Promate **Solutions** Corporation

Independent Financial Report and Accountant Audit Report

Years Ended December31, 2022 and 2021

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Audit Report of Accountant

Promate Solutions Corporation was audited:

Audit Opinion

The Independent balance sheets of Promate Solutions Corporation of December 31, 2022 and 2021, and the entity consolidated income statement, statement of changes in entity equity, statement of entity cash flows and notes to Independent financial statements (including the summary of major accounting policies) from January 1 to December 31, 2022 and 2021, have been checked by the accountant.

In the opinion of the accountant, the above independent financial statements have been prepared in all major respects in accordance with the financial report compilation standards for securities issuers, which are sufficient to express the independent financial position of Promate Solutions Corporation on December 31, 2022 and 2021, and independent financial performance and independent cash flows from January 1 to December 31, 2022 and 2021.

Basis of Audit Opinion

The accountant had carried out the inspection in accordance with the rules for checking the financial statements and the generally accepted auditing standards. The accountant's responsibility under these standards will be further explained in the paragraph of responsibility for the accountant's examination of the independent financial statements. In accordance with the professional ethics of accountants, the personnel who are subject to the independence standards of the accounting firm have maintained their independence from Promate Solutions Corporation and performed other responsibilities of the standards. The accountant believes that sufficient and appropriate audit evidence has been obtained as the basis for expressing the audit opinion.

Key Audit Items

The key audit items means the most important items for the inspection of the independent financial statements of Promate Solutions Corporation in 2022 according to the professional judgment of the accountant. These items have been responded to in the process of examining the independent financial statements as a whole and forming audit opinions, and the accountant does not comment on these items separately.

The key items for checking the independent financial statements of Promate Solutions Corporation in 2022 are described as follows:

Deliverability of specific customer revenue

Promate Solutions Corporation and its subsidiaries is engaged in the embedded control system, special application display module and medical touch display module; based on the importance and auditing standards bulletin, the income is recognized and preset to be with significant risk, so we think whether Promate Solutions Corporation recognize the sales revenue of some specific customers has a significant impact on the financial statements; thus, the deliverability of sales revenue for some specific customers is listed as a key item to be audited in this year. For the explanation of income recognition policy, please refer to Note IV (XII).

We perform the following main auditing procedures:

1. Understand and test the design and implementation of the revenue recognition of certain customers related to internal control.
2. Select and check the revenue of above-mentioned specific customers, review the relevant documents and test the collection status to confirm the sales transactions have taken place.
3. Examinate whether any major sales returns or discounts have occurred to specific sales customers after the balance sheet date, so as to confirm whether there is any material misrepresentation of the revenue of some specific sales customers.

Responsibilities of Management and Governance Unit to independent Financial Statements

The responsibility of management is to prepare properly expressed independent financial statements in accordance with the financial reporting standards of securities issuers, and to maintain the necessary internal controls relating to the preparation of the independent financial statements to ensure that the independent financial statements do not contain material misrepresentations caused by fraud or errors.

In preparing the independent financial statements, the responsibility of management also includes the assessment of the ability of Promate Solutions Corporation to continue to operate, the disclosure of related items, and the adoption of the accounting basis for continued operation, unless the management intends to liquidate the Promate Solutions Corporation or cease business, or there is no practical alternative other than liquidation or closure.

The governance unit of Promate Solutions Corporation (including the audit committee) is responsible for supervising the financial reporting process.

Responsibility of Accountant to Check Independent Financial Statements

The purpose of the accountant to check the independent financial statements is to obtain reasonable assurance as to whether there are material misrepresentations caused by fraud or error in the independent financial statements as a whole, and to issue an audit report. Reasonable certainty is a high degree of certainty, but audits carried out in accordance with generally accepted audit standards do not guarantee that material misrepresentations in the independent financial statements will be identified. False expression may be caused by fraud or error. It is considered significant if the individual amounts or remittances misrepresented can be reasonably expected to affect the economic decisions made by the users of the independent financial statements.

When checking in accordance with generally accepted audit standards, the accountant shall use professional judgment and maintain professional doubts. The accountant also performs the following work:

1. Identify and evaluate the risk of material misrepresentation resulting from fraud or error in the independent financial statements; design and implement appropriate measures to the assessed risks; and obtain sufficient and appropriate audit evidence to serve as the basis for audit opinions. Because fraud may involve collusion, forgery, deliberate omission, misrepresentation or internal control, the risk of material misrepresentation due to fraud is higher than that caused by error.
2. Acquire the necessary understanding of the internal controls related to the audit in order to design appropriate audit procedures in the circumstances, but not for the purpose of expressing the opinion on the effectiveness of internal controls of Promate Solutions Corporation.
3. Assess the appropriateness of accounting policies adopted by management and the reasonableness of accounting estimates and related disclosures.
4. Based on the audit evidence obtained, draw a conclusion as to whether there is significant uncertainty about the appropriateness of the management's adoption of the accounting basis of continuing operations and whether there is significant uncertainty about the events or circumstances that may give rise to significant doubts about the ability of the Promate Solutions Corporation to continue to operate. If the accountant considers that there is material uncertainty in such events or circumstances, the accountant shall, in the audit report, remind users of the independent financial statements to pay attention to the relevant disclosures of the independent financial statements, or amend the audit opinion if such disclosures are inappropriate. The accountant's conclusion is based on the audit evidence

obtained as of the date of the inspection report. However, future events or circumstances may cause the Promate Solutions Corporation have no ability to continue to operate.

5. Assess the overall expression, structure and content of the independent financial statements (including related notes), and whether there are related transactions and events expressed in the independent financial statements.
6. Obtain sufficient and appropriate audit evidence for the financial information of the constituent individuals within the Promate Solutions Corporation to express the opinion on independent financial statements. The accountant is responsible for the guidance, supervision and implementation of group audit cases, and is responsible for forming audit opinions of Promate Solutions Corporation.

The items that the accountant communicates with the governance unit include the scope and timing of the planned audit, as well as major audit findings (including significant deficiencies in internal controls identified in the audit process).

The accountant also provides the governance unit with a statement that the personnel of the firm to which the accountant belongs to the independence standard have complied with the professional ethics of accountants, and communicate with the governance unit all relationships and other items (including relevant protective measures) that may be considered to affect the independence of accountants.

From the items of communication with the governance unit, the accountant decides on the key items for checking the consolidated financial statements of Promate Solutions Corporation in 2022. The accountant describes these items in the audit report, unless the law does not allow public disclosure of specific items, or in rare cases, the accountant decides not to communicate specific items in the audit report, because it can be reasonably expected that the negative impact of this communication is greater than the promotion of the public interest.

The engagement partners on the audits resulting in this independent auditor's report are Po Jen Weng and Nai-Hua Kuo
Deloitte & Touche Taipei, Taiwan
Republic of China
March 27, 2023

<u>*Notice to Readers*</u>

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

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

PROMATE SOLUTIONS CORPORATION

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

Asset	December 31, 2022 Amount	%	December 31, 2021 Amount	%
Current Assets				
Cash and Cash Equivalents (Note 4, 6and 30)	$ 794,000	46	$ 721,037	41
Financial Assets Measured at Fair Value through Profit or Loss-Current(Note 4, 7 and 30)	12,167	1	10,594	1
Financial Assets Measured at Amortized Cost-Current (Note4,9,10 and30)	1,483	-	-	-
Contract assets - current (Notes 4 and 24)	1,856	-	-	-
Notes Receivable-Non-related Parties(Note4,11,24and30)	281	-	-	-
Accounts Receivable - Non-related Parties (Note4,11,24,30and32)	274,181	16	458,074	26
Accounts Receivable - Related Parties (Note4,11,24, 30and 31)	5,284	-	9,077	-
Other Accounts Payable (Note4, 11 and 30)	34,925	2	24,521	1
Other Accounts Payable- Related Parties (Note4, 11,30 and 31)	284		345	
Inventory (Note4, 12)	399,280	23	346,426	20
Prepayment (Note17)	26,096	1	2,811	-
Other Current Assets (Note17)	28	-	30	-
Total Current Assets	1,549,865	89	1,572,915	89
Non-current Assets				
Financial Assets Measured at Fair Value through Other Consolidated Profit or Loss - Non-current (Note4, 8, and 30)	91,207	5	85,519	5
Investment Using Equity (Note4, and 13)	4,090	-	3,253	-
Immovable Property, Plant and Equipment (Note4, 14, and 28)	47,617	3	43,823	3
Right-of-use Assets (Note4, 15 and 31)	22,477	2	42,276	2
Other intangible assets (Note4, 16 and 28)	3,961	-	5,851	-
Deferred Income Tax Assets (Note4, and 26)	17,663	1	8,983	1
Advance Payment for Equipmen (Note17 and28)	219	-	6,834	-
Refundable Deposits (Note17, and 30)	582	-	582	-
Total Non-current Assets	187,816	11	197,121	11
Total Assets	$ 1,737,681	100	$ 1,770,036	100
Liabilities and Equity				
Current Liabilities				
Short-term borrowings (Note4,8, 30and32)	$ -	-	$ 76,221	4
Contract Liabilities-Current (Note4,20, and 24)	136,367	8	69,004	4
Notes Payable - Non-related Parties (Note19, and 30)	103	-	31	-
Accounts Payable - Non-related Parties (Note19, and 30)	195,124	11	200,299	12
Accounts Payable - Related Parties (Note19 30 and 31)	50,987	3	181,574	10
Lease Liabilities-Current (Note4, 15,28,30 and 31)	20,811	1	20,483	1
Other Accounts Payable (Note20, 30 and 31)	134,939	8	106,201	6
Other Accounts Payable - Related Parties (Note20,30 and 31)	781	-	967	-
Current income tax liability (Note4, and 26)	37,314	2	8,688	1
Liability reserve -Current (Note4, and 21)	5,821	1	2,938	-
Other Current Liabilities (Note20)	34,812	2	2,127	-
Total Current Liabilities	617,059	36	668,533	38
Non-current Liabilities				
Lease Liabilities - Non-current (Note4, 15, 28,30and 31)	1,400	-	21,936	1
Liability reserve - Non-current (Note4, and 21)	3,703	-	1,386	-
Guarantee Deposits (Note20, 28 and 30)	1,541	-	-	-
Net Defined Benefit Liabilities - Non-current (Note4, and 22)	7,735	1	10,408	1
Deferred Income Tax Liabilities (Note4, and 26)	3,605	-	924	-
Total Non-current Liabilities	17,984	1	34,654	2
Total Liabilities	635,043	37	703,187	40
Interest (Note23)				
Capital				
Common Stock	382,549	22	382,549	22
Capital Reserves	386,829	22	386,829	22
Reserved Surplus				
Statutory surplus reserve	142,729	8	126,157	7
Undivided Surplus	198,510	12	166,518	9
Total retained surplus	341,239	20	292,676	16
Other Interests				
Exchange difference in the conversion of financial statements of foreign operating institutions	(462)	-	(391)	-
For the unrealized evaluation profit and loss information of financial assets measured at fair value through other comprehensive profit and loss	(7,517)	(1)	5,186	-
Total other interests	(7,979)	(1)	4,795	-
Total Interests	1,102,638	63	1,066,849	60
Total Liabilities and Interests	$ 1,737,681	100	$ 1,770,036	100

The attached notes form part of the independent financial statements.

PROMATE SOLUTIONS CORPORATION

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

	2022		2021	
	Amount	%	Amount	%
Operating Revenues (Note4, 24 and 31)				
Sales revenue	$ 1,880,877	100	$ 1,743,796	100
Operating Costs (Note4, 12, 16,22,25 and 31)				
Sales cost	(1,421,570)	(76)	(1,319,488)	(76)
Operating margin	459,307	24	424,308	24
Operating Expenses (Note4,11, 15,16,22,25 and 31)				
Selling Expenses	(158,838)	(8)	(132,515)	(7)
Administrative Expenses	(34,095)	(2)	(28,878)	(2)
R&D expenses	(74,325)	(4)	(68,111)	(4)
Expected credit Gain (loss)	690	-	5,750	-
Total Operating Expenses	(266,568)	(14)	(223,754)	(13)
Net operating profit	192,739	10	200,554	11
Non-operating Revenues and Expenses (Note13, 15,25 and 31)				
Interest Revenues	4,388	-	1,673	-
Other Revenues	6,535	1	4,241	-
Other Benefits and Losses	39,709	2	(9,708)	-
Financial Costs	(877)	-	(1,748)	-
Share of profits and losses of subsidiaries, affiliates and joint ventures recognized by the equity method	926	-	679	-
Total Non-operating Revenues and Expenses	50,681	3	(4,863)	-

(To be continued)

	2022 Amount	2022 %	2021 Amount	2021 %
Net profit before tax for continuing business units	$ 243,420	13	$ 195,691	11
Income tax expense (Note4,and 26)	(49,276)	(3)	(33,417)	(2)
Net profit for this year	194,144	10	162,274	9
Other Consolidated Profits and Losses				
Tems that are not reclassified to profit or loss				
Remeasurement of defined benefit plan (Note4, and 22)	2,125	-	4,094	-
Unrealized evaluation of profit or loss on investment in equity instruments measured at fair value through other consolidated profit or loss (Note4, and 23)	(13,967)	-	(5,940)	-
Income tax related to non-reclassified items (Note4,23and 26)	839	-	(818)	-
	(11,003)	-	(2,664)	-
Items that may be reclassified to profit or loss in the future:				
Exchange difference in the conversion of financial statements of foreign operating institutions (Note4, and23)	(89)	-	(428)	-
Income tax related to items that may be reclassified (Note4, 23and 26)	18	-	86	-
	(71)	-	(342)	-
Other consolidated profit and loss of current year (Net amount after tax)	(11,074)	-	(3,006)	-
Total consolidated profit and loss of current year	$ 183,070	10	$ 159,268	9
Earnings per share (Note27)				
From continuing business units				
Basic	$ 5.08		$ 4.24	
Diluted	$ 5.02		$ 4.21	

The attached notes form part of the independent financial statements.

PROMATE SOLUTIONS CORPORATION

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

	Capital			Reserved Surplus			Other rights and interests		
	Number of Shares (1,000 shares)	Amount	Capital Reserves	Statutory surplus reserve	Special Reserve	Undivided Surplus	Exchange difference in the conversion of financial statements of foreign operating institutions	Unrealized evaluation of profit or loss on financial assets measured at fair value through other consolidated profit or loss	Total Interests
Balance on JANUARY 1, 2021	38,255	$ 382,549	$ 386,829	$ 105,299	$ 2,728	$ 210,207	($ 49)	$ 11,292	$ 1,098,855
2020 surplus allocation and distribution									
Statutory surplus reserve	-	-	-	20,859	-	(20,859)	-	-	-
Special Reserve	-	-	-	-	(2,728)	2,728	-	-	-
The Company's shareholders cash dividends	-	-	-	-	-	(191,274)	-	-	(191,274)
Deal with equity instruments measured at fair value through other consolidated profit and loss	-	-	-	-	-	166	-	(166)	-
Net profit of 2021	-	-	-	-	-	162,274	-	-	162,274
Other Consolidated Profit and Loss after Tax of 2021	-	-	-	-	-	3,276	(342)	(5,940)	(3,006)
Total consolidated profits and losses of 2021	-	-	-	-	-	165,550	(342)	(5,940)	159,268
Balance on December 31, 2021	38,255	382,549	386,829	126,158	-	166,518	(391)	5,186	1,066,849
2021 surplus allocation and distribution									
Statutory surplus reserve	-	-	-	16,571	-	(16,571)	-	-	-
The Company's shareholders cash dividends	-	-	-	-	-	(147,281)	-	-	(147,281)
Net profit of 2022	-	-	-	-	-	194,144	-	-	194,144
Other Consolidated Profit and Loss after Tax of 2022	-	-	-	-	-	1,700	(71)	(12,703)	(11,074)
Total consolidated profits and losses of 2022	-	-	-	-	-	195,844	(71)	(12,703)	183,070
Balance on December 31, 2022	38,255	$ 382,549	$ 386,829	$ 142,729	$ -	$ 198,510	($ 462)	($ 7,517)	$ 1,102,638

The attached notes form part of the independent financial statements.

PROMATE SOLUTIONS CORPORATION

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

	2022	2021
Cash Flow of Operating Activities		
Net Losses before Tax of this year	$ 243,420	$ 195,691
Income Expense Item		
Expected credit impairment (recovery) losses	(690)	(5,750)
Depreciation Expense	34,516	35,569
Amortization expense	1,890	1,718
Financial Costs	877	1,748
Provision (recovery) for liabilities	10,371	3,010
Share of losses (profits) of subsidiaries, affiliates and joint ventures recognized by the equity method	(926)	(679)
Interest Revenues	(4,388)	(1,673)
Dividend Revenues	(3,022)	(4,114)
Loss of falling inventory prices and sluggish (recovery benefit)	18,000	(17,000)
Inventory scrap loss	3,149	322
Gain on Lease	-	(255)
Net interest in financial assets and liabilities measured at fair value through profit and loss	4,748	(1,097)
Unrealized foreign currency conversion loss	57	(1,004)
Net changes in operating assets and liabilities		
Increase in financial assets of compulsory measurement at fair value through profit or loss	(6,321)	2,857
Increase in Contract assets	(1,856)	-
Decrease (increase) in notes receivable	(281)	-
Decrease (increase) in accounts receivable	184,583	(182,376)
Decrease (increase) in Accounts Receivable - Related Parties	3,793	(3,910)
Decrease (increase) in other receivables	(10,404)	(15,931)
Increase in other receivables - Related Parties	61	(345)
Decrease (increase) in inventory	(74, 003)	(31, 461)
Decrease in prepayment	(23,285)	(371)
Decrease (increase) in other current assets	2	-
Increase (decrease) in contract liability	67,363	38,538
Decrease in notes payable	72	31
Increase (decrease) in accounts payable	(5,175)	77,273

	2022	2021
Increase (decrease) in accounts payable - Related Parties	(130,587)	138,182
Increase (decrease) in other payable	24,221	12,811
Other accounts receivable - Related party decreased	(186)	12
Decrease in liability provision	(5,171)	(4,210)
Increase in other current liabilities	32,685	(169)
Decrease in net defined benefit liability	(548)	(542)
Cash inflow from operations	362,965	236,875
Interest charged	4,388	1,673
Interest paid	-	(219)
Income tax paid	(25,792)	(41,745)
Net cash inflow (outflow) from operating activities	341,561	196,584
Cash flow from investment activities		
Acquisition of financial assets measured at amortized cost	(1,540)	(27,842)
Acquisition of Financial Assets Measured at Fair Value through Other Consolidated Profit or Loss	(19,655)	(48,323)
Disposal of financial assets measured at amortized cost	-	114,643
Deal with the financial assets at fair value through other consolidated profit or loss	-	471
Collection of other dividends	3,022	4,114
Increase in advance payment for equipment	(7,321)	(16,397)
Purchase immovable property, plant and equipment	(58)	(200)
Net cash outflow from investment activities	(25,552)	26,466
Cash flow from fund-raising activities		
Increase in short-term borrowings	-	76,221
Decrease in short-term borrowings	(76,221)	-
Guarantee deposits received	1,541	-
Lease principal repayment	(21,085)	(21,085)
Dividend payment	(147,281)	(191,274)
Net cash outflow from fund-raising activities	(243,046)	(136,138)
Net (decrease) increase in cash and cash equivalent	72,963	86,912
Cash and cash equivalents balance at the beginning of the year	721,037	634,125
Cash and cash equivalents balance at the end of the year	$ 794,000	$ 721,037

The attached notes form part of the independent financial statements.

PROMATE SOLUTIONS CORPORATION

NOTES TO FINANCIAL STATEMENTS

FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021

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

1. GENERAL INFORMATION

Promate Solutions Corporation (the "Company") is a listed company established on May 29. 2000. The main business of the Company include research & development and manufacture of medical touch screen displays, embedded control systems, special application and industrial displays, and research & development of applicable software and hardware.

According to resolutions of the shareholders' meeting on June 10, 2013 , the department of special application product of Promate Electronic Co., Ltd had been transfer to the Company based on Business Mergers And Acquisitions Act. The purpose of division was due to organization adjustment of Promate Electronic Co. According to Board resolutions, the reference date of the division was August 1.2013. , the value of the division department was 123,900 thousand. The Company had been issued 8,260 thousand ordinary share priced at 15 for division.

The parent company of the Company is Promate Electronic Co., Ltd. with equity interests of 66.21% on December 31, 2022 and 2021.

The Company's shares have been listed on OTC trading at Taipei Exchange since March 2004.

The functional currency of the Company is the New Taiwan Dollar.

2. APPROVAL OF FINANCIAL STATEMENTS

The independent financial report was approved by the board of directors on March 14, 2023.

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

a. Initial application of the amendments to the Regulations Governing the Preparation of Financial Reports by Securities Issuers and the International Financial Reporting Standards (IFRS), International Accounting Standards (IAS), Interpretations of IFRS (IFRIC), and Interpretations of IAS (SIC) (collectively, the "IFRSs") endorsed and issued into effect by Financial Supervisory Commission (FSC)

   The initial application of the amendments to the Regulations Governing the Preparation of Financial Reports by Securities Issuers and the IFRSs endorsed and issued into effect by the FSC did not have any material impact on the Company's accounting policies.

b. The IFRs endorsed by FSC for application starting from 2023:

New IFRSs	Effect Date Announced by IASB
Amendments to IAS 1 "Disclosure of Accounting Policies"	January 1, 2023 (Note 1)
Amendments to IAS 8 "Definition of Accounting Estimates"	January 1, 2023 (Note 2)
Amendments to IAS 12 "Deferred Tax related to Assets and Liabilities arising from a Single Transaction"	January 1, 2023 (Note 3)

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

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

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

1) Amendments to IAS 1 “Disclosure of Accounting Policies”

The amendments specify that the Group should refer to the definition of material to determine its material accounting policy information to be disclosed. Accounting policy information is material if it can reasonably be expected to influence decisions that the primary users of general purpose financial statements make on the basis of those financial statements. The amendments also clarify that:

- Accounting policy information that relates to immaterial transactions, other events or conditions is immaterial and need not be disclosed; □
- The Group may consider the accounting policy information as material because of the nature of the related transactions, other events or conditions, even if the amounts are immaterial; and □
- Not all accounting policy information relating to material transactions, other events or conditions is itself material.

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

a) The Group changed its accounting policy during the reporting period and this change resulted in a material change to the information in the financial statements;
b) The Group chose the accounting policy from options permitted by the standards;
c) The accounting policy was developed in accordance with IAS 8 “Accounting Policies, Changes in Accounting Estimates and Errors” in the absence of an IFRS that specifically applies;
d) The accounting policy relates to an area for which the Group is required to make significant judgements or assumptions in applying an accounting policy, and the Group discloses those judgements or assumptions; or
e) The accounting is complex and users of the financial statements would otherwise not understand those material transactions, other events or conditions.

2) Amendments to IAS 8 “Definition of Accounting Estimates”

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

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

c. New IFRSs in issue but not yet endorsed and issued into effect by the FSC

New IFRSs	Effect Date Announced by IASB (Note1)
Amendments to IFRS 10 and IAS 28 "Sale or Contribution of Assets between An Investor and Its Associate or Joint Venture"	To be determined by IASB
Amendments to IFRS 16 "Leases Liability in a Sale and leaseback"	January 1, 2024 (Note 2)
IFRS 17 "Insurance Contracts"	January 1, 2023
Amendments to IFRS 17	January 1, 2023
Amendments to IFRS 17 "Initial Application of IFRS 9 and IFRS 17-Comparative Information"	January 1, 2023
Amendments to IAS 1"Classification of Liabilities as Current or Non-current"	January 1, 2024
Amendments to IAS 1 "Non-current Liabilities with Covenants"	January 1, 2024

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

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

1) Amendments to IFRS 10 and IAS 28 "Sale or Contribution of Assets between an Investor and its Associate or Joint Venture"

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

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

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

The 2020 amendments clarify that for a liability to be classified as non-current, the Company shall assess whether it has the right at the end of the reporting period to defer settlement of the liability for at least twelve months after the reporting period. If such rights are in existence at the end of the reporting period, the liability is classified as non-current regardless of whether the Group will exercise that right.

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

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

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

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

a. Statement of compliance

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

b. Basis of Preparation

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

The fair value measurements, which are grouped into Levels 1 to 3 based on the degree to which the fair value measurement inputs are observable and based on the significance of the inputs to the fair value measurement in its entirety, are described as follows:

1) Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities;

2) Level 2 inputs are inputs other than quoted prices included within Level 1 that are observable for an asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices); and

3) Level 3 inputs are unobservable inputs for the asset or liability.

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

c. Classification of current and non-current assets and liabilities

Current assets include:

1) Assets held primarily for transaction purposes

2) Assets expected to be realized within 12 months after the reporting period; and

3) Cash and cash equivalents unless the asset is restricted from being exchanged or used to settle a liability for at least 12 months after the reporting period.

Current liabilities include:

1) Liabilities held for the purpose of trading;

2) Liabilities due to be settled within 12 months, and

3) Liabilities for which the entity does not have the right at the end of the reporting period to defer settlement beyond 12 months.

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

d. Foreign Currencies

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

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

1) Exchange differences on transactions entered into in order to hedge certain foreign currency risks; and,

2) Exchange differences on monetary items receivable from or payable to a foreign operation for which settlement is neither planned nor likely to occur in the foreseeable future (therefore forming part of the net investment in the foreign operation), which are recognized initially in other comprehensive income and reclassified from equity to profit or loss on disposal of the net investments.

At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Exchange differences on monetary items arising from settlement or translation are recognized in profit or loss in the period in which they arise. Non-monetary items denominated in foreign currencies that are measured at fair value are retranslated at the rates prevailing at the date when the fair value is determined. Exchange differences arising from the retranslation of non-monetary items are included in profit or loss for the period except for exchange differences arising from the retranslation of non-monetary items in respect of which gains and losses are recognized directly in other comprehensive income; in which cases, the exchange differences are also recognized directly in other comprehensive income.

Non-monetary item denominated in a foreign currency and measured at historical cost is stated at the reporting currency as originally translated from the foreign currency.

e. Inventories

Inventories consist of raw materials, supplies, finished goods and work in progress and are stated at the lower of cost or net realizable value. Inventory write-downs are made by item, except where it may be appropriate to group similar or related items. The net realizable value is the estimated selling price of inventories less all estimated costs of completion and costs necessary to make the sale. Inventories are recorded at the weighted-average cost on the balance sheet date.

f. Investments in Subsidiaries

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

A subsidiary is an entity (including a structured entity) that is controlled by the Company.

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

Changes in the Company's ownership interests in subsidiaries that do not result in the Company losing control of the subsidiaries are equity transactions. The Company recognizes directly in equity any difference between the carrying amount of the investment and the fair value of the consideration paid or received.

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

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

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

When the Company loses control of a subsidiary, it recognizes the investment retained in the former subsidiary at its fair value at the date when control is lost. The difference between the fair value of the retained investment plus any consideration received and the carrying amount of the previous investment at the date when control is lost is recognized as a gain or loss in profit or loss. Besides this, the Company accounts for all amounts previously recognized in other comprehensive income in relation to that subsidiary on the same basis as would be required had the Company directly disposed of the related assets or liabilities.

Profits or losses resulting from downstream transactions are eliminated in full only in the parent company's financial statements. Profits and losses resulting from upstream transactions and transactions between subsidiaries are recognized only in the parent company's financial statements only to the extent of interests in the subsidiaries that are not related to the Company.

g. Property, plant, and equipment

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

Property, plant and equipment in the course of construction are measured at cost less any recognized impairment loss. Cost includes professional fees and borrowing costs eligible for capitalization. Such assets are depreciated and classified to the appropriate categories of property, plant and equipment when completed and ready for their intended use.

Except for freehold land which is not depreciated, the depreciation of property, plant and equipment is recognized using the straight-line method. Each significant part is depreciated separately. The estimated useful lives, residual values and depreciation methods are reviewed at the end of each reporting period, with the effects of any changes in the estimates accounted for on a prospective basis.

h. Intangible assets

1) Intangible assets acquired separately

Intangible assets with limited useful life acquired separately are initially measured at cost, and subsequently measured at the amount of cost minus accumulated amortization and accumulated impairment losses. Intangible assets are amortized on a straight-line basis within their useful life. The company reviews the estimated useful life, residual value and amortization method at least at the end of each year, and defers the impact of changes in applicable accounting estimates. Intangible assets with non-determined useful life are presented at cost minus accumulated impairment losses.

2) Derecognition of intangible assets

On derecognition of an intangible asset, the difference between the net disposal proceeds and the carrying amount of the asset is recognized in profit or loss.

i. Impairment of property, plant and equipment, right-of-use asset, intangible assets other than goodwill

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

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

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

The inventory, real estate, building and equipment and intangible assets recognized by customer agreement shall recognize the impairment according to the provisions of inventory impairment and the above requirements, and then the amount of the carrying amount in accordance with the contract costs related assets exceeding the amount remaining in consideration expected to be charged for the provision of relevant goods or services after deducting the directly related costs shall be recognized as the impairment loss. The carrying amount of assets related to the contract cost shall be added to the cash generating unit for the impairment assessment of cash generating unit.

When an impairment loss is subsequently reversed, the carrying amount of the corresponding asset, cash-generating unit or assets related to contract costs is increased to the revised estimate of its recoverable amount, but only to the extent of the carrying amount that would have been determined had no impairment loss been recognized on the asset, cash-generating unit or assets related to contract costs in prior years. A reversal of an impairment loss is recognized in profit or loss.

j. Financial instruments

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

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

1) Financial assets

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

a) Measure categories

Financial assets are classified into the following categories: Financial assets at FVTPL, financial assets at amortized cost and investments in debt instruments and equity instruments at FVTOCI.

i. Financial assets at FVTPL

Financial assets are classified as at FVTPL when such financial assets are mandatorily classified or designated as at FVTPL. Financial assets mandatorily classified as at FVTPL include investments in equity instruments which are not designated as at FVTOCI and debt instruments that do not meet the amortized cost criteria or the FVTOCI criteria.

Financial assets at FVTPL are subsequently measured at fair value, and any remeasurement gains or losses on such financial assets are recognized in other gains or losses. Fair value is determined in the manner described in Note 29: Financial Instruments.

ii. Financial assets at amortized cost

Financial assets that meet the following conditions are subsequently measured at amortized cost:

i) Held under a business model for the purpose of holding financial assets to collect contractual cash flows; and

ii)The terms of the contract generate cash flows on a specific date, which are solely interest on the payment of principal and the amount of principal outstanding.

Financial assets measured at amortized cost (including cash and cash equivalents, debt investment instruments at amortized cost, accounts receivable, other receivables, and deposits) are identified as The total book amount determined by the effective interest method is measured after deducting any impairment loss after amortization, and any foreign currency exchange gains and losses are recognized in profit and loss.

Except for the following two cases, interest income is calculated by multiplying the effective interest rate by the total book value of financial assets:

i) The financial assets are held within a business model whose objective is to hold financial assets in order to collect contractual cash flows; and

ii) The contractual terms of the financial assets give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

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

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

i) Purchased or originated credit-impaired financial asset, for which interest income is calculated by applying the credit-adjusted effective interest rate to the amortized cost of such financial assets; and

ii) Financial asset that is not credit impaired on purchase or origination but has subsequently become credit impaired, for which interest income is calculated by applying the effective interest rate to the amortized cost of such financial assets in subsequent reporting periods.

Cash equivalents include time deposits held for the purpose of meeting short-term cash commitments, highly liquid, readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value.

iii. Investments in debt instruments designated at FVTOC

Debt instruments that meet the following conditions are subsequently measured at FVTOCI:

i) The financial asset is held within a business model whose objective is achieved by both the collecting of contractual cash flows and the selling of such financial assets; and

ii) The contractual terms of the debt instrument give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding

Investments in debt instruments designated at FVTOCI are subsequently measured at fair value. Changes in the carrying amounts of these debt instruments relating to changes in foreign currency exchange rates, interest income calculated using the effective interest method and impairment losses or reversals are recognized in profit or loss. Other changes in the carrying amount of these debt instruments are recognized in other comprehensive income and will be reclassified to profit or loss when the investment is disposed of.

b) Impairment of financial assets and contractual assets

The Company recognizes a loss allowance for expected credit losses on financial assets at amortized cost (including account receivable) at amortized cost.

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

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

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

c) Derecognition of financial assets

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

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

2) Equity instrument

Debt and equity instruments issued by the Group are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

Equity instruments issued by the Group are recognized at the proceeds received, net of direct issue costs.

The repurchase of the Company's own equity instruments is recognized in and deducted directly from equity. No gain or loss is recognized in profit or loss on the purchase, sale, issuance or cancellation of the Company's own equity instruments.

3) Financial liabilities

a) Subsequent measurement

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

b) Derecognition of financial liabilities.

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

k. Provisions

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

Warranty

Provisions for the expected cost of warranty obligations to assure that products comply with agreed-upon specifications are recognized on the date of sale of the relevant products at the best estimate by the management of the Company of the expenditures required to settle the Company's obligations.

l. Revenue recognition

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

Where the time interval between the transfer of goods or services and the receipt of consideration is less than one year, no adjustment of transaction price shall be made for the material financial component of the contract

1) Revenue from the sale of goods

Revenue from the sale of goods comes from the sale of embedded control systems, medical displays, and application-specific display modules at the agreed prices stipulated in contracts, quotations or orders. Sales of goods are recognizes as revenue when the goods are delivered to the customer's specific location because it is the time when the customer has full discretion over the manner of distribution and price to sell the goods, has the primary responsibility for sales to future customers and bears the risks of obsolescence. Trade receivables and contract assets are recognized concurrently. Any amounts previously recognized as contract assets are reclassified to trade receivables when the remaining obligations are performed.

The Company does not recognize revenue on materials delivered to subcontractors because this delivery does not involve a transfer of control.

2) Service revenue

Service revenue mainly comprises revenue from the design of embedded, medical, and application specific display modules during product development; revenue from customers' request for repair when defects occur in products that exceed the warranty period; and revenue recognized at the agreed prices stipulated in contracts.

m. Leases

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

1) The company as lessor

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

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

2) The company as lessee

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

Right-of-use assets are initially measured at cost, which comprises the initial measurement of lease liabilities adjusted for lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs needed to restore the underlying assets, and less any lease incentives received. Right-of-use assets are subsequently measured at cost less accumulated depreciation and impairment losses and adjusted for any remeasurement of the lease liabilities. Right-of-use assets are presented on a separate line in the balance sheets.

Right-of-use assets are depreciated using the straight-line method from the commencement dates to the earlier of the end of the useful lives of the right-of-use assets or the end of the lease terms.

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

Subsequently, lease liabilities are measured at amortized cost using the effective interest method, with interest expense recognized over the lease terms. When there is a change in a lease term, a change in the amounts expected to be payable under a residual value guarantee, a change in the assessment of an option to purchase an underlying asset, or a change in future lease payments resulting from a change in an index or a rate used to determine those payments, the Company remeasures the lease liabilities with a corresponding adjustment to the right-of-use-assets. However, if the carrying amount of the right-of-use assets is reduced to zero, any remaining amount of the remeasurement is recognized in profit or loss. For a lease modification that is not accounted for as a separate lease, the Company accounts for the remeasurement of the lease liability by (a) decreasing the carrying amount of the right-of-use asset of lease modifications that decreased the scope of the lease, and recognizing in profit or loss any gain or loss on the partial or full termination of the lease; (b) making a corresponding adjustment to the right-of-use asset of all other lease modifications. Lease liabilities are presented on a separate line in the balance sheets.

n. Borrowing costs

Borrowing costs directly attributable to an acquisition, construction or production of qualifying assets are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalization.

Other than those stated above, all other borrowing costs are recognized in profit or loss in the period in which they are incurred..

o. Employee benefits

1) Short-term employee benefits

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

2) Retirement benefits

Payments to defined contribution retirement benefit plans are recognized as expenses when employees have rendered services entitling them to the contributions.

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

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

3) Other long-term employee benefits

The accounting treatment for other long-term employee benefits is the same as that of the defined benefit retirement plan, except that the relevant remeasurements are recognized as profit and loss.

4) Termination benefits

A liability for a termination benefit is recognized at the earlier of when the Group can no longer withdraw the offer of the termination benefit and when the Group recognizes any related restructuring costs.

p. Taxation

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

1) Current tax

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

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

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

2) Deferred tax

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

The original recognition of assets and liabilities that are not part of a business merger does not affect either tax income or accounting profit, and the temporary differences arising therefrom are not recognized as deferred income tax assets and liabilities.

The original recognition of assets and liabilities that are not acquired from subsidiaries does not affect either tax income or accounting profit, and the temporary differences arising therefrom are not recognized as deferred income tax assets and liabilities.

Deferred income tax liabilities are generally recognized for all taxable temporary differences, whereas deferred income tax assets are recognized when there is a high possibility that the tax income will be available to provide the income tax credits for expenditures such as deductible temporary differences.

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

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

3) Current and deferred taxes

Current and deferred taxes are recognized in profit or loss, except when they relate to items that are recognized in other comprehensive income or directly in equity; in which case, the current and deferred taxes are also recognized in other comprehensive income or directly in equity, respectively.

5. CRITICAL ACCOUNTING JUDGMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

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

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised if the revisions affect only that period or in the period of the revisions and future periods if the revisions affect both current and future periods.

The accounting policies, estimates, and basic assumptions adopted by the company have been evaluated by the company's management, and there are no major accounting judgments, estimates, and assumptions that are uncertain.

Key Sources of Estimation Uncertainty

a. Estimated impairment of financial assets

The provision for impairment of trade receivables is based on assumptions about risk of default and expected loss rates. The Group uses judgment in making these assumptions and in selecting the inputs to the impairment calculation, based on the Group's historical experience, existing market conditions as well as forward looking estimates as of the end of each reporting period. For details of the key assumptions and inputs used, see Note 11.

b. Write-down of inventories

The net realizable value of inventories is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale. The estimation of net realizable value is based on current market conditions and historical experience in the sale of product of a similar nature. Changes in market conditions may have a material impact on the estimation of the net realizable value.

6. CASH AND CASH EQUIVALENTS

	December 31, 2022	December 31, 2021
Cash on hand	$ 38	$ 165
Checking accounts	425,442	380,152
Cash equivalents (investment with original maturities less than three months) Time deposits	368,520	340,720
	$ 794,000	$721,037

The interest rate range of bank deposits on balance sheet date is as follows:

	December 31, 2022	December 31, 2021
Bank Deposits	0.001% ~ 1.05%	0.001% ~ 0.08%
Time deposit	3.9% ~ 4.35%	0.13% ~ 0.35%

7. FINANCIAL INSTRUMENTS AT FAIR VALUE THROUGH PROFIT OR LOSS

	December 31, 2022	December 31, 2021
Financial assets at FVTPL - current		
Financial assets mandatorily classified as at FVTP:		
Domestic listed shares	$ 4,602	$ 10,594
Foreign quoted shares.	7,565	-
	$ 12,167	$ 10,594

8. FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

	December 31, 2022	December 31, 2021
Non-current		
Investments in equity instruments	$ 91,207	$ 85,519
Non-current		
Domestic investments		
Listed shares		
HIGGSTEC Inc	29,949	37,595
Foreign investments		
Private Funds		
Esquarre IoT Landing Fund, L.P.	61,258	47,924
	$ 91,207	$ 85,519

These investments in equity instruments are held for medium to long-term strategic purposes. Accordingly, the management elected to designate these investments in equity instruments as at FVTOCI as they believe that recognizing short-term fluctuations in these investments' fair value in profit or loss would not be consistent with the Company's strategy of holding these investments for long-term purposes.

9. FINANCIAL ASSETS AT AMORTIZED COSTS

	December 31, 2022	December 31, 2021
Current		
Domestic investments		
Time deposits (investment with original maturities less than three months)	$ 1,483	$ -

Less：Allowance for loss	-	-
	$ 1,483	$ -

The interest rates for time deposits with original maturity over 3 months ranged is 3.10% as of December 31, 2022

Refer to Note 10 for information related to credit risk management and impairment evaluation of financial assets at amortized cost.

Financial assets at amortized cost as collateral for borrowings are set out in Note 32

10. CREDIT RISK MANAGEMENT FOR INVESTMENTS IN DEBT INSTRUMENTS

Investments in debt instruments were classified as at amortized cost:

December 31, 2022

	At Amortized Cost
Gross carrying amount	$ 1,483
Less: Allowance for impairment loss	-
Amortization costs	$ 1,483

In order to minimize credit risk, the management of the Company has delegated a dedicated team to build a credit rating database, with a view to assessing the default risk of investments in debt instruments. For items without external credit ratings, appropriate internal ratings can be given by reference to publicly available financial information. The Company continuously tracks major information from financial institutions to monitor changes in the credit risk of investments in debt instruments, and uses such information to assess whether there is a significant increase in the initially recognized credit risk of investments in debt instruments. The Company has tasked its credit management committee with the development and maintenance of a credit risk grading framework for categorizing exposures according to the degree of the risk of default. The credit rating information may be obtained from independent rating agencies, where available, and if not available, the credit management committee uses other publicly available financial information to rate the debtors.

The Company considers the historical default records and current financial status of financial institutions supplied by the internal rating team to measure the 12-month or lifetime expected credit losses of investments in debt instruments.

The Company’s current credit risk rating mechanism is as follows:

Credit Rating	Definition	Basis for Recognition of Expected Credit Losses
Normal	The debtor's credit risk is low and the debtor has sufficient ability to pay off the contract cash flow	12 months of expected credit losses

The gross carrying amount and applicable expected credit loss rate of investments in debt instruments are as follows:

December 31, 2022

Credit Rating	Expected Credit Loss Rate	Gross Carrying Amount Amortized Cost
Normal	0% ~ 0.01%	$ 1,483

The Company did not have any investment in debt instruments at amortized cost as of December 31, 2022.

There was no change in the allowance for impairment loss of investments in debt instruments at amortized cost for the year ended December 31, 2021.

11. NOTES RECEIVABLE, ACCOUNTS RECEIVABLES AND OTHER RECEIVABLES

	December 31, 2022	December 31, 2021
Notes receivables		
At amortized cost		
Gross carrying amount-unrelated parties	$ 281	$ -
Less: Allowance for impairment loss	-	-
	$ 281	$ -
Accounts receivables		
At amortized cost		
Gross carrying amount-unrelated parties	$ 274,349	$ 458,932
Gross carrying amount-related parties	5,284	9,077
Less: Allowance for impairment loss	(168)	(858)
	$ 279,465,	$ 467,151,
Overdue receivables		
Overdue receivables	$ 30	$ 30
Less: Allowance for impairment loss	(30)	(30)
	$ -	$ -
Others receivables		
Tax refund receivables	$ 10,358	$ 15,097
Duty Tax refund receivables	2,479	2,104
Proceeds from sale of financial assets	10,900	7,320
Collection and payment	11,188	-
	$ 34,925	$ 24,521

a. Notes receivable and Accounts receivable

At amortized cost

The average credit period of the sales of goods was 90-135 days. No interest was charged on accounts receivables. In order to minimize credit risk, the management of the Company has delegated a team responsible for determining credit limits, credit approvals and other monitoring procedures to ensure that follow-up action is taken to recover overdue debts. In addition, the Company reviews the recoverable amount of each individual trade debt at the end of the reporting period to ensure that adequate allowance is made for possible irrecoverable amounts.

The Company applies the simplified approach to providing for expected credit losses prescribed by IFRS 9, which permits the use of lifetime expected loss provision for all accounts receivables. The expected credit losses on accounts receivables are estimated using an allowance matrix, which takes into consideration the historical credit loss experience with the respective debtor, the current financial position of the debtor, and the current and future economic conditions of the industry as well as the overall economy. As the Company's historical credit loss experience does not show significantly different loss patterns for different customer segments, the provision for loss allowance based on past due status is not further distinguished according to the Company's different customer base.

The Company writes off a accounts receivable when there is information indicating that the debtor is in severe financial difficulty and there is no realistic prospect of recovery. For accounts receivables that have been written off, the Company continues to engage in enforcement activity to attempt to recover the receivables due. Where recoveries are made, these are recognized in profit or loss.

The following table details the loss allowance of accounts receivables based on the Company's provision matrix.

December 31, 2022

	Not Overdue	Overdue 1 ~ 30 days	Overdue 31 ~ 60 days	Overdue 61 ~ 90 days	Overdue More Than 91days	Total
Expected Credit Loss Rate	0%	0.02%	2.86%	14.69%	12.41~100%	
Gross carrying amount	$ 267,984	$ 6,514	$ 5,416	$ -	$ -	$ 279,914
Loss allowance (Lifetime ECL)	(10)	(2)	(156)	-	-	(168)
Amortized Cost	$ 267,974	$ 6,512	$ 5,260	$ -	$ -	$ 279,746

December 31, 2021

	Not Overdue	Overdue 1 ~ 30 days	Overdue 31 ~ 60 days	Overdue 61 ~ 90 days	Overdue More Than 91days	Total
Expected Credit Loss Rate	0%	0%	3.86%	5.93%	9.12~100%	
Gross carrying amount	$ 434,678	$ 22,733	$ 10,213	$ 207	$ 178	$ 468,009
Loss allowance (Lifetime ECL)	-	-	(790)	(25)	(43)	(858)
Amortized Cost	$ 434,678	$ 22,733	$ 9,423	$ 182	$ 135	$ 467,151

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

	2022	2021
Accounts receivables		
Balance on January 1	$ 858	$ 6,608
Less: Amount of credit loss reversal	(690)	(5,750)
Balance on December 31	$ 168	$ 858
Overdue receivables		
Balance on January 1	$ 30	$ 30
Balance on December 31	$ 30	$ 30

Compared to the balance on January 1, 2022 and 2021, the gross carrying amount of accounts receivables on December 31, 2022 and 2021 decreased $188,095 thousand and increased $186,286 thousand. Due to increase in projected credit loss, the loss allowance decreased $690 thousand and increased $5,750 thousand.

The Company's accounts receivable with pledge as loan guarantee. Please refer to Note 32 disclosure.

b. Other receivables

The Company does not accrue interest on other receivables. When determining the recoverability of other receivables, the Company considers any changes in the credit quality of other receivables from the original credit date to the balance sheet date. As historical experience shows that other receivables overdue for more than one year are not recoverable, the Company recognizes 100% allowance for bad debts for other receivables aged over one year. For other receivables aged within one year, the Company determines allowance for bad debt by reference to the past arrears of counterparties and analyzing their current financial position, in order to evaluate irrecoverable amounts.

There was no allowance for impairment loss of other receivables on December 31, 2022, and, 2021.

12. INVENTORIES

	December 31, 2022	December 31, 2021
Raw materials	$ 251,253	$ 219,235
Work in process	42,766	36,705
Finished goods	67,213	64,717
Merchandise inventories	7,633	2,023
Stock in transit	30,415	23,746
	$ 399,280	$ 346,426

Costs of goods sold were as follows:

	For the Year ended December 31	
	2022	2021
Cost of Goods Sold	$ 1,398,917	$ 1,314,469
Labor cost	1,504	21,697
Loss (gain) on inventory impairment	18,000	(17,000)
Inventory Scrap	3,149	322
	$ 1,421,570	$ 1,319,488

The net realizable value of inventories is the increase in the sales price of the inventory in specific markets

13. INVESTMENTS MEASURED BY EQUITY METHOD

	December 31, 2022	December 31, 2021
Investments in subsidiaries	$ 4,090	$ 3,253

Investments in subsidiaries

	December 31, 2022	December 31, 2021
PROMATE JAPAN CO., LTD.	$ 4,090	$ 3,253

	Proportion of Ownership (%)	
Name of Subsidiary	December 31, 2022	December 31, 2021
PROMATE JAPAN CO., LTD.	100%	100%

Promate Japan Inc. was incorporated on Mach 2017 in Tokyo, Japan. It is 100% owner by the Company and the nature of its activities includes trade of electronic commodities.

The share of profits and losses and other consolidated profits and losses of subsidiaries using the equity method in 2022 and 2021 are recognized on the basis of the financial statements audited by accountants of each subsidiary in the same period.

14. PROPERTY, PLANT AND EQUIPMENT

	December 31, 2022	December 31, 2021
Assets used by the Company	$ 47,617	$ 43,823

Assets used by the Company

	Machinery and equipment	Transportation Equipment	Furniture and fixtures	Miscellaneous equipment	Leasehold improvements	Total
Cost						
Balance on January 1, 2022	$ 74,003	$ 2,810	$ 10,758	$ 69,061	$ 13,375	$ 170,007
Add	-	-	58	-	-	58

	Machinery and equipment	Transportation Equipment	Furniture and fixtures	Miscellaneous equipment	Leasehold improvements	Total
Reclassification	474	-	2,095	15,884	-	18,453
Disposal	-	-	-	-	-	-
Balance on December 31, 2021	$ 74,477	$ 2,810	$ 12,911	$ 84,945	$ 13,375	$ 188,518
Accumulated Depreciation						
Balance on January 1, 2022	$ 47,625	$ 2,810	$ 10,214	$ 53,840	$ 11,695	$ 126,184
Depreciation Expense	6,483	-	568	6,841	825	14,717
Disposal	-	-	-	-	-	-
Balance on December 31, 2022	$ 54,108	$ 2,810	$ 10,782	$ 60,681	$ 12,520	$ 140,901
Net Amount on December 31, 2022	$ 20,369	$ -	$ 2,129	$ 24,264	$ 855	$ 47,617
Cost						
Balance on January 1, 2021	$ 72,642	$ 2,810	$ 10,688	$ 62,593	$ 15,083	$ 163,816
Add	-	-	70	130	-	200
Reclassification	1,361	-	-	8,548	-	9,909
Disposal	-	-	-	(2,210)	(1,708)	(3,918)
Balance on December 31, 2021	$ 74,003	$ 2,810	$ 10,758	$ 69,061	$ 13,375	$ 170,007
Accumulated Depreciation						
Balance on January 1, 2021	$ 40,,911	$ 2,810	$ 9,739	$ 48,950	$ 12,460	$ 114,870
Depreciation Expense	6,714	-	475	7,100	943	15,232
Disposal	-	-	-	(2,210)	(1,708)	(3,918)
Balance on December 31, 2021	$ 47,625	$ 2,810	$ 10,214	$ 53,840	$ 11,695	$ 126,184
Net Amount on December 31, 2021	$ 26,378	$ -	$ 544	$ 15,221	$ 1,680	$ 43,823

There was no indication of an impairment loss; therefore, the Group did not perform impairment assessment during the year ended December 31, 2022and 2021.

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

Machinery Equipment	3 to 10 years
Transportation Equipment	5 years
Furniture and fixtures	3 to 5 years
Miscellaneous equipment	3 to 20 years
Leasehold improvements	3 to 10 years

15. LEASE ARRANGEMENTS

a. Right-of-use Assets

	December 31, 2022	December 31, 2021
Carrying amounts		
Buildings	$ 22,040	$ 41,361
Transportation equipment	437	915
	$ 22,477	$ 42,276

	For the Year ended December 31	
	2022	2021
Additions to right-of-use assets	$ -	$ 9,428
Depreciation charge for right-of-use assets		
Buildings	$ 19,321	$ 19,859
Transportation equipment	478	478
	$ 19,799	$ 20,337

Due to the early termination of the lease contract during current period, the company's right of-use assets and lease liabilities were reduced by NT$10,970 thousand and NT$11,225 thousand respectively. Thus, it resulted in a lease modification benefit of NT$255 thousand during the year ended December 31, 2021.

b. Lease Liabilities

	December 31, 2022	December 31, 2021
Carrying amounts		
Current	$ 20,811	$ 20,483
Non-current	$ 1,400	$ 21,936

Discounted rate ranges of lease liabilities were as follows:

	December 31, 2022	December 31, 2021
Buildings	3%	3%
Transportation equipment	5.69%	5.69%

c. Material lease-in activities and terms

The Company leased a number of cars for use by business personnel or warehouse personnel for 3 years. The lease contracts for these cars do not contain terms for the right of renewal or the right of purchase.

The Company also leased certain buildings for the use as plant and office in a period of 5 years. The Company does not have bargain purchase options to acquire the leasehold buildings at the end of the lease terms. In addition, the Company is prohibited from subleasing or transferring all or any portion of the underlying assets without the lessor's consent.

d. Other lease information

	For the Year ended December 31	
	2022	2021
Expenses relating to low-value asset leases	$ 204	$ 203
Total cash outflow for lease	($ 21,289)	($ 21,288)

The Company has selected to apply the exemption of recognition to certain office equipment leases conforming to low-value asset leases, and does not recognize the relevant right-to-use assets and lease liabilities for such leases.

The Company has no lease commitments commencing after the balance sheet date during the non-leasehold period in 2022 and as of December 31, 2021.

16. OTHER INTANGIBLE ASSETS

	Computer Software
Cost	
Balance on January 1, 2022	$ 15,659
Balance on December 31, 2022	$ 15,659
Accumulated amortization	
Balance on January 1, 2022	$ 9,808
Amortization expenses	1,890
Balance on December 31, 2022	$ 11,698
Carrying amount on December 31, 2022	$ 3,961
Cost	
Balance on January 1, 2021	$ 18,379
Reclassification	3,542
Disposal	(6,262)
Balance on December 31, 2021	$ 15,659
Accumulated amortization	
Balance on January 1, 2021	$ 14,352
Amortization expenses	1,718
Disposal	(6,262)
Balance on December 31, 2021	$ 9,808
Carrying amount on December 31, 2021	$ 5,851

There was no indication of an impairment loss; therefore, the company did not perform impairment assessment during the year ended December 31, 2022 and 2021

Other intangible assets were amortized on a straight-line basis over their estimated useful lives as follows:

Computer software	3 ~ 10 years

	2022	2021
Amortization expenses summarized by function		
Operating costs	$ -	$ -
Selling and marketing expenses	77	108
General and administrative expenses	698	1,053
Research and development expenses	1,115	557
	$ 1,890	$ 1,718

17. OTHER ASSETS

	December 31, 2022	December 31, 2021
Current		
Prepayments		
Prepayment for purchases and expenses	$ 26,096	$ 2,811
Other current assets		
Temporary debits and Payment for others	28	30
	$ 26,124	$ 2,841
Non-current		
Prepayments for equipment	$ 219	$ 6,834
Refundable deposits	582	582
Overdue receivables (Note11)	30	30
Allowance for impairment loss - overdue receivables	(30)	(30)
	$ 801	$ 7,416

18. BORROWINGS

Short-term borrowings

	December 31, 2022	December 31, 2021
Secured borrowings(Note32)		
Bank loans - export letters of credit	$ -	$ 76,221

The weighted average effective interest rate for export L/C documentary loan which were secured by the Group's notes receivable (refer to Note 32) with maturity date between April 19, 2022 and May 31, 2022 was 0.786% per annum as of December 31, 2022

19. NOTES AND ACCOUNTS PAYABLE

	December 31, 2022	December 31, 2021
Notes payable		
Non-trade	$ 103	$ 31
Accounts payable		
Accounts payable	$ 195,124	$ 200,299
Accounts payable - related parties	50,987	181,574
	$ 246,111	$ 381,873

The Company has financial risk management policies in place to ensure that all payables are paid within the pre-agreed credit terms.

20. OTHER LIABILITIES

	December 31, 2022	December 31, 2021
Current		
Other payables		
Payables for salaries or bonuses	$ 63,433	$ 52,312
Payables for annual leave	10,250	8,050
Payables for compensation of employees and remuneration of directors (Note 25)	24,000	19,500
Accrued commissions	1,426	15,282

	December 31, 2022	December 31, 2021
Payable for service	1,342	1,371
Accrued freights	2,569	2,315
Accrued repair	18,328	-
Accrued equipment	4,517	-
Other	9,074	7,371
	$ 134,939	$ 106,201
Other payables- related parties(Note31)		
Others	781	967
	781	967
	$ 135,720	$ 107,168
Contract liability(Note24)		
Advance payment	$ 136,367	$ 69,004
Others liability		
Refund liability	$ 29,856	$ -
Other	4,956	2,127
	$ 34,812	$ 2,127
Non-Current		
Other liability		
Guarantee Deposits	$ 1,541	$ -

21. PROVISIONS

	December 31, 2022	December 31, 2021
Current		
Warranties*	$ 5,821	$ 2,938
Non-current		
Warranties*	$ 3,703	$ 1,386

	Warranty	
	2022	2021
Balance on January 1	$ 4,324	$ 5,524
Additional provisions recognized	10,371	3,010
Amount used	(5,171)	(4,210)
Balance on December 31	$ 9,524	$ 4,324

*The provision for warranty claims represents the present value of management's best estimate of the future outflow of economic benefits that will be required under sale of goods legislation. The estimate had been made on the basis of historic warranty trends, and may vary as a result of new materials, altered manufacturing processes or other events affecting product quality.

22. RETIREMENT BENEFIT PLANS

a. Defined contribution plans

The Company adopted a pension plan under the Labor Pension Act (LPA), which is a state-managed defined contribution plan. Under the LPA, the Company makes monthly contributions to employees' individual pension accounts at 6% of monthly salaries and wages.

b. Defined benefit plans

The Company adopted the defined benefit plan under the Labor Standards Law, under which pension benefits are calculated on the basis of the length of service and average monthly salaries of the six months before retirement. The Company contributes amounts equal to 2% of total monthly salaries and wages to a pension fund administered by the pension fund monitoring committee. Pension contributions are deposited in the Bank of Taiwan in the committee's name. Before the end of each year, the Company assesses the balance in the pension fund. If the amount of the balance in the pension fund is inadequate to pay retirement benefits for employees who conform to retirement requirements in the next year, the Company is required to fund the difference in one appropriation that should be made before the end of March of the next year. The pension fund is managed by the Bureau of Labor Funds, Ministry of Labor (the "Bureau"); the Company has no right to influence the investment policy and strategy.

The amounts included in the balance sheets in respect of the Company's defined benefit plans were as follows::

	December 31, 2022	December 31, 2021
Present value of defined benefit obligation $ Fair value of plan assets	$ 16,692	$ 18,132
Present value of defined benefit obligation $ Fair value of plan assets	(8,957)	(7,724)
Allocation for deficiency	7,735	10,408
Net defined benefit liabilities (assets)	$ 7,735	$ 10,408

Movements in net defined benefit liabilities (assets) were as follows::

	Present Value of the Defined Benefit Obligation	**Fair Value of the Plan Assets**	**Net Defined Benefit Liabilities**
Balance on January 1, 2021	$ 22,031	($ 6,987)	$ 15,044
Service cost			
Service cost of current period	-	-	-
Net interest expense (income)	110	(37)	73
Recognized in loss (profit)	110	(37)	73
Remeasurement			
Return on plan assets (other than amounts included in net interest)	-	(85)	(85)
Actuarial loss – change in demographic assumptions	424	-	424
Actuarial loss – changes in financial assumptions	-	-	-
Actuarial loss – experience adjustments	(4,433)	-	(4,433)
Recognized in other comprehensive loss (gain)	(4,009)	(85)	(4,094)
Contributions from employer	-	(615)	(615)
Balance on December 31, 2021	$ 18,132	($ 7,724)	$ 10,408
Balance on January 1, 2022	$ 18,132	($ 7,724)	$ 10,408

	Present Value of the Defined Benefit Obligation	Fair Value of the Plan Assets	Net Defined Benefit Liabilities
Service cost			
Service cost of current period	-	-	-
Net interest expense (income)	91	(41)	50
Recognized in loss (profit)	91	(41)	50
Remeasurement			
Return on plan assets (other than amounts included in net interest)	-	(594)	(594)
Actuarial loss – change in demographic assumptions	-	-	-
Actuarial loss – changes in financial assumptions	(1,441)	-	(1,441)
Actuarial loss – experience adjustments	(90)	-	(90)
Recognized in other comprehensive loss (gain)	(1,531)	(594)	(2,125)
Contributions from employer	-	(598)	(598)
Balance on December 31, 2022	$ 16,692	($ 8,957)	$ 7,735

The amount recognized as profit or loss for the defined benefit plan is summarized by function as follows:

	For the Year ended December 31	
	2022	2021
Operating expense	$ 13	$ 19
Selling and marketing expenses	12	17
General and administrative expenses	11	15
Research & development expense	14	22
	$ 50	$ 73

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

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

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

3) Salary risk: The present value of the defined benefit obligation is calculated by reference to the future salaries of plan participants. As such, an increase in the salary of the plan participants will increase the present value of the defined benefit obligation.

The actuarial valuations of the present value of the defined benefit obligation were carried out by qualified actuaries. The significant assumptions used for the purposes of the actuarial valuations were as follows:

	December 31, 2022	December 31, 2021
Discount rate(s)	1.375%	0.50%
Expected rate(s) of salary increase	2.00%	2.00%
Death rate	According to the sixth mortality experience table of Taiwan life insurance industry	According to the fifth mortality experience table of Taiwan life insurance industry
Disability rate	According to 10% of expected mortality rate	According to 10% of expected mortality rate

Employee turnover rate

Based on the empirical data of consolidated company on the turnover rate of the Company in the past and the future trend, the revised data were adopted.

Age	2022	2021
20 years old ~ 30 years old	6% ~ 10%	6% ~ 10%
35 years old ~ 60 years old	0% ~ 4%	0% ~ 4%

The turnover rate under 20 years old shall be calculated as 20 years old; the turnover rate of each age group shall be calculated in the way of internal difference.

Voluntary retirement rate

Assuming that Z is the earliest retirement age for individual employees

Age	December 31, 2022	December 31, 2021
Z	15%	15%
Z＋1 ~ 64	3%	3%
65	100%	100%

However, the voluntary retirement rate of individual employees shall not be less than 1.5 times of the turnover rate for the same age adopted by the Company.

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

	December 31, 2022	December 31, 2021
Discount rate(s)		
0.25% increase	($ 378)	($ 460)
0.25% decrease	$ 392	$ 479
Discount rate(s)		
0.25% increase	$ 384	$ 465
0.25% decrease	($ 372)	($ 449)

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

	December 31, 2022	December 31, 2021
The expected contributions to the plan for the next year	$ 599	$ 607
The average duration of the defined benefit obligation	9.2 years	10.3 years

23. EQUITY

a. Share capital

Common Stock

	December 31, 2022	December 31, 2021
Number of shares authorized (in thousands)	100,000	100,000
Shares authorized	$1,000,000	$1,000,000
Number of shares issued and fully paid (in thousands)	38,255	38,255
Shares issued	$ 382,549	$ 382,549

The authorized shares include 4,000 thousand shares allocated for the exercise of employee stock options

b. Capital surplus

	December 31, 2022	December 31, 2021
May be used to offset a deficit, distributed as cash dividends, or transferred to share capital*		
Issuance of ordinary shares	$ 386,829	$ 386,829

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

c. Retained earnings and dividends policy

Under the dividends policy as set forth in the amended Articles, where the Company made a profit in a fiscal year, the profit shall be first utilized for paying taxes, offsetting losses of previous years, setting aside as legal reserve 10% of the remaining profit, setting aside or reversing special reserve in accordance with the laws and regulations, and then any remaining profit together with any undistributed retained earnings shall be used by the Company's board of directors as the basis for proposing a distribution plan, which should be resolved in the shareholders' meeting for distribution of dividends and bonus to shareholders. For the policies on distribution of employees' compensation and remuneration of directors after amendment, refer to employees' compensation and remuneration of directors in Note 25, (g).

Taking into account future capital expenditure requirements and long-term financial planning of the Company, the total dividends paid in any given year may not be less than 50% of the distributable earnings in that year. However, cumulative distributable earnings cannot be distributed if it is less than 20% of the total paid-up capital. Dividends could be distributed either through cash or shares, and cash dividends shall not be less than 10% of the total dividends for the year.

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

The Company's shareholders' meeting resolved in June 14, 2022 to amend the Articles to appropriate special reserve from the balance of retained earnings of the prior period against "the cumulative net decrease of other equity in the prior period". If the amount of retained earnings of the prior period is not enough for such appropriation, the Company should further make up the gap by the net profit after tax and the balances of other equity items of current period. Before amending the Articles, the Company appropriated by law from retained earnings of the prior period.

The appropriations of earnings for 2021 and 2020 that were approved in the shareholders' meetings on June 14, 2022 and July 22, 2021, respectively, were as follows:

	For the Year Ended December 31	
	2021	2020
Legal reserve	$ 16,571	$ 20,859
Reversal of special surplus reserve	-	(2,728)
Cash dividends	147,281	191,274
Cash dividends per share (NT$)	3.85	5

The appropriation of earnings for 2022 was proposed by the Company's board of directors on March 14, 2023. The appropriation and dividends per share were as follows:

	2022
Legal reserve	$ 19,584
Special reserve	7,979
Cash dividends	170,234
Cash dividends per share (NT$)	4.45

The above appropriation for cash dividends had been resolved by the Company's board of directors; the other proposed appropriations will be resolved by the shareholders in their meeting to be held on June 13, 2023.

d. Special reserve

	For the Year Ended December 31	
	2022	2021
Beginning on January 1	$ -	$ 2,728
Reversal of special reserves	-	(2,728)
Balance on December 31	$ -	$ -

e. Other Equity Items

1) Exchange differences on translating the financial statements of foreign operations

	For the Year Ended December 31	
	2022	2021
Beginning on January 1	($ 391)	($ 49)
Exchange differences arising on translating the financials statements of foreign operations	(89)	(428)
Conversion of income tax related to interests arising from net assets of foreign operating agency	18	86
Other comprehensive income recognized for the period	(71)	(342)
Balance on December 31	($ 462)	($ 391)

2) Unrealized gain or loss on Financial Assets at FVTOCI

	For the Year Ended December 31	
	2022	2021
Balance on January 1	$ 5,186	$ 11,292
Recognized in current period		
Unrealized gain (loss)-equity instruments	(13,967)	(5,940)
Unrealized gain (loss)-Tax	1,264	-
Other comprehensive income recognized for the period	(12,703)	(5,940)
Gain (loss) on disposal of equity instruments transfer to retained earnings	-	(166)
Balance on December 31	($ 7,517)	$ 5,186

24. REVENUE

	For the Year Ended December 31	
	2022	2021
Revenue from contracts with customers		
Revenue from the sale of goods	$ 1,863,930	$ 1,693,167
Design & development revenue	7,518	37,822
Service revenue	9,429	12,807
	$ 1,880,877	$ 1,743,796

a. Revenue from Sales to customers

Revenue from the sale of goods

Goods are categorized into computer monitors and customized products for manufacturing engineering. The Group engages in the sale of embedded control systems, medical displays, and application-specific display modules at the agreed prices stipulated in contracts, quotations or orders.

Service revenue

Service revenue mainly comprises revenue from the design of embedded, medical, and application specific display modules during product development; revenue from customers' request for repair when defects occur in products that exceed the warranty period; and revenue recognized at the agreed prices stipulated in contracts.

b. Contract Balance

	December 31, 2022	December 31, 2021	January 1, 2021
Accounts and Notes receivables (Note 11)	$ 279,746	$ 467,151	$ 275,115
Contract Assest			
Design of product	$ 1,856	$ -	$ -
Less : allowance	-	-	-
Contract Assest- current	$ 1,856	$ -	$ -
Contract liabilities (Note 20)			
Sale of good	$ 88,071	$ 69,004	$ 30,466
Design of product	48,296	-	-
Contract liabilities -current	$ 136,367	$ 69,004	$ 30,466

The change of contract assets and contract liabilities is mainly due to the difference between the time of meeting the performance obligation and the time of payment by the customer. There is no other material change.

The amount recognized as income in the current year from the contract liabilities at the beginning of the year and the performance obligations already met in the earlier period is as follows::

	2022	2021
Contract liabilities at the beginning of the year		
Revenue from sale of goods	$ 29,531	$ 11,258

c. Division of customer contract revenue

For the year ended December 31,2022

	Embedded Control	**Application specific**	**Medical Touch**	**Others**	**Total**
Goods or service					
Revenue from sale of goods	$ 573,574	$ 641,283	$ 466,018	$ 183,055	$1,863,930
Service revenue	2,553	6,850	7,542	2	16,947
	$ 576,127	$ 648,133	$ 473,560	$ 183,057	$1,880,877

For the year ended December 31,2021

	Embedded Control	**Application specific**	**Medical Touch**	**Others**	**Total**
Goods or service					
Revenue from sale of goods	$ 419,524	$ 442,946	$ 679,283	$ 151,414	$1,693,167
Service revenue	6,379	20,619	23,477	154	50,629
	$ 425,903	$ 463,565	$ 702,760	$ 151,568	$1,743,796

25. NET PROFIT (LOSS) FROM CONTINUING OPERATIONS

a. Interest income

	For the Year Ended December 31	
	2022	**2021**
Bank deposits	$ 4,289	$ 1,283
Financial assets at amortized cos	95	386
Imputed interest of deposit	4	4
	$ 4,388	$ 1,673

b. Other income

	For the Year Ended December 31	
	2022	**2021**
Dividend income	$ 3,022	$ 4,114
Government subsidy income	2,388	-
Others	1,125	127
	$ 6,535	$ 4,241

c. Other gains and losses

	For the Year Ended December 31	
	2022	2021
Gain (loss) on financial instruments		
Mandatorily measured at FVTPL	($ 4,748)	$ 1,097
Net foreign exchange gain (losses)	44,857	(10,971)
Gain on Lease	-	255
Others	(400)	(89)
	$ 39,709	($ 9,708)

d. Financial Costs

	For the Year Ended December 31	
	2022	2021
Interest on lease liabilities	($ 877)	($ 1,529)
Bill inrerest cost	-	(219)
	($ 877)	($ 1,748)

There was no interest capitalization in 2022 and 2021.

e. Depreciation and amortization

	For the Year Ended December 31	
	2022	2021
An analysis of deprecation by function		
Operating costs	$ 10,594	$ 10,617
Operating expenses	23,922	24,952
	$ 34,516	$ 35,569
An analysis of amortization by function		
Operating costs	$ -	$ -
Operating expenses	1,890	1,718
	$ 1,890	$ 1,718

f. Employees' Benefit Expenses

	For the Year Ended December 31	
	2022	2021
Short-term benefits	$ 214,015	$ 183,190
Post-employment benefits(Note 22)		
Defined contribution plans	5,797	5,806
Defined benefit plans	50	73
	5,847	5,879
Other employee benefits	7,350	6,930
Total employee benefits expense	$ 227,212	$ 195,999

	For the Year Ended December 31	
	2022	2021
An analysis of employee benefits expense by function		
Operating costs	$ 52,471	$ 52,029
Operating expenses	174,741	143,970
	$ 227,212	$ 195,999

g. Employees' compensation and remuneration of directors and supervisors

The Company accrued employees' compensation at the rates of no less than 7.5%~10% and remuneration of directors at the rates of no higher than 3%, of net profit before income tax, employees' compensation, and remuneration of directors. Employees' compensation and the remuneration of directors for the year ended December 31, 2022 and 2021 were approved by the Board of Directors on March 14, 2023 and March 15, 2022, respectively, and are as follows:

Accrual rate

	For the Year Ended December 31	
	2022	2021
Employees' compensation	7.5%	7.7%
Remuneration of directors	1.5%	1.4%

Amount

	For the Year Ended December 31	
	2022	2021
Employees' compensation	$ 20,000	$ 16,500
Remuneration of directors	$ 4,000	$ 3,000

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

There was difference between the paid amounts of employees' compensation and remuneration of directors and the amounts recognized in the company financial statements by the Board of Directors on March 15 2022 and adjusted in 2022 income.There was no difference between the actual amounts of employees' compensation and remuneration of directors paid and the amounts recognized in the company financial statements for the years ended December 31, 2020

Amount

	For the Year Ended December 31			
	2021		2020	
	Employees' compensation	Remuneration of directors	Employees' compensation	Remuneration of directors
The Board of Directors issue pay amounts	$ 16,500	$ 4,000	$ 20,600	$ 4,100
Annual consolidated financial statements authorized	$ 16,500	$ 3,000	$ 20,600	$ 4,100

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

h. Gain and loss on foreign currency exchange

	For the Year Ended December 31	
	2022	2021
Foreign exchange gains	$ 110,652	$ 20,320
Foreign exchange losses	(65,795)	(31,291)
Net gain (loss)	$ 44,857	($ 10,971)

i. The reversal of impairment of non-financial instruments

	For the Year Ended December 31	
	2022	2021
Inventories (included in costs of goods sold)	($ 18,000)	$ 17,000

26. INCOME TAXES RELATING TO CONTINUING OPERATION

a. Income tax recognized in profit or loss

	For the Year Ended December 31	
	2022	2021
Current tax		
In respect of the current period	$ 54,235	$ 33,289
Surtax on undistributed retained earnings	93	-
Adjustment for the prior year	90	(4,919)
	54,418	28,370
Deferred tax		
In respect of the current period	(5,142)	5,047
Income tax expense recognized in profit or loss	$ 49,276	$ 33,417

A reconciliation of accounting profit and income tax expense recognized in profit or loss is as follows:

	For the Year Ended December 31	
	2022	2021
Income before income tax	$ 243,420	$ 195,691
Income tax expense calculated at the statutory rate	$ 48,684	$ 39,138
Non-deductible tax loss	(45)	(1,042)
Surtax on undistributed retained earnings	93	-
Unrecognized deductible temporary difference	454	240
Unrecognized net operating loss	90	(4,919)
Adjustments for prior year	$ 49,276	$ 33,417

b. Income Tax Recognized in Other Consolidated Profit or Loss

	For the Year Ended December 31	
	2022	**2021**
Deferred tax		
In respect of the current year		
Translation of foreign operations	$ 18	$ 86
Unrealized gain on FVTOCI financial assets	1,264	-
Remeasurement on defined benefit plans	(425)	(818)
	$ 857	($ 732)

c. Current income tax assets and liabilities

	December 31, 2022	**December 31, 2021**
Current tax liabilities		
Income tax payable	$ 37,314	$ 8,688

d. Deferred tax assets and liabilities

The movements of deferred assets and liabilities were as follows:

For the year ended December 31, 2022

	Opening Balance	**Recognized in Profit (Loss)**	**Recognized in Other Comprehensive Income (Loss)**	**Closing Balance**
Deferred tax assets				
Temporary differences				
Allowance for write-down of inventories	$ 4,679	$ 3,600	$ -	$ 8,279
Debt provision	865	1,040	-	1,905
Accrued warranty expense	453	3,199	-	3,652
Foreign operating agency exchange difference	98	-	18	116
Unrealized exchange difference	1,278	(1,278)	-	-
Financial liabilities measured at fair value through profits and losses	-	397	-	397
Foreign operating Financial instruments at FVTOCI	-	-	1,264	1,264
Other	1,610	440	-	2,050
	$ 8,983	$ 7,398	$ 1,282	$ 17,663
Deferred tax liabilities				
Temporary differences				
Long-term investment accounted for using the equity method	($ 191)	($ 185)	$ -	($ 376)
Unrealized exchange difference	-	(1,961)	-	(1,961)
Defined benefit obligation	(733)	(110)	(425)	(1,268)
	($ 924)	($ 2,256)	($ 425)	($ 3,605)

For the year ended December 31, 2021

Deferred tax assets	Opening Balance	Recognized in Profit (Loss)	Recognized in Other Comprehensive Income (Loss)	Closing Balance
Temporary differences				
Defined benefit obligation	$ 193	($ 108)	($ 85)	$ -
Allowance for write-down of inventories	8,079	(3,400)	-	4,679
Debt provision	1,105	(240)	-	865
Accrued warranty expense	453	-	-	453
Allowances for bad debts exceeding the limit	764	(764)	-	-
Foreign operating agency exchange difference	12	-	86	98
Unrealized exchange difference	1,497	(219)	-	1,278
Financial liabilities measured at fair value through profits and losses	240	(240)	-	-
Other	1,550	60	-	1,610
	$ 13,893	($ 4,911)	$ 1	$ 8,983

Deferred tax liabilities				
Temporary differences				
Long-term investment accounted for using the equity method	($ 55)	($ 136)	$ -	($ 191)
Defined benefit obligation	-	-	(733)	(733)
	($ 55)	($ 136)	($ 733)	($ 924)

e. Income Tax Assessment

The Company's business income tax declarations over the years have been verified by the taxing authority to 2019.

27. EARNINGS PER SHARE

Unit: NT$ Per Share

	For the Year Ended December 31	
	2022	2021
Basic earnings per share		
From continuing operation	$ 5.08	$ 4.24
Total	$ 5.08	$ 4.24
Diluted earnings per share		
From continuing operation	$ 5.02	$ 4.21
Total	$ 5.02	$ 4.21

Earnings per share and weighted average number of common shares used to calculate the earnings per share are as follows:

Net profit for the year

	2022	2021
Net profit for the year	$ 194,144	$ 162,274
Net profit used to calculate the basic earnings per share	$ 194,144	$ 162,274
Net profit used to calculate the diluted earnings per share	$ 194,144	$ 162,274

Unit: In Thousand Shares

	For the Year Ended December 31	
	2022	2021
Weighted average number of ordinary shares outstanding in computation of basic earnings per share	38,255	38,255
Effect of potentially dilutive ordinary shares:		
Employees' compensation	396	316
Weighted average of ordinary shares outstanding in computation of dilutive earnings per share	38,651	38,571

If the Company settles the bonuses or remuneration paid to employees in cash or shares, the Company presumed that the entire amount of the bonus or remuneration would be settled in shares and the resulting potential shares were included in the weighted average number of shares outstanding used in the computation of diluted earnings per share, if the effect is dilutive. The dilutive effect of the potential shares is included in the computation of diluted earnings per share until the number of shares to be distributed to employees is resolved in the following year.

28. CASH FLOW INFORMATION

a. Non-cash transaction

For the year ended December 31, 2022 and 2021, the Company entered into the following non-cash investing and financing activities :

1) The Company reclassified prepayments for equipment amounting to $18,453 and $9,909 thousand to property, plant and equipment for the year ended December 31, 2022 and 2021, respectively.

2) The Company reclassified prepaid equipment to other intangible assets amounting to $3,542 thousand in the year ending December 31, 2021.

3) The Company prepaid equipment and acquired property, plant, and equipment in the year ended December 31, 2022, resulting in inecrease in other payables by $4,517 thousand, respectively..

b. Changes in Liabilities from Fund-raising Activities

For the year ended December 31, 2022

	Balance as of January 1, 2022	Cash Flows	Non-cash Changes			Balance as of December 31, 2022
			New Lease	Interest Amortized	Disposals	
Short-term borrowings	$ 76,221	($ 76,221)	$ -	$ -	$ -	$ -
Guarantee deposits received	$ -	1,541	-	-	-	1,541
Lease liabilities	42,419	(21,085)	-	877	-	22,211
	$ 118,640	($ 95,765)	$ -	$ 877	$ -	$ 23,752

For the year ended December 31, 2021

	Balance as of January 1, 2021	Cash Flows	Non-cash Changes: New Lease	Non-cash Changes: Interest Amortized	Non-cash Changes: Disposals	Balance as of December 31, 2021
Short-term borrowings	$ -	$ 76,221	$ -	$ -	$ -	$ 76,221
Lease liabilities	63,772	(21,085)	9,428	1,529	(11,225)	42,419
	$ 63,772	$ 55,136	$ 9,428	$ 1,529	($ 11,225)	$ 118,640

29. CAPITAL MANAGEMENT

The Company manages its capital to ensure that entities in the Company will be able to continue as going concerns while maximizing the return to shareholders through the optimization of the debt and equity balance. The Company's overall strategy remains unchanged.

Adopting a prudent risk management strategy and regularly reviewing the strategy, the Company engages in overall planning based on business development strategies and operational needs, in order to determine the appropriate capital structure of the Company

The company is not subject to any externally imposed capital requirements.

30. FINANCIAL INSTRUMENTS

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

The management of the Company believes the carrying amounts of financial assets and financial liabilities not measured at fair value that are very close to maturity or whose future prices equals their carrying amounts, approximates their fair values.

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

1.Fair value hierarchy

Balance as of December 31, 2022

	Level 1	Level 2	Level 3	Total
Financial assets at FVTPL				
—Securities listed in ROC	$ 4,602	$ -	$ -	$ 4,602
—Domestic unlisted shares and domestic emerging market shares	7,565	-	-	7,565
Total	$ 12,167	$ -	$ -	$ 12,167
Financial assets at FVTOCI				
Investments in equity				
Securities listed in ROC	$ 29,949	$ -	$	$ 29,949
Domestic unlisted shares and domestic emerging market shares	-	-	61,258	61,258
Total	$ 29,949	$ -	$ 61,258	$ 91,207

Balance as of December 31, 2021

	Level 1	Level 2	Level 3	Total
Financial assets at FVTPL				
Securities listed in ROC	$ 10,594	$ -	$ -	$ 10,594
Financial assets at FVTOCI				
Investments in equity				
Securities listed in ROC	$ 37,595	$ -	$	$ 37,595
Domestic unlisted shares and domestic emerging market shares	-	-	47,924	47,924
Total	$ 37,595	$ -	$ 47,924	$ 85,519

There were no transfers between Levels 1 and 2 in the current and prior periods.

2.. Reconciliation of Level 3 fair value measurements of financial instruments

2022

Financial assets	Financial assets at FVTPL Equity Instrument
Balance at January 1	$ 47,924
Recognized in other comprehensive income	(6,321)
Purchase	19,655
Balance at December 31	$ 61,258
Unrealized gain (loss) for the current year included in profit or loss relating to assets held at the end of the year	($ 6,321)

2021

Financial assets	Financial assets at FVTPL Equity Instrument
Balance at January 1	$ -
Recognized in other comprehensive income	-
Purchase	47,924
Balance at December 31	$ 47,924
Unrealized gain (loss) for the current year included in profit or loss relating to assets held at the end of the year	$ -

3.. Valuation techniques and inputs applied for the purpose of measuring Level 3 fair value measurement

The Company measures the fair value of its investments on domestic unlisted shares by using the market approach.and using asset-based approach. The comparable company method of market approach is based on the profitability at the end of the year to select the market multiplier of comparable companies. The valuation method is chosen by the Company after careful evaluation. Therefore, the fair value measurement is reasonable.The asset-based approach assesses the fair value by calculating the value of each asset and liability by reflect the overall fair value

c. Categories of financial instruments

	December 31, 2022	December 31, 2021
Financial assets		
Fair value through profit or loss (FVTPL)		
Mandatory at FVTPL	$ 12,167	$ 10,594
Financial assets at amortized (Note 1)	1,111,020	1,213,636
Financial assets at FVTOCI equity instruments		
Investments in equity instruments	91,207	85,519
Financial liabilities		
Measured at amortized cost (Note 2)	383,475	565,293

Note 1: The balances included financial assets measured at amortized cost, which comprise cash and cash equivalents, notes receivables,accounts receivables, other receivables and refundable deposits.

Note 2: The balances included financial liabilities measured at amortized cost, which comprise short-term loans ,notes payable, accounts payables, and other payable.

d. Financial risk management objectives and policiet

The Company's major financial instruments included equity and debit investments, accounts receivables, accounts payables, borrowings and lease liabilities. The Company's Corporate Treasury monitors and manages the financial risks relating to the operations of the Company. These risks include market risk (including foreign currency risk, interest rate risk and other price risk), credit risk, and liquidity risk.

1) Market Risk

The Company's activities exposed it primarily to the financial risks of changes in foreign currency exchange rates (see (a) below), interest rates (see (b) below) and other price risk (see (c) below)..

There had been no change to the Company's exposure to market risks or the manner in which these risks were managed and measured.

a) Foreign currency risk

The Company's had foreign currency sales and purchases, which exposed the Company to foreign currency risk. Exchange rate exposures were managed within approved policy parameters utilizing forward exchange contracts and currency swaps.

The carrying amounts of the Company's foreign currency denominated monetary assets and monetary liabilities and as for the carrying amounts of derivatives exposing to foreign currency risk at the end of the reporting period, refer to Note 34.

Sensitivity Analysis

The Company was mainly exposed to the U.S. dollar.

The following table details the Company's sensitivity to a 1% increase in the New Taiwan dollar (i.e., the functional currency) against the relevant foreign currencies. The sensitivity rate used when reporting foreign currency risk internally to key management personnel and representing management's assessment of the reasonably possible change in foreign exchange rates is 1%. The sensitivity analysis included only outstanding foreign currency denominated monetary items and foreign currency exchange forward contracts designated as cash flow hedges, and adjusts their translation at the end of the reporting period for a 1% change in exchange rates. A positive number below indicates an increase in pre-tax profit associated with the New Taiwan dollar weakening 1% against the relevant currency. For a 1% strengthening of the New Taiwan dollar against the relevant currency, there would be an equal and opposite impact on pre-tax profit, and the balances below would be negative.

	U.S. Dollar Impact	
	For the Year Ended December 31	
	2022	**2021**
Profit and Loss	$ 7,343(i)	$ 3,710(i)

(i) This was mainly attributable to the exposure outstanding on U.S. dollar-denominated accounts receivables and accounts payables, which were not hedged at the end of the reporting period

The Company's sensitivity to foreign currency increase during the current year mainly due to the increase of accounts receivable balance in the USD In management's opinion, the sensitivity analysis did not reflect the inherent exchange rate risk because the exposure at the end of the year did not reflect the exposure during the period.

In management's opinion, the sensitivity analysis did not reflect the inherent exchange rate risk because the exposure at the end of the year did not reflect the exposure during the period.

b) Interest Rate Risk

The Company evaluates hedging activities regularly to align with interest rate views and defined risk appetite and ensures that the most cost-effective hedging strategies are applied.

The carrying amount of the Company's financial assets and financial liabilities with exposure to interest rates at the end of the reporting period were as follows:

	December 31, 2022	**December 31, 2021**
Fair value interest rate risk		
—Financial assets	$ 370,003	$ 340,720
—Financial liabilities	$ -	$ 76,221
Cash flow interest rate risk		
—Financial assets	$ 425,442	$ 380,152

<u>Sensitivity Analysis</u>

The sensitivity analyses below were determined based on the Company's exposure to interest rates for both derivatives and non-derivative instruments at the end of the reporting period. A 50 basis point increase or decrease was used when reporting interest rate risk internally to key management personnel and represents management's assessment of the reasonably possible change in interest rates.

If interest rates had been 50 basis points higher/lower and all other variables were held constant, the Company's pre-tax profit for the year ended December 31, 2022 and 2021 would increase/decrease by NT$2,127 thousand NT$1,901 thousand, which was mainly attributable to the Company's exposure to the floating-interest rates on bank deposits.

The Company's sensitivity to interest rates reduced during the year, mainly affected by the increase in bank deposits with variable interest rates.

c) Other Price Risk

The Company was exposed to equity price risk through its investments in mutual funds. The Company has appointed a special team to monitor the price risk and will consider hedging the risk exposure should the need arise.

<u>Sensitivity Analysis</u>

The sensitivity analyses below were determined based on the exposure to equity price risks at the end of the reporting period.

If equity prices had been 3% higher/lower, the pre-tax other comprehensive income for the year ended December 31, 2022 and 2021 would have increased/decreased by NT$365 thousand and NT$318 thousand as a result of the changes in fair value of financial assets at FVTOCI.

If equity prices had been 3% higher/lower, the pre-tax profit for the year ended December 31, 2022, and 2021 would have increased/decreased by NT$2,736 thousand and NT$2,566 thousand, as a result of the changes in fair value of financial assets at FVTPL.

The Company's sensitivity to equity prices reduced in the current year, mainly due to a increase financial assets investment.

2) Credit Risk

Credit risk refers to the risk of the company's financial losses caused by the counterparty's default of contractual obligations. As of the balance sheet date, the maximum credit risk exposure of the company that may cause financial losses due to the counterparty's failure to perform its obligations and the company's financial guarantees (the maximum irrevocable maximum exposure amount that does not consider collateral or other credit enhancement tools) mainly from:

a) The book value of financial assets recognized on the individual's balance sheet.

b) The maximum amount payable by the Company due to financial guarantees provided by the Company, regardless of possibility.

Financial assets are potentially affected by the failure of the Company's counterparties to fulfill their contractual obligations. The Company's credit risk is evaluated based on contracts whose fair value at the end of the financial reporting period is positive. The Company's counterparties are financial institutions and companies with sound credit ratings. The Company has a dedicated unit that regularly monitors counterparty credit exposure levels every year, so no significant credit risk is expected.

In order to minimize credit risk, the management of the Company has delegated a team responsible for determining credit limits, credit approvals and other monitoring procedures to ensure that follow-up action is taken to recover overdue debts. In addition, the Company reviews the recoverable amount of each individual trade debt at the end of the reporting period to ensure that adequate allowances are made for irrecoverable amounts. The Company has signed a contract with the bank to sell accounts receivable, and there is no need to guarantee to the ability of debtors in accounts receivable to affect fulfillment of debt obligations due to credit risk within the bank's underwriting limit. Hence, the management of the Company believes that the credit risk of the Company has declined significantly

Accounts receivable from customers exceeding 5% of the total accounts receivable accounted for 65.6% and 61.30%of the Company's accounts receivable balance as of December 31, 2022 and 2021, respectively.

The maximum credit exposure of the Company is the net carrying amount of financial assets after deducting the amount that can be offset against each other and the impairment loss recognized in accordance with the regulations without considering collateral and other credit enhancement policies.

3) Liquidity Risk

The Company manages liquidity risk by monitoring and maintaining a level of cash and cash equivalents deemed adequate to finance the Company's operations and mitigate the effects of fluctuations in cash flows. In addition, management monitors the utilization of bank borrowings and ensures compliance with loan covenants.

The Company relies on bank borrowings as a significant source of liquidity. As of December 31, 2022 and 2021, the Company's available unutilized bank loan facilities set out in section (b) below.

a) Liquidity and interest risk rate tables for non-derivative financial liabilities

The following table details the Company's remaining contractual maturity for its non-derivative financial liabilities with agreed repayment periods. The tables had been drawn up based on the undiscounted cash flows of financial liabilities from the earliest date on which the Company can be required to pay. The tables included both interest and principal cash flows. Specifically, bank loans with a repayment on demand clause were included in the earliest time band regardless of the probability of the banks choosing to exercise their rights. The maturity dates for other non-derivative financial liabilities were based on agreed repayment dates.

December 31, 2022

	Less Than 1 Year	**1-5 Years**
Non-interest bearing liabilities		
Notes payable	$ 103	$ -
Trade payable	246,111	-
Other payable	135,720	-
Lease liabilitie	21,042	1,431
	$402,976	$ 1,431

Further information on maturity analysis of lease liabilities is as follows:

	Less Than 1 Year	**1-5 Years**
Lease liabilities	$ 21,042	$ 1,431

December 31, 2021

	Less Than 1 Year	**1-5 Years**
Non-interest bearing liabilities		
Notes payable	$ 31	$ -
Trade payable	381,873	-
Other payable	107,168	-

	Less Than 1 Year	1-5 Years
Lease liabilities	21,085	22,474
Fixed Rate		
Short-term borrowings	76,440	-
	$586,597	$22,474

Further information on maturity analysis of lease liabilities is as follows:

	Less Than 1 Year	1-5 Years
Lease liabilities	$ 21,085	$ 22,474

b) Financing facilities

	December 31, 2022	December 31, 2021
Unsecured bank overdraft facilities		
－Amount used	$ 17,175	$ 6,000
－Amount unused	308,505	184,720
	$ 325,680	$ 190,720

31. TRANSACTIONS WITH RELATED PARTIES

The parent company of the Company is Promate Electronic Co., Ltd., which held 66.21% of the Company's ordinary shares on December 31, 2022 and 2021

Besides information disclosed elsewhere in the other notes, details of transactions between the Group and other related parties are disclosed below.

a. Names and categories of related parties

Name	Related Party Category
Promate Electronic Co., Ltd.	Parent company of the Company
PROMATE JAPAN CO., LTD.	Subsidiary
Promate Electronic (Shenzhen) Co., Ltd.	Fellow subsidiary company
Promate Electronic (Shanghai) Co., Ltd.	Fellow subsidiary company
PROMATE ELECTRONICS COMPANY USA	Fellow subsidiary company
Weikeng Industrial Co., Ltd.	Substantive Party - Chairman is the Director of the Company
HIGGSTEC INC.	Principal management - parent company of the Company is the corporate director of the Company

b. Operating revenues

		For the Year Ended December 31	
Line Item	Related Party Category/Name	2022	2021
Sale of goods	The Company's Parent company	$ 19,414	$ 29,582
	Subsidiary	17,455	10,090
	Subsidiary of Promate	51	44
	Managerial level	1,128	831

Line Item	Related Party Category/Name	2022	2021
		$ 38,048	$ 40,547
Repairs	The Company's Parent company	$ 102	$ 97

c. Purchase of goods

Related Party Category/Name	For the Year Ended December 31 2022	2021
Promate Electronic Co., Ltd	$ 320,212	$ 444,504
Substantive related party-chairman is a director of the Company	47,171	34,201
Managerial level	17,550	13,526
	$ 384,933	$ 492,231

The terms of sale and purchase and the period of credit between the Company and related parties are not materially different from those of other customers and suppliers of the Company.

d. Receivables from related parties (excluding loans to related parties)

Line Item	Related Party Category/Name	December 31, 2022	December 31, 2021
Account Receivable	**The Company's Parent company**	$ 3,229	$ 3,568
	Subsidiary	2,055	4,865
	Managerial level	-	644
		$ 5,284	$ 9,077
Other Receivable	**Subsidiary**	$ 284	$ 345

The outstanding trade receivables from related parties are unsecured. For the years ended December 31, 2022 and 2021, no impairment losses were recognized for trade receivables from subsidiaries.

e. Payables to related parties (excluding borrowings from related parties)

Line Item	Related Party Category/Name	December 31, 2022	December 31, 2021
Accounts payable	Promate Electronic Co., Ltd	$ 30,716	$ 168,978
	Substantive related party-chairman is a director of the Company	14,805	7,889
	Managerial level	5,466	4,707
		$ 50,987	$ 181,574
Other payables	**Subsidiary**	$ -	$ 360
	Subsidiary of Pormate	781	607
		$ 781	$ 967

The outstanding accounts payables to related parties are unsecured.

f. Lease arrangements - the Company is lessee

Related Party Categories/Name	For the Year ended December 31 2022	2021
Acquisition of right-of-use assets		
Substantive related parties		
Weikeng Industrial Co., Ltd.	$ -	$ 5,439

Line Item	Related Party Category/Name	December 31, 2022	December 31, 2021
Lease liabilities	Promate Electronic Co., Ltd	$ 11,045	$ 21,765
	Substantive related party-chairman is a director of the Company	2,800	4,139
		$ 13,845	$ 25,904

Related Party Category/Name	For the Year Ended December 31 2022	2021
Interest expense		
Promate Electronic Co., Ltd	$ 428	$ 742
Substantive related party - chairman is a director of the Company	93	132
	$ 521	$ 874
Gain on leaset modifiction		
Substantive related party - chairman is a director of the Company	$ -	$ 111

Lessor	Location	Lease Term Payment Method
Promate Electronic Co., Ltd	Chingpu Plant	The lease term begins on January 1, 2019 and ends on December 31, 2023. Rent is paid every six months, where the monthly rent is NT$929,000.
Substantive related party-chairman is a director of the Company	Office building along Huanshan Road, Neihu District	The lease term begins on January 1, 2019 and ends on December 31, 2023. Rent is paid every six months, where the monthly rent is NT$111,000。 (In January 1, 2021, the lease was early terminated)
Substantive related party-chairman is a director of the Company	Office building along Huanshan Road, Neihu District	The lease term begins on January 1, 2021 and ends on December 31, 2024. Rent is paid every six months, where the monthly rent is NT$119,000。

g. Other transactions with related parties

Line Item	Related Party Category/Name	For the Year Ended December 31 2022	2021
Operating Cost – Ousourcing expenses	Managerial level	$ 2,774	$ -
Research and development expense	The Company's Parent company	$ 661	$ 1,535
	Substantive related party-chairman is a director of the Company	1,670	579
	Managerial level	3,370	1,600
		$ 5,701	$ 3,714
Professional service fees	Subsidiary	$ 1,410	$ 1,560
	Subsidiary of Pormate l	8,546	8,613
		$ 9,956	$ 10,173
IT information expense	The Company's Parent company	$ 2,440	$ 2,440

h. Compensation of key management personnel

	For the Year Ended December 31 2022	2021
Short-term employee benefits	$ 20,139	$ 14,537
Other long-term employee benefits	344	392
	$ 20,483	$ 14,929

The remuneration of directors and key executives is determined by the remuneration committee based on the performance of individuals and market trends.

32. ASSETS PLEDGED AS COLLATERAL OR FOR SECURITY

The following assets were provided as collateral for bank borrowings: :

	December 31, 2022	December 31, 2021
Recognized as Financial assets at amortized cost Time Deposits (Time Deposits)（Note 9）	$ 1,483	$ -
Notes Receivable（Note11）	$ -	$ 76,221

33. SIGNIFICANT CONTINGENT LIABILITIES AND UNRECOGNIZED COMMITMENTS s

In addition to those disclosed in other notes, significant commitments and contingencies of the Company as of December 31, 2022 and 2021 were as follows:

a. As of December 31, 2022 and 2021, the Company has all issued letters of guarantee for tariff guarantee amounted to $6,000 thousand and $6,000 thousand

b. As of December 31, 2022, the Group has all issued letters of guarantee for performance bond amounted to $11,175 thousand, respectively

c. As of December 31, 2022 and 2021 commitments due to contracts for the acquisition of equipment were as follows:

	December 31, 2022	December 31, 2021
Contract amount		
Paid amount	$ 219	$ 6,834
Unpaid amount	511	10,231
	$ 730	$ 17,065

34. SIGNIFICANT ASSETS AND LIABILITIES DENOMINATED IN FOREIGN CURRENCIES

The Company entities' significant financial assets and liabilities denominated in foreign currencies aggregated by the foreign currencies other than functional currencies and the related exchange rates between foreign currencies and functional currencies were as follows:

December 31, 2022

Unit: In Thousands for Currencies, Except Exchange Rates

	Foreign Currencies	Exchange Rate		Carrying Amount
Foreign currency assets				
Monetary Item				
US Dollars	$ 29,630	30.71	(USD: TWD)	$ 909,942
Euro	125	32.72	(EUR: TWD)	4,103
GBP	46	37.09	(GBP: TWD)	1,715
JPY	11,716	0.23	(JPY: TWD)	2,723
				$ 918,483
Non-monetary Item				
FINANCIAL INSTRUMENTS AT FAIR VALUE THROUGH PROFIT OR LOSS				
USD	246	30.71	(USD: TWD)	$ 7,565
FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME				
USD	1,995	30.71	(USD: TWD)	61,258
Subsidiaries withthe Equity Law				
JPY	17,601	0.23	(JYP: TWD)	4,090
				$ 72,913
Foreign currecy liabilities				
Monetary Item				
US Dollars	5,719	30.71	(USD: TWD)	$ 175,633
Euro	23	32.72	(EUR: TWD)	743
JPY	96	0.23	(JPY: TWD)	22
				$ 176,398

December 31, 2021

Unit: In Thousands for Currencies, Except Exchange Rates

	Foreign Currencies	Exchange Rate	Carrying Amount
Foreign currency assets			
Monetary Item			
US Dollars	$ 27,499	27.68 (USD: TWD)	$ 761,179
Euro	92	31.52 (EUR: TWD)	2,912
GBP	76	37.50 (GBP: TWD)	2,849
JPY	9,994	0.24 (JPY: TWD)	2,403
			$ 769,343
Non-monetary Item			
FINANCIAL INSTRUMENTS AT FAIR VALUE THROUGH PROFIT OR LOSS			
USD	1,723	27.68 (USD: TWD)	$ 47,924
Subsidiaries withthe Equity Law			
JPY	13,528	0.24 (JYP: TWD)	3,253
			$ 51,177
Foreign currecy liabilities			
Monetary Item			
US Dollars	$ 14,096	27.68 (USD: TWD)	$ 390,183
Euro	16	31.52 (EUR: TWD)	519
JPY	1,570	0.24 (JPY: TWD)	378
			$ 391,080

The Company is mainly exposed to the fluctuations other than USD. For the year ended December 31, 2022 and 2021, realized foreign exchange gains(losses) were $35,053 thousand and $(4,509) thousand, respectively; Unrealized foreign exchange gains(losses) were $9,804 thousand and $(6,462) thousand for the year months ended December 31, 2022 and 2021, respectively.

35. OTHERS ITEMS

On April 29, 2021, the Company's board of directors resolved to subscribe Esquarre IoT Landing Fund,L.P. in US$5 million. The investments in private funds accounted for 5.56% of the company's total equity of the current period. As of December 31, 2022, the Company has invested $67,579 (US$2,376) thousand and measured at fair value through other comprehensive income. Please refer to Note 8 disclosure

36. SEPARATELY DISCLOSED ITEMS

a. Information about significant transactions and b. information on investee

1) Financing provided to others. (None)
2) Endorsement/guarantee provided. (None)
3) Marketable securities held. (Table 1)
4) Marketable securities acquired and disposed of at costs or prices of at least NT$300 million or 20% of the paid-in capital. (Table 2)
5) Acquisition of individual real estate at costs of at least NT$300 million or 20% of the paid-in capital. (None)
6) Disposal of individual real estate at prices of at least NT$300 million or 20% of the paid-in capital.

(None)

7) Total purchases from or sales to related parties amounting to at least NT$100 million or 20% of the paid-in capital. (Table 3)

8) Receivables from related parties amounting to at least NT$100 million or 20% of the paid-in capital. (None)

9) Trading in derivative instruments. (None).

b. Information of investees. (Table 4)

c. Information on investments in mainland China (None).

d. Information of major shareholders: The following is the information of major shareholders: Name of major shareholder, number of shares owned and percentage of ownership of shareholders whose percentage of ownership of shareholders is higher than 5%. (Table 5).

TABLE 1

PROMATE SOLUTIONS CORPORATION

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

Holding Company Name	Type and Name of Marketable Securities (Note 1)	Relationship with the Holding Company (Note 2)	Financial Statement Account	December 31, 2022				Note (Note 4)
				Number of Shares	Carrying Amount (Noted 3)	Percentage of Ownership (%)	Fair Value	
	Ordinary shares							
Promate Solutions Corporation	SUNONWEALTH ELECTRIC MACHINE INDUSTRY CO., LTD	None	Financial assets at fair value through profit or loss -current	22,000	$ 939	-	$ 939	Domestic listed company
	INTERNATIONAL GAMES SYSTEM CO.,LTD.	〃	〃	2,300	997	-	997	〃
	LOTES CO., LTD.	〃	〃	700	578	-	578	〃
	WW Holding Inc.	〃	〃	7,000	559	-	559	〃
	KING SLIDE WORKS CO.,LTD	〃	〃	1,200	461	-	461	〃
	Jinan Acetate Chemical Co., LTD	〃	〃	6,000	1,068	-	1,068	〃
	Adobe Inc.	〃	〃	80	827 (USD 27)	-	827 (USD 27)	Foreign listed company
	Apple Inc.	〃	〃	300	1,197 (USD 39)	-	1,197 (USD 39)	〃
	(The) Home Depot, Inc	〃	〃	50	485 (USD 16)	-	485 (USD 16)	〃
	Intuitive Surgical, Inc	〃	〃	50	407 (USD 13)	-	407 (USD 13)	〃
	Microsoft Corporation	〃	〃	50	368 (USD 12)	-	368 (USD 12)	〃
	Micron Techonology, Inc	〃	〃	300	460 (USD 15)	-	460 (USD 15)	〃
	NVIDIA Corporation	〃	〃	270	1,212 (USD 39)	-	1,212 (USD 39)	〃
	Taiwan Semiconductor Manufacturing Company Limited	〃	〃	250	572 (USD 19)	-	572 (USD 19)	〃
	Tesla, Inc.	〃	〃	60	227 (USD 7)	-	227 (USD 7)	〃
	Unity Software Inc.	〃	〃	150	132 (USD 4)	-	132 (USD 4)	〃
	ASML Holding N.V.	〃	〃	100	1,678 (USD 55)	-	1,678 (USD 55)	〃
					$ 12,167		$ 12,167	

Holding Company Name	Type and Name of Marketable Securities (Note 1)	Relationship with the Holding Company (Note 2)	Financial Statement Account	December 31, 2022				Note (Note 4)
				Number of Shares	Carrying Amount (Noted 3)	Percentage of Ownership (%)	Fair Value	
Promate Solutions Corporation	Higgstec Inc	None	Financial assets at fair value through other comprehensive income -noncurrent	1,062,000	$ 29,949		$ 29,949	Domestic listed company
	Private funds.							
	Esquarre IoT Landing Fund,L.P.	None	Financial assets at fair value through other comprehensive income -noncurrent	2,375,651	$ 61,258 (USD 1,995)	5.41%	$ 61,258 (USD 1,995)	Foreign unlisted company

Note 1: Marketable securities in this table refer to stocks, bonds, beneficiary certificates, and other relevant derivative securities as promulgated in IFRS 9 "Financial Instruments."

Note 2: When the issuers of marketable securities are not related parties, this column can be left blank

Note 3: If measured by fair value, please fill in the carrying balance, which is adjusted through fair value valuation with loss allowance deducted, in the carrying amount column; if not measured by fair value, please fill in the carrying balance at amortized cost (loss allowance is already deducted).

Note 4: The number of shares of securities, the amount pledged as security or pledged for loans, and the restrictions on use under some agreements shall be stated in the remarks column if the securities presented herein have such conditions.

Note 5: Please refer to Table 4 for relevant information on investments in subsidiaries.

TABLE 2

PROMATE SOLUTIONS CORPORATION
MARKETABLE SECURITIES ACQUIRED AND DISPOSED AT COSTS OR PRICES OF AT LEAST $300 MILLION OR 20% OF THE PAID-IN CAPITAL
FOR THE YEAR ENDED DECEMBER 31, 2022
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

Company Name	Type and Name of Marketable Securities (Note 1)	Financial Statement Account	Counter Party	Relationship	Beginning Balance		Acquisition (Note 2)		Disposal (Note 2)				Ending Balance	
					Shares	Amount	Shares	Amount	Shares	Amount	Carrying Amount	Gain (Loss) on Disposal	Shares	Amount
Promate Solutions Corporation	Fund－ADCB Finance(Cayman) Limited	Cash and cash equivalents	China Bills Finance Corporation Foreign Branch Fund	None	-	$ -	-	$ 82,349 (USD2,967)	-	$ 82,384 (USD2,968)	$ 82,349 (USD2,967)	$ 35 (Note 4)	-	$ -
	Fund -UPAM C James Bond Money Market Fund	Financial assets at fair value through profit or loss - current	President Securities Corporation	None	-	-	5,923,714	100,000	5,923,714	100,032	100,000	32	-	-

Note 1. Marketable securities in this table refer to stocks, bonds, beneficiary certificates, and other relevant derivative securities.

Note 2. Marketable securities investor by equity need wrire this item if none.

Note 3. The accumulated amount of purchase and sales shall be calculated separately based on market value to see if the amount exceed NT$300 million or 20% of the Company's paid-in capital..

Note 4. Paid-in capital referred to herein is the parent company's paid-in capital. In the case that shares were issued with no par value or a par value other than NT$10 per share, the 20 % of paid-in capital shall be replaced by 10% of the equity attributable to owners of the parent in the calculation.

TABLE 3

PROMATE SOLUTIONS CORPORATION

TOTAL PURCHASES FROM OR SALES TO RELATED PARTIES AMOUNTING TO AT LEAST $100 MILLION OR 20% OF THE PAID-IN CAPITAL
FOR THE YEAR ENDED DECEMBER 31, 2022
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

Buyer	Related Party	Relationship	Transaction Details				Abnormal Transaction (Note 1)		Notes/Accounts Receivable (Payable)		Note
			Purchase/ Sale	Amount	% to Total	Payment Term	Unit Price	Payment Terms	Ending Balance	% to Total	
Promate Solutions Corporation	Promate Electronic Co., Ltd	Parent company	Purchase	$ 320,212	25.41%	Net 60 days after monthly closing	-	-	Accounts payable $ 30,716	12.48%	

Note 1. Where related parties' transaction conditions are different from the general ones, the situation and reasons of the differences shall be stated in the column of unit price and credit granting period.

Note 2. In case of advance payment (receipt), the reasons, contractual terms, the amount, and differences from general transactions shall be stated in the remarks column.

Note 3. Paid-in capital referred to herein is the parent company's paid-in capital. In the case that shares were issued with no par value or a par value other than NT$10 per share, the 20 % of paid-in capital shall be replaced by 10% of the equity attributable to owners of the parent in the calculation.

TABLE 4

PROMATE SOLUTIONS CORPORATION

INFORMATION ON INVESTEES
FOR THE YEAR DECEMBER 31, 2022
(In Thousands of New Taiwan Dollars/Foreign Currency)

Investor Company	Investee Company (Note 1, 2)	Location	Main Businesses and Products	Investment Amount		Balance as of December 31, 2022			Net Income (Loss) of the Investee (Note 2(2))	Investment Gain (Loss) (Note 2(3))	Note
				December 31, 2022	December 31, 2021	Shares	Percentage of Ownership	Carrying Value			
Promate Solutions Corporation	PROMATE JAPAN Inc	Japan	Trade of electronic commodities	$ 2,791	$ 2,791	100,000	100%	$ 4,090	$ 926	$ 926	

Note 1. Where a public company has a foreign holding company and the consolidated financial report is the main financial report according to local laws and regulations, the disclosure of information on foreign investees may only include the holding company's relevant information.

Note 2. In cases other than those described in Note 1, the following information shall be provided:

1) "Investee name," "region," "main business items," "the original investment amount," and "the final stake" shall be filled in in order according to the reinvestment situation of the (public) Company and the reinvestment situation of each investee directly or indirectly controlled, and the relationship between each investee and the (public) Company shall be indicated in the remarks column (e.g., a subsidiary or a sub-subsidiary).

2) In the column of "Profit and loss of investee in the current period," the current profit and loss amount of each investee shall be filled in.

3) Under "investment gains and losses recognized in the current period," only the recognized profit and loss amount of each subsidiary that is directly invested by the (public) Company and each investee assessed by equity method shall be filled in and the rest is not required to be filled in. Under "gains and losses of subsidiaries that are invested directly are recognized for the current period," it shall be confirmed that the gains and losses of the subsidiaries include their investment gains and losses and that it shall be recognized in accordance with the regulations.

TABLE 5

PROMATE SOLUTIONS CORPORATION

INFORMATION OF MAJOR SHAREHOLDERS
December 31, 2022
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

Name of Major Shareholder	Shares	
	Number of Shares	Number of Shares
Promate Electronic Co., Ltd	25,327,500	66.21%

Note 1: The percentage of ownership of major shareholders included in the table should be more than 5%, which was calculated based on the total number of ordinary shares, preference shares and treasury shares owned in the last trading day of the quarter that were traded in and registered electronically and was prepared by the Taiwan Depository & Clearing Corporation. In addition, the share capital and the actual number of traded shares with the completion of electronic registration stated in the consolidated financial statements might vary due to different calculation basis.

PROMATE SOLUTIONS CORPORATION

THE CONTENTS OF STATEMENTS OF MAJOR ACCOUNTING ITEM

Statement 1

PROMATE SOLUTIONS CORPORATION

Statement of Cash and Cash Equivalents

December 31, 2022

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

Item	Abstract	Amount
Cash in hand		$ 38
Cheque deposit		1,032
Current deposit		155,037
Foreign currency deposit	Mainly including USD 8,504 thousand (exchange rate of 30.71), JPY 10,205 thousand (exchange rate of 0.2324), EUR 125 thousand (exchange rate of 32.72), CNY 3 thousand(exchange rate of 4.408), and GBP46 thousand (exchange rate of 37.09)	269,373
Cash equivalents		
Bank time deposit		368,520
		$ 794,000

Note: Bank time deposit

Deposit bank	Maturity date	Interest rate	Amount
Land Bank of Taiwan	111/12/6~112/2/6	4.25%	$ 30,713 (US$1,000thousands@30.71)
Mega Commercial Bank	111/12/8~112/2/8	4.20%	30,713 (US$1,000thousands@30.71)
Mega Commercial Bank	111/12/19~112/2/20	4.30%	30,713 (US$1,000thousands@30.71)
Mega Commercial Bank	111/12/22~112/2/22	4.35%	30,713 (US$1,000thousands@30.71)
Mega Commercial Bank	111/12/22~112/2/22	4.35%	30,713 (US$1,000thousands@30.71)
Chang Hwa Bank	111/11/4~112/1/4	4.20%	30,713 (US$1,000thousands@30.71)
Chang Hwa Bank	111/11/10~112/1/10	4.30%	30,713 (US$1,000thousands@30.71)
Chang Hwa Bank	111/12/2~112/2/2	3.90%	61,420 (US$2,000thousands@30.71)
Chang Hwa Bank	111/12/12~112/1/30	3.90%	92,130 (US$3,000thousands@30.71)
			$ 368,520

Statement 2

PROMATE SOLUTIONS CORPORATION

Statement of Financial Assets Measured at Fair Value through Profit or Loss - Current Assets

December 31, 2022

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

Name	Number of Shares	Face value	Total Amount	Interest rate	Acquisition cost	Fair value: Unit price	Fair value: Total Amount	Fair value change attributable to change in credit risk
Domestic listed shares								
LOTES CO., LTD.	700	10	$ 578	-	$ 491	825.7	$ 578	$ -
SUNONWEALTH ELECTRIC MACHINE INDUSTRY CO., LTD	22,000	10	939	-	837	42.7	939	-
INTERNATIONAL GAMES SYSTEM CO.,LTD.	2,300	10	997	-	214	433.5	997	-
KING SLIDE WORKS CO.,LTD	1,200	10	461	-	554	384.2	461	-
Jinan Acetate Chemical Co., LTD	6,000	10	1,068	-	719	178.0	1,068	-
WW Holding Inc.	7,000	10	559	-	500	79.9	559	-
	39,200		$ 4,602		$ 3,315		$ 4,602	$ -
Foreign listed shares								
Adobe Inc.	80		$ 827		$ 1,013	1033.8	$ 827	$ -
			(USD 26,922)		(USD 36)	(USD 336.53)	(USD 26,922)	
Apple Inc.	300		1,197		1,433	3990.0	1,197	-
			(USD 38,979)		(USD 50)	(USD 129.93)	(USD 38,979)	
(The) Home Depot, Inc	50		485		456	9700.0	485	-
			(USD 15,793)		(USD 16)	(USD 315.86)	(USD 15,793)	
Intuitive Surgical, Inc	50		407		396	8140.0	407	-
			(USD 13,268)		(USD 14)	(USD 265.35)	(USD 13,268)	
Microsoft Corporation	50		368		416	7360.0	368	-
			(USD 11,991)		(USD 15)	(USD 239.82)	(USD 11,991)	
Micron Techonology, Inc	300		460		649	1533.3	460	-
			(USD 14,094)		(USD 22)	(USD 49.98)	(USD 14,994)	
NVIDIA Corporation	270		1,212		1,789	4488.9	1,212	-
			(USD 39,458)		(USD 63)	(USD 146.10)	(USD 39,458)	
Taiwan Semiconductor Manufacturing Company Limited	250		572		757	2288.0	572	-
			(USD 8,623)		(USD 27)	(USD 74.49)	(USD 8,623)	
Tesla, Inc	60		227		469	3783.3	227	-
			(USD 7,391)		(USD 17)	(USD 123.18)	(USD 7,391)	
Unity Software Inc.	150		132		400	880.0	132	-
			(USD 4,289)		(USD 14)	(USD 28.59)	(USD 4,289)	
ASML Holding N.V.	100		1,678		1,771	16780.0	1,678	-
			(USD 54,640)		(USD 62)	(USD 546.40)	(USD 54,640)	
	1,660		$ 7,565		$ 9,549		$ 7,565	$ -

Statement 3

PROMATE SOLUTIONS CORPORATION

Statement of Notes Receivable

December 31, 2022

(In Thousands of New Taiwan Dollars)

Client name	Abstract	Amount
Non-related Parties		
100052 company	Payment for goods	$ 281

Statement 4

PROMATE SOLUTIONS CORPORATION

Statement of Accounts Receivable

December 31, 2022

(In Thousands of New Taiwan Dollars)

Client name	Abstract	Amount
Non-related Parties		
500087 Company	Payment for goods	$ 76,045
500088 Company	〃	41,629
500041 Company	〃	24,120
500036 Company	〃	21,786
500040 Company	〃	19,811
Others (Note)	〃	90,958
		274,349
Minus: allowance for bad debts		(168)
		274,181
Related party		
Promate Electronic	〃	3,229
PROMATE JAPAN CO., LTD.		2,055
		5,284
		$ 279,465

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

Statement 5

PROMATE SOLUTIONS CORPORATION

Statement of Inventory

December 31, 2022

(In Thousands of New Taiwan Dollars)

Item	Abstract	Amount: Cost	Amount: Net realizable value
Raw Materials		$ 280,648	$ 288,587
Work In Process		44,918	71,601
Finished Products		74,246	89,353
Merchandise inventories		8,236	8,504
Stock in transit		32,625	30,415
		440,673	$ 488,460
Minus:Allowance for inventory falling price loss		(41,393)	
		$ 399,280	

Note: The determination of the company's net realizable value is as follows:

1. Raw materials: subject to replacement cost or sales market price minus sales cost
2. Work in progress: based on the market price of the finished product minus the cost of sale and the cost of reinvestment
3. Merchandise inventories and finished products: The market price minus the cost of sales shall prevail.

Statement 6

PROMATE SOLUTIONS CORPORATION

Statement of Changes in Financial Assets Measured at Fair Value through Other Consolidated Profit or Loss - Non-current Liabilities

Fot the Year Ended Decembr 31, 2022

(In Thousands of New Taiwan Dollars)

	Beginning of the Period		Increased in Current Period		Decreased in Current Period			End of the Period			Provision of
	Number of Shares (In Thousand Shares)	Fair Value	Number of Shares	Amount	Number of Shares	Amount	Adjust	Number of Shares (In Thousand Shares)	Fair Value	Accumulated Impairment	Guarantee or Pledge
Publicly traded stocks											
HIGGSTEC Inc	1,062	$ 37,595	-	$ -	-	$ -	($ 7,646)	1,062	$ 29,949	$ -	No
Foreign private equity fund Esquarre IoT Landing Fund, L.P.	-	47,924	-	19,655	-	-	(6,321)	-	61,258	-	No
		$ 85,519		$ 19,655		$ -	($ 13,967)		$ 91,207	$ -	

Statement 7

PROMATE SOLUTIONS CORPORATION

Statement of Changes in Investment Accouned for Using the Equity Mrthod

Fot the Year Ended Decembr 31, 2022

(In Thousands of New Taiwan Dollars)

	Balance at the Beginning of Period		Increased in Current Period		Decreased in Current Period			Cumulative conversion	Ending Balance				Provision of Guarantee or Pledge
	Number of Shares	Amount	Number of Shares	Amount	Number of Shares	Amount	Investment profits and losses	adjustment	Number of Shares	Shareholding %	Amount	Evaluation basis	
PROMATE JAPAN CO., LTD.	10,000	$ 3,253	-	$ -	-	$ -	$ 926	($ 89)	10,000	100%	$ 4,090	Equity Law	No

Statement 8

PROMATE SOLUTIONS CORPORATION

Statement of Changes in Right-of-use Assets

Fot the Year Ended Decembr 31, 2022

(In Thousands of New Taiwan Dollars)

Item	Balance at the Beginning of Period	Increased in Current Period	Decreased in Current Period	Ending Balance
Building	$ 93,613	$ -	$ -	$ 93,613
Transportation Equipment	1,433	-	-	1,433
	$ 95,046	$ -	$ -	$ 95,046

Statement 9

PROMATE SOLUTIONS CORPORATION

Statement of changes in accumulated depreciation of Right-of-use Assets

Fot the Year Ended Decembr 31, 2022

(In Thousands of New Taiwan Dollars)

Item	Balance at the Beginning of Period	Increased in Current Period	Decreased in Current Period	Ending Balance
Building	$ 52,252	$ 19,321	$ -	$ 71,573
Transportation Equipment	518	478	-	996
	$ 52,770	$ 19,799	$ -	$ 72,569

Statement 10

PROMATE SOLUTIONS CORPORATION

Statement of Notes Payable

December 31, 2022

(In Thousands of New Taiwan Dollars)

Customer Name	Abstract	Amount
Non-related Parties		
SECOM CO., LTD	Security Expense	$ 27
Union CO., LTD	Insurance Expence	76
		$ 103

Statement 11

PROMATE SOLUTIONS CORPORATION

Statement of Accounts Payable

December 31, 2022

(In Thousands of New Taiwan Dollars)

Name	Abstract	Amountt
Non-related Parties		
100115 Company	Payment for goods	$ 24,296
100067 Company		19,239
100287 Company		16,815
Other (Note)	〃	134,774
		195,124
Related Partie		
Promate Electronic	〃	30,716
Weikeng Industrial	〃	14,805
HIGGSTEC INC.	〃	5,466
		50,987
		$ 246,111

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

Statement 12

PROMATE SOLUTIONS CORPORATION

STATEMENT OF LEASE LIABILITIES

December 31, 2022

(In Thousands of New Taiwan Dollars)

Item	Description	Lease Term	Discount Rate	Current	Non-current	Ending Balance
Building	Mainly used as office	3-5 years	3%	$20,349	$1,400	$21,749
Transportation Equipment	Mainly used by salesman or warehouse personnel	3 years	5.69%	462	-	462
Total				$20,811	$1,400	$22,211

Statement 13

PROMATE SOLUTIONS CORPORATION

Statement of Operating Revenue

Fot the Year Ended Decembr 31, 2022

(In Thousands of New Taiwan Dollars)

Item	Qty.	Amount
Sales revenue - embedded control system	28,966	$ 576,127
Sales revenue - medical used touch display	52,325	648,133
Sales revenue –special application display	118,380	473,560
Others	491,913	183,057
		$ 1,880,877

Statement 14

PROMATE SOLUTIONS CORPORATION

Statement of Operating Costs

Fot the Year Ended Decembr 31, 2022

(In Thousands of New Taiwan Dollars)

Item	Amount
Raw materials, beginning of year	$ 236,787
Additions: Current materials	1,165,757
Finished goods transferred	472,033
Deductions: Raw materials, end of year	(280,647)
Raw materials sold	(190,991)
Transfer to Operating Expenses	(880)
Good-out	(50)
Scrap for Raw materials	(2,639)
Raw materials used	1,399,370
Manufacturing expense	188,570
Manufacturing cost	1,587,940
Additions: Work in process, beginning of year	36,944
Deductions: Work in progress, end of year	(44,918)
Cost of goods manufactured	1,579,966
Additions: Finished Goods, beginning of year	69,659
Current materials	77
Deductions: Finished goods, end of year	(74,246)
Transfer to Raw materials	(472,033)
Transfer to Operating Expenses	(2,101)
Scrap for Finished goods	(510)
Ransfer to Repairs	(16)
Cost of finished goods	1,100,796
Merchandise, beginning of year	2,683
Additions: Merchandise purchased	77,837
Deductions: Merchandise, end of year	(8,236)
Transfer to Operating Expenses	(808)
Cost of sales	1,172,272
Loss of Inventory Falling Price	18,000
Raw materials sold	190,991
Loss on stocktaking	50
Scrap for Inventory	3,149
Cost of sales –Warranty liabilities used	(5,171)
Cost of sales - Warranty liabilities increase	10,371
Stock in transit	30,415
Price and production variance adjustment	(11)
Cost of sales amount	1,420,066
Service cost	1,504
Operating costs	$ 1,421,570

Statement 15

PROMATE SOLUTIONS CORPORATION

Statement of Operating Expenses

Fot the Year Ended Decembr 31, 2022

(In Thousands of New Taiwan Dollars)

Item	Selling Expenses	General & administrative expenses	R&D expenses	Amount
Salary expense	$ 102,720	$ 14,610	$ 45,361	$ 162,691
Depreciation expense	9,677	4,527	9,718	23,922
Commission	14,519	-	-	14,519
Professional service fee	10,555	4,457	-	15,012
Others (Note)	21,367	10,501	19,246	51,114
	$ 158,838	$ 34,095	$ 74,325	$ 267,258

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

Statement 16

PROMATE SOLUTIONS CORPORATION

Statement of Other Net Profits and Losses

Fot the Year Ended Decembr 31, 2022

(In Thousands of New Taiwan Dollars)

Item	Abstract	Amount
Non-operating Revenues and Expenses		
Interest Revenues		
Bank interest		$ 4,293
Financial assets at amortized cost		95
Total		4,388
Other Revenues		
Dividend Revenue		3,022
Government subsidy income		2,388
Other		1,125
Total		6,535
Other gains and losses		
Gain (loss) on financial instruments -Mandatorily measured at FVTPL		(4,748)
Net foreign exchange gain (losses)		44,857
Other		(400)
Total		39,709
Finance costs		
Interest on lease liabilities		(877)
Total		(877)
Subsidiaries Using Equity Method		926
		$ 50,681

PROMATE SOLUTIONS CORPORATION

STATEMENT OF EMPLOYEE BENEFIT, DEPRECIATION AND AMORTIZATION BY FUNCTION

Fot the Year Ended Decembr 31, 2022 and 2021

(In Thousands of New Taiwan Dollars)

	2022			2021		
	Operating cost	Operating expense	Total	Operating cost	Operating expense	Total
Employees' Benefit Expenses						
Salary Expense	$ 42,854	$ 154,943	$ 197,797	$ 42,429	$ 125,500	$ 167,929
Labor and Health Expenses	4,611	7,607	12,218	4,718	7,543	12,261
Pension Expenses	2,099	3,748	5,847	2,103	3,776	5,879
Directors' Remuneration	-	4,000	4,000	-	3,000	3,000
Other Employees Benefit Expenses	2,907	4,443	7,350	2,779	4,151	6,930
Total	$ 52,471	$ 174,741	$ 227,212	$ 52,029	$ 143,970	$ 195,999
Depreciation Expense	$ 10,594	$ 23,922	$ 34,516	$ 10,617	$ 24,952	$ 35,569
Amortization Expense	$ -	$ 1,890	$ 1,890	$ -	$ 1,718	$ 1,718

Note:

1. The number of employees for this year and the previous year were 184 and 172 respectively, of which the number of directors who did not serve concurrently was 7 and 6 respectively.

2. (1) The average employee benefit expense for the year is $ 1,261 thousand(”Total employee benefit expenses for the year-total director's remuneration”/” Number of employees this year-the number of directors who are not employees”)Average employee benefit expenses in the previous year is $ 1,163 thousand (”Total employee benefit expenses in the previous year-total director's remuneration”/”Number of employees in the previous year-number of directors who were not employees”)

(2) The average employee salary cost of this year is$ 1,117 thousand (Total salary expenses for the year/”Number of employees this year-the number of directors who are not employees”)

The average employee salary cost of the previous year was $1,012 thousand(Total salary expenses of the previous year/” Number of employees this year-the number of directors who are not employees”)

(3) Average employee salary cost reduced by 10.4% (“Average employee salary cost of the current year-average employee salary cost of the previous year”/ Average employee salary expenses in the previous year)

(4) The remuneration of independent directors: The Company has established an audit committee, so it has no supervisor.

(5) For the remuneration system of directors and managers of Promate Solutions Corporation (hereinafter referred to as Promate), Promate’s Salary and Remuneration Committee evaluates the remuneration policies and systems of Promate’s directors and managers in a professional and objective position , To meet at least twice a year, and to hold meetings at any time as needed to assist the board of directors in evaluating and supervising the company’s overall remuneration policy for its decision-making reference. The Jinfeng Company Committee should refer to the usual level of salary payment in the industry, and consider the performance of Promate’s operations and employees’ personal performance appraisal, as well as future business risks, and should not guide directors and managers to engage in behaviors that exceed the company’s risk appetite in pursuit of remuneration. ; And under the principle that the ratio of remuneration for directors and managers' short-term performance and the payment time of part of the variable remuneration should be determined in consideration of the characteristics of the industry and the nature of the company's business, etc., the following powers should be faithfully performed, and the recommendations should be submitted to the board of directors for discussion:

a. The Board of Directors is authorized to determine the compensation to directors of the company by their participation and contribution to the company’s operation and take general pay levels in the industry into consideration, regardless of the earnings or loss..

b. Policies for employees and managers

(i)The policy of compensation to employees shall take into account the general pay levels in the industry, the individual performance assessment, time spent by the individual and their responsibilities, the extent of goal achievement, their performance in other positions. The compensation to employees mainly includes monthly salary, performance bonus and year-end bonus.

(ii) The policy of compensation to president, vice president and position in equivalent shall take into account the compensation paid to employees holding equivalent positions in recent years. Also to be evaluated are the reasonableness of the correlation between the individual's performance and the Company's operational performance and future risk exposure, with respect to the achievement of short-term and long-term business goals and the financial position of the Company. The remuneration committee shall provide the proposal for execution after it is passed by the Board of Directors. achievement of short-term and long-term business goals and the financial position of.

(iii) Where there is annual profit (the so-called profit is rereferred to the income before tax without deduction of compensations to employees and directors and supervisors), 7.5%~10% and no more than 3% shall be set aside for compensation to employees and directors. However, if there is still loss in the Company, the amount to recover the loss shall be reserved first. The employees eligible for the compensation shall also include the employees of subsidiaries as satisfactory to certain conditions