TAIWAN LINE TEK ELECTRONIC CO., LTD.
AND SUBSIDIARIES

CONSOLIDATED FINANCIAL STATEMENTS AND

INDEPENDENT AUDITORS' REPORT

DECEMBER 31, 2022 AND 2021

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

INDEPENDENT AUDITORS' REPORT TRANSLATED FROM CHINESE

PWCR 22005112

To the Board of Directors and Shareholders of Taiwan LINE TEK Electronic Co., Ltd.

Opinion

We have audited the accompanying consolidated balance sheets of Taiwan LINE TEK Electronic Co., Ltd. and subsidiaries (the Group) as at December 31, 2022 and 2021, and the related consolidated statements of comprehensive income, of changes in equity and of cash flows for the years then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, based on our audits and reports of other auditors (please refer to the *Other matter* section), the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as at December 31, 2022 and 2021, and its consolidated financial performance and its consolidated cash flows for the years then ended in accordance with the "Regulations Governing the Preparation of Financial Reports by Securities Issuers" and the International Financial Reporting Standards, International Accounting Standards, IFRIC Interpretations, and SIC Interpretations that came into effect as endorsed by the Financial Supervisory Commission.

Basis for opinion

We conducted our audits in accordance with the Regulations Governing Auditing and Attestation of Financial Statements by Certified Public Accountants and Standards on Auditing of the Republic of China. Our responsibilities under those standards are further described in the *Auditors' responsibilities for the audit of the consolidated financial statements* section of our report. We are independent of the Group in accordance with the Norm of Professional Ethics for Certified Public Accountant in the Republic of China, and we have fulfilled our other ethical responsibilities in accordance with these requirements. Based on our audits and the reports of other independent auditors, we believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the Group's 2022 consolidated financial statements. These matters were addressed in the context of our audit of the consolidated financial statements as a whole and, in forming our opinion thereon, we do not provide a separate opinion on these matters.

Key audit matters for the Group's 2022 the consolidated financial statements are stated as follows:

Cut-off of revenue from distribution warehouse sales

Description

Please refer to Note 4(28) for accounting policies on revenue recognition. The Group has two primary types of sales, specifically, direct sales from the factory and distribution warehouse sales. For distribution warehouse sales, the Group deliveries the goods to the distribution warehouse for pickup by the customer. Revenue is recognised when the customer actually picks up the goods and the control of the goods and the obsolescence and loss risks have been transferred to the customer. The Group recognises sales revenue based on movements of inventories in the distribution warehouse shown in the statements or other information provided by the warehouse custodian.

The Group has several distribution warehouses in several areas and each warehouse has its own custodian. Thus, the contents of information provided by custodians are different and the warehouse sales revenue recognition process involves manual reconciliations. As the Group's daily warehouse sales volume is numerous and the transaction amounts around the balance sheet date are material to the financial statements, we consider the cut-off of revenue from distribution warehouse sales a key audit matter.

How our audit addressed the matter

We performed the following audit procedures on the above key audit matter:

1. Obtained an understanding and tested the internal control procedures of periodic reconciliations between the Group and customers to assess the effectiveness of internal control used by the management over the timing of revenue recognition for distribution warehouse sales.

2. Performed cut-off test procedures on revenue from distribution warehouse sales recognised during a specific period before and after the balance sheet date, including verifying the supporting documents provided by the warehouse custodian, and ascertaining the movements of inventories and cost of goods sold recognised in the correct period in order to assess the appropriateness of the timing of sales revenue recognition.
3. Confirmed the inventory quantities with warehouse and verified the quantity against accounting records. In addition, inspected the reason for the difference between the confirmation replies and accounting records and tested the reconciling items made by the Group in order to confirm whether the significant differences have been adjusted.

Assessment of allowance for inventory valuation losses

Description

Please refer to Note 4(14) for accounting policy on inventory valuation, Note 5(2) for accounting estimates and assumption uncertainty in relation to inventory valuation, and Note 6(6) for details of allowance for inventory valuation losses.

As of December 31, 2022, the balances of inventory and allowance for inventory valuation losses were NT$ 802,933 thousand and (NT$65,513) thousand, respectively. The Group is primarily engaged in manufacturing, processing and sales of signal connection cables for information peripherals and power transmission cable sets for various computer systems. Due to the short life cycle of electronic products, highly competitive market and high degree of customization, there is a higher risk of inventory losing value. The Group's inventory is stated at the lower of cost and net realisable value. The assessment of the allowance for inventory valuation losses, including identification of obsolete inventory and the determination of net realisable value, often involves management's subjective judgment and a high degree of uncertainty, and the effect of inventory and its allowance for valuation losses on the financial statements is material. We consider the assessment of allowance for inventory valuation losses for the Group a key audit matter.

How our audit addressed the matter

We performed the following audit procedures on the above key audit matter:

1. Assessed the reasonableness of provision policies and procedures on allowance for inventory valuation losses based on our understanding of the Group's operations and the characteristics of the industry, including the classification of inventory for determining net realisable value and the reasonableness of determining the obsolescence of inventory.
2. Obtained an understanding of the Group's warehousing control procedures. Reviewed the annual physical inventory count plan and participated in the annual inventory count in order to assess the effectiveness of the procedures used by the management to identify and control obsolete inventories.
3. Obtained and verified the accuracy of the inventory aging report, and sampled the last movement of inventory before the balance sheet date in order to verify the accuracy of aging range and evaluated the reasonableness of the allowance for inventory valuation losses on older inventories.
4. Obtained and verified the accuracy of the net realisable value report of inventory, including verifying against supporting documents such as sales contracts and related purchase evidence, and recalculated and evaluated the reasonableness of the allowance for inventory valuation losses.

Other matter – Reference to the audits of other auditors

We did not audit the financial statements of certain subsidiaries which were audited by other auditors. Therefore, our opinion expressed herein, insofar as it relates to the amounts included in respect of these associates, is based solely on the reports of the other auditors. The balance of these subsidiaries amounted to NT$124,966 thousand and NT$167,355 thousand, constituting 3% and 3% of the total assets as at December 31, 2022 and 2021, respectively, and the operating revenue recognised from subsidiaries amounted to NT$569 thousand and NT$33,585 thousand, constituting 0% and 1% of the total operating revenue for the years then ended, respectively.

Other matter-Parent company only financial statements

We have audited and expressed an unqualified opinion and an unqualified opinion with an other matters section on the parent company only financial statements of Taiwan LINE TEK Electronic Co., Ltd. as at and for the years ended December 31, 2022 and 2021, respectively.

Responsibilities of management and those charged with governance for the consolidated financial statements

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

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

Those charged with governance, including the audit committee, are responsible for overseeing the Group's financial reporting process.

Auditors' responsibilities for the audit of the consolidated financial statements

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

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

1. Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
2. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
4. Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group to cease to continue as a going concern.
5. Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
6. Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

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

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

Lee, Hsiu-Ling　　　　　　Hsu, Ming-Chuan

For and on behalf of PricewaterhouseCoopers, Taiwan

March 17, 2023

The accompanying consolidated financial statements are not intended to present the financial position and results of operations and cash flows in accordance with accounting principles generally accepted in countries and jurisdictions other than the Republic of China. The standards, procedures and practices in the Republic of China governing the audit of such financial statements may differ from those generally accepted in countries and jurisdictions other than the Republic of China. Accordingly, the accompanying consolidated financial statements and independent auditors' report are not intended for use by those who are not informed about the accounting principles or auditing standards generally accepted in the Republic of China, and their applications in practice.
As the financial statements are the responsibility of the management, PricewaterhouseCoopers cannot accept any liability for the use of, or reliance on, the English translation or for any errors or misunderstandings that may derive from the translation.

TAIWAN LINE TEK ELECTRONIC CO., LTD. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
DECEMBER 31, 2022 AND 2021
(Expressed in thousands of New Taiwan dollars)

	ASSETS	Notes	December 31, 2022 AMOUNT	%	December 31, 2021 AMOUNT	%
	Current assets					
1100	Cash and cash equivalents	6(1)	$ 476,316	10	$ 591,159	11
1110	Current financial assets at fair value through profit or loss	6(2)	-	-	104,163	2
1150	Notes receivable, net	6(5)	47,610	1	8,732	-
1170	Accounts receivable, net	6(5)	1,605,813	32	1,984,962	36
1200	Other receivables		38,870	1	14,284	-
1220	Current tax assets		6	-	2,147	-
130X	Inventories	6(6)	737,420	15	1,120,991	20
1410	Prepayments		15,389	-	36,396	1
1470	Other current assets		73	-	301	-
11XX	**Current assets**		2,921,497	59	3,863,135	70
	Non-current assets					
1510	Non-current financial assets at fair value through profit or loss	6(2)	-	-	-	-
1517	Non-current financial assets at fair value through other comprehensive income	6(3)	6,624	-	3,030	-
1535	Non-current financial assets at amortised cost	6(4)	614	-	554	-
1550	Investments accounted for using equity method, net	6(7)	180,528	4	164,320	3
1600	Property, plant and equipment	6(8)	1,372,556	28	1,016,137	18
1755	Right-of-use assets	6(9)	203,374	4	206,211	4
1760	Investment property, net	6(11)	200,593	4	196,758	4
1780	Intangible assets		1,789	-	515	-
1840	Deferred tax assets	6(28)	31,448	1	62,807	1
1900	Other non-current assets		6,035	-	6,693	-
15XX	**Non-current assets**		2,003,561	41	1,657,025	30
1XXX	**Total assets**		$ 4,925,058	100	$ 5,520,160	100

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TAIWAN LINE TEK ELECTRONIC CO., LTD. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
DECEMBER 31, 2022 AND 2021
(Expressed in thousands of New Taiwan dollars)

	LIABILITIES AND EQUITY	Notes	December 31, 2022 AMOUNT	%	December 31, 2021 AMOUNT	%
	Current liabilities					
2100	Short-term borrowings	6(12)	$ 689,748	14	$ 1,334,570	24
2120	Financial liabilities at fair value through profit or loss - current	6(2)	86	-	-	-
2150	Notes payable		1,836	-	1,765	-
2170	Accounts payable		615,196	12	780,594	14
2200	Other payables	6(13) and 7	271,526	5	353,466	6
2230	Current tax liabilities		26,767	1	53,732	1
2280	Current lease liabilities		1,497	-	1,009	-
2310	Advance receipts	6(14)	285,437	6	90,855	2
2320	Long-term liabilities, current portion	6(15)	48,000	1	48,000	1
2399	Other current liabilities, others		48,795	1	50,934	1
21XX	**Total current liabilities**		1,988,888	40	2,714,925	49
	Non-current liabilities					
2540	Long-term borrowings	6(15)	215,896	4	80,000	1
2570	Deferred tax liabilities	6(28)	5,319	-	110,367	2
2580	Non-current lease liabilities		1,082	-	2,932	-
2600	Other non-current liabilities	6(16)	29,914	1	41,574	1
25XX	**Non-current liabilities**		252,211	5	234,873	4
2XXX	**Total liabilities**		2,241,099	45	2,949,798	53
	Equity attributable to owners of parent					
	Share capital	6(17)				
3110	Ordinary share		1,419,346	29	1,419,346	26
	Capital surplus	6(18)				
3200	Capital surplus		273,176	6	271,963	5
	Retained earnings	6(19)				
3310	Legal reserve		337,871	7	326,115	6
3320	Special reserve		227,612	5	227,612	4
3350	Unappropriated retained earnings		649,239	13	536,197	10
	Equity interest	6(20)				
3400	Other equity interest		(206,032)	(5)	(210,871)	(4)
3500	Treasury shares	6(17)	(38,139)	(1)	-	-
31XX	**Equity attributable to owners of parent**		2,663,073	54	2,570,362	47
36XX	**Non-controlling interests**	6(30)	20,886	1	-	-
3XXX	**Total equity**		2,683,959	55	2,570,362	47
	Significant contingent liabilities and unrecognized contract commitments	9				
	Significant events after the balance sheet date	11				
3X2X	**Total liabilities and stockholders' equity**		$ 4,925,058	100	$ 5,520,160	100

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

TAIWAN LINE TEK ELECTRONIC CO., LTD. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
YEARS ENDED DECEMBER 31, 2022 AND 2021
(Expressed in thousands of New Taiwan dollars, except earnings (losses) per share amount)

			Year ended December 31			
			2022		2021	
	Items	Notes	AMOUNT	%	AMOUNT	%
4000	Sales revenue	6(21)	$ 4,788,065	100	$ 4,926,026	100
5000	Operating costs	6(6)(26)(27)	(4,381,675)	(92)	(4,621,587)	(94)
5900	Gross profit from operations		406,390	8	304,439	6
	Operating expenses	6(26)(27) and 7				
6100	Selling expenses		(148,290)	(3)	(164,145)	(3)
6200	Generaland administrative expenses		(148,695)	(3)	(202,173)	(4)
6300	Research and development expenses		(64,153)	(1)	(85,798)	(2)
6450	Impairment loss (impairment gain and reversal of impairment loss) determined in accordance with IFRS 9	12(2)	(23,978)	(1)	2,400	-
6000	Total operating expenses		(385,116)	(8)	(449,716)	(9)
6900	Net operating income (loss)		21,274	-	(145,277)	(3)
	Non-operating income and expenses					
7100	Interest income	6(22)	3,186	-	1,912	-
7010	Other income	6(23)	79,454	2	52,996	1
7020	Other gains and losses	6(24)	67,428	1	222,100	5
7050	Finance costs	6(25) and 7	(26,184)	-	(12,904)	-
7060	Share of profit of associates and joint ventures accounted for using equity method	6(7) and 7	13,545	-	9,580	-
7000	Total non-operating income and expenses		137,429	3	273,684	6
7900	**Profit before tax**		158,703	3	128,407	3
7950	Income tax expense (benefit)	6(28)	50,291	1	(11,162)	-
8000	**Profit from continuing operations**		208,994	4	117,245	3
	Other comprehensive income					
	Components of other comprehensive income that will not be reclassified to profit or loss					
8311	Other comprehensive income, before tax, actuarial gains (losses) on defined benefit plans	6(16)	1,074	-	396	-
8316	Unrealised gains (losses) from investments in equity instruments measured at fair value through other comprehensive income	6(3)(20)	3,594	-	(26,593)	(1)
8349	Income tax related to components of other comprehensive income that will not be reclassified to profit or loss	6(20)(28)	(828)	-	5,239	-
8310	Components of other comprehensive income that will not be reclassified to profit or loss		3,840	-	(20,958)	(1)
	Components of other comprehensive income that will be reclassified to profit or loss					
8361	Financial statements translation differences of foreign operations	6(20)	2,455	-	(12,171)	-
8399	Income tax relating to the components of other comprehensive income	6(20)(28)	(491)	-	2,434	-
8360	Components of other comprehensive income that will be reclassified to profit or loss		1,964	-	(9,737)	-
8300	**Other comprehensive income (loss), net**		$ 5,804	-	($ 30,695)	(1)
8500	**Total comprehensive income**		$ 214,798	4	$ 86,550	2
	Profit, attributable to					
8610	Owners of the parent		$ 208,994	4	$ 117,245	3
8620	Non-controlling interests		$ -	-	$ -	-
	Comprehensive income attributable to					
8710	Owners of the parent		$ 214,798	4	$ 86,550	2
8720	Non-controlling interests		$ -	-	$ -	-
	Earnings per share	6(29)				
9750	Total basic earnings per share		$	1.48	$	0.83
9850	Total diluted earnings per share		$	1.47	$	0.82

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

TAIWAN LINE TEK ELECTRONIC CO., LTD. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
YEARS ENDED DECEMBER 31, 2022 AND 2021
(Expressed in thousands of New Taiwan dollars)

		Equity attributable to owners of the parent												
			Capital surplus			Retained earnings			Other equity interest					
	Notes	Ordinary share	Additional paid-in capital	Changes in ownership interests in subsidiaries	Others	Legal reserve	Special reserve	Unappropriated retained earnings	Exchange differences on translation of foreign financial statements	Unrealised gains (losses) from financial assets measured at fair value through other comprehensive income	Treasury shares	Total	Non-controlling interests	Total equity
Year 2021														
Balance at January 1, 2021		$ 1,419,346	$ 270,701	$ -	$ 1,197	$ 314,498	$ 244,103	$ 527,309	($ 118,032)	($ 61,827)	$ -	$ 2,597,295	$ -	$ 2,597,295
Profit for the year		-	-	-	-	-	-	117,245	-	-	-	117,245	-	117,245
Other comprehensive income (loss) for the year	6(20)	-	-	-	-	-	-	317	(9,737)	(21,275)	-	(30,695)	-	(30,695)
Total comprehensive income		-	-	-	-	-	-	117,562	(9,737)	(21,275)	-	86,550	-	86,550
Unclaimed overdue dividends by shareholders		-	-	-	65	-	-	-	-	-	-	65	-	65
Appropriation and distribution of 2020 retained earnings	6(19)													
Legal reserve appropriated		-	-	-	-	11,617	-	(11,617)	-	-	-	-	-	-
Reversal of special reserve		-	-	-	-	-	(16,491)	16,491	-	-	-	-	-	-
Cash dividends		-	-	-	-	-	-	(113,548)	-	-	-	(113,548)	-	(113,548)
Balance at December 31, 2021		$ 1,419,346	$ 270,701	$ -	$ 1,262	$ 326,115	$ 227,612	$ 536,197	($ 127,769)	($ 83,102)	$ -	$ 2,570,362	$ -	$ 2,570,362
Year 2022														
Balance at January 1, 2022		$ 1,419,346	$ 270,701	$ -	$ 1,262	$ 326,115	$ 227,612	$ 536,197	($ 127,769)	($ 83,102)	$ -	$ 2,570,362	$ -	$ 2,570,362
Profit for the year		-	-	-	-	-	-	208,994	-	-	-	208,994	-	208,994
Other comprehensive income for the year	6(20)	-	-	-	-	-	-	965	1,964	2,875	-	5,804	-	5,804
Total comprehensive income		-	-	-	-	-	-	209,959	1,964	2,875	-	214,798	-	214,798
Unclaimed overdue dividends by shareholders		-	-	-	82	-	-	-	-	-	-	82	-	82
Recognised changes in ownership interests in subsidiaries	6(30)	-	-	1,131	-	-	-	-	-	-	-	1,131	-	1,131
Appropriation and distribution of 2021 retained earnings	6(19)													
Legal reserve appropriated		-	-	-	-	11,756	-	(11,756)	-	-	-	-	-	-
Cash dividends		-	-	-	-	-	-	(85,161)	-	-	-	(85,161)	-	(85,161)
Repurchase of treasury shares	6(17)	-	-	-	-	-	-	-	-	-	(38,139)	(38,139)	-	(38,139)
Increase in non-controlling interests	6(30)	-	-	-	-	-	-	-	-	-	-	-	20,886	20,886
Balance at at December 31, 2022		$ 1,419,346	$ 270,701	$ 1,131	$ 1,344	$ 337,871	$ 227,612	$ 649,239	($ 125,805)	($ 80,227)	($ 38,139)	$ 2,663,073	$ 20,886	$ 2,683,959

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

TAIWAN LINE TEK ELECTRONIC CO., LTD. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
YEARS ENDED DECEMBER 31, 2022 AND 2021
(Expressed in thousands of New Taiwan dollars)

	Notes	Year ended December 31 2022	2021
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before tax		$ 158,703	$ 128,407
Adjustments			
Adjustments to reconcile profit (loss)			
Depreciation expense (including investment property and right-of-use assets)	6(8)(9)(11)(24)(26)	87,742	89,777
Amortisation expense	6(26)	453	222
Impairment loss (impairment gain and reversal of impairment loss)	12(2)	23,978	(2,400)
Net loss (gain) on financial assets or liabilities at fair value through profit or loss	6(2)(24)	32,129	(238,344)
Interest expense	6(25)	26,184	12,904
Interest income	6(22)	(3,186)	(1,912)
Dividend income	6(23)	(186)	(1,158)
Share of profit of associates and joint ventures accounted for using equity method		(13,545)	(9,580)
Allowance for inventory write-down(Gain from price recovery of inventory)	6(6)	20,941	(26)
Losses (gains) on disposals of property and equipment	6(24)	(25)	321
Gains on disposals of investments	6(24)	-	(2,227)
Profit from lease modification	6(24)	-	(228)
Impairment loss recognised in profit or loss, intangible assets other than goodwill	6(24)	-	234
Changes in operating assets and liabilities			
Changes in operating assets			
Current financial assets at fair value through profit or loss		72,034	296,251
Notes receivable, net		(38,772)	15,776
Accounts receivable, net		379,150	(176,314)
Other receivables		(24,422)	(1,737)
Inventories		362,630	(218,094)
Prepayments		21,007	27,647
Other current assets		228	(191)
Changes in operating liabilities			
Notes payable		71	235
Accounts payable		(177,542)	(33,795)
Other payables		(81,940)	(9,293)
Advance receipts		307	314
Other current liabilities		(2,139)	(8,644)
Accrued pension liabilities		(1,074)	(396)
Cash inflow (outflow) generated from operations		842,726	(132,251)
Dividends received		186	1,158
Interest received		3,186	1,912
Interest paid		(26,184)	(12,904)
Income tax paid		(49,676)	(11,696)
Net cash flows from (used in) operating activities		770,238	(153,781)

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TAIWAN LINE TEK ELECTRONIC CO., LTD. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
YEARS ENDED DECEMBER 31, 2022 AND 2021
(Expressed in thousands of New Taiwan dollars)

	Notes	Year ended December 31 2022	2021
CASH FLOWS FROM INVESTING ACTIVITIES			
Acquisition of property, plant and equipment	6(31)	($ 435,852)	($ 77,939)
Proceeds from disposal of property, plant and equipment		3,247	580
Decrease (increase) in guarantee deposits paid		515	(532)
Increase in prepayments for business facilities		-	(1,337)
Proceeds from disposal of investments accounted for using equity method	7	-	22,099
Increase (decrease) in other non-current assets		246	(531)
Net cash flows used in investing activities		(431,844)	(57,660)
CASH FLOWS FROM FINANCING ACTIVITIES			
Increase in short-term loans	6(32)	3,864,328	4,598,770
Decrease in short-term loans	6(32)	(4,525,769)	(4,013,758)
Repayments of long-term debt	6(32)	(128,000)	(120,013)
Proceeds from long-term debt	6(32)	263,896	128,000
Payments of lease liabilities	6(32)	(1,680)	(6,327)
Increase (decrease) in refundable deposit		(11,023)	25,861
Repurchase of treasury shares	6(17)	(38,139)	-
Investment received in advance	6(14)	194,274	86,830
Cash dividends paid	6(19)	(85,161)	(113,548)
Unclaimed overdue dividends by shareholders		82	65
Increase in non-controlling interests	6(30)	20,886	-
Net cash flows (used in) from financing activities		(446,306)	585,880
Effect of exchange rate changes on cash and cash equivalents		(6,931)	1,390
Net (decrease) increase in cash and cash equivalents		(114,843)	375,829
Cash and cash equivalents at beginning of year		591,159	215,330
Cash and cash equivalents at end of year		$ 476,316	$ 591,159

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

TAIWAN LINE TEK ELECTRONIC CO., LTD. AND SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021

(Expressed in thousands of New Taiwan dollars, except as otherwise indicated)

1. History and Organization

Taiwan LINE TEK Electronic Co., Ltd. (the "Company") and its subsidiaries (collectively referred herein as the "Group") were incorporated in August, 1978. The Group is engaged in the manufacturing, processing and sales of power transmission cable sets for various computer systems, power transmission cable sets for electrical appliances, signal connection cables for information peripherals, intelligent electric vehicle electrification cable , high efficiency connection cable sets for communication systems, etc. The Company's shares were listed on the Taipei Exchange on February 1, 1992 as approved by the Securities and Futures Commission of the Ministry of Finance and were transferred to be listed on the Taiwan Stock Exchange on September 17, 2001.

2. The Date of Authorisation for Issuance of the Financial Statements and Procedures for Authorisation

These consolidated financial statements were authorised for issuance by the Board of Directors on March 17, 2023.

3. Application of New Standards, Amendments and Interpretations

(1) Effect of the adoption of new issuances of or amendments to International Financial Reporting Standards ("IFRS") that came into effect as endorsed by the Financial Supervisory Commission ("FSC")

New standards, interpretations and amendments endorsed by FSC and became effective from 2022 are as follows:

New Standards, Interpretations and Amendments	Effective date by International Accounting Standards Board
Amendments to IFRS 3, 'Reference to the conceptual framework'	January 1, 2022
Amendments to IAS 16, 'Property, plant and equipment: proceeds before intended use'	January 1, 2022
Amendments to IAS 37, 'Onerous contracts-cost of fulfilling a contract'	January 1, 2022
Annual improvements to IFRS Standards 2018–2020	January 1, 2022

The above standards and interpretations have no significant impact to the Group's financial condition and financial performance based on the Group's assessment.

(2) Effect of new issuances of or amendments to IFRSs as endorsed by the FSC but not yet adopted by the Company

New standards, interpretations and amendments endorsed by the FSC effective from 2023 are as follows:

New Standards, Interpretations and Amendments	Effective date by International Accounting Standards Board
Amendments to IAS 1, 'Disclosure of accounting policies'	January 1, 2023
Amendments to IAS 8, 'Definition of accounting estimates'	January 1, 2023
Amendments to IAS 12, 'Deferred tax related to assets and liabilities arising from a single transaction'	January 1, 2023

Except for the following, the above standards and interpretations have no significant impact to the Group's financial condition and financial performance based on the Group's assessment.

A. Amendments to IAS 1, 'Disclosure of accounting policies'

The amendments require an entity to disclose its material accounting policy information rather than its significant accounting policies. The amendments also explain how an entity can identify material accounting policy information and to give examples of when accounting policy information is likely to be material.

B. Amendments to IAS 8, 'Definition of accounting estimates'

The amendments clarify how an entity should distinguish changes in accounting policies from changes in accounting estimates. The amendments also clarify that a change in accounting estimate that results from new information or new developments is not the correction of an error. In addition, the effects of a change in an input or a measurement technique used to develop an accounting estimate are changes in accounting estimates if they do not result from the correction of prior period errors.

(3) IFRSs issued by IASB but not yet endorsed by the FSC

New standards, interpretations and amendments issued by IASB but not yet included in the IFRSs as endorsed by the FSC are as follows:

New Standards, Interpretations and Amendments	Effective date by International Accounting Standards Board
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 International Accounting Standards Board
Amendments to IFRS 16, 'Lease liability in a sale and leaseback'	January 1, 2024
IFRS 17, 'Insurance contracts'	January 1, 2023
Amendments to IFRS 17, 'Insurance contracts'	January 1, 2023
Amendment to IFRS 17, 'Initial application of IFRS 17 and IFRS 9 -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

Except for the following, the above standards and interpretations have no significant impact to the Group's financial condition and financial performance based on the Group's assessment.

4. Summary of Significant Accounting Policies

The principal accounting policies applied in the preparation of these consolidated financial statements are set out below. These policies have been consistently applied to all the periods presented, unless otherwise stated.

(1) Compliance statement

The consolidated financial statements of the Group have been prepared in accordance with the "Regulations Governing the Preparation of Financial Reports by Securities Issuers", International Financial Reporting Standards, International Accounting Standards, IFRIC Interpretations, and SIC Interpretations that came into effect as endorsed by the FSC (collectively referred herein as the "IFRSs")..

(2) Basis of preparation

A. Except for the following items, the consolidated financial statements have been prepared under the historical cost convention:

(a) Financial assets at fair value through profit or loss.

(b) Financial assets at fair value through other comprehensive income.

(c) Defined benefit liabilities recognised based on the net amount of pension fund assets less present value of defined benefit obligation.

B. The preparation of financial statements in conformity with IFRSs requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements are disclosed in Note 5.

(3) Basis of consolidation

A. Basis for preparation of consolidated financial statements:

(a) All subsidiaries are included in the Group's consolidated financial statements. Subsidiaries are all entities (including structured entities) controlled by the Group. The Group controls an entity when the Group is exposed, or has rights, to variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Consolidation of subsidiaries begins from the date the Group obtains control of the subsidiaries and ceases when the Group loses control of the subsidiaries.

(b) Inter-company transactions, balances and unrealised gains or losses on transactions between companies within the Group are eliminated. Accounting policies of subsidiaries have been adjusted where necessary to ensure consistency with the policies adopted by the Group.

(c) Changes in a parent's ownership interest in a subsidiary that do not result in the parent losing control of the subsidiary (transactions with non-controlling interests) are accounted for as equity transactions, i.e. transactions with owners in their capacity as owners. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognised directly in equity.

(d) When the Group loses control of a subsidiary, the Group remeasures any investment retained in the former subsidiary at its fair value. That fair value is regarded as the fair value on initial recognition of a financial asset or the cost on initial recognition of the associate or joint venture. Any difference between fair value and carrying amount is recognised in profit or loss. All amounts previously recognised in other comprehensive income in relation to the subsidiary are reclassified to profit or loss on the same basis as would be required if the related assets or liabilities were disposed of. That is, when the Group loses control of a subsidiary, all gains or losses previously recognised in other comprehensive income in relation to the subsidiary should be reclassified from equity to profit or loss, if such gains or losses would be reclassified to profit or loss when the related assets or liabilities are disposed of.

B. Subsidiaries included in the consolidated financial statements:

Name of investor	Name of subsidiary	Main business activities	Ownership(%) December 31, 2022	Ownership(%) December 31, 2021	Description
Taiwan Line Tek Electronic Co., Ltd.	Everfull Electronic Co., Limited	Production and sales of electronic wiring sets, signal connection cables and power cord sets	100	100	Note 1 Note 2
Taiwan Line Tek Electronic Co., Ltd.	FU LIN INVESTMENT CO., LTD.	Operating various investment businesses	100	100	
Taiwan Line Tek Electronic Co., Ltd.	LINE TEK INTERNATIONAL CO., LTD.	Operating various investment businesses	100	100	
Taiwan Line Tek Electronic Co., Ltd.	LINETEK JAPAN CO., LTD.	Sales of electronic wiring sets, signal connection cables, and power cord sets	100	100	
Everfull Electronic Co., Limited	REGENT UNION INTERNATIONAL LIMITED	Lease of property	100	100	Note 2
Everfull Electronic Co., Limited	EVERFULL TECHNOLOGY (SHENZHEN) CO., LTD.	Production and operation of power cables electronic, wires, electronic wiring and the design and development of power cables electronic, wires, and electronic wiring related products	100	100	Note 2 Note 7
Everfull Electronic Co., Limited	EVERFULL ELECTRONIC (DONGGUAN) CO., LTD.	Production and sales of wiring, cables, plastic accessories and electronic accessories	-	100	Note 2 Note 5
Everfull Electronic Co., Limited	EVERFULL TECHNOLOGY (HUIZHOU) CO., LTD.	Manufacturing, processing and sales of power cord, electric wire, hook-up wire, PVC granules, copper wire and other related products.	100	100	Note 3 Note 7
Everfull Electronic Co., Limited	Everfull Development (Huizhou) Co., Ltd.	Operating various business management services	90.91	100	Note 2 Note 3
Line Tek International Co., Ltd.	HONG YI INVESTMENT CO.,LTD.	Operating various investment businesses	-	100	Note 6
Hong Yi Investment Co.,Ltd.	FONG MO INVESTMENTS LTD.	Production of new instrument components, new electronic components, power electronic components and related products	-	100	Note 4

Note 1: The information included in these consolidated financial statements as at December 31, 2022 is based on the financial statements of the investees audited by other auditors.

Note 2: The information included in these consolidated financial statements as at December 31, 2021 is based on the financial statements of the investees audited by other auditors.

Note 3: On April 12, 2021, the Investment Commission of the Ministry of Economic Affairs (MOEA) (Jing-Shen-II-Zi No. 11000081680) approved the Company's application for the new establishment of Everfull Development (Huizhou) Co., Ltd. in a spin-off method by Everfull Technology (Huizhou) Co., Ltd. After the spin-off, Everfull Technology (Huizhou) Co., Ltd. reduced its capital and used the shares of Everfull Development (Huizhou) Co., Ltd. to offset the proceeds from capital reduction, resulting in Everfull Development (Huizhou) Co., Ltd. and Everfull Technology (Huizhou) Co., Ltd. both becoming the 100%-owned subsidiary of Everfull Electronic Co., Limited. Everfull Development (Huizhou) Co., Ltd. completed the capital verification on July 13, 2021. Everfull Development (Huizhou) Co., Ltd. increased its capital for the year ended December 31, 2022, and the Group's subsidiary, Everfull Electronic Co., Limited, did not acquire shares proportionally to its interest. As a result, Everfull Electronic Co., Limited decreased its share interest to 90.91% and maintained control over Everfull Development (Huizhou) Co., Ltd.

Note 4: The entity completed the liquidation on January 28, 2022.

Note 5: The entity completed the liquidation in April, 2022.

Note 6: The entity completed the liquidation in June, 2022.

Note 7: In December 2022, Everfull Technology (Shenzhen) Co., Ltd. merged with Everfull Technology (Huizhou) Co., Ltd with Everfull Technology (Huizhou) Co., Ltd. being the surviving company and relevant procedures are in the progress.

C. Subsidiaries not included in the consolidated financial statements: None.

D. Adjustments for subsidiaries with different balance sheet dates: None.

E. Significant restrictions: None.

F. Subsidiaries that have non-controlling interests that are material to the Group: None.

(4) Foreign currency translation

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates (the "functional currency"). The consolidated financial statements are presented in New Taiwan dollars (NTD), which is the Company's functional and the Group's presentation currency.

A. Foreign currency transactions and balances

(a) Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions or valuation where items are remeasured. Foreign exchange gains and losses resulting from the settlement of such transactions are recognised in profit or loss in the period in which they arise.

(b) Monetary assets and liabilities denominated in foreign currencies at the period end are re-translated at the exchange rates prevailing at the balance sheet date. Exchange differences arising upon re-translation at the balance sheet date are recognised in profit or loss.

(c) Non-monetary assets and liabilities denominated in foreign currencies held at fair value through profit or loss are re-translated at the exchange rates prevailing at the balance sheet date; their translation differences are recognised in profit or loss. Non-monetary assets and liabilities denominated in foreign currencies held at fair value through other comprehensive income are re-translated at the exchange rates prevailing at the balance sheet date; their translation differences are recognised in other comprehensive income. However, non-monetary assets and liabilities denominated in foreign currencies that are not measured at fair value are translated using the historical exchange rates at the dates of the initial transactions.

(d) All foreign exchange gains and losses are presented in the statement of comprehensive income within 'other gains and losses'.

B. Translation of foreign operations

(a) The operating results and financial position of all the group entities, associates and joint arrangements that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

i. Assets and liabilities for each balance sheet presented are translated at the closing exchange rate at the date of that balance sheet;

ii. Income and expenses for each statement of comprehensive income are translated at average exchange rates of that period; and

iii. All resulting exchange differences are recognised in other comprehensive income.

(b) When the foreign operation partially disposed of or sold is a subsidiary, cumulative exchange differences that were recorded in other comprehensive income are proportionately transferred to the non-controlling interest in this foreign operation. In addition, even when the Group retains partial interest in the former foreign subsidiary after losing control of the former foreign subsidiary, such transactions should be accounted for as disposal of all interest in the foreign operation.

(5) Classification of current and non-current items

A. Assets that meet one of the following criteria are classified as current assets; otherwise they are classified as non-current assets:

(a) Assets arising from operating activities that are expected to be realised, or are intended to be sold or consumed within the normal operating cycle;

(b) Assets held mainly for trading purposes;

(c) Assets that are expected to be realised within twelve months from the balance sheet date;

(d) Cash and cash equivalents, excluding restricted cash and cash equivalents and those that are to be exchanged or used to settle liabilities more than twelve months after the balance sheet date.

B. Liabilities that meet one of the following criteria are classified as current liabilities; otherwise they are classified as non-current liabilities:

(a) Liabilities that are expected to be settled within the normal operating cycle;

(b) Liabilities held mainly for trading purposes;

(c) Liabilities that are to be settled within twelve months from the balance sheet date;

(d) Liabilities for which the repayment date cannot be extended unconditionally to more than twelve months after the balance sheet date. Terms of a liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification.

(6) Cash equivalents

Cash equivalents refer to short-term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value. Time deposits that meet the definition above and are held for the purpose of meeting short-term cash commitments in operations are classified as cash equivalents.

(7) Financial assets at fair value through profit or loss

A. Financial assets at fair value through profit or loss are financial assets that are not measured at amortised cost or fair value through other comprehensive income.

B. On a regular way purchase or sale basis, financial assets at fair value through profit or loss are recognised and derecognised using trade date accounting.

C. At initial recognition, the Group measures the financial assets at fair value and recognises the transaction costs in profit or loss. The Group subsequently measures the financial assets at fair value, and recognises the gain or loss in profit or loss.

D. The Group recognises the dividend income when the right to receive payment is established, future economic benefits associated with the dividend will flow to the Group and the amount of the dividend can be measured reliably.

(8) Financial assets at fair value through other comprehensive income

A. Financial assets at fair value through other comprehensive income comprise equity securities which are not held for trading, and for which the Group has made an irrevocable election at initial recognition to recognise changes in fair value in other comprehensive income and debt instruments which meet all of the following criteria:

(a) The objective of the Group's business model is achieved both by collecting contractual cash flows and selling financial assets; and

(b) The assets' contractual cash flows represent solely payments of principal and interest.

B. On a regular way purchase or sale basis, financial assets at fair value through other comprehensive income are recognised and derecognised using trade date accounting.

C. At initial recognition, the Group measures the financial assets at fair value plus transaction costs. The Group subsequently measures the financial assets at fair value:

The changes in fair value of equity investments that were recognised in other comprehensive income are reclassified to retained earnings and are not reclassified to profit or loss following the derecognition of the investment. The Group recognises the dividend income when the right to receive payment is established, future economic benefits associated with the dividend will flow to the Group and the amount of the dividend can be measured reliably.

(9) Financial assets at amortised cost

A. Financial assets at amortised cost are those that meet all of the following criteria:

(a) The objective of the Group's business model is achieved by collecting contractual cash flows.

(b) The assets' contractual cash flows represent solely payments of principal and interest.

B. On a regular way purchase or sale basis, financial assets at amortised cost are recognised and derecognised using trade date accounting.

C. The Group's time deposits which do not fall under cash equivalents are those with a short maturity period and are measured at initial investment amount as the effect of discounting is immaterial.

(10) Accounts and notes receivable

A. Accounts and notes receivable entitle the Group a legal right to receive consideration in exchange for transferred goods or rendered services.

B. The short-term accounts and notes receivable without bearing interest are subsequently measured at initial invoice amount as the effect of discounting is immaterial.k

(11) Impairment of financial assets

For debt instruments measured at fair value through other comprehensive income and financial assets at amortised cost, at each reporting date, the Group recognises the impairment provision for 12 months expected credit losses if there has not been a significant increase in credit risk since initial recognition or recognises the impairment provision for the lifetime expected credit losses (ECLs) if such credit risk has increased since initial recognition after taking into consideration all reasonable and verifiable information that includes forecasts. On the other hand, for accounts receivable or contract assets that do not contain a significant financing component, the Group recognises the impairment provision for lifetime ECLs.

(12) Derecognition of financial assets

The Group derecognises a financial asset when one of the following conditions is met:

A. The contractual rights to receive the cash flows from the financial asset expire.

B. The contractual rights to receive cash flows of the financial asset have been transferred and the Group has transferred substantially all risks and rewards of ownership of the financial asset.

C. The contractual rights to receive cash flows of the financial asset have been transferred; however, the Group has not retained control of the financial asset.

(13) Leasing arrangements (lessor)－operating leases

Lease income from an operating lease (net of any incentives given to the lessee) is recognised in profit or loss on a straight-line basis over the lease term.

(14) Inventories

Inventories are stated at the lower of cost and net realisable value. Cost is determined using the weighted-average method. The cost of finished goods and work in progress comprises raw materials, direct labour, other direct costs and related production overheads (allocated based on normal operating capacity), but excludes borrowing costs. The item by item approach is used in applying the lower of cost and net realisable value. Net realizable value 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.

(15) Investments accounted for using equity method / associates

A. Associates are all entities over which the Group has significant influence but not control. In general, it is presumed that the investor has significant influence, if an investor holds, directly or indirectly 20 percent or more of the voting power of the investee. Investments in associates are accounted for using the equity method and are initially recognised at cost.

B. The Group's share of its associates' post-acquisition profits or losses is recognised in profit or loss, and its share of post-acquisition movements in other comprehensive income is recognised in other comprehensive income. When the Group's share of losses in an associate equals or exceeds its interest in the associate, including any other unsecured receivables, the Group does not recognise further losses, unless it has incurred legal or constructive obligations or made payments on behalf of the associate.

C. When changes in an associate's equity do not arise from profit or loss or other comprehensive income of the associate and such changes do not affect the Group's ownership percentage of the associate, the Group recognises the Group's share of change in equity of the associate in 'capital surplus' in proportion to its ownership.

D. Unrealised gains on transactions between the Group and its associates are eliminated to the extent of the Group's interest in the associates. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of associates have been adjusted where necessary to ensure consistency with the policies adopted by the Group.

E. When the Group disposes its investment in an associate and loses significant influence over this associate, the amounts previously recognised in other comprehensive income in relation to the associate, are reclassified to profit or loss, on the same basis as would be required if the relevant assets or liabilities were disposed of. If it retains significant influence over this associate, the amounts previously recognised in other comprehensive income in relation to the associate are reclassified to profit or loss proportionately in accordance with the aforementioned approach.

(16) Property, plant and equipment

A. Property, plant and equipment are initially recorded at cost. Borrowing costs incurred during the construction period are capitalised.

B. Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognised. All other repairs and maintenance are charged to profit or loss during the financial period in which they are incurred.

C. Property, plant and equipment are measured at cost model subsequently. Land is not depreciated. Other property, plant and equipment are depreciated using the straight-line method over their estimated useful lives. Each part of an item of property, plant, and equipment with a cost that is significant in relation to the total cost of the item must be depreciated separately.

D. The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted if appropriate, at each financial year-end. If expectations for the assets' residual values and useful lives differ from previous estimates or the patterns of consumption of the assets' future economic benefits embodied in the assets have changed significantly, any change is accounted for as a change in estimate under IAS 8, 'Accounting Policies, Changes in Accounting Estimates and Errors', from the date of the change. The estimated useful lives of property, plant and equipment are as follows:

Buildings and structures	20 ～ 45 years
Machinery and equipment	3 ～ 10 years
Other equipment	2 ～ 15 years

(17) Leasing arrangements (lessee)－right-of-use assets/ lease liabilities

A. Leases are recognised as a right-of-use asset and a corresponding lease liability at the date at which the leased asset is available for use by the Group. For short-term leases or leases of low-value assets, lease payments are recognised as an expense on a straight-line basis over the lease term.

B. Lease liabilities include the net present value of the remaining lease payments at the commencement date, discounted using the incremental borrowing interest rate. Lease payments are comprised of the following:

Fixed payments, less any lease incentives receivable.

The Company subsequently measures the lease liability at amortised cost using the interest method and recognises interest expense over the lease term. The lease liability is remeasured and the amount of remeasurement is recognised as an adjustment to the right-of-use asset when there are changes in the lease term or lease payments and such changes do not arise from contract modifications.

C. At the commencement date, the right-of-use asset is stated at cost comprising the following:

The amount of the initial measurement of lease liability.

The right-of-use asset is measured subsequently using the cost model and is depreciated from the commencement date to the earlier of the end of the asset's useful life or the end of the lease term. When the lease liability is remeasured, the amount of remeasurement is recognised as an adjustment to the right-of-use asset.

D. For lease modifications that decrease the scope of the lease, the lessee shall decrease the carrying amount of the right-of-use asset and remeasure the lease liability to reflect the partial or full termination of the lease, and recognise the difference in profit or loss.

(18) Investment property

The revaluation of investment property in accordance with the generally accepted auditing standards in the Republic of China on the date of conversion is regarded as the recognized cost, and the subsequent measurement adopts the cost model. Except for land, investment property is depreciated on a straight-line basis over its estimated useful life of 8 ~ 45 years.

(19) Intangible assets

Intangible assets, mainly computer software, are stated at cost and amortised on a straight-line basis over its estimated useful lives of 3 ~ 5 years.

(20) Impairment of non-financial assets

The Group assesses at each balance sheet date the recoverable amounts of those assets where there is an indication that they are impaired. An impairment loss is recognised for the amount by which the asset’s carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset’s fair value less costs to sell or value in use. When the circumstances or reasons for recognising impairment loss for an asset in prior years no longer exist or diminish, the impairment loss is reversed. The increased carrying amount due to reversal should not be more than what the depreciated or amortised historical cost would have been if the impairment had not been recognised.

(21) Borrowings

Borrowings comprise long-term and short-term bank borrowings. Borrowings are recognised initially at fair value, net of transaction costs incurred. Borrowings are subsequently stated at amortised cost; any difference between the proceeds (net of transaction costs) and the redemption value is recognised in profit or loss over the period of the borrowings using the effective interest method.

(22) Notes and accounts payable

A. Accounts payable are liabilities for purchases of raw materials, goods or services and notes payable are those resulting from operating and non-operating activities.

B. The short-term notes and accounts payable without bearing interest are subsequently measured at initial invoice amount as the effect of discounting is immaterial.

(23) Derecognition of financial liabilities

A financial liability is derecognised when the obligation under the liability specified in the contract is discharged, cancelled or expires.

(24) Employee benefits

A. Short-term employee benefits

Short-term employee benefits are measured at the undiscounted amount of the benefits expected to be paid and are recognised as expenses in the period in which the employees render service.

B. Pensions

(a) Defined contribution plans

For the defined contribution plans, the contributions are recognised as pension expense when they are due on an accrual basis. Prepaid contributions are recognised as an asset to the extent of a cash refund or a reduction in the future payments.

(b) Defined benefit plans

i. Net obligation under a defined benefit plan is defined as the present value of an amount of pension benefits that employees will receive on retirement for their services with the Company in current period or prior periods. The liability recognised in the balance sheet in respect of defined benefit pension plans is the present value of the defined benefit obligation at the balance sheet date less the fair value of plan assets. The net defined benefit obligation is calculated annually by independent actuaries using the projected unit credit method. The rate used to discount is determined by using interest rates of high-quality corporate bonds that are denominated in the currency in which the benefits will be paid, and that have terms to maturity approximating to the terms of the related pension liability; when there is no deep market in high-quality corporate bonds, the Company uses interest rates of government bonds (at the balance sheet date) instead.

ii. Remeasurement arising on defined benefit plans are recognised in other comprehensive income in the period in which they arise and are recorded as retained earnings.

C. Employees' compensation and directors' and supervisors' remuneration

Employees' compensation and directors' and supervisors' remuneration are recognised as expense and liability, provided that such recognition is required under legal or constructive obligation and those amounts can be reliably estimated. Any difference between the resolved amounts and the subsequently actual distributed amounts is accounted for as changes in estimates. If employee compensation is paid by shares, the Company calculates the number of shares based on the closing price at the previous day of the board meeting resolution.

(25) <u>Income tax</u>

A. The tax expense for the period comprises current and deferred tax. Tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or items recognised directly in equity, in which cases the tax is recognised in other comprehensive income or equity.

B. The current income tax expense is calculated on the basis of the tax laws enacted or substantively enacted at the balance sheet date in the countries where the Group operates and generates taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in accordance with applicable tax regulations. It establishes provisions where appropriate based on the amounts expected to be paid to the tax authorities. An additional tax is levied on the unappropriated retained earnings and is recorded as income tax expense in the year the stockholders resolve to retain the earnings.

C. Deferred tax is recognised, using the balance sheet liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated balance sheet. However, the deferred tax is not accounted for if it arises from initial recognition of goodwill or of an asset or liability in a transaction that at the time of the transaction affects neither accounting nor taxable profit or loss. Deferred tax is provided on temporary differences arising on investments in subsidiaries and associates, except where the timing of the reversal of the temporary difference is controlled by the Group and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the balance sheet date and are expected to apply when the related deferred tax asset is realised or the deferred tax liability is settled.

D. Deferred tax assets are recognised only to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised. At each balance sheet date, unrecognised and recognised deferred tax assets are reassessed.

E. Current income tax assets and liabilities are offset and the net amount reported in the balance sheet when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously. Deferred tax assets and liabilities are offset on the balance sheet when the entity has the legally enforceable right to offset current tax assets against current tax liabilities and they are levied by the same taxation authority on either the same entity or different entities that intend to settle on a net basis or realise the asset and settle the liability simultaneously.

(26) Share capital

A. Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares or stock options are shown in equity as a deduction, net of tax, from the proceeds.

B. Where the Company repurchases the Company's equity share capital that has been issued, the consideration paid, including any directly attributable incremental costs (net of income taxes) is deducted from equity attributable to the Company's equity holders. Where such shares are subsequently reissued, the difference between their book value and any consideration received, net of any directly attributable incremental transaction costs and the related income tax effects, is included in equity attributable to the Company's equity holders.

(27) Dividends

Dividends are recorded in the Company's financial statements in the period in which they are approved by the Company's shareholders. Cash dividends are recorded as liabilities stock dividends are recorded as stock dividends to be distributed and are reclassified to ordinary shares on the effective date of new shares issuance.

(28) Revenue recognition

The Group manufactures and sells electronic wiring sets, signal connection cables and power cable sets. Revenue is measured at the fair value of the consideration received less business tax, returns, rebates and discounts for the sale of goods to external customers in the ordinary course of the Group's activities. Sales are recognised when control of the products has transferred, and there is no unfulfilled obligation that could affect the customer's acceptance of the products. Delivery occurs when the products have been shipped to the specific location, the risks of obsolescence and loss have been transferred to the customer, and either the customer has accepted the products in accordance with the sales contract, or the Group has objective evidence that all criteria for acceptance have been satisfied.

(29) Operating segments

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The Group's chief operating decision maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Board of Directors that makes strategic decisions.

5. Critical Accounting Judgements, Estimates and Key Sources of Assumption Uncertainty

The preparation of these consolidated financial statements requires management to make critical judgements in applying the Group's accounting policies and make critical assumptions and estimates concerning future events. Assumptions and estimates may differ from the actual results and are continually evaluated and adjusted based on historical experience and other factors. Such assumptions and estimates have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year; and the related information is addressed below:

(1) Critical judgements in applying the Group's accounting policies

None.

(2) Critical accounting estimates and assumptions

Evaluation of inventories

As inventories are stated at the lower of cost and net realisable value, the Group must determine the net realisable value of inventories on balance sheet date using judgements and estimates. Due to the rapid technology innovation, the Group evaluates the amounts of normal inventory consumption, obsolete inventories or inventories without market selling value on balance sheet date, and writes down the cost of inventories to the net realisable value. Such an evaluation of inventories is principally based on the demand for the products within the specified period in the future. Therefore, there might be material changes to the evaluation.

As of December 31, 2022, the carrying amount of inventories was $737,420.

6. Details of Significant Accounts

(1) Cash and cash equivalents

	December 31, 2022	December 31, 2021
Cash on hand	$ 15,020	$ 13,885
Checking accounts and demand deposits	187,664	454,149
Time deposits	273,632	123,125
	$ 476,316	$ 591,159

A. The Group transacts with a variety of financial institutions all with high credit quality to disperse credit risk, so it expects that the probability of counterparty default is remote.

B. The Group has no cash and cash equivalents pledged to others.

(2) Financial assets/liabilities at fair value through profit or loss

Assets Items	December 31, 2022	December 31, 2021
Current items:		
Financial assets mandatorily measured at fair value through profit or loss		
Listed stocks	$ -	$ 99,598
Valuation adjustment	-	4,565
	$ -	$ 104,163
Non-current items:		
Financial assets mandatorily measured at fair value through profit or loss		
Unlisted stocks	1,027	1,187
Valuation adjustment	(1,027)	(1,187)
	$ -	$ -

Liabilities Items	December 31, 2022	December 31, 2021
Current items:		
Financial liabilities mandatorily measured at fair value through profit or loss		
Derivatives-forward foreign exchange contracts	($ 86)	$ -

A. Amounts recognised in profit or loss in relation to financial assets/liabilities at fair value through profit or loss are listed below:

	Year ended December 31	
	2022	2021
Financial assets/liabilities mandatorily measured at fair value through profit or loss		
Equity instruments	($ 30,915)	$ 237,576
Beneficiary certificates	(3,353)	-
Derivatives	2,139	768
	($ 32,129)	$ 238,344

B. The Group entered into contracts relating to derivative financial assets which were not accounted for under hedge accounting. The information is listed below:

Derivative financial instruments	December 31, 2022 Contract amount (notional principal)		Contract period
Current items:			
Forward foreign exchange contracts	USD	1,000	2022.12.13~2023.01.13

C. The Group has no financial assets and liabilities at fair value through profit or loss pledged to others.

D. Information relating to price risk and fair value is provided in Note 12(2)、(3).

(3) Financial assets at fair value through other comprehensive income

Item	December 31, 2022	December 31, 2021
Non-current items:		
Equity instruments		
Unlisted stocks	$ 100,368	$ 100,368
Valuation adjustment	(93,744)	(97,338)
	$ 6,624	$ 3,030

A. The Group has elected to classify investments that are considered to be strategic investments as financial assets at fair value through other comprehensive income. The fair value of such investments amounted to $6,624 and $3,030 as at December 31, 2022 and 2021, respectively.

B. Amounts recognised in profit or loss and other comprehensive income in relation to financial assets at fair value through other comprehensive income are listed below:

	Year ended December 31 2022	2021
Equity instruments at fair value through other comprehensive income		
Fair value change recognised in other comprehensive income	$ 3,594	($ 26,593)

C. As at December 31, 2022 and 2021, without taking into account any collateral held or other credit enhancements, the maximum exposure to credit risk in respect of the amount that best represents the financial assets at fair value through other comprehensive income held by the Group was $6,624 and $3,030, respectively.

D. The Group has no financial assets at fair value through other comprehensive income pledged to others.

E. Information relating to financial assets at fair value through other comprehensive income is provided in Note 12(3).

(4) Financial assets at amortised cost

Items	December 31, 2022	December 31, 2021
Non-current items:		
Pledged time deposits	$ 614	$ 554

A. As at December 31, 2022 and 2021, without taking into account any collateral held or other credit enhancements, the maximum exposure to credit risk in respect of the amount that best represents the financial assets at amortised cost held by the Group was $614 and $554, respectively.

B. Details of the Group's financial assets at amortised cost pledged to others as collateral are provided in Note 8.

C. Information relating to credit risk of financial assets at amortised cost is provided in Note 12(2).

(5) Notes and accounts receivable

	December 31, 2022	December 31, 2021
Notes receivable	$ 47,610	$ 8,732
Accounts receivable	$ 1,632,899	$ 1,988,901
Less: Allowance for uncollectible accounts	(27,086)	(3,939)
	$ 1,605,813	$ 1,984,962

A. The ageing analysis of accounts receivable and notes receivable that were past due but not impaired is as follows:

	December 31, 2022	
	Accounts receivable	Notes receivable
Not past due	$ 1,576,118	$ 47,610
Later than 1 to 30 days	20,604	-
Later than 31 to 90 days	11,368	-
Over 90 days	24,809	-
	$ 1,632,899	$ 47,610

	December 31, 2021	
	Accounts receivable	Notes receivable
Not past due	$ 1,963,297	$ 8,732
Later than 1 to 30 days	21,571	-
Later than 31 to 90 days	2,143	-
Over 90 days	1,890	-
	$ 1,988,901	$ 8,732

The above ageing analysis was based on past due date.

B. As of December 31, 2022 and 2021, accounts receivable and notes receivable were all from contracts with customers. And as of January 1, 2021, the balance of receivables from contracts with customers amounted to $1,830,756.

C. The Group entered into a factoring agreement with financial institutions to sell its accounts receivable. Under the agreement, the Group is not obligated to bear the default risk of the transferred accounts receivable, but is liable for the losses incurred on any business dispute. The

Group does not have any continuing involvement in the transferred accounts receivable. Thus, the Group derecognised the transferred accounts receivable, and the related information is as follows:

December 31, 2022			
Amount of outstanding accounts receivable factored	Amount derecognised	Amount advanced	Amount available for advance
$ 355, 367	$ 355, 367	$ 355, 367	$ -

D. As at December 31, 2022 and 2021, without taking into account any collateral held or other credit enhancements, the maximum exposure to credit risk in respect of the amount that best represents the Group's notes and accounts receivable was $47,610 and $8,732, $1,605,813 and $1,984,962, respectively.

E. The Group's expense on accounts receivable factoring is provided in Note 6(25).

F. The Group has no notes receivable and accounts receivable pledged to others.

G. Information relating to credit risk of accounts receivable and notes receivable is provided in Note 12(2).

(6) Inventories

	December 31, 2022		
	Cost	Allowance for valuation loss	Book value
Raw materials	$ 384,255	($ 38,741)	$ 345,514
Work in progress	47,783	(474)	47,309
Finished goods	370,895	(26,298)	344,597
	$ 802,933	($ 65,513)	$ 737,420

	December 31, 2021		
	Cost	Allowance for valuation loss	Book value
Raw materials	$ 557,010	($ 21,426)	$ 535,584
Work in progress	52,789	(244)	52,545
Finished goods	555,764	(22,902)	532,862
	$ 1,165,563	($ 44,572)	$ 1,120,991

The cost of inventories recognised as expense for the year:

	Year ended December 31	
	2022	2021
Cost of goods sold	$ 4,372,262	$ 4,649,504
Loss on decline in market value of inventory	20,941	(26)
Revenue from sale of scraps	(12,766)	(27,014)
Other	1,238	(877)
	$ 4,381,675	$ 4,621,587

For the years ended December 31, 2022, the Group reversed a previous inventory write-down because some inventories were subsequently disposed or sold.

(7) Investments accounted for using the equity method

	2022	2021
At January 1	$ 164,320	$ 176,606
Proceeds from disposal of investments accounted for using equity method	-	(19,872)
Share of profit or loss of investments accounted for using equity method	13,545	9,580
Effect of exchange rate	2,663	(1,994)
At December 31	$ 180,528	$ 164,320

A. Amounts are listed below:

	December 31, 2022	December 31, 2021
Associates:		
SKILFUL LIMITED	$ 180,528	$ 164,320

B. The basic information of the associates that are material to the Group is as follows:

Company name	Principal place of business	Shareholding ratio		Nature of relationship	Methods of measurement
		December 31,2022	December 31,2021		
SKILFUL LIMITED	Samoa	45.00%	45.00%	Note 1	Equity method

Note 1:An investee corporation of the Group.

C. The summarised financial information of the associates that are material to the Group is as follows:

(a)Balance sheet

	SKILFUL LIMITED	
	December 31, 2022	December 31, 2021
Current assets	$ -	$ -
Non-current assets	401,172	365,155
Current liabilities	-	-
Non-current liabilities	-	-
Total net assets	$ 401,172	$ 365,155

(b) Statement of comprehensive income

	SKILFUL LIMITED	
	Year ended December 31, 2022	Year ended December 31, 2021
Revenue	$ -	$ -
Profit for the period from continuing operations	30,101	29,095
Other comprehensive income, net of tax	-	-
Total comprehensive income	$ 30,101	$ 29,095
Dividends received from associates	$ -	$ -

(8) Property, plant and equipment

	Land	Buildings and structures	Machinery and equipment	Others	Unfinished construction and equipment under acceptance	Total
At January 1, 2022						
Cost	$ 51,531	$ 794,540	$ 340,688	$ 54,789	$ 27,304	$ 1,268,852
Accumulated depreciation and impairment	-	(77,930)	(135,497)	(39,288)	-	(252,715)
	$ 51,531	$ 716,610	$ 205,191	$ 15,501	$ 27,304	$ 1,016,137
2022						
Opening net book amount as at January 1	$ 51,531	$ 716,610	$ 205,191	$ 15,501	$ 27,304	$ 1,016,137
Additions	-	-	15,747	1,363	405,413	422,523
Disposals	-	-	(3,212)	(10)	-	(3,222)
Reclassification	-	-	5,228	102	(5,338)	(8)
Depreciation charge	-	(16,994)	(51,056)	(7,738)	-	(75,788)
Net exchange differences	-	11,108	3,389	270	(1,853)	12,914
Closing net book amount as at December 31	$ 51,531	$ 710,724	$ 175,287	$ 9,488	$ 425,526	$ 1,372,556
At December 31, 2022						
Cost	$ 51,531	$ 806,532	$ 343,434	$ 55,041	$ 425,526	$ 1,682,064
Accumulated depreciation and impairment	-	(95,808)	(168,147)	(45,553)	-	(309,508)
	$ 51,531	$ 710,724	$ 175,287	$ 9,488	$ 425,526	$ 1,372,556

	Land	Buildings and structures	Machinery and equipment	Others	Unfinished construction and equipment under acceptance	Total
At January 1, 2021						
Cost	$ 51,531	$ 798,654	$ 323,932	$ 54,764	$ 6,725	$ 1,235,606
Accumulated depreciation and impairment	-	(61,527)	(111,187)	(33,142)	-	(205,856)
	$ 51,531	$ 737,127	$ 212,745	$ 21,622	$ 6,725	$ 1,029,750
2021						
Opening net book amount as at January 1	$ 51,531	$ 737,127	$ 212,745	$ 21,622	$ 6,725	$ 1,029,750
Additions	-	-	37,979	1,632	29,639	69,250
Disposals	-	-	(236)	(665)	-	(901)
Reclassification	-	-	5,632	1,058	(9,024)	(2,334)
Depreciation charge	-	(16,654)	(49,795)	(8,034)	-	(74,483)
Net exchange differences	-	(3,863)	(1,134)	(112)	(36)	(5,145)
Closing net book amount as at December 31	$ 51,531	$ 716,610	$ 205,191	$ 15,501	$ 27,304	$ 1,016,137
At December 31, 2021						
Cost	$ 51,531	$ 794,540	$ 340,688	$ 54,789	$ 27,304	$ 1,268,852
Accumulated depreciation and impairment	-	(77,930)	(135,497)	(39,288)	-	(252,715)
	$ 51,531	$ 716,610	$ 205,191	$ 15,501	$ 27,304	$ 1,016,137

A. The abovementioned assets belonged to owner-occupied assets.

B. The significant components of buildings include main plants and renovation construction, which are depreciated over 20 to 45 years.

C. No property, plant and equipment were capitalized interest.

D. Information about the property, plant and equipment that were pledged to others as collaterals is provided in Note 8.

(9) Leasing arrangements－lessee

A. The Group leases various assets including land use right, buildings and business vehicles. Rental contracts are typically made for periods of 4 to 50 years. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. The lease agreements do not impose covenants.

B. The carrying amount of right-of-use assets and the depreciation charge are as follows:

	December 31, 2022	December 31, 2021
	Carrying amount	Carrying amount
Land use right	$ 198,479	$ 200,001
Transportation equipment (Business vehicles)	4,895	6,210
	$ 203,374	$ 206,211

	Year ended December 31	
	2022	2021
	Depreciation charge	Depreciation charge
Land use right	$ 4,669	$ 4,571
Buildings	-	3,742
Transportation equipment (Business vehicles)	1,315	1,263
	$ 5,984	$ 9,576

C. For the years ended December 31, 2022 and 2021, the additions to right-of-use assets were $0 and $2,910, respectively.

D. The information on profit and loss accounts relating to lease contracts is as follows:

	Year ended December 31	
	2022	2021
Items affecting profit or loss		
Interest expense on lease liabilities	$ 318	$ 531
Profit from lease modification	-	228

E. For the years ended December 31, 2022 and 2021, the Group's total cash outflow for leases were $1,998 and $6,858, respectively.

F. The Group entered into an agreement with the People's Government of Boluo County on November 8, 2013 for the investment and development project in Boluo County, and the Group had acquired all the land use rights in December 2015 with a lease term of 50 years.

(10) Leasing arrangements – lessor

A. For the years ended December 31, 2022 and 2021, the Group recognised rent income in the amounts of $11,778 and $11,662, respectively, based on the operating lease agreement, which does not include variable lease payments.

B. The maturity analysis of the lease payments under the operating leases is as follows:

	December 31, 2022	December 31, 2021
Not later than one year	$ 9,807	$ 11,626
Later than one year but not later than five years	17,344	18,475
Later than five years	-	3,617
	$ 27,151	$ 33,718

(11) Investment property

	Land	Buildings and structures	Right-of-use assets	Total
At January 1, 2022				
Cost	$ 85,597	$ 193,205	$ 23,080	$ 301,882
Accumulated depreciation	-	(95,835)	(9,289)	(105,124)
	$ 85,597	$ 97,370	$ 13,791	$ 196,758
2022				
Opening net book amount as at January 1	$ 85,597	$ 97,370	$ 13,791	$ 196,758
Depreciation charge	-	(5,413)	(557)	(5,970)
Net exchange differences	-	8,314	1,491	9,805
Closing net book amount as at December 31	$ 85,597	$ 100,271	$ 14,725	$ 200,593
At December 31, 2022				
Cost	$ 85,597	$ 207,092	$ 25,607	$ 318,296
Accumulated depreciation	-	(106,821)	(10,882)	(117,703)
	$ 85,597	$ 100,271	$ 14,725	$ 200,593

	Land	Buildings and structures	Right-of-use assets	Total
At January 1, 2021				
Cost	$ 85,597	$ 197,122	$ 23,777	$ 306,496
Accumulated depreciation	-	(92,075)	(9,040)	(101,115)
	$ 85,597	$ 105,047	$ 14,737	$ 205,381
2021				
Opening net book amount as at January 1	$ 85,597	$ 105,047	$ 14,737	$ 205,381
Depreciation charge	-	(5,194)	(524)	(5,718)
Net exchange differences	-	(2,483)	(422)	(2,905)
Closing net book amount as at December 31	$ 85,597	$ 97,370	$ 13,791	$ 196,758
At December 31, 2021				
Cost	$ 85,597	$ 193,205	$ 23,080	$ 301,882
Accumulated depreciation	-	(95,835)	(9,289)	(105,124)
	$ 85,597	$ 97,370	$ 13,791	$ 196,758

A. Rental income from investment property and direct operating expenses arising from investment property are shown below:

	Year ended December 31	
	2022	2021
Rental income from investment property	$ 11,778	$ 11,662
Direct operating expenses arising from the investment property that generated rental income during the year	$ 2,386	$ 1,919

B. The fair value of the investment property held by the Group as at December 31, 2022 and 2021 was $383,477 and $385,740, respectively. The fair value on December 31, 2021 was assessed based on market trading prices of similar property in the areas nearby. The fair value on December 31, 2022 was valued by independent valuers using the income approach which is categorised within Level 3 in the fair value hierarchy. Key assumptions are as follows:

	December 31, 2022
Rent per square meter	$ 0.713
Vacancy rate	8.33%
Expense rate	20.86%

C. In 1992, the Group signed a land use right contract with Planning and Natural Resources Bureau of Shenzhen Municipality for the use of the land in Shenzhen with a term of 50 years. All rentals had been paid on the contract date.

D. On February 25, 2014, the Board of Directors resolved that the Group intended to cooperate with SHENZHEN MEGAWORLD INDUSTRY CO., LTD. by using the land use rights and renewal rights of the existing factory site in exchange for the composite building located in Guanlan Avenue, Longhua New District and cash compensation, to meet the future operational needs and the city renewal in the Shenzhen area. The Group entered into a cooperation framework agreement on March 1, 2014, additionally, the Group entered into a demolition compensation agreement with SHENZHEN MINJI PROPERTY DEVELOPMENT CO., LTD. which was the subsidiary of SHENZHEN MEGAWORLD INDUSTRY CO., LTD. on August 25, 2017, and changed SHENZHEN MINJI PROPERTY DEVELOPMENT CO., LTD. as the counterparties and the entity who is reported to the relevant government department. On March 12, 2022, the cooperation of city renovation in Nanmushecun area had been approved by the city renewal and land development bureau of Longhua District and the relevant procedures are in the progress.

E. Information about the investment property that was pledged to others as collaterals is provided in Note 8.

(12) Short-term borrowings

Type of borrowings	December 31, 2022	Interest rate range	Collateral
Bank borrowings			
Short-term secured borrowings	$ 70,000	1.75%	Property, plant and equipment and investment property
Unsecured borrowings	619,748	1.475%~4.15%	None
	$ 689,748		

Type of borrowings	December 31, 2021	Interest rate range	Collateral
Bank borrowings			
Short-term secured borrowings	$ 191,400	0.87%~4.40%	Property, plant and equipment and investment property
Unsecured borrowings	1,143,170	0.75%~1.98%	None
	$ 1,334,570		

(13) Other account payables

	December 31, 2022	December 31, 2021
Payable on salary and bonus	$ 67,012	$ 103,084
Accrued processing charges	51,540	68,203
Other payables to related parties	48,503	47,758
Freight payable	19,679	21,031
Payable on purchased materials	17,040	26,111
Payable on employees' compensation and directors' remuneration	17,025	7,781
Payable on equipment	8,576	21,905
Service fees payable	2,635	3,494
Others	39,516	54,099
	$ 271,526	$ 353,466

Information about other payables to related parties is provided in Note 7.

(14) Advance receipts

	December 31, 2022	December 31, 2021
Investment received in advance	$ 281,104	$ 86,830
Others	4,333	4,025
	$ 285,437	$ 90,855

(15) Long-term borrowings

Type of borrowings	Borrowing period and repayment term	Interest rate range	Collateral	December 31, 2022
Long-term bank borrowings				
Secured borrowings	Borrowing period is from January 11, 2022 to January 11, 2025; interest is repayable monthly; principal is repayable in 8 installments in one year after the date of first drawing	1.751%	Investment property	$ 50,000
Unsecured borrowings	Borrowing period is from January 11, 2022 to January 11, 2025; interest is repayable monthly; principal is repayable in 8 installments in one year after the date of first drawing	1.751%	None	78,000
Secured borrowings	Borrowing period is from December 21, 2022 to December 5, 2032; interest is repayable monthly; principal is repayable in 16 installments in accordance with the repayment agreement	6.05%	Plants under construction	135,896
				263,896
Less: Current portion				(48,000)
				$ 215,896

Type of borrowings	Borrowing period and repayment term	Interest rate range	Collateral	December 31, 2021	
Long-term bank borrowings					
Secured borrowings	Borrowing period is from January 11, 2021 to January 11, 2024; interest is repayable monthly; principal is repayable in 8 installments in one year after the date of first drawing	1.25%	Investment property	$	51,000
Unsecured borrowings	Borrowing period is from January 11, 2021 to January 11, 2024; interest is repayable monthly; principal is repayable in 8 installments in one year after the date of first drawing	1.25%	None		77,000
					128,000
Less: Current portion				(	48,000)
				$	80,000

(16) Pensions (Shown as 'other non-current liabilities)

A. (a) The Company and domestic subsidiaries have a defined benefit pension plan in accordance with the Labor Standards Act, covering all regular employees' service years prior to the enforcement of the Labor Pension Act on July 1, 2005 and service years thereafter of employees who chose to continue to be subject to the pension mechanism under the Labor Standards Act. Under the defined benefit pension plan, two units are accrued for each year of service for the first 15 years and one unit for each additional year thereafter, subject to a maximum of 45 units. Pension benefits are based on the number of units accrued and the average monthly salaries and wages of the last 6 months prior to retirement. The Company contributes monthly an amount equal to 2% of the employees' monthly salaries and wages to the retirement fund deposited with Bank of Taiwan, the trustee, under the name of the independent retirement fund committee. Also, the Company would assess the balance in the aforementioned labor pension reserve account by December 31, every year. If the account balance is insufficient to pay the pension calculated by the aforementioned method to the employees expected to qualify for retirement in the following year, the Company will make contributions for the deficit by next March.

(b) The amounts recognised in the balance sheet are as follows:

	December 31, 2022	December 31, 2021
Present value of defined benefit obligations	($ 8,586)	($ 10,337)
Fair value of plan assets	6,076	6,634
Net defined benefit liability	($ 2,510)	($ 3,703)

(c) Movements in net defined benefit liabilities are as follows:

	Present value of defined benefit obligations	Fair value of plan assets	Net defined benefit liability
2022			
At January 1	($ 10,337)	$ 6,634	($ 3,703)
Current service cost	-	-	-
Interest (expense) income	(73)	45	(28)
	($ 10,410)	$ 6,679	($ 3,731)
Remeasurements:			
Return on plan assets (excluding amounts included in interest income or expense)	-	506	506
Change in financial assumptions	658	-	658
Experience adjustments	(90)	-	(90)
	568	506	1,074
	(9,842)	7,185	(2,657)
Pension fund contribution	-	147	147
Paid pension	1,256	(1,256)	-
At December 31	($ 8,586)	$ 6,076	($ 2,510)

	Present value of defined benefit obligations	Fair value of plan assets	Net defined benefit liability
2021			
At January 1	($ 10,396)	$ 6,295	($ 4,101)
Current service cost	(210)	-	(210)
Interest (expense) income	(36)	22	(14)
	($ 10,642)	$ 6,317	($ 4,325)
Remeasurements:			
Return on plan assets (excluding amounts included in interest income or expense)	-	91	91
Change in demographic assumptions	(427)	-	(427)
Change in financial assumptions	462	-	462
Experience adjustments	270	-	270
	305	91	396
	(10,337)	6,408	(3,929)
Pension fund contribution	-	226	226
At December 31	($ 10,337)	$ 6,634	($ 3,703)

(d) The Bank of Taiwan was commissioned to manage the Fund of the Company's and domestic subsidiaries' defined benefit pension plan in accordance with the Fund's annual investment and utilisation plan and the "Regulations for Revenues, Expenditures, Safeguard and Utilisation of the Labor Retirement Fund" (Article 6: The scope of utilisation for the Fund includes deposit in domestic or foreign financial institutions, investment in domestic or foreign listed, over-the-counter, or private placement equity securities, investment in domestic or foreign real estate securitisation products, etc.). With regard to the utilisation of the Fund, its minimum earnings in the annual distributions on the final financial statements shall be no less than the earnings attainable from the amounts accrued from two-year time deposits with the interest rates offered by local banks. If the earnings is less than aforementioned rates, government shall make payment for the deficit after being authorized by the Regulator. The Company and domestic subsidiaries have no right to participate in managing and operating that fund and hence the Company and domestic subsidiaries are unable to disclose the classification of plan assets fair value in accordance with IAS 19paragraph 142. The composition of fair value of plan assets as of December 31, 2022 and 2021 is given in the Annual Labor Retirement Fund Utilisation Report announced by the government.

(e) The principal actuarial assumptions used were as follows:

	Year ended December 31, 2022	Year ended December 31, 2021
Discount rate	1.4%	0.75%
Future salary increases	3.875%	3.875%

Assumptions regarding future mortality experience are set based on actuarial advice in accordance with published statistics and experience in each territory.

Because the main actuarial assumption changed, the present value of defined benefit obligation is affected. The analysis was as follows:

	Discount rate		Future salary increases	
	Increase 0.25%	Decrease 0.25%	Increase 0.25%	Decrease 0.25%
December 31, 2022				
Effect on present value of defined benefit obligation	$ 256	($ 266)	($ 253)	$ 245

	Discount rate		Future salary increases	
	Increase 0.25%	Decrease 0.25%	Increase 0.25%	Decrease 0.25%
December 31, 2021				
Effect on present value of defined benefit obligation	$ 291	($ 304)	($ 287)	$ 277

The sensitivity analysis above is based on one assumption which changed while the other conditions remain unchanged. In practice, more than one assumption may change all at once. The method of analysing sensitivity and the method of calculating net pension liability in the balance sheet are the same.

The methods and types of assumptions used in preparing the sensitivity analysis did not change compared to the previous period.

(f) Expected contributions to the defined benefit pension plans of the Group for the year ending December 31, 2023 amount to $278.

(g) As of December 31, 2022, the weighted average duration of the retirement plan is 12 years. The analysis of timing of the future pension payment was as follows:

Within 1 year	$ 3,476
2-5 years	2,517
Over 5 years	2,687
	$ 8,680

B. (a) Effective July 1, 2005, the Company and domestic subsidiaries have established a defined contribution pension plan (the “New Plan”) under the Labor Pension Act (the “Act”), covering all regular employees with R.O.C. nationality. Under the New Plan, the Company and domestic subsidiaries contribute monthly an amount based on 6% of the employees’ monthly salaries and wages to the employees' individual pension accounts at the Bureau of Labor Insurance. The benefits accrued are paid monthly or in lump sum upon termination of employment.

(b) Everfull Technology (Shenzhen) Co., Ltd., Everfull Electronic (Dongguan) Co., Ltd. (the liquation completed in April 2022), Everfull Technology (Huizhou) Co., Ltd. and Fong Mo Investments Ltd. (the liquation completed on January 28, 2022) have a defined contribution plan. Monthly contributions to an independent fund administered by the government in accordance with the pension regulations in the People's Republic of China (PRC) are based on certain percentage of employees' monthly salaries and wages. Other than the monthly contributions, the Group has no further obligations.

(c) Except for Everfull Electronic Co., Limited, Line Tek International Co., Ltd., Hong Yi Investment Co., Ltd. (the liquidation completed in June 2022), Regent Union International Limited and Everfull Development (Huizhou) Co., Ltd., which did not hire any employees and did not have the pension plan for employees, Linetek Japan Co., Ltd. hired part-time employees and is not required to recognise related pension costs in accordance with the local regulations.

(d) The pension costs under defined contribution pension plans of the Group for the years ended December 31, 2022 and 2021, were $41,177 and $41,005, respectively.

(17) Share capital

A. As of December 31, 2022 the Company's authorised capital was $1,800,000, consisting of 180,000 thousand shares of ordinary stock (including 10,000 thousand shares reserved for employee stock options), and the paid-in capital was $1,419,346 with a par value of $10 (in dollars) per share. All proceeds from shares issued have been collected.

Movements in the number of the Company's ordinary shares outstanding are as follows:

	2022	2021
	Number of shares (in thousand shares)	Number of shares (in thousand shares)
At January 1	141,935	141,935
Purchase of treasury shares	(1,350)	-
At December 31	140,585	141,935

B. Treasury shares

(a) On August 12, 2022, the Board of Directors resolved to repurchase 2,500 thousand ordinary shares in the open market from August 15, 2022 to October 11, 2022 at a price range of NT$22 to NT$35 per share to encourage employees and strengthen coherence of the Company.

(b) Reason for share reacquisition and movements in the number of the Company's treasury shares are as follows:

		December 31, 2022	
Name of company holding the shares	Reason for reacquisition	Number of shares (in thousand shares)	Carrying amount
The Company	To be reissued to employees	1,350	$ 38,139

(c) Pursuant to the R.O.C. Securities and Exchange Act, the number of shares bought back as treasury share should not exceed 10% of the number of the Company's issued and outstanding shares and the amount bought back should not exceed the sum of retained earnings, paid-in capital in excess of par value and realised capital surplus.

(d) Pursuant to the R.O.C. Securities and Exchange Act, treasury shares should not be pledged as collateral and is not entitled to dividends before it is reissued.

(e) Pursuant to the R.O.C. Securities and Exchange Act, treasury shares should be reissued to the employees within five years from the reacquisition date and shares not reissued within the five-year period are to be retired. Treasury shares to enhance the Company's credit rating and the stockholders' equity should be retired within six months of acquisition.

(18) Capital surplus

Pursuant to the R.O.C. Company Act, capital surplus arising from paid-in capital in excess of par value on issuance of common stocks and donations can be used to cover accumulated deficit or to issue new stocks or cash to shareholders in proportion to their share ownership, provided that the Company has no accumulated deficit. Further, the R.O.C. Securities and Exchange Act requires that the amount of capital surplus to be capitalised mentioned above should not exceed 10% of the paid-in capital each year. Capital surplus should not be used to cover accumulated deficit unless the legal reserve is insufficient.

(19) Retained earnings

A. If the Company has any profit for the current year, shall first be retained to offset accumulated deficit before appropriating employee's remuneration and directors' remuneration. The remaining amount, if any, shall be appropriated no less than 2% for employee's remuneration and no higher than 5% for directors' remuneration.

The current year's earnings, if any, shall first be used to pay income tax and offset prior year's operating losses, then 10% of the remaining amount shall be set aside as legal reserve until the legal reserve equals the total capital stock balance. After setting aside or reversing a special reserve in accordance with related laws and competent authority, the appropriation of the remaining earnings, along with the accumulated unappropriated earnings, shall be proposed by the Board of Directors and resolved by the shareholders as dividends to shareholders.

On June 17, 2022, the shareholders at their meetings resolved to amend Articles of Incorporation of the Company, according to the amended Articles of Incorporation, a company may, by a resolution adopted by a majority vote at a meeting of Board of Directors, which are authorized by the Company, attended by two-thirds of the total number of directors, have the aforementioned appropriation of earnings, legal reserve and capital surplus distributed in the form of cash; and in addition thereto a report of such distribution shall be submitted to the shareholders' meeting. The above distribution is not subject to approval by the shareholders.

The abovementioned employees' compensation and directors' remuneration distribution shall be resolved by a majority vote at a meeting of Board of Directors attended by two-thirds of the total number of directors. The resolution of Board of Directors shall be reported at the shareholders' meeting. Employee's compensation can be distributed in the form of shares or cash, and employees must be working for the Company. The Board of Directors shall decide the number of shares and the total amount to be distributed when they intend to distribute the compensation in the form of shares; in addition, the directors' remuneration shall be distributed by cash only.

The Company adopts conservatism principle for its dividend policy and considers profitability, financial structure and future development. At least 10% of the dividends distributed in the current year shall be appropriated as cash dividends. The Board of Directors may adjust the distribution rates within the above range based on current operation.

B. Except for covering accumulated deficit or issuing new stocks or cash to shareholders in proportion to their share ownership, the legal reserve shall not be used for any other purpose. The use of legal reserve for the issuance of stocks or cash to shareholders in proportion to their share ownership is permitted, provided that the distribution of the reserve is limited to the 25% of the Company's paid-in capital.

C. (a) In accordance with the regulations, the Company shall set aside special reserve from the debit balance on other equity items at the balance sheet date before distributing earnings. When debit balance on other equity items is reversed subsequently, the reversed amount could be included in the distributable earnings.

(b) The amounts previously set aside by the Company as special reserve on initial application of IFRSs in accordance with Order No. Financial-Supervisory-Securities-Corporate-1010012865, dated April 6, 2012, shall be reversed proportionately when the relevant assets are used, disposed of or reclassified subsequently. Such amounts are reversed upon disposal or reclassified if the assets are investment property of land, and reversed over the use period if the assets are investment property other than land.

D. The distribution of earnings for the years ended December 31, 2021 and 2020 resolved by the stockholders on June 17, 2022 and July 20, 2021 is as follows:

	Year ended December 2021		Year ended December 2020	
	Amount	Dividends per share (In dollars)	Amount	Dividends per share (In dollars)
Legal reserve	$ 11,756		$ 11,617	
Reversal of special reserve	-		(16,491)	
Cash dividends	85,161	$ 0.60	113,548	$ 0.80

Information about appropriation of earnings of the Company as resolved by the stockholders will be posted in the "Market Observation Post System" at the website of the Taiwan Stock Exchange.

E. The appropriation of 2022 earnings as resolved by the Board of Directors on March 17, 2023 is as follows:

	Year ended December 31,2022	
	Amount	Dividends per share (In dollars)
Legal reserve	$ 20,996	
Reversal of special reserve	(4,839)	
Cash dividends (Note)	42,175	$ 0.30
Stock dividends	42,175	0.30

As of March 17, 2023, the appropriation 2022 earnings as proposed has not yet been resolved by the shareholders' meeting.

Note：Authorized by the articles of association, the Board of Directors of the company passed the 2022 cash dividend proposal with a special resolution on March 17, 2023.

(20) Other equity items

	2022		
	Unrealised gains (losses) on valuation	Currenty translation	Total
At January 1	($ 83,102)	($ 127,769)	($ 210,871)
Revaluation – gross	3,594	-	3,594
Revaluation – tax	(719)	-	(719)
Foreign exchange differences:			
–Group	-	2,455	2,455
–Tax on Group	-	(491)	(491)
At December 31	($ 80,227)	($ 125,805)	($ 206,032)

	2021		
	Unrealised gains (losses) on valuation	Currenty translation	Total
At January 1	($ 61,827)	($ 118,032)	($ 179,859)
Revaluation – gross	(26,593)	-	(26,593)
Revaluation – tax	5,318	-	5,318
Foreign exchange differences:			
–Group	-	(12,171)	(12,171)
–Tax on Group	-	2,434	2,434
At December 31	($ 83,102)	($ 127,769)	($ 210,871)

(21) Operating revenue

Disaggregation of revenue from contracts with customers

The Group's revenue is sales revenue and derives revenue from the transfer of goods at a point in time in the following major product lines:

	Year ended December 31	
	2022	2021
Signal connection cables for information peripherals	$ 2,048,616	$ 2,122,547
Power transmission cable sets for computer system	1,612,535	1,942,747
Power transmission cable sets for electrical appliances	1,026,260	860,572
Intelligent electric vehicle electrification cable	93,049	-
High-efficiency connection line set for communication system	6,884	-
Others	721	160
	$ 4,788,065	$ 4,926,026

(22) Interest income

	Year ended December 31	
	2022	2021
Interest income from bank deposits	$ 3,186	$ 1,199
Interest income from financial assets measured at amortised cost	-	713
	$ 3,186	$ 1,912

(23) Other income

	Year ended December 31	
	2022	2021
Compensation income from demolition and relocation	$ 39,809	$ 33,214
Rent income	11,778	11,662
Dividend revenue	186	1,158
Other income, others	27,681	6,962
	$ 79,454	$ 52,996

(24) Other gains and losses

	Year ended December 31	
	2022	2021
Gains (losses) on disposals of property, plant and equipment	$ 25	($ 321)
Gains on disposals of investments	-	2,227
Gain on liquidation of the subsidiary (Note)	36,881	-
Depreciation charge on investment property	(5,970)	(5,718)
Profit from lease modification	-	228
Net foreign exchange gains (losses)	68,754	(15,986)
Gain (loss) on financial assets or liabilities measured at fair value through profit or loss	(32,129)	238,344
Impairment loss recognised in profit or loss, intangible assets other than goodwill	-	(234)
Other gains and losses	(133)	3,560
	$ 67,428	$ 222,100

Note: The liquidation of the Group's second-tier subsidiary, Hong Yi Investment Co., Ltd. and Everfull Electronic (Dongguan) Co., Ltd., and the liquidation of the Group's third-tier subsidiary, Fong Mo Investments Ltd., were completed in June 2022, April 2022 and January 2022, respectively, resulting in a gain on liquidation amounting to $36,881.

(25) Finance costs

	Year ended December 31	
	2022	2021
Interest expense	$ 20,016	$ 12,373
Other finance charges	318	531
Expenses on accounts receivable factoring	5,850	-
	$ 26,184	$ 12,904

(26) Costs and expenses by nature

	Year ended December 31, 2022			Year ended December 31, 2021		
	Classified as operating costs	Classified as operating expenses	Total	Classified as operating costs	Classified as operating expenses	Total
Employee benefit expense	$ 623,251	$ 133,903	$ 757,154	$ 890,253	$ 198,522	$ 1,088,775
Depreciation charges (Note)	50,321	31,451	81,772	52,588	31,471	84,059
Amortisation charges	-	453	453	-	222	222

Note: The depreciation expense for the years ended December 31, 2022 and 2021 does not include the depreciation expense of investment property amounting to $5970 and $5718, respectively (shown as "7020 Other gains and losses").

(27) Employee benefit expense

	Year ended December 31	
	2022	2021
Wages and salaries	$ 691,799	$ 996,274
Labour and health insurance fees	12,694	11,565
Pension costs	41,205	41,229
Other personnel expenses	11,456	39,707
	$ 757,154	$ 1,088,775

A. Under the Company’s unrevised Articles of Incorporation, if the Company has any profit for the current year, shall first be retained to offset accumulated deficit before appropriating employee’s remuneration and directors’ and supervisors’ remuneration. The remaining amount, if any, shall be appropriated no less than 2% for employee’s remuneration and no higher than 5% for directors’ and supervisors’ remuneration.

B. For the years ended December 31, 2022 and 2021, employees’ compensation was accrued at $6,867 and $4,150, respectively; while directors’ remuneration was accrued at $6,008 and $3,631, respectively. The aforementioned amounts were recognised in salary expenses.

The employees’ compensation and directors’ remuneration were estimated and accrued based on 4% and 3.5% of distributable profit of current year as of the end of reporting period.

Employees’ compensation and directors’ remuneration of 2021 as resolved by the Board of Directors were in agreement with those amounts recognised in the 2021 financial statements.

Information about employees’ compensation and directors’ remuneration of the Company as resolved by the Board of Directors will be posted in the “Market Observation Post System” at the website of the Taiwan Stock Exchange.

(28) Income tax expense (benefit)

A. Income tax expense

(a) Components of income tax expense (benefit):

	Year ended December 31	
	2022	2021
Current tax:		
Current tax on profits for the year	$ 24,663	$ 53,943
Tax on undistributed surplus earnings	1,032	33
Prior year income tax (over) underestimation	(978)	2,653
Total current tax	24,717	56,629
Deferred tax:		
Origination and reversal of temporary differences	(75,008)	(45,467)
Income tax expense (benefit)	($ 50,291)	$ 11,162

(b) The income tax (charge)/credit relating to components of other comprehensive income is as follows:

	Year ended December 31	
	2022	2021
Currency translation differences	($ 491)	$ 2,434
Remeasurement of defined benefit obligations	(109)	(79)
Unrealised gains (losses) from financial assets measured at fair value through other comprehensive income	(719)	5,318
	($ 1,319)	$ 7,673

B. Reconciliation between income tax expense and accounting profit

	Year ended December 31	
	2022	2021
Tax calculated based on profit before tax and statutory tax rate (Note)	$ 31,787	$ 70,868
Effect from items disallowed by tax regulation	(112,046)	(41,545)
Income exempted according to tax law	6,812	(51,608)
Tax on undistributed surplus earnings	1,032	33
Prior year income tax (over) underestimation	(978)	2,653
Change in assessment of realisation of deferred tax assets	23,102	-
Effect from alternative minimum tax	-	30,761
Income tax expense	($ 50,291)	$ 11,162

(Note) The basis for computing the applicable tax rate are the rates applicable in the respective countries where the Group entities operate.

C. Amounts of deferred tax assets or liabilities as a result of temporary differences are as follows:

	2022			
	January 1	Recognised in profit or loss	Recognised in other comprehensive income	December 31
Temporary differences:				
- Deferred tax assets:				
Inventory valuation loss	$ 1,495	($ 494)	$ -	$ 1,001
Unrealised loss on pension	1,900	-	-	1,900
Unused compensated absence	336	(19)	-	317
Unrealised exchange loss	11,446	(10,921)	-	525
Unrealised gains or losses from financial liabilities at fair value through profit or loss	-	17	-	17
Unrealised gains or losses from financial assets at fair value through other comprehensive income	19,467	-	(719)	18,748
Currency translation differences	27,973	(23,102)	(491)	4,380
Investments loss on foreigh long-term equity investemtns	-	4,462	-	4,462
Others	190	(92)	-	98
	$ 62,807	($ 30,149)	($ 1,210)	$ 31,448
- Deferred tax liabilities:				
Investments income on foreigh long-term equity investemtns	(105,248)	105,248	-	-
Book-tax differences on pension fund contribution	(619)	-	-	(619)
Gains (losses) on remeasurements of defined benefit plan	(1,116)	-	(109)	(1,225)
Others	(3,384)	(91)	-	(3,475)
	($ 110,367)	$ 105,157	($ 109)	($ 5,319)
	($ 47,560)	$ 75,008	($ 1,319)	$ 26,129

	2021			
	January 1	Recognised in profit or loss	Recognised in other comprehensive income	December 31
Temporary differences:				
- Deferred tax assets:				
Inventory valuation loss	$ 584	$ 911	$ -	$ 1,495
Unrealised loss on pension	1,900	-	-	1,900
Unused compensated absence	414	(78)	-	336
Unrealised exchange loss (gain)	11,932	(486)	-	11,446
Unrealised gains or losses from financial liabilities at fair value through profit or loss	18	(18)	-	-
Unrealised gains or losses from financial assets at fair value through other comprehensive income	14,149	-	5,318	19,467
Currency translation differences	25,539	-	2,434	27,973
Others	-	190	-	190
	$ 54,536	$ 519	$ 7,752	$ 62,807
- Deferred tax liabilities:				
Investment income on foreigh long-term equity investments	(150,154)	44,906	-	(105,248)
Book-tax differences on pension contribution	(619)	-	-	(619)
Gains (losses) on remeasurements of defined benefit plan	(1,037)	-	(79)	(1,116)
Others	(3,426)	42	-	(3,384)
	($ 155,236)	$ 44,948	($ 79)	($ 110,367)
	($ 100,700)	$ 45,467	$ 7,673	($ 47,560)

D. The Company’s income tax returns through 2020 have been assessed and approved by the Tax Authority.

E. The income tax returns of the Company’s consolidated subsidiary, Fu Lin Investment Co., Ltd., through 2020 have been assessed and approved by the Tax Authority.

(29) Earnings per share

	Year ended December 31, 2022		
	Amount after tax	Weighted average number of ordinary shares outstanding (share in thousands)	Earnings per share (in dollars)
Basic earnings per share			
Profit attributable to the parent	$ 208,994	141,481	$ 1.48
Diluted earnings per share			
Profit attributable to ordinary shareholders of the parent	$ 208,994	141,481	
Assumed conversion of all dilutive potential ordinary shares			
Employees' compensation	-	268	
Profit attributable to ordinary shareholders of the parent plus assumed conversion of all dilutive potential ordinary shares	$ 208,994	141,749	$ 1.47

	Year ended December 31, 2021		
	Amount after tax	Weighted average number of ordinary shares outstanding (share in thousands)	Earnings per share (in dollars)
Basic earnings per share			
Profit attributable to the parent	$ 117,245	141,935	$ 0.83
Diluted earnings per share			
Profit attributable to ordinary shareholders of the parent	$ 117,245	141,935	
Assumed conversion of all dilutive potential ordinary shares			
Employees' compensation	-	203	
Profit attributable to ordinary shareholders of the parent plus assumed conversion of all dilutive potential ordinary shares	$ 117,245	142,138	$ 0.82

(30) Transactions with non-controlling interest

The Group did not participate in the capital increase raised by a subsidiary proportionally to its interest to the subsidiary.

Subsidiary Everfull Development (Huizhou) Co., Ltd. of the Group increased its capital by issuing new shares on December 27, 2022. The Group did not acquire shares proportionally to its interest. As a result, the Group decreased its share interest by 9.09%. The transaction increased non-controlling interest by $20,886 and increased the equity attributable to owners of parent by $1,131.

(31) Supplemental cash flow information

Investing activities with partial cash payments

	Year ended December 31, 2022	Year ended December 31, 2021
Purchase of property, plant and equipment	$ 422,523	$ 69,250
Add: Opening balance of payable on equipment	21,905	30,594
Less: Ending balance of payable on equipment	(8,576)	(21,905)
Cash paid during period	$ 435,852	$ 77,939

(32) Changes in liabilities from financing activities

	Lease liabilities	Short-term borrowings	Long-term borrowings (including current portion)	Liabilities from financing activities-gross
At January 1, 2022	$ 3,941	$ 1,334,570	$ 128,000	$ 1,466,511
Changes in cash flow from financing activities	(1,680)	(661,441)	135,896	(527,225)
Impact of changes in foreign exchange rate	-	16,619	-	16,619
Changes in other non-cash items	318	-	-	318
At December 31, 2022	$ 2,579	$ 689,748	$ 263,896	$ 956,223

	Lease liabilities	Short-term borrowings	Long-term borrowings (including current portion)	Liabilities from financing activities-gross
At January 1, 2021	$ 14,006	$ 755,962	$ 120,720	$ 890,688
Changes in cash flow from financing activities	(6,327)	585,012	7,987	586,672
Impact of changes in foreign exchange rate	(646)	(6,404)	(707)	(7,757)
Changes in other non-cash items	(3,092)	-	-	(3,092)
At December 31, 2021	$ 3,941	$ 1,334,570	$ 128,000	$ 1,466,511

7. Related Party Transactions

(1) Parent and ultimate controlling party

None.

(2) Names of related parties and relationship

Names of related parties	Relationship with the Group
LONGWELL TECHNOLOGY (SUZHOU) CO., LTD.	Other related party
LONGWELL INTERNATIONAL (B.V.I.) LTD.（LONGWELL INT）	Other related party

(3) Significant related party transactions

A. Other payables to related parties:

(a) Outstanding balance:

	December 31, 2022	December 31, 2021
Other payables:		
LONGWELL TECHNOLOGY (SUZHOU)	$ 48,503	$ 47,758

(b) Interest expense

	Year ended December 31	
	2022	2021
LONGWELL TECHNOLOGY (SUZHOU)	$ 1,065	$ 588

Other payables to related parties mainly arose from the other payables which was the borrowings from LONGWELL TECHNOLOGY (SUZHOU) Co., Ltd. to meet the subsidiary's needs of working capital. The terms of the borrowings are repaid within 1 year after the borrowing is made and interests are repaid at 2.1% and 2.22% per annum, respectively.

B. Property transactions

Disposal of financial assets:

No such transactions in 2022

				Year ended December 31, 2021	
	Accounts	No. of shares	Objects	Proceeds	Gain/(loss)
LONGWELL INT	Investments accounted for using the equity method		Equity of BRIGHT FLASH CONSULTANTS LIMITED	$ 22,099	$ 2,227

(4) Key management compensation

	Year ended December 31	
	2022	2021
Short-term employee benefits	$ 18,756	$ 15,919

8. Pledged Assets

The Group's assets pledged as collateral are as follows:

	Book value		
Pledged asset	December 31, 2022	December 31, 2021	Purpose
Property, plan and equipment	$ 1,172,316	$ 765,290	Guarantee for borrowing facilities
Investment properties	85,692	87,274	Guarantee for borrowing facilities
Financial assets at amortised cost	614	554	Performance bank guarantee
	$ 1,258,622	$ 853,118	

9. Significant Contingent Liabilities and Unrecognised Contract Commitments

(1) Contingencies

None.

(2) Commitments

A. Information about endorsements and guarantees provided to related parties is provided in Note13(1) B.

B. Capital expenditure contracted for at the balance sheet date but not yet incurred is as follows:

	December 31, 2022	December 31, 2021
Property, plant and equipment	$ 429,127	$ 751,747

10. Significant Disaster Loss

None.

11. Significant Events after the Balance Sheet Date

A. Information about earnings distribution for the years ended December 31, 2022 is provided in Note6(19).

B. To meet the future operational needs of the Company, on January 6, 2023, the Board of Directors resolved to establish a subsidiary in Vietnam for USD$3,000 thousand. Subsequently, considering the actual situation in Vietnam, on March 17, 2023, the Board of Directors resolved that the investment amount in Vietnam increased to USD$5,000 thousand.

C. To meet the needs of expanding the operation for the Group's second-tier subsidiary, Everfull Development (Huizhou) Co., Ltd., in the future, on March 17, 2023, the Board of Directors resolved the Group to participate in the capital increase of Everfull Development (Huizhou) Co., Ltd. through the subsidiary, Everfull Electronic Co., Limited, and the capital increase amounted to RMB$40,000 thousand.

12. Others

(1) Capital management

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern in order to provide returns for shareholders and to maintain an optimal capital structure to reduce the cost of capital. In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt. The Group monitors capital on the basis of the debt ratio. This ratio is calculated as total debt divided by total assets.

	December 31, 2022	December 31, 2021
Total liabilities	$ 2,241,099	$ 2,949,798
Total equity	2,683,959	2,570,362
Total assets	$ 4,925,058	$ 5,520,160
Debt Ratio	45%	53%

(2) Financial instruments

A. Financial instruments by category

	December 31, 2022		December 31, 2021	
Financial assets				
Financial assets at fair value through profit or loss				
Financial assets at fair value through profit or loss, mandatorily measured at fair value	$	-	$	104,163
Financial assets at fair value through other comprehensive income				
Designation of equity instrument	$	6,624	$	3,030
Financial assets at amortised cost				
Cash and cash equivalents		476,316		591,159
Financial assets at amortised cost		614		554
Notes receivable		47,610		8,732
Accounts receivable		1,605,813		1,984,962
Other receivables		38,870		14,284
Guarantee deposits paid		2,043		2,558
	$	2,171,266	$	2,602,249
Financial liabilities				
Financial liabilities designated as at fair value through profit or loss	$	86	$	-
Financial liabilities at amortised cost				
Short-term borrowings	$	689,748	$	1,334,570
Notes payable		1,836		1,765
Accounts payable		615,196		780,594
Other accounts payable－related parties		271,526		353,466
Long-term borrowings (including current portion)		263,896		128,000
Guarantee deposits received		27,418		37,872
	$	1,869,706	$	2,636,267
Lease liability	$	2,579	$	3,941

B. Financial risk management policies

(a) The Group’s activities expose it to a variety of financial risks: market risk (including foreign exchange risk, interest rate risk and price risk), credit risk and liquidity risk.

(b) Risk management is carried out by a central treasury department (Group treasury) under policies approved by the Board of Directors. Group treasury identifies, evaluates and hedges financial risks in close co-operation with the Group’s operating units. The Board provides written principles for overall risk management, as well as written policies covering specific areas and matters, such as foreign exchange risk, interest rate risk, credit risk, use of derivative financial instruments and non-derivative financial instruments, and investment of excess liquidity.

C. Significant financial risks and degrees of financial risks

(a) Market risk

Foreign exchange risk

i. The Group operates internationally and is exposed to foreign exchange risk arising from the transactions of the Company and its subsidiaries used in various functional currency, primarily with respect to the USD, RMB and HKD. Foreign exchange risk arises from future commercial transactions and recognised assets and liabilities.

ii. Management has set up a policy to require Group companies to manage their foreign exchange risk against their functional currency.

iii. The Group has certain investments in foreign operations, whose net assets are exposed to foreign currency translation risk.

iv. The Group's businesses involve some non-functional currency operations (the Company's and certain subsidiaries' functional currency: NTD; other certain subsidiaries' functional currency: USD, RMB and HKD). The information on assets and liabilities denominated in foreign currencies whose values would be materially affected by the exchange rate fluctuations is as follows:

	December 31, 2022		
	Foreign currency amount (in thousands)	Exchange rate	Book value (NTD)
(Foreign currency: functional currency)			
Financial assets			
Monetary items			
USD:NTD	$ 33,275	30.71	$ 1,021,888
RMB:NTD	27,293	4.4094	120,348
USD:RMB	293	6.9646	9,009
RMB:USD	2,573	0.1436	11,347
Long-term equity investments accounted for under the equity method			
USD:NTD	$ 5,878	30.71	$ 180,528
Financial liabilities			
Monetary items			
USD:NTD	$ 90	30.71	$ 2,767
USD:RMB	1,915	6.9646	58,802

	December 31, 2021		
	Foreign currency amount (in thousands)	Exchange rate	Book value (NTD)
(Foreign currency: functional currency)			
Financial assets			
Monetary items			
USD:NTD	$ 40,032	27.68	$ 1,108,096
USD:RMB	2,360	6.3757	65,330
RMB:USD	3,001	0.1569	13,028
Long-term equity investments accounted for under the equity method			
USD:NTD	5,936	27.68	164,320
Financial liabilities			
Monetary items			
USD:NTD	10,686	27.68	295,798
USD:RMB	19,162	6.3757	530,404

v. The total exchange gain (loss) arising from significant foreign exchange variation on the monetary items held by the Group for the years ended December 31, 2022 and 2021, amounted to $68,754 and ($15,986), respectively.

vi. Analysis of foreign currency market risk arising from significant foreign exchange variation:

	Year ended December 31, 2022		
	Sensitivity analysis		
	Degree of variation	Effect on profit or loss before tax	Effect on other comprehensive income
(Foreign currency: functional currency)			
Financial assets			
Monetary items			
USD:NTD	1%	$ 10,219	$ -
RMB:NTD	1%	1,203	-
USD:RMB	1%	90	-
RMB:USD	1%	113	-
Financial liabilities			
Monetary items			
USD:NTD	1%	28	-
USD:RMB	1%	588	-

	Year ended December 31, 2021		
	Sensitivity analysis		
	Degree of variation	Effect on profit or loss before tax	Effect on other comprehensive income
(Foreign currency: functional currency)			
Financial assets			
Monetary items			
USD:NTD	1%	$ 11,081	$ -
USD:RMB	1%	653	-
RMB:USD	1%	130	-
Financial liabilities			
Monetary items			
USD:NTD	1%	2,958	-
USD:RMB	1%	5,304	-

Price risk

i. The Group's equity securities, which are exposed to price risk, are the held financial assets at fair value through profit or loss. To manage its price risk arising from investments in equity securities, the Group diversifies its portfolio. Diversification of the portfolio is done in accordance with the limits set by the Group.

ii. The Group's investments in equity securities comprise shares issued by the domestic companies. The prices of equity securities would change due to the change of the future value of investee companies. If the prices of these equity securities had increased/decreased by 1% with all other variables held constant, post-tax profit for the years ended December 31, 2022 and 2021 would have increased/decreased by $0 and $833, respectively, as a result of gains/losses on equity securities classified as at fair value through profit or loss. Other components of equity would have increased/decreased by $66 and $30, respectively, as a result of other comprehensive income classified as equity investment at fair value through other comprehensive income.

Cash flow interest rate risk

i. The Group's main interest rate risk arises from long-term borrowings with variable rates, which expose the Group to cash flow interest rate risk. During 2022 and 2021, the Group's borrowings at variable rate were mainly denominated in USD and NTD.

ii. If the borrowing interest rate of USD and NTD had increased/decreased by 0.25% with all other variables held constant, profit, net of tax for the years ended December 31, 2022 and 2021 would have increased/decreased by $528 and $256, respectively. The main factor is that changes in interest expense result in floating-rate borrowings.

(b) Credit risk

i. Credit risk refers to the risk of financial loss to the Group arising from default by the clients or counterparties of financial instruments on the contract obligations. The main factor is that counterparties could not repay in full the accounts receivable, and notes receivable based on the agreed terms, and the contract cash flows of financial assets at amortised cost.

ii. The Group manages their credit risk taking into consideration the entire Group's concern. For banks and financial institutions, only independently rated parties with investment grade are accepted. According to the Group's credit policy, each local entity in the Group is responsible for managing and analysing the credit risk for each of their new clients before standard payment and delivery terms and conditions are offered. Internal risk control assesses the credit quality of the customers, taking into account their financial position, past experience and other factors. Individual risk limits are set based on internal or external ratings in accordance with limits set by the Board of Directors. The utilisation of credit limits is regularly monitored.

iii. The Group adopts following assumptions under IFRS 9 to assess whether there has been a significant increase in credit risk on that instrument since initial recognition:

If the contract payments were past due over 30 days based on the terms, there has been a significant increase in credit risk on that instrument since initial recognition.

iv. The Group adopts the assumptions under IFRS 9, the default occurs when the contract payments are past due over 90 days.

v. The following indicators are used to determine whether the credit impairment of debt instruments has occurred:

(i) It becomes probable that the issuer will enter bankruptcy or other financial reorganisation due to their financial difficulties;

(ii) The disappearance of an active market for that financial asset because of financial difficulties;

(iii) Default or delinquency in interest or principal repayments;

(iv) Adverse changes in national or regional economic conditions that are expected to cause a default.

vi. The Group classifies customer's accounts receivable in accordance with credit rating of customer. The Group applies the modified approach using a provision matrix to estimate expected credit loss under the provision matrix basis.

vii. The Group wrote-off the financial assets, which cannot be reasonably expected to be recovered, after initiating recourse procedures. However, the Group will continue executing the recourse procedures to secure their rights. On December 31, 2022 and 2021, the Group had no written-off financial assets that are still under recourse procedures.

viii. The Group used the forecastability of Taiwan Institute of Economic Research boom observation report to adjust historical and timely information to assess the default possibility of notes and accounts receivable. On December 31, 2022 and 2021, the provision matrix is as follows:

	Not past due	Up to 1-30 days past due	31~90 days past due	Over 91 days past due	Total
December 31, 2022					
Expected loss rate	0.01%~0.28%	0.28%~0.3%	0.28%~5%	0.28%~100%	
Total book value	$ 1,623,728	$ 20,604	$ 11,368	$ 24,809	$ 1,680,509
Loss allowance	(2,427)	(37)	(31)	(24,591)	(27,086)

	Not past due	Up to 1-30 days past due	31~90 days past due	Over 91 days past due	Total
December 31, 2021					
Expected loss rate	0.01%~0.28%	0.28%~0.3%	0.28%~5%	0.28%~100%	
Total book value	$ 1,972,029	$ 21,571	$ 2,143	$ 1,890	$ 1,997,633
Loss allowance	(2,625)	(63)	(14)	(1,237)	(3,939)

ix. Movements in relation to the Group applying the modified approach to provide loss allowance for notes and accounts receivable are as follows:

	Year ended December 31	
	2022	2021
	Notes and accounts receivable	Notes and accounts receivable
At January 1	$ 3,939	$ 7,384
Provision for impairment (gain)	23,978	(2,400)
Write-offs	(755)	(1,000)
Effect of foreign exchange	(76)	(45)
At December 31	$ 27,086	$ 3,939

(c) Liquidity risk

i. Cash flow forecasting is performed in the operating entities of the Group and aggregated by Group treasury. Group treasury monitors rolling forecasts of the Group’s liquidity requirements to ensure it has sufficient cash to meet operational need. Such forecasting takes into consideration the Group’s internal balance sheet ratio targets and, if applicable, external regulatory and legal requirements.

ii. The table below analyses the Group's non-derivative financial liabilities and net-settled or gross-settled derivative financial liabilities into relevant maturity groupings based on the remaining period at the balance sheet date to the contractual maturity date for nonderivative financial liabilities and to the expected maturity date for derivative financial liabilities. The amounts disclosed in the table are the contractual undiscounted cash flows.

Non-derivative financial liabilities:

December 31, 2022	Less than 1 year	Between 1 and 5 years	Over 5 years
Short-term borrowings	$ 689,748	$ -	$ -
Notes payable	1,836	-	-
Accounts payable	615,196	-	-
Other payables－related parties	271,526	-	-
Lease liability	1,680	1,132	-
Long-term borrowings (including current portion)	57,975	229,641	7,560
Other financial liabilities	15,214	12,204	-
Derivative financial liabilities:			
Forward exchange contracts	86	-	-

Non-derivative financial liabilities:

December 31, 2021	Less than 1 year	Between 1 and 5 years	Over 5 years
Short-term borrowings	$ 1,334,570	$ -	$ -
Notes payable	1,765	-	-
Accounts payable	780,594	-	-
Other payables－related parties	353,466	-	-
Lease liability	1,680	2,812	-
Long-term borrowings (including current portion)	49,327	80,580	-
Other financial liabilities	24,298	13,140	434

(3) Fair value information

A. The different levels that the inputs to valuation techniques are used to measure fair value of financial and non-financial instruments have been defined as follows:

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date. A market is regarded as active where a market in which transactions for the asset or liability take place with sufficient frequency and volume to provide pricing information on an ongoing basis. The Group's investment in listed stocks and beneficiary certificates is included in Level.

Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly. The fair value of the Group's investment in derivative instruments is included in Level 2.

Level 3: Unobservable inputs for the asset or liability. The fair value of the Group's investment in financial assets at fair value through other comprehensive income is included in Level 3.

B. Fair value information of investment property at cost is provided in Note 6(11).

C. The carrying amounts of financial instruments not measured at fair value (including cash and cash equivalents, notes receivable, accounts receivable, other receivables, short-term borrowings, notes payable, accounts payable and other payables) are approximate to their fair values.

D. The related information of financial and non-financial instruments measured at fair value by level on the basis of the nature, characteristics and risks of the assets and liabilities at December 31, 2022 and 2021 is as follows:

(a) The related information of natures of the assets and liabilities is as follows:

December 31, 2022	Level 1	Level 2	Level 3	Total
Assets				
Recurring fair value measurements				
Financial assets at fair value through profit or loss				
Equity securities	$ -	$ -	$ -	$ -
Financial assets at fair value through other comprehensive income				
Equity securities	-	-	6,624	6,624
	$ -	$ -	$ 6,624	$ 6,624
Liabilities				
Recurring fair value measurements				
Financial liabilities at fair value through profit or loss				
Derivative instruments	$ -	$ 86	$ -	$ 86

December 31, 2021	Level 1	Level 2	Level 3	Total
Assets				
Recurring fair value measurements				
Financial assets at fair value through profit or loss				
Equity securities	$ 104,163	$ -	$ -	$ 104,163
Financial assets at fair value through other comprehensive income				
Equity securities	-	-	3,030	3,030
	$ 104,163	$ -	$ 3,030	$ 107,193

(b) The methods and assumptions the Group used to measure fair value are as follows:

i. The instruments the Group used market quoted prices as their fair values (that is, Level 1) are listed below by characteristics:

	Listed shares
Market quoted price	Closing price

ii. Except for financial instruments with active markets, the fair value of other financial instruments is measured by using valuation techniques or by reference to counterparty quotes. The fair value of financial instruments measured by using valuation techniques can be referred to current fair value of instruments with similar terms and characteristics in substance, discounted cash flow method or other valuation methods, including calculated by applying model using market information available at the consolidated balance sheet date (i.e. yield curves on the Taipei Exchange, average commercial paper interest rates quoted from Reuters).

iii. When assessing non-standard and low-complexity financial instruments, for example, debt instruments without active market, interest rate swap contracts, foreign exchange swap contracts and options, the Group adopts valuation technique that is widely used by market participants. The inputs used in the valuation method to measure these financial instruments are normally observable in the market.

iv. The output of valuation model is an estimated value and the valuation technique may not be able to capture all relevant factors of the Group’s financial and non-financial instruments. Therefore, the estimated value derived using valuation model is adjusted accordingly with additional inputs, for example, model risk or liquidity risk and etc. In accordance with the Group’s management policies and relevant control procedures relating to the valuation models used for fair value measurement, management believes adjustment to valuation is necessary in order to reasonably represent the fair value of financial and non-financial instruments at the consolidated balance sheet. The inputs and pricing information used during valuation are carefully assessed and adjusted based on current market conditions.

v. The valuation of derivative financial instruments is based on valuation model widely accepted by market participants, such as present value techniques and option pricing models. Forward exchange contracts are usually valued based on the current forward exchange rate. Structured interest derivative instruments are measured by using appropriate option pricing models (i.e. Black-Scholes model) or other valuation methods, such as Monte Carlo simulation.

vi. The Group takes into account adjustments for credit risks to measure the fair value of financial and non-financial instruments to reflect credit risk of the counterparty and the

Group’s credit quality.

E. For the years ended December 31, 2022 and 2021, there was no transfer between Level 1 and Level 2.

F. The following chart is the movement of Level 3 for the years ended December 31, 2022 and 2021:

	Year ended December 31	
	2022	2021
	Equity instrument	Equity instrument
At January 1	$ 3,030	$ 29,623
Gains and losses recognised in other comprehensive income		
Recorded as unrealised gains (losses) on valuation of investments in equity instruments measured at fair value through other comprehensive income	3,594	(26,593)
At December 31	$ 6,624	$ 3,030

G. The following is the qualitative information of significant unobservable inputs and sensitivity analysis of changes in significant unobservable inputs to valuation model used in Level 3 fair value measurement:

	Fair value at December 31, 2022	Valuation technique	Significant unobservable input	Range (weighted average)	Relationship of inputs to fair value
Non-derivative equity instrument:					
Unlisted shares					
Shin Kong Global Venture Capital Corp	$ 6,624	Market price method	Discount for lack of marketability	20%	The higher the discount for lack of marketability, the lower the fair value
BRIGHTMAN OPTOELECTRONICS (Cayman) CO., LTD.	-	Net asset value	Not applicable	-	Not applicable
Derivative instrument: Forward exchange contracts	$ 86	Discounted cash flow	Forward exchange rate	-	The higher the forward rate of the currency being exchanged, the lower the fair value

	Fair value at December 31, 2021	Valuation technique	Significant unobservable input	Range (weighted average)	Relationship of inputs to fair value
Non-derivative equity instrument:					
Unlisted shares					
Shin Kong Global Venture Capital Corp	$ 3,030	Market price method	Discount for lack of marketability	20%	The higher the discount for lack of marketability, the lower the fair value
BRIGHTMAN OPTOELECTRONICS (Cayman) CO., LTD.	-	Net asset value	Not applicable	-	Not applicable

H. The Group has carefully assessed the valuation models and assumptions used to measure fair value. However, use of different valuation models or assumptions may result in different measurement. The following is the effect of profit or loss or of other comprehensive income from financial assets and liabilities categorised within Level 3 if the inputs used to valuation models have changed:

			December 31, 2022			
			Recognised in profit or loss		Recognised in other comprehensive income	
	Input	Change	Favourable change	Unfavourable change	Favourable change	Unfavourable change
Financial assets						
Equity instrument	Discount for lack of marketability	±5%	$ -	$ -	$ 416	($ 416)

			December 31, 2021			
			Recognised in profit or loss		Recognised in other comprehensive income	
	Input	Change	Favourable change	Unfavourable change	Favourable change	Unfavourable change
Financial assets						
Equity instrument	Discount for lack of marketability	±5%	$ -	$ -	$ 185	($ 185)

(4) Other matters

Due to Covid-19 outbreak and numbers of the government’s epidemic prevention measures, the

Group assessed that there was no significant impact on the operation, no doubt about the Group's ability to continue as a going concern, no assets impaired and no financing risks increased. The Group's epidemic management had complied with the measures related to the Central Epidemic Command Centre and the epidemic prevention requirements under the Prevention and Control of Infectious Diseases Act.

13. Supplementary Disclosures

(1) Significant transactions information

A. Loans to others: Please refer to table 1.

B. Provision of endorsements and guarantees to others: Please refer to table 2

C. Holding of marketable securities at the end of the period (not including subsidiaries, associates and joint ventures): Please refer to table 3.

D. Acquisition or sale of the same security with the accumulated cost exceeding $300 million or 20% of the Company's paid-in capital: The Company and the investees have no such transactions.

E. Acquisition of real estate reaching $300 million or 20% of paid-in capital or more: Please refer to table 4.

F. Disposal of real estate reaching $300 million or 20% of paid-in capital or more: The Company and the investees have no such transactions.

G. Purchases or sales of goods from or to related parties reaching $100 million or 20% of paid-in capital or more: Please refer to table 5.

H. Receivables from related parties reaching $100 million or 20% of paid-in capital or more: Please refer to table 6.

I. Trading in derivative instruments undertaken during the reporting periods: Please refer to Notes 6(2), 12(2) and 12(3).

J. Significant inter-company transactions during the reporting periods: Please refer to table 7 (Individual transactions less than $10,000 are not disclosed. Corresponding transactions from the other side are not disclosed.)

(2) Information on investees

Names, locations and other information of investee companies (not including investees in Mainland China)：Please refer to table 8.

(3) Information on investments in Mainland China

A. Basic information: Please refer to table 9.

B. Significant transactions, either directly or indirectly through a third area, with investee companies in the Mainland Area: Please refer to table 10.

(4) Major shareholders information

Major shareholders information: Please refer to table 11.

14. Operating segments information

(1) General information

Management has determined the reportable operating segments based on the reports reviewed by the chief operating decision-maker that are used to make strategic decisions. There is no material change in the basis for formation of entities and division of segments in the Group or in the measurement basis for segment information during this period.

(2) Measurement of segment information

The accounting policies of the Group's operating segments are the same as those described in the summary of significant accounting policies in Note 2 to the consolidated financial statements. The chief operating decision-maker evaluates each operating segment by their profit.

(3) Information about segment

The segment information provided to the chief operating decision-maker for the reportable segments is as follows:

Year ended December 31, 2022	Taiwan	East China	South China	Others	Adjustment and elimination	Total
Revenue from external	$ 2,489,949	$ -	$ 2,256,217	$ 41,899	$ -	$ 4,788,065
Inter-segment revenue	40,075	-	2,374,659	1,784	(2,416,518)	-
Segment revenue	$ 2,530,024	$ -	$ 4,630,876	$ 43,683	($ 2,416,518)	$ 4,788,065
Segment income (loss)	$ 177,824	$ -	($ 69,508)	$ 47,045	$ 53,633	$ 208,994

Year ended December 31, 2021	Taiwan	East China	South China	Others	Adjustment and elimination	Total
Revenue from external	$ 3,142,120	$ -	$ 1,743,387	$ 40,519	$ -	$ 4,926,026
Inter-segment revenue	568,295	-	2,538,522	171,983	(3,278,800)	-
Segment revenue	$ 3,710,415	$ -	$ 4,281,909	$ 212,502	($ 3,278,800)	$ 4,926,026
Segment income (loss)	$ 323,196	$ 2,126	($ 231,716)	($ 12,530,910)	$ 12,554,549	$ 117,245

(4) Reconciliation for segment income (loss)

The Group's net profit or loss after tax for each region provided to the chief operating decision-maker are measured in a manner consistent with the revenues and expenses in the statement of comprehensive income. The amounts provided to the chief operating decision maker with respect to total assets and total liabilities are measured in a manner consistent with that of the financial statements. As the amounts in the statement provided to the chief operating decision-maker for managing segment are in agreement with the amounts of the segment relevant financial information, therefore, reconciliation is not needed.

(5) Information on products and services

For the years ended December 31, 2022 and 2021, the Group is primarily engaged in manufacturing and sales of electrical wiring sets, signal connection cables and cord sets. The Group is a single industry company, and therefore it is not required to disclose the product type information.

(6) Geographical information

Geographical information for the years ended December 31, 2022 and 2021 is as follows:

	Year ended December 31, 2022		Year ended December 31, 2021	
	Revenue	Non-current assets	Revenue	Non-current assets
Asia	$ 4,673,269	$ 1,965,489	$ 4,773,915	$ 1,591,188
America	86,016	-	101,004	-
Europe	24,457	-	48,793	-
Africa	4,323	-	2,314	-
	$ 4,788,065	$ 1,965,489	$ 4,926,026	$ 1,591,188

(7) Major customer information

Major customer information of the Group for the years ended December 31, 2022 and 2021 is as follows:

	Year ended December 31, 2022			Year ended December 31, 2021		
	Revenue	Ratio	Segment	Revenue	Ratio	Segment
A	$800,425	17%	Taiwan Segment	$893,124	18%	Taiwan Segment
C	683,535	14%	South China Segment	421,299	9%	South China Segment
D	617,837	13%	South China Segment	308,997	6%	South China Segment
B	486,187	10%	Taiwan Segment	522,072	11%	Taiwan Segment

Taiwan Line Tek Electronic Co., Ltd. and Subsidiaries

Loans to others

Year ended December 31, 2022

Table 1 | Expressed in thousands of NTD (Except as otherwise indicated)

No.	Creditor	Borrower	General ledger account	Is a related party	Maximum outstanding balance during the year ended December 31, 2022	Balance at December 31, 2022	Actual amount drawn down	Interest rate	Nature of loan	Amount of transactions with the borrower (Note 4)	Reason for short-term financing	Allowance for doubtful accounts	Collateral		Limit on loans granted to a single party (Note 1 and 2)	Ceiling on total loans granted (Note 1 and 2)	Footnote
													Item	Value			
0	Taiwan Line Tek Electronic Co., Ltd.	Everfull Technology (Huizhou) Co., Ltd.	Other receivables -related parties	Y	$ 552,780	$ 552,780	$ 552,780	1.2% annual interest; interest is calculated monthly	Business transactions	$ 2,406,546	-	$ -	None	-	$ 1,065,229	$ 1,065,229	Note 7
0	Taiwan Line Tek Electronic Co., Ltd.	Everfull Technology (Huizhou) Co., Ltd.	Other receivables -related parties	Y	122,840	122,840	122,840	1% annual interest; interest is calculated monthly	For companies with short-term financing	-	Note 4	-	None	-	266,307	$ 1,065,229	Note 7
1	Everfull Electronic Co., Limited	Everfull Technology (Huizhou) Co., Ltd.	Other receivables -related parties	Y	88,188	-	-	No interest is accrued	For companies with short-term financing	-	Note 5	-	None	-	1,018,855	1,018,855	Note 8
2	Everfull Technology (Shenzhen) Co., Ltd.	Everfull Technology (Huizhou) Co., Ltd.	Other receivables -related parties	Y	85,101	-	-	1.11% annual interest; interest is calculated monthly	For companies with short-term financing	-	Note 4	-	None	-	-	-	Note 9
3	Fu Lin Investment Co., Ltd.	Taiwan Line Tek Electronic Co., Ltd.	Other receivables -related parties	Y	100,000	-	-	0.13% annual; interest is calculated monthly	For companies with short-term financing	-	Note 6	-	None	-	618	618	Note 10

Note 1: For companies with short-term financing, limit on loans granted to a single party should not exceed 10% of the Company’s net assets. For the companies having business relationship with the Company, limit on loans granted to a single party shall not exceed the amount of business transactions occurred between the creditor and borrower.

Ecept for ceilling on total loans granted to all direct or indirect wholly-owned foreign companies is the creditor's net asset based on the latest audited or reviewed financial statement, otherwise, celling on loans to others is 40% of the Company's net assets.

Note 2: Everfull Electronic Co., Limited's and Everfull Technology (Shenzhen) Co., Ltd.'s ceiling on loans granted to all direct or indirect wholly-owned foreign companies of the ultimate parent company, for short-term financing of business, is the creditor's net assets based on the latest audited or reviewed financial statements, and their limits on total loans to others is the creditor’s net asset based on the latest audited or reviewed financial statements.

Note 3: Limit on Fu Lin Investment Co., Ltd.'s loans to a single party with short-term financing is 40% of the Company's net asset; but limit on total loans is 40% of the Company’s current net asset.

Note 4: The funds loaned to Everfull Technology (Huizhou) Co., Ltd. are used for its operation revolving.

Note 5: The funds loaned to Everfull Technology (Huizhou) Co., Ltd. are used for builting plants.

Note 6: The funds loaned to Taiwan Line Tek Electronic Co., Ltd. are used for its operation revolving.

Note 7: The Company approved the credit line of loans to Everfull Technology (Huizhou) Co., Ltd. amounting to USD 22,000 thousand, the actual used amount at end of year was USD22,000 thousand.

Note 8: Everfull Electronic Co., Limited approved the credit line of loans to Everfull Technology (Huizhou) Co., Ltd. amounting to RMB 20,000 thousand, the ending credit line and actual used amount at end of year were both RMB 0 thousand.

Note 9: Everfull Technology (Shenzhen) Co., Ltd. approved the credit line of loans to Everfull Technology (Huizhou) Co., Ltd. amounting to RMB 19,300 thousand, the actual used amount at end of year was RMB 0 thousand. That was merged with Everfull Technology (Huizhou) Co., Ltd. in December 2022 and is in the process of being dissolved.

Note 10: Fu Lin Investment Co., Ltd. approved the credit line of loans to Taiwan Line Tek Electronic Co., Ltd. amounting to $100,000, the credit line and actual used amkount at end of year were both $0.

Taiwan Line Tek Electronic Co., Ltd. and Subsidiaries

Provision of endorsements and guarantees to others

Year ended December 31, 2022

Table2

Expressed in thousands of NTD
(Except as otherwise indicated)

Number	Endorser/ guarantor	Party being endorsed/guaranteed: Company name	Party being endorsed/guaranteed: Relationship with the endorser/ guarantor	Limit on endorsements/ guarantees provided for a single party (Note 1)	Maximum outstanding endorsement/ guarantee amount as of December 31, 2022	Outstanding endorsement/ guarantee amount at December 31, 2022	Actual amount drawn down	Amount of endorsements/ guarantees secured with collateral	Ratio of accumulated endorsement/ guarantee amount to net asset value of the endorser/ guarantor company	Ceiling on total amount of endorsements/ guarantees provided (Note 1)	Provision of endorsements/ guarantees by parent company to subsidiary	Provision of endorsements/ guarantees by subsidiary to parent company	Provision of endorsements/ guarantees to the party in Mainland China	Footnote
0	Taiwan Line Tek Electronic Co., Ltd.	Everfull Technology (Huizhou) Co., Ltd.	The Company's third-tier subsidiary	$ 798,922	$ 715,551	$ 450,373	$ 230,365	$ -	16.91%	$ 1,331,537	Y	N	Y	Note 3
1	Everfull Electronic Co., Limited	Everfull Development (Huizhou) Co., Ltd.	The Company's third-tier subsidiary	305,657	264,564	264,564	135,898	-	25.97%	$ 509,428	Y	N	Y	Note 4

Note 1: The total guarantee amount to subsidiaries should not be in excess of 50% of the Company's net assets. The guarantee amount to a single company should not be in excess of 20% of Company's net assets for each one. Endorsement/guarantee provided to all direct or indirect wholly-owned foreign companies of the Company, the guarantee amount to a single company should not be in excess of 30% of Company's net assets. For business transaction with the Company, the guarantee amount should not exceed the amount of business transaction, which is the higher between sales and purchases.

Note 2: The total guarantee amount to Everfull Electronic Co., Limited should not be in excess of 50% of the Company's net assets. The guarantee amount to a single company should not be in excess of 30% of Company's net assets .

Note 3: As of December 31, 2022, the amount of guarantee were USD 20 thousand and RMB 102,000 thousand by the Company to Everfull Technology (Huizhou) Co., Ltd., and actual used guarantee amounts of Everfull Technology (Huizhou) Co., Ltd. amounted to USD 20 thousand and RMB 52,105 thousand.

Note 4: As of December 31, 2022, the amount of guarantee was RMB 60,000 thousand by Everfull Electronic Co., Limited to Everfull Technology (Huizhou) Co., Ltd., and actual used guarantee amounts of Everfull Technology (Huizhou) Co., Ltd. amounted to RMB 30,820 thousand.

Taiwan Line Tek Electronic Co., Ltd. and Subsidiaries

Holding of marketable securities at the end of the period (not including subsidiaries, associates and joint ventures)
December 31, 2022

Table 3

Expressed in thousands of NTD

(Except as otherwise indicated)

				As of December 31, 2022				
Securities held by	Marketable securities	Relationship with the securities issuer	General ledger account	Number of shares / Number of units	Book value	Ownership (%)	Fair value	Footnote
Taiwan Line Tek Electronic Co., Ltd.	Stocks Shin Kong Global Venture Capital Corp	None	Financial assets at fair value through other comprehensive income - non-current	960,000	$ 6,624	12.00%	$ 6,624	
	- BRIGHTMAN OPTOELECTRONICS (Cayman) CO. , LTD.	〃	〃	886,673	-	12.12%	-	
Fu Lin Investment Co., Ltd.	－Amkor Technology Taiwan Ltd.	〃	Financial assets at fair value through profit or loss- non-current	101,615	-	0.02%	-	

Taiwan Line Tek Electronic Co., Ltd. and Subsidiaries

Acquisition of real estate reaching NT$300 million or 20% of paid-in capital or more

Year ended December 31, 2022

Table 4

Expressed in thousands of NTD

(Except as otherwise indicated)

								Previous transfers where the counterparty is a related party						
Companies that acquire real estate	Name of property	Actual date	Transaction currency	Transaction amount	Payment situation	Counterparty	Relationship with the counterparty	Holder	Relationship with the Issuer	Transfer date	Amount	Reference for price determination	Purpose of acquisition and use	Other contractual matters
Everfull Development (Huizhou) Co., Ltd.	Construction in progress	2021/11/12	RMB	$ 159,800	Note	Shenzhen Chaoshan Construction Group Co., Ltd.	None	Not applicable	Not applicable	Not applicable	Not applicable	By market price	Operation, production and construction of plants	Note

Note: The total amount of the transaction was RMB159,800 thousand and the relevant payment was made in stages according to the progress of the project. As at 31 December, RMB73,434 thousand had been paid, with the remaining amount to be paid upon completion of the project.

Taiwan Line Tek Electronic Co., Ltd. and Subsidiaries

Purchases or sales of goods from or to related parties reaching $100 million or 20% of paid-in capital or more

Year ended December 31, 2022

Table 5

Expressed in thousands of NTD

(Except as otherwise indicated)

			Transaction				Differences in transaction terms compared to third party transactions		Notes/accounts receivable (payable)		
Purchaser/seller	Counterparty	Relationship with the counterparty	Purchases (sales)	Amount	Percentage of total purchases (sales)	Credit term	Unit price	Credit term	Balance	Percentage of total notes/accounts receivable (payable)	Footnote
Taiwan Line Tek Electronic Co., Ltd.	Everfull Technology (Huizhou) Co., Ltd.	The Company's second-tier subsidiary	Purchases	$ 2,327,537	100%	Pay according to capital needs	No significant differences	Note 1	(12,956)	(84%)	
Everfull Technology (Huizhou) Co., Ltd.	Taiwan Line Tek Electronic Co., Ltd.	The Company's second-tier subsidiary	(Sales)	(2,327,537)	(50%)	Pay according to capital needs	〃	〃	12,956	2%	

Note 1: The credit period for general customers is 60 to 150 day after monthly billings the credit period for general suppliers is 60 to 120 day after monthly billings.

Taiwan Line Tek Electronic Co., Ltd. and Subsidiaries

Receivables from related parties reaching $100 million or 20% of paid-in capital or more

Year ended December 31, 2022

Table 6

Expressed in thousands of NTD
(Except as otherwise indicated)

Creditor	Counterparty	Relationship with the counterparty	Balance as at December 31, 2022	Turnover rate	Overdue receivables		Amount collected subsequent to the balance sheet date (Note 3)	Allowance for doubtful accounts
					Amount	Action taken		
Taiwan Line Tek Electronic Co., Ltd.	Everfull Technology (Huizhou) Co., Ltd.	The Company's subsidiaries	$ 683,148	-	$ -	Not applicable	$ -	$ -

Taiwan Line Tek Electronic Co., Ltd. and Subsidiaries

Significant inter-company transactions during the reporting year

Year ended December 31, 2022

Table 7

Expressed in thousands of NTD
(Except as otherwise indicated)

Number (Note 1)	Company name	Counterparty	Relationship (Note 2)	Transaction: General ledger account	Transaction: Amount	Transaction: Transaction terms	Transaction: Percentage of consolidated total operating revenues or total assets (Note 3)
0	Taiwan Line Tek Electronic Co., Ltd.	Linetek Japan Co., Ltd.	1	Sales revenue	37,994	95 days after monthly billings	0.79%
0	Taiwan Line Tek Electronic Co., Ltd.	Linetek Japan Co., Ltd.	1	Accounts receivable	10,245	95 days after monthly billings	0.21%
0	Taiwan Line Tek Electronic Co., Ltd.	Everfull Technology (Huizhou) Co., Ltd.	1	Purchases	2,327,537	Note 5	48.61%
0	Taiwan Line Tek Electronic Co., Ltd.	Everfull Technology (Huizhou) Co., Ltd.	1	Prepayments to suppliers	12,956	Note 5	0.26%
0	Taiwan Line Tek Electronic Co., Ltd.	Everfull Technology (Huizhou) Co., Ltd.	1	Other receivables	682,095	Based on company policy	13.86%
1	Everfull Electronic Co., Limited	Everfull Technology (Huizhou) Co., Ltd.	3	Accounts receivable	51,185	40 days after monthly billings	1.04%
1	Everfull Electronic Co., Limited	Everfull Technology (Huizhou) Co., Ltd.	3	Purchases	47,508	40 days after monthly billings	0.99%
1	Everfull Electronic Co., Limited	Everfull Technology (Huizhou) Co., Ltd.	3	Accounts payable	6,948	40 days after monthly billings	0.14%
1	Everfull Electronic Co., Limited	Everfull Technology (Huizhou) Co., Ltd.	3	Other receivables	55,352	Based on company policy	1.12%

Note 1: The numbers filled in for the transaction company in respect of inter-company transactions are as follows:

(1) Parent company is ‘0’.

(2) The subsidiaries are numbered in order starting from ‘1’.

Note 2: Relationship between transaction company and counterparty is classified into the following three categories; fill in the number of category each case belongs to (If transactions between parent company and subsidiaries or between subsidiaries refer to the same transaction, it is not required to disclose twice. For example, if the parent company has already disclosed its transaction with a subsidiary, then the subsidiary is not required to disclose the transaction; for transactions between two subsidiaries, if one of the subsidiaries has disclosed the transaction, then the other is not required to disclose the transaction.):

(1) Parent company to subsidiary.

(2) Subsidiary to parent company.

(3) Subsidiary to subsidiary.

Note 3: Regarding percentage of transaction amount to consolidated total operating revenues or total assets, it is computed based on period-end balance of transaction to consolidated total assets for balance sheet accounts and based on accumulated transaction amount for the period-end to consolidated total operating revenues for income statement accounts.

Note 4: The transaction price is determined under mutual agreement and the credit terms based on the company's capital needs after offsetting accounts receivable and accounts payable.

Note 5: The transaction price is determined under mutual agreement and the credit terms are based on capital needs of Everfull Technology (Huizhou) Co., Ltd.

Taiwan Line Tek Electronic Co., Ltd. and Subsidiaries

Information on investees (excluding information on investments in Mainland china)

Year ended December 31, 2022

Table 8

Expressed in thousands of NTD

(Except as otherwise indicated)

Investor	Investee	Location	Main business activities	Initial investment amount: Balance as at December 31, 2022	Initial investment amount: Balance as at December 31, 2021	Shares held as at December 31, 2022: Number of shares	Shares held as at December 31, 2022: Ownership (%)	Shares held as at December 31, 2022: Book value	Net profit (loss) of the investee for the year ended December 31, 2022	Investment income (loss) recognized by the Company for the year ended December 31, 2022	Footnote
Taiwan Line Tek Electronic Co., Ltd.	Everfull Electronic Co., Limited	Hong Kong	Production and sales of electronic wiring sets, signal connection cables and power cord sets	$ 631,087	$ 541,222	-	100%	$ 1,018,855	($ 59,193)	($ 88,343)	Note 1,2and 5
Taiwan Line Tek Electronic Co., Ltd.	Fu Lin Investment Co., Ltd.	Taiwan	Operating various investment businesses	1,000	4,980	10,000,000	100%	1,545	(34,062)	(34,062)	Note 1 and 4
Taiwan Line Tek Electronic Co., Ltd.	Line Tek International Co., Ltd.	Samoa	Operating various investment businesses	236,327	366,361	-	100%	180,805	53,359	53,359	Note 1
Taiwan Line Tek Electronic Co., Ltd.	Linetek Japan Co., Ltd.	Japan	Sales of electronic wiring sets, signal connection cables, and power cord sets	2,853	2,853	200	100%	1,757	15	15	Note 1
Everfull Electronic Co., Limited	Regent Union International Limited	Hong Kong	Lease of property	2,365	2,365	-	100%	79,263	8,468	8,468	Note 1
Line Tek International Co., Ltd.	Hong Yi Investment Co.,Ltd.	Samoa	Operating various investment businesses	-	184,260	-	100%	-	39,594	39,594	Note 1 and 3
Line Tek International Co., Ltd.	Skilful Limited	Samoa	Operating various investment businesses	152,015	152,015	-	45%	180,528	30,101	13,545	Note 1

Note 1：It was recognised based on the company's financial statements reviewed by the independent auditors.

Note 2：The Company recognised investment income comprising of downstream and upstream transactions.

Note 3：Hong Yi Investment Co.,Ltd. has completed the liquidation in June 2022.

Note 4：Fu Lin Investment Co., Ltd. has completed refund of capital reduction in July 2022.

Note 5：In August 2022, the Company increased the capital of its subsidiary, Everfull Electronic Co., Limited, in the amount of US$3,000 thousand by way of a debt-to-capital increase.

Taiwan Line Tek Electronic Co., Ltd. and Subsidiaries

Information on investments in Mainland China

Year ended December 31, 2022

Table 9

Expressed in thousands of NTD
(Except as otherwise indicated)

Investee in Mainland China	Main business activities	Paid-in capital	Investment method	Accumulated amount of remittance from Taiwan to Mainland China as of January 1, 2022	Amount remitted from Taiwan to Mainland China / Amount remitted back to Taiwan for the year ended December 31, 2022 Remitted to Mainland China	 Remitted back to Taiwan	Accumulated amount of remittance from Taiwan to Mainland China as of December 31, 2022	Net income of investee for the year ended December 31, 2022	Ownership held by the Company (direct or indirect)	Investment income (loss) recognised by the Company for the year ended December 31, 2022	Book value of investments in Mainland China as of December 31, 2022	Accumulated amount of investment income remitted back to Taiwan as of December 31, 2022	Footnote
Fong Mo Investments Ltd.	Production and sales of new instrument components, new electronic components, power electronic components and related products	$ -	Through investing in an existing company in the third area, which then invested in the investee subsidiaries in Mainland China	$ 184,260	$ -	$ 139,554	$ 44,706	$ -	100%	$ -	$ -	$ 136,540	Note 1 and 9
Everfull Technology (Shenzhen) Co., Ltd.	Production and operation of power cables electronic, wires, electronic wiring and the design and development of power cables electronic, wires, and electronic wiring related products	193,473	Through investing in an existing company in the third area, which then invested in the investee subsidiaries in Mainland China	132,053	-	-	132,053	(1,351)	100%	(1,351)	-	-	Note 2, 5 ,7 and 9
Everfull Electronic (Dongguan) Co., Ltd.	Production and sales of wiring, cables, plastic accessories and electronic accessories	-	Through investing in an existing company in the third area, which then invested in the investee subsidiaries in Mainland China	-	-	-	-	(1,320)	100%	(1,320)	-	-	Note 2, 7, 9 and 11

Amount remitted from Taiwan to Mainland China / Amount remitted back to Taiwan for the year ended December 31, 2022

Accumulated

Accumulated

Investment income (loss)

Accumulated

Investee in Mainland China	Main business activities	Paid-in capital	Investment method	amount of remittance from Taiwan to Mainland China as of January 1, 2022	Remitted to Mainland China	Remitted back to Taiwan	amount of remittance from Taiwan to Mainland China as of December 31, 2022	Net income of investee for the year ended December 31, 2022	Ownership held by the Company (direct or indirect)	recognised by the Company for the year ended December 31, 2022	Book value of investments in Mainland China as of December 31, 2022	amount of investment income remitted back to Taiwan as of December 31, 2022	Footnote
Everfull Technology (Huizhou) Co., Ltd.	Production and sales of electronic wiring, cables, plastic accessories and electronic accessories	639,363	Through investing in an existing company in the third area, which then invested in the investee subsidiaries in Mainland China	293,225	-	-	293,225	(68,170)	100%	(97,320)	506,370	-	Note 2, 6 and 9
Everfull Development (Huizhou) Co., Ltd.	Operating various business management services	220,470	Through investing in an existing company in the third area, which then invested in the investee subsidiaries in Mainland China	-	-	-	-	289	100%	289	208,859	-	Note 2, 8 and 9
Longwell Technology (Suzhou) Co., Ltd.	Manufacture and sales of communication and information peripheral products	337,810	Through investing in an existing company in the third area, which then invested in the investee in Mainland China	152,015	-	-	152,015	30,101	45%	13,545	180,528	-	Note 3 and 10
Brightman Optoelectronics (Yangzhou) Co., Limited	Engaged in the development and production of display materials and electronic special materials	-	Through investing in an existing company in the third area, which then invested in the investee in Mainland China	61,420	-	-	61,420	-	12.12%	-	-	-	Note 4

Company name	Accumulated amount of remittance from Taiwan to Mainland China as of December 31, 2022	Investment amount approved by the Investment Commission of the Ministry of Economic Affairs (MOEA)	Ceiling on investments in Mainland China imposed by the Investment Commission of MOEA (Note 12)
Taiwan Line Tek Electronic Co., Ltd.	$ 746,438	$ 2,181,884	$ -

Note 1: Reinvested through a subsidiary of Line Tek Internaltion Co., Ltd., Hong Yi Investment Co.,Ltd., and Line Tek International Co., Ltd. was a indirectly wholly-owned subsidiary of the Company in the third area. The company was liquidated on January 28, 2022.

Note 2: Reinvested through a directly wholly-owned subsidiary of the Company in the third area, Everfull Electronic Co., Limited.

Note 3: Reinvested through the investee company, Skilful Limited, which indirectly holds 45% of the shares in the third region.

Note 4: Reinvested through investee company, BRIGHTMAN OPTOELECTRONICS (Cayman) CO., LTD., which indirectly holds 12.12% of the shares in the third region. The investee was recognised in financial assets measured at fair value through other comprehensive income. This year, many debts were insolvent due to the suspension of production and business due to poor management. The company has obtained a bankruptcy ruling from the court and the liquidation process is in progress.

Note 5: The amount of paid-in capital, of which USD 2,000 thousand was invested by Everfull Electronic Co., Limited with its own funds. This case was approved by the Investment Commission of the Ministry of Economic Affairs (MOEA) Oder No. Jing-Shen-II-Zi No 10100445330 of November 1, 2012.

Note 6: The amount of paid-in capital, of which RMB 98,500 thousand was invested by Everfull Electronic Co., Limited with its own funds. This case has been approved by the Investment Commission of the Ministry of Economic Affairs (MOEA) No. Jing-Shen-II-Zi No 10300121460 of June 6, 2014, No. Jing-Shen-II-Zi No 10400236950 of September 24, 2015, No. Jing-Shen-II-Zi No 10400330760 of December 28, 2015, No. Jing-Shen-II-Zi No 10600201420 of September 6, 2017 and No. Jing-Shen-II-Zi No 10600243300 of October 16, 2017.

Note 7: In 1999 and 1998, through the reinvestment of Everfull Electronic Co., Limited, the Company rented factories in Shenzhen City and Dongguan City, Guangdong Province in mainland China, and invested the business in the way of processing with imported materials. The processing factory was not a legal entity and the manufacturing plant affiliated to Everfull Electronic Co., Limited. The main business items are engaged in the production and sales of electronic wiring sets, signal connection cables, and power cable sets. However, the processing plant has been transformed into a sole proprietorship with a legal entity in 2013 and 2011, respectively. The accumulated investment amount remitted out is $62,887.

Note 8: The establishment of Everfull Huizhou (Development) Co., Ltd. by spin-off of Everfull Technology (Huizhou) Co., Ltd. was approved by the Investment Commission of the Ministry of Economic Affairs (MOEA) No. Jing-Shen-II-Zi No 11000081680 of April 12, 2021, and the capital verification procedure was completed on July 13, 2021.

Note 9: It was recognised based on the company's financial report reviewed by independent accountant.

Note 10: It was recognised based on the company's financial report not reviewed by independent accountant.

Note 11: Everfull Electronic (Dongguan) Co., Ltd. completed the liquidation in April 2022.

Note 12: According to the newly amended 'Regulations Governing the Permission of Investment or Technical Cooperation in Mainland Area' on August 29, 2008, since the Company has obtained the certification documents issued by Industrial Development Bureau, Ministry of Economic Affairs that conform to the operation scope of the operation headquarters, it is not necessary to set the investment limit.

Taiwan Line Tek Electronic Co., Ltd. and Subsidiaries

Significant transactions conducted with investees in Mainland China directly or indirectly through other companies in the third areas

Year ended December 31, 2022

Table 10

Expressed in thousands of NTD
(Except as otherwise indicated)

	Sale (purchase)		Property transaction		Accounts receivable (payable)		Provision of endorsements/guarantees or collaterals		Financing				
Investee in Mainland China	Amount	%	Amount	%	Balance at December 31, 2022	%	Balance at December 31, 2022	Purpose	Maximum balance during the year ended December 31, 2022	Balance at December 31, 2022	Interest rate	Interest during the year ended December 31, 2022	Others
Everfull Technology (Huizhou) Co., Ltd.	($ 2,327,537)	100%	$ -	-	$ -	-	$ 450,373	Working capital needs	$ 675,620	$ 675,620	1% to 1.2% annual interest; interest is calculated monthly	$ 6,161	
Everfull Technology (Huizhou) Co., Ltd.	-	-	-	-	-	-	-	-	85,101	-	1.11% annual interest; interest is calculated monthly	676	Note 1
Everfull Technology (Huizhou) Co., Ltd.	-	-	-	-	-	-	-	-	88,188	-	No interest	-	Note 2
Everfull Development (Huizhou) Co., Ltd.	-	-	-	-	-	-	264,564	Working capital needs	-	-	-	-	Note 2

Note 1：Transaction through a directly wholly-owned subsidiary of the Company in the third area, Everfull Electronic Co., Limited. reinvesting in Mainland subsidiary,Everfull Technology (Shenzhen) Co., Ltd..

Note 2：Transaction through a directly wholly-owned subsidiary of the Company in the third area, Everfull Electronic Co., Limited.

Taiwan Line Tek Electronic Co., Ltd. and Subsidiaries

Major shareholders information

December 31, 2022

Table 11

Name of major shareholders	Shares	
	Number of shares held	Ownership (%)
Longwell Company	40,871,798	28.79%