</u>
	<u>\$ 2,384,867</u>	<u>\$ 342,528</u>	<u>\$ 490,208</u>

December 31, 2021

	<u>In 1 year</u>	<u>1 - 5 years</u>	<u>More than 5 y e a r s</u>
<u>Non-derivative financial liabilities</u>			
Non-Interest-Beari ng Liabilities	\$ 622,379	\$ -	\$ -
Floating rate instruments	<u>2,520,071</u>	<u>403,026</u>	<u>522,722</u>
	<u>\$ 3,142,450</u>	<u>\$ 403,026</u>	<u>\$ 522,722</u>

The amounts of non-derivative financial assets and liabilities relating to floating-rate instruments mentioned above may vary due to differences between the floating interest rates and the estimated rates on the balance sheet date.

(2) Credit limit

	<u>December 31, 2022</u>	<u>December 31, 2021</u>
Unsecured bank borrowing lines		
- Amount spent	\$ 327,536	\$ 524,168
- Unspent amount	<u>342,404</u>	<u>143,712</u>
	<u>\$ 669,940</u>	<u>\$ 667,880</u>
Secured bank borrowing line		
- Amount spent	\$ 2,525,950	\$ 2,841,188
- Unspent amount	<u>2,323,904</u>	<u>2,151,478</u>
	<u>\$ 4,849,854</u>	<u>\$ 4,992,666</u>

(5) Information on the transfer of financial assets

The company entered into agreements with banks at the end of 2022 and 2021 to sell uncollected receivables, with amounts of 569,835 thousand NTD and 1,059,124 thousand NTD, respectively. The company also received related liabilities from the banks in the amounts of 504,995 thousand NTD and 926,343 thousand NTD. According to the contract, if the receivables cannot be collected upon maturity, the banks have the right to request the company to pay the outstanding balance. Therefore, the company has not transferred the significant risks and rewards associated with these receivables. The company continues to recognize all receivables and uses the transferred receivables as collateral for borrowings. Please refer to Note 26 for further details.

25. Related Party Transactions

In addition to disclosures made in other notes, the following are transactions between the company and related parties.

(1) Names and relationships of related parties

<u>N a m e s o f r e l a t e d p a r t i e s</u>	<u>R e l a t i o n s h i p s w i t h t h e C o m p a n y</u>
Ampacs International Company Limited	Subsidiary
Brilliance Investment Development Ltd.	Subsidiary
Richmake International Limited	Subsidiary
FORTUNE CHANNEL UNIVERSAL LIMITED	Subsidiary
Dong Guan Yi Xin Electronics Co., Ltd.	Subsidiary
Dong Guan Yi Zhuo Electronics Co., Ltd.	Subsidiary
Tech. Pioneer, Ltd.	Subsidiary

(2) Operating Income

<u>R e l a t e d p e r s o n c a t e g o r y / n a m e</u>	<u>Y e a r 2 0 2 2</u>	<u>Y e a r 2 0 2 1</u>
Subsidiary		
Tech. Pioneer, Ltd.	<u>\$ 217,686</u>	<u>\$ 112,866</u>

(3) Purchase

<u>Related person category / name</u>	<u>Year 2022</u>	<u>Year 2021</u>
Subsidiary		
Ampacs International Company Limited	\$ 3,093,200	\$ 2,392,314
Richmake International Limited	1,216,982	1,946,441
FORTUNE CHANNEL UNIVERSAL LIMITED	265,024	320,703
Others	-	6,665
	<u>\$ 4,575,206</u>	<u>\$ 4,666,123</u>

The purchasing terms with related parties are determined through mutual negotiations, as there are no comparable transactions available for reference.

(4) Accounts receivable

<u>Related person category / name</u>	<u>December 31, 2022</u>	<u>December 31, 2021</u>
Subsidiary		
Tech. Pioneer, Ltd.	<u>\$ 37,008</u>	<u>\$ 47,174</u>

Outstanding receivables from related parties are not guaranteed. No allowance for doubtful accounts has been recognized for receivables from related parties for the years 2022 and 2021.

(5) Accounts payable

<u>Related person category / name</u>	<u>December 31, 2022</u>	<u>December 31, 2021</u>
Subsidiary		
Ampacs International Company Limited	\$ -	\$ 176,924
Richmake International Limited	-	13,445
FORTUNE CHANNEL UNIVERSAL LIMITED	10,529	-
	<u>\$ 10,529</u>	<u>\$ 190,369</u>

The balance of the amount payable to related parties in circulation is not guaranteed.

(6) Other receivables (excluding loans to related parties)

<u>Related person category/name</u>	<u>December 31, 2022</u>	<u>December 31, 2021</u>
Subsidiary		
Ampacs International Company Limited	\$ 478,299	\$ 1,946,312
Dong Guan Yi Xin Electronics Co., Ltd.	-	60,564
	<u>\$ 478,299</u>	<u>\$ 2,006,876</u>

Other receivables are mainly purchases and advances on behalf of related parties.

(7) Prepayments for purchases

<u>Related person category / name</u>	<u>December 31, 2022</u>	<u>December 31, 2021</u>
Subsidiary		
Ampacs International Company Limited	\$ 1,519,365	\$ -
FORTUNE CHANNEL UNIVERSAL LIMITED	-	54,705
Others	17,004	-
	<u>\$ 1,536,369</u>	<u>\$ 54,705</u>

(8) Advance receipts (accounting for other current liabilities)

<u>Related person category/name</u>	<u>December 31, 2022</u>	<u>December 31, 2021</u>
Subsidiary		
Brilliance Investment Development Ltd.	\$ <u>299</u>	\$ <u>-</u>

The advance payment is mainly the advance payment received from the related party for the purchase.

(9) Remuneration of key management

	<u>Year 2022</u>	<u>Year 2021</u>
Short-term employee benefits	\$ 25,006	\$ 25,082
Post-retirement benefits	<u>322</u>	<u>412</u>
	\$ <u>25,328</u>	\$ <u>25,494</u>

The compensation of directors and other key management personnel is determined based on individual performance and market trends.

26. Pledges Assets

	<u>December 31, 2022</u>	<u>December 31, 2021</u>
Accounts receivable	\$ 569,835	\$ 1,059,124
Property, plant, and equipment	1,288,596	1,350,712
Pledged bank deposits (financial assets measured at amortized cost)	358,608	275,690
Investment property	<u>59,125</u>	<u>-</u>
	\$ <u>2,276,164</u>	\$ <u>2,685,526</u>

27. Other Matters

The Board of Directors of the Company resolved on December 29, 2022, to increase the investment in its subsidiary, Ampacs International Company Limited, by USD 20,000 thousand (equivalent to TWD 614,200 thousand) in accordance with a 100% shareholding ratio.

The Company has been impacted by the global pandemic of COVID-19 and recent developments in our country. We have adjusted our production capacity in response, but the uncertainty surrounding the pandemic persists. The Company will continue to monitor the situation closely and respond promptly.

28. Significant foreign currency assets and liabilities

The following information is presented in foreign currencies other than the functional currency of the Company, and the disclosed exchange rates represent the conversion rates of these currencies into the functional currency. The significant foreign currency assets and liabilities are as follows:

December 31, 2022

<u>F o r e i g n</u> <u>C u r r e n c y</u> <u>A s s e t s</u>	<u>F o r e i g n</u> <u>C u r r e n c y</u>	<u>E x c h a n g e</u> <u>R a t e</u>	<u>Book Value</u>
<u>Monetary items</u>			
USD	\$ 107,427	30.71 (USD: TWD)	<u>\$ 3,299,091</u>
<u>Non-Monetary</u> <u>Items</u>			
Investments			
Using Equity Method			
USD	28,126	30.71 (USD: TWD)	\$ 863,735
Vietnam	297,589,278	0.0013 (VND : TWD)	382,402
Non Derivative instruments			
USD	99	30.71 (USD: TWD)	<u>3,043</u>
			<u>\$ 1,249,180</u>
 <u>F o r e i g n</u> <u>c u r r e n c y</u> <u>l i a b i l i t i e s</u>			
<u>Monetary items</u>			
USD	47,797	30.71 (USD: TWD)	<u>\$ 1,467,853</u>

December 31, 2021

<u>F o r e i g n</u> <u>c u r r e n c y</u> <u>a s s e t s</u>	<u>F o r e i g n</u> <u>c u r r e n c y</u>	<u>E x c h a n g e</u> <u>r a t e</u>	<u>Book Value</u>
<u>Monetary items</u>			
USD	\$ 146,447	27.68 (USD: TWD)	<u>\$ 4,053,633</u>
<u>Non-Monetary</u> <u>Items</u>			
Investments			
Using Equity Method			
USD	28,558	27.68 (USD: TWD)	\$ 790,476
Vietnam	406,779,118	0.0012 (VND : NTD)	494,643

Non Derivative instruments			
USD	152	27.68 (USD: TWD)	<u>4,196</u>
			<u>\$ 1,289,315</u>
<u>Foreign currency liabilities</u>			
<u>Monetary items</u>			
USD	92,061	27.68 (USD: TWD)	<u>\$ 2,548,256</u>

29. Supplementary disclosure

(1) Major transaction matters and (2) Information related to the transfer of investment business:

1. Funds to be lent to others: Schedule 1.
2. Endorsement Warranties for Others: Schedule 2.
3. Summary of Held Marketable Securities (excluding investments in subsidiaries and associated enterprises): Refer to Schedule 3.
4. Cumulative purchases or sales of the same marketable securities amounting to NT\$300 million or more, or exceeding 20% of the paid-in capital: None.
5. Acquisition of real estate amounting to NT\$300 million or more, or exceeding 20% of the paid-in capital: None.
6. Disposal of real estate amounting to NT\$300 million or more, or exceeding 20% of the paid-in capital: None.
7. Sales or purchases with related parties amounting to NT\$100 million or more, or exceeding 20% of the paid-in capital: Refer to Schedule 4.
8. Amounts due from related parties amounting to NT\$100 million or more, or exceeding 20% of the paid-in capital: Refer to Schedule 5.
9. Engagement in derivative instrument transactions: None.
10. Information on invested companies: Refer to Schedule 6.

(3) Information on investments in mainland China:

1. Mainland China Invested Companies - Includes the names of the mainland China invested companies, their main business activities, paid-in capital, investment methods, fund inflow/outflow status, ownership percentages, investment gains/losses, year-end investment book values, repatriated investment gains/losses, and investment limits in mainland China: Schedule 7.
 2. Significant Transactions with Mainland China Invested Companies - Includes significant transactions with mainland China invested companies, whether directly or indirectly through a third region, along with their prices, payment terms, and unrealized gains/losses: Schedule 1, 2, 4, and 5.
- (4) The information on major shareholders with a shareholding percentage of 5% or more can be found in Schedule 8.

Ampacs Corporation and its investment holding companies

Loans to others

Year 2022

Schedule 1

單位：除另予註明者外，為
新台幣及外幣仟元

Number (Note 1)	Company Providing the Loan	Loan Object	Current Items	A related party or not	Current Maximum Balance (Note 5)	Closing balance (Note 5)	Actual Dealing Amount	Interest rate range	Nature of loans and advances	Amounts of business transaction s	Reasons for Short-term Borrowing	Itemized Allowance Amount for Bad Debts Amount of bad debts	C o l l a t e r a l		Loan limit for individual entities	Total loan limit	Remark s
													Name	Value			
1	Brilliance Investment Development Ltd.	Richmake International Limited	Other accounts receivable - related parties	Yes	\$ 270,248 (USD 8,800)	\$ 270,248 (USD 8,800)	\$ 244,787 (USD 7,971)	-	Short-ter m financing funds	\$ -	Operating Turnover	\$ -	-	\$ -	\$ 320,629 (USD 10,440)	\$ 320,629 (USD 10,440)	Note 3
2	Dong Guan Yi Zhuo Electronics Co., Ltd.	Brilliance Investment Development Ltd.	Other accounts receivable - related parties	Yes	154,778 (USD 5,040)	154,778 (USD 5,040)	150,093 (USD 4,887)	-	Short-ter m financing funds	-	Operating Turnover	-	-	-	201,915 (CNY 45,806)	201,915 (CNY 45,806)	Note 4

Note 1: The numbering columns are described below: Invested companies are numbered sequentially by company type, starting from Arabic numeral 1.

Note 2: The foreign currency amounts mentioned above are converted based on the exchange rates of US\$1 = \$30.71 and CNY\$1 = \$4.408 as of the end of the year 2022.

Note 3: The total amount of funds lent to others is limited to 120% of the audited net worth at the end of the most recent financial statements of Brilliance Investment Development Ltd. The limit for a single entity is 120% of its audited net worth at the end of the reporting period.

Note 4: The total amount of funds lent to others is limited to 120% of the audited net worth at the end of the most recent financial statements of Dongguan YiZhuo Electronic Technology Co., Ltd. The limit for a single entity is 120% of its audited net worth at the end of the reporting period.

Note 5: The highest balance and the ending balance for the period are determined by the board of directors of the lending company as approved "credit limits."

Ampacs Corporation and its investment holding companies
Endorsing or guaranteeing for others.

Year 2022

Schedule 2

Unit: Unless otherwise specified, for
NTD and foreign currency thousand units

Number	Name of company providing endorsement guarantee	Object of endorsement guarantee		Limit of endorsement guarantee for individual enterprises (Note 2)	Maximum endorsement guarantee balance for the current period (Note 3)	Endorsement guarantee balance at the end of the period (Note 3)	Actual Dealing Amount Note 3	Amount of endorsement guarantees secured by assets (Note 3)	Accumulated ratio of endorsement guarantees to the latest financial statement net worth (%)	Maximum endorsement guarantees (Note 2)	Guarantee provided by the parent company to its subsidiaries	Guaranteeing to provided by subsidiaries to the parent company	Pertaining to endorsement guarantees for the Mainland China region	Remarks
		Company name	Relation (Note 1)											
1	MODERN PIONEER(KUNSHAN)CO., LTD.	Ampacs Corporation	2	\$ 230,433 (CNY 52,276)	\$ 199,615 (USD 6,500)	\$ 199,615 (USD 6,500)	\$ 184,260 (USD 6,000)	\$ 29,577 (CNY 6,710)	7.12%	\$ 230,433 (CNY 52,276)	N	Y	N	

Note 1: The relationships between the endorsement guarantor and the endorsed parties are as follows:

1. Companies with business relationships.
2. Companies in which the endorsement guarantor directly and indirectly holds more than 50% of the voting rights.
3. Companies in which the endorsement guarantor directly and indirectly holds more than 50% of the voting rights of the company.

Note 2: 1. In accordance with the "Funds Lending and Endorsement Guarantee Processing Procedures" established by the company, the total amount of endorsement guarantees and the limit of endorsement guarantees for individual enterprises shall not exceed 100% of the company's latest annual financial statement net worth.

2. The aforementioned net worth is based on the financial statements audited by the company's accountants.

Note 3: The exchange rate used is US\$1 = \$30.71 and CNY\$1 = \$4.408 as of the end of December 2022.

Ampacs Corporation and its investment holding companies
End-of-Period Securities Holdings Statement.

As of December 31, 2022

Schedule 3

Unit: NTD and thousand foreign currency units

Held Companies	Type and Name of Securities	Relationship with Issuers of Securities	Accounting Item	E n d i n g				Remarks
				Number of shares/units	Carrying amount	Shareholding %	Fair value	
Ampacs Corporation	<u>Bond</u> Ford Motor Company Bonds	—	Financial assets carried at fair value through other comprehensive income - non-current	130	\$ 3,043	-	\$ 3,043	
Richmake International Limited	<u>Stock</u> Iota Communications, Inc.	—	Financial assets carried at fair value through other comprehensive income - non-current	2,478,000	-	1.26%	-	
Dong Guan Yi Zhuo Electronics Co., Ltd.	<u>RMB wealth management products</u> China CITIC Bank-CITIC Wealth Management's win-win and stable Tiantian Li RMB wealth management products		Financial assets at fair value through profit or loss - Current	-	11,461	-	11,461	

Ampacs Corporation and its investment holding companies

Total purchases from or sales to related parties of at least NTD 100 million or 20% of the paid-in capital.

January 1 to December 31, 2022

Schedule 4

Unit: NT\$1,000

Company the goods are purchased from (sold to)	Counterparty	Relation	Transaction condition				Deviations in Transaction Conditions and Reasons for Differences		Accounts and notes receivable (payable)		Remarks
			(Purchases) Sales	Amount	Total Ratio of Purchases / Sales (%)	Credit period	Unit price (\$)	Credit period	Balance	Ratio of Receivables/Payables to Total Notes and Accounts (%)	
Ampacs Corporation	Ampacs International Company Limited	Subsidiary	Purchase	(\$ 3,093,200)	(67%)	Approx. 120 days	At the agreed price	No material difference	\$ -	-	
	Richmake International Limited	Subsidiary	Purchase	(1,216,982)	(26%)	Approx. 120 days	At the agreed price	No material difference	-	-	
	FORTUNE CHANNEL UNIVERSAL LIMITED	Subsidiary	Purchase	(265,024)	(6%)	Approx. 120 days	At the agreed price	No material difference	(10,529)	-	
Tech. Pioneer, Ltd.	Ampacs Corporation	The Company	Purchase	(217,686)	(100%)	Approx. 120 days	At the agreed price	No material difference	(37,008)	(17%)	
Richmake International Limited	Dong Guan Yi Xin Electronics Co., Ltd.	Subsidiary	Purchase	(1,267,569)	(100%)	Approx. 180 days	At the agreed price	No material difference	(6,403)	(1%)	
FORTUNE CHANNEL UNIVERSAL LIMITED	MODERN PIONEER(KUNSHAN)CO., LTD.	Subsidiary	Purchase	(266,684)	(100%)	Approx. 180 days	At the agreed price	No material difference	(61,828)	(23%)	
Ampacs International Company Limited	Dong Guan Yi Xin Electronics Co., Ltd.	Intercompany	Purchase	(244,650)	(8%)	Approx. 180 days	At the agreed price	No material difference	(251,484)	(8%)	
Ampacs International Company Limited	Dong Guan Han Lei Electronics Co., Ltd.	Intercompany	Purchase	(283,497)	(9%)	Approx. 180 days	At the agreed price	No material difference	(30,092)	(1%)	
Ampacs International Company Limited	Ampacs Corporation	The Company	Sales	3,093,200	79%	Approx. 120 days	At the agreed price	No material difference	-	-	
Richmake International Limited	Ampacs Corporation	The Company	Sales	1,216,982	97%	Approx. 120 days	At the agreed price	No material difference	-	-	

FORTUNE CHANNEL UNIVERSAL LIMITED	Ampacs Corporation	The Company	Sales	265,024	100%	Approx. 120 days	At the agreed price	No material difference	10,529	-
Ampacs Corporation	Tech. Pioneer, Ltd.	Subsidiary	Sales	217,686	4%	Approx. 120 days	At the agreed price	No material difference	37,008	1%
MODERN PIONEER(KUNSHAN) CO., LTD.	FORTUNE CHANNEL UNIVERSAL LIMITED	Subsidiary	Sales	266,684	75%	Approx. 120 days	At the agreed price	No material difference	61,828	17%
Dong Guan Yi Xin Electronics Co., Ltd.	Richmake International Limited	Intercompany	Sales	1,267,569	84%	Approx. 180 days	At the agreed price	No material difference	6,403	-
Dong Guan Yi Xin Electronics Co., Ltd.	Ampacs International Company Limited	Intercompany	Sales	244,650	16%	Approx. 180 days	At the agreed price	No material difference	251,484	17%
Dong Guan Han Lei Electronics Co., Ltd.	Ampacs International Company Limited	Intercompany	Sales	283,497	99%	Approx. 180 days	At the agreed price	No material difference	30,092	11%

Ampacs Corporation and its investment holding companies
Receivables from Related Parties exceeding NT\$100 million or 20% of paid-in capital
December 31, 2022

Schedule 5

Unit: Unless otherwise specified,
in thousand New Taiwan Dollars

Companies with Accounts Receivable Recorded	Counterparty	Relation	Balance of Receivables from Related Parties	Balance of Other Receivables from Related Parties	Turnover rate	Overdue Receivables from Related Parties		Amounts Collected for Receivables from Related Parties after Due Date	Provision for Losses Recorded
						Amount	Handling Methods		
Dong Guan Yi Xin Electronics Co., Ltd.	Ampacs International Company Limited	Intercompany	\$ 251,484	\$ -	1.31	-	-	\$ 18,513	-
Dong Guan Yi Zhuo Electronics Co., Ltd.	Brilliance Investment Development Ltd.	Intercompany	-	150,093	Note 2	-	-	-	-
Ampacs Corporation	Ampacs International Company Limited	Subsidiary	-	478,299	Note 1	-	-	166,988	-
Brilliance Investment Development Ltd.	Richmake International Limited	Intercompany	-	244,787	Note 2	-	-	-	-

Note 1: The other receivables represent the purchase of raw materials on behalf of others.

Note 2: Represents funds lent.

Ampacs Corporation and its investment holding companies
Information about the invested company, region and other relevant information
January 1 to December 31, 2022

Schedule 6

Unit: Unless otherwise specified, for
NTD and foreign currency thousand units

Name of Investment Company	Name of Investee	Location	Primary business items	Original Investment Amount		End-of-Period Holdings			Investee Current profit (loss)	Investment (loss) profit and loss recognized in the current period	Remarks
				Ending	Beginning	Number of shares (1000 shares)	Ratio	Carrying amount			
Ampacs Corporation	Tech. Pioneer, Ltd.	Samoa	General Investment Business	USD 21,780	USD 21,780	23,003	100.00	\$ 863,735	\$ 45,964	\$ 45,964	Subsidiary
	Ampacs International Company Limited	Vietnam	Manufacturing and trading of plastic products and consumer electronics	HKD 9,500 USD 30,000	HKD 9,500 USD 30,000	-	100.00	382,402	(USD 1,542) (139,217) (VND -109,189,841)	(139,217)	Subsidiary
	Ability Technology Co., Ltd.	Taipei	Manufacturing and trading of computer peripherals, photographic equipment, and electronic components	TWD 20,000	TWD -	2,000	40.00	14,968	(11,105)	(4,442)	Investment Credits Using the Equity Method
Tech. Pioneer, Ltd.	Brilliance Investment Development Ltd.	Samoa	General investment industry and sale of plastic products	USD 1,050	USD 1,050	1,050	100.00	267,192	9,077 (USD 305)	9,077	Subsidiary
	Sunlight Ocean Holding Limited	Samoa	General Investment Business	USD 850	USD 850	850	100.00	55,551	3,094 (USD 104)	3,094	Subsidiary

Richmake International Limited	Samoa	General investment and consumer electronics trading	HKD 9,500	HKD 9,500	1,224	100.00	155,301	74,338 (USD 2,495)	74,338	Subsidiary
FORTUNE CHANNEL UNIVERSAL LIMITED	Seychelles	General investment industry and sale of plastic products	USD 16,000	USD 16,000	16,000	100.00	386,403	(39,229) (USD -1,316)	(39,229)	Subsidiary

Note 1 : For mainland investment information, please refer to Schedule 7

Ampacs Corporation and its subsidiaries
Investment in mainland China
January 1 to December 31, 2022

Schedule 7

Unit: NTD and foreign currency thousand

Name of invested company in Mainland China	Primary business items	Paid-in capital Note 3	Investment method	Beginning accumulated investment amount exported from Taiwan (Note 3)	Amount of Investment Remitted or Recovered in the Current Period Investment amount		Accumulated investment amount remitted from Taiwan as of the end of the period (Note 3)	Profit or loss of the invested company for the current period (Note 4)	Percentage of shareholding in the invested company directly or indirectly by the consolidated company	Investment income recognized in the current period (Note 4)	Book value of investments at the end of the period (Note 3)	Investment returns repatriated as of the end of the current period
					Remitted out	Recovered						
Dong Guan Yi Zhuo Electronics Co., Ltd.	Manufacture and trading of plastic products	\$ 32,246 (USD 1,050)	Note 1	\$ 32,246 (USD 1,050)	\$ -	\$ -	\$ 32,246 (USD 1,050)	\$ 8,939 (CNY 2,022)	100%	\$ 8,939 (USD 300)	\$ 168,263 (USD 5,479)	\$ -
Dong Guan Han Lei Electronics Co., Ltd.	Manufacturing and trading of plastic products and consumer electronics	26,104 (USD 850)	Note 1	26,104 (USD 850)	-	-	26,104 (USD 850)	3,124 (CNY 707)	100%	3,124 (USD 105)	54,063 (USD 1,760)	-
Dong Guan Yi Xin Electronics Co., Ltd.	Manufacturing and trading of plastic products and consumer electronics	37,411 (HKD 9,500)	Note 1	37,411 (HKD 9,500)	-	-	37,411 (HKD 9,500)	75,298 (CNY 17,029)	100%	75,298 (USD 2,527)	231,785 (USD 7,548)	-
MODERN PIONEER(KUNSHAN)CO., LTD.	Manufacture and trading of plastic products	414,585 (USD 13,500)	Note 1	414,585 (USD 13,500)	-	-	414,585 (USD 13,500)	(32,354) (CNY -7,317)	100%	(39,158) (USD -1,314)	398,311 (USD 12,970)	-
Dongguan Qijun Electronics Technology Co., Ltd	Manufacture and trading of headphone cables	8,816 (CNY 2,000)	Note 2 :	Note 2 :	-	-	Note 2 :	1,396 (CNY 316)	51%	712 (CNY 161)	12,626 (CNY 2,864)	-

End-of-period cumulative amount of investment remitted from Taiwan to Mainland China (Note 3)	Investment amount approved by the Investment Commission, Ministry of Economic Affairs (Note 3)	Investment limit for investment in Mainland China as regulated by the Investment Commission, Ministry of Economic Affairs
\$ 510,345 (USD 15,400) (HKD 9,500)	\$ 510,345 (USD 15,400) (HKD 9,500)	\$1,687,117 (Note 5)

Note 1 Investment in Mainland China made through establishing companies in third-party regions and further investing in Mainland China companies.

Note 2: The capital of Dongguan Hongjun Electronic Technology Co., Ltd. is remitted from the self-owned funds of Dong Guan Han Lei Electronics Co., Ltd.

Note 3: As of December 31, 2022, the exchange rates used for conversion were US\$1 = \$30.71, HKD\$1 = \$3.938, and CNY\$1 = \$4.408.

Note 4: The average exchange rates used for conversion in the year 2022 were US\$1 = \$29.8, HKD\$1 = \$3.8055, and CNY\$1 = \$4.4218.

Note 5: The calculation is based on 60% of the consolidated net worth of the Company.

Ampacs Corporation
Major Shareholders' Information

December 31, 2022

Schedule 8

M a j o r S h a r e h o l d e r N a m e	S h a r e s	
	Number of Shares H e l d	Percentage of Ownership (%)
Huang, Chang-ching	33,171,900	22.11%
Long An Investment Co., Ltd.	11,907,304	7.93%
Chang An Investment Co., Ltd.	11,681,569	7.78%
Xiao, Xiu-ru	9,702,545	6.46%

Note 1 : The information regarding major shareholders in this table is based on data provided by the Taiwan Depository & Clearing Corporation as of the last business day of the quarter, considering shares of common and preferred stock held by shareholders that have completed non-physical registration transfer (including treasury shares) and account for 5% or more of the total shares. The recorded share capital in the company's financial report may differ due to variations in calculation bases or other factors impacting the completion of non-physical registration transfers.

Note 2 : If the shareholders have entrusted their shares for custody, the details will be disclosed separately in the trustee's trust account. Regarding shareholders who hold more than 10% of the shares and are required to declare their equity holdings under securities laws and regulations, their holdings include personal holdings and shares held through entrusted custody, with decision-making power over the trust property. For information on the declaration of equity holdings by insiders, please refer to the Public Information Observation System.

§Detailed Table of Important Accounting Items§

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Ampacs Corporation
Cash statement
December 31, 2022

Schedule 1

Unit: Unless otherwise specified,
in thousand New Taiwan Dollars

<u>N</u> <u>a</u> <u>m</u> <u>e</u>	<u>A</u> <u>m</u> <u>o</u> <u>u</u> <u>n</u> <u>t</u>
Cash in Treasury	\$ 200
Bank deposit	
Checking Deposit	133
Demand Deposits (Note 1 and 2)	<u>78,829</u>
 Total	 <u>\$ 79,162</u>

Note 1: Including USD 2,207 thousand and HKD 2 thousand.

Note 2: The above-mentioned foreign currencies are converted based on the exchange rates of USD 1 = \$30.71 and HKD 1 = \$3.938.

Ampacs Corporation
Accounts receivable schedule
December 31, 2022

Schedule 2

Unit: NT\$1,000

C u s t o m e r N a m e	A m o u n t
Company A	\$ 429,159
Company B	103,983
Company C	64,207
Company D	47,511
Others (Note 1)	<u>228,665</u>
	873,525
Less: Allowance for Doubtful Accounts	<u>284</u>
Net amount	<u><u>\$ 873,241</u></u>

Note 1: None of the client's balances exceed 5% of the balance of this account.

Ampacs Corporation
Inventory schedule
December 31, 2022

Schedule 3

Unit: Unless otherwise specified,
in thousand New Taiwan Dollars

I n v e n t o r y	A m o u n t C o s t	N e t r e a l i z a b l e v a l u e
Commodities	\$ 14,727	\$ 17,043
Allowance for inventory impairment loss	-	-
Total	<u>\$ 14,727</u>	<u>\$ 17,043</u>

Ampacs Corporation
Schedule of advances
December 31, 2022

Schedule 4

Unit: NT\$1,000

<u>M a n u f a c t u r e r ' s n a m e .</u>	<u>A m o u n t</u>
Related party	
Ampacs International Company Limited	\$ 1,519,365
Others (Note)	<u>17,004</u>
	1,536,369
 Non-related party:	
Others (Note)	<u>41,538</u>
Total	<u>\$ 1,577,907</u>

Note: The balance of each vendor does not exceed 5% of the balance of this project.

Ampacs Corporation
Statement of changes in investments using the equity method
January 1 to December 31, 2022

Schedule 5

Unit: Unless otherwise specified,
in thousand New Taiwan Dollars

	<u>Beginning balance</u>		<u>Increases during the year</u>		<u>Decrease during the year</u>		Share of (loss) income from subsidiaries accounted for using the equity method	Exchange differences arising from the translation of financial statements of foreign operating entities	Realized sales profit between affiliated companies	Share of other comprehensiv e loss from subsidiaries accounted for using the equity method	<u>Ending balance</u>			Equity value	Provision of guarantees or pledges
	<u>Number of shares (1000 s h a r e s)</u>	<u>A m o u n t</u>	<u>Number of shares (1000 s h a r e s)</u>	<u>A m o u n t</u>	<u>Number of shares (1000 s h a r e s)</u>	<u>A m o u n t</u>					<u>Number of shares (1000 s h a r e s)</u>	<u>Shareholding %</u>	<u>A m o u n t</u>		
Tech. Pioneer, Ltd.	23,003	\$ 790,476	-	\$ -	-	\$ -	\$ 45,964	\$ 27,295	\$ -	\$ -	23,003	100%	\$ 863,735	\$ 863,735	None
Ampacs International Company Limited	-	494,643	-	-	-	-	(139,217)	26,976	-	-	-	100%	382,402	382,402	None
Ability Technology Co., Ltd.	-	-	2,000	20,000	-	-	(4,442)	-	-	(590)	2,000	40%	14,968	14,968	None
Total		<u>\$ 1,285,119</u>		<u>\$ 20,000</u>		<u>\$ -</u>	<u>(\$ 97,695)</u>	<u>\$ 54,271</u>	<u>\$ -</u>	<u>(\$ 590)</u>			<u>\$ 1,261,105</u>	<u>\$ 1,261,105</u>	

Ampacs Corporation
Statement of Short-Term Loan
January 1 to December 31, 2022

Schedule 6

Unit: NTD and foreign currency thousand

	<u>Contract period</u>	<u>Annual interest rate. (%)</u>	<u>Ending balance</u>	<u>credit limit</u>	<u>Pledges or collaterals</u>
E.SUN Bank	2022.9.22-2023.5.26	5.581%-6.607%	\$ 442,145	USD 50,000	Receivables-backed loans
BANK SINO PAC	2022.9.21-2023.9.30	5.9%	56,198	USD 9,000	Receivables-backed loans
CTBC Bank	2022.8.18-2023.7.17	5.127%-5.719%	6,652	USD 6,000	Receivables-backed loans
Mega Bank	2022.9.2-2023.1.10	6.765%-6.818%	100,826	USD 5,000	Bank-guaranteed loans
Bank of Taiwan	2022.6.9-2023.6.9	1.985%	60,000	NTD 60,000	Bank-guaranteed loans
Bank of Taiwan	2022.6.9-2023.6.9	4.176%-4.598%	108,888	USD 6,300	Bank-guaranteed loans
BANK SINO PAC	2022.11.8-2023.2.21	1.75%	77,000	NTD 77,000	Bank-guaranteed loans
BANK SINO PAC	2022.8.26-2023.2.24	1.75%	45,000	NTD 45,000	Bank-guaranteed loans
DBS Bank	2022.10.12-2023.3.30	1.85%-2.17%	140,000	NTD 150,000	Bank-guaranteed loans
Chang Hwa Bank	2022.9.12-2023.1.18	4.764%-5.135%	23,218	USD 5,000	Bank-guaranteed loans
Hua Nan Bank	2022.12.1-2023.1.1	2.12%	50,000	NTD 50,000	Bank-guaranteed loans
Hua Nan Bank	2022.9.20-2023.3.21	5.082%-6.49%	8,319	USD 5,000	Bank-guaranteed loans
Cathay United Bank	2022.12.2-2023.6.27	2.03%	30,000	NTD 30,000	Bank-guaranteed loans
Far Eastern Bank	2022.9.12-2023.4.12	4.704%-6.501%	142,306	USD 5,000	Bank-guaranteed loans
CTBC Bank	2022.9.5-2023.4.28	5.634%	184,260	USD 6,000	Bank-guaranteed loans

CTBC Bank	2022.9.5-2023.4.28	5.285%-5.877%	90,251	USD	6,000	Unsecured loans
BANK SINOPAC	2022.8.26-2023.2.2 4	1.718%-1.875%	75,000	NTD	75,000	Unsecured loans
BANK SINOPAC	2022.11.2-2023.2.2 0	5.97%-6.25%	12,711	USD	3,000	Unsecured loans
BANK SINOPAC	2022.8.26-2023.2.2 4	1.718%-1.75%	34,538	NTD	40,000	Unsecured loans
BANK SINOPAC	2022.10.14-2023.2. 21	5.46%-6.38%	<u>55,036</u>	USD	5,000	Unsecured loans
Total			<u>\$ 1,742,348</u>			

Ampacs Corporation
Accounts payable statement
December 31, 2022

Schedule 7

Unit: NT\$1,000

C u s t o m e r n a m e	A m o u n t
Relationship person	
FORTUNE CHANNEL UNIVERSAL LIMITED	\$ 10,529 <u>10,529</u>
Non-related persons	
A supplier	73,111
B supplier	38,971
C supplier	15,777
D supplier	14,374
E supplier	10,088
Other (Note 1)	<u>77,971</u>
	<u>230,292</u>
Total	<u>\$ 240,821</u>

Note 1: None of the balances exceeds 5% of the balance of this account.

Ampacs Corporation
Schedule of Long-term Borrowings
December 31, 2022

Schedule 8

Unit: NT\$1,000

<u>Creditor Bank</u>	<u>L o a n A m o u n t</u>	<u>Repayment Method</u>	<u>C o n t r a c t P e r i o d</u>	<u>A n n u a l i n t e r e s t r a t e . (%)</u>	<u>M o r t g a g e o C o l l a t e r a l</u>
Secured Borrowings					
BANK SINOPAC	\$ 211,767	Monthly average repayment of principal and interest begins from the month of borrowing	106.7~113.7	1.9979%	Note 1
BANK SINOPAC	484,966	Monthly repayment of principal is TWD 665 thousand, with the remaining balance due in full upon maturity	110.6~117.6	1.925%	Note 1
CTBC Bank	104,405	Monthly average repayment of principal and interest begins from the month of borrowing.	110.1~115.1	1.97%	Note 1
YUANTA Bank	150,000	Monthly interest payments, and the principal can be repaid at any time.	2021.6~2023.6	2.224%	Note 2
Less: the portion that expires within 1 year	(<u>210,993</u>)				
	740,145				
Unsecured loans					
CTBC Bank	<u>60,000</u>	Repayment is made every three months starting from the day of borrowing. Each installment consists of TWD 7,500 thousand of principal, with the remaining balance due in full upon maturity.	2022.12~ 2025.12	1.95%	Note

Less: the portion (30,000)
that expires
within 1 year

Total \$ 770,145

Note 1: Providing self-owned land, buildings, and parking spaces as collateral.

Note 2: Utilizing 20% of the remaining balance to establish compensatory deposits as collateral.

Ampacs Corporation
Sales Detail Schedule
Year 2022

Schedule 9

Unit: NT\$1,000

<u>I</u> <u>t</u> <u>e</u> <u>m</u>	<u>A</u> <u>m</u> <u>o</u> <u>u</u> <u>n</u> <u>t</u>
Operating revenue	
Consumer electronics products	\$ 4,643,508
Plastic components	<u>285,481</u>
Net operating revenue	<u>\$ 4,928,989</u>

Ampacs Corporation
Schedule of Cost of Goods Sold
For the Years 2022

Schedule 10

Unit: NT\$1,000

I t e m	A m o u n t
Cost of Goods Sold	
Add: Beginning Inventory	\$ 15,374
Purchases during the year	4,602,555
Less: Ending Inventory	(14,727)
Repair and Maintenance Costs	<u>721</u>
Total	<u><u>\$ 4,603,923</u></u>

Ampacs Corporation
Schedule of Operating Expenses
For the Years 2022

Schedule 11

Unit: NT\$1,000

N a m e	S e l l i n g E x p e n s e s	M a n a g e m e n t e x p e n s e	R e s e a r c h a n d d e v e l o p m e n t e x p e n s e s	T o t a l
Salary Expenses	\$ 27,194	\$ 65,514	\$ 76,008	\$ 168,716
Insurance Expenses	3,470	4,823	6,248	14,541
Depreciation Expenses	129	4,353	10,704	15,186
Others (Note)	<u>9,817</u>	<u>23,095</u>	<u>20,963</u>	<u>53,875</u>
	<u>\$ 40,610</u>	<u>\$ 97,785</u>	<u>\$ 113,923</u>	<u>\$ 252,318</u>

Note: Amounts of each item do not exceed 5% of the balance of this account.

Ampacs Corporation
Schedule of Employee Benefits, Depreciation, and Amortization Expenses
For the Years 2022 and 2021

Schedule 12

Unit: NT\$1,000

	Year 2022			Year 2021		
	C o s t o f G o o d s S o l d	O p e r a t i n g e x p e n s e s	T o t a l	C o s t o f G o o d s S o l d	O p e r a t i n g e x p e n s e s	T o t a l
Employee Benefits Expenses						
Salary Expenses	\$ -	\$154,808	\$154,808	\$ -	\$144,806	\$144,806
Labor and Health Insurance Expenses	-	12,626	12,626	-	12,933	12,933
Retirement Benefit Expenses	-	7,091	7,091	-	7,342	7,342
Director Compensation	-	6,817	6,817	-	5,400	5,400
Other Employee benefit	-	3,037	3,037	-	3,701	3,701
	<u>\$ -</u>	<u>\$184,379</u>	<u>\$184,379</u>	<u>\$ -</u>	<u>\$174,182</u>	<u>\$174,182</u>
Depreciation expenses	<u>\$ -</u>	<u>\$ 15,186</u>	<u>\$ 15,186</u>	<u>\$ -</u>	<u>\$ 14,107</u>	<u>\$ 14,107</u>
Amortization expense	<u>\$ -</u>	<u>\$ 3,653</u>	<u>\$ 3,653</u>	<u>\$ -</u>	<u>\$ 3,820</u>	<u>\$ 3,820</u>

Note :

1. The number of employees for the year 2022 and 2021 was 147 and 153 respectively, with 6 and 5 directors not concurrently serving as employees.
2. For companies whose stocks are listed on a stock exchange or traded on the over-the-counter market, the following information should be disclosed:
 - (1) Average employee benefits expense for the current year: \$1,259 thousand. Average employee benefits expense for the previous year: \$1,140 thousand.
 - (2) Average employee salary expense for the current year: \$1,098 thousand. Average employee salary expense for the previous year: \$978 thousand.
 - (3) Percentage change in average employee salary expense adjustment: 12.27%.
3. The company has adopted an Audit Committee to replace the supervisory board system.
4. The company's remuneration policy for directors, executives, and employees is as follows:
 - (1) Directors: Based on the company's articles of incorporation, the Compensation Committee considers the overall performance of the board of directors, company's operational performance, and future operations. It then proposes a distribution plan to the board of directors, taking into account the individual directors' level of involvement and contribution to the company.
 - (2) Managers: Based on industry salary levels, the remuneration of executives is determined by their level

of involvement and contribution to the company, as well as their performance. The remuneration proposal is reviewed by the Compensation Committee and then presented to the board of directors for approval.

- (3) Employees: The company is committed to providing employees with salaries and benefits above the industry average. The amount allocated to each employee is determined based on their position, contribution, and performance. The proposed remuneration is presented by the highest-level executive unit and approved by the Chairman of the Board.