PANJIT INTERNATIONAL INC.

PARENT COMPANY ONLY FINANCIAL STATEMENTS

WITH REPORT OF INDEPENDENT ACCOUNTANTS

FOR THE YEARS ENDED 31 DECEMBER 2022 AND 2021

Address: No. 24, Gangshan N. Rd., Gangshan Dist., Kaohsiung City
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The reader is advised that these financial statements have been prepared originally in Chinese. In the event of a conflict between these financial statements and the original Chinese version or difference in interpretation between the two versions, the Chinese financial statements shall prevail.

Independent Auditor's Report

To: PANJIT INTERNATIONAL INC.

Opinion

We have audited the parent company only Balance Sheets of PANJIT INTERNATIONAL INC. (the "Company") as of December 31, 2022 and 2021, and the parent company only Statements of Comprehensive Income, parent company only statements of changes in equity, parent company only statements of cash flows, and notes to parent company only financial statements (including summary of significant accounting policies) for the annual period from January 1 to December 31, 2022 and 2021.

In our opinion, based on our audits and the reports of other independent accountants (please refer to the Other Matter – Making Reference to the Audits of Other Independent Accountants section of our report), the parent company only financial statements referred to above present fairly, in all material respects, the parent company only financial position of the Company as of 31 December 2022 and 2021, and their parent company only financial performance and cash flows for the years ended 31 December 2022 and 2021, in conformity with the requirements of 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 the Standards on Auditing of the Republic of China. Our responsibilities under those standards are further described in the *Auditors' Responsibilities for the Audit of the Consolidated Financial Statements* section of our report. We are independent of the Company in accordance with the Norm of Professional Ethics for Certified Public Accountant of the Republic of China (the "Norm"), and we have fulfilled our other ethical responsibilities in accordance with the Norm. Based on our audits and the reports of other 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 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, and we do not provide a separate opinion on these matters.

Revenue recognition

The operating revenues of the Company amounted to $8,855,785 thousand for the year ended 31 December 2022. The main source of revenue is manufacturing and selling diodes. As the operation spanned globally and the product combination and pricing methods were diverse, judgment of the performance obligation and when it is satisfied was required. Therefore, we considered this a key audit matter.

Our audit procedures included (but are not limited to) assessing the appropriateness of the accounting policy of revenue recognition; testing the design and operating effectiveness of internal controls around revenue recognition by management, including identifying completeness of performance obligation of client contracts and the accounting treatment of the timing of revenue recognition; performing analytical procedures on gross margin by products and departments; selecting samples to perform test of details and reviewing significant terms and conditions of contracts; performing cutoff procedures, testing general journal entry, reviewing sales transaction certificates before and after the balance sheet date to verify that revenue has been recorded in the correct accounting period. Accordingly, evaluating the appropriateness of significant sales returns and rebates. In addition, we also considered the appropriateness of the disclosures of sales. Please refer to Notes 4 and 6 to the Company's parent company only financial statements.

Evaluation of Inventories

As of December 31, 2022, the Company's net inventories amounted to NT$2,042,902 thousand, constituting 8% of total assets which was then identified as material to financial statement. The status of inventory was difficult to manage due to various types of stocks stored across various locations including outsourced warehouses. Such inventories are stated at the lower of cost and net realizable value. Evaluation involves management's significant accounting estimation and judgement, and the carrying amount of inventories is material to parent company only financial statements. Therefore we considered this a key audit matter.

Our audit procedures included (but are not limited to) assessing the appropriateness of the accounting policy of inventories evaluation; testing the design and operating effectiveness of internal controls around revenue recognition by management, including assessing the transfer of inventory cost, selecting major warehouse to observe physical stock taking to verify inventory quantity and status; and assessing the management's estimates of net realizable value by inventories evaluation, and selecting samples to verify related certificates to test the correctness of inventories aging interval; review whether obsolescence loss allowance was sufficient according to policy and assess the appropriateness of the provision policy. We also assessed the adequacy of disclosures of inventories. Please refer to Notes 4, 5 and 6 to the Company's parent company only financial statements.

Other matters – Making Reference to the Audits of Other Independent Accountants

We did not audit the financial statements of certain investment accounted for under the equity method, which reflected the associates and joint ventures under equity method in the amount of NT$1,575,688 thousand and NT$1,574,237 thousand, constituting 6% and 7% of total assets as of 31 December 2022 and 2021, respectively. The related shares of profits from the associates and joint ventures under the equity method of NT$81,531 thousand and NT$92,457 thousand, constituting 4% and 4% of pretax income, and the related shares of other comprehensive income from the associates and joint ventures under the equity method of NT$5,985 thousand and (NT$3,467) thousand, constituting 4% and 2% of other comprehensive income for the year ended 31 December 2022 and 2021, respectively. Those financial statements were audited by other independent accountants, whose reports there on have been furnished to us, and our audit results are based solely on the reports of the other independent accountants.

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 requirements of 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 the 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 ability to continue as a going concern of the Company, 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 audit committee, are responsible for overseeing the financial reporting process of the Company.

Auditor's 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 errors, and to issue an auditor's 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 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 internal control of the Company.

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 ability to continue as a going concern of the Company. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's 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 auditor's 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 accompanying notes, 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 group audit. We remain solely responsible for our audit opinion.

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of 2022 the parent company only financial statements and are therefore the key audit matters. We describe these matters in our auditor’s 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.

Ernst & Young Taiwan

March 10, 2023

Notice to Readers

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

Accordingly, the accompanying parent company only financial statements and report of independent accountants 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, Ernst & Young 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.

English Translation of Parent Company Only Financial Statements Originally Issued in Chinese
PANJIT INTERNATIONAL INC.
Parent Company Only Balance Sheet
December 31, 2022, and 2021
(Expressed in Thousand of New Taiwan Dollars)

Assets	Notes	December 31, 2022		December 31, 2021	
		Amount	%	Amount	%
Current asset					
Cash and cash equivalents	6(1)	$1,112,018	4	$1,262,462	6
Financial assets at fair value through profit or loss - current	6(2)	14,937	-	-	-
Notes receivable, net	6(4).(15)	25,525	-	60,686	-
Trade receivable, net	6(5).(15)	1,649,116	7	2,199,360	10
Trade receivable - related parties, net	6(5).(15),7	322,846	1	207,130	1
Other receivable, net		110,694	1	105,932	1
Other receivable - related party, net	7	827,627	3	6,994	-
Inventory, net	6(6)	2,042,902	8	1,455,870	6
Other current assets	8	180,332	1	165,690	1
Total current assets		6,285,997	25	5,464,124	25
Non-current assets					
Financial assets at fair value through other comprehensive income - non-current	6(3)	153,843	-	314,350	1
Investments accounted for using the equity method	6(7)	12,655,585	51	10,176,614	45
Property, Plant, and Equipment	6(8),7	4,744,750	19	3,957,765	18
Right-of-use assets	6(16)	7,170	-	22,612	-
Intangible assets	6(9)	82,278	1	97,127	1
Deferred income tax asset	6(20)	217,014	1	260,785	1
Prepayment for equipments		282,062	1	301,606	1
Prepayment for Investment		-	-	1,396,500	6
Other non-current assets		628,739	2	488,437	2
Total non-current assets		18,771,441	75	17,015,796	75
Total assets		$25,057,438	100	$22,479,920	100

Liabilities and Equity	Notes	December 31, 2022		December 31, 2021	
		Amount	%	Amount	%
Current Liabilities					
Short-term borrowings	6(10)	$2,455,192	10	$2,931,307	13
Contractual liabilities - current	6(14)	365	-	5,982	-
Trade payable		672,133	3	818,210	4
Trade payable-related parties	7	273,253	1	310,724	1
Other payables	7	1,160,401	5	997,200	4
Current tax liabilities	6(20)	214,183	1	231,161	1
Lease liabilities - current	6(16)	3,882	-	7,981	-
Long-term borrowings, current portion	6(11)	478,875	2	32,458	-
Other current liabilities		13,428	-	10,876	-
Total current liabilities		5,271,712	22	5,345,899	23
Non-current Liabilities					
Long-term borrowings	6(11)	6,004,583	24	4,030,629	18
Deferred tax liabilities	6(20)	74,421	-	77,919	-
Lease liabilities - non-current	6(16)	3,213	-	14,767	-
Defined benefit liabilities-non-current	6(12)	61,507	-	89,167	1
Other non-current liabilities - others		26,425	-	25,671	-
Total non-current liabilities		6,170,149	24	4,238,153	19
Total liabilities		11,441,861	46	9,584,052	42
Equity					
Capital					
Common stock	6(13)	3,828,149	15	3,828,149	17
Capital surplus	6(13)	6,016,861	24	6,086,155	27
Retained earnings	6(13)				
Legal reserve		505,733	2	328,134	2
Special reserve		717,237	3	717,237	3
Unappropriated earnings		3,116,721	12	2,204,637	10
Total retained earnings		4,339,691	17	3,250,008	15
Other components of equity		(552,617)	(2)	(251,937)	(1)
Treasury stock	6(13)	(16,507)	-	(16,507)	-
Total equity		13,615,577	54	12,895,868	58
Total liabilities and equity		$25,057,438	100	$22,479,920	100

(The accompanying notes are an integral part of the parent company only financial statements.)

English Translation of Parent Company Only Financial Statements Originally Issued in Chinese

PANJIT INTERNATIONAL INC.

PARENT COMPANY ONLY STATEMENTS OF COMPREHENSIVE INCOME

For the years ended 31 December, 2022 and 2021

(Expressed in Thousand of New Taiwan Dollars)

Items	Notes	2022		2021	
		Amount	%	Amount	%
Operating revenue	6(14),7	$8,855,785	100	$8,706,119	100
Operating cost	6(17),7	(6,358,488)	(72)	(6,127,183)	(70)
Gross profit		2,497,297	28	2,578,936	30
Unrealized profit (loss) from sales		(36,583)	-	(32,465)	-
Realized profit (loss) on from sales		32,465	-	19,284	-
Gross profit-net		2,493,179	28	2,565,755	30
Operating expense	6(15).(17) ,7				
Selling expenses		(512,034)	(6)	(497,893)	(6)
Administrative expenses		(534,821)	(6)	(590,840)	(7)
Research and development expenses		(448,106)	(5)	(260,395)	(3)
Expected credit gains (losses)		5,988	-	(6,707)	-
Subtotal		(1,488,973)	(17)	(1,355,835)	(16)
Operating income		1,004,206	11	1,209,920	14
Non-operating income and expenses	6(18)				
Interest income		14,359	-	537	-
Other income		32,196	-	102,070	1
Other gains or losses		106,680	1	18,473	-
Financial costs		(107,815)	(1)	(68,783)	(1)
Share of profit or loss of subsidiaries and associates under equity method	6(7)	891,458	10	969,520	11
Subtotal		936,878	10	1,021,817	11
Pretax income from continuing operations		1,941,084	21	2,231,737	25
Income tax expenses	6(20)	(183,453)	(2)	(304,762)	(4)
Profit from continuing operations		1,757,631	19	1,926,975	21
Net income		1,757,631	19	1,926,975	21
Other comprehensive income (loss)	6(19)				
Items that will not be reclassified subsequently to profit or loss:					
Remeasurement of defined benefit obligation		24,435	-	3,727	-
Unrealized gains or losses from equity instrument investments measured at fair value through other comprehensive income		(283,469)	(3)	335,088	4
Income tax related to items that will not be reclassified		(2,748)	-	(3,477)	-
Items that may be reclassified subsequently to profit or loss:					
Exchange differences arising on translation of foreign operations		486,892	5	(188,795)	(2)
Income tax related to items that may be reclassified		(84,180)	(1)	36,520	-
Total other comprehensive income (loss), net of tax		140,930	1	183,063	2
Total comprehensive income		$1,898,561	20	$2,110,038	23
Earnings per share (NTD)	6(21)				
Basic earnings per share:		$4.60		$5.66	
Diluted earnings per share		$4.57		$5.64	

(The accompanying notes are an integral part of the parent company only financial statements.)

English Translation of Parent Company Only Financial Statements Originally Issued in Chinese

PANJIT INTERNATIONAL INC.

PARENT COMPANY ONLY STATEMENTS OF CHANGES IN EQUITY

For the years ended 31 December, 2022and 2021

(Expressed in Thousand of New Taiwan Dollars)

Items	Capital stock		Retained earnings			Other Components of Equity				
	Common Stock	Capital Surplus	Legal Reserve	Special Reserve	Unappropriated Earnings	Exchange Differences Arising on Translation of Foreign Operations	Unrealized Gains or Losses on Financial Assets Measured at Fair Value through Other Comprehensive Income	Others	Treasury Stock	Total Equity
Balance as of January 1, 2021	$3,328,149	$2,196,674	$239,453	$717,237	$1,015,504	($669,283)	$288,607	($413)	($16,507)	$7,099,421
Appropriation and distribution of 2020 retained earnings										
Legal reserve	-	-	88,681	-	(88,681)	-	-	-	-	-
Cash dividend	-	-	-	-	(498,172)	-	-	-	-	(498,172)
Changes in equity of associates accounted for using equity method	-	113,328	-	-	-	-	-	-	-	113,328
Net income in 2021	-	-	-	-	1,926,975	-	-	-	-	1,926,975
Other comprehensive income (loss) in 2021	-	-	-	-	1,920	(152,275)	333,418	-	-	183,063
Total comprehensive income (loss)	-	-	-	-	1,928,895	(152,275)	333,418	-	-	2,110,038
Issue of shares	500,000	3,610,956	-	-	-	-	-	-	-	4,110,956
Difference between consideration given/received and carrying amount of interests in subsidiaries acquired through of disposed	-	165,193	-	-	(204,900)	-	-	-	-	(39,707)
Increase (decrease) through changes in ownership interests in subsidiaries	-	4	-	-	-	-	-	-	-	4
Disposal of euqity instrument investments measured at fair value through other comprehensive income	-	-	-	-	51,991	-	(51,991)	-	-	-
Balance as of December 31, 2021	$3,828,149	$6,086,155	$328,134	$717,237	$2,204,637	($821,558)	$570,034	($413)	($16,507)	$12,895,868
Balance as of January 1, 2022	$3,828,149	$6,086,155	$328,134	$717,237	$2,204,637	($821,558)	$570,034	($413)	($16,507)	$12,895,868
Appropriation and distribution of 2021 retained earnings										
Legal reserve	-	-	177,599	-	(177,599)	-	-	-	-	-
Cash dividend	-	-	-	-	(1,146,345)	-	-	-	-	(1,146,345)
Changes in equity of associates accounted for using equity method	-	116	-	-	-	-	-	-	-	116
Net income in 2022	-	-	-	-	1,757,631	-	-	-	-	1,757,631
Other comprehensive income (loss) in 2022	-	-	-	-	21,175	402,712	(282,957)	-	-	140,930
Total comprehensive income (loss)	-	-	-	-	1,778,806	402,712	(282,957)	-	-	1,898,561
Difference between consideration given/received and carrying amount of interests in subsidiaries acquired through of disposed	-	(69,414)	-	-	36,787	-	-	-	-	(32,627)
Increase (decrease) through changes in ownership interests in subsidiaries	-	4	-	-	-		-	-	-	4
Disposal of euqity instrument investments measured at fair value through other comprehensive income	-	-	-	-	420,435	-	(420,435)	-	-	-
Balance as of December 31, 2022	$3,828,149	$6,016,861	$505,733	$717,237	$3,116,721	($418,846)	($133,358)	($413)	($16,507)	$13,615,577

English Translation of Parent Company Only Financial Statements Originally Issued in Chinese

PANJIT INTERNATIONAL INC.

PARENT COMPANY ONLY OF CASH FLOWS

For the years ended 31 December, 2022 and 2021

(Expressed in Thousand of New Taiwan Dollars)

Items	2022 Amount	2021 Amount
Cash flow from operating activities		
Net income before tax	$1,941,084	$2,231,737
Adjustment items:		
Revenue and expenses:		
Depreciation	337,366	288,662
Amortization	37,742	35,450
Expected credit impairment losses (gains)	(5,988)	6,707
Net (gain) of financial assets or liabilities at fair value through profit or loss	(267)	(1,475)
Interest expense	107,815	68,783
Interest revenue	(14,359)	(537)
Dividend revenue	(3,695)	(6,278)
Share of (profit) loss of associates accounted for using equity method	(891,458)	(969,520)
Loss on disposal of property, plant and equipment	2,128	6,988
(Gain) on disposal of investments	-	(2,548)
Reversal of impairment loss on non-financial assets	(5,108)	(348)
Unrealized profit from sales	36,583	32,465
Realized (profit) on from sales	(32,465)	(19,284)
Others	271,519	(27,823)
Subtotal	(160,187)	(588,758)
Changes in operating assets and liabilities:		
Changes in operating assets:		
Financial assets at fair value through profit or loss, mandatorily measured at fair value	(14,670)	7,548
Decrease (increase) in notes receivable	35,161	(24,342)
Decrease (increase) in trade receivable	556,232	(497,482)
(Increase) decrease in trade payable - related parties	(115,716)	70,041
(Increase) in other receivables	(4,762)	(53,615)
(Increase) in other receivable due from related parties	(820,633)	(6,806)
(Increase) in inventories	(853,816)	(539,905)
Other current assets (increases) decreases	(14,664)	11,587
Changes in operating liabilities:		
(Decrease) increase in contract liabilities	(5,617)	5,583
(Decrease) increase in trade payable	(146,077)	360,856
(Decrease) in trade payable - related parties	(37,471)	(3,026)
Increase (decrease) in other payables	91,291	(526,580)
Increase (decrease) in other current liabilities	2,552	(6,015)
(Decrease) in net defined benefit liabilities	(13,788)	(6,799)
Subtotal	(1,341,978)	(1,208,955)
Cash generated from operations	438,919	434,024
Interest received	14,359	537
Income tax (paid)	(247,085)	(99,085)
Net cash provided by operating activities	206,193	335,476

(The accompanying notes are an integral part of the parent company only financial statements.)

English Translation of Parent Company Only Financial Statements Originally Issued in Chinese

PANJIT INTERNATIONAL INC.

PARENT COMPANY ONLY OF CASH FLOWS (continued)

For the years ended 31 December, 2022 and 2021

(Expressed in Thousand of New Taiwan Dollars)

Items	2022 Amount	2021 Amount
Cash flows from investing activities:		
Proceeds from disposal of financial assets at fair value through other comprehensive income	25,881	68,288
Acquisition of investments accounted for under the equity method	(1,778,115)	(1,909,724)
(Increase) in prepayments for investments	-	(1,396,500)
Decrease in prepayments for investments	1,396,500	-
Acquisition of property, plant, and equipment	(560,468)	(1,026,213)
Proceeds from disposal of property, plant and equipment	4,553	6,440
Increase in refundable deposits	(98,152)	(414,007)
Acquisition of intangible assets	(22,893)	(50,049)
Increase in other non-current assets	(42,150)	-
Increase in prepayments for equipments	(471,536)	(718,146)
Dividends received	503,894	127,548
Net cash (outflow) by investing activities	(1,042,486)	(5,312,363)
Cash flows from financing activities:		
Increase in short-term loans	-	1,545,864
Decrease in short-term loans	(476,115)	-
Proceeds from long-term debt	10,919,829	563,019
Repayments of long-term debt	(8,490,171)	-
Repayments of lease liabilities	(5,385)	(8,782)
Decrease in other non-current liabilities	(11,053)	(6,144)
Cash dividends paid	(1,146,345)	(498,169)
Proceeds from issuing shares	-	4,110,956
Interest paid	(104,911)	(68,274)
Net cash provided by financing activities	685,849	5,638,470
Net (decrease) increase in cash and cash equivalents	(150,444)	661,583
Cash and cash equivalents at beginning of period	1,262,462	600,879
Cash and cash equivalents at end of period	$1,112,018	$1,262,462

(The accompanying notes are an integral part of the parent company only financial statements.)

PANJIT INTERNATIONAL INC.
NOTES TO PARENT COMPANY ONLY FINANCIAL STATEMENTS
FOR THE YEARS ENDED 31 DECEMBER 2022, and 2021
(Expressed in Thousands of New Taiwan Dollars unless Otherwise Specified)

1. Company History

PANJIT INTERNATIONAL INC. (the Company) was incorporated on 20 May 1986, under the Company Act of the Republic of China on Taiwan. The Company's registered address is No. 24, Gangshan N. Rd., Gangshan Dist., Kaohsiung City. The principal activities of the Company are to manufacture, process, assemble and to import and export semiconductors. The Company also assembles, trades and transfers technological advancements of machinery parts. The Company also trades resins and paints for semiconductors.

The Company's shares commenced trading on Taipei Exchange Market (GreTai Securities Market) on 22 December 1999, and then trading on Taiwan Stock Exchange Corporation on 17 September 2001.

2. Date and procedures of authorization of financial statements for issue

The parent company only financial statements of the Company for the years ended December 31, 2022 and 2021 were approved by the Board of Directors on March 10, 2023.

3. Newly issued or revised standards and interpretations

(1) Changes in accounting policies resulting from applying for the first time certain standards and amendments

The Company applied for the first time International Financial Reporting Standards, International Accounting Standards, and Interpretations issued, revised or amended which are recognized by Financial Supervisory Commission ("FSC") and become effective for annual periods beginning on or after 1 January 2022. The adoption of these new standards and amendments had no material impact on the Company.

(2) Standards or interpretations issued, revised or amended, by International Accounting Standards Board ("IASB") which are endorsed by FSC, and not yet adopted by the Company as at the end of the reporting period are listed below.

Items	New, Revised or Amended Standards and Interpretations	Effective Date issued by IASB
a	Disclosure Initiative - Accounting Policies – Amendments to IAS 1	1 January 2023
b	Definition of Accounting Estimates – Amendments to IAS 8	1 January 2023
c	Deferred Tax related to Assets and Liabilities arising from a Single Transaction – Amendments to IAS 12	1 January 2023

(a) Disclosure initiative - Accounting Policies (Amendments to IAS 1)

This amendment is to improve the disclosure of accounting policies to provide investors and other major users of financial statements with more useful information.

(b) Definition of Accounting Estimates (Amendments to IAS 8)

This amendment directly defines accounting estimates and makes other amendments to IAS 8 "Accounting Policies, Changes in Accounting Estimates and Errors" to help companies distinguish between changes in accounting policies and changes in accounting estimates.

(c) Deferred income tax relating to assets and liabilities arising from a single transaction (Amendments to IAS 12)

This amendment narrows the scope of the exemption from the recognition of deferred income tax in paragraphs 15 and 24 of IAS 12, Income Tax, so that the exemption does not apply to taxable and deductible amounts that would have resulted in the same amount at the time of the original recognition Transactions other than temporary differences.

The abovementioned standards and interpretations were issued by IASB and endorsed by FSC so that they are applicable for annual periods beginning on or after January 1, 2023. Have no material impact on the Company.

(3) Standards or interpretations issued, revised or amended, by IASB which are not endorsed by FSC, and not yet adopted by the Company as at the end of the reporting period are listed below.

Items	New, Revised or Amended Standards and Interpretations	Effective Date issued by IASB
a	IFRS 10 “Consolidated Financial Statements” and IAS 28 “Investments in Associates and Joint Ventures” — Sale or Contribution of Assets between an Investor and its Associate or Joint Ventures	To be determined by IASB
b	IFRS 17 “Insurance Contracts”	1 January 2023
c	Classification of Liabilities as Current or Non-current – Amendments to IAS 1	1 January 2024
d	Lease Liability in a Sale and Leaseback-Amendments to IFRS 16	1 January 2024
e	Non-current Liabilities with Covenants-Amendments to IAS 1	1 January 2024

(a) Amendments to IFRS 10 "Consolidated Financial Statements" and IAS 28 "Investments in Associates and Joint Ventures" - Sale or investment of assets between investors and their associates or joint ventures

The amendments address the inconsistency between the requirements in IFRS 10 Consolidated Financial Statements and IAS 28 Investments in Associates and Joint Ventures, in dealing with the loss of control of a subsidiary that is contributed to an associate or a joint venture. IAS 28 restricts gains and losses arising from contributions of non-monetary assets to an associate or a joint venture to the extent of the interest attributable to the other equity holders in the associate or joint ventures. IFRS 10 requires full profit or loss recognition on the loss of control of the subsidiary. IAS 28 was amended so that the gain or loss resulting from the sale or contribution of assets that constitute a business as defined in IFRS 3 between an investor and its associate or joint venture is recognized in full.

IFRS 10 was also amended so that the gains or loss resulting from the sale or contribution of a subsidiary that does not constitute a business as defined in IFRS 3 between an investor and its associate or joint venture is recognized only to the extent of the unrelated investors' interests in the associate or joint venture.

(b) IFRS 17 "Insurance Contracts"

IFRS 17 provides a comprehensive model for insurance contracts, covering all relevant accounting aspects (including recognition, measurement, presentation and disclosure requirements). The core of IFRS 17 is the General (building block) Model, under this model, on initial recognition, an entity shall measure a group of insurance contracts at the total of the fulfilment cash flows and the contractual service margin. The fulfilment cash flows comprise of the following:

(1) estimates of future cash flows;
(2) Discount rate: an adjustment to reflect the time value of money and the financial risks related to the future cash flows, to the extent that the financial risks are not included in the estimates of the future cash flows; and
(3) a risk adjustment for non-financial risk.

The carrying amount of a group of insurance contracts at the end of each reporting period shall be the sum of the liability for remaining coverage and the liability for incurred claims. Other than the General Model, the standard also provides a specific adaptation for contracts with direct participation features (the Variable Fee Approach) and a simplified approach (Premium Allocation Approach) mainly for short-duration contracts.

IFRS 17 was issued in May 2017 and it was amended in 2020 and 2021. The amendments include deferral of the date of initial application of IFRS 17 by two years to annual beginning on or after 1 January 2023 (from the original effective date of 1 January 2021); provide additional transition reliefs; simplify some requirements to reduce the costs of applying IFRS 17 and revise some requirements to make the results easier to explain. IFRS 17 replaces an interim Standard – IFRS 4 Insurance Contracts – from annual reporting periods beginning on or after 1 January 2023.

(c) Classification of Liabilities as Current or Non-current (Amendments to IAS 1)

This is based on the amendments to IAS 1 "Classification of Liabilities as Current or Non-Current." The classification of liabilities in paragraphs 69 to 76 as current or non-current shall be corrected.

(d) Lease liabilities in sale-leasebacks (Amendment to IFRS 16)

This is to address the consistent application by adding accounting treatment to sale and leaseback transactions by sellers and lessees in IFRS 16 "Leases".

(e) Non-current liabilities in contracts (Amendments to IAS 1)

This amendment is intended to add information on long-term debt contracts provided by companies. It is to note that the contractual obligations to be complied with for 12 months after the reporting period does not affect the classification of these liabilities as current or non-current ones at the end of the reporting period.

The abovementioned standards and interpretations issued by IASB have not yet endorsed by FSC at the date when the Company's financial statements were authorized for issue, and the local effective dates are to be determined by FSC. As the Company is still currently determining the potential impact of the standards and interpretations listed under (c), it is not practicable to estimate their impact on the Company at this point in time. The remaining new or amended standards and interpretations have no material impact on the Company.

4. Summary of significant accounting policies

(1) Compliance statement

The Company's FY2022 and FY2021 parent company only Financial Statements have been prepared in accordance with the "Regulations Governing the Preparation of Financial Statements by Securities Issuers".

(2) Basis of Preparation

The Company has prepared these parent company only financial statements in accordance with the "Regulations Governing the Preparation of Financial Statements by Securities Issuers." As stipulated in Article 21 of "Preparation Standards of Financial Statements for Securities Issuers, the current gain or loss and other comprehensive income in the Parent Company Only Financial Statements shall be the same as the allocation of other comprehensive income attributable to the parent company owners in the combined Financial Statements, and the owners' equity in the Parent Company Only Financial Statements shall be the same as the equity attributable to the parent company's owners in the combined Financial Statements. Therefore, investments in subsidiaries are expressed in Parent Company Only Financial Statements as "investments by equity method", and necessary evaluation adjustments are made.

The parent company only financial statements are prepared on the basis of historical cost, except for financial instruments measured by fair value. The unit for all amounts expressed in the parent company only financial statements are in thousands of NTD unless otherwise stated.

(3) Foreign currency transactions

The Company’s parent company only financial statements present the NT dollar as the functional currency. Foreign currency transaction is translated into functional currency according to the exchange rate of the transaction date. At the end of each reporting period, monetary items in foreign currencies are converted at the closing exchange rate of that day; Foreign currency items measured at fair value are translated according to the exchange rate on the date of fair value, and foreign currency non-currency items measured through historical cost will be translated according to the exchange rate on the original date of transaction.

Except for the following, the exchange difference arising from the delivery or conversion of monetary items is recognized as gain or loss in the current period:

(a)For the foreign currency borrowing in order to obtain the assets that meet the requirements, if the conversion difference incurred is regarded as an adjustment to the interest cost, it is a part of the borrowing cost and capitalized as the cost of the asset.
(b)Foreign currency items applicable to IFRS 9, “Financial Instruments” shall be handled in accordance with the accounting policies of financial instruments.
(c)For monetary items that form part of the reporting entity’s net investment in foreign operating institutions, the resulting exchange difference was originally recognized as other comprehensive income, and when the net investment is disposed of, it is reclassified from equity to gain or loss.

When the profit or loss of a non-monetary item is recognized as other comprehensive income, any conversion component of the profit or loss is recognized as other comprehensive income. When the profit or loss of a non-monetary item is recognized as gain or loss, any conversion component of the profit or loss is recognized as gain or loss.

(4) Translation of financial statements in foreign currency

Each foreign operation of the Company determines its own functional currency, and uses that functional currency to measure its financial statements. When preparing parent Company only Financial Statements, the assets and liabilities of foreign operation are converted into New Taiwan dollars at the closing exchange rate on the balance sheet date, and income and expenditure items are converted at the current average exchange rate. The conversion difference arising from the conversion is recognized as other comprehensive income, and the cumulative conversion difference that has been previously recognized in other comprehensive income and accumulated in the individual components under equity when the foreign operation is disposed of, when the disposition gain or loss are recognized, shall be reclassified from equity to gain or loss. When involving the partial disposal of the loss of control of a subsidiary that includes a foreign operation, and after a partial disposal of the equity of an associate or joint agreement including the foreign operation, if the retained equity is a financial asset that includes the foreign operation, it is also deemed to be disposal.

When disposing of a subsidiary that includes a foreign operation without losing control, the cumulative conversion difference recognized in other comprehensive income is adjusted by "investment by equity method" on a pro rata basis, and not recognized as gain or loss; Under influence or joint control, when part of the disposition includes an associate or joint agreement of a foreign operation, the accumulated exchange difference will be reclassified to gain or loss on a pro rata basis.

Any goodwill and any fair value adjustments to the carrying amounts of assets and liabilities arising on the acquisition of a foreign operation are treated as assets and liabilities of the foreign operation and expressed in its functional currency.

(5) Classification Standard for Distinguishing Current and Non-current Assets and Liabilities

In one of the following conditions, it is classified as current assets, and non-current assets are classified as non-current assets:

(a) The asset is expected to be realized within normal operation cycle, or it is intended to be sold or consumed;
(b) The asset held for the purpose of transaction.
(c) The asset is expected to be realized within twelve months after the reporting period.
(d) The asset is cash or a cash equivalent unless the asset is restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period

Any liability meeting one of the following conditions is current liability, and other liabilities not falling into current liability are non-current liability:

(a) Liabilities to be cleared off within the normal operation cycle.
(b) Liabilities held primarily for the purpose of trading.
(c) Liabilities that is due to be settled within twelve months after the reporting period.

(d) Liabilities whose settlement can be deterred unconditionally for at least twelve months after the reporting period. If the term of liability, at the discretion of transaction party, causes it to be cleared off by issuing equity instruments, the classification will not be influenced

(6) Cash and cash equivalents

Cash and cash equivalents are cash on hand, demand deposits, short-run and high liquidity time deposits or investments (including time deposits within 3 months of the contract period) that can be converted into fixed cash at any time and have little risk of value changes.

(7) Financial instruments

Financial assets and financial liabilities shall be recognized when the Company became a party to the terms of the financial instrument contract.

Financial assets and financial liabilities that meet the scope of application of IFRS 9 "Financial Instruments" are measured at fair value at the time of initial recognition and are directly attributable to financial assets and financial liabilities (except for those classified as fair value through profit or loss.) The transaction cost of acquisition or issuance, other than financial assets and financial liabilities measured by value, is added to or subtracted from the fair value of the financial assets and financial liabilities.

(a) Recognition and measurement of financial assets

The recognition and derecognition of all financial assets of the Company's customary transactions shall be accounted for on the transaction day.

The Company classifies financial assets as financial assets that are subsequently measured at amortized cost, measured at fair value through other comprehensive income, or measured at fair value through profit or loss based on the following two items:

A. Business model for managing financial assets
B. Contractual cash flow characteristics of financial assets

<u>Financial asset measured at amortized cost</u>

Financial assets that meet the following two conditions at the same time are measured at amortized cost, and listed on the balance sheet in terms of notes receivable, accounts receivable, financial assets measured at amortized cost, and other receivables:

A. The business model of managing financial assets: holding financial assets to collect contractual cash flows
B. Contractual cash flow characteristics of financial assets: the cash flow is completely for paying the capital and the interest of capital circulating outside.

These financial assets (excluding those involved in a hedging relationship) are measured subsequently at the amortized cost [the amount measured at the time of original recognition, minus the principal paid, plus or minus the difference between the original amount and the maturity amount accumulated amortization (using the effective interest method), and adjust the allowance for loss]. When derecognizing, undergoing amortization procedures, or recognizing detrimental profits or losses, the profits or losses are recognized in gain or loss.

The interest calculated by the effective interest method (multiplying the effective interest rate by the total carrying amount of the financial asset) or the following conditions is recognized in the gain or loss:

A. For purchased or initial credit impaired financial assets, the effective interest rate after credit adjustment is multiplied by the amortized cost of the financial asset
B. If it is not the former, but subsequently becomes credit impaired, the effective interest rate is multiplied by the amortized cost of financial assets

<u>Financial assets measured at fair value through other comprehensive income</u>

Financial assets that meet the following two conditions at the same time are measured at fair value through other comprehensive income, and recognized on the balance sheet as financial assets measured at fair value through other comprehensive income:

A. The business model of managing financial assets: collecting contractual cash flow and selling financial assets
B. Contractual cash flow characteristics of financial assets: the cash flow is completely for paying the capital and the interest of capital circulating outside.

The explanation of the recognition of such financial assets-related gain or loss is as follows:

A. Before derecognition or reclassification, in addition to the derogation gain or loss and the foreign currency exchange gain or loss are recognized in the gain or loss, the gain or loss is recognized in the other comprehensive income
B. At derecognizing, the cumulative benefits or losses previously recognized in other comprehensive income are reclassified from equity to gain or loss as a reclassification adjustment
C. The interest calculated by the effective interest method (multiplying the effective interest rate by the total carrying amount of the financial asset) or the following conditions is recognized in the gain or loss:

(a) For purchased or initial credit impaired financial assets, the effective interest rate after credit adjustment is multiplied by the amortized cost of the financial asset

(b) If it is not the former, but subsequently becomes credit impaired, the effective interest rate is multiplied by the amortized cost of financial assets

In addition, for equity instruments that fall within the scope of IFRS 9 and the equity instruments are neither held for trading, nor recognized or recognized by the acquirer in a business merger under IFRS 3, if there is consideration at the time of initial recognition, corporations choose (irrevocably) to report its subsequent fair value changes in other comprehensive income. The amount reported in other comprehensive income shall not subsequently be transferred to gain or loss (when disposing of these equity instruments, it will be included in the cumulative amount of other equity items and directly transferred to retained earnings), and shall be measured as financial assets at fair value through other comprehensive income and recognized on the balance sheet. Investment dividends are recognized in profit or loss, unless the dividend clearly represents part of the recovery of investment costs.

Financial assets measured at fair value through profit or loss

Except for those, meeting the above-mentioned specific conditions, measured at amortized cost or through other comprehensive income measured at fair value, financial assets are measured at fair value through profit or loss. The financial assets measured at fair value through profit or loss are recognized on the balance sheet.

Such financial assets are measured at fair value, and the profits or losses resulting from re-measurement are recognized as gain or loss. The profits or losses recognized as gain or loss include any dividends or interest received by the financial asset.

(b) Impairments of financial assets

The Company recognizes a loss allowance for expected credit losses on debt instrument investments measured at fair value through other comprehensive income and financial asset measured at amortized cost. The loss allowance on debt instrument investments measured at fair value through other comprehensive income is recognized in other comprehensive income and not reduce the carrying amount in the balance sheet.

The Company measures expected credit losses of a financial instrument in a way that reflects:

A. The unbiased and probability-weighted amount determined by evaluating each possible outcome

B. Time value of money

C. Reasonable and supportive information related to past events, current conditions and forecasts of future economic conditions (that can be obtained without excessive costs or investment on the balance sheet date)

The method of measuring the allowance loss is explained as follows:

A. Measured by the amount of 12-month expected credit losses: including financial assets that have not significantly increased in credit risk since initial recognition, or those that are judged to be low in credit risk on the balance sheet date. In addition, it also includes those who measured the allowance loss based on the amount of expected credit loss during the previous reporting period, but no longer met the conditions for a significant increase in credit risk since the initial recognition on the balance sheet date of the current period.

B. Measurement of the amount of expected credit loss within duration: including financial assets that have significantly increased credit risk since initial recognition, or are purchased or initial credit-impaired financial assets.

C. For accounts receivable or contract assets arising from transactions within the scope of IFRS 15, the Company uses the amount of expected credit losses within duration to measure the allowance loss.

D. For lease receivable or contract assets arising from transactions within the scope of IFRS 16, the Company measures the allowance for losses using the amount of expected credit losses over the life of the transaction.

On each balance sheet date, the Company compares the changes in the default risk of financial instruments on the balance sheet date and the original recognition date to assess whether the credit risk of the financial instruments has increased significantly after the initial recognition. In addition, please refer to Note 12 for information related to credit risk.

(c) Derecognition of financial assets

Financial assets held by the Company are derecognized when one of the following conditions is met:

A. The contractual rights from the cash flows of financial assets terminate.

B. The financial assets have been transferred and almost all the risks and rewards of the ownership of the assets have been transferred to others.

C. Almost all risks and rewards of asset ownership have not been transferred or retained, but control of assets has been transferred.

When a financial asset is derecognized as a whole, the difference between its carrying amount and the received or receivable consideration plus any cumulative gains or losses recognized in other comprehensive income is recognized in gain or loss.

(d) Financial liabilities and equity instruments

Classification between liabilities or equity

The debt and equity instruments issued by the Company are classified as financial liabilities and equity in accordance with the substance of contractual arrangements and the definitions of financial liabilities and equity instruments.

Equity Instruments

An equity instrument refers to any contract that recognizes the Company's remaining equity after deducting all liabilities from its assets. The equity instruments issued by the Company are recognized at the price obtained deduct the direct issue cost.

Compound instruments

The Company recognizes the constituent elements of financial liabilities and equity in accordance with the contractual terms of the convertible corporate bonds issued. In addition, for the issued convertible corporate bonds, before distinguishing the equity elements, it is evaluated whether the economic characteristics and risks of the embedded buying and selling rights are closely related to the main debt product.

For the market interest rate assessment of the debt component that does not involve derivative instruments, the fair value of which is equivalent in nature and does not have conversion characteristics. Before conversion or redemption and settlement, this part of the amount is classified as financial liabilities measured at amortized cost; As for other parts of embedded derivatives that are not closely related to the risks of the economic characteristics of the main contract (for example, the execution price of the embedded buy-back and redemption rights cannot be almost equal to the amortized cost of the debt goods on each execution day), except for the components of equity, they are classified as components of liabilities. And in the subsequent period, it will be measured at fair value through profit or loss; The amount of the equity element is determined by deducting the component part of the liability from the fair value of the convertible corporate bond. The carrying amount will not be remeasured in subsequent accounting periods. If the convertible corporate bonds issued do not have equity elements, they shall be processed in accordance with the IFRS 9 Hybrid Instruments.

Transaction costs are allocated to the liabilities and equity components in accordance with the proportion of the originally recognized convertible corporate bonds allocated to the liabilities and equity components.

When the holder of the convertible corporate bond requests to exercise the right of conversion before the expiry of the convertible corporate bond, the carrying amount of the component elements of the liability is adjusted to the carrying amount that should be at the time of the conversion as the accounting basis for the issuance of ordinary shares.

Financial liabilities

Financial liabilities that meet the scope of application of IFRS 9 are classified as financial liabilities measured at fair value through profit or loss or financial liabilities measured at amortized cost at the time of initial recognition.

Financial liabilities measured at fair value through profit or loss

Financial liabilities measured at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated to be measured at fair value through profit or loss.

When one of the following conditions is met, it is classified as held for trading:

A. The main purpose of its acquisition is to sell in a short time;
B. At the time of initial recognition, it is part of the portfolio of identifiable financial instruments jointly managed, and there is evidence that the portfolio is a short-run profit-making operation in the near future; or
C. Derivatives (except for financial guarantee contracts or derivatives that are designated and effective hedging instruments.)

For contracts containing one or more embedded derivatives, the overall hybrid (combined) contract can be designated as a financial liability measured at fair value through profit or loss; when one of the following factors is met and more relevant information can be provided, at the time of initial recognition, it is designated as measured at fair value through profit or loss:

A.The designation can eliminate or significantly reduce measurement or recognition inconsistencies; or
B. A group of financial liabilities or a group of financial assets and financial liabilities shall be managed and evaluated on a fair value basis in accordance with written risk management or investment strategies, and the information on the investment portfolio provided to the management by the merged company also be based on fair value.

The profits or losses arising from the re-measurement of such financial liabilities are recognized as gain or loss, and the profits or losses recognized as gain or loss include any interest paid by the financial liabilities.

Financial liabilities measured by amortized cost

Financial liabilities measured at amortized cost, including accounts payable and borrowings, etc., are measured using the effective interest method after initial recognition. When financial liabilities are derecognized and amortized through the effective interest method, the related gain or loss and amortization amount are recognized in gain or loss.

The calculation of the amortized cost considers the discount or premium at the time of acquisition and transaction costs.

Derecognition of financial liabilities

When the obligation of a financial liability is discharged, canceled or lapsed, the financial liability is derecognized.

When the Company and creditors exchange debt instruments with materially different terms or make major changes to all or part of the existing financial liabilities (regardless of whether it is due to financial difficulties), when dealing with derecognizing financial liabilities, by the method of derecognizing the original liabilities and recognizing new liabilities, the difference between its carrying amount and the total consideration paid or payable (including transferred non-cash assets or liabilities assumed) is recognized as gain or loss.

(e) Offsetting of financial assets and liabilities

Financial assets and financial liabilities can be offset and recognized on the balance sheet as a net amount only when the recognized amount currently has mutually offsetting legal exercise rights and intends to settle on a net amount or realize assets and liquidate liabilities at the same time.

(8) Derivative instruments

The derivative instruments held or issued by the Company are used to avoid exchange rate risk and interest rate risk. Among them, those that are designated and effectively hedged are recognized as hedged financial assets or liabilities on the balance sheet; the rest are not designated. For effective hedging, it is reported on the balance sheet as financial assets or financial liabilities measured at fair value through profit or loss.

The initial recognition of derivatives is measured by the fair value on the date when the derivative contract is signed, and is measured by the fair value after it is renewed. When the fair value of a derivative is a positive number, it is a financial asset; when the fair value is a negative number, it is a financial liability. Changes in the fair value of derivatives are directly recognized in gain or loss, but for those involving cash flow hedging and net investment hedging of foreign operation are an effective part, the Company recognized under gain or loss or equity.

Where the master contract is a non-financial asset or financial liability, when the economic characteristics and risks of the derivatives embedded in the master contract are not closely related to the master contract, and the master contract is not measured at fair value through profit or loss, the embedded derivatives should be treated as independent derivatives.

(9) Fair value measurement

Fair value refers to the price that can be received for the sale of an asset or paid for the transfer of a liability in an orderly transaction between market participants on the measurement date. The fair value measurement assumes that the sale of assets or transfer of liabilities takes place in one of the following markets:

(a) The main market for the asset or liability, or
(b) If there is no major market, the most favorable market for the asset or liability

The main or most advantageous market must be accessible to the Company for trading.

The fair value of assets or liabilities is measured by using assumptions that market participants will use when setting asset or liability price, and it is assumed that these market participants are acting in their economic best interests.

The fair value measurement of non-financial assets takes into account market participants by using the asset for its highest and best use or by selling the asset to another market participant who will use the asset for its highest and best use, In order to generate economic benefits.

The Company adopts appropriate valuation techniques under relevant circumstances and sufficient information is available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

(10) Inventories

Inventories are valued at lower of cost and net realizable value item by item.

Costs incurred in bringing each inventory to its present location and condition are accounted for as follows:

Raw materials –Purchase cost on weighted average cost basis
Finished goods and work in progress – Cost of direct materials, labor and a proportion of manufacturing overheads based on normal operating capacity but excluding borrowing costs.

Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale.

Rendering of services is accounted in accordance with IFRS 15 and not within the scope of inventories.

(11) Non-current assets held for sale and discontinued operations

Non-current assets or disposal groups to be sold refer to those that can be sold immediately in accordance with general conditions and business practices under the current circumstances, and are highly likely to complete the sale within one year. Non-current assets classified as pending sale and disposal groups are measured by the lower of carrying amount and fair value minus disposal costs.

The income and expenditures of the discontinued unit are reported separately in the consolidated income statement during the reporting period and the comparison period of the previous year, based on the after-tax basis and the income and expenditures of the continuing business unit. Even if, after the Company disposed the subsidiary, it still retains a non-controlling equity. The relevant after-tax profits and losses of discontinued units are presented separately in the consolidated income statement.

Once property, plant, and equipment and intangible assets are classified as pending sale, they will no longer be depreciated or amortized.

(12) Investments accounted for using the equity method

The Company's investments in associates are treated with the equity method, except for assets classified as assets for sale. Associates refer to companies that the Company has a significant influence on. A joint venture refers to the Company that has rights to the net assets of the joint agreement (with joint control.)

Under the equity method, investment in an associate or joint venture is recognized in the balance sheet, which is the amount recognized by the Company based on cost plus the amount of the change in the net assets of the associate or joint venture after acquisition in shareholding ratio. After the carrying amount of the associate or joint venture investment and other related long-term equity is reduced to zero using the equity method, additional losses and liabilities are recognized within the scope of legal obligations, constructive obligations, or payments made on behalf of the associate. Unrealized gains and losses arising from transactions between the Company and associates or joint ventures shall be eliminated according to the proportion of its equity in the associates or joint ventures.

When changes in the equity of an associate or joint venture do not occur due to gain or loss and other comprehensive income items and do not affect the Company's shareholding ratio, the Company recognizes the related ownership and equity changes based on the shareholding ratio. Therefore, the recognized capital reserve is transferred to gain or loss according to the proportion of the disposal in the subsequent disposal of associates or joint ventures.

When an associate or a joint venture issues new shares, the Company fails to subscribe in proportion to the shareholding ratio, resulting in a change in the investment ratio, thereby increasing or decreasing the

Company's equity holdings in the associate or joint venture, "capital reserve" and "investment using the equity method" are used to adjust the increase or decrease. When the investment ratio change decreases, the related items that have been previously recognized in other comprehensive income are also reclassified to gain or loss or other appropriate accounts according to the reduction ratio. The recognized capital reserve above is transferred to gain or loss according to the proportion of the disposal in the subsequent disposal of associates or joint ventures.

The Financial Statements of associates or joint ventures are prepared for the same reporting period as the Company, and adjusted to make their accounting policies consistent with the Company's accounting policies.

At the end of each reporting period, the Company confirms whether there is objective evidence showing that the investment in associates or joint ventures has been impaired in accordance with the provisions of IAS 28 "Investment in associates and joint ventures." That is, in accordance with IAS 36 "Asset Impairment", the amount of impairment is calculated based on the difference between the recoverable amount of the associate or joint venture and the carrying amount, and the amount is recognized as gain or loss of the associate or joint venture. If the aforementioned recoverable amount adopts the use value of the investment, the Company will determine the relevant use value based on the following estimates:

(a) The Company's share of the present value of estimated future cash flows from associates or joint ventures, including associates or the cash flow generated by the operation of the joint venture and the final disposal price of the investment; or
(b) The Company expects the present value of estimated future cash flows from the investment to receive dividends and ultimately dispose of the investment.

Since the goodwill component items that constitute the carrying amount of investment in associates or joint ventures are not separately recognized, there is no need for goodwill impairment test per the provisions of IAS 36 "Asset Impairment."

When it loses significant influence on the associate or joint control of the joint venture, the Company measures and recognizes the retained investment portion at fair value. In the event of loss of significant influence or joint control, the difference between the carrying amount of the investment associate or joint venture and the fair value of the retained investment plus the proceeds from the disposal is recognized as gain or loss. In addition, when an investment in an associate becomes an investment in a joint venture, or an investment in a joint venture becomes an investment in an associate, the Company continues to apply the equity method without re-evaluating the retained equity.

(13) Property, Plant, and Equipment

Property, plant, and equipment are recognized on the basis of acquisition cost, and are recognized after deducting accumulated depreciation and accumulated impairment. The aforementioned cost includes the cost of dismantling, removing and restoring the property, plant, and equipment at their location and the cost of unfinished construction. Necessary interest expenses incurred. If each item of property, plant, and equipment is significant, it should be itemized for depreciation individually. When the major components of property, plant, and equipment are to be replaced on a regular basis, the Company treats the items as individual assets and recognizes them separately with specific useful life and depreciation methods. The carrying amount of the replacement part shall be derecognized in accordance with the derecognizing requirements of IAS 16 "property, plant, and equipment". If the major maintenance cost meets the recognition conditions, it is regarded as replacement cost and recognized as part of the carrying amount of plant, and equipment, and other repair and maintenance expenses are recognized in gain or loss.

Depreciation is accrued based on the estimated useful life of the following assets by the straight-line method:

Assets	Useful life
Buildings	4 - 51 years
Machinery and equipment	1 - 10 years
Transportation equipment	5 years
Utilities equipment	6 - 15 years
Office equipment	1 - 6 years
Other equipment	1 - 25 years

After initial recognition, items of property, plant, and equipment or any important component are derecognized and recognized as gain or loss if they are disposed of or are not expected to have an inflow of economic benefits due to use or disposal in the future.

The residual value, useful life, and depreciation method of property, plant, and equipment are assessed at the end of each financial year. If the expected value is different from the previous estimate, the change is regarded as a change in accounting estimates.

(14) Lease

The Company assesses whether the contract is (or includes) a lease on the date of contract establishment. If the contract transfers control over the use of the identified assets for a period of time in exchange for consideration, the contract is (or contains) a lease. In order to assess whether the contract transfers control over the use of the identified asset for a period of time, the Company assesses whether it has both of the following during the entire period of use:

(a) Obtain substantially all of the economic benefits from use of an identified asset; and
(b) Has the right to direct the use of an identified asset.

For contracts that are (or include) leases, the Company treats each lease component in the contract as a separate lease and treats it separately from the non-lease component in the contract. For contracts that include one lease component and one or more additional lease or non-lease components, the Company uses the relative individual price of each lease component and the aggregate individual price of the non-lease component as basis and allocates the consideration in the contract to the lease component. The relative stand-alone prices of lease and non-lease components are determined on the basis of the prices charged by the lessor (or similar suppliers) for the components (or similar components.) If the observable stand-alone price is not readily available, the Company maximizes the use of observable information to estimate the stand-alone price.

The Company is the lessee

In addition to meeting and selecting short-run leases or leases of low-value target assets, when the Company is the lessee of the leasing contract, the right-of-use assets and lease liabilities are recognized for all leases.

The Company measures the lease liability on the inception date based on the present value of the lease payments not yet paid on that date. If the implicit interest rate of the lease is easy to determine, the lease payment is discounted using that interest rate. If the interest rate is not easy to determine, use the lessee's incremental borrowing interest rate. On the starting date, the lease payments in the lease liability include the following payments related to the right-of-use of the underlying asset during the lease period and not yet paid on that date:

(a) Fixed payments (including in-substance fixed payments) less any lease incentives receivable;
(b) Variable lease payments depending on an index or a rate, initially measured (using the index or rate at the commencement date);
(c) Amounts expected to be payable by the lessee under residual value guarantees;
(d) The exercise price of a purchase option if the lessee is reasonably certain to exercise that option; and
(e) Payments of penalties for terminating the lease, if the lease term reflects the lessee exercising an option to terminate the lease.

After the starting date, the Company measures the lease liability on the basis of amortized cost, and increases the carrying amount of the lease liability using the effective interest rate method to reflect the interest on the lease liability; the lease payments reduces the carrying amount of the lease liability.

On the starting date, the Company measures the right-of-use asset based on cost. The cost of the right-of-use asset includes:

(a) The original measured amount of the lease liability;
(b) Any lease payments paid on or before the commencement date, less any lease incentives receivable;
(c) Any original direct costs incurred by the lessee; and
(d) The estimated cost of lessee's dismantling, removing an underlying asset and restoring its location, or restoring the underlying asset to the state required in the terms and conditions of the lease.

Subsequent measurement of the right-of-use asset is presented after the cost minus the accumulated depreciation and accumulated impairment loss, that is, the cost model is applied to measure the right-of-use asset.

If the ownership of the underlying asset is transferred to the Company when the lease period expires, or if the cost of the right-of-use asset reflects that the Company will exercise the purchase option, the right-of-use asset will be depreciated from the start date to the end of the useful life of the underlying asset. The right-of-use asset is depreciated from the commencement date by the Company to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term.

The Company applies IAS 36 "Asset Impairment" to determine whether the right-of-use asset has been impaired and to deal with any identified impairment losses.

In addition to meeting and selecting short-run leases or leases of low-value target assets, the Company presents right-of-use assets and lease liabilities in the balance sheet, and separately presents lease-related depreciation expenses and interest expenses in the consolidated income statement.

For short-term leases and leases of low-value target assets, the Company chooses to use a straight-line basis or another systematic basis to recognize the lease payments related to these leases as expenses during the lease period.

The Company is the lessor

The Company classifies each of its leases as operating leases or finance leases on the date of contract establishment. If a lease transfers almost all the risks and rewards attached to the ownership of the underlying asset, it is classified as a financial lease; if it has not been transferred, it is classified as an operating lease. On the starting date, the Company recognized the assets held under finance leases in the balance sheet and expressed them as finance lease receivables based on the net lease investment.

For contracts that include lease components and non-lease components, the Company applies IFRS 15 to allocate the consideration in the contract.

The Company recognizes lease payments from operating leases as rental income on a straight-line basis or another systematic basis. For operating leases, lease payments that are not dependent on a certain index or rate change are recognized as rental income when they occur.

(15) Intangible assets

Intangible assets acquired separately are measured by cost at the time of initial recognition. The cost of intangible assets acquired through a business merger is the fair value at the acquisition date. After the initial recognition of intangible assets, the carrying amount is the amount of its cost minus accumulated amortization and accumulated impairment losses. Internally generated intangible assets that do not meet the recognition conditions shall not be capitalized, but shall be recognized in gain or loss when they occur.

The useful life of intangible assets is divided into limited and non-determined useful life.

Intangible assets with a limited useful life are amortized over their useful life, and an impairment test is performed when there are signs of impairment. The amortization period and amortization method of intangible assets with limited useful life are reviewed at least at the end of each financial year. If the estimated useful life of the asset is different from the previous estimate or the expected pattern of future economic benefit consumption has changed, the amortization method or amortization period will be adjusted and considered as a change in accounting estimates.

Intangible assets with a non-determined useful life are not amortized, but impairment tests are conducted at the level of individual assets or cash-generating units in each fiscal year. Intangible assets with indefinite useful life are assessed in each period whether there are events and circumstances that continue to support that the asset's useful life is still indefinite. If the useful life is changed from non-determined to limited useful life, the application will be postponed.

The profit or loss arising from the derecognition of intangible assets is recognized as gain or loss.

The Company's accounting policies for intangible assets are summarized as follows:

	The cost of computer software	Other intangible assets
Useful life	Finiteness (1 to 5 years)	Finiteness (5 to 10 years)
Amortisation method used	Straight-line method	Straight-line method
Internally generated or externally acquired	Externally acquired	Externally acquired

(16) Impairment of non-financial assets

At the end of each reporting period, the Company assesses whether there are any signs of impairment for all assets to which IAS 36 "Asset Impairment" is applicable. If there are signs of impairment or a periodic impairment test is required for an asset every year, the Company will conduct the test on the basis of the individual asset or the cash-generating unit to which the asset belongs. As a result of the impairment test, if the carrying amount of the asset or the cash-generating unit to which the asset belongs is greater than its recoverable amount, the impairment loss is recognized. The recoverable amount is the higher of its net fair value or its value in use.

At the end of each reporting period, the Company assesses whether there is any indication that the previously recognized impairment loss may no longer exist or decrease for assets other than goodwill. If there are such signs, the Company estimates the recoverable amount of the asset or cash-generating unit. If the recoverable amount increases due to changes in the estimated service potential of the asset, the impairment will be reversed. However, after the reversal, if the carrying amount does not exceed the asset value before recognizing impairment losses, the carrying amount after depreciation or amortization should be deducted.

The impairment loss and the reversal of continuing business units are recognized in gain or loss.

(17) Liability reserve

The recognition conditions of the liability reserve are the current obligations (legal obligations or constructive obligations) arising from past events. When paying off obligations, it is very likely that economically effective resources will need to be flowed out. And the amount of the obligation can be estimated reliably. When the Company expects that some or all of the liability reserves can be reimbursed, it is recognized as a separate asset only when the reimbursement is almost completely certain. If the time value of money has a significant impact, the liability reserve is discounted at the current pre-tax interest rate that can appropriately reflect the specific risks of the liability. When debt is discounted, the increase in the amount of debt over time is recognized as borrowing cost.

(18) Treasury stock

When the Company and Subsidiaries obtains the stock of the Company (treasury stock), it is recognized at the cost of acquisition and used as a deduction of equity. The spread of treasury stock transactions is recognized under equity.

(19) Revenue recognition

The Company's revenue from contracts with customers mainly includes sales of goods. The accounting treatments are explained as follows:

<u>Sales of goods</u>

The Company manufactures and sells products, and recognizes revenue when the promised product is delivered to the customer and the customer obtains its control (that is, the customer's ability to control the use of the product and obtain almost all the remaining benefits of the product.) The main product is dipole and rectifier and the revenue is recognized based on the price stated in the contract.

The credit period for the Company's sales of commodities is 60 to 120 days from the month's closing. Most contracts recognize accounts receivable when commodity transfer control and the right to unconditionally receive consideration are recognized. Such accounts receivable are usually within the short period and without significant financial components; a small part of the contract has the goods transferred to the customer but does not have the right to unconditionally receive the consideration, then the contract assets are recognized, and the contract assets must be maintained in accordance with IFRS 9. The amount of expected credit loss during the period measures the allowance loss. However, for some contracts, since part of the consideration is first collected from customers when signing the contract, the Company assumes the obligation to provide goods after the renewal, so they are recognized as contract liabilities.

The period for the Company's aforementioned contract liabilities to be transferred to income usually does not exceed one year, and does not result in the generation of significant financial components.

The contract between the Company and the customer does not exceed one year until the delivery of the promised goods to the customer and the payment from the customer. Therefore, the Company has not adjusted the transaction price for the time value of money.

(20) Borrowing costs

The borrowing cost directly attributable to the acquisition, construction or production of qualified assets shall be capitalized as part of the cost of the asset. All other borrowing costs are recognized as expenses during the period in which they are incurred. Borrowing costs include interest and other costs incurred in connection with borrowed funds.

(21) Government grants

The Company only recognizes government subsidy income when it can reasonably be sure that it will meet the conditions set by the government subsidy and can receive the inflow of economic benefits from the government subsidy. When the subsidy is related to an asset, the government subsidy is recognized as deferred income and recognized as income in installments over the expected useful life of the relevant asset; when the subsidy is related to an expense item, the government subsidy is recognized as income with a reasonable and systematic method to match the expected period of the related costs' occurrence.

When the Company obtains non-monetary government subsidies, the assets and subsidies received are recognized at the nominal amount, and the gain is recognized in the consolidated income statement in equal installments based on the expected useful life and benefit consumption pattern of the underlying assets. Obtaining loans or similar subsidy from the government or related institutions that are lower than the market interest rate is regarded as an additional government subsidy.

(22) After-retirement welfare program

The Company's employee retirement plan is applicable to all employees who are officially appointed. The employee pension is fully deposited in the management of the Labor Retirement Reserve Supervision Committee and deposited into a special account for pension. Because the above-mentioned pensions are deposited in the name of the retirement reserve supervision committee, it is completely separated from the Company, so it is not included in the Parent Company Only Financial Statements above.

For post-retirement welfare program that are defined contribution plans, the Company's monthly employee pension allocation rate shall not be less than 6% of the employee's monthly salary, and the amount allocated is recognized as the current expense.

For post-employment welfare programs that are defined benefit plans, they are presented as actuarial reports on the end of the annual reporting period in accordance with the projected unit credit method. The re-measurement of net defined benefit liabilities (assets) includes any changes in the planned asset return and the impact of the asset ceiling, minus the amount of net interest included in the net defined benefit liabilities (assets), and actuarial gain or loss.

When the remeasured amount of net defined benefit liabilities (assets) occurs, it is included in other comprehensive income, and immediately recognized in retained surplus. The past service cost is the amount of change in the present value of a defined benefit obligation caused by the planned revision or reduction, and is recognized as an expense on the earlier date of the following two:

(a) When plan revisions or reductions occur; and
(b) When the Company recognizes related restructuring costs or resignation benefits.

The net interest of the net defined benefit liabilities (assets) is determined by multiplying the net defined benefit liabilities (assets) by the discount rate, both of which are determined at the beginning of the annual reporting period, and then the net defined benefit liabilities (assets) during the period take into account the any changes due to the appropriation of financial and welfare payments.

(23) Income tax

Income tax expense (gain) refers to the aggregate amount related to current income tax and deferred income tax included in the current profit or loss

Current income tax

The current income tax liabilities (assets) related to the current and previous periods are measured by the tax rates and tax laws that have been legislated or substantively legislated at the end of the reporting period. Current income taxes are related to items recognized in other comprehensive income or directly recognized in equity, which are respectively recognized in other comprehensive income or equity instead of gain or loss.

The Company's undistributed earnings subjects to income tax shall be recognized as income tax expense on the day when the shareholders meeting decides to distribute the surplus.

Deferred income tax

Deferred income tax is calculated based on the temporary difference between the tax basis of assets and liabilities and their carrying amounts on the balance sheet at the end of the reporting period.

Except for the following two, all taxable temporary differences are recognized as deferred tax liabilities:

(a)The original recognition of goodwill; or the original recognition of assets or liabilities that were not generated by a business merger transaction and did not affect accounting profits or taxable income (loss) at the time of the transaction;

(b)Taxable temporary differences arising from investment in subsidiaries, associates, and joint agreement interests, the timing of which is controllable and may not be reversed in the foreseeable future.

In addition to the following two, deferred tax assets resulting from deductible temporary differences, unused tax losses and unused income tax deductions are recognized within the scope of possible future taxable income:

(a) Relevant to deductible temporary differences arising from the original recognition of assets or liabilities that are not a business merger transaction that does not affect accounting profits or taxable income (loss) at the time of the transaction;

(b) It is related to the deductible temporary differences arising from the equity investment in subsidiaries, associates, and joint agreements, which are only likely to be reversed in the foreseeable future and there is sufficient taxable income at that time to provide for such temporary differences recognized within the scope of use.

Deferred income tax assets and liabilities are measured at the tax rate of the period of expected repayment of liabilities or realization of assets. The rate is based on the tax rate and tax laws that have been enacted prior to the balance sheet date or have been substantially legislated. The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which corporations expect, at the balance sheet date, to recover or settle the carrying amount of its assets and liabilities. Deferred income tax and items that are not recognized in profit or loss are also not recognized in gain or loss, but are recognized in other comprehensive income or directly recognized in equity based on their related transactions. Deferred tax assets are reviewed and recognized at the end of each reporting period.

Deferred tax assets and liabilities can only be granted when the current income tax assets and current income tax liabilities have the statutory enforcement power, and when the deferred tax belongs to the same taxpayer and is related to the income tax levied by the same tax authority, they can be offsetting.

5. Main sources of uncertainty in accounting judgments, estimates and hypotheses

When the Company prepares Parent Company Only Financial Statements, management must make judgments, estimates and assumptions at the end of the reporting period, which will affect the reported amounts of revenue, expenses, assets and liabilities, and the disclosure of contingent liabilities. However, the uncertainties in these major assumptions and estimates may result in significant adjustments to the carrying amount of assets or liabilities in future periods.

(1) Determination

In the process of adopting the Company's accounting policies, the management made the following judgments that have the most significant impact on the recognition of Parent Company Only Financial Statements amounts:

Some of the Company’s property holdings are partly for earning rent or capital appreciation, and the other part is for self-use. If each part can be sold separately, it will be treated as investment property and property, plant, and equipment. If each part cannot be sold separately, only when the part held for own use accounts for less than 5% of the individual property, the property will be classified as investment property.

(2) Estimates and assumptions

At the end of the reporting period, the assumptions made about the future and the main sources of estimation uncertainty are information that has a significant risk of causing significant adjustments to the carrying amounts of assets and liabilities in the next financial year. These are described below:

(a) Fair value of financial instruments

When the fair value of financial assets and financial liabilities recognized on the balance sheet cannot be obtained from the active market, the fair value will be determined using evaluation techniques, including income method (such as discounted cash flow model) or market method. Assuming changes will affect the fair value of the reported financial instruments. Please refer to Note 12 for more details.

(b) Impairments of non-financial assets

An impairment occurs when the carrying amount of an asset or cash-generating unit is greater than its recoverable amount. The recoverable amount is the higher of an asset’s fair value less costs to dispose or value in use. The fair value minus the cost of disposal is calculated based on the price of a binding sales agreement or the market price of the asset under a normal transaction, after deducting the increase cost directly attributable to the disposal of the asset. Value in use is calculated based on the discounted cash flow model. The cash flow estimation is based on the budget for the next five years, and does not include the Company's uncommitted reorganization or future major investments needed to strengthen the asset performance of the tested cash-generating unit. The recoverable amount is easily affected by the discount rate used in the discounted cash flow model, as well as the expected future cash inflow and growth rate used for extrapolation purposes. Please refer to Note 6 for more details.

(c) Pension benefits

The pension cost of the post-employment welfare program and the present value of a defined benefit obligation depend on the actuarial evaluation. Actuarial evaluation involves a variety of different assumptions, including: discount rate and expected salary changes.

(d) Revenue recognition - Sales return and allowance

The Company estimates sales returns and allowance based on historical experience and other known reasons, and uses them as a deduction of operating income when the products are sold. The aforementioned estimates of sales returns and allowance are the cumulative revenue recognized in the major turnaround. The amount is highly probable that it will not occur on the basis of the previous withdrawal. Please refer to Note 6 for more details.

(e) Income tax

The uncertainty of income tax lies in the interpretation of complicated tax laws and the amount of taxable income generated in the future. Due to the long-term and complex nature of extensive international business relations and contracts, the differences between actual results and assumptions made, or changes in these assumptions in the future, may force the income tax benefits and expenses recorded in the book to be adjusted in the future. The calculation of income tax is based on a reasonable estimate made by the tax authority where the Company operates. The stated amount is based on different factors, such as the previous tax review experience and the difference between the taxation body and the taxation authority’s interpretation of tax laws and regulations. The difference in this interpretation may result in various issues due to the location of the Company.

Post-transition of unused tax losses and income tax deductions and reducible temporary differences, which are likely to generate taxable income in the future or within the scope of contingent taxable temporary differences, shall be recognized as deferred income tax assets. The determination of the recognizable amount of deferred tax assets is based on the estimated time and level at which future taxable income and taxable temporary differences may occur, as well as future tax planning strategies.

(f) Trade receivables–estimation of impairment loss

The estimation of the impairment loss of the Company's accounts receivable is based on the estimated amount of credit loss within duration, and will be based on the difference between the contractual cash flow (carrying amount) that can be received by the contract and the expected cash flow (assessment forward-looking information.) The value is credit loss, but the discounting effect of short-run receivables is not significant, and credit loss is measured by the undiscounted difference. If the actual future cash flow is less than expected, significant impairment losses may occur. Please refer to Note 6 for more details.

(g) Inventories

The estimated value of the net realizable value of the inventory is based on the fact that the inventory is damaged, fully or partially obsolete, or the selling price has fallen. The most reliable evidence of the expected cash value of the inventory available at the time of the estimation is used. Please refer to Note 6 for more details.

6. Contents of significant accounts

(1) Cash and cash equivalents

	2022.12.31	2021.12.31
Cash on hand	$210	$210
Checking, demand deposits and time deposits	1,111,808	1,262,252
Total	$1,112,018	$1,262,462

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

	2022.12.31	2021.12.31
Mandatorily measured at fair value through profit or loss:		
Funds	$14,937	$—
Current	$14,937	$—
Non-current	—	—
Total	$14,937	$—

The Company does not provide guarantees with financial assets measured at fair value through profit or loss.

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

	2022.12.31	2021.12.31
Equity instrument investment measured at fair value through other comprehensive income – non-current:		
Listed companies stocks	$111,571	$240,892
Unlisted company stocks	42,272	73,458
Total	$153,843	$314,350

Financial assets at fair value through other comprehensive income were not pledged.

(4) Notes receivables

	2022.12.31	2021.12.31
Notes receivables arising from operating activities	$25,525	$60,686
(Less): allowance loss	(—)	(—)
Total	$25,525	$60,686

The Company's notes receivable did not provide guarantees.

The Company assesses impairments in accordance with IFRS 9. For information on allowances for losses, please refer to Note 6(15), and for information related to credit risk, please refer to Note 12.

(5) Trade receivables and Trade receivables-related parties

	2022.12.31	2021.12.31
Trade receivables	$1,665,788	$2,222,020
(Less): loss allowance	(16,672)	(22,660)
Subtotal	1,649,116	2,199,360
Trade receivable - related parties	322,846	207,130
(Less): loss allowance	(—)	(—)
Subtotals	322,846	207,130
Total	$1,971,962	$2,406,490

Trade receivables were not pledged.

The Company's credit period to customers is usually from 60 days to 120 days for monthly settlement. As of December 31, 2022 and 2021, the total carrying amount was NT$1,988,634 thousand and NT$2,429,150 thousand, respectively. Please refer to Note 6(15) for information on the allowance for losses and Note 12 for information on credit risk.

(6) Inventories

	2022.12.31	2021.12.31
Raw materials	$959,741	$544,625
Work in progress	64,700	54,753
Finished goods	1,018,461	856,492
Total	$2,042,902	$1,455,870

The Company’s inventory cost recognized as an expense in FY2022 was NT$6,358,488 thousand, of which, in addition to the inventory cost, it included NT$266,784 thousand in inventory recovery gain arising from the sale of part of the inventory in FY2022.

The Company’s inventory cost recognized as an expense in FY2021 was NT$6,127,183 thousand, of which, in addition to the inventory cost, it included NT$34,413 thousand in inventory recovery gain arising from the sale of part of the inventory in FY2021.

(7) Investments accounted for using the equity method

Details of the Company’s investment by equity method is as follows:

	2022.12.31		2021.12.31	
Investees	Carry amount	Percentage of ownership (%)	Carry amount	Percentage of ownership (%)
Investee subsidiaries:				
PAN-JIT ASIA INTERNATIONAL INC.	$6,536,416	100.00%	$6,538,446	100.00%
Pynmax Technology Co., Ltd.	1,743,395	94.64% (Note 2)	1,883,028	94.60%
LIFETECH ENERGY INC. (Note 1)	—	—	(55)	20.57%
Champion Microelectronic Corp.	1,841,669 (Note 3)	30.00%	—	—

Investees	2022.12.31 Carry amount	2022.12.31 Percentage of ownership (%)	2021.12.31 Carry amount	2021.12.31 Percentage of ownership (%)
AIDE ENERGY EUROPE COÖPERATIE U.A.	732,130 (Note 4)	100.00%	–	–
Investments in associates:				
MILDEX OPTICAL INC.	226,287	21.01%	180,958	21.01%
Alltop Technology Co., Ltd.	1,575,688	19.18%	1,574,237	19.08%
Total	$12,655,585		$10,176,614	

(Note 1): LIFETECH ENERGY INC was liquidated in November 2022.

(Note 2): The Company repurchased the shares held by PANJIT so its shareholding increased to 94.64% from 94.60%.

(Note 3): In March 2022, the Company acquired 30.00% common shares of CMC. The Company occupied two seats on the board of directors in CMC shareholders' meeting on 27 May 2022. Meanwhile, the representative of the Company was appointed as chairman. On 6 June 2022, the chairman assigned the general manager. Although the percentage of ownership interests in CMC was less than 50%, the Company determined that it has control over CMC. This is due to a combination of factors including the fact that the Company remains the single largest shareholder of CMC since the inception of the investment; the Company could obtain proxies to achieve relative majority in absence of contractual arrangement and the ability of the Company to appoint or approve the key management personnel of CMC who have the ability to direct the related activities.

(Note 4): In April 2022, the Company acquired 100.00% equity of AIDE ENERGY EUROPE COÖPERATIE U.A. from AIDE ENERGY (CAYMAN) HOLDING CO., LTD. and AIDE SOLAR ENERGY (HK) HOLDING LIMITED.

(a) Investee subsidiaries are expressed in Parent Company Only Financial Statements as "investments by equity method", and necessary evaluation adjustments are made.

(b) Information on material related enterprises to the Company

Company Name: Alltop Technology Co., Ltd.

Nature of the relationship with the associate: ALLTOP TECHNOLOGY CO., LTD. is in the business of research and development, manufacturing and sale of connectors, primarily for servers, automotive and industrial application. Alltop's future development strategy aligns with the Company's targeted business areas. The Company invests in the company with an aim to integrate the resources of both companies, and expand business areas including servers, laptops, automotive, industrial and networking equipment. This is to create synergies between the two firms and to provide customers with more full-range products and services.

Fair value of the investment in the associate when there is a quoted market price for the investment: ALLTOP TECHNOLOGY CO., LTD. is a listed entity on the Taipei Exchange (TPEx). The fair value of the investment in ALLTOP TECHNOLOGY CO., LTD. accounted for using the equity method amounted to $1,295,569 thousand as of 31 December 2022.

The aggregated financial information and reconciliation to the carrying amount of the investment is as follows:

	2022.12.31
Assets	$3,874,123
Liabilities	(1,357,769)
Equity	2,516,354
Proportion of the Company’s ownership	19.18%
Subtotals	482,637
Goodwill	988,226
Patent	78,071
Others (Note)	26,754
Carrying amount of investment	$1,575,688

(Note): The variance was because the conversion of the convertible bonds into common stocks occurred after acquisition date.

The summarized financial information was as follows:

	2022.12.31	2021.12.31
Operating revenue	$442,674	$449,578
Profit from continuing operations	$81,531	$92,457
Other comprehensive income (net after tax)	$5,985	($3,467)
Total comprehensive income	$87,516	$88,990

The Company's investment in MILDEX OPTICAL INC. is not material to the Company. The aggregate carrying amount of the Company’s investment in MILDEX OPTICAL INC. on December 31, 2022 and December 31, 2021 was NT$226,287 thousand and NT$180,958 thousand, respectively. The aggregate financial information of the Company’s investments in associates is as follows:

	2022.12.31	2021.12.31
Net (loss) of continuing operations	$13,557	($27,189)
Other comprehensive income (net after tax)	$33,842	($2,788)
Total comprehensive income	$47,399	($29,977)

The aforementioned investee subsidiaries and associates have no contingent liabilities or capital commitments, nor have they provided guarantees.

The proportion of profits and losses of subsidiaries and associates recognized in FY2022 and FY2021 using the equity method is as follows:

Investee companies	FY2022	FY2021
PAN-JIT ASIA INTERNATIONAL INC.	$555,591	$655,936
Pynmax Technology Co., Ltd.	225,787	249,615
LIFETECH ENERGY INC.	55	(1,299)
MILDEX OPTICAL INC.	13,557	(27,189)
Alltop Technology Co., Ltd.	81,531	92,457
Champion Microelectronic Corp.	12,981	—
AIDE ENERGY EUROPE COÖPERATIE U.A.	1,956	—
Total	$891,458	$969,520

(8) Property, plant, and equipment

	2022.12.31	2021.12.31
Owner occupied property, plant and equipment	$4,744,750	$3,957,765

Owner occupied property, plant and equipment

	Land	Buildings	Machinery and equipment	Utilities equipment	Transportation equipment	Office equipment	Other equipment	Construction in progress and equipment awaiting examination	Total
Cost:									
2022.01.01	$652,223	$755,389	$5,502,614	$27,311	$—	$50,585	$473,584	$1,349,814	$8,811,520
Additions	—	—	108,846	1,625	1,200	10,990	36,114	470,857	629,632
Disposal	—	—	(178,825)	—	—	—	(1,515)	—	(180,340)
Transfer	—	512	348,509	7,845	—	6,324	38,953	90,530	492,673
2022.12.31	$652,223	$755,901	$5,781,144	$36,781	$1,200	$67,899	$547,136	$1,911,201	$9,753,485
Depreciation and impairment:									
2022.01.01	$—	$161,213	$4,266,374	$26,467	$—	$36,103	$363,598	$—	$4,853,755
Depreciation expense	—	18,750	269,573	722	100	4,712	38,297	—	332,154
Disposal	—	—	(172,457)	—	—	—	(1,202)	—	(173,659)
Impairment Loss	—	—	(5,108)	—	—	—	—	—	(5,108)
Transfer	—	—	1,593	—	—	—	—	—	1,593
2022.12.31	$—	$179,963	$4,359,975	$27,189	$100	$40,815	$400,693	$—	$5,008,735

	Land	Building	Machinery equipment	Utilities equipment	Transportation equipment	Office equipment	Other equipment	Construction in progress and equipment awaiting examination	Total
Cost:									
2021.01.01	$449,280	$416,929	$5,007,133	$26,511	$—	$52,148	$450,069	$823,366	$7,225,436
Additions	127	32,717	110,091	800	—	4,908	40,526	813,226	1,002,395
Disposal	—	—	(109,262)	—	—	(12,631)	(18,935)	(1,650)	(142,478)
Transfer	202,816	305,743	494,652	—	—	6,160	1,924	(285,128)	726,167
2021.12.31	$652,223	$755,389	$5,502,614	$27,311	$—	$50,585	$473,584	$1,349,814	$8,811,520
Depreciation and impairment:									
2021.01.01	$—	$148,030	$4,131,106	$26,228	$—	$45,195	$350,000	$—	$4,700,559
Depreciation expense	—	13,569	229,384	239	—	3,538	33,169	—	279,899
Disposal	—	—	(97,616)	—	—	(12,630)	(18,804)	—	(129,050)
Impairment Loss	—	—	(348)	—	—	—	—	—	(348)
Transfer	—	(386)	3,848	—	—	—	(767)	—	2,695
2021.12.31	$—	$161,213	$4,266,374	$26,467	$—	$36,103	$363,598	$—	$4,853,755
Net Carrying Amount:									
2022.12.31	$652,223	$575,938	$1,421,169	$9,592	$1,100	$27,084	$146,443	$1,911,201	$4,744,750
2021.12.31	$652,223	$594,176	$1,236,240	$844	$—	$14,482	$109,986	$1,349,814	$3,957,765

The amount of capitalized borrowing costs for property, plant and equipment was NT$0 for FY2022 and FY2021.
Please refer to Note 8 for the provision of guarantees through property, plant, and equipment.

(9) Intangible assets

	Computer software	Other intangible assets	Total
Cost:			
2021.01.01	$76,808	$50,838	$127,646
Additions - acquired	9,594	40,455	50,049
Disposal	(20,226)	–	(20,226)
Reclassification	4,736	–	4,736
2021.12.31	70,912	91,293	162,205
Additions - acquired	22,893	–	22,893
Disposal	(14,826)	–	(14,826)
2022.12.31	$78,979	$91,293	$170,272
Amortization:			
2021.01.01	$40,857	$8,997	$49,854
Amortization	19,509	15,941	35,450
Disposal	(20,226)	–	(20,226)
2021.12.31	40,140	24,938	65,078
Amortization	19,783	17,959	37,742
Disposal	(14,826)	–	(14,826)
2022.12.31	$45,097	$42,897	$87,994
Net Carrying Amount:			
2022.12.31	$33,882	$48,396	$82,278
2021.12.31	$30,772	$66,355	$97,127

Amortized amount recognized as intangible assets:

	FY2022	FY2021
Operating cost	$2,407	$1,789
Operating expense	$35,335	$33,661

(10) Short-term borrowings

Details of the short loans are as follows:

Nature of borrowing	2022.12.31	2021.12.31
Unsecured bank loans	$2,455,192	$2,931,307
Interest rate range	1.102%~5.36%	0.40% ~ 0.99%

As of December 31, 2022 and 2021, the Company’s total unused short-term borrowings were approximately NT$7,326,048 thousand and NT$6,160,144 thousand, respectively.

(11) Long-term borrowings

Details of the long-term borrowings are as follows:

Nature of borrowing	2022.12.31	2021.12.31
Syndicated bank Loan (A) (Note)	$3,700,000	$1,000,000
Project loan (B)	585,541	598,000
Project loan (C)	900,000	300,000
Project loan (D)	1,050,000	1,050,000
Project loan (E)	78,333	98,333
Credit loan	200,000	1,050,000
Subtotal	6,513,874	4,096,333
(less): Long-term security discount	—	(1,065)
(Less): Unamortized cost of syndicated loan	(3,990)	(6,510)
(Less): Deferred gain from government grants	(26,426)	(25,671)
(Less): Maturity within one year	(478,875)	(32,458)
Total	$6,004,583	$4,030,629
Interest rate range	1.2745%~2.0619%	0.65%~0.9480%

(Note): Loan (A) is a joint loan signed with 16 financial institutions including Land Bank in 2018. The contract was replaced in August 2021.

(A) The Company signed a syndicated loan of a total NT$4,200,000 thousand with 10 financial institutions such as the Land Bank on August 17, 2021. The period is from the date of first use to the date of expiry in 5 years. In addition, the first use should be within 3 months from the date of signing, otherwise, when calculating the credit period, the date of expiry of the three-month period shall be the first use date. Here is an excerpt of the important matters stipulated in the contract as follows:

a. The total credit amount is NT$4.2 billion.

b. The method of this credit case is agreed as follows:
 i. Category 1: Medium-term loan up to $4,200,000 thousand.
 ii. Category 2: Commercial paper of $2,940,000 thousand, which can be used cyclically in accordance with this contract.

c. The combined balance of category 1 and category 2 shall not exceed the total credit limit of this case.

d. Terms of financial ratios:
Within the contract period, the Company is required to calculate annually the financial ratios and agree with assigned threshold based on the figures from audited consolidated financial report.

 i. Current ratio (current asset / current liability): higher than 100%.
 ii. Debt ratio (total debt ÷ shareholders' equity): should not be higher than 200%.
 iii. Times interest earned ratio [(profit before tax + interest expense + depreciation + amortization) ÷ (interest expense)]: should not be less than 2.5 times.
 iv. Net worth: higher than NT$5,300,000 thousand or USD equivalent.

(B) On 9 September 2019, the Company entered into a credit agreement with Taishin International Bank in the amount of NT$600,000 thousand for the investment program for Welcome Overseas Taiwanese Businesses to return to invest in Taiwan. The related terms are as following:

The method of this credit case is agreed as follows:

Credit line	Credit period	Interest	Repayment method
$400,000	Seven years from the date of first use	Increase/decrease from the two-year regular savings interest rate by Chunghwa Post Co., Ltd., and the actual negotiated interest rate shall not be lower than 1.4%.	The grace period is three years. After the grace period expires, the principal will be amortized evenly on a monthly basis.
$200,000	Seven years from the date of first use	Increase/decrease from the two-year regular savings interest rate by Chunghwa Post Co., Ltd., and the actual negotiated interest rate shall not be lower than 1.4%.	The grace period is three years. After the grace period expires, the principal will be amortized evenly on a monthly basis.

(C) On 25 October 2019, the Company entered into a credit agreement with Chang HWA Bank in the amount of NT$900,000 thousand for the investment program for Welcome Overseas Taiwanese Businesses to return to invest in Taiwan. The related terms are as following:

Credit line	Credit period	Interest	Repayment method
$600,000	Seven years from the date of first use	Increase/decrease from the two-year regular savings interest rate by Chunghwa Post Co., Ltd., and the actual negotiated interest rate shall not be lower than 1.4%.	The grace period is three years. After the grace period expires, the principal will be amortized evenly on a monthly basis.
$300,000	Seven years from the date of first use	Increase/decrease from the two-year regular savings interest rate by Chunghwa Post Co., Ltd., and the actual negotiated interest rate shall not be lower than 1.4%.	The grace period is three years. After the grace period expires, the principal will be amortized evenly on a monthly basis.

(D) On 1 November 2019, the Company entered into a credit agreement with First Commercial Bank in the amount of NT$1,500,000 thousand for the investment program for Welcome Overseas Taiwanese Businesses to return to invest in Taiwan. The related terms are as following:

Credit line	Credit period	Interest	Repayment method
$1,000,000	Seven years from the date of first use	Increase/decrease from the two-year regular savings interest rate by Chunghwa Post Co., Ltd., and the actual negotiated interest rate shall not be lower than 1.4%.	The grace period is three years. After the grace period expires, the principal will be amortized evenly on a monthly basis.
$500,000	Seven years from the date of first use	Increase/decrease from the two-year regular savings interest rate by Chunghwa Post Co., Ltd., and the actual negotiated interest rate shall not be lower than 1.4%.	The grace period is three years. After the grace period expires, the principal will be amortized evenly on a monthly basis.

(E) On 21 November 2021, the Company entered into a credit agreement with Land Bank in the amount of NT$1,000,000 thousand for the investment program for Welcome Overseas Taiwanese Businesses to return to invest in Taiwan. The related terms are as following:

Line of credit	Credit period	Interest	Repayment method
$700,000	Seven years from the date of first use	Increase/decrease from the two-year regular savings interest rate by Chunghwa Post Co., Ltd., and the actual negotiated interest rate shall not be lower than 1.4%.	Interest is paid monthly for the first two years, the principal is amortized on a monthly basis starting from the third year, and the interest is calculated monthly based on the principal balance.
$300,000	Seven years from the date of first use	Increase/decrease from the two-year regular savings interest rate by Chunghwa Post Co., Ltd., and the actual negotiated interest rate shall not be lower than 1.4%.	Interest is paid monthly for the first two years, the principal is amortized on a monthly basis starting from the third year, and the interest is calculated monthly based on the principal balance.

(12) Post-employment benefits

Defined contribution plan

The Company sets forth the employee pension rules under the “Labor Pension Act”, which is a state-managed defined contribution plan. According to the regulations, the Company's monthly labor pension contribution rate shall not be less than 6% of the employees' monthly salary. The Company has established the employee retirement rules accordingly, and 6% of the employee’s salary is allocated to the individual retirement account of the Labor Insurance Bureau every month.

For the years ended December 31, 2022 and 2021, the Company recognized NT$40,378 thousand and NT$39,496 thousand, respectively, in expenses for the defined contribution plan.

Defined benefits plan

The Company’s employee pension plan established by the “Labor Standards Act” is a defined benefit plan. The employee pension payment is calculated based on the base number of service years and the average salary of one month at the time of retirement. The service length within 15 years (including) shall be given two cardinalities for each full year, and the service length over 15 years shall be given one cardinality for each full year. However, the cumulative maximum shall be limited to 45 cardinalities. Per requirement of the Labor Standard Act, the Company shall transfer 2% of the total salary to the pension fund on a monthly basis, which shall be deposited in the special account of the Bank of Taiwan in the name of the Labor Retirement Reserve Fund Supervision Committee. In addition, the Company shall, before the end of each fiscal year, estimate the balance of the labor retirement reserve fund special account in the preceding paragraph. If the balance is insufficient to pay the retirement allowance amount calculated in accordance with the foregoing calculation for the labor eligible for retirement in the next one fiscal year, the Company shall once allocate the balance by the end of March of the next fiscal year.

The Ministry of Labor conducts asset allocation in accordance with the Regulations for Revenues, Expenditures, Safeguard and Utilization of the Labor pension. The investment of the fund is invested by self-management and entrusted management, and adopts both active and passive management with medium and long-term investment strategies. Considering market, credit, liquidity and other risks, the Ministry of Labor sets fund risk limits and control plans to make it flexible enough to achieve target returns without over-taking risks. For the utilization of the fund, the minimum annual income allocated in the final accounts shall not be less than the income calculated according to the two-year fixed deposit interest rate of the local bank. Any insufficiency, shall be made up by the national treasury after being approved by the competent authority. Since the Company does not have the right to participate in the operation and management of the fund, it cannot disclose the fair value of the project assets in accordance with paragraph 142 of the IAS 19. As of December 31, 2022, the Company’s defined benefit plan is expected to allocate NT$1,717 thousand in the next fiscal year.

As of December 31, 2022 and 2021, the Company's defined benefit plans are expected to expire in 8 years.

The following table summarizes and determines the cost of the benefit plan recognized to profit or loss:

	FY2022	FY2021
Current service cost	$1,793	$1,863
Net interest of net defined benefit liabilities (assets)	633	422
Total	$2,426	$2,285

The current value of the defined benefit obligations and the fair value of the planned assets are adjusted as follows:

	2022.12.31	2021.12.31	2021.01.01
Present value of defined benefit obligations	$132,691	$156,233	$164,303
Fair value of plan assets	(71,184)	(67,066)	(61,590)
The amounts accounted of other non-current liabilities - net defined benefit liabilities (assets)	$61,507	$89,167	$102,713

Reconciliation of liability (asset) of the defined benefit plan is as follows:

	Defined benefit obligation	Fair value of plan assets	Defined benefit liability (asset)
2021.01.01	$164,303	($61,590)	$102,713
Current service cost	1,863	—	1,863
Interest expense (income)	674	(252)	422
Past service costs and liquidation gain or loss	—	—	—
Subtotal	166,840	(61,842)	104,998
Defined benefit liabilities / assets re-measurement:			
Actuarial gain or loss resulting from changes in demographic assumptions	—	—	—
Actuarial gain or loss resulting from changes in financial assumptions	(6,538)	—	(6,538)
Experience adjustments	(1,603)	—	(1,603)
Remeasurements of the defined benefit asset	—	(891)	(891)
Subtotal	(8,141)	(891)	(9,032)
Benefit payment	(2,466)	2,466	—
Employer contribution	—	(6,799)	(6,799)
2021.12.31	$156,233	($67,066)	$89,167
Current service cost	1,793	—	1,793
Interest expense (income)	1,109	(476)	633
Past service costs and liquidation gain or loss	—	—	—
Subtotal	159,135	(67,542)	91,593
Defined benefit liabilities / assets re-measurement:			
Actuarial gain or loss resulting from changes in demographic assumptions	—	—	—
Actuarial gain or loss resulting from changes in financial assumptions	(7,019)	—	(7,019)
Experience adjustments	(4,304)	—	(4,304)
Remeasurements of the defined benefit asset	—	(4,974)	(4,974)
Subtotal	(11,323)	(4,974)	(16,297)
Benefit payment	(15,121)	15,121	—
Employer contribution	—	(13,789)	(13,789)
2022.12.31	$132,691	($71,184)	$61,507

The following main assumptions are used to determine the Company's defined benefit plan:

	2022.12.31	2021.12.31
Discount rate	1.26%	0.71%
Expected salary increase rate	1.50%	1.50%

The sensitive analysis of each major actuarial assumption:

	FY2022		FY2021	
	Increased defined benefit obligation	Decreased defined benefit obligations	Increased defined benefit obligation	Decreased defined benefit obligations
Discount rate added by 0.5%	$−	$3,762	$−	$8,165
The discount rate was reduced by 0.5%	$6,448	$−	$9,908	$−
Remuneration expected to increase by 0.5%	$6,392	$−	$9,777	$−
Remuneration expected to decrease by 0.5%	$−	$3,771	$−	$8,151

The aforementioned sensitivity analysis is performed on the assumption that other assumptions remain unchanged, and when a single actuarial assumption (such as discount rate or expected salary) may change reasonably, analysis of the possible impact of determining welfare obligations is carried out. Since some actuarial assumptions are related to each other, in practice, only the case with a single actuarial assumption changes is rare, so this analysis has its limitations.

The method and assumptions used in preparing the sensitivity analysis for the period are the same as before.

(13) Equities

A. Common stock

As at 31 December 2022 and 2021, the Company’s authorized capital were $6,000,000 thousand, and issued capital were both $3,828,149 thousand, each at a par value of NT$10. Each share has one voting right and a right to receive dividends.

On 25 October 2021, the Company issued 50,000 thousand units of Global Depository Shares ("GDS") on the Luxembourg Stock Exchange, each representing a unit of ordinary shares of the Company. And totals in new issuance of 50,000 thousand common stock shares, each unit of GDS was priced at USD3.02, equivalent to NT$84.5. Totals shares amounted to USD151,000 thousand. The rights and obligations of the new shares issued are the same as the original shares. As of December 31, 2022, there were no outstanding shares.

B. Capital surplus

Items	2022.12.31	2021.12.31
Additional paid-in capital	$4,611,840	$4,611,840
Premium on convertible bonds	1,083,418	1,083,418
Difference between consideration given/received and carrying amount of interests in subsidiaries acquired through of disposed	95,779	165,193
Increase through changes in ownership interests in subsidiaries	8	4
Employee stock option	24,527	24,527
Restricted stocks for employees	694	694
Share of changes in net assets of associates accounted and joint ventures for using the equity method	113,444	113,328
Others	87,151	87,151
Total	$6,016,861	$6,086,155

According to laws and regulations, the capital reserve shall not be used except to cover the Company’s losses. When the Company has no losses, the premium from issuing shares in excess of the par value and the capital surplus generated by the donation is subject to a certain percentage of paid-in capital each year for capital replenishment. The aforementioned capital reserve may also be distributed in cash in proportion to the shareholders' original shares.

C. Treasury stock

To transfer shares to employees, the board of directors resolved to repurchase treasury stock on 23 March 2020. The estimated shares of repurchase were 10,000 thousand with the price range between $10.54 to $34.50, from 24 March 2020 to 23 May 2020.
As of 31 December 2022 and 2021, the treasury stock held by the Company were $16,507 thousand, and the number of treasury stock held by the Company were 700 thousand shares.

D. Earnings distribution and dividend policy

According to the articles of association of the Company, if there is a surplus in the annual final accounts, it shall be distributed in the following order:

a. Withholding taxes.
b. Offsetting accumulated losses.
c. Set aside 10% of the remaining amount after deducting items (a) and (b) as legal reserve
d. Set aside or reverse special reserve in accordance with law and regulations
e. The distribution of the remaining portion, if any, will be recommended by the board of director and resolved in the shareholders' meeting.

In accordance with Article 240, Paragraph 5 of the Company Act, the Company authorizes the Board of Directors, in the condition of having more than two-thirds of the directors present and more than half of the directors agree, to assign all or part of the dividends and bonuses payable. The resolutions shall be reported to the shareholders meeting.

The Company's dividend policy is determined by the Board of Directors based on operating plans, investment plans, capital budgets, and changes in internal and external environments. The Company's business is a capital-intensive industry and is currently in the stage of operational growth. Considering the Company's future capital needs and long-term financial planning, and meeting shareholders' demand for cash inflows, the principles of surplus distribution are as follows:

The balance to be distributed for the current year is given priority to cash dividends and can also be distributed to shareholders in the form of stock dividends, but the total amount of cash dividends shall not be less than 10% of the total amount of dividends paid to shareholders.

According to the Company Act, the Company needs to set aside amount to legal reserve unless where such legal reserve amounts to the total authorized capital. The legal reserve can be used to make good the deficit of the Company. When the Company incurs no loss, it may distribute the portion of legal serve which exceeds 25% of the paid-in capital by issuing new shares or by cash in proportion to the number of shares being held by each of the shareholders.

In accordance with Article 241 of the Company Act, the Company will issue all or part of the statutory surplus reserve and capital reserve as new shares or cash in proportion to the shareholders' original shares. When cash is assigned, the Company authorizes the Board of Directors, in the condition of having more than two-thirds of the directors present and more than half of the directors agree, to make a resolution and report to the shareholders meeting. When new shares are issued, they shall be distributed after a resolution of the shareholders meeting.

When the Company distributes the distributable surplus, the difference between the balance of the special surplus reserve provided for the first time when the IFRS is adopted and the net deduction of other equity is added to the special surplus reserve. Afterward, when the net amount of other equity deductions is reversed subsequently, the reversal part of the net amount of other equity deductions may be reversed and distributed to the special surplus reserve.

The FSC on 31 March 2021 issued Order No. Financial-Supervisory-Securities-Corporate 1090150022, which sets out the following provisions for compliance:
On a public company's first-time adoption of the IFRS, for any unrealized revaluation gains and cumulative translation adjustments (gains) recorded to shareholders' equity that the company elects to transfer to retained earnings by application of the exemption under IFRS 1, the company shall set aside special reserve. For any subsequent use, disposal or reclassification of related assets, the Company can reverse the special reserve by the proportion of the special reserve first appropriated and distribute it.

As of January 1, 2022 and 2021, the Company's special surplus reserve after first application were NT$200,400 thousand. In addition, the Company did not use, dispose of, or reclassify related assets from January 1 to December 31, 2022 and 2021, therefore did not convert the special surplus reserve to undistributed earnings. As of December 31, 2022 and 2021, the Company's special surplus reserve after first application were both NT$200,400 thousand.

Details of the 2022 and 2021 earnings distribution and dividends per share as approved and resolved by the board of directors meeting on 10 March 2023 and shareholders' meeting on 14 June 2022, are as follows:

	Appropriation of earnings		Dividend per share (NT$)	
	FY2022	FY2021	FY2022	FY2021
Legal reserve	$223,603	$177,599	$−	$−
Special reserve	$−	$−	$−	$−
Common stock -cash dividend (Note)	$1,146,345	$1,146,345	$3.00	$3.00

(Note): The Company resolved at the board of directors' meeting held on 10 March 2023 and 25 March 2022 to distribute the dividends of 2022 and 2021 in form of cash.

Please refer to Note 6.(17) for further details on employees' compensation and remuneration to directors and supervisors.

(14) Operating revenue

Client contractual income	FY2022	FY2021
Sale of goods	$8,792,616	$8,706,119

Information related to revenue from contracts with customers for the years ended December 31, 2022 and 2021 is as follows.

A. Disaggregation of revenue

The Company is a single operating segment. The revenue generated from sales of goods in FY2022 and FY2021 were NT$8,792,616 thousand and NT$8,706,119 thousand, respectively, which were the income recognized at a certain point in time.

B. Contract balance

Contractual liabilities - current

	2022.12.31	2021.12.31
Sales of goods	$365	$5,982

The reason for the changes in the balance of contract liabilities of the Company from January 1 to December 31, 2022 and 2021 was due to the fact that part of the performance obligations had been met and transferred into revenue or the increase in repay.

(15) Expected credit gains (losses):

	FY2022	FY2021
Operating expenses - expected credit impairment gain (loss)		
Accounts receivable	$5,988	($6,707)

Please refer to Note 12 for more details on credit risk management.

The Company's receivables (including notes and accounts receivable) were subject to the allowance for loss measured at expected credit loss amount during the survival period, with the related explanations about the allowance for losses evaluated on December 31, 2022 and 2021, as follows:

Accounts receivable considers the counter-party's credit rating, regional and industrial factors, and uses the preparation matrix to measure the allowance loss. The relevant information is as follows:

2022.12.31

	1-90 days (Note 1)	91-180 days	181-270 days	271-360 days	Over 361 days	Total
Gross carrying amount	$1,520,335	$167,258	$826	$1	$2,893	$1,691,313
Loss rate	0.35%	5%	20%	100%	100%	
Lifetime expected credit losses	(5,250)	(8,363)	(165)	(1)	(2,893)	(16,672)
Carrying amount	$1,515,085	$158,895	$661	$－	$－	$1,674,641

2021.12.31

	1-90 days (Note 1)	91-180 days	181-270 days	271-360 days	Over 361 days	Total
Gross carrying amount	$2,028,051	$250,929	$358	$—	$3,368	$2,282,706
Loss rate	0.33%	5%	20%	—	100%	
Lifetime expected credit losses	(6,674)	(12,546)	(72)	—	(3,368)	(22,660)
Carrying amount	$2,021,377	$238,383	$286	$—	$—	$2,260,046

(Note 1): Notes receivable included. All notes receivable of the Company are not overdue.
(Note 2): Accounts receivable - related parties not included. The Company's accounts receivable - related parties are not overdue.

The movement in the provision of impairment of trade receivables during the years ended 31 Dec. 2022 and 2021 are as follows:

	Accounts receivable
2022.01.01	$22,660
Amounts increase (reversal) in the current period	(5,988)
Write-off of unrecoverable accounts	—
2022.12.31	$16,672
2021.01.01	$15,953
Amounts increase (reversal) in the current period	6,707
Write-off of unrecoverable accounts	—
2021.12.31	$22,660

(16) Lease

The Company as s lessee

The Company leases a number of different assets, including property (land, houses, and buildings) and transportation equipment. The lease period of each contract is between 2 to 5 years.

The impact of leasing on the Company's financial status, financial performance and cash flow is explained as follows:

A. The amounts recognized in the balance sheet are:

(a) Right-of-use assets

Carrying amount of right-of-use assets

	2022.12.31	2021.12.31
Land	$995	$1,742
House and building	2,723	19,054
Transportation equipment	3,230	1,428
Other assets	222	388
Total	$7,170	$22,612

The Company has added NT$5,656 thousand NT$3,695 thousand respectively to the right-of-use assets from January 1 to December 31, 2022 and 2021.

(b) Lease liabilities

	2022.12.31	2021.12.31
Current	$3,882	$7,981
Non-current	3,213	14,767
Total	$7,095	$22,748

Please refer to Note 6(18).d Financial Costs for the Company's interest expense of lease liabilities in FY2022 and FY2021. Please refer to Note 12(5) Liquidity Risk Management for the maturity analysis of lease liabilities due on December 31, 2022 and 2021.

B. Amount recognized in statement of comprehensive income

Depreciation of right-of-use assets

	FY2022	FY2021
Land	$746	$747
Buildings	3,287	7,299
Transportation equipment	1,013	702
Other assets	166	111
Total	$5,212	$8,859

C. The lessee's income and expenditures related to leasing activities

	FY2022	FY2021
Expenses arising from short-run lease	$2,278	$1,881
Expenses arising from low-value asset lease (Excluding the expenses arising from short-run lease of low-value asset)	$70	$163
Variable lease payments not accounted for in lease liability	$108	$90

D. The lessee's cash outflows related to leasing activities

The total cash outflow of the Company’s lease were NT$5,385 thousand and NT$8,782 thousand from January 1 to December 31, 2022 and 2021.

E. Other information related to leasing activities

Extension and termination options

Some of the Company’s property rental agreement contain extension and termination options. In determining the lease terms, the non-cancellable period for which the Company has the right to use an underlying asset, together with both periods covered by an option to extend the lease if the Company is reasonably certain to exercise that option and periods covered by an option to terminate the lease if the Company is reasonably certain not to exercise that option. These options are used to maximize operational flexibility in terms of managing contracts. The majority of extension and termination options held are exercisable only by the Company. After the commencement date, the Company reassesses the lease term upon the occurrence of a significant event or a significant change in circumstances that is within the control of the lessee and affects whether the Company is reasonably certain to exercise an option not previously included in its determination of the lease term, or not to exercise an option previously included in its determination of the lease term.

(17) The summary table of employee benefits, depreciation and amortization expenses by functions is as follows:

Function / Nature	FY2022			FY2021		
	Operating costs	Operating expenses	Total	Operating costs	Operating expenses	Total
Employee benefit expense						
Salaries	$547,718	$655,039	$1,202,757	$566,249	$727,833	$1,294,082
Labor and health insurance	$70,546	$37,633	$108,179	$72,371	$30,888	$103,259
Pension	$25,627	$17,177	$42,804	$27,235	$14,546	$41,781
Compensation of the directors	$—	$35,490	$35,490	$—	$48,956	$48,956
Other employee benefits expense	$58,948	$18,507	$77,455	$59,211	$16,917	$76,128
Depreciation	$292,269	$45,097	$337,366	$260,837	$27,922	$288,759
Amortization expense	$2,407	$35,335	$37,742	$1,789	$33,661	$35,450

Note: The number of employees in this year and the previous year was 1,559 and 1,499 respectively, of which the number of directors who were not concurrently employees was five.

Companies whose stocks have been listed on the stock exchange should disclose the following information:

A. The average employee benefit expense in the current year was NT$921 thousand. The average employee benefit expense in the previous year was NT$1,014 thousand.
   The average employee salary expense in the current year was NT$774 thousand. The average employee salary expense in the previous year was NT$866 thousand.
B. Change in average employee salary cost adjustment decreased by 11%.
C. The Company has set up an audit committee to replace the supervisor, so the Company's supervisors remuneration for FY2022 and FY2021 were both NT$0.
D. The Company's salary and compensation policy:
   (a) Directors:
   The Company's directors remuneration is in accordance with the Article of Association, Article 16: "The remuneration of all directors, regardless of profit or loss, may be agreed upon by the authorized board meeting according to the usual standards of the industry" and Article 19: "If the Company makes profits during the year, no more than 2% should be proposed for directors remuneration. The proposal shall be drafted and reviewed by the Re-numeration Committee in consideration of the participation in the Company's operations, contribution value and overall company operating performance, and submitted to the Board of Directors for discussion.
   (b) Managerial officers and employees:
   The salary and compensation of the Company's managerial officers and employees refer to the common level of the industry's payment level and consider the time invested by the individual, the responsibilities, degrees of achieving personal goals, performance in other positions, the Company's salary and compensation to the same position in recent years, and the Company's overall operating conditions, etc. Also, the company's Articles of Association, Article 19: "If the Company makes a profit during the year, no less than 6% shall be allocated for employee compensation" shall be followed. The managerial officers compensation must be reviewed by the remuneration committee and submitted to the Board of Directors for discussion; the employees compensation shall be submitted to the responsible supervisor for approval in accordance with the Company's hierarchical authorization rules.

The Company's Articles of Association stipulates that, after annual earnings first offset against any deficit, a minimum of 6% shall be allocated as employee compensation and a maximum of 2% as directors' remuneration. But the Company shall reserve a portion of profit to offset accumulated losses, if any. The aforementioned employee compensation can be made in stock or cash. Its subjects may include employees of controlling or associates that meet certain conditions which are set by the Board of Directors.

According to one of Article 235 of the Company Act, if the employee’s compensation in the preceding paragraph is based on stocks or cash, the Board of Directors shall come to the resolution with more than two-thirds of the directors present and more than half of the present directors approve, and report to the shareholders meeting. For information about employee compensation and director renumeration approved by the Board of Directors, please visit "Market Observation Post System" of Taiwan Stock Exchange.

According to the profit status of the Company in FY2022, the employee compensation and directors re-numeration were estimated to be 6.5% and 1.66%, respectively, and the amount of employee compensation and directors re-numeration were NT$137,375 thousand and NT$35,000 thousand, respectively; In FY2021, the amount of employee compensation and directors re-numeration were NT$145,548 thousand and NT$48,516 thousand, respectively. The foregoing amounts were accounted for under salary expenses. If the Board of Directors decides to pay employee compensation in stocks, the closing price on the day before the Board of Directors resolution is used as the basis for calculating the number of allotted shares. If there is a difference between the estimated number and the actual allotted amount by the Board of Directors, it is recognized as gain or loss in the following year.

The Company’s Board of Directors resolved on March 10, 2023 and March 25, 2022 to provide cash for the employees compensation and directors re-numeration in FY2022 and FY2021 and the amounts were NT$137,375 thousand, NT$35,000 thousand and NT$145,548 thousand, NT$48,516 thousand, respectively. There is no significant difference to the amounts recognized as expenses in the financial report of FY2022 and FY2021.

(18) Non-operating income and expenditures

A. Interest income

	FY2022	FY2021
Financial asset measured at amortized cost	$14,359	$537

B. Other income

	FY2022	FY2021
Rental income	$8,188	$8,188
Dividend income	3,695	6,278
Other revenues	20,313	87,604
Total	$32,196	$102,070

C. Other gains or losses

	FY2022	FY2021
Gains (losses) on disposal of property, plant, and equipment	($2,128)	($6,988)
Profits on disposal of investments	—	2,548
Net gains on foreign exchange	136,789	26,512
Valuation gain (loss) of Financial assets and liabilities measured at fair value through profit or loss (Note)	267	1,475
Reversal of impairment gain - Property, plant, and equipment	5,108	348
Other expenses	(33,356)	(5,422)
Total	$106,680	$18,473

(Note): Balances were arising from financial assets and financial liabilities mandatorily measured at fair value through profit or loss.

D. Financial costs

	FY2022	FY2021
Interest on borrowings from bank	($107,657)	($68,456)
Interest on lease liabilities	(158)	(327)
Total	($107,815)	($68,783)

(19) Components of other comprehensive income

	FY2022				
	Current amount	Occurred reclassification adjustments	Others Comprehensive income	Tax benefit (Expense)	After-tax amount
Items that may not be reclassified subsequently to gain or loss:					
Remeasurement of defined benefit plan	$24,435	$—	$24,435	($3,260)	$21,175
Unrealized valuation gain or loss of equity instrument investment at fair value through other comprehensive income	(283,469)	—	(283,469)	512	(282,957)
Items that may be reclassified subsequently to gain or loss:					
Exchange differences on translation of financial statements of foreign operations	486,892	—	486,892	(84,180)	402,712
Total	$227,858	$—	$227,858	($86,928)	$140,930

	FY2021				
	Current amount	Occurred reclassification adjustments	Others Comprehensive income	Tax benefit (Expense)	After-tax amount
Items that may not be reclassified subsequently to gain or loss:					
Re-measurement of defined benefit plan	$3,727	$—	$3,727	($1,807)	$1,920
Unrealized valuation gain or loss of equity instrument investment at fair value through other comprehensive income	335,088	—	335,088	(1,670)	333,418
Items that may be reclassified subsequently to gain or loss:					
Exchange differences on translation of financial statements of foreign operations	(188,795)	—	(188,795)	36,520	(152,275)
Total	$150,020	$—	$150,020	$33,043	$183,063

(20) Income tax

A. Income tax recognized in profit or loss

	FY2022	FY2021
Current income tax expense:		
Current income tax payables	$230,108	$239,096
Adjustment of current deferred income tax of previous years in current year	—	20,094
Deferred income tax expense (gain):		
Deferred income tax expense (gain) related to the original creation of the temporary difference and its reversal	(46,655)	45,572
Income tax expense	$183,453	$304,762

B. Income tax recognized as other comprehensive income

	FY2022	FY2021
Deferred income tax expense (gain):		
Exchange differences on translation of financial statements of foreign operations	($84,180)	$36,520
Re-measurement of defined benefit plan	(3,260)	(1,807)
Unrealized valuation gain or loss of equity instrument investment at fair value through other comprehensive income	512	(1,670)
Income tax related to other comprehensive income components	($86,928)	$33,043

C. The amount of income tax expenses multiplied by accounting profits by the applicable tax rate is adjusted as follows:

	FY2022	FY2021
Pre-tax Net Profit from Continuing Business Units	$1,941,084	$2,231,737
Income tax calculated at statutory tax rate	$388,217	$446,347
Tax effects of tax exemption income	(67,575)	(55,179)
Income tax impact on deferred income tax assets / liabilities	(137,189)	(106,500)
Adjustment of current deferred income tax of previous years in current year	—	20,094
Total income tax expense recognized in profit or loss	$183,453	$304,762

D. The deferred income tax assets (liabilities) balance related to the following items:

FY2022:

	Opening balance	Recognized in gain or loss	Recognized in other comprehensive income	Closing balance
Temporary difference				
Allowance for price decline in inventories	$32,404	$53,357	$—	$85,761
Unrealized exchange gain or loss	(6,301)	3,290	—	(3,011)
The proportion of gain or loss of subsidiaries recognized by equity method	13,622	3,398	—	17,020
Changes in the net worth of the subsidiary's equity recognized by equity method	(71,014)	—	—	(71,014)
The balance of translation of the financial report of foreign operation institutions	148,067	—	(84,180)	63,887
Tax differentials in depreciation	(604)	208	—	(396)
Net defined benefit liability - non-current	17,833	(2,518)	(3,260)	12,055
Impairment Loss	1,022	(1,022)	—	—
Others	47,837	(10,058)	512	38,291
Deferred income tax (expense) gain		$46,655	($86,928)	
Net deferred income tax assets / liabilities	$182,866			$142,593
Below is the information contained in the balance sheet:				
Deferred income tax asset	$260,785			$217,014
Deferred tax liabilities	($77,919)			($74,421)

FY2021:

	Opening balance	Recognized in gain or loss	Recognized in other comprehensive income	Closing balance
Temporary difference				
Allowance for price decline in inventories	$39,287	($6,883)	$—	$32,404
Unrealized exchange gain or loss	669	(6,970)	—	(6,301)
The proportion of gain or loss of subsidiaries recognized by equity method	39,802	(26,180)	—	13,622
Changes in the net worth of the subsidiary's equity recognized by equity method	(71,014)	—	—	(71,014)
The balance of translation of the financial report of foreign operation institutions	111,547	—	36,520	148,067
Tax differentials in depreciation	(906)	302	—	(604)
Net defined benefit liability - non-current	20,543	(903)	(1,807)	17,833
Impairment Loss	1,091	(69)	—	1,022
Others	54,376	(4,869)	(1,670)	47,837
Deferred income tax (expense) gain		($45,572)	$33,043	
Net deferred income tax assets / liabilities	$195,395			$182,866
Below is the information contained in the balance sheet:				
Deferred income tax asset	$267,315			$260,785
Deferred tax liabilities	($71,920)			($77,919)

E. Unrecognized deferred tax assets

As of December 31, 2022 and 2021, the Company’s unrecognized deferred income tax assets were NT$8,500 thousand and NT$53,500 thousand, respectively.

F. Situations of income tax declaration and verification

As of December 31, 2022, the Company’s income tax declaration was approved to FY2019.

(21) Earnings per share

Basic earnings per share amounts are calculated by dividing net profit for the year attributable to ordinary equity holders of the parent entity by the weighted average number of ordinary shares outstanding during the year.

Diluted earnings per share amounts are calculated by dividing the net profit attributable to ordinary equity holders of the parent entity (after adjusting for interest on the convertible preference shares) by the weighted average number of ordinary shares outstanding during the year plus the weighted average number of ordinary shares that would be issued on conversion of all the dilutive potential ordinary shares into ordinary shares.

	FY2022	FY2021
A. Basic earnings per share		
Net Income (NT$ thousands)	$1,757,631	$1,926,975
Weighted average number of shares of common stock per share of earnings (thousand shares)	382,115	340,448
Basic earnings per share (NT$)	$4.60	$5.66

	FY2022	FY2021
B. Diluted earnings per share		
Profit attributable to ordinary equity holders of the Company and effect of potential common shares (in thousand NT$)	$1,757,631	$1,926,975
Weighted average number of ordinary shares outstanding for basic earnings per share (in thousand)	382,115	340,448
Dilution effect:		
Employee compensation - stocks (thousand shares)	2,737	1,348
Weighted average number of ordinary shares after adjusting the dilution effect (thousand shares)	384,852	341,796
Diluted earnings per share (NT$)	$4.57	$5.64

After the reporting period and before the financial statements were approved for release, there were no other transactions that materially changed the number of common shares outstanding or the number of potential common shares at the end of the period.

7. Related Party Transaction

The following is a summary of transactions between the Company and related parties during the reporting periods:

Name and Relationship of Related Parties

Name of related parties	Relationship with the Company
PAN-JIT ASIA INTERNATIONAL INC.	The Company's subsidiary
PAN JIT AMERICAS, INC.	The Company's subsidiary
PAN-JIT INTERNATIONAL (H.K.) LTD.	The Company's subsidiary
PAN JIT KOREA CO., LTD.	The Company's subsidiary
PAN JIT EUROPE GMBH	The Company's subsidiary
EC SOLAR C1 SRL	The Company's subsidiary
Suzhou Grande Electronics Co. Ltd.	The Company's subsidiary
Shenzhen Max Diode Co., Ltd.	The Company's subsidiary
PAN JIT ELECTRONIC (WUXI) CO., LTD.	The Company's subsidiary
Pynmax Technology Co., Ltd.	The Company's subsidiary
Champion Microelectronic Corp.	The Company's subsidiary
MILDEX OPTICAL INC.	Other related party
Zibo Micro Commercial Components Corp.	Other related party
Fang Minqing and other 14 people	The management level above Deputy general manager of the Company

(1)Sales

	FY2022	FY2021
PAN JIT ELECTRONIC (WUXI) CO., LTD.	$1,255,447	$1,124,840
Others	329,502	229,359
Grand total	$1,584,949	$1,354,199

The selling price from the Company to related parties is negotiated by both parties with reference to market conditions; the current year's circulating funds are unsecured, interest-free and must be settled in cash. No guarantee has been received for accounts receivable from related parties.

(2)Purchase

	FY2022	FY2021
PAN JIT ELECTRONIC (WUXI) CO., LTD.	$1,665,406	$1,905,764
Pynmax Technology Co., Ltd.	393,218	656,778
Others	15,028	29,041
Grand total	$2,073,652	$2,591,583

The price of the Company's purchase of goods from related parties is negotiated by both parties with reference to market conditions; the Company's payment terms for purchases of goods from related parties are equivalent to those of ordinary manufacturers.

(3) Trade receivable - related party

	2022.12.31	2021.12.31
PAN JIT ELECTRONIC (WUXI) CO., LTD.	$299,692	$173,338
PAN JIT AMERICAS, INC.	2,500	24,597
Others	20,654	9,195
Grand total	$322,846	$207,130

(4) Other receivable - related parties (not loans)

	2022.12.31	2021.12.31
PAN-JIT ASIA INTERNATIONAL INC.	$552,780	$—
PAN JIT ELECTRONIC (WUXI) CO., LTD.	451	6,180
Others	2,820	815
Grand total	$556,051	$6,995

(5) Other accounts receivable (not loans)

	2022.12.31	2021.12.31
EC SOLAR C1 SRL	$271,576	$—

(6) Trade payable - related parties

	2022.12.31	2021.12.31
PAN JIT ELECTRONIC (WUXI) CO., LTD.	$195,676	$240,161
Pynmax Technology Co., Ltd.	74,912	64,792
Others	2,665	5,771
Grand total	$273,253	$310,724

(7) Other payables - related parties

	2022.12.31	2021.12.31
PAN JIT EUROPE GMBH	$75,188	$47,382
PAN-JIT INTERNATIONAL (H.K.) LTD.	5,044	7,345
PAN JIT AMERICAS, INC.	8,786	2,777
Pynmax Technology Co., Ltd.	6,064	2,428
Others	64	122
Grand total	$95,146	$60,054

(8) Disposal of property, plant and equipment

FY2022:

Name of related parties	Assets	Selling price	Carrying amount	Sale (loss) gain
PAN JIT ELECTRONIC (WUXI) CO., LTD.	Machinery equipment	$3,924	$785	$3,139
	Other equipment	286	260	26
		$4,210	$1,045	$3,165

FY2021:

Name of related parties	Assets	Selling price	Carrying amount:	Sale (loss) gain
PAN JIT ELECTRONIC (WUXI) CO., LTD.	Machinery equipment	$6,184	$6,115	$69

(9) Others

A. Operating expense

	FY2022	FY2021
a. Commission expenditure		
PAN JIT KOREA CO., LTD.	$50,347	$49,572
PAN JIT EUROPE GMBH	60,683	46,505
Total	$111,030	$96,077
b. Manage shipping warehouse costs and collection and payment items		
PAN-JIT INTERNATIONAL (H.K.) LTD.	$34,341	$40,384
Pynmax Technology Co., Ltd.	39,100	24,104
Total	$73,441	$64,488
c. Miscellaneous expenditure, consumables, etc.		
PAN JIT AMERICAS, INC.	$39,749	$33,856

B. Capital loan

FY2022:

	Maximum Balance	Closing balance	Interest rate range	Interest earned	Interest receivable at the end of current period
EC SOLAR C1 SRL	$592,371	$327,200	3.00%	$7,469	$719

FY2021: N/A

C. Financing (recognized as other payables)

FY2022: N/A

FY2021:

	Maximum Balance	Closing balance	Interest rate range	Interest expense	Accrued interest at the end of current period
PAN-JIT ASIA INTERNATIONAL INC.	$858,300	$—	0.00%	$—	$—

D. Endorsements/guarantees

Details of endorsement/guarantee provided by the Company to subsidiaries' borrowing are as follows:

	2022.12.31	2021.12.31
PAN-JIT ASIA INTERNATIONAL INC.	$2,456,800	$1,826,880

(10) Remuneration for key management personnel of the Company

	FY2022	FY2021
Short-term employee benefits	$107,065	$117,233
After-retirement benefits	712	608
Total	$107,777	$117,841

8. Pledged Assets

The following assets of the Company have been provided as collateral:

	Carrying amount		
Items	2022.12.31	2021.12.31	Secured debt content
Other current assets	$15,969	$14,394	Financial commodity trading

9. Significant Contingent Liability and Unrecognized Contract Commitment

As of December 31, 2022 and 2021, the Company has provided customs bonded guarantees through bank guarantees both in the amount of NT$10,000 thousand.

10. Material Disaster Losses

N/A.

11. Material Subsequent Events

N/A.

12. Others

(1) Classification of financial tools

Financial assets

	2022.12.31	2021.12.31
Financial assets at FVTPL:		
Mandatory to measure at fair value through profit or loss	$14,937	$-
Financial assets measured at fair value through other comprehensive income	153,843	314,350
Financial asset measured at amortized cost	4,650,174	4,330,791
Total	$4,818,954	$4,645,141

Financial liabilities

	2022.12.31	2021.12.31
Financial liabilities measured at amortized cost:		
Short-term borrowings	$2,455,192	$2,931,307
Trade and other payables	2,105,787	2,126,134
Long-term borrowings (including maturity within one year)	6,483,458	4,063,087
Lease liabilities	7,095	22,748
Total	$11,051,532	$9,143,276

(2) Financial risk management objectives and policies

The Company’s financial risk management objectives are mainly to manage market risks, credit risks and liquidity risks related to operating activities. The Company conducts the identification, measurement and management of the aforementioned risks in accordance with the Company's policies and risk preferences.

The Company has established appropriate policies, procedures and internal controls for the aforementioned financial risk management in accordance with relevant regulations. Important financial activities must be reviewed by the Board of Directors and similar audit committee units in accordance with relevant regulations and internal control systems. During the execution of financial management activities, the Company must actually comply with the stipulated financial risk management regulations.

(3) Market risk

Market risk refers to the risk of fluctuations in fair value or cash flow of financial instruments due to changes in market prices. Market risks mainly include exchange rate risk, interest rate risk and other price risks (such as equity instruments.)

In practice, it is rare that a single risk variable changes independently, and the changes of each risk variable are usually related, but the sensitivity analysis of each risk below does not consider the interactive impact of related risk variables.

Exchange rate risk

The Company's exchange rate risk is mainly related to operating activities (when the currency used for revenue or expenses is different from the Company's functional currency) and the net investment of foreign operation.

The Company’s foreign currency receivables are in the same currencies as part of the foreign currency payables. At this time, a considerable part of the position will have a natural hedging effect. For some foreign currency payments, forward foreign exchange contracts are used to manage exchange rate risks, based on the aforementioned natural hedging. The use of forward foreign exchange contracts to manage exchange rate risks does not meet the requirements of hedging accounting, therefore it is not adopted. In addition, the net investment of foreign operation is a strategic investment, so the Company does not consider hedging.

The sensitivity analysis of the Company's exchange rate risk mainly focuses on the major foreign currency monetary items at the end of the financial reporting period, and the impact of related foreign currency appreciation/devaluation on the Company's gain or loss and equity. The Company's exchange rate risk is mainly affected by fluctuations in the exchange rate of the U.S. dollar.

Interest Rate Risk

Interest rate risk is the risk of fluctuations in the fair value or future cash flow of financial instruments due to changes in market interest rates. The Company's interest rate risk mainly comes from investment in floating-rate debt instruments, fixed-rate borrowings and floating-rate borrowings.

Sensitivity analysis of interest rate risk mainly focuses on interest rate risk insurance items at the end of the financial reporting period, including floating rate investments, floating rate borrowings and interest rate swap contracts.

Equity Price Risk

The Company holds domestic listed and unlisted equity securities, the fair value of which will be affected by the uncertainty of the future value of these investment targets. The listed and unlisted equity securities held by the Company belong to the category measured at fair value through other comprehensive income. The Company manages the price risk of equity securities by diversifying investment and setting limits for single and overall equity securities investment. The equity securities investment portfolio information needs to be regularly provided to the Company's senior management. The Board of Directors must review and approve all equity securities investment decisions.

The sensitivity analysis of the related risk changes is as follows:

FY2022

Key risks	Variation range	Sensitivity to gain or loss (NT$ thousands)		Sensitivity to equity (NT$ thousands)
Exchange rate risk	NTD/USD exchange rate +/－ 1%	+/－	$7,400	$－
	NTD/EUR exchange rate +/－ 1%	－/+	$2,372	
Interest Rate Risk	NTD market interest rate +/－ 100 basis points	－/+	$78,573	$－
Equity Price Risk	Equity Price Risk＋/－ 10%	+/－	$1,494	$15,384

FY2021

Key risks	Variation range	Sensitivity to gain or loss (NT$ thousands)		Sensitivity to equity (NT$ thousands)
Exchange rate risk	NTD/USD exchange rate +/－ 1%	－/+	$3,275	$－
Interest Rate Risk	NTD market interest rate +/－ 100 basis points	－/+	$57,643	$－
Equity Price Risk	Equity Price Risk＋/－ 10%	+/－	$－	$31,435

(4) Credit risk management

Credit risk refers to the risk that the counterparty cannot fulfill the obligations set out in the contract and will result in financial losses. The Company's credit risk is due to operating activities (mainly accounts and notes) and financial activities (mainly bank deposits and various financial instruments.)

All units of the Company follow credit risk policies, procedures and controls to manage credit risk. The credit risk assessment of all counterparties is a comprehensive consideration of such factors as the counterparty's financial status, ratings of credit rating agencies, past historical transaction experience, current economic environment, and the Company's internal rating standards. The Company also uses certain credit enhancement tools (such as advance payment and insurance, etc.) at appropriate times to reduce the credit risk of specific counterparties.

As of December 31, 2022 and 2021, the top ten customer accounts receivable accounted for 31% and 32% of the Company’s balance of accounts receivable, respectively. The credit concentration risk of the remaining accounts receivable is relatively not significant.

The Company’s finance department manages the credit risk of bank deposits, fixed income securities, and other financial instruments in accordance with company policies. Since the Company’s trading partners are determined by internal control procedures, and are credit worthy banks and investment-grade financial institutions, corporate organizations, and government agencies, there is no significant credit risk.

(5) Liquidity risk management

The Company maintains financial flexibility through contracts such as cash and cash equivalents, high-liquidity securities and bank loans. The following table summarizes the maturity of the payments contained in the remaining contracts for non-derivative financial liabilities during the agreed repayment period of the Company. It is compiled based on the earliest possible repayment date and based on its undiscounted cash flows. The amounts listed are also Including agreed interest. For interest cash flows paid at floating interest rates, the undiscounted amount of interest is derived from the yield curve at the end of the reporting period.

Non-derivative financial liabilities

	Less than 1 year	Later than 2 years but not later than 3 years	Later than 4 years but not later than 5 years	Later than 5 years	Total
2022.12.31					
Loan	$2,989,312	$269,147	$5,843,726	$－	$9,102,185
Payables	$2,105,787	$－	$－	$－	$2,105,787
Lease liabilities	$3,953	$3,241	$－	$－	$7,194
2021.12.31					
Loan	$2,990,320	$1,079,196	$1,605,695	$1,411,283	$7,086,494
Payables	$2,126,134	$－	$－	$－	$2,126,134
Lease liabilities	$8,231	$11,721	$3,285	$－	$23,237

(6) Adjustment in liabilities generated from financing activities

Adjustment information of liabilities in FY2022:

	Short-term borrowings	Long-term borrowings	Lease liabilities	Total liabilities from the financing activities
2022.01.01	$2,931,307	$4,063,087	$22,748	$7,017,142
Cash flow	(476,115)	2,429,658	(5,385)	1,948,158
Non-cash changes	—	(9,287)	(10,268)	(19,555)
2022.12.31	$2,455,192	$6,483,458	$7,095	$8,945,745

Adjustment information of liabilities in FY2021:

	Short-term borrowings	Long-term borrowings	Lease liabilities	Total liabilities from the financing activities
2021.01.01	$1,385,443	$3,522,198	$27,897	$4,935,538
Cash flow	1,545,864	563,019	(8,782)	2,100,101
Non-cash changes	—	(22,130)	3,633	(18,497)
2021.12.31	$2,931,307	$4,063,087	$22,748	$7,017,142

(7) Fair value of financial instruments

A. Valuation techniques and assumptions used to measure fair value

Fair value refers to the price that can be received for the sale of an asset or paid for the transfer of a liability in an orderly transaction between market participants on the measurement date. The methods and assumptions used by the Company to measure or disclose the fair value of financial assets and financial liabilities are as follows:

a. The carrying amounts of cash and cash equivalents, receivables, other current assets, payables and other current liabilities are a reasonable approximation of the fair value, which is mainly due to the short maturity period of such instruments.

b. The fair value of financial assets and financial liabilities that are traded in an active market with standard terms and conditions is determined by reference to market quotes (for example, listed stocks, beneficiary certificates, bonds and futures, etc.).

c. The fair value of equity instruments without active market transactions (for example, private equity stocks of listed companies, public company shares without active markets, and unpublished company shares) is estimated by the market method, and is estimated for the fair value with the price and other relevant information (such as lack of liquidity discount factors, similar company stock price-to-earning ratio, similar company stock price-to-net worth ratio and other input values) of the same or comparable company equity instruments generated by market transactions.

d. For investment in debt instruments, bank borrowings, corporate bonds payable and other non-current liabilities without active market quotations, the fair value is determined based on the counterparty’s quotation or evaluation technology. The evaluation technology is determined on the basis of discounted cash flow analysis. The interest rate and assumptions such as discount rate are mainly based on information related to similar tools (for example, OTC’s reference yield curve, the average quotation of the Reuters commercial paper rate, and credit risk information.)

e. Derivative financial instruments without active market quotations, among which are non-option derivative financial instruments, are calculated based on discounted cash flow analysis using the counterparty’s quotation or the applicable yield curve within duration; for option derivative financial instruments, use Counterparty quotations, appropriate option pricing models (such as the Black-Scholes model) or other evaluation methods (such as Monte Carlo Simulation) to calculate the fair value.

B. Fair value of financial instruments measured at amortized cost

The carrying amount of the Company's financial assets and financial liabilities measured at amortized cost is a reasonable approximation of the fair value.

C. Information about the fair value level of financial instruments

For information on the fair value levels of the Company's financial instruments, please refer to Note 12 (9).

(8) Derivative instruments

As of December 31, 2022 and 2021, the Company did not hold any derivatives that did not qualify for hedge accounting and have not yet expired.

(9) Fair value level

A. Definition of fair value level

All assets and liabilities measured or disclosed by fair value are entered at the lowest level of importance to the overall fair value measurement, and are classified into the fair value level to which they belong. The input values for each level are as follows:

Level 1. —Quoted (unadjusted) market prices in active markets for identical assets or liabilities that the entity can access at the measurement date.
Level 2. —Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly. .
Level 3. —Unobservable inputs for the asset or liability.

For assets and liabilities recognized in Parent Company Only Financial Statements on a repetitive basis, their classification is reassessed at the end of each reporting period to determine whether there will be a transfer between the levels of the fair value hierarchy.

B. Hierarchical Information on Fair Value Measurement

The Company does not have non-repetitive assets measured at fair value. The fair value level information of repetitive assets and liabilities is listed below:

December 31, 2022:

	Class 1	Class 2	Class 3	Total
Assets measured at fair value				
Financial assets measured at fair value through other comprehensive income				
Fund	$—	$14,937	$—	$14,937
Financial assets measured at fair value through other comprehensive income				
Stock	$111,571	$42,272	$—	$153,843

December 31, 2021:

	Class 1	Class 2	Class 3	Total
Assets measured at fair value:				
Financial assets measured at fair value through other comprehensive income				
Stock	$240,892	$73,458	$—	$314,350

Transfer between the first level and the second level of the fair value hierarchy

As of December 31, 2022 and 2021, there is no transfer between the first and second levels of the fair value hierarchy of assets and liabilities measured by the Company's repetitive fair value.

Changes in recurring fair value at level 3

The Company does not have repetitive fair value-measured assets and liabilities that fall into the third level of the fair value hierarchy.

(10) The information on foreign currency assets and liabilities with significant impact are as follows

The information on foreign currency assets and liabilities of the Company with significant influence is as follows

Monetary unit: NT$ thousands

	2022.12.31			2021.12.31		
	Foreign currency	Exchange rate	NTD	Foreign currency	Exchange rate	NTD
Financial assets						
Monetary items:						
USD	$57,802	30.7100	$1,775,105	$95,713	27.6800	$2,649,342
EUR	$3,291	32.7200	$107,689	$3,830	31.3200	$119,971
Non-monetary items:						
USD	$212,843	30.7100	$6,536,416	$236,216	27.6800	$6,538,446
Financial liabilities						
Monetary items:						
USD	$33,706	30.7100	$1,035,118	$83,880	27.6800	$2,321,812
EUR	$10,542	32.7200	$344,946	$2,876	31.3200	$90,067

The above information is disclosed on the basis of the foreign currency carrying amount (which has been converted to functional currency.)

The Company's foreign currency transactions have a wide variety of functional currencies, which cannot be difficult to disclose each currency's significant influence. Therefore, the exchange gain or loss of each currency are consolidated and disclosed. The Company's currency financial assets and financial liabilities conversion gain (loss) in FY2022 and FY2021 were NT$136,789 thousand and NT$26,512 thousand, respectively.

(11) Capital management

The most important goal of the Company's capital management is to confirm the maintenance of sound credit ratings and good capital ratios to support corporate operations and maximize shareholders' equity. The Company manages and adjusts the capital structure according to economic conditions, and may maintain and alter the capital structure by adjusting dividend payments, returning capital or issuing new shares.

13. Additional Disclosures

(1) Information on Significant Transactions:

a. Financing provided to others: Please refer to Attachment 1.
b. Endorsement/Guarantee for others: Please refer to Attachment 2.
c. Securities held at the end of the period (excluding subsidiaries, associates, and joint ventures): Please refer to Attachment 3.
d. Individual securities acquired or disposed of with accumulated amount exceeding the lower of NT$300 million or 20 percent of the capital stock: Please refer to Attachment 4.
e. Acquisition of individual real estate with amount exceeding the lower of NT$300 million or 20 percent of the capital stock: None.
f. Disposal of individual real estate with amount exceeding the lower of NT$300 million or 20 percent of the capital stock: None
g. Related party transactions for purchases and sales amounts exceeding the lower of NT$100 million or 20 percent of the capital stock: Please refer to Attachment 5.
h. Receivables from related parties with amounts exceeding the lower of NT$100 million or 20 percent of capital stock: Please refer to Attachment 6.
i. Financial instruments and derivative transactions: Please refer to Note 12(8).

(2) Information on Investees:

If the issuer directly or indirectly exercises significant influence or control over, or has a joint venture interest in, an investee company not in the Mainland Area, it shall disclose information on the investee company, showing the name, location, principal business activities, original investment amount, shareholding at the end of the period, profit or loss for the period, and recognized investment gain or loss: Please refer to Attachment 7.

(3) Information of Investment in Mainland China:

a. Information on investment in Mainland China: Please refer to Attachment 8.
b. Directly or indirectly significant transactions through third regions with the investees in Mainland China, including price, payment terms, unrealized gain or loss:
   i. The amount and percentage of purchases and the balance and percentage of the related payables at the end of the period: Please refer to Attachment 5.
   ii. The amount and percentage of sales and the balance and percentage of the related receivables

at the end of the period: Please refer to Attachment 5~6.

iii. The amount of property transactions and the amount of the resultant gains or losses: None.

iv. The balance of negotiable instrument endorsements or guarantees or pledges of collateral at the end of the period and the purposes: Please refer to Attachment 2.

v. The highest balance, the end of period balance, the interest rate range, and total current period interest with respect to financing of funds: Please refer to Attachment 1.

vi. Other transactions that have a material effect on the profit or loss for the period or on the financial position: None.

(4) Information on major shareholders: Please refer to Attachment 9.

Notes to the Parent Company Only Financial Statements of PANJIT International Inc. (continued)
(Unit: NT$ thousands, unless otherwise indicated)
Financing provided to others

Attachment 1

No. (Note 1)	Lender	Counter-party	Financial statement account (Note 2)	Related Party	Maximum balance for the period	Ending balance (Note 6)	Actual amount provided	Interest rate	Nature of Financing (Note 3)	Amount of sales to (purchases from) counter-party (Note 4)	Reason for financing (Note 5)	Loss allowance	Collateral		Limit of financing amount for individual counter-party	Limit of total financing amount	Note
													Item	Value			
0	PANJIT INTERNATIONAL INC.	EC SOLAR C1 SRL	Other receivables	Yes	$592,371	$327,200	$271,576	3.00%	Short-term financing	-	Operating turnover	-	-	-	$5,446,231	$5,446,231	(Note 7. 11)
0	PANJIT INTERNATIONAL INC.	AIDE ENERGY EUROPE B.V.	Other receivables	Yes	93,845	-	-	0.00%	Short-term financing	-	Operating turnover	-	-	-	5,446,231	5,446,231	(Note 7. 11)
1	PAN-JIT ASIA INTERNATIONAL INC.	JIANGSU AIDE SOLARE NERGYT ECHNOLOGY CO.,LTD.	Other receivables	Yes	954,583	906,890	906,890	0.00%	Short-term financing	-	Operating turnover	-	-	-	3,319,674	7,303,283	(Note 8. 11)
1	PAN-JIT ASIA INTERNATIONAL INC.	AIDE SOLAR ENERGY (HK) HOLDING LIMITED	Other receivables	Yes	329,204	-	-	0.00%	Short-term financing	-	Operating turnover	-	-	-	3,319,674	7,303,283	(Note 8. 11)
1	PAN-JIT ASIA INTERNATIONAL INC.	AIDE ENERGY EUROPE B.V.	Other receivables	Yes	500,847	-	-	0.00%	Short-term financing	-	Operating turnover	-	-	-	3,319,674	7,303,283	(Note 8. 11)
2	AIDE ENERGY EUROPE B.V.	EC SOLAR C1 SRL	Other receivables	Yes	407,296	-	-	0.00%	Short-term financing	-	Operating turnover	-	-	-	1,464,220	1,464,220	(Note 9. 11)
3	Suzhou Grande Electronics Co. Ltd.	JIANGSU AIDE SOLARE NERGYT ECHNOLOGY CO.,LTD.	Other receivables	Yes	801,915	417,301	417,301	3.00%	Short-term financing	-	Operating turnover	-	-	-	1,206,405	1,206,405	(Note 10. 11)
3	Suzhou Grande Electronics Co. Ltd.	SUMMERGY CO., LTD	Other receivables	Yes	120,554	-	-	0.00%	Short-term financing	-	Operating turnover	-	-	-	321,708	321,708	(Note 10. 11)
Total						$1,651,391	$1,595,767										

(Note 1): The numbering rule is as follows:

1. The parent company is coded "0".
2. The subsidiaries are coded consecutively beginning from "1" in the order presented in the table above.

(Note 2): Accounts receivable from associates, accounts receivable from related parties, shareholder transactions, advance payments, temporary payments... and other items, if they are in the nature of capital loans, must be filled in this form.

(Note 3): The nature of the fund loan should be listed as a business transaction or a short-run financing need.

(Note 4): If the nature of the fund loan is a business transaction, the business transaction amount should be disclosed. The business transaction amount refers to the amount of business transactions between the Company that lent the fund and the counterparty in the most recent year.

(Note 5): If the nature of the fund loan is short-run financing, the counterparty's reasons and the purpose for the loan should be specified, such as repayment of borrowings, purchase of equipment, business turnover... etc.

(Note 6): Pursuant to Article 14 Item 1 of the Regulations Governing Loaning of Funds and Making of Endorsements/Guarantees by Public Companies, if a public company submits a capital loan to the Board of Directors for resolutions one by one, although the funds have not yet been allocated, the amount of the board of directors' resolutions should be included in the balance declared to expose the risk; however, if the funds are subsequently repaid, the balance after repayment shall be disclosed to reflect the adjustment of risk. Pursuant to Article 14 Item 2 of the Regulations, if a public company, through the resolution by the board of directors, authorizes the chairman of the board to allocate loans in installments or revolve them within a certain amount and within a one-year period, the capital loan and quota approved by the board of directors should still be used as the balance declared. Although the funds will be repaid thereafter, it is still possible to allocate the loan again, so the capital loan and quota approved by the board of directors should still be used as the balance declared.

(Note 7): For companies or merchants that are in need of short-term financing, the amount of individual loans and the total amount of capital loans to others by the Company shall not exceed 40% of the Company's net worth.

(1) PANJIT International Inc.: The net worth is NT$13,615,577 thousand.

(Note 8): In accordance with the following regulations on the "Capital Loan to Others Operating Procedures" stipulated by each subsidiary of the Company, for companies or merchants that are in need of short-term financing, the amount of individual loans and the total amount of capital loans to others shall not exceed 40% of that company's net worth. If the subsidiary and the foreign companies in which the Company, directly and indirectly, hold 100% of the voting shares engage in fund lending, it is not subject to the above restrictions. However, the individual loan amount and the total amount of funds loaned to others shall not exceed 50% and 110% of that company's net worth. Calculate the net worth of the following companies in accordance with the operating procedures:

(1) PAN-JIT ASIA INTERNATIONAL INC.: The net worth is USD216,195 thousand, which is converted into NT$6,639,348 thousand.

(Note 9): In accordance with the following regulations on the "Capital Loan to Others Operating Procedures" stipulated by each subsidiary of the Company, for companies or merchants that are in need of short-term financing, the amount of individual loans and the total amount of capital loans to others shall not exceed 40% of that company's net worth. If the subsidiary and the foreign companies in which the Company, directly and indirectly, hold 100% of the voting shares engage in fund lending,It is not subject to the above restrictions, but the individual loan amount and the total amount of funds loaned to others shall not exceed 200% of that company's net worth. Calculate the net worth of the following companies in accordance with the operating procedures:

(1) AIDE ENERGY EUROPE B.V.: The net worth is EUR22,375 thousand, which is converted into NT$732,110 thousand.

(Note 10): In accordance with the following regulations on the "Capital Loan to Others Operating Procedures"and "Capital Loan to Others Processing Procedures" stipulated by each subsidiary of the Company, for companies or merchants that are in need of short-term financing, the amount of individual loans and the total amount of capital loans to others shall not exceed 40% of that company's net worth. If the subsidiary and the foreign companies in which the directly and indirectly, hold 100% of the voting shares engage in fund lending,It is not subject to the above restrictions, but the individual loan amount and the total amount of funds loaned to others shall not exceed 150% of that company's net worth. Calculate the net worth of the following companies in accordance with the operating procedures:

(1) Suzhou Grande Electronics Co., Ltd.: The net worth is RMB182,457 thousand, which is converted into NT$804,270 thousand.

(Note 11): It had been written off in preparing the consolidated financial report.

Notes to the Parent Company Only Financial Statements of PANJIT International Inc. (continued)

(Unit: NT$ thousands, unless otherwise indicated)

Endorsement/guarantee for others

Attachment 2

No. (Note 1)	Endorsor/Guarantor	Receiving party		Limit of guarantee/endorsement amount for receiving party (Note 3)	Maximum balance for the period (Note 4)	Ending balance (Note 5)	Actual amount provided (Note 6)	Amount of collateral guarantee/ endorsement	Percentage of accumulated guarantee amount to net assets value from the latest financial statement	Limit of total guarantee/ endorsement amount (Note 3)	Guarantee provided by parent company (Note 7)	Guarantee provided by a subsidiary (Note 7)	Guarantee provided to subsidiaries in Mainland China (Note 7)	Note
		Company Name	Relationship (Note 2)											
0	PANJIT INTERNATIONAL INC.	PAN-JIT ASIA INTERNATIONAL INC.	2	$13,615,577	$4,951,780	$2,456,800	$2,456,800	-	18.04%	$13,615,577	Y	N	N	(Note 8)

(Note 1): The numbering rule is as follows:

1. The parent company is coded "0".

2. The subsidiaries are coded consecutively beginning from "1" in the order presented in the table above.

(Note 2): The relationship between endorsement guarantor and the subject of endorsement or guarantee is as follows:

(1) A company with which the Company has business relationship.

(2) A subsidiary in which the Company directly or indirectly holds more than 50% of the voting shares.

(3) The investee company whose parent company and subsidiary hold more than 50% of the common stock.

(4) For the parent company that directly or indirectly holds more than 90% of its common stock equity through its subsidiaries.

(5) Mutually guaranteed companies among counterparts based on the need for undertaking projects.

(6) All capital contributing shareholders make endorsements/guarantees for their jointly invested Company in proportion to their shareholding percentages.

(7) Companies in the same industry provide among themselves joint and several security for a performance guarantee of a sales contract for pre-construction homes pursuant to the Consumer Protection Act for each other.

(Note 3): Information to be filled out: According to the operating procedures of endorsement and guarantee for others, the Company's limit of endorsement/guarantee for individuals and the maximum amount of endorsement/guarantee. In the remarks column, explain the calculation method of the endorsement/guarantee for individuals and the total amount.

(Note 4): Highest amount of outstanding endorsement/guarantee for others in current period.

(Note 5): The amount approved by the Board of Directors should be filled. However, if according to Article 12, Paragraph 8 of the Regulations Governing Loaning of Funds and Making of Endorsements/Guarantees by Public Companies,the Board of Directors has authorized the chairman, it refers to the amount decided by the chairman.

(Note 6): The actual amount spent by the endorsed company within the range of the endorsed guarantee balance.

(Note 7): Y is required only for those who are the listed parent company to endorse the subsidiary, those who are the subsidiary to endorse the listed parent company, and those who are located in the mainland area.

(Note 8): According to the Company’s “Procedures for Endorsement and Guarantee”, the limit of the endorsement and guarantee for a single enterprise shall not exceed 100% of the Company’s net worth (ie, NT$13,615,577 thousand);
The total amount of endorsement and guarantees for enterprises outside the Group shall not exceed 100% of the Company’s net worth.

Notes to the Parent Company Only Financial Statements of PANJIT International Inc. (continued)

(Unit: NT$ thousands, unless otherwise indicated)

Securities held at the end of the period (excluding subsidiaries, associates, and joint ventures)

Attachment 3

Unit: USD, RMB, HKD and EUR thousands

Holder	Type and name of securities (Note 1)	Relationship (Note 2)	Financial statement account	Ending Balance					Note (Note 4)
				Units/Shares (thousand shares)	Currency	Book value (Note 3)	Percentage of ownership	Fair value	
PANJIT International Inc.	Fund								
	Yuanta 0 - 2 Year Investment Grade Corporate Bond Fund	-	Mandatory financial assets measured at fair value through profit or loss - current	-	NTD	14,937	-	14,937	-
	Public shares								
	Jih Lin Technology Co., Ltd.	-	Financial assets measured at fair value through other comprehensive benefits and losses - non-current	717	NTD	43,157	0.70%	43,157	-
	OTC stock								
	Advanced Microelectronic Products,Inc.	-	Financial assets measured at fair value through other comprehensive benefits and losses - non-current	2,888	NTD	66,571	2.64%	66,571	-
	Sentelic Corporation	-	Financial assets measured at fair value through other comprehensive benefits and losses - non-current	41	NTD	1,843	0.14%	1,843	-
	Unlisted stock								
	KAISON GREEN ENERGY TECHNOLOGY CO., LTD.	-	Financial assets measured at fair value through other comprehensive benefits and losses - non-current	364	NTD	1,865	0.62%	1,865	-
	WELLAN SYSTEM CO., LTD.	-	Financial assets measured at fair value through other comprehensive benefits and losses - non-current	445	NTD	-	1.53%	-	-
	TAIDEVELOP INFORMATION CORP.	-	Financial assets measured at fair value through other comprehensive benefits and losses - non-current	334	NTD	-	3.71%	-	-
	ENERGY MOANA TECHNOLOGY CO., LTD.	-	Financial assets measured at fair value through other comprehensive benefits and losses - non-current	1,200	NTD	8,755	2.96%	8,755	-
	Neolink Capital Corp.	-	Financial assets measured at fair value through other comprehensive benefits and losses - non-current	3,500	NTD	31,652	4.28%	31,652	-
Pan Jit Electronics (Wuxi) Co., Ltd.	Unlisted stock (Note 5)								
	Siyang Grande Electronics Co., Ltd.	-	Financial assets measured at fair value through other comprehensive benefits and losses - non-current	-	RMB	14,674	15.00%	14,674	-
	Wuxi Danchen Intelligent Technology Co., Ltd.	-	Financial assets measured at fair value through other comprehensive benefits and losses - non-current	-	RMB	48	10.00%	48	-
	(Formerly Wuxi One-Light-For-All Technology Development Co., Ltd.)								
CHAMPION MICROELECTRONIC CORP.	Unlisted stock								
	HC PHOTONICS CORP.	-	Mandatory financial assets measured at fair value through profit or loss - non-current	136	NTD	957	0.54%	957	-
PAN-JIT ASIA INTERNATIONAL INC.	Fund								
	HYPERION CAPITAL MANAGEMENT LTD.	-	Mandatory financial assets measured at fair value through profit or loss - non-current	-	USD	-	-	-	-
	Vertex Growth Fund II	-	Mandatory financial assets measured at fair value through profit or loss - non current	-	USD	150	-	150	-
	Siegfried Capital Partners Fund II S.C.Sp.	-	Mandatory financial assets measured at fair value through profit or loss - current	-	USD	10,500	-	10,500	-
	Siegfried Supply Chain Finance Fund S.C.A., SICAV-SIF- Series 1	-	Mandatory financial assets measured at fair value through profit or loss - current	-	USD	19,048	-	19,048	-
	VTEAM SIEGFRIED SUPPLY CHAIN FINANCE FUND	-	Mandatory financial assets measured at fair value through profit or loss - current	-	USD	19,953	-	19,953	-
	Notes								
	VTeam Supply Chain Finance Limited	-	Mandatory financial assets measured at fair value through profit or loss - current	-	USD	15,000	-	15,000	-
	Wealth management products by financial institution								
	ERSTE GROUP BANK AG	-	Financial assets at amortised cost - non-current	-	USD	431	-	431	-
	RAIFFEISEN BANK INTL	-	Financial assets at amortised cost - non-current	-	USD	436	-	436	-

(continued in next page)

Notes to the Parent Company Only Financial Statements of PANJIT International Inc. (continued)

(Unit: NT$ thousands, unless otherwise indicated)

Securities held at the end of the period (excluding subsidiaries, associates, and joint ventures)

(continued from previous page)

Holder	Type and name of securities (Note 1)	Relationship (Note 2)	Financial statement account	Ending Balance					Note (Note 4)
				Units/Shares (thousand shares)	Currency	Book value (Note 3)	Percentage of ownership	Fair value	
Pynmax Technology Co., Ltd.	Public shares								
	Jih Lin Technology Co., LTd.	-	Financial assets measured at fair value through other comprehensive benefits and losses - non-current	766	NTD	46,113	0.75%	46,113	-
	Unlisted stock								
	HI-VAWT TECHNOLOGY CORP.	-	Financial assets measured at fair value through other comprehensive benefits and losses - non-current	2,000	NTD	-	10.00%	-	-
	Fund								
	TCB Quantitative Taiwan Fund	-	Mandatory financial assets measured at fair value through profit or loss - current	-	NTD	29,844	-	29,844	-
	Taishin Healthcare Fund	-	Mandatory financial assets measured at fair value through profit or loss - non-current	-	NTD	17,680	-	17,680	-
	Menglue Venture Capital Limited Partnership Fund	-	Mandatory financial assets measured at fair value through profit or loss - non-current	-	NTD	14,235	-	14,235	-
	Convertible Bond								
	Alltop Technology Corp. 5th Domestic Unsecured Convertible Bond	Associates	Mandatory financial assets measured at fair value through profit or loss - current	-	NTD	19,500	-	19,500	-
JOYSTAR INTERNATIONAL CO., LTD.	Fund								
	Siegfried Capital Partners Fund II S.C.Sp.	-	Mandatory financial assets measured at fair value through profit or loss - current	-	USD	5,450	-	5,450	-
	VTeam Supply Chain Finance Limited	-	Mandatory financial assets measured at fair value through profit or loss - current	-	USD	4,457	-	4,457	-
Wisdom Mega Corp.	Unlisted stock								
	SiFotonics Technologies Co., Ltd	-	Financial assets measured at fair value through other comprehensive benefits and losses - non-current	2,040	NTD	123,130	3.39%	123,130	-
AIDE ENERGY (CAYMAN) HOLDING CO., LTD.	Fund								
	Siegfried Capital Partners Fund II S.C.Sp.	-	Mandatory financial assets measured at fair value through profit or loss - current	-	USD	9,300	-	9,300	-
	Vteam Siegfried Supply Chain Finance Fund	-	Mandatory financial assets measured at fair value through profit or loss - current	-	USD	9,365	-	9,365	-
AIDE ENERGY EUROPE B.V.	Fund								
	Siegfried Capital Partners Fund II S.C.Sp.	-	Mandatory financial assets measured at fair value through profit or loss - current	-	EUR	1,150	-	1,150	-
Jiangsu Aide Solar Technology Co., Ltd.	Unlisted stock(Note 5)								
	MOTECH (Suzhou) New Energy Co., Ltd.	-	Financial assets measured at fair value through other comprehensive benefits and losses - non-current	-	RMB	30,378	4.61%	30,378	Has been pledged to subsidaries
PAN-JIT INTERNATIONAL (H.K.) LTD.	Fund								
	Siegfried Capital Partners Fund II S.C.Sp.	-	Mandatory financial assets measured at fair value through profit or loss - current	-	HKD	8,580	-	8,580	-

(Note 1): The securities mentioned in this attachment refer to stocks, bonds, beneficiary certificates and securities derived from the above items within the scope of IFRS 9 "Financial Instruments."

(Note 2): If the securities issuer is not a related party, this column should be left blank.

(Note 3): Fill in the amount after adjusted at fair value and deducted by accumulated impairment for the marketable securities measured at fair value; fill in the acquisition cost or amortized cost deducted by accumulated impairment for the marketable securities not measured at fair value.

(Note 4): The number of shares of securities and their amounts pledged as security or pledged for loans and their restrictions on use under some agreements should be stated in the foot NOTE if the securities presented herein have such conditions.

(Note 5): It is a limited company, so the number of shares and net worth per share are not available.

Notes to the Parent Company Only Financial Statements of PANJIT International Inc. (continued)
(Unit: NT$ thousands, unless otherwise indicated)
Individual securities acquired or disposed of with accumulated amount exceeding the lower of NT$300 million or 20 percent of the capital stock

Attachment 4

Company	Type and name of the securities (Note 1)	Accounting item	Counter-party (Note 2)	Relationship (Note 2)	Currency	Beginning Balance		Addition(Note 3)		Disposal(Note 3)				Ending Balance	
						Share (thousand)	Amount (thousand)	Share (thousand)	Amount (thousand)	Share (thousand)	Amount (thousand)	Book value (thousand)	loss(gain) on disposal (thousand)	Shares (thousand)	Amounts (thousand)
PANJIT INTERNATIONAL INC.	Champion Microelectronic Corp. Common Stocks	Investments accounted for using the equity method	Centralized securities exchange market	-	NTD	-	$-	23,996	$1,827,724 (Note 4) $13,945 (Note 5)	-	$-	$-	$-	23,996	$1,841,669 (Note 7)
Pynmax Technology Co., Ltd.	MOSEL VITELIC Inc. Common Stocks	Financial assets at fair value through other comprehensive income - non-current	-	-	NTD	19,000	849,015	-	-	19,000	736,250	259,920	448,493 (Note 6)	-	-

(Note 1): The securities mentioned in this attachment refer to stocks, bonds, beneficiary certificates and securities derived from the above items.
(Note 2): Investors who adopt the equity method for securities accounts must fill in these two columns, the rest are not required.
(Note 3): The accumulated buying and selling amount shall be calculated separately at market price whether it reaches NT$300 million or 20% of the paid-in capital.
(Note 4): The amount of addition is acquisition cost $1,947,704 thousand minus cash dividend $119,980 thousand received this year.
(Note 5): It is the share of profit and loss recognized under the equity method and the exchange differences arising on translation of foreign operations.
(Note 6):After deducting relevant transaction costs and income tax, it is included in the disposal profit or loss of retained earnings in accordance with the accounting policies.
(Note 7):It had been written off in preparing the consolidated financial report.

Notes to the Parent Company Only Financial Statements of PANJIT International Inc. (continued)

(Unit: NT$ thousands, unless otherwise indicated)

Related party transactions for purchases and sales amounts exceeding the lower of NT$100 million or 20 percent of the capital stock

Attachment 5

Purchaser (seller)	Counter-party	Relationship	Transactions				Situation and reason for difference between transaction condition and common transaction		Notes and accounts receivable(payable)		Note
			Purchases (Sales)	Amount	Percentage of total purchases (sales)	Credit Term	Unit price	Credit Term	Balance (Note 2)	Percentage of total receivables (payable)	
PANJIT International Inc.	Pan Jit Electronics (Wuxi) Co., Ltd.	Subsidiaries	(Sales)	($1,255,447)	14%	General	Not applicable	Not applicable	$299,692	15%	(Note 2)
	PAN JIT AMERICAS, INC.	Subsidiaries	(Sales)	(216,253)	2%	General	Not applicable	Not applicable	2,500	0%	(Note 2)
	Pan Jit Electronics (Wuxi) Co., Ltd.	Subsidiaries	Purchase	1,665,406	33%	General	Not applicable	Not applicable	(195,676)	21%	(Note 2)
	Pynmax Technology Co., Ltd.	Subsidiaries	Purchase	393,218	8%	General	Not applicable	Not applicable	(74,912)	8%	(Note 2)
Pynmax Technology Co., Ltd.	PANJIT International Inc.	The Company	(Sales)	(393,218)	43%	General	Not applicable	Not applicable	74,912	42%	(Note 2)
	Pan Jit Electronics (Wuxi) Co., Ltd.	Subsidiaries	(Sales)	(375,896)	41%	General	Not applicable	Not applicable	86,384	48%	(Note 2)
Pan Jit Electronics (Shandong) Co. Ltd.	Pan Jit Electronics (Wuxi) Co., Ltd.	Subsidiaries	(Sales)	(149,063)	92%	General	Not applicable	Not applicable	18,513	94%	(Note 2)
Pan Jit Electronics (Wuxi) Co., Ltd.	PANJIT International Inc.	The Company	(Sales)	(1,665,406)	25%	General	Not applicable	Not applicable	195,676	10%	(Note 2)
	ZIBO MICRO COMMERCIAL COMPONENT CORP.	Associates	(Sales)	(294,810)	4%	General	Not applicable	Not applicable	51,886	3%	-
	PANJIT International Inc.	The Company	Purchase	1,255,447	21%	General	Not applicable	Not applicable	(299,692)	18%	(Note 2)
	Pynmax Technology Co., Ltd.	Subsidiaries	Purchase	375,896	6%	General	Not applicable	Not applicable	(86,384)	5%	(Note 2)
	Pan Jit Electronics (Shandong) Co., Ltd.	Subsidiaries	Purchase	149,063	3%	General	Not applicable	Not applicable	(18,513)	1%	(Note 2)
	ZIBO MICRO COMMERCIAL COMPONENT CORP.	Associates	Purchase	534,780	9%	General	Not applicable	Not applicable	(59,068)	4%	-
PAN JIT AMERICAS, INC.	PANJIT International Inc.	The Company	Purchase	216,253	96%	General	Not applicable	Not applicable	(2,500)	55%	(Note 2)

(Note 1): The amount of paid-in capital refers to the amount of paid-in capital of the parent company. If the issuer’s stock has no denomination or the denomination per share is not NT$10, the transaction amount of 20% of the paid-in capital shall be calculated based on the 10% of the equity attributable to the owner of the parent company on the balance sheet.

(Note 2): It had been written off in preparing the consolidated financial report.

Notes to the Parent Company Only Financial Statements of PANJIT International Inc. (continued)

(Unit: NT$ thousands, unless otherwise indicated)

Receivables from related parties with amounts exceeding the lower of NT$100 million or 20 percent of capital stock

Attachment 6

The companies that record receivables	Counter-party	Relationship	Ending balance	Turnover rate	Overdue receivables		Amount received in subsequent period	Note
					Amount	Collection status		
PANJIT International Inc.	Pan Jit Electronics (Wuxi) Co., Ltd.	Subsidiaries	$299,692	4.19	$18,835	Urging Payment	$109,850	(Note 2、3)
Pan Jit Electronics (Wuxi) Co., Ltd.	PANJIT International Inc.	The Company	195,676	8.51	-	-	139,235	(Note 2、3)

(Note 1): The amount of paid-in capital refers to the amount of paid-in capital of the parent company. If the issuer's stock has no denomination or the denomination per share is not NT$10, the transaction amount of 20% of the paid-in capital shall be calculated based on the 10% of the equity attributable to the owner of the parent company on the balance sheet.

(Note 2): The consolidated financial report is prepared and the percentage of ownership is 100% and no allowance for loss is required.

(Note 3): It had been written off in preparing the consolidated financial report.

Notes to the Parent Company Only Financial Statements of PANJIT International Inc. (continued)
(Unit: NT$ thousands, unless otherwise indicated)
Name, Location, and Information about Investee Companies (Not Including Investee Companies in Mainland China)

Attachment 7

Investor company	Investee Companies (Note 1, 2)	Location	Main business items	Currency	Initial investment: Ending balance	Initial investment: Beginning balance	Investment as of December 31, 2022: Number of shares (thousand)	Investment as of December 31, 2022: Percentage of ownership (%)	Investment as of December 31, 2022: Book value	Net income (loss) of investee company (Note 2(2))	Investment income (loss) recognized (Note 2(3))	Note
PANJIT International Inc.	PAN-JIT ASIA INTERNATIONAL INC.	Vistra Corporate Services Centre Wickhams Cay II Road Town,Tortola,Vg1110 Virgin Islands,British	Investment holding	NTD	$6,842,505	$7,772,258	210,106	100.00%	$6,536,416	$522,764	$555,591	Subsidiaries (Note 4、5)
	Pynmax Technology Co., Ltd.	No. 17, Yonggong 1st Rd., Yong'an Dist., Kaohsiung City	Electronic parts and components manufacturing	NTD	1,069,816	1,069,063	84,493	94.64%	1,743,395	213,427	225,787	Subsidiaries (Note 4、5)
	MILDEX OPTICAL INC.	No. 7, Luke 3rd Rd., Luzhu Dist., Kaohsiung City, Southern Science Industrial Park	Optical lens, instrument, and touch panel Display panel manufacturing	NTD	259,523	259,523	16,328	21.01%	226,287	64,525	13,557	
	LIFETECH ENERGY INC.	No. 17, Yonggong 1st Rd., Yong'an Dist., Kaohsiung City	LiFePO4 battery Manufacturing and sales	NTD	-	10,091	-	0.00%	-	267	55	Subsidiaries (Note 5、8)
	ALLTOP TECHNOLOGY CO., INC	3F., No. 102, Sec. 3, Zhongshan Rd., Zhonghe Dist., New Taipei City	Electronic parts and components manufacturing and international trade	NTD	1,482,721	1,455,570	11,315	19.18%	1,575,688	554,085	81,531	(Note 6)
	CHAMPION MICROELECTRONIC CORP.	5 F., No. 11, Yuanqu 2nd Rd., East Dist., Hsinchu City	Electronic parts and components manufacturing and international trade	NTD	1,947,704	-	23,996	30.00%	1,841,669	112,304	12,981	Subsidiaries (Note 5、6)
	AIDE ENERGY EUROPE COÖPERATIE U.A.	Corkstraat 46 ,3047 AC Rotterdam Nederland	Investment holding	NTD	732,259	-	- (Note 3)	100.00%	732,130	13,744	1,956	Subsidiaries (Note 5)
PAN-JIT ASIA INTERNATIONAL INC.	PAN-JIT INTERNATIONAL (H.K.) LTD.	Unit 1-5 ,18/F., Wah Wai Centre, No.38-40 Au Pui Wan Street, Fotan,Shatin,New Territories	Sale of electronic	USD	3,330	3,330	24,711	100.00%	4,625	1,428	1,428	Sub-subsidiary (Note 5)
	PAN JIT AMERICAS, INC.	2507 W ERIE DR #101, TEMPE, AZ 85282, USA	Sale of electronic	USD	16,626	16,626	2,431	95.86%	6,986	984	1,020	Sub-subsidiary (Note 4、5)
	PAN JIT EUROPE GMBH	Otto-Hahn-Str. 285609 Aschheim Germany	Sale of electronic	USD	770	770	- (Note 3)	100.00%	2,064	595	595	Sub-subsidiary (Note 5)
	CONTINENTAL LIMITED	Vistra Corporate Services Centre, Ground Floor NPF Buliding,BeachRoad, Apia ,Samoa	Investment holding	USD	10,226	10,226	7,860	100.00%	51,954	8,269	8,269	Sub-subsidiary (Note 5)
	DYNAMIC TECH GROUP LIMITED	Vistra Corporate Services Centre, Ground Floor NPF Buliding,BeachRoad, Apia ,Samoa	Investment holding	USD	914	914	1,126	52.22%	310	(8)	(4)	Sub-subsidiary (Note 5)
	PAN JIT KOREA CO.,LTD.	Tower A dong 3601 Ho, Heung Deuk IT Valey, Heung Deuk 1ro 13 Gi Heung-Gu, Yong In City GyungGi-Do, Korea	Sale of electronic	USD	288	288	54	60.00%	1,225	348	209	Sub-subsidiary (Note 5)
										H450	H450	
	AIDE ENERGY (CAYMAN) HOLDING CO., LTD.	The Grand Pavilion Commercial Centre, Oleander Way, 802 West Bay Road, P.O. Box 32052, Grand Cayman KY1-1208, Cayman Islands	Investment holding and sale of Photoelectric products	USD	145,868	145,868	246,249	94.43%	(23,254)	762	719	Sub-subsidiary (Note 5)
Pynmax Technology Co., Ltd.	JOYSTAR INTERNATIONAL CO., LTD.	4th Floor,Ellen Skelton Building, 3076 Sir Francis Drake Highway, Road Town, Tortola, British Virgin Islands VG1110	Investment holding	NTD	536,686	536,686	17,522	100.00%	478,660	23,500	23,500	Sub-subsidiary (Note 5)
											H065	
	MILDEX OPTICAL INC.	No. 7, Luke 3rd Rd., Luzhu Dist., Kaohsiung City, Southern Science Industrial Park	Optical lens, instrument, and touch panel Display panel manufacturing	NTD	288,852	288,852	6,429	8.27%	89,072	64,525	5,336	
	LIFETECH ENERGY INC.	No. 17, Yonggong 1st Rd., Yong'an Dist., Kaohsiung City	LiFePO4 battery Manufacturing and sales	NTD	-	26,000	-	0.00%	-	267	164	Sub-subsidiary (Note 5、8)

(continued in next page)

(Unit: NT$ thousands, unless otherwise indicated)

Name, Location, and Information about Investee Companies (Not Including Investee Companies in Mainland China)

(continued from previous page)

Investor company	Investee Companies (Note 1, Note 2)	Location	Main business items	Currency	Initial investment		Investment as of December 31, 2022			Net income (loss) of investee company (Note 2(2))	Investment income (loss) recognized (Note 2(3))	Note
					Ending balance	Beginning balance	Number of shares (thousand)	Percentage of ownership (%)	Book value			
CHAMPION MICROELECTRONIC CORP.	Wisdom Bright Inc.(Wisdom bright)	Republic of Seychelles	Investment holding	NTD	$157,658	$157,658	5,104	100.00%	$159,986	$2,834	$2,834	Sub-subsidiary (Note 5)
	Champion Microelectronic Corp.(CMC)	Republic of Seychelles	International trade business, investment holding and electronic commerce	NTD	144,793	144,793	4,500	100.00%	142,224	1,726	1,726	Sub-subsidiary (Note 5)
	Wisdom Mega Corp.(Wisdom Mega)	Republic of Seychelles	Investment holding	NTD	125,250	125,250	4,000	100.00%	123,130	-	-	Sub-subsidiary (Note 5)
JOYSTAR INTERNATIONAL CO., LTD.	DYNAMIC TECH GROUP LIMITED	Vistra Corporate Services Centre, Ground Floor NPF Buliding,BeachRoad, Apia ,Samoa	Investment holding	USD	1,029	1,029	1,030	47.48%	284	(8)	(4)	Sub-subsidiary (Note 5)
AIDE ENERGY (CAYMAN) HOLDING CO., LTD.	AIDE SOLAR ENERGY (HK) HOLDING LIMITED	15/F, BOC Group Life Assurance Tower, No. 136 Des Voeux Road Central, Central, Hong Kong.	Investment holding and sales	USD	36,527	24,707	54,921	100.00%	(22,582)	(5)	(5)	Sub-subsidiary (Note 5)
	AIDE ENERGY EUROPE COÖPERATIE U.A.	Corkstraat 46 ,3047 AC Rotterdam Nederland	Investment holding	USD	-	23,836	-	0.00%	-	503	403	Sub-subsidiary (Note 5)
	AIDE SOLAR USA,INC.	2507 W. Erie Drive Ste 101 Tempe Arizona 85282	Solar engery product development manufacturing, sales, Self-acting agents of various commodities and technology import and export	USD	-	1,500	-	0.00%	-	-	-	Sub-subsidiary (Note 5、7)
AIDE SOLAR ENERGY (HK) HOLDING LIMITED	AIDE SOLAR USA,INC.	2507 W. Erie Drive Ste 101 Tempe Arizona 85282	Solar engery product development manufacturing, sales, Self-acting agents of various commodities and technology import and export	USD	-	1,400	-	0.00%	-	-	-	Sub-subsidiary (Note 5、7)
	AIDE ENERGY EUROPE COÖPERATIE U.A.	Corkstraat 46 ,3047 AC Rotterdam Nederland	Investment holding	USD	-	7	-	0.00%	-	503	-	Sub-subsidiary (Note 5)
AIDE ENERGY EUROPE COÖPERATIE U.A.	AIDE ENERGY EUROPE B.V.	Corkstraat 46 ,3047 AC Rotterdam Nederland	Investment holding and sales	EUR	18,620	18,620	2	100.00%	22,375	503	503	Sub-subsidiary (Note 5)
AIDE ENERGY EUROPE B.V.	EC SOLAR C1 SRL	Viale Andrea Doria 7 Cap 20124 MILANO (MI), Italy.	Sales of solar power plants Electricity produced	EUR	17,000	17,000	- (Note3)	100.00%	21,021	1,241	1,062	Sub-subsidiary (Note 4、5)
Wisdom Bright Inc.	Wisdom Toprich Technology Limited (Wisdom Toprich)	Republic of Seychelles	Investment holding	NTD	157,658	157,658	5,104	100.00%	159,986	2,834	2,834	Sub-subsidiary (Note 5)

(Note 1): If a public company is equipped with an overseas holding company and takes consolidated financial report as the main financial report according to the local law rules, it can only disclose the information of the overseas holding company about the disclosure of related overseas investee information.

(Note 2): If situation does not belong to Note 1, fill in the columns according to the following regulations:

(1) The columns of "Investee", "Location", "Main business activities", "Initial investment amount" and "Shares held as at March 31, 2022" should fill orderly in the Company's (public company's) information on investees and every directly or indirectly controlled investee's investment information, and note the relationship between the Company (public company) and its investee each (ex. direct subsidiary or indirect subsidiary) in the "Note" column.

(2) The "Net income (loss) of investee company" column should fill in amount of net profit (loss) of the investee for this period.

(3) The "Investment income (loss) recognized" column should fill in the Company (public company) recognized investment income (loss) of its direct subsidiary and recognized investment income (loss) of its investee accounted for under the equity method for this period. When filling in recognized investment income (loss) of its direct subsidiary, the Company (public company) should confirm that direct subsidiary's net profit (loss) for this period has included its investment income (loss) which shall be recognized by regulations.

(Note 3): It is a limited company or a merged company, so there is no number of shares.

(Note 4): The investment gain or loss recognized by the Company include the offset of unrealized gain or loss between associates and the amortization of net equity differences.

(Note 5): It had been written off in preparing the consolidated financial report.

(Note 6): Investment gains and losses recognized by the Company include the amortization of patent rights.

(Note 7): AIDE SOLAR USA, INC. has completed liquidation and deregistration in February 2022.

(Note 8): LIFETECH Energy Inc. has acknowledged the liquidation statements in the third shareholders' meeting in November 2022 and has applied for revoking the registration pending approval by the authority.

Notes to the Parent Company Only Financial Statements of PANJIT International Inc. (continued)

(Unit: NT$ thousands, unless otherwise indicated)

Information on investment in mainland China

Attachment 8

Investor company	Investee Companies in Mainland China	Main business items	Total Amount of Paid-in Capital	Method of Investment (Note 1)	Accumulated Outflow of Investment from Taiwan as of January 1, 2022	Investment Flows		Accumulated Outflow of Investment from Taiwan as of December 31, 2022	Net income (loss) of investee company	Percentage of Ownership	Investment income (loss) recognized (Note 2)	Carrying Value as of September 30, 2022	Accumulated Inward Remittance of Earnings as of Outflow December 31, 2022
						Outflow	Inflow						
PANJIT International Inc.	Pan Jit Electronics (Wuxi) Limited company	Rectifier processing and manufacutring	$835,312	2 PAN-JIT ASIA INTERNATIONAL INC.	$502,145	$-	$-	$502,145	$232,653	100.00%	$232,653 (Note 5)	$3,430,247 (Note 5)	$-
	Sumnergy Co., LTD.	Research & development of Battery management system Manufacturing and sales of technical services	-	2 PAN-JIT ASIA INTERNATIONAL INC.	122,166	-	-	122,166	(135,720)	- (Note 6)	(97,053) (Note 5)	- (Note 5)	-
	Suzhou Grande Electronics CO., LTD.	Chip diodes, triodes and other new types of electronics Sales of semiconductor components and related products, as well as technology and after service	$360,518	2 CONTINENTAL LIMITED	344,900	-	-	344,900	198,594	100.00%	198,594 (Note 5)	858,550 (Note 5)	-
	Wuxi ENR Semiconductor Material Technology Co. Ltd. (Formerly Wuxi ENR Semiconductor Materials Technology Co. Ltd.)	Semiconductor pcaking materials Manufacturing and sales	$87,300	2 ENR APPLIED PACKING MATERIAL CORPORATION	9,037	-	-	9,037	-	-	-	-	-
	Max-Diode Electronic., LTD. (Shenzhen)	New types of electronic components, Semiconductor controlled rectifirer sales	$51,103	2 DYNAMIC TECH GROUP LIMITED	47,151	-	-	47,151	(218)	97.44%	(213) (Note 5)	14,260 (Note 5)	-
	Pan Jit Electronics (Beijing) CO., LTD.	New types of electronic components, Semiconductor controlled rectifier sales	$8,816	3 Pan Jit Electronics (Wuxi) Co., Ltd.	-	-	-	-	1,282	100.00%	1,282 (Note 5)	9,787 (Note 5)	-
	Pan Jit Electronics (Shandong) CO., LTD.	Semiconductor wafer manufacturing for automobile And protection of discrete devices, integrated circuit chips And production of packaging products	$470,422	3 Pan Jit Electronics (Wuxi) Co., Ltd.	-	-	-	-	27,247	70.28%	19,149 (Note 5)	364,286 (Note 5)	-
	Pan Jit Electronics (Qufu) CO., LTD.	New types of electronic components, Semiconductor controlled rectifier sales	$2,204	3 Pan Jit Electronics (Wuxi) Co., Ltd.	-	-	-	-	(328)	100.00%	(328) (Note 5)	1,090 (Note 5)	-
	PAN JIT SEMICONDUCTOR(XUZHOU) CO.	New types of electronic components, Semiconductor controlled rectifier sales	$1,113,638	3 Pan Jit Electronics (Wuxi) Co., Ltd.	-	-	-	-	(137,928)	100.00%	(137,928) (Note 5)	826,169 (Note 5)	-

(continued in next page)

Notes to the Parent Company Only Financial Statements of PANJIT International Inc. (continued)

(Unit: NT$ thousands, unless otherwise indicated)

Information on investment in mainland China

(continued from previous page)

Investor company	Investee Companies in Mainland China	Main business items	Total Amount of Paid-in Capital	Method of Investment (Note 1)		Accumulated Outflow of Investment from Taiwan as of January 1, 2022	Investment Flows		Accumulated Outflow of Investment from Taiwan as of December 31, 2022	Net income (loss) of investee company	Percentage of Ownership	Investment income (loss) recognized (Note 2)	Carrying Value as of September 30, 2022	Accumulated Inward Remittance of Earnings as of Outflow December 31, 2022
							Outflow	Inflow						
PANJIT International Inc.	Zibo Micro Commercial Components Corp.	Rectifier diode, rectifier bridge, Electronic devices	$851,461	3	Suzhou Grande Electronics Co. Ltd.	$-	$-	$-	$-	$5,016	18.86%	$946	$147,300	$-
	Jiangsu Aide Solar Energy Technology CO., LTD.	Solar engery product development manufacturing, sales, Self-acting agents of various commodities and technology import and export	$246,074	2	AIDE ENERGY (CAYMAN) HOLDING CO., LTD.	1,573,193	-	-	1,573,193	(3,186)	94.43%	(3,008) (Note 5)	(1,738,118) (Note 5)	-
Pynmax Technology Co., Ltd.	Max-Diode Electronic,. LTD. (Shenzhen)	New types of electronic components, Semiconductor controlled rectifirer	$51,103	2	DYNAMIC TECH GROUP LIMITED	34,806	-	-	34,806	(218)	47.78%	(104) (Note 5)	6,993 (Note 5)	-
CHAMPION MICROELECTRON	Great Power Microelectronics C	Electronic products development, product import, export, and wholesale business	$164,299	2	Wisdom Toprich Technology Limited	156,744	-	-	156,744	2,834	100.00%	2,834 (Note 5)	159,986 (Note 5)	-

Cumulative investment amount remitted from Taiwan to Mainland China at the end of the period		Investment amount approved by Investment Review Committee of Ministry of Economy	Investment ceiling in Mainland China according to provisions of Investment Review Committee of Ministry of Economy
PANJIT International Inc.	$2,598,592	$3,316,707	(Note 3)
Pynmax Technology Co., Ltd.	$34,806	$34,806	(Note 4) $1,221,134
CHAMPION MICROELECTRONIC CORP.	$156,744	$156,744	(Note 4) $882,553

(Note 1): The methods for engaging in investment in Mainland China include the following:

(1) Direct investment in Mainland China.

(2) Indirectly investment in Mainland China through companies registered in a third region (Please specify the name of the company in third region).

(3) Other methods.

(Note 2): The investment income (loss) recognized in current period:

(1) It should be indicated if the investee was still in the incorporation arrangement and had not yet any profit during this period.

(2) The investment income (loss) were determined based on the following basis,

A. The financial report was audited by an international certified public accounting firm in cooperation with an R.O.C. accounting firm.

B. The financial statements were audited by the auditors of the parent company.

C. Others.

(Note 3): Due to the Company's establishment of the operating headquarters, in accordance with the provisions of the law, the amount of investment in mainland China is not limited.

(Note 4): Calculations of investment ceiling in Mainland China are as follows:

Pynmax Technology Co., Ltd.: NT$2,035,223 thousand × 60% = NT$1,221,134 thousand.

CHAMPION MICROELECTRONIC CORP.: NT$1,470,926 thousand × 60% = NT$882,553 thousand.

(Note 5): It had been written off in preparing the consolidated financial report.

(Note 6): It has completed liquidation and deregistration in November 2022.

Notes to the Parent Company Only Financial Statements of PANJIT International Inc. (continued)

(Unit: NT$ thousands, unless otherwise indicated)

Information on Major Shareholders

Attachment 9 Unit: shares

Shares / Name of Major Shareholders	Number of shares	Percentage of ownership (%)
Jinmao Investment Co., Ltd.	51,646,710	13.49%

(Note 1): The major shareholders in this attachment are shareholders holding more than 5% of the common and preference stocks that have completed delivery of non-physical registration (including treasury stocks) on the last business day of each quarter calculated by the Taiwan Depository & Clearing Corporation However, the Capital stock recorded in the Company's financial statements and the number of shares actually delivered by the Company without physical registration may differ due to calculation bases

(Note 2): If a shareholder delivers its shareholding information to the trust, the aforesaid information shall be disclosed by the individual trustee who opened the trust account. For information on shareholders, who declare to be insiders holding more than 10% of shares in accordance with the Securities and Exchange Act, and their shareholdings include their shareholdings plus their delivery of trust and shares with the right to make decisions on trust property, please refer to MOPS.

Tables of Material Accounting Items

Table of Contents

PANJIT INTERNATIONAL INC.

1. Detail list for Cash and Cash equivalents

December 31, 2022

Units: NT$ thousands

Items	Summary		Amount	Remark
Petty cash			$210	The exchange rate of U.S. dollar to New Taiwan dollar is 1:30.71
Bank deposit:				The exchange rate for Euro to New Taiwan Dollar is 1:32.72
NTD deposit			959,253	The exchange rate for Japanese Yen to New Taiwan Dollar is 1:0.2324
Foreign currency deposit	USD	4,616,576.51	141,775	The exchange rate of Hong Kong dollar to New Taiwan dollar is 1:3.938
	EUR	289,324.97	9,467	
	JPY	1,340,100.00	311	The exchange rate of RMB to New Taiwan dollar is 1:4.408
	HKD	46,691.13	184	
	CNY	185,656.49	818	
	(Unit: in each foreign currency)			
Bank deposit total			1,111,808	
Grand total			$1,112,018	

PANJIT INTERNATIONAL INC.

2. Statement of financial assets at fair value through profit or loss - current

December 31, 2022

Units: NT$ thousands

Name of financial instrument	Summary	Shares or units (Thousand shares)	Face value (NT$)	Total Sum	Interest	Acquistion cost	Fair value		Changes in fair value attributable to changes in credit risk	Remark
							Unit price (NT$)	Total Sum		
Fund	Yuanta 0 to 2 Year Investment Grade Corporate Bond Fund	1,500	$10	$15,000	—	$15,000	$9.9582	$14,937	—	

PANJIT INTERNATIONAL INC.

3. Details of the net notes receivable

December 31, 2022

Units: NT$ thousands

Account Name	Summary	Amount	Remark
HANWEI ELECTRONICS CO., LTD.	Payment for goods	$9,528	
JUNSUN ENTERPRISE CO., LTD.	Payment for goods	5,842	
PIDEX INTERNATIONAL CO., LTD.	Payment for goods	5,172	
GREAT TREASURE INC.	Payment for goods	2,829	
KROM ELECTRONICS CO., LTD.	Payment for goods	1,284	
Others	(Notes)	870	
Total		25,525	
(Less): allowance loss		—	
Net amount		$25,525	

(Note): The balance of a single item does not exceed 5% of the notes receivable balance

PANJIT INTERNATIONAL INC.

4. Schedule of Net Account of Trade Receivable

December 31, 2022

Units: NT$ thousands

Account Name	Summary	Amount	Remark
Others	(Notes)	$1,665,788	
(Less): allowance loss		(16,672)	
Net amount		$1,649,116	

(Note): The balance of a single item does not exceed 5% of the trade receivable balance.

PANJIT INTERNATIONAL INC.

5. Schedule of Net Account of Trade Receivable - related parties

December 31, 2022

Units: NT$ thousands

Account Name	Summary	Amount	Remark
PAN JIT ELECTRONIC (WUXI) CO., LTD.	Payment for goods	$299,692	Subsidiaries included in the consolidated financial statements may not make allowances for losses.
Others	(Notes)	23,154	
Total		322,846	
(Less): allowance loss		—	
Net amount		$322,846	

(Note): The balance of a single item does not exceed 5% of the accounts receivable balance from related parties.

PANJIT INTERNATIONAL INC.

6. Statement of Other Receivables

December 31, 2022

Units: NT$ thousands

Items	Summary	Amount	Remark
Non-related parties			
Tax refund receivables	Sales tax	$108,855	
Other receivables - other	Import duties	1,839	
Subtotals		110,694	
Related parties			
PAN-JIT ASIA INTERNATIONAL INC.	Capital reduction of the stock capital that have not been repatriated	552,780	
EC SOLAR C1 SRL		271,576	
Others	(Notes)	3,271	
Subtotals		827,627	
(Less): allowance loss		—	
Total		$938,321	

(Note): The balance of a single item does not exceed 5% of the other accounts receivable balance.

PANJIT INTERNATIONAL INC.

7. Statement of inventories

December 31, 2022

Units: NT$ thousands

Items	Summary	Costs	Net realisable value	Remark
Raw material		$1,089,569	$959,741	raw materials refers to the balance of finished products (including commodities)
Work in process		64,700	64,700	after subtracting the costs and sales expenses that
have to be invested to completion		1,317,438	1,018,461	.
Total		2,471,707		
Less: Allowance for price decline in inventories		(428,805)		The allowance for inventory depreciation is estimated based on the possibility of the
Net amount		$2,042,902	$2,042,902	of the inventory and the net slow-moving value.

PANJIT INTERNATIONAL INC.

8. Statement of Other current assets

December 31, 2022

Units: NT$ thousands

Items	Summary	Amount	Remark
Prepay	Advance payment, advance expenses, inventory of supplies, etc.	$128,116	
Temporary payment	Labor and health insurance, pension, etc.	36,247	
Other financial assets	Pledged time deposit	15,969	
Total		$180,332	

PANJIT INTERNATIONAL INC.

9. Financial assets measured at fair value through other comprehensive profit or loss - non-current

January 01 to December 31, 2022

Units: NT$ thousands

Name of financial instrument	Opening balance		Increase in the Period		Decrease in current period		Closing balance			Guarantee or Pledge status	Remark
	Number of shares (thousand shares)	Fair value	Number of shares (thousand shares)	Amount	Number of shares (thousand shares)	Amount	Number of shares (thousand shares)	Shareholding ratio	Fair value		
Advanced Microelectronic Products,Inc.	11,552	$141,517	-	$-	8,664 (Note 5)	$74,946 (Note 1)	2,888	2.64%	$66,571	N/A	
Jih Lin Technology Co., LTd.	717	77,424	-	-	-	32,834 (Note 3) 1,433 (Note 4)	717	0.70%	43,157	N/A	
KAISON GREEN ENERGY TECHNOLOGY CO., LTD.	364	6,655	-	-	-	4,790 (Note 1)	364	0.62%	1,865	N/A	
Sentelic Corporation	191	15,296	-	1,447 (Note 1)	150	14,900 (Note 3)	41	0.14%	1,843	N/A	
WELLAN SYSTEM CO., LTD.	445	-	-	-	-	-	445	1.53%	-	N/A	
TAIDEVELOP INFORMATION CORP.	334	-	-	-	-	-	334	3.71%	-	N/A	
ENERGY MOANA TECHNOLOGY CO., LTD.	1,200	22,543	-	-	-	13,788 (Note 1)	1,200	2.96%	8,755	N/A	
Neolink Capital Corp.	5,000	50,915	-	-	1,500	15,000 (Note 6) 4,263 (Note 1)	3,500	4.28%	31,652	N/A	
Total		$314,350		$1,447		$161,954			$153,843		

(Note 1): Fair value valuation adjustment

(Note 2): Acquired in the period

(Note 3): Disposal in current period

(Note 4): Dividend distributed from capital reserve

(Note 5): Capital reduction to cover losses.

(Note 6): Capital reduction in cash.

PANJIT INTERNATIONAL INC.

10. Statement of Changes in Investments Accounted for Using Equity Method

January 01 to December 31, 2022

Units: NT$ thousands

Name	Opening balance		Increase in the Period		Decrease in current period		Closing balance			Market Value or Net Equity		Guarantee or Pledge status	Remark
	Number of shares (thousand shares)	Amount	Number of shares (thousand shares)	Amount	Number of shares (thousand shares)	Amount	Number of shares (thousand shares)	Shareholding ratio	Amount	Unit price	Total price		
PAN-JIT ASIA INTERNATIONAL INC.	244,086	$6,538,446		$555,591 (Note 1) 422,980 (Note 2)	33,980	$50,849 (Note 3) 929,752 (Note 5)	210,106	100.00%	$6,536,416	$31.60	$6,639,355 (Note 4)	None	
Pynmax Technology Co., Ltd.	84,462	1,883,028	 31	225,788 (Note 1) 40,478 (Note 2) 753 (Note 7)		406,652 (Note 3)	84,493	94.64%	1,743,395	$22.80	1,926,135 (Note 4)	None	
MILDEX OPTICAL INC.	21,470	180,958		13,557 (Note 1) 17,157 (Note 2) 14,615 (Note 3)	5,142 (Note 8)		16,328	21.01%	226,287	$14.90	243,287 (Note 4)	None	
LIFETECH ENERGY INC.	871	(55)		55 (Note 1)	871 (Note 6)		-	-	-	$-	- (Note 4)	None	
Alltop Technology Co., Ltd.	11,162	1,574,237	 153	81,531 (Note 1) 5,985 (Note 2) 27,151 (Note 5)		113,216 (Note 3)	11,315	19.18%	1,575,688	$114.50	1,295,568 (Note 4)	None	
Champion Microelectronic Corp.	-	-	23,996	1,827,724 (Note 7) 12,981 (Note 1) 2,376 (Note 2)		1,412 (Note 3)	23,996	30.00%	1,841,669	$43.20	1,036,627 (Note 4)	None	
AIDE ENERGY EUROPE COÖPERATIE U.A.	-	-	1,863	732,259 (Note 7) 1,956 (Note 1)		2,085 (Note 2)	1,863	100.00%	732,130	$392.98	732,130 (Note 4)	N/A	
Total		$10,176,614		$3,982,937		$1,503,966			$12,655,585		$11,873,102		

(Note 1): The share of the subsidiary's profit or loss, the upstream unrealized sales benefits, counter-current realized sales benefits, and the profit or loss of side-stream transactions between subsidiaries recognized by the equity method.

(Note 2) The balance of translation of the financial statements of foreign operation institutions recognized by equity method

(Note 3): Obtaining or disposing of equity differences in subsidiaries, downstream unrealized profits and losses, insurance of cash dividends, actuarial profits and losses of defined benefit plan, unrealized (gains) and losses of financial assets measured at fair value through other comprehensive income, unearned compensat

(Note 4): It is recognized based on the shareholding ratio of the investee company.

(Note 5): Cash reduction by investee company.

(Note 6): Liquidation in the current period.

(Note 7): Acquired in the current period.

(Note 8): Cash reduction by investee company to cover losses.

PANJIT INTERNATIONAL INC.

11. Statement of Changes in Right-of-Use Assets

January 01 to December 31, 2022

Units: NT$ thousands

Items	Begining balance	Current change			Closing balance	Remark
		Increase	Decrease	Reclassification		
Land	$2,239	—	—	—	$2,239	
Buildings	28,894	2,841	(26,052)	—	5,683	
Transportation equipment	2,064	2,815	—	—	4,879	
Other assets	499	—	—	—	499	
Total	$33,696	$5,656	($26,052)	—	$13,300	

PANJIT INTERNATIONAL INC.

12. Statement of Accumulated depreciation - Changes in Right-of-Use Assets

January 01 to December 31, 2022

Units: NT$ thousands

Items	Begining balance	Current change			Closing balance	Remark
		Increase	Decrease	Reclassification		
Land	$498	$746	—	—	$1,244	
Buildings	9,840	3,287	(10,168)	—	2,959	
Transportation equipment	637	1,013	—	—	1,650	
Other assets	111	166	—	—	277	
Total	$11,086	$5,212	($10,168)	—	$6,130	

PANJIT INTERNATIONAL INC.

13. Statement of Other non-current assets

December 31, 2022

Units: NT$ thousands

Items	Summary	Amount	Remark
Prepayment for equipment		$282,062	
Other non-current assets, others			
Procurement margin	Sinopower Semiconductor Inc.	$210,000	
Procurement margin	inergy Technology Inc.	130,000	
Procurement margin	Potens Semiconductor Corp.	120,000	
Procurement margin	Advanced Microelectronic Products,Inc.	58,500	
Procurement margin	MOSEL VITELIC Inc.	54,160	
Refundable deposit	Others (Note)	13,929	
Other advances	(Notes)	42,150	
Total		$628,739	

(Note): The individual balance contained does not exceed other non-current assets - 5% of other balances.

PANJIT INTERNATIONAL INC.
14. Statement of Short-term Borrowings
December 31, 2022

Units: NT$ thousands

Type of loans	Explanation	Term	Interest rate range	Closing balance	Financing credit	Pledge or Collateral	Note
Credit loan	The Export-Import Bank of the Republic of China- Kaohsiung Branch	September 20, 2022-September 20, 2023	1.1020%	$200,000		None	
Credit loan	The Export-Import Bank of the Republic of China- Kaohsiung Branch	September 22, 2022-September 22, 2023	1.1020%	400,000		None	
Credit loan	First Bank - Luzhu Branch	October 24, 2022-January 19, 2022	1.3750%	250,000		None	
Credit loan	Yuanta Bank Linya branch	November 28, 2022-February 23, 2023	1.4000%	800,000		None	
Export collection financing	Chinatrust Commercial Bank - Minzu Branch	December 21, 2022-June 19, 2023	5.1500%	116,698		None	
Export collection financing	Chinatrust Commercial Bank - Minzu Branch	December 21, 2022-June 19, 2023	5.1500%	36,852		None	
Export collection financing	Chinatrust Commercial Bank - Minzu Branch	December 23, 2022-June 21, 2023	5.2000%	55,278		None	
Export collection financing	Chinatrust Commercial Bank - Minzu Branch	December 23, 2022-June 21, 2023	5.2000%	98,272		None	
Export collection financing	Taipei Fubon Commericial Bank - Kaohsiung Branch	December 27, 2022-March 30, 2023	5.3600%	153,550		None	
Export collection financing	Taipei Fubon Commericial Bank - Kaohsiung Branch	December 16, 2022-April 28, 2023	2.0500%	75,256		None	
Export collection financing	Taipei Fubon Commericial Bank - Kaohsiung Branch	December 16, 2022-March 17, 2023	2.0500%	58,896		None	
Export collection financing	Taipei Fubon Commericial Bank - Kaohsiung Branch	September 5, 2022-January 14, 2023	2.1400%	30,430		None	
Export collection financing	Taipei Fubon Commericial Bank - Kaohsiung Branch	December 5, 2022-March 6, 2023	2.1400%	179,960		None	
Total				$2,455,192			

PANJIT INTERNATIONAL INC.
15. Contractual liabilities - current
December 31, 2022

Units: NT$ thousands

Account Name	Summary	Amount	Remark
GINEE	Sales payment	$195	
VS-ELECTRONIC	Sales payment	97	
RES TECH	Sales payment	60	
Others	(Note)	13	
Total		$365	

(Note): The single item balance contained does not exceed the contract liability - 5% of the current account balance.

PANJIT INTERNATIONAL INC.
16. Statement of Trade Payable
December 31, 2022

Units: NT$ thousands

Account Name	Summary	Amount	Remark
Lefram Technology Corporation	Purchase payment	$108,959	
Jih Lin Technology Co., LTd.	Purchase payment	53,764	
Sinopower Semiconductor Inc.	Purchase payment	52,791	
inergy Technology Inc.	Purchase payment	40,443	
Advanced Microelectronic Products,Inc.	Purchase payment	40,147	
E'DALE TECHNOLOGY CO., LTD.	Purchase payment	38,659	
EPISIL-PRECISION INC.	Purchase payment	35,404	
Potens Semiconductor Corp.	Purchase payment	34,948	
Others	(Note)	267,018	
Total		$672,133	

(Note): The balance of a single item does not exceed 5% of the accounts payable balance.

PANJIT INTERNATIONAL INC.
17. Statement of Accounts Payable - Related Party
December 31, 2022

Units: NT$ thousands

Account Name	Summary	Amount	Remark
Pan Jit Electronics (Wuxi) Co., Ltd.	Purchase payment	$195,676	
Pynmax Technology Co., Ltd.	Purchase payment	74,912	
Others	(Note)	2,665	
Total		$273,253	

(Note): The balance of a single item does not exceed 5% of the accounts payable balance from related parties.

PANJIT INTERNATIONAL INC.

18. Statement of Other Payables

December 31, 2022

Units: NT$ thousands

Item	Description	Amount	Remarks
Awards and salaries payable	December salary, year-end bonus and estimated cashed-out leaves	$467,314	
Commissions payable	Including NT$75,188 thousand of commissions payable to related parties - Pan-Jit Europe	109,353	
Processing fee payable		117,160	
Equipment expense payable		166,048	
Other expenses payable	Utility expenses, import and export expenses, insurance expenses, labor expenses, pensions, Interest and rent, etc.	300,526	
Total		$1,160,401	

PANJIT INTERNATIONAL INC.

19. Statement of Other current liabilities - others

December 31, 2022

Units: NT$ thousands

Item	Description	Amount	Remarks
Agency fund	Collection for labor and health insurance, food, etc.	$10,760	
temporary receipts	To be written-off	2,668	
Total		$13,428	

PANJIT INTERNATIONAL INC.

20. Other non-current liabilities - Others

December 31, 2022

Units: NT$ thousands

Item	Description	Amount	Remarks
Deferred gain from government grants	Government low-interest loan	$26,425	

PANJIT INTERNATIONAL INC.

21. Lease liabilities

December 31, 2022

Units: NT$ thousands

Items	leasing term	Discount rate	Closing balance	Remarks
Land	May 20, 2021-May 19, 2024	1.3400%	$1,006	
Buildings	December 1, 2021-November 30, 2024	1.3400%	2,724	
Transportation equipment	December 4, 2020-December 3, 2023	1.3400%	537	
Transportation equipment	March 8, 2021-March 7, 2023	1.3400%	26	
Transportation equipment	May 20, 2021-May 19, 2023	1.3400%	55	
Transportation equipment	August 31, 2021-August 30, 2025	1.3400%	2,508	
Other assets	May 28, 2021-May 27, 2024	1.3400%	239	
Total			7,095	
Lease liabilities due within one year			(3,882)	
Lease Liabilities - non-current			$3,213	

PANJIT INTERNATIONAL INC.
22. Statement of Long-term Borrowings
December 31, 2022

Units: NT$ thousands

Creditor	Summary	Amount borrowed	Term	Interest	Pledge or guarantee	Remark
Mizuho Bank Kaohsiung Branch	Medium-term and long-term loans	$200,000	December 23, 2022-January 30, 2023	1.8200%	None	Repayment method: Due to the different ways of granting credit, there are two repayment methods. The details are as follows: 1. Credit Line A: (a) The Borrower shall, at the time of each application for the use of The principal amount of each such loan is repaid on the maturity date and the maturity date of the loan shall not exceed the maturity date of the credit period of Line A. (2) Subject to the occurrence of any default under this Agreement, the Borrower may, in accordance with Article 7(1) of this Agreement, issue an application for the use of the proceeds of the credit Line A to directly repay the principal amount of each of the original loans due, provided that the maturity date shall not exceed the maturity date of the credit period of the credit facility. For the equivalent amount, the managing bank and each lending bank, as well as the borrower, are not required to remit funds to or from the bank, and the receipt of the amount by the borrower is evidenced by this agreement and the related use documents. 2. Credit Line B: The issuer shall make provision for the full payment of the face amount of each commercial paper issued on the maturity date. The issuer shall also fully repay the debts under the Credit Line B and release the guarantee obligations of the Credit Bank of Line B on the maturity date of the credit. Prior to the expiration of the credit period, the issuer may renew the commercial paper in accordance with Article 7(4) of this Agreement and use the proceeds to repay the original commercial paper issued.
Taishin International Bank Linya branch	Taiwanese businessmen returning to Taiwan (Line A)	391,667	January 25, 2021-December 5, 2026	1.2745%	None	
Chang Hwa Commercial Bank Gangshan Branch	Taiwanese businessmen returning to Taiwan (Line A)	600,000	February 9, 2022-January 15, 2027	1.2745%	None	
First Commercial Bank Luzhu Branch	Taiwanese businessmen returning to Taiwan (Line A)	550,000	September 29, 2021-January 15, 2027	1.4750%	None	
Land Bank Gangshan Branch	Investing Taiwan by Taiwanese Project (Line B)	78,333	December 2, 2021-November 15, 2026	1.4750%	None	
Taishin International Bank Linya branch	Investing Taiwan by Taiwanese Project (Line B)	22,520	December 6, 2019-December 5, 2026	1.2745%	None	
Taishin International Bank Linya branch	Investing Taiwan by Taiwanese Project (Line B)	171,354	March 30, 2021-December 5, 2026	1.2745%	None	
First Commercial Bank Luzhu Branch	Investing Taiwan by Taiwanese Project (Line B)	9,000	January 16, 2020-January 15, 2027	1.2745%	None	
First Commercial Bank Luzhu Branch	Investing Taiwan by Taiwanese Project (Line B)	143,000	October 15, 2020-January 15, 2027	1.2745%	None	
First Commercial Bank Luzhu Branch	Investing Taiwan by Taiwanese Project (Line B)	248,000	March 26, 2021-January 15, 2027	1.2745%	None	
First Commercial Bank Luzhu Branch	Investing Taiwan by Taiwanese Project (Line B)	100,000	April 28, 2021-January 15, 2027	1.2745%	None	
Chang Hwa Commercial Bank Gangshan Branch	Investing Taiwan by Taiwanese Project (Line B)	113,000	March 26, 2021-January 15, 2027	1.2745%	None	
Chang Hwa Commercial Bank Gangshan Branch	Investing Taiwan by Taiwanese Project (Line B)	84,000	January 29, 2021-January 15, 2027	1.2745%	None	
Chang Hwa Commercial Bank Gangshan Branch	Investing Taiwan by Taiwanese Project (Line B)	59,000	August 11, 2020-January 15, 2027	1.2745%	None	
Chang Hwa Commercial Bank Gangshan Branch	Investing Taiwan by Taiwanese Project (Line B)	44,000	January 16, 2020-January 15, 2027	1.2745%	None	
Land Bank Gangshan Branch	Joint loan Line A	2,850,000	December 26, 2022-January 6, 2023	2.0619%	None	
Land Bank Gangshan Branch	Joint loan Line A	850,000	November 29, 2022-February 3, 2023	1.9057%	None	
Total		6,513,874				
(Less): Maturity within one year		(478,875)				
Unamortized syndication expense		(3,990)				
Deferred gain from government grants		(26,426)				
Net amount		$6,004,583				

PANJIT INTERNATIONAL INC.

23. Statement of Operating Revenue

January 01 to December 31, 2022

Units: NT$ thousands

Items	QTY (thousand units)	Amount	Remark
Diode rectifier	21,877	$8,263,000	
Surge suppressor	362	462,165	
Others	821	152,343	Raw materials
Total		8,877,508	
(Less): Sales return or discount	(119)	(84,892)	
Net amount		$8,792,616	

(Note): The balance of the individual items contained does not exceed 5% of the operating income balance.

PANJIT INTERNATIONAL INC.

24. Statement of Operating Costs

January 01 to December 31, 2022

Units: NT$ thousands

Items		Amount
Direct raw material:		
Inbound for the current period		$3,326,767
Plus:	Beginning stock	637,296
	Inventory (gain) loss	5
	Amount of other transfers	611,026
(Less):	Raw Materials at the end of the period	(1,089,569)
	Raw materials sold	(199,978)
	Transfer to other accounts	(165,744)
Consumed for the current period		3,119,803
Direct labour		481,402
Manufacturing expense		966,050
Manufacturing cost		4,567,255
Plus:	Initial goods in process	54,753
	Amount of other transfers	8,811
(Less):	Work in process at the ending of the period	(64,700)
	Transfer to finished products	(699,448)
	Transfer to other accounts	(17,738)
Finished good cost		3,848,933
Plus:	Initial finished goods	925,842
	Acquired in the period	1,772,920
	Work in process inbound	699,448
	Amount of other transfers	7,373
(Less):	Finished goods at the end of the period	(1,325,333)
	Inventory (gain) loss	(502)
	Transfer to other accounts	(4,514)
Cost of Goods Sold		5,924,167
other operating cost		25,502
Raw materials sold		199,978
Loss on price decline in inventories		266,783
Others (revenue from scrap sales and inventory gain or loss)		(57,942)
Total Operating Cost		$6,358,488

PANJIT INTERNATIONAL INC.

25. Statement of Operating Expenses

January 01 to December 31, 2022

Units: NT$ thousands

Items	Summary	Selling expense	Remark
Payrolls		$139,118	
Expense for import and export		113,705	
Commission expenditure		124,705	
Miscellaneous expenses		68,738	
Others	The account of which the balance does not exceed 5% of the balance of this account	65,768	
Total		$512,034	

Items	Summary	dministrative expense	Remark
Payrolls		$384,807	
Miscellaneous expenses		$45,545	
Others	The account of which the balance does not exceed 5% of the balance of this account	104,469	
Total		$534,821	

Items	Summary	h and development ex	Remark
Payrolls		$184,924	
Materials		96,561	
Miscellaneous expenses		41,960	
Depreciation and depletion		22,462	
Amortization		25,363	
Others	The account of which the balance does not exceed 5% of the balance of this account	76,836	
Total		$448,106	

PANJIT INTERNATIONAL INC.

26. Statement of Non-operating income and expenditures

January 01 to December 31, 2022

Units: NT$ thousands

Item	Description	Amount	Note
Interest earned	Interest on bank deposits	$14,359	
rental receipt		$8,188	
Dividend income		3,695	
Other revenues	Revenue of payment repossession and sample income, etc.	20,313	
Total other revenues		$32,196	
Losses on disposal of property, plant, and equipment		($2,128)	
Net loss (gain) on foreign currency exchange		136,789	
Financial assets measured at fair value through profit or loss and liability valuation gain or loss	Stock and forward foreign exchange valuation gain or loss	267	
Miscellaneous expenses		(33,356)	
Impairment of rotary interests of real estate, plant and equipment		5,108	
Other interests and losses total		$106,680	
Financial costs	Bank loan and lease liabilities	($107,815)	
Proportion of gain or loss from subsidiaries and associates recognized by equity method		$891,458	
Total non-operating income and expenditure		$936,878	