TAIWAN LINE TEK ELECTRONIC CO., LTD.

PARENT COMPANY ONLY 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 22004865

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

Opinion

We have audited the accompanying parent company only balance sheets of Taiwan LINE TEK Electronic Co., Ltd. (the Company) as at December 31, 2022 and 2021, and the related parent company only statements of comprehensive income, of changes in equity and of cash flows for the years then ended, and notes to the parent company only 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 parent company only financial statements present fairly, in all material respects, the parent company only financial position of the Company as at December 31, 2022 and 2021, and its parent company only financial performance and its parent company only cash flows for the years then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers.

Basis for opinion

We conducted our audits in accordance with the Regulations Governing Auditing and Attestation of Financial Statements by Certified Public Accountants and Standards on Auditing of the Republic of China. Our responsibilities under those standards are further described in the *Auditors' responsibilities for the audit of the parent company only financial statements* section of our report. We are independent of the Company in accordance with the Norm of Professional Ethics for Certified Public Accountant 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 Company's 2022 parent company only financial statements. These matters were addressed in the context of our audit of the parent company only 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 Company's 2022 parent company only 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 Company has two primary types of sales, specifically, direct sales from the factory and distribution warehouse sales. For distribution warehouse sales, the Company 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 Company 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 Company 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 Company'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 Company 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 Company in order to confirm whether the significant differences have been adjusted.

Assessment of allowance for inventory valuation losses

Description

Please refer to Note 4(13) for accounting policy on inventory valuation, Note 5(2) for accounting estimates and assumption uncertainty in relation to inventory valuation, and Note 6(5) 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$ 120,776 thousand and (NT$5,005) thousand, respectively. The Company and its 100% owned subsidiary, Everfull Electronic Co., Limited, which was listed as the investment accounted for using equity method, are 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 Company'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. Since the aforementioned circumstances were existing in the Company and the Company's 100% owned subsidiary, Everfull Electronic Co., Limited, which was listed as the investment accounted for using equity method, we consider the assessment of allowance for inventory valuation losses for the Company and its subsidiary 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 Company'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 Company'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 investments accounted for under the equity method 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 investments accounted for under the equity method amounted to NT$224,352 thousand and NT$605,911 thousand, constituting 7% and 15% of the total assets as at December 31, 2022 and 2021, respectively, and the comprehensive income recognised from associates and joint ventures accounted for under the equity method amounted to NT$2,892 thousand and (NT$11,460) thousand, constituting 1% and (13%) of the total comprehensive income for the years then ended, respectively.

Responsibilities of management and those charged with governance for the parent company only financial statements

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

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

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

Auditors' responsibilities for the audit of the parent company only financial statements

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

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

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the parent company only financial statements 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 parent company only 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 parent company only 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.
PARENT COMPANY ONLY 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)	$ 373,949	$ 63,375
1150	Notes receivable, net	6(4)	3,899	1,956
1170	Accounts receivable, net	6(4)	796,297	1,052,404
1180	Accounts receivable due from related parties, net	7	11,298	10,289
1200	Other receivables		1,180	2,647
1210	Other receivables due from related parties	7	682,095	509,956
1220	Current tax assets		-	2,130
130X	Inventories	6(5)	115,771	132,596
1410	Prepayments	7	2,263	380,562
1470	Other current assets		73	300
11XX	**Total current assets**		1,986,825	2,156,215
	Non-current assets			
1517	Non-current financial assets at fair value through other comprehensive income	6(2)	6,624	3,030
1535	Non-current financial assets at amortised cost	6(3)	614	554
1550	Investments accounted for using equity method	6(6)	1,202,962	1,543,576
1600	Property, plant and equipment	6(7)	61,918	62,507
1755	Right-of-use assets	6(8)	4,895	6,209
1760	Investment property, net	6(10)	104,368	105,958
1780	Intangible assets		92	19
1840	Deferred tax assets	6(26)	31,448	62,807
1900	Other non-current assets		238	278
15XX	**Total non-current assets**		1,413,159	1,784,938
1XXX	**Total assets**		$ 3,399,984	$ 3,941,153

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TAIWAN LINE TEK ELECTRONIC CO., LTD.
PARENT COMPANY ONLY 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(11)	$ 460,000	$ 903,810
2120	Current financial liabilities at fair value through profit or loss	6(12)	86	-
2150	Notes payable		1,805	1,618
2170	Accounts payable		615	2,175
2180	Accounts payable to related parties	7	12,992	-
2200	Other payables		42,834	40,903
2220	Other payables to related parties	7	-	100,048
2230	Current tax liabilities		26,738	22,937
2280	Current lease liabilities		1,497	1,009
2320	Long-term liabilities, current portion	6(13)	48,000	48,000
2399	Other current liabilities, others		52,064	51,919
21XX	**Total Current liabilities**		646,631	1,172,419
	Non-current liabilities			
2540	Long-term borrowings	6(13)	80,000	80,000
2570	Deferred tax liabilities	6(26)	5,319	110,367
2580	Non-current lease liabilities		1,082	2,932
2600	Other non-current liabilities		3,879	5,073
25XX	**Total non-current liabilities**		90,280	198,372
2XXX	**Total liabilities**		736,911	1,370,791
	Equity			
	Share capital	6(15)		
3110	Ordinary share		1,419,346	1,419,346
	Capital surplus	6(16)		
3200	Capital surplus		273,176	271,963
	Retained earnings	6(17)		
3310	Legal reserve		337,871	326,115
3320	Special reserve		227,612	227,612
3350	Unappropriated retained earnings		649,239	536,197
	Other equity interest	6(18)		
3400	Other equity interest		(206,032)	(210,871)
3500	Treasury shares	6(15)	(38,139)	-
3XXX	**Total equity**		2,663,073	2,570,362
	Significant contingent liabilities and unrecognised contract commitments	7 and 9		
	Significant events after the balance sheet date	11		
3X2X	**Total liabilities and equity**		$ 3,399,984	$ 3,941,153

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

TAIWAN LINE TEK ELECTRONIC CO., LTD.
PARENT COMPANY ONLY 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	Operating revenue	6(19) and 7	$ 2,481,945	$ 3,142,463
5000	Operating costs	6(5)(24) and 7	(2,347,682)	(2,880,011)
5900	Gross profit from operations		134,263	262,452
	Operating expenses	6(24)(25) and 7		
6100	Selling expenses		(25,999)	(35,285)
6200	General and administrative expenses		(63,551)	(63,697)
6300	Research and development expenses		(23,534)	(22,897)
6450	Expected credit gain	12(2)	23	41
6000	Total operating expenses		(113,061)	(121,838)
6900	Net operating income		21,202	140,614
	Non-operating income and expenses			
7100	Interest income	6(20)	8,383	903
7010	Other income	6(21)	12,487	12,708
7020	Other gains and losses	6(22)	197,269	(30,298)
7050	Finance costs	6(23)	(11,515)	(10,064)
7070	Share of profit of subsidiaries, associates joint ventures accounted for using equity method	6(6)	(69,031)	(17,896)
7000	Total non-operating income and expenses		137,593	(44,647)
7900	**Profit before tax**		158,795	95,967
7950	Income tax benefit	6(26)	50,199	21,278
8000	**Profit from continuing operations**		208,994	117,245
8200	**Profit for the years**		$ 208,994	$ 117,245
	Other comprehensive income			
	Components of other comprehensive income that will not be reclassified to profit or loss			
8311	Gains on remeasurements of defined benefit plans	6(14)	$ 1,074	$ 396
8316	Unrealised losses from investments in equity instruments measured at fair value through other comprehensive income	6(2)(18)	3,594	(26,593)
8349	Income tax related to components of other comprehensive income that will not be reclassified to profit or loss	6(18)(26)	(828)	5,239
8310	Components of other comprehensive income that will not be reclassified to profit or loss		3,840	(20,958)
	Components of other comprehensive income that will be reclassified to profit or loss			
8361	Exchange differences on translation of foreign financial statements	6(18)	2,455	(12,171)
8399	Income tax related to components of other comprehensive income that will be reclassified to profit or loss	6(18)(26)	(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)
8500	**Total comprehensive income**		$ 214,798	$ 86,550
	Earnings per share	6(27)		
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 parent company only financial statements.

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

			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 equity
Year ended December 31, 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
Profit for the year		-	-	-	-	-	-	117,245	-	-	-	117,245
Other comprehensive income (loss) for the year		-	-	-	-	-	-	317	(9,737)	(21,275)	-	(30,695)
Total comprehensive income		-	-	-	-	-	-	117,562	(9,737)	(21,275)	-	86,550
Unclaimed overdue dividends by shareholders		-	-	-	65	-	-	-	-	-	-	65
Appropriation and distribution of 2020 retained earnings	6(17)											
Legal reserve appropriated		-	-	-	-	11,617	-	(11,617)	-	-	-	-
Reversal of special reserve		-	-	-	-	-	(16,491)	16,491	-	-	-	-
Cash dividends		-	-	-	-	-	-	(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
Year ended December 31, 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
Profit for the year		-	-	-	-	-	-	208,994	-	-	-	208,994
Other comprehensive income for the year		-	-	-	-	-	-	965	1,964	2,875	-	5,804
Total comprehensive income		-	-	-	-	-	-	209,959	1,964	2,875	-	214,798
Unclaimed overdue dividends by shareholders		-	-	-	82	-	-	-	-	-	-	82
Recognised changes in ownership interests in subsidiaries		-	-	1,131	-	-	-	-	-	-	-	1,131
Appropriation and distribution of 2021 retained earnings	6(17)											
Legal reserve appropriated		-	-	-	-	11,756	-	(11,756)	-	-	-	-
Cash dividends		-	-	-	-	-	-	(85,161)	-	-	-	(85,161)
Repurchase of treasury shares		-	-	-	-	-	-	-	-	-	(38,139)	(38,139)
Balance 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

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

TAIWAN LINE TEK ELECTRONIC CO., LTD.
PARENT COMPANY ONLY 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		$ 158,795	$ 95,967
Adjustments			
Adjustments to reconcile profit (loss)			
Depreciation expense (including investment property and right-of-use assets)	6(7)(8)(10)(24)	3,794	3,841
Amortisation expense	6(24)	31	23
Reversal of Impairment Loss in expected credit	12(2)	(23)	(41)
Net gains on financial liabilities at fair value through profit or loss	6(12)(22)	(54)	(280)
Interest paid	6(23)	11,515	10,064
Interest revenue	6(20)	(8,383)	(903)
Share of profit of subsidiaries, associates and joint ventures accounted for using equity method	6(6)	69,031	17,896
Allowance for inventory write-down(Gain from price recovery of inventory)		(2,468)	4,554
Gains on disposals of property, plant and equipment	6(7)(22)	-	(110)
Changes in operating assets and liabilities			
Changes in operating assets			
Notes receivable, net		(1,943)	1,674
Accounts receivable, net		255,121	395,724
Other receivables		1,467	(1,313)
Other receivables due from related parties		(172,139)	9,526
Inventories		19,293	14,642
Prepayments		288,434	(380,208)
Other current assets		227	(190)
Changes in operating liabilities			
Notes payable		187	88
Accounts payable		(1,560)	723
Accounts payable to related parties		12,992	(485,560)
Other payables		1,931	(1,978)
Other current liabilities		463	(10,821)
Accrued pension liabilities		14	(1)
Cash inflow (outflow) generated from operations		636,725	(326,683)
Dividends received	6(6) and 7	136,000	46,000
Interest received		8,383	903
Interest expense		(11,515)	(10,064)
Income tax paid		(19,012)	(5,597)
Net cash flows from (used in) operating activities		750,581	(295,441)

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TAIWAN LINE TEK ELECTRONIC CO., LTD.
PARENT COMPANY ONLY 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(7)	($ 301)	($ 122)
Proceeds from disposal of property, plant and equipment		-	443
Acquisition of intangible assets		(104)	-
Proceeds from capital reduction of investments accounted	6(6) and 7	229,034	71,990
Decrease in other non-current assets		40	50
Net cash flows from investing activities		228,669	72,361
CASH FLOWS FROM FINANCING ACTIVITIES			
Increase in short-term borrowings	6(29)	3,187,658	4,141,694
Decrease in short-term borrowings	6(29)	(3,632,543)	(3,992,359)
Repayments of long-term debt	6(29)	(128,000)	(78,000)
Proceeds from long-term debt	6(29)	128,000	128,000
Payments of lease liabilities	6(29)	(1,680)	(2,396)
Other payables to related parties		(100,048)	100,048
Repurchase of treasury shares	6(15)	(38,139)	-
Cash dividends paid	6(17)	(85,161)	(113,548)
Unclaimed overdue dividends by shareholders		82	65
Net cash flows (used in) from financing activities		(669,831)	183,504
		1,155	(1,282)
Net increase (decrease) in cash and cash equivalents		310,574	(40,858)
Cash and cash equivalents at beginning of year		63,375	104,233
Cash and cash equivalents at end of year		$ 373,949	$ 63,375

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

TAIWAN LINE TEK ELECTRONIC CO.,LTD.
NOTES TO THE PARENT COMPANY ONLY FINANCIAL STATEMENTS
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") was incorporated in August, 1978. The Company 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, 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 parent company only 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 Company's financial condition and financial performance based on the Company'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 Company’s financial condition and financial performance based on the Company’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 Company's financial condition and financial performance based on the Company's assessment.

4. Summary of Significant Accounting Policies

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

(1) Compliance statement

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

(2) Basis of preparation

A. Except for the following items, the parent company only 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 International Financial Reporting Standards, International Accounting Standards, IFRIC Interpretations, and SIC Interpretations as endorsed by the FSC (collectively referred herein as the "IFRSs") requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Company's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the parent company only financial statements are disclosed in Note 5.

(3) Foreign currency translation

Items included in the financial statements are measured using the currency of the primary economic environment in which the Company operates (the “functional currency”). The parent company only financial statements are presented in New Taiwan dollars, which is the Company’s functional and the 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 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 an associate, exchange differences that were recorded in other comprehensive income are proportionately reclassified to profit or loss as part of the gain or loss on sale. In addition, even when the Company retains partial interest in the former foreign associate after losing significant influence over the former foreign associate, such transactions should be accounted for as disposal of all interest in these foreign operations.

(4) 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.

(5) 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.

(6) 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.

(7) 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 Company 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 Company'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 Company measures the financial assets at fair value plus transaction costs. The Company 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 Company recognises the dividend income when the right to receive payment is established, future economic benefits associated with the dividend will flow to the Company and the amount of the dividend can be measured reliably.

(8) 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.

(9) Accounts and notes receivable

A. Accounts and notes receivable entitle the Company 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.

(10) 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 Company 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 Company recognises the impairment provision for lifetime ECLs.

(11) Derecognition of financial assets

The Company 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 Company 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 Company has not retained control of the financial asset.

(12) 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.

(13) 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 realisable value is the estimated selling price in the ordinary course of business, less the estimated cost of completion and applicable variable selling expenses.

(14) Investments accounted for using equity method / subsidiaries

A. Subsidiaries are all entities (including structured entities) controlled by the Company. The Company controls an entity when the Company 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.

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

C. The Company's share of its subsidiaries' 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 Company's share of losses in a subsidiary equals or exceeds its interest in the subsidiary, the Company recognise loss continuously in proportion to its ownership.

D. Pursuant to the "Regulations Governing the Preparation of Financial Reports by Securities Issuers," profit (loss) and other comprehensive income of the current period in the parent company only financial statements shall equal to the amount attributable to owners of the parent in the financial statements prepared with basis for consolidation. Owners' equity in the parent company only financial statements shall equal to equity attributable to owners of the parent in the financial statements prepared with basis for consolidation.

(15) 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 Company 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

(16) 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 Company. 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 interest rate implicit in the lease. Lease payments are comprised of 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 measured at cost shall comprise 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.

(17) 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.

(18) 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.

(19) Impairment of non-financial assets

The Company 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.

(20) 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.

(21) 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.

(22) Financial liabilities at fair value through profit or loss

At initial recognition, the Company measures the financial liabilities at fair value. All related transaction costs are recognised in profit or loss. The Company subsequently measures these financial liabilities at fair value with any gain or loss recognised in profit or loss.

(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) Income tax

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 Company 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 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, except where the timing of the reversal of the temporary difference is controlled by the Company 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 Company 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 Company'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 Company 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 Company'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 parent company only financial statements requires management to make critical judgements in applying the Company'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 Company'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 Company must determine the net realisable value of inventories on balance sheet date using judgements and estimates. Due to the rapid technology innovation, the Company 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 $115,771.

6. Details of Significant Accounts

(1) Cash and cash equivalents

	December 31, 2022		December 31, 2021	
Cash on hand	$	40	$	40
Checking accounts and demand deposits		100,278		63,335
Time deposits		273,631		-
	$	373,949	$	63,375

A. The Company 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 Company has no cash and cash equivalents pledged to others.

(2) 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 Company 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 Company was

$6,624 and $3,030, respectively.

D. The Company 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).

(3) 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 Company was $614 and $554, respectively.

B. Details of the Company'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).

(4) Notes and accounts receivable

	December 31, 2022	December 31, 2021
Notes receivable	$ 3,899	$ 1,956
Accounts receivable	$ 807,676	$1,062,797
Less: Allowance for uncollectible accounts	(81)	(104)
	$ 807,595	$ 1,062,693

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	$ 799,661	$ 3,899
Later than 1 to 30 days	7,727	-
Later than 31 to 90 days	70	-
Over 90 days	218	-
	$ 807,676	$ 3,899

	December 31, 2021	
	Accounts receivable	Notes receivable
Not past due	$ 1,049,600	$ 1,956
Later than 1 to 30 days	12,384	-
Later than 31 to 90 days	716	-
Over 90 days	97	-
	$ 1,062,797	$ 1,956

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 $1,462,006.

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 Company's notes and accounts receivable was $3,899 and $1,956, $807,595 and $1,062,693, respectively.

D. The Company has no notes receivable and accounts receivable pledged to others.

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

(5) Inventories

	December 31, 2022		
	Cost	Allowance for valuation loss	Book value
Merchandise	$ 120,776	$ (5,005)	$ 115,771

	December 31, 2021		
	Cost	Allowance for valuation loss	Book value
Merchandise	$ 140,069	($ 7,473)	$ 132,596

The cost of inventories recognised as expense for the year:

	Year ended December 31	
	2022	2021
Cost of goods sold	$ 2,350,150	$ 2,875,457
Loss on decline in market value of inventory	(2,468)	4,554
	$ 2,347,682	$ 2,880,011

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

(6) Investments accounted for using the equity method

	December 31, 2022	December 31, 2021
Subsidiaries:		
Everfull Electronic Co., Limited	$ 1,018,855	$ 980,546
Line Tek International Co., Ltd.	180,805	290,621
Fu Lin Investment Co., Ltd.	1,545	270,606
Linetek Japan Co., Ltd.	1,757	1,803
	$ 1,202,962	$ 1,543,576

A. Details of the Company's subsidiaries are provided in Note 4(3) in the consolidated financial statements for the year ended December 31, 2022.

B. On August 12, 2022, the Board of Directors of the company passed the resolution to increase the capital of Everfull Electronic Co., Limited by transferring debt to a total of $89,865.

C. On March 25, 2022, the Board of Directors of Line Tek International Co., Ltd. resolved to reduce its capital by returning cash in the amount of $130,034. The record date for the capital reduction was set on March 25, 2022, and the registration had been completed.

D. On June 24, 2022, the stockholders of Fu Lin Investment Co., Ltd. during their meeting resolved to reduce its capital by returning cash amounting to 9,900 thousand shares with a par value of $10 per share, and the total amount was $99,000. The record date for the capital reduction was set on July 5, 2022, and the registration had been completed.

E. As the year ended December 31, 2022 and 2021, the Company received cash dividends from Fu Lin Investment Co., Ltd. amounting to $136,000 and $46,000.

(7) Property, plant and equipment

	Land	Buildings and structures	Machinery and equipment	Others	Total
At January 1, 2022					
Cost	$ 51,531	$ 25,860	$ 84	$ 11,926	$ 89,401
Accumulated depreciation	-	(15,299)	(42)	(11,553)	(26,894)
	$ 51,531	$ 10,561	$ 42	$ 373	$ 62,507
2022					
Opening net book amount as at January 1	$ 51,531	$ 10,561	$ 42	$ 373	$ 62,507
Additions	-	-	-	301	301
Depreciation charge	-	(709)	(8)	(173)	(890)
Closing net book amount as at December 31	$ 51,531	$ 9,852	$ 34	$ 501	$ 61,918
At December 31, 2022					
Cost	$ 51,531	$ 25,860	$ 84	$ 12,227	$ 89,702
Accumulated depreciation	-	(16,008)	(50)	(11,726)	(27,784)
	$ 51,531	$ 9,852	$ 34	$ 501	$ 61,918

	Land	Buildings and structures	Machinery and equipment	Others	Total
At January 1, 2021					
Cost	$ 51,531	$ 25,860	$ 84	$ 12,791	$ 90,266
Accumulated depreciation	-	(14,588)	(35)	(11,941)	(26,564)
	$ 51,531	$ 11,272	$ 49	$ 850	$ 63,702
2021					
Opening net book amount as at January 1	$ 51,531	$ 11,272	$ 49	$ 850	$ 63,702
Additions	-	-	-	122	122
Disposals	-	-	-	(333)	(333)
Depreciation	-	(711)	(7)	(266)	(984)
Closing net book amount as at December 31	$ 51,531	$ 10,561	$ 42	$ 373	$ 62,507
At December 31, 2021					
Cost	$ 51,531	$ 25,860	$ 84	$ 11,926	$ 89,401
Accumulated depreciation	-	(15,299)	(42)	(11,553)	(26,894)
	$ 51,531	$ 10,561	$ 42	$ 373	$ 62,507

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.

(8) Leasing arrangements－lessee

A. The Company leases various assets including business vehicles, multifunction printers. Rental contracts are typically made for periods of 1 to 4 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, but leased assets may not be used as security for borrowing purposes.

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
Transportation equipment (Business vehicles)	$ 4,895	$ 6,209

	Year ended December 31	
	2022	2021
	Depreciation charge	Depreciation charge
Transportation equipment (Business vehicles)	$ 1,314	$ 1,264

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	$ 404

E. For the years ended December 31, 2022 and 2021, the Company's total cash outflow for leases were $1,998 and $2,800, respectively.

(9) Leasing arrangements – lessor

A. For the years ended December 31, 2022 and 2021, the Company recognised rent income in the amounts of $8,872 and $8,817, 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	$ 6,902	$ 8,526
Later than one year but not later than five years	7,050	5,040
	$ 13,952	$ 13,566

(10) Investment property

	Land	Buildings and structures	Total
At January 1, 2022			
Cost	$ 85,597	$ 66,412	$ 152,009
Accumulated depreciation	-	(46,051)	(46,051)
	$ 85,597	$ 20,361	$ 105,958
2022			
Opening net book amount as at January 1	$ 85,597	$ 20,361	$ 105,958
Depreciation charge	-	(1,590)	(1,590)
Closing net book amount as at December 31	$ 85,597	$ 18,771	$ 104,368
At December 31, 2022			
Cost	$ 85,597	$ 66,412	$ 152,009
Accumulated depreciation	-	(47,641)	(47,641)
	$ 85,597	$ 18,771	$ 104,368

	Land	Buildings and structures	Total
At January 1, 2021			
Cost	$ 85,597	$ 66,412	$ 152,009
Accumulated depreciation	-	(44,458)	(44,458)
	$ 85,597	$ 21,954	$ 107,551
2021			
Opening net book amount as at January 1	$ 85,597	$ 21,954	$ 107,551
Depreciation charge	-	(1,593)	(1,593)
Closing net book amount as at December 31	$ 85,597	$ 20,361	$ 105,958
At December 31, 2021			
Cost	$ 85,597	$ 66,412	$ 152,009
Accumulated depreciation	-	(46,051)	(46,051)
	$ 85,597	$ 20,361	$ 105,958

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	$ 8,872	$ 8,817
Direct operating expenses arising from the investment property that generated rental income during the year	$ 1,936	$ 1,919

B. The fair value of the investment property held by the Company as at December 31, 2022 and 2021 was $383,447 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. Information about the investment property that was pledged to others as collaterals is provided in Note 8.

(11) 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	390,000	1.475%~1.85%	None
	$ 460,000		

Type of borrowings	December 31, 2021	Interest rate range	Collateral
Bank borrowings			
Short-term secured borrowings	$ 107,000	0.96%~1.1%	Property, plant and equipment and investment property
Unsecured borrowings	796,810	0.75%~1.1%	None
	$ 903,810		

(12) Financial liabilities at fair value through profit or loss

Items	December 31, 2022	December 31, 2021
Current items:		
Financial liabilities designated as at fair value through profit or loss		
Forward foreign exchange contracts	$ 86	$ -

A. Amounts recognised in profit or loss and other comprehensive income in relation to financial liabilities at fair value through profit or loss are as follows:

	Year ended December 31	
	2022	2021
Financial assets designated as at fair value through profit or loss		
Forward foreign exchange contracts	$ 54	$ 280

B. Explanations of the transactions and contract information in respect of derivative financial liabilities that the Company does not adopt hedge accounting are as follows:

	December 31, 2022	
Derivative financial liabilities	Contract amount (Notional principal)	Contract period
Current items:		
Forward foreign exchange contracts	US $1,000 thousand	2022.12.13 ~ 2023.1.13

The Company entered into forward foreign exchange contracts to sell USD (sell USD buy NTD) to hedge exchange rate risk of export proceeds. However, these forward foreign exchange contracts are not accounted for under hedge accounting.

(13) Long-term borrowings

Type of borrowings	Borrowing period and repayment term	Interest rate range	Collateral	December 31, 2022
Long-term bank borrowings				
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 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
				128,000
Less: Current portion				(48,000)
				$ 80,000

Type of borrowings	Borrowing period and repayment term	Interest rate range	Collateral	December 31, 2021	
Long-term bank borrowings					
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
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
					128,000
Less: Current portion				(	48,000)
				$	80,000

(14) Pensions (Shown as ‘other non-current liabilities)

A. (a) The Company has 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
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 Company 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 has 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 contributes 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) The pension costs under defined contribution pension plans of the Company for the years ended December 31, 2022 and 2021, were $2,240 and $2,094, respectively.

(15) 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.

(16) 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.

(17) Retained earnings

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.

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 meeting passed a resolution to amend the articles of association of the company. According to the amended articles of association, if the surplus distribution, statutory surplus reserve and capital reserve of the preceding paragraph are distributed in cash, the board of directors is authorized to use more than two-thirds of the directors. Attendance, and resolutions made by more than half of the directors present, and reported to the shareholders' meeting, do not apply to the provisions of the preceding paragraph that should be resolved by the shareholders' meeting.

The abovementioned employees' compensation and directors' and supervisors' 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' and supervisors' 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.

(18) 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)

(19) Operating revenue

Disaggregation of revenue from contracts with customers

The Company'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
Power transmission cable sets for computer system	$ 992,575	$ 1,237,004
Signal connection cables for information peripherals	814,418	1,384,483
Power transmission cable sets for electrical appliances	657,505	518,170
Intelligent electric vehicle electrification cable	11,334	-
High-efficiency connection line set for communication system	4,002	-
Others	2,111	2,806
	$ 2,481,945	$ 3,142,463

(20) Interest income

	Year ended December 31	
	2022	2021
Interest income from bank deposits	$ 2,222	$ 79
Other interest income	6,161	824
	$ 8,383	$ 903

(21) Other income

	Year ended December 31	
	2022	2021
Rent income	$ 8,872	$ 8,817
Other non-operating revenue	3,615	3,891
	$ 12,487	$ 12,708

(22) Other gains and losses

	Year ended December 31	
	2022	2021
Net gains on financial liabilities at fair value through profit or loss	$ 54	$ 280
Net foreign exchange gains (losses)	199,212	(28,648)
Gains on disposals of property, plant and equipment	-	110
Depreciation charge on investment property	(1,590)	(1,593)
Other gains and losses	(407)	(447)
	$ 197,269	($ 30,298)

(23) Finance costs

	Year ended December 31	
	2022	2021
Interest expense	$ 11,515	$ 10,064

(24) Costs and expenses by nature

	Year ended December 31	
	2022	2021
Employee benefit expense	$ 68,851	$ 74,988
Depreciation charges (Note)	2,204	2,248
Amortisation charges	31	23
	$ 71,086	$ 77,259

Note: The depreciation expense for the years ended December 31, 2022 and 2021 does not include the depreciation expense of investment property amounting to $1,590 and $1,593, respectively (shown as "7020 Other gains and losses").

(25) Employee benefit expense

	Year ended December 31	
	2022	2021
Wages and salaries	$ 58,604	$ 64,351
Labour and health insurance fees	4,611	4,508
Pension costs	2,268	2,318
Other personnel expenses	3,368	3,811
	$ 68,851	$ 74,988

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.

(26) Income tax

A. Income tax expense

(a) Components of income tax expense:

	Year ended December 31	
	2022	2021
Current tax:		
Current tax on profits for the year	$ 24,635	$ 23,126
Tax on undistributed surplus earnings	1,032	-
Prior year income tax (over) underestimation	(858)	1,073
Total current tax	24,809	24,199
Deferred tax:		
Origination and reversal of temporary differences	(75,008)	(45,477)
Income tax benefit	($ 50,199)	($ 21,278)

(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)
Changes in fair value of financial assets 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	$ 31,759	$ 19,194
Effect from items disallowed by tax regulation	(112,046)	(41,545)
Prior year income tax (over) underestimation	(858)	1,073
Income exempted according to tax law	6,812	-
Change in assessment of realisation of deferred tax assets	23,102	-
Tax on undistributed surplus earnings	1,032	-
Income tax benefit	($ 50,199)	($ 21,278)

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)
Actuarial losses on 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	404	(68)	-	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
	$ 54,526	$ 529	$ 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)
Actuarial losses on defined benefit plan	(1,037)	-	(79)	(1,116)
Others	(3,426)	42	-	(3,384)
	($ 155,236)	$ 44,948	($ 79)	($ 110,367)
	($ 100,710)	$ 45,477	$ 7,673	($ 47,560)

D. The Company’s income tax returns through 2018 have been assessed and approved by the Tax Authority.

(27) 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 ordinary shareholders	$ 208,994	141,481	$ 1.48
Diluted earnings per share			
Profit attributable to ordinary shareholders	$ 208,994	141,481	
Assumed conversion of all dilutive potential ordinary shares			
Employees' compensation	-	268	
Profit attributable to ordinary shareholders 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 ordinary shareholders	$ 117,245	141,935	$ 0.83
Diluted earnings per share			
Profit attributable to ordinary shareholders	$ 117,245	141,935	
Assumed conversion of all dilutive potential ordinary shares			
Employees' compensation	-	203	
Profit attributable to ordinary shareholders plus assumed conversion of all dilutive potential ordinary shares	$ 117,245	142,138	$ 0.82

(28) Supplemental cash flow information

Financing activities with no cash flow effects

	Year ended December 31, 2022	Year ended December 31, 2021
Debt-to-capital increase	$ 89,596	$ -

On August 12, 2022, the Board of Directors of the company passed the resolution to increase the capital of Everfull Electronic Co., Limited by transferring debt to a total of $89,596.

(29) 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	$ 903,810	$ 128,000	$ 1,035,751
Changes in cash flow from financing activities	(1,680)	(444,885)	-	(446,565)
Impact of changes in foreign exchange rate	-	1,075	-	1,075
Changes in other non-cash items	318	-	-	318
At December 31, 2022	$ 2,579	$ 460,000	$ 128,000	$ 590,579

	Lease liabilities	Short-term borrowings	Long-term borrowings (including current portion)	Liabilities from financing activities-gross
At January 1, 2021	$ 3,022	$ 755,962	$ 78,000	$ 836,984
Changes in cash flow from financing activities	(2,396)	149,335	50,000	196,939
Impact of changes in foreign exchange rate	-	(1,487)	-	(1,487)
Changes in other non-cash items	3,315	-	-	3,315
At December 31, 2021	$ 3,941	$ 903,810	$ 128,000	$ 1,035,751

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 Company
EVERFULL ELECTRONIC CO., LIMITED (EVERFULL HONGKONG)	The Company’s subsidiary
FU LIN INVESTMENT CO., LTD. (FU LIN)	The Company’s subsidiary
LINE TEK INTERNATIONAL CO., LTD. (LINE TEK INTERNATIONAL)	The Company’s subsidiary
LINETEK JAPAN CO., LTD. (LINETEK JAPAN)	The Company’s subsidiary
REGENT UNION INTERNATIONAL LIMITED (REGENT UNION)	The Company’s second-tier subsidiary
EVERFULL TECHNOLOGY (SHENZHEN) CO., LTD. (EVERFULL TECHNOLOGY)	The Company’s second-tier subsidiary (NOTE)
EVERFULL TECHNOLOGY (HUIZHOU) CO., LTD. (EVERFULL HUIZHOU)	The Company’s second-tier subsidiary
EVERFULL DEVELOPMENT (HUIZHOU) CO., LTD. (DEVELOPMENT HUIZHOU)	The Company’s second-tier subsidiary
Directors, supervisors and general manager	The Company’s key management

NOTE ： EVERFULL TECHNOLOGY merges with EVERFULL HUIZHOU, EVERFULL

HUIZHOU is the surviving company.

(3) Significant related party transactions

A. Operating revenue:

	Year ended December 31	
	2022	2021
LINETEK JAPAN	$ 37,994	$ 33,356
EVERFULL HUIZHOU	1,387	2,509
EVERFULL HONGKONG	-	137
	$ 39,381	$ 36,002

(a) The price of the goods which the Company sells to LINETEK JAPAN are in accordance with the agreement. The credit term is 95 days after monthly billings.

(b) The price of the goods which the Company sells to EVERFULL HUIZHOU are in accordance with the agreement. The credit term is 130 days after monthly billings.

(c) The price of the goods which the Company sells to EVERFULL HONGKONG are in accordance with the agreement. The credit terms are based on the amount after accounts receivable and accounts payable offsetting each other, paying in accordance with the company’s demand of working capital.

(d) The credit terms for sales to general customers are 60 to 150 days after monthly billing.

B. Purchases

	Year ended December 31	
	2022	2021
EVERFULL HUIZHOU	$ 2,327,537	$ 2,405,485
EVERFULL HONGKONG	693	449,250
	$ 2,328,230	$ 2,854,735

(a) The purchase transactions of the Company made with EVERFULL HUIZHOU was purchasing goods. The purchase price of the goods was made based on the agreement. The payment terms are based on the amount after accounts receivable and accounts payable offsetting each other, paying in accordance with the company’s demand of working capital.

(b) The purchase transactions of the Company made with EVERFULL HONGKONG was purchasing goods. The purchase price of the goods was made based on the agreement. The payment terms are based on the amount after accounts receivable and accounts payable offsetting each other, paying in accordance with the company’s demand of working capital.

(c) The credit term for general suppliers is 60 to 120 days after monthly billing.

C. Receivables from related parties

	December 31, 2022	December 31, 2021
Accounts receivable:		
LINETEK JAPAN	$ 10,245	$ 8,861
EVERFULL HUIZHOU	1,053	1,428
	11,298	10,289
Other receivables－Others		
EVERFULL HUIZHOU	$ 6,475	$ 10,758
EVERFULL HONGKONG	-	958
	6,475	11,716
	$ 17,773	$ 22,005

Other receivables pertained to pallet fees and customs declaration fees on behalf of others.

D. Accounts payable

	December 31, 2022	December 31, 2021
EVERFULL HUIZHOU	$ 12,956	$ -
EVERFULL HONGKONG	36	-
	$ 12,992	$ -

E. Prepayments

	December 31, 2022	December 31, 2021
EVERFULL HONGKONG	$ -	$ 217,851
EVERFULL HUIZHOU	-	160,851
	$ -	$ 378,702

F. Receive dividends

	Year ended December 31	
	2022	2021
FU LIN	$ 136,000	$ 46,000

G. Refund of capital reduction

	Year ended December 31	
	2022	2021
LINE TEK INTERNATIONAL	$ 130,034	$ -
FU LIN	99,000	-
	$ 229,034	$ -

H. Loans to/from related parties

(a) Loans to related parties (shown as "Other receivables -related parties")

i. Outstanding balance:

	December 31, 2022	December 31, 2021
EVERFULL HUIZHOU	$ 675,620	$ 498,240

ii. Interest income

	December 31, 2022	December 31, 2021
EVERFULL HUIZHOU	$ 6,161	$ 824

(i) Loans to EVERFULL HUIZHOU are repaid at one time based on agreements after granting loans. Interest for the year ended December 31, 2022, was charged at an annual interest rate of 1.2% for medium-term fund loans and 1.0% for short-term fund loans, and interest for the year ended December 31, 2021, was received in accordance with 3-Month LIBOR.

(ii) Related information of lending of capital is provided in Note13(1) A.

(b) Loans from related parties (shown as“ Other payables-related parties”)

i. Outstanding balance:

	December 31, 2022	December 31, 2021
FU LIN	$ -	$ 100,048

ii. Interest expense

	Year ended December 31	
	2022	2021
FU LIN	$ 16	$ 48

(i) Loans from FU LIN are repaid at one time based on agreements after granting, and interests are paid both 0.13% per annum for the years ended December 2022 and 2021.

(ii) Related information of loans to/from related parties is provided in provided Note13(1) A.

I. Endorsements and guarantees

	December 31, 2022	December 31, 2021
EVERFULL HUIZHOU	USD 20 thousand	USD 20 thousand
EVERFULL HUIZHOU	CNY 102,000 thousand	CNY 102,000 thousand

(4) Key management compensation

	Year ended December 31	
	2022	2021
Salaries and other short-term employee benefits	$ 17,613	$ 15,332

8. Pledged Assets

The Company’s assets pledged as collateral are as follows:

Pledged asset	Book value December 31, 2022		Book value December 31, 2021		Purpose
Property, plan and equipment	$	58,770	$	59,259	Guarantee for borrowing facilities
Investment properties		85,692		87,274	Guarantee for borrowing facilities
Financial assets at amortised cost		614		554	Performance bank guarantee
	$	145,076	$	147,087	

9. Significant Contingent Liabilities and Unrecognised Contract Commitments

(1) Contingencies

None.

(2) Commitments

Information about endorsements and guarantees provided to related parties is provided in Note7(3) I and 13(1) B.

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(17).

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 was increased to USD$5,000 thousand.

C. On 17 March 2023, the Board of Directors approved the Company's participation in the cash capital increase of EVERFULL DEVELOPMENT (HUIZHOU) CO., LTD. through subsidiary EVERFULL ELECTRONIC CO., LIMITED in the amount of RMB40,000 thousand in response to the future expansion of the operations of second-tier subsidiary EVERFULL DEVELOPMENT (HUIZHOU) CO., LTD..

12. Others

(1) Capital management

The Company's objectives when managing capital are to safeguard the Company'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 Company may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt. The Company 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	$ 736,911	$ 1,370,791
Total equity	2,663,073	2,570,362
Total assets	$ 3,399,984	$ 3,941,153
Debt Ratio	22%	35%

(2) Financial instruments

A. Financial instruments by category

	December 31, 2022	December 31, 2021
Financial assets		
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	$ 373,949	$ 63,375
Notes receivable	3,899	1,956
Accounts receivable	796,297	1,052,404
Accounts receivable－related parties	11,298	10,289
Other receivables	1,180	2,647
Other receivables－related parties	682,095	509,956
Guarantee deposits paid	46	46
	$ 1,868,764	$ 1,640,673
Financial liabilities		
Financial liabilities at fair value through profit or loss		
Financial liabilities designated as at fair value through profit or loss	$ 86	$ -
Financial liabilities at amortised cost		
Short-term borrowings	$ 460,000	$ 903,810
Notes payable	1,805	1,618
Accounts payable	615	2,175
Accounts payable－related parties	12,992	-
Other accounts payable	42,834	40,903
Other accounts payable－related parties	-	100,048
Long-term borrowings (including current portion)	128,000	128,000
Guarantee deposits received	1,371	1,371
	$ 647,703	$ 1,177,925
Lease liability	$ 2,579	$ 3,941

B. Financial risk management policies

(a) The Company’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 (Company treasury) under policies approved by the Board of Directors. Company treasury identifies, evaluates and hedges financial risks in close co-operation with the Company'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 Company 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 and HKD. Foreign exchange risk arises from future commercial transactions and recognised assets and liabilities.

ii. Management has set up a policy to require company companies to manage their foreignexchange risk against their functional currency.

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

iv. The Company's businesses involve some non-functional currency operations (the Company's and certain subsidiaries' functional currency: NTD; other certain subsidiaries' functional currency: 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	$ 55,970	30.71	$ 1,781,853
RMB:NTD	27,293	4.409	120,348
Long-term equity investments accounted for under the equity method			
USD:NTD	$ 39,064	30.71	$ 1,199,660
Financial liabilities			
Monetary items			
USD:NTD	$ 513	30.71	$ 15,760

	December 31, 2021		
	Foreign currency amount (in thousands)	Exchange rate	Book value (NTD)
(Foreign currency: functional currency)			
Financial assets			
Monetary items			
USD:NTD	$ 58,807	27.68	$ 1,627,767
HKD:NTD	88	3.549	313
Long-term equity investments accounted for under the equity method			
USD:NTD	$ 45,924	27.68	$ 1,271,167
Financial liabilities			
Monetary items			
USD:NTD	$ 10,686	27.68	$ 295,798

v. The total exchange gain (loss) arising from significant foreign exchange variation on the monetary items held by the Company for the years ended December 31, 2022 and 2021, amounted to $199,212 and ($28,648), 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%	$	17,819	$	-
USD:RMB	1%		1,203		-
Financial liabilities					
Monetary items					
USD:NTD	1%	$	158	$	-

	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%	$	16,278	$	-
HKD:NTD	1%		3		-
Financial liabilities					
Monetary items					
USD:NTD	1%	$	2,958	$	-

Price risk

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

ii. The Company’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 $66 and $30, respectively, as a result of gains/losses on equity securities classified as at fair value through other comprehensive income.

Cash flow interest rate risk

i. The Company’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 Company’s borrowings at variable rate were mainly denominated in New Taiwan dollars.

ii. If the borrowing interest rate of New Taiwan dollars 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 $256 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 Company 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 Company manages their credit risk taking into consideration the entire Comapny's concern. For banks and financial institutions, only independently rated parties with investment grade are accepted. According to the Company's credit policy, each local entity in the Company 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 Company 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 Company 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 Company classifies customer's accounts receivable in accordance with credit rating of customer. The Company applies the modified approach using a provision matrix to estimate expected credit loss under the provision matrix basis.

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

viii. The Company 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%	0.01%	0.01%	0.01%~100%	
Total book value	$ 803,560	$ 7,727	$ 70	$ 218	$ 811,575
Loss allowance	($ 80)	($ 1)	$ -	$ -	($ 81)

	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	0.001%	0.3%	1%~2%	7%~100%	
Total book value	$ 1,051,556	$ 12,384	$ 716	$ 97	$ 1,064,753
Loss allowance	($ 50)	($ 37)	($ 10)	($ 7)	($ 104)

ix. Movements in relation to the Company 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	$ 104	$ 145
Reversal of impairment	(23)	(41)
At December 31	$ 81	$ 104

(c) Liquidity risk

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

ii. The table below analyses the Company'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	$ 460,000	$ -	$ -
Notes payable	1,805	-	-
Accounts payable	615	-	-
Accounts payable－related parties	12,992	-	-
Other payables	42,834	-	-
Lease liability	1,680	1,132	-
Long-term borrowings (including current portion)	49,863	80,805	-
Other financial liabilities	631	740	-
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	$ 903,810	$ -	$ -
Notes payable	1,618	-	-
Accounts payable	2,175	-	-
Other payables	40,903	-	-
Other payables－related parties	100,048	-	-
Lease liability	1,680	2,812	-
Long-term borrowings (including current portion)	49,327	80,580	-
Other financial liabilities	404	966	-

(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 Company'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 Company's investment in derivative instruments is included in Level 2.

Level 3: Unobservable inputs for the asset or liability. The fair value of the Company'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(10).

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 other comprehensive income				
Equity securities	$ -	$ -	$ 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 other comprehensive income				
Equity securities	$ -	$ -	$ 3,030	$ 3,030
Liabilities				
Recurring fair value measurements				
Financial liabilities at fair value through profit or loss				
Derivative instruments	$ -	$ -	$ -	$ -

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

i. 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).

ii. 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 Company 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.

iii. The output of valuation model is an estimated value and the valuation technique may not be able to capture all relevant factors of the Company'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 Company'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.

iv. 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.

v. The Company 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 Company'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 marketabilit y, the lower

					the fair value
BRIGHTMAN OPTOELECTRONICS (Cayman) CO., LTD.	-	Net asset value	Not applicable	-	Not applicable

H. The Company 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)

13. Supplementary Disclosures

For the investees' disclosure information, of which EVERFULL ELECTRONIC CO., LIMITED, EVERFULL TECHNOLOGY (SHENZHEN) CO., LTD., EVERFULL TECHNOLOGY (DONGGUAN) CO., LTD. and REGENT UNION INTERNATIONAL LIMITED were based on the investees' financial statements audited by other independent accountants.

(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(12) and 12(2).

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

Not applicable.

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 Item	Collateral Value	Limit on loans granted to a single party (Note 1 and 2)	Ceiling on total loans granted (Note 1 and 2)	Footnote
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)

Companies that acquire real estate	Name of property	Actual date	Transaction currency	Transaction amount	Payment situation	Counterparty	Relationship with the counterparty	Previous transfers where the counterparty is a related party: 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)

				Transaction			
Number (Note 1)	Company name	Counterparty	Relationship (Note 2)	General ledger account	Amount	Transaction terms	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	Amount remitted from Taiwan to Mainland China / Amount remitted back to Taiwan for the year ended December 31, 2022: 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%

TAIWAN LINE TEK ELECTRONIC CO., LTD.
CASH AND CASH EQUIVALENTS
DECEMBER 31, 2022
(Expressed in thousands of New Taiwan dollars)

Statement 1

Item	Description	Amount	Note
Cash on hand		$ 40	
Demand deposits and checking accounts－NTD		27,311	
－USD deposits	USD 2,315 thousand dollars, exchange rate 30.71	71,088	
－HKD deposits	HKD 256 thousand dollars, exchange rate 3.938	1,006	
－JPY deposits	JPY 2 thousand dollars, exchange rate 0.2324	1	
－RMB deposits	RMB 60 thousand dollars, exchange rate 4.4094	267	
－EUR deposits	EUR 19 thousand dollars, exchange rate 32.72	605	
Time deposits			
－USD deposits	USD 5,000 thousand dollars, exchange rate 30.71	153,550	
－RMB deposits	RMB 27,233 thousand dollars, exchange rate 4.4094	120,081	
		$ 373,949	

TAIWAN LINE TEK ELECTRONIC CO., LTD.
ACCOUNTS RECEIVABLE
DECEMBER 31, 2022
(Expressed in thousands of New Taiwan dollars)

Statement 2

Client Name	Description	Amount	Note
Non-related parties			
A		$ 393,152	
B		134,129	
C		62,259	
D		46,510	
Others		160,328	The balance of each client has not exceeded 5% of total accounts balance.
		796,378	
Less: Allowance for uncollectible accounts		(81)	
		$ 796,297	

TAIWAN LINE TEK ELECTRONIC CO., LTD.
LONG-TERMEQUITY INVESTMENTS ACCOUNTED FOR USING EQUITY METHOD
YEAR ENDED DECEMBER 31, 2022
(Expressed in thousands of New Taiwan dollars)

Statement 3

	Beginning Balance		Addition (Note 1)		Decrease (Note 2)		Ending Balance			Market Value or Net Assets Value			
Name	Shares	Amount	Shares	Amount	Shares	Amount	Shares	Percentage of Ownership	Amount	Unit Price (in dollars)	Total Amount	Basis for Valuation	Collateral
EVERFULL ELECTRONIC CO., LIMITED	-	$ 980,546	-	$ 38,309	$ -	$ -	-	100.00%	$ 1,018,855	$ -	$ 1,042,079	Equity method	None
FU LIN INVESTMENT CO., LTD.	5,000,000	270,606	5,000,000	-	9,900,000	(269,061)	100,000	100.00%	1,545	0	1,545	Equity method	None
LINE TEK INTERNATIONAL CO., LTD.	-	290,621	-	-	-	(109,816)	-	100.00%	180,805	0	180,805	Equity method	None
LINETEK JAPAN CO., LTD.	200	1,803	-	-	-	(46)	200	100.00%	1,757	0	1,757	Equity method	None
		$ 1,543,576		$ 38,309		($ 378,923)			$ 1,202,962		$ 1,226,186		

Note1: It pertained to recognition of investment income, etc.

Note2: Including the cash capital reduction of the investee, recognition of investment loss, cumulative translation adjustment, etc.

TAIWAN LINE TEK ELECTRONIC CO., LTD.
OPERATING REVENUE
FOR THE YEAR ENDED DECEMBER 31, 2022
(Expressed in thousands of New Taiwan dollars)

Statement 4

Item	Volume	Amount
Power transmission cable sets for computer systems	39,999 KPS	$ 992,762
Signal connection cables for information peripherals	28,573 KPS	818,233
Power transmission cable sets for electrical appliances	30,908 KPS	657,550
Smart electric vehicle charging cable	30 KPS	11,334
High efficiency cable sets for communication	66 KPS	4,002
Others	83 KPS	2,111
Total sales revenue		2,485,992
Less: Sales returns and discounts		(4,047)
Net operating revenue		$ 2,481,945

TAIWAN LINE TEK ELECTRONIC CO., LTD.
OPERATING COST
YEAR ENDED DECEMBER 31, 2022
(Expressed in thousands of New Taiwan dollars)

Statement 5

Item	Amount
Opening balance of merchandise	$ 140,069
Add: Net purchase for the year	2,330,857
Less: Ending balance of merchandises	(120,776)
Cost of merchandises sold	2,350,150
Gain from price recovery	(2,468)
Operating cost	$ 2,347,682

<u>TAIWAN LINE TEK ELECTRONIC CO., LTD.</u>
<u>SUMMARY STATEMENT OF CURRENT PERIOD EMPLOYEE BENEFITS,</u>
<u>DEPRECIATION, DEPLETION AND AMORTISATION EXPENSES BY FUNCTION</u>
<u>FOR THE YEAR ENDED DECEMBER 31, 2022</u>
(Expressed in thousands of New Taiwan dollars)

Statement 6

Function / Nature	Year ended December 31, 2022	Year ended December 31, 2021
	Classified as Operating Expenses	Classified as Operating Expenses
Employee benefit expense (Note1)	$ 68,581.00	$ 74,988
Wages and salaries	52,596	60,720
Directors' remuneration	6,008	3,631
Labour and health insurance	4,611	4,508
Pension costs	2,268	2,318
Other personnel expenses	3,368	3,811
Depreciation expenses (Note2)	2,204	2,248
Amortisation expenses	31	23

Note 1:

A. As at December 31, 2022 and 2021, the Company had 56 and 56 employees, including 7 and 7 non-employee directors, respectively.

B. A company whose stock is listed for trading on the stock exchange or over-the-counter securities exchange shall additionally disclose the following information：

(1) Average employee benefit expense in current year was $1,283 ('total employee benefit expense in current year – total directors' remuneration in current year' / 'the number of employees in current year – the number of non-employee directors in current year').

Average employee benefit expense in previous year was $1,456 ('total employee benefit expense in previous year – total directors' remuneration in previous year' / 'the number of employees in previous year – the number of non-employee directors in previous year')

TAIWAN LINE TEK ELECTRONIC CO., LTD.
SUMMARY STATEMENT OF CURRENT PERIOD EMPLOYEE BENEFITS, (Cont.)
DEPRECIATION, DEPLETION AND AMORTISATION EXPENSES BY FUNCTION
FOR THE YEAR ENDED DECEMBER 31, 2022
(Expressed in thousands of New Taiwan dollars)

Statement 6

(2) Average employees salaries in current year were $1,073 (total salaries and wages in current year / ‘the number of employees in current year-the number of non-employee directors in current year’).

Average employees salaries in previous year were $1,239 (total salaries and wages in previous year / ‘the number of employees in previous year-the number of non-employee directors in previous year’)

(3) Adjustments of average employees salaries were (13.40%)(‘the average employee salaries and wages in current year - the average employee salaries and wages in previous year’ / the average employee salaries and wages in previous year)

(4) The compensation policy and payment were mainly implemented in accordance with the relevant rules of the Company's personnel regulations and the rules of the Compensation Committee. Directors’ remuneration and employees’ compensation were mainly distributed in accordance with the Company’s Articles of Incorporation (please refer to Note 6(24) for details), resolved by the Salary and Remuneration Committee, and reported to the shareholders’ meeting after approval by the Board of Directors. Directors and managers of the Company are remunerated based on the usual industry standard, the individual’s performance and the Company’s performance. Besides reviewing the industry standard, employees’ compensation also considers the Company’s overall operational performance and profit, and reviews individual performance.

Note2: For the years ended December 31, 2022 and 2021, the deprecation charge not including the investment property amounted to $1,590 and $1,593, respectively. (listed as "7592 Other losses-others")