

Promise Technology ,Inc.

Individual financial report and
accountant audit report for the 2022
and 2021

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The original of this financial report and accountant audit report is written in Chinese language. If there is any discrepancy between the Chinese version and this English translation, the Chinese version shall prevail.

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Accountant audit report

Promise Technology ,Inc. Publicity:

Check opinion

Promise Technology ,Inc. individual balance sheet for 2022 and December 31, 2021, and the individual comprehensive income statement, individual statement of equity changes, and individual cash flow for 2022 and January 1, 2021 to December 31 Statements and notes to individual financial statements (including a summary of major accounting policies) have been reviewed by our accountant.

According to the opinion of the accountant, the above-mentioned individual financial statements are prepared in accordance with the financial reporting standards of securities issuers in all material aspects, which are sufficient to express the individual financial status of Promise Information Co., Ltd. in 2022 and December 31, 2021, and Standalone Financial Performance and Standalone Cash Flow for 2022 and January 1 to December 31, 2021.

Basis of Audit Opinion

The accounting department performs the audit work in accordance with the accounting audit and certification financial statement rules and auditing standards. The accountant's responsibilities under these standards will be further explained in the section of the accountant's responsibility for checking individual financial statements. The personnel of the accounting firm affiliated to the independence standard have maintained detached independence from Promise Information Co., Ltd. in accordance with the code of professional ethics for accountants, and have performed other responsibilities under the code. The accountant believes that sufficient and appropriate audit evidence has been obtained as a basis for expressing an audit opinion.

Key check items

The key audit items refer to the most important items in the audit of the 2022 individual financial statements of Promise Information Co., Ltd. based on the professional judgment of the accountant. These matters have been addressed in the process of checking the overall financial statements of the individual and forming an audit opinion, and the accountants do not express opinions on these matters independently.

The key items for verification of the 2022 individual financial statements of Promise Information Co., Ltd. are described as follows :

revenue recognition

1. The sales revenue of Promise Technology ,Inc. is significant. Please refer to Notes 4 and 19 for details.Promise Technology ,Inc. main revenue comes from the sale of storage system equipment, including assisting customers in providing relative solutions in terms of operation or technology. The sales area includes Taiwan, Europe, mainland China and the United States.
2. For customers whose sales in this year have grown significantly compared with the previous year, the accountant lists the risk of recognizing revenue without actual shipment as a key inspection item for this year.
3. The accountant considers the revenue recognition policy of Promise Technology,Inc. evaluates the suitability of revenue recognition, verifies the effectiveness of the internal control of the shipping and accounting procedures; selects samples and inspects the original order and shipping order of the customer , Freight company pick-up records or export declarations and sales invoices and other sales revenue related vouchers and cash collection or later collection to verify the existence and real occurrence of sales, and check whether there is any abnormality between the sales object and the collection object situation.

Responsibilities of management and governing units for individual financial statements

The responsibility of the management is to prepare individual financial statements that are properly expressed in accordance with the Financial Reporting Standards of Securities Issuers, and to maintain necessary internal controls related to the preparation of individual financial statements to ensure that there are no material errors in individual financial statements that are caused by fraud or errors. Misrepresentation.

When preparing individual financial statements, the responsibility of the management also includes evaluating the ability of Promise Technology ,Inc. to continue operating, the disclosure of related matters, and the adoption of the accounting basis for continuing operation, unless the management intends to liquidate Promise Information Co., Ltd. or Suspension of business, or there is no practical alternative to liquidation or suspension of business.

The governance units (including the audit committee) of Promise Technology ,Inc. are responsible for supervising the financial reporting process.

Responsibilities of Accountants to Check Individual Financial Statements.

The accountant uses professional judgment and professional skepticism when auditing in accordance with the auditing standards. The accountant also performs the following tasks:

1. Identify and assess the risk of material misrepresentation of individual financial statements due to fraud or error; design and implement appropriate countermeasures for the assessed risks; and obtain sufficient and appropriate audit evidence as the basis for audit opinions. Because fraud may involve collusion, forgery, willful omissions, misrepresentations, or the override of internal controls, the risk of undetected material

misrepresentation resulting from fraud is higher than that resulting from error.

2. Obtain the necessary understanding of the internal control related to the audit in order to design an appropriate audit program under the circumstances, but the purpose is not to express an opinion on the effectiveness of Promise Technology, Inc.'s internal control.
3. Assess the appropriateness of the accounting policies adopted by the management, and the reasonableness of the accounting estimates and relevant disclosures made.
4. Based on the audit evidence obtained, draw conclusions on the appropriateness of the management's adoption of the going-concern accounting basis and whether there are major uncertainties in events or conditions that may cast significant doubt on Promise Technology, Inc.'s ability to continue operating. If the accountant believes that there are major uncertainties in such events or situations, he must remind the individual financial statement users to pay attention to the relevant disclosures in the individual financial statements in the audit report, or revise the audit opinion when the disclosures are inappropriate. The accountant's conclusion is based on the audit evidence obtained up to the date of the audit report. However, future events or conditions may cause Promise Technology, Inc. to no longer have the ability to continue operating.
5. Assess the overall presentation, structure and content of individual financial statements (including relevant notes), and whether individual financial statements are appropriate to express relevant transactions and events.
6. Obtain sufficient and appropriate audit evidence for the financial information of the individual constituents within Promise Technology, Inc. to express an opinion on the individual financial statements. The accountant is responsible for the guidance, supervision and execution of the audit case, and is responsible for forming the audit opinion of Promise Technology, Inc.

Matters communicated by the accountant with the governing unit, including the planned scope and time of the audit, as well as major audit findings (including significant deficiencies in internal control identified during the audit).

The accountant also provides the governance unit with the statement that the personnel of the accounting firm that is subject to independence regulations have complied with the statement of independence in the code of professional ethics for accountants, and communicates with the governance unit all relationships that may be considered to affect the independence of the accountant and other matters. matters (including relevant protective measures).

From the matters communicated with the management unit, the accountant decided the key audit items for Promise Technology, Inc.'s 2022 annual individual financial statement audit. The accountant states these matters in the audit report, unless the law does not allow public disclosure

of specific matters, or in extremely rare circumstances, the accountant decides not to communicate specific matters in the audit report, because the negative effects of such communication can be reasonably expected. The impact outweighs the public interest promoted.

Deloitte Touche Tohmatsu Limited

Accountant LIN,HSIN-TUNG

Accountant TSAI,MEI-CHEN

FSC Approval Number
No:110348898

FSC Approval Number
No:1010028123

March 9, 2023

Promise Technology ,Inc.
Balance Sheet
December 31, 2022 and 2021

Unit: NT\$ thousand

codes	assets	December 31,2022		December 31,2021		codes	Liabilities and equity	December 31,2022		December 31,2021	
		amount	%	amount	%			amount	%	amount	%
	current assets						Current liabilities				
1100	Cash and cash equivalents (Notes 4, 6 and 27)	\$ 275,485	22	\$ 329,074	24	2100	Short-term borrowings (Notes 4, 15 and 27)	\$ 159,000	12	\$ 243,600	17
1136	Financial assets measured at amortized cost - current (Notes 4,7,27 and 29)	1,373	-	1,371	-	2170	Accounts payable (Notes 4 and 27)	85,208	7	119,927	9
1170	Net accounts receivable (Notes 4,8,19 and 27)	24,579	2	83,467	6	2180	Amount due to related parties, (Notes 4 ,27 and 28)	-	-	2	-
1180	Receivables from related parties (Notes 4,19,27 and 28)	30,050	2	17,454	1	2280	Lease liabilities - current (Notes 4, 12 27)	12,864	1	13,600	1
1210	Other receivables from related parties (Notes 4,27 and 28)	778	-	835	-	2320	Long-term loans due within one year (Notes 4,15 and 27)	-	-	29,500	2
130X	Inventories (Notes 4, 5 and 9)	388,553	31	403,917	29	2399	Expenses payable and other current liabilities (Notes 4 ,16 ,27 and 28)	<u>34,952</u>	<u>3</u>	<u>80,444</u>	<u>6</u>
1479	Prepayments and other current assets (Notes 4 and 14)	<u>11,163</u>	<u>1</u>	<u>11,083</u>	<u>1</u>	21XX	Total current liabilities	<u>292,024</u>	<u>23</u>	<u>487,073</u>	<u>35</u>
11XX	Total Current Assets	<u>731,981</u>	<u>58</u>	<u>847,201</u>	<u>61</u>		Non-current liabilities				
	Non-current assets					2570	Deferred tax liabilities (Notes 4 and 21)	18,473	2	14,692	1
1550	Investments using the equity method (Notes 4 and 10)	352,047	28	357,970	26	2580	Lease liabilities - non-current (Notes 4 ,12 and 27)	30,456	2	42,514	3
1600	Property, plant and equipment (Notes 4 and 11 and 29)	102,299	8	110,122	8	2640	Net defined benefit liabilities - non-current (Notes 4 and 17)	<u>39,230</u>	<u>3</u>	<u>42,461</u>	<u>3</u>
1755	Right-of-use assets (Notes 4 and 12)	42,387	4	54,951	4	25XX	Total non-current liabilities	<u>88,159</u>	<u>7</u>	<u>99,667</u>	<u>7</u>
1780	Intangible assets (Notes 4 and 13)	1,196	-	618	-	2XXX	total liabilities	<u>380,183</u>	<u>30</u>	<u>586,740</u>	<u>42</u>
1840	Deferred tax assets (Notes 4 and 21)	19,878	2	16,097	1		Equity (Notes 4, 18 and 23)				
1990	Other non-current assets (Notes 4 and 14)	<u>2,131</u>	<u>-</u>	<u>2,669</u>	<u>-</u>	3110	share capital				
15XX	Other non-current assets	<u>519,938</u>	<u>42</u>	<u>542,427</u>	<u>39</u>	3200	common stock capital	926,787	74	893,288	64
						3350	capital reserve	89,195	7	92,729	7
							accumulated loss				
						3410	pending loss	(45,910)	(3)	(58,197)	(4)
							Other interests				
						3420	Conversion of financial statements of foreign operating institutions	(68,121)	(6)	(94,717)	(7)
							Unrealized valuation gains and losses on financial assets measured at fair value through other comprehensive income	(<u>30,215</u>)	(<u>2</u>)	(<u>30,215</u>)	(<u>2</u>)
						3XXX	total equity	<u>871,736</u>	<u>70</u>	<u>802,888</u>	<u>58</u>
1XXX	total assets	<u>\$ 1,251,919</u>	<u>100</u>	<u>\$ 1,389,628</u>	<u>100</u>		Total liabilities and equity	<u>\$ 1,251,919</u>	<u>100</u>	<u>\$ 1,389,628</u>	<u>100</u>

The attached notes form part of this individual financial report.

Chairman: Lee,Jyh-En

President: Lee,Jyh-En

Accounting Supervisor: Lin,Tung-Hsu

Promise Technology ,Inc.
Individual Comprehensive Income Statement
1 January to 31 December 2022 and 2021

Unit: NT\$ thousand ,
the earnings per share are in NT\$

codes		2023		2022	
		Amount	%	Amount	%
	operating income (Notes 4, 19 and 28)				
4100	Sales income	\$ 795,789	100	\$ 750,433	99
4600	Labor service income	3,990	-	9,314	1
4000	operating income total	799,779	100	759,747	100
5110	Operating costs (Notes 9, 20 and 28)	568,538	71	544,542	72
5900	Operating Gross Profit	231,241	29	215,205	28
5920	(Un)realized interests with subsidiaries	(1,362)	(1)	22,303	3
5950	Realized Operating Gross Profit	229,879	28	237,508	31
	Operating expenses (Notes 20 and 28)				
6100	Marketing expenses	50,078	6	55,295	7
6200	Management expenses	59,964	8	63,943	9
6300	R & D expenses	107,744	13	106,232	14
6000	Total operating expenses	217,786	27	225,470	30
6900	operating net profit	12,093	1	12,038	1
	Non-operating income and expenses (Notes 4, 20 and 28)				
7100	Interest income	1,146	-	246	-
7010	Other income	13,739	2	15,763	2
7020	Other interests and losses	(3,154)	-	301	-
7050	Financial costs	(4,474)	(1)	(6,629)	(1)
7070	Share of losses of subsidiaries and affiliated enterprises using the equity method	(31,157)	(4)	(14,874)	(2)
7230	Foreign currency exchange net gain (loss)	14,697	2	(4,314)	-
7000	Non-operating income and expenses Total	(9,203)	(1)	(9,507)	(1)

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codes		2023		2022	
		Amount	%	Amount	%
7900	Net Profit Before Taxes	\$ 2,890	-	\$ 2,531	-
7950	Income tax expenses (Notes 4 and 21)	-	-	2,087	-
8200	Net profit for the year	2,890	-	444	-
	Other comprehensive (profit) loss				
8310	Items not reclassified to profit or loss :				
8311	defined benefit plan Measured amount (Notes 4 and 17)	4,244	1	735	-
8360	Items that may be reclassified to profit or loss in the future :				
8361	Exchange difference in the conversion of financial statements of foreign operating institutions (Notes 4 and 18)	26,596	3	(26,442)	(3)
8300	Other comprehensive gains and losses for the year (net of tax)	30,840	4	(25,707)	(3)
8500	Total comprehensive (profit) loss for the year	\$ 33,730	4	(\$ 25,263)	(3)
	Earnings per share (Note 22)				
9710	Basic	\$ 0.03		\$ 0.01	
9810	Diluted	\$ 0.03		\$ 0.01	

The attached notes form part of this individual financial report.

Chairman: Lee,Jyh-En

President: Lee,Jyh-En

Accounting Supervisor: Lin,Tung-Hsu

Promise Technology ,Inc.
Individual Equity Change Statement
1 January to 31 December 2022 and 2021

Unit: Unless otherwise specified,
in thousands of NT dollars

code s		common stock capital		capital reserve	accumulated loss pending loss	other equity		total equity
		Number of shares (thousand shares)	Amount			Exchange difference on translation of financial statements of foreign operating institutions	Unrealized valuation gains and losses on financial assets measured at fair value through other comprehensive income	
A1	January 1, 2021 balance	88,087	\$ 880,868	\$ 94,949	(\$ 64,265)	(\$ 68,275)	(\$ 30,215)	\$ 813,062
C3	Overdue cash dividends not received	-	-	85	-	-	-	85
C11	Capital reserves make up for losses	-	-	(4,889)	4,889	-	-	-
E1	cash capital increase	1,242	12,420	2,584	-	-	-	15,004
D1	2021 net profit	-	-	-	444	-	-	444
D3	Other Comprehensive (Profit) Loss in 2021	-	-	-	735	(26,442)	-	(25,707)
Z1	December 31, 2021 balance	89,329	893,288	92,729	(58,197)	(94,717)	(30,215)	802,888
C3	Overdue cash dividends not received	-	-	112	-	-	-	112
C11	Capital reserves make up for losses	-	-	(5,153)	5,153	-	-	-
E1	cash capital increase	3,350	33,499	1,507	-	-	-	35,006
D1	2022 net profit	-	-	-	2,890	-	-	2,890
D3	Other Comprehensive (Profit) Loss in 2022	-	-	-	4,244	26,596	-	30,840
Z1	December 31, 2022 balance	<u>92,679</u>	<u>\$ 926,787</u>	<u>\$ 89,195</u>	<u>(\$ 45,910)</u>	<u>(\$ 68,121)</u>	<u>(\$ 30,215)</u>	<u>\$ 871,736</u>

The attached notes form part of this individual financial report.

Chairman: Lee,Jyh-En

President: Lee,Jyh-En

Accounting Supervisor: Lin,Tung-Hsu

Promise Technology ,Inc.
Individual Cash Flow Statement
1 January to 31 December 2022 and 2021

Unit: NT\$ thousand

<u>codes</u>		<u>2022</u>	<u>2021</u>
	Cash Flow from Operating Activities		
A10000	Net profit before tax for the year	\$ 2,890	\$ 2,531
A20000	Adjustment items: :		
A20100	Depreciation expense	27,046	32,451
A20200	Amortization fee	464	342
A20900	Financial costs	4,474	6,629
A21200	interest income	(1,146)	(246)
A22300	Share of loss of affiliated enterprises recognized using equity method	31,157	14,874
A22500	Disposal of property, plant and equipment losses	-	1
A23700	Inventory depreciation and sluggish loss	3,490	11,318
A24000	Unrealized benefits between affiliated companies	1,362	(22,303)
A24100	Net (profit) loss on foreign currency exchange	(18,908)	7,435
A29900	lease modification benefit	(576)	-
A30000	Changes in operating assets and liabilities		
A31150	Accounts receivable	59,015	(40,100)
A31160	Receivables from related parties	(12,191)	(7,320)
A31190	Other receivables from related parties	58	4,244
A31200	Inventory	7,955	(97,579)
A31240	Prepayments and other current assets	(344)	(1,048)
A32150	accounts payable	(34,350)	33,192
A32230	Expenses payable and other current liabilities	(45,663)	(38,447)
A32240	Net defined benefit liability	<u>1,013</u>	<u>916</u>
A33000	Net cash inflows (outflows) from operations	25,746	(93,110)
A33500	income tax paid	(<u>80</u>)	(<u>1,720</u>)
AAAA	Net cash inflows (outflows) from operating activities	<u>25,666</u>	(<u>94,830</u>)
	Cash flow from investing activities		
B00040	Acquisition of financial assets measured at amortized cost	(2)	(20,001)
B00050	Disposal of financial assets measured at amortized cost	-	20,000
B02400	Subsidiary capital reduction and repatriation of shares	-	274,519
B02700	Acquisition of real estate, plant and equipment	(1,585)	(2,714)
B03700	Deposit margin and others	549	13,494
B04500	Acquisition of intangible assets	(808)	(156)

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<u>codes</u>		<u>2022</u>	<u>2021</u>
B07500	interest charged	\$ 1,114	\$ 246
B07600	dividends received	<u>-</u>	<u>55,769</u>
BBBB	Net cash flow (outflow) from investing activities	(<u>732</u>)	<u>341,157</u>
	Cash Flow from Financing Activities		
C00100	short-term borrowing	418,000	926,392
C00200	Repayment of short-term loans	(502,600)	(1,032,792)
C01700	repayment of long-term loans	(29,500)	(56,101)
C04020	Lease liability principal repayments	(13,231)	(14,094)
C04600	cash capital increase	35,006	15,004
C05600	interest paid	(4,478)	(6,731)
C09900	Overdue unclaimed cash dividends transferred to capital reserve	<u>112</u>	<u>85</u>
CCCC	Net cash outflow from financing activities	(<u>96,691</u>)	(<u>168,237</u>)
DDDD	Effect of exchange rate changes on cash and cash equivalents	<u>18,168</u>	(<u>5,805</u>)
EEEE	Net (decrease) increase in cash and cash equivalents	(53,589)	72,285
E00100	Cash and equivalent cash balance at the end of the year	<u>329,074</u>	<u>256,789</u>
E00200	Cash and equivalent cash balance at the end of the year	<u>\$ 275,485</u>	<u>\$ 329,074</u>

The attached notes form part of this individual financial report.

Chairman: Lee,Jyh-En

President: Lee,Jyh-En

Accounting Supervisor: Lin,Tung-Hsu

Promise Technology ,Inc.

Individual Financial Statement Notes

1 January to 31 December 2022 and 2021

(Unless otherwise specified, the amount is in thousands of NT dollars)

I、Company History

Promise Technology, Inc. (hereinafter referred to as the company) was established in Hsinchu Science and Technology Industrial Park on February 27, 1980, and started business on May 7, 1991 after obtaining the Park Business Registration Certificate. The company's main business is wired and wireless communication machinery and equipment manufacturing, research and development, production, manufacturing, and sales of computer storage equipment high-performance control cards and systems, computer high-performance network and graphics systems, multimedia software and hardware kits and systems, Products related to computer and telephone integration technology, as well as the management, consulting, consultation, technology transfer and other businesses of the aforementioned products, and related import and export trade business.

The company's shares have been listed and traded on the Taiwan Stock Exchange since December 18, 2002.

This individual financial report is expressed in New Taiwan dollars, the company's functional currency.

II、Dates and procedures for passing financial reports

This individual financial report was approved and issued by the board of directors on March 9, 2023。

III、Applicability of newly issued and revised standards and interpretations use

(1) For the first time, the International Financial Reporting Standards (IFRS), International Accounting Standards (IAS), Interpretations (IFRIC) and Interpretations (SIC) (hereinafter referred to as "IFRSs")

The application of the revised IFRSs approved and issued by the Financial Supervisory Commission will not cause major changes in the company's accounting policies.

(2) Applicable IFRSs approved by the FSC in 2023

Newly issued/amended/revised standards and interpretations	Effective date of publication by the International Accounting Standards Board (IASB)
Amendments to IAS 1 "Disclosure of Accounting Policies"	January 1, 2023 (Note 1)
Amendments to IAS 8 "Definition of Accounting Estimates"	January 1, 2023 (Note 2)
Amendments to IAS 12 "Deferred income tax relating to assets and liabilities arising from a single transaction"	January 1, 2023 (Note 3)
Note 1: This amendment applies to annual reporting periods beginning after January 1, 2023.	
Note 2: This amendment applies to changes in accounting estimates and changes in accounting policies that occur during the annual reporting period beginning after January 1, 2023.	
Note 3: Except for the deferred income tax recognized on January 1, 2022 for temporary differences in lease and decommissioning obligations, this amendment is applicable to transactions occurring after January 1, 2022.	

As of the release date of this individual financial report, the company continues to assess the impact of the amendments to the above standards and interpretations on the financial status and financial performance, and the relevant impact will be disclosed when the assessment is completed.

- (3) The IASB has issued but not yet approved by the Financial Supervisory Commission and issued effective IFRSs

Newly issued/amended/revised standards and interpretations	Effective date of publication by the IASB (Note 1)
Amendments to IFRS 10 and IAS 28 "Asset Sale or Contribution between Investors and Their Affiliates or Joint Ventures"	Undecided
Amendments to IFRS 16 "Lease Liability in Sale and Leaseback"	January 1, 2024 (Note 2)
IFRS 17 "Contracts of Insurance"	January 1, 2023
Amendments to IFRS 17	January 1, 2023
Amendments to "Initial Application of IFRS 17 and IFRS 9 - Comparative Information"	January 1, 2023
Amendments to IAS 1 "Classification of Liabilities as Current or Non-Current"	January 1, 2024
Amendments to IAS 1 "Non-current liabilities with contractual terms"	January 1, 2024
Note 1: Unless otherwise specified, the above-mentioned newly issued/amended/revised standards or interpretations are effective for the annual reporting period starting after the respective dates.	

Note 2: The seller and lessee shall apply the amendments of IFRS 16 retrospectively to the sale and leaseback transactions signed after the first application of IFRS 16.

As of the release date of this individual financial report, the company continues to assess the impact of the amendments to the above standards and interpretations on the financial situation and financial performance, and the relevant impact will be disclosed when the assessment is completed.

IV 、 Summary of major accounting policies

(1) Compliance statement

This individual financial report is prepared in accordance with the Financial Reporting Standards for Securities Issuers.

(2) Basis of preparation

Except for financial instruments measured at fair value and net defined benefit liabilities recognized at the present value of defined benefit obligations less the fair value of project assets, this individual financial report is prepared on a historical cost basis.

Fair value measurement is divided into levels 1 to 3 according to the degree of observability and importance of relevant input values:

1. Level 1 input value: refers to the quoted price (unadjusted) in an active market for the same asset or liability that can be obtained on the measurement date.
2. Level 2 input value: Refers to the observable input value of an asset or liability, directly (that is, price) or indirectly (that is, derived from price) other than quotations at level 1.
3. Level 3 inputs: Refers to unobservable inputs of assets or liabilities.

When the company prepares individual financial reports, it adopts the equity method for investment subsidiaries and affiliated companies. In order to make the current year profit and loss, other comprehensive profit and loss and equity in this individual financial report the same as the current year profit and loss, other comprehensive profit and loss and equity attributable to the company's owners in the company's consolidated financial report, certain accounting treatment differences between the individual basis and the consolidated basis are adjusted "Investments using the equity method" and "shares of profits and losses of subsidiaries and affiliates recognized using the equity method" and related equity items.

(3) Criteria for distinguishing current and non-current assets and liabilities

Current assets include:

1. Assets held primarily for trading purposes;
2. Assets expected to be realized within 12 months after the balance sheet date; and
3. Cash and cash equivalents (but excluding those subject to restrictions on exchange or settlement of liabilities more than 12 months after the balance sheet date).

Current liabilities include:

1. Liabilities held primarily for trading purposes;
2. Liabilities due to be settled within 12 months after the balance sheet date, and
3. Liabilities that cannot unconditionally defer the settlement period to at least 12 months after the balance sheet date.

Those that are not the above-mentioned current assets or current liabilities are classified as non-current assets or non-current liabilities.

(4) Foreign currency

When the company prepares individual financial reports, transactions in currencies other than the company's functional currency (foreign currency) shall be converted into functional currency records at the exchange rate on the transaction day.

Monetary items denominated in foreign currencies are translated at the closing exchange rates on each balance sheet date. Exchange differences arising from delivery of monetary items or conversion of monetary items are recognized in profit or loss in the year in which they occur.

Foreign currency non-monetary items measured by fair value are translated at the exchange rate on the day when the fair value is determined, and the resulting exchange difference is listed as current profit or loss. However, if the change in fair value is recognized in other comprehensive profit or loss, the resulting exchange difference is listed as in other comprehensive income.

Non-monetary items in foreign currencies measured by historical cost are converted at the exchange rate on the transaction date and will not be re-converted.

When preparing individual financial reports, the assets and liabilities of the company's foreign operating institutions (including subsidiaries and affiliated companies operating in countries or using currencies different from the company's) are converted into New Taiwan Dollars at the exchange rate on each balance sheet date. Income and expense items are translated at the average exchange rate for the year, and the resulting exchange differences are listed in other comprehensive income.

(5) Inventory

Inventories include raw materials, finished goods and work in progress. Inventories are measured at the lower of cost and net realizable value, and the comparison between cost and net realizable value is based on individual items except for inventories of the same category. Net realizable value is the estimated selling price under normal circumstances less the estimated cost to complete the project and the estimated cost to complete the sale. The calculation of inventory cost adopts the weighted average method.

(6) Investing in subsidiaries

The company adopts the equity method to deal with the investment in subsidiaries.

Subsidiaries refer to entities over which the Company has control.

Under the equity method, the original investment is recognized at cost, and the book value after acquisition will increase or decrease with the company's share of subsidiary profits and losses, other comprehensive profits and losses, and profit distribution. In addition, changes in the Company's entitlement to other interests in subsidiaries are recognized in proportion to the shareholding.

When the company's change in the ownership interest of the subsidiary does not result in the loss of control, it is treated as an equity transaction. The difference between the carrying amount of the investment and the fair value of the consideration paid or received is recognized directly in equity.

When the company's share of the subsidiary's loss is equal to or exceeds its equity in the subsidiary (including the book value of the subsidiary under the equity method and other long-term interests that are substantially part of the company's net investment in the subsidiary), it is Continue to recognize losses according to the shareholding ratio.

When the company assesses impairment, it considers the cash-generating unit as a whole based on the financial report and compares its recoverable amount with the book value. If the recoverable amount of the asset increases later, the reversal of the impairment loss will be recognized as profit, but the book value of the asset after the impairment loss reversal shall not exceed the amount that should be withdrawn if the impairment loss is not recognized. Book amount after amortization. Impairment losses attributable to goodwill are not reversed in subsequent periods.

The unrealized profits and losses of downstream transactions between the company and its subsidiaries are eliminated in the individual financial reports. The profits and losses arising from the countercurrent and sidestream transactions between the company and its subsidiaries are recognized in the individual financial reports only to the extent that they are not related to the company's interests in the subsidiaries.

(7) Investing in affiliated companies

Affiliated enterprises refer to enterprises that have significant influence on the company, but are not subsidiaries or joint ventures. The company adopts the equity method for investing in affiliated enterprises.

Under the equity method, an investment in an affiliated enterprise is initially recognized at cost, and the book value after acquisition will increase or decrease with the company's share of the affiliated enterprise's profit or loss, other comprehensive profit or loss, and profit distribution. In addition, changes in the equity of related companies are recognized on a shareholding basis.

The amount of the acquisition cost exceeding the net fair value share of the identifiable assets and liabilities of the affiliated enterprise enjoyed by the company on the acquisition date is listed as goodwill, which is included in the book value of the investment and cannot be amortized; The excess of the share of the net fair value of the

identifiable assets and liabilities of the affiliated enterprise over the acquisition cost is listed as current profit or loss.

When an affiliated company issues new shares, if the company does not subscribe in accordance with the shareholding ratio, resulting in a change in the shareholding ratio, and thus resulting in an increase or decrease in the net equity value of the investment, the increase or decrease shall be adjusted to the capital reserve - recognized as a related party using the equity method. Changes in the net equity value of enterprises and joint ventures and investments using the equity method. However, if the ownership interest in the affiliated enterprise is reduced by not subscribing or obtaining it according to the shareholding ratio, the amount recognized in other comprehensive profit and loss related to the affiliated enterprise will be reclassified according to the reduction ratio, and the basis of accounting treatment is related to the affiliated enterprise. If the basis for directly disposing of related assets or liabilities is the same; if the adjustment in the preceding paragraph should be debited to the capital reserve, and if the balance of the capital reserve generated by the investment using the equity method is insufficient, the difference will be debited to the retained surplus.

When the company's share of losses to the affiliated enterprise is equal to or exceeds its equity in the affiliated enterprise (including the book value of the investment in the affiliated enterprise under the equity method and other long-term interests that are substantially part of the company's net investment in the affiliated enterprise), which ceases to recognize further losses. The company recognizes additional losses and liabilities only within the scope of statutory obligations, constructive obligations or payments made on behalf of related companies.

When assessing impairment, the company regards the overall book value of the investment (including goodwill) as a single asset and compares the recoverable amount with the book value to conduct impairment tests. The recognized impairment losses are not apportioned to the components that constitute the investment book value any assets, including goodwill. Any reversal of the impairment loss is recognized to the extent of subsequent increases in the recoverable amount of the investment.

The company ceases to adopt the equity method from the date when its investment ceases to be an affiliated enterprise, and its retained interests in the original affiliated enterprise are measured by fair value. included in current profit and loss. In addition, all amounts related to the affiliated enterprise recognized in other comprehensive profit or loss are accounted for on the same basis as would be required if the affiliated enterprise directly disposes of the related assets or liabilities. If the investment in an affiliated enterprise becomes an investment in a joint venture, or the investment in a joint venture becomes an investment in an affiliated enterprise, the Company continues to adopt the equity method without re-evaluating the retained equity.

The profits and losses arising from upstream, downstream, and sidestream transactions between the company and affiliated companies are recognized in individual financial reports only to the extent that they have nothing to do with the company's rights and interests in affiliated companies.

(8) Real estate, plant and equipment

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

The depreciation of the company's research and development and production equipment is based on the depreciation method, and the rest is depreciated on a straight-line basis within the service life, and each major part is depreciated separately. The company reviews the estimated useful life, salvage value and depreciation method at least at the end of each year, and postpones the impact of changes in applicable accounting estimates.

When real estate, plant and equipment are delisted, the difference between the net disposal price and the book value of the asset is recognized in profit or loss.

(9) Intangible assets

1. Obtained separately

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

2. Internally Generated - Research and Development Expenditures

Research expenditures are recognized as expenses when incurred. The company begins to recognize intangible assets in the development stage of internal plans when all the following conditions are met :

- (a) the technical feasibility of completing the intangible asset has been achieved, which will make the intangible asset available for use or sale;
- (b) intends to complete the intangible asset and use or sell it;
- (c) the ability to use or sell the intangible asset;
- (d) the intangible assets will generate very likely future economic benefits;
- (e) have sufficient technical, financial and other resources to complete the development and use or sell the intangible asset; and

(f) Expenditures attributable to the stage of development of the intangible asset can be reliably measured.

The cost of internally generated intangible assets is recognized as the sum of expenditures incurred since the date when the above conditions are met for the first time, and the subsequent measurement method is the same as that of intangible assets acquired separately.

3. Remove columns

When an intangible asset is delisted, the difference between the net disposal price and the book value of the asset is recognized in profit or loss for the current period.

(10) Impairment of real property, plant and equipment, right-of-use assets and intangible assets

The Company assesses at each balance sheet date whether there is any indication that property, plant and equipment, right-of-use assets and intangible assets may have been impaired. If any indication of impairment exists, the asset's recoverable amount is estimated. If it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs. Common assets are allocated to individual cash-generating units on a reasonable and consistent basis.

For intangible assets with undetermined service life and not yet available for use, impairment tests shall be conducted at least annually and when there are signs of impairment.

The recoverable amount is the higher of the fair value less cost of sale and value in use. If the recoverable amount of an individual asset or cash-generating unit is lower than its carrying amount, the carrying amount of the asset or cash-generating unit is reduced to its recoverable amount, and the impairment loss is recognized in profit or loss.

When the impairment loss is subsequently reversed, the carrying amount of the asset or cash-generating unit is increased to the revised recoverable amount, but the increased carrying amount shall not exceed that of the asset or cash-generating unit if no impairment was recognized in the previous year. The carrying amount (less amortization or depreciation) determined at the time of the loss. The reversal of the impairment loss is recognized in profit or loss.

(11) Financial instruments

Financial assets and financial liabilities are recognized on the Individual Balance Sheet when the Company becomes a party to the contract terms of the instrument.

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

costs directly attributable to the acquisition or issue of a financial asset or financial liability at fair value through profit or loss are recognized immediately in profit or loss.

1. Financial assets

Customary transactions of financial assets are recognized and delisted on the basis of transaction date accounting.

(a) Types of measurement

The types of financial assets held by the company are financial assets measured at fair value through other comprehensive profit and loss and financial assets measured at amortized cost.

A. Financial assets measured at amortized cost

If the company's investment in financial assets meets the following two conditions at the same time, it will be classified as financial assets measured at cost after amortization:

- a. is held under a business model whose purpose is to hold financial assets to collect contractual cash flows; and
- b. The terms of the contract give rise to cash flows on specific dates that are solely payments of principal and interest on the outstanding principal amount.

Financial assets measured at amortized cost (including cash and cash equivalents, accounts receivable and other current assets measured at amortized cost) are, after original recognition, the total carrying amount determined using the effective interest method less Any foreign exchange gain or loss is recognized in profit or loss, in addition to the amortized cost measurement of any impairment loss.

Interest income is calculated by multiplying the effective interest rate by the total book value of financial assets.

Equivalent cash includes highly liquid time deposits within 3 months from the date of acquisition, which can be converted into fixed cash at any time and have little risk of value change, and are used to meet short-term cash commitments.

B. Investment in equity instruments measured at fair value through other comprehensive income

At the time of original recognition, the company may make an irrevocable choice to designate equity instrument investments that are not held for trading and that are not recognized as contingent consideration by the acquirer of the enterprise to be measured at fair value through other comprehensive profits and losses.

Investments in equity instruments measured at fair value through other comprehensive profit or loss are measured at fair value, and subsequent changes in fair value are presented in other comprehensive profit or loss and accumulated in other equity. When the investment is disposed of, the accumulated profit or loss is directly

transferred to retained earnings and is not reclassified as profit or loss.

Dividends on investments in equity instruments measured at fair value through other comprehensive income are recognized in profit or loss when the Company's right to receive payments is established, unless the dividends clearly represent a recovery of part of the cost of the investment.

(b) Impairment of financial assets

The company evaluates the impairment loss of financial assets (including accounts receivable) measured at amortized cost based on expected credit losses on each balance sheet date.

Accounts receivable are recognized as allowance losses based on expected credit losses during the duration. For other financial assets, first assess whether the credit risk has increased significantly since the original recognition. If there is no significant increase, the provision loss will be recognized as the 12-month expected credit loss. If there has been a significant increase, it will be recognized as the expected credit loss during the duration Allow for losses. The expected credit loss is the weighted average credit loss with the risk of default as the weight. The 12-month expected credit loss represents the expected credit loss arising from possible default events of the financial instrument within 12 months after the reporting date, and the expected credit loss during the duration represents the expected credit loss arising from all possible default events of the financial instrument during the expected duration. Impairment losses on all financial assets are reduced by reducing their carrying amounts through the allowance account.

(c) Declassification of financial assets

The Company delists financial assets only when the contractual rights to the cash flows from the financial assets lapse, or when the financial assets have been transferred and almost all the risks and rewards of ownership of the assets have been transferred to other enterprises.

When a financial asset measured at amortized cost is delisted as a whole, the difference between its carrying amount and the consideration received is recognized in profit or loss. When an investment in a debt instrument at fair value through other comprehensive profit or loss is derecognized as a whole, the difference between its carrying amount and the sum of the consideration received plus any cumulative gain or loss that has been recognized in other comprehensive profit or loss is recognized in profit or loss. When an equity instrument investment measured at fair value through other comprehensive income is delisted as a

whole, the accumulated gain or loss is transferred directly to retained earnings and is not reclassified as profit or loss.

2. Equity instruments

The debt and equity instruments issued by the company are classified as financial liabilities or equity according to the substance of the contract agreement and the definition of financial liabilities and equity instruments.

The equity instruments issued by the Company are recognized at the amount obtained after deducting the direct issuance costs.

The recaptured equity instruments of the company itself are recognized and deducted under the equity item, and the book value is calculated based on the weighted average of the stock types. The purchase, sale, issue or cancellation of the Company's own equity instruments are not recognized in profit or loss.

3. Financial liabilities

(a) Subsequent measurement

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

(b) Declassification of financial liabilities

When delisting a financial liability, the difference between its carrying amount and the consideration paid (including any non-cash assets transferred or liabilities assumed) is recognized in profit or loss.

(12) Revenue recognition

After the company identifies the performance obligations in the customer contract, it allocates the transaction price to each performance obligation, and recognizes revenue when each performance obligation is satisfied.

For contracts where the time interval between the transfer of goods and the receipt of consideration is within one year, the transaction price shall not be adjusted for its significant financial components.

1. Revenue from merchandise sales

The revenue from sales of goods comes from the sales of electronic equipment products. The sales of electronic equipment products are mainly recognized when the customer obtains control over the promised assets, that is, when the goods are delivered to the designated place and meet the performance obligations, and bear the risk of obsolescence of the goods. The company recognizes the income at this point and accounts receivable.

When processing without materials, the control of the ownership of the processed products has not been transferred, so revenue is not recognized when the materials are removed.

2. Service income

Labor income comes from technical services. The technical services and extended warranty services provided by the company are recognized when the labor services are provided

(13) Lease

The company assesses whether the contract is (or includes) a lease on the date of establishment of the contract.

The company is the lessee

Except for leases of low-value underlying assets and short-term leases for which the recognition exemption applies, the lease payments are recognized as expenses on a straight-line basis during the lease term, and other leases are recognized as right-of-use assets and lease liabilities on the lease inception date.

The right-of-use asset is initially measured at cost (including the original measured amount of the lease liability), and subsequently measured at the cost less accumulated depreciation and accumulated impairment losses, and the remeasured amount of the lease liability is adjusted. The right-of-use asset is expressed separately on the Individual Balance Sheet.

Right-of-use assets are depreciated on a straight-line basis from the lease commencement date to the expiry of the useful life or the expiry of the lease term, whichever is earlier.

Lease liabilities are initially measured at the present value of lease payments (including fixed payments). If the implied interest rate of the lease is easy to determine, the lease payment shall be discounted using the interest rate. If this rate is not readily determined, the lessee incremental borrowing rate is used.

Subsequently, lease liabilities are measured on an amortized cost basis using the effective interest method, and interest expenses are amortized during the lease period. If changes in the lease period or the index or rate used to determine the lease payment lead to changes in future lease payments, the company will re-measure the lease liability and adjust the right-of-use asset accordingly. However, if the book value of the right-of-use asset has been reduced to zero, then The remaining remeasured amount is recognized in profit or loss. The lease liability is expressed separately on the Individual Balance Sheet.

(14) Borrowing costs

Borrowing costs directly attributable to the acquisition, construction, or production of a qualifying asset are included as part of the cost of the asset until substantially all activities necessary to bring the asset to its intended state for use or sale have been completed.

(15) Government grants

Government grants can only be recognized when it is reasonably certain that the company will comply with the conditions attached to the government grant and will receive the grant.

Government grants related to income are recognized in other income on a systematic basis during the period in which the related costs they are intended to compensate are recognized as expenses by the Company.

If the government subsidy is used to compensate for the expenses or losses incurred, or is for the purpose of providing immediate financial support to the company and has no future related costs, it will be recognized in profit or loss during the period in which it can be received.

(16) Employee benefits

1. Short-term employee benefits

Liabilities related to short-term employee benefits are measured at undiscounted amounts expected to be paid in exchange for employee services.

2. Post-employment benefits

The pension of the definite appropriation retirement plan is recognized as an expense during the service period of the employee. The defined benefit cost (including service cost, net interest and remeasurement amount) of the defined benefit retirement plan is actuarially calculated using the projected unit benefit method. Service costs (including current service costs) and net interest on net defined benefit liabilities are recognized as employee benefit expenses when incurred. The remeasurement amount (including actuarial profit or loss and return on project assets after deducting interest) is recognized in other comprehensive profit or loss and included in retained earnings when it occurs, and will not be reclassified to profit or loss in subsequent periods.

The net defined benefit liability is the shortfall in contributions from defined benefit retirement plans.

(17) Share-Based Payment Agreement

Employee stock options are recognized as expenses on a straight-line basis during the vesting period based on the fair value of the equity instrument on the grant date and the best estimated quantity expected to be acquired, and at the same time adjust the capital reserve - employee stock options. If it is immediately vested on the grant date, it shall be fully recognized as an expense on the grant date.

The company revises the estimated number of employee stock options expected to be acquired on each balance sheet date. If there is a revision to the original estimated quantity, the impact amount is recognized as profit or loss, so that the accumulated expenses reflect the revised estimate, and the capital reserve-employee stock option is adjusted accordingly.

(18) Income tax

Income tax expense is the sum of current income tax and deferred income tax.

1. Current income tax

Income tax is levied on the undistributed earnings calculated in accordance with the provisions of the Income Tax Law of the People's Republic of my country, which is recognized in the year of resolution of the shareholders' meeting.

The adjustment of the income tax payable in the previous year shall be included in the income tax of the current year.

2. Deferred income tax

The deferred income tax is calculated based on the temporary difference between the carrying amount of assets and liabilities on the books and the tax basis for calculating taxable income.

Deferred income tax liabilities are generally recognized for all taxable temporary differences, while deferred income tax assets are recognized when there is likely to be taxable income for deductible temporary differences, loss deduction or purchase of machinery and equipment, research The income tax deduction arising from expenditures such as development and personnel training shall be recognized when used.

The taxable temporary difference related to the investment in subsidiaries and affiliated enterprises is not recognized because the company can control the timing of the reversal of the temporary difference, and it is very likely that the temporary difference will not reverse in the foreseeable future. List deferred tax liabilities.

The carrying amount of deferred income tax assets is reviewed on each balance sheet date, and the carrying amount is reduced for those assets that are no longer likely to have sufficient taxable income to recover all or part of the assets. Those that have not been recognized as deferred income tax assets are also re-examined on each balance sheet date, and for those that are likely to generate taxable income in the future to recover all or part of the assets, the book amount is increased.

Deferred income tax assets and liabilities are measured at the tax rate of the year when the expected liability is settled or the asset is realized. The tax rate is based on the tax rate and tax law that have been enacted or substantively enacted on the balance sheet date. The measurement of deferred income tax liabilities and assets reflects the tax consequences arising from the way the company expects to recover or pay off the carrying amount of its assets and liabilities at the balance sheet date.

3. Current and deferred income tax

Current and deferred income taxes are recognized in profit or loss, but current and deferred income taxes related to items recognized in other comprehensive profit or loss or directly included in equity are recognized in other comprehensive profit or loss or directly included in equity, respectively.

V. Major sources of uncertainty in major accounting judgments, estimates and assumptions

When the company adopts accounting policies, the management must make relevant judgments, estimates and assumptions based on historical experience and other relevant factors for those that are not easy to obtain relevant information from other sources. Actual results may differ from estimates.

The company will take the recent development of the new coronavirus pneumonia epidemic and its possible impact on the economic environment into consideration of major accounting estimates related to cash flow estimation, growth rate, discount rate, profitability, etc., and the management will continue to review the estimates with basic assumptions. If the revision of the estimate affects only the current period, it is recognized in the revision period; if the revision of the

accounting estimate affects both the current period and the future period, it is recognized in the revision period and the future period.

Major Sources of Uncertainty in Estimates and Assumptions

impairment of inventories

The net realizable value of inventories is the estimated selling price in the normal course of business less the estimated costs to be invested to completion and the estimated costs to complete the sale, which are based on current market conditions and historical sales of similar products. Based on experience assessment, changes in market conditions may significantly affect the results of these estimates.

VI、Cash and cash equivalents

	<u>December 31, 2022</u>	<u>December 31, 2021</u>
Cash on hand and working capital	\$ 367	\$ 345
Bank Check and Demand Deposit equivalent to cash	213,698	328,729
Bank fixed deposit	<u>61,420</u>	<u>-</u>
	<u>\$275,485</u>	<u>\$329,074</u>

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

	<u>December 31, 2022</u>	<u>December 31, 2021</u>
Bank deposit	0.001%~4.450%	0.001%~0.200%

VII. Financial assets measured at amortized cost

	<u>December 31, 2022</u>	<u>December 31, 2021</u>
<u>Flow</u>		
Pledged time deposit	<u>\$ 1,373</u>	<u>\$ 1,371</u>

(1) For information on the pledge of financial assets measured at cost after amortization, please refer to Note 29.

(2) As of December 31, 2011 and 2011, the time deposit interest rates ranged from 1.015% to 1.325% and 0.745% to 0.765% respectively.

VIII. Accounts receivable

	<u>December 31, 2022</u>	<u>December 31, 2021</u>
<u>Accounts receivable</u>		
Measure gross carrying amount at amortized cost	\$ 24,579	\$ 83,467
Less: Allowance for losses	<u>-</u>	<u>-</u>
	<u>\$ 24,579</u>	<u>\$ 83,467</u>

The company's average credit period for commodity sales is 30 to 60 days per month, and accounts receivable are not interest-bearing. The Company uses other publicly available financial information and historical transaction records to rate clients. The company continuously monitors the credit risk of credit risk and the credit rating of the counterparty, and manages the risk of credit risk through the reviewed and approved credit limit of the counterparty.

The company does not hold any collateral for accounts receivable, but in order to reduce the main credit risk, it has purchased a credit guarantee insurance contract, only for accounts receivable that are not included in the credit guarantee insurance contract, and individually recognizes that it cannot be recovered. The amount is set aside as an allowance for losses.

The company recognizes the allowance loss of accounts receivable according to the expected credit loss during the duration. The expected credit loss during the duration is based on the consideration of the past default record of the customer group not included in the credit guarantee insurance contract, the current financial situation and the economic situation of the industry. As the company's credit loss historical experience shows that there is no significant difference in the loss patterns of these customer groups, the expected credit loss rate is only determined by the number of days overdue accounts receivable.

If there is evidence that the counterparty is facing serious financial difficulties and the company cannot reasonably expect the recoverable amount, for example, the counterparty is in liquidation or the debt is overdue for more than 360 days, the company will write off the relevant accounts receivable directly, but will continue to recover. Recovering activities, the amount recovered as a result of the recourse is recognized in profit or loss.

The company measures the allowance loss of accounts receivable as follows :

December 31, 2022

	<u>Not overdue</u>	<u>Overdue 1~60Days</u>	<u>Overdue 61~120 Days</u>	<u>Overdue Over 181 Days</u>	<u>total</u>
total book amount	\$ 22,925	\$ 904	\$ -	\$ 750	\$ 24,579
Allowance for losses (expected credit losses during the lifetime)	-	-	-	-	-
amortized cost	<u>\$ 22,925</u>	<u>\$ 904</u>	<u>\$ -</u>	<u>\$ 750</u>	<u>\$ 24,579</u>

December 31, 2021

	<u>Not overdue</u>	<u>Overdue 1~60Days</u>	<u>Overdue 61~120 Days</u>	<u>Overdue Over 181 Days</u>	<u>total</u>
total book amount	\$ 75,997	\$ 7,340	\$ 126	\$ 4	\$ 83,467
Allowance for losses (expected credit losses during the lifetime)	-	-	-	-	-
amortized cost	<u>\$ 75,997</u>	<u>\$ 7,340</u>	<u>\$ 126</u>	<u>\$ 4</u>	<u>\$ 83,467</u>

Changes in the allowance for losses on accounts receivable are as follows :

	<u>2022</u>	<u>2021</u>
Balance at the beginning of the year and at the end of the year	<u>\$ _____</u>	<u>\$ _____</u>

IX、Inventory

	<u>December 31, 2022</u>	<u>December 31, 2021</u>
finished product	\$ 82,522	\$101,152
WIP	15,764	17,405
raw material	<u>290,267</u>	<u>285,360</u>
	<u>\$388,553</u>	<u>\$403,917</u>

The components of operating costs related to inventory in 2022 and 2021 are as follows :

	<u>2022</u>	<u>2021</u>
Operating cost	<u>\$568,538</u>	<u>\$544,542</u>
Inventory depreciation and sluggish loss	<u>\$ 3,490</u>	<u>\$ 11,318</u>

X、Investments using the equity method

	<u>December 31, 2022</u>	<u>December 31, 2021</u>
Investment subsidiary	<u>\$352,047</u>	<u>\$357,970</u>

(1) Investing in subsidiaries

	<u>December 31, 2022</u>	<u>December 31, 2021</u>
Joding Investment Corp.	\$329,270	\$343,410
Promise Technology K.K. (the "PTJ")	<u>22,777</u>	<u>14,560</u>
	<u>\$352,047</u>	<u>\$357,970</u>

	<u>Subsidiary name</u>	
<u>Subsidiary name</u>	<u>December 31, 2022</u>	<u>December 31, 2021</u>
Joding Investment Corp.	100%	100%
PTJ	100%	100%

The profit and loss and other comprehensive profit and loss shares of subsidiaries adopting the equity method in 2022 and 2021 are recognized based on the financial reports of each subsidiary audited by accountants for the same period.

XI、 Property, plant and equipment

	building	R & D equipment	Wealth making equipment	Production equipment	Lease Improvement	total
<u>COST</u>						
January 1, 2022						
balance	\$ 158,857	\$ 21,477	\$ 6,481	\$ 19,956	\$ 17,417	\$ 224,188
increase	-	1,281	195	63	46	1,585
dispose	-	(8,076)	(3,986)	(4,568)	(5,200)	(21,830)
rearrange	-	3,151	689	(195)	-	3,645
December 31, 2022						
balance	<u>\$ 158,857</u>	<u>\$ 17,833</u>	<u>\$ 3,379</u>	<u>\$ 15,256</u>	<u>\$ 12,263</u>	<u>\$ 207,588</u>
<u>accumulated depreciation</u>						
January 1, 2022						
balance	\$ 62,937	\$ 18,214	\$ 5,007	\$ 17,725	\$ 10,183	\$ 114,066
Depreciation expense	4,180	3,661	1,023	1,522	2,941	13,327
dispose	-	(8,076)	(3,986)	(4,568)	(5,200)	(21,830)
rearrange	-	(16)	-	(258)	-	(274)
December 31, 2022						
balance	<u>\$ 67,117</u>	<u>\$ 13,783</u>	<u>\$ 2,044</u>	<u>\$ 14,421</u>	<u>\$ 7,924</u>	<u>\$ 105,289</u>
December 31, 2022						
net	<u>\$ 91,740</u>	<u>\$ 4,050</u>	<u>\$ 1,335</u>	<u>\$ 835</u>	<u>\$ 4,339</u>	<u>\$ 102,299</u>
<u>COST</u>						
January 1, 2021						
balance	\$ 158,618	\$ 33,725	\$ 8,338	\$ 29,385	\$ 19,870	\$ 249,936
increase	330	986	59	37	-	1,412
dispose	(91)	(13,337)	(2,123)	(9,678)	(2,453)	(27,682)
rearrange	-	103	207	212	-	522
December 31, 2021						
balance	<u>\$ 158,857</u>	<u>\$ 21,477</u>	<u>\$ 6,481</u>	<u>\$ 19,956</u>	<u>\$ 17,417</u>	<u>\$ 224,188</u>
<u>accumulated depreciation</u>						
January 1, 2021						
balance	\$ 58,848	\$ 28,646	\$ 5,032	\$ 23,368	\$ 9,031	\$ 124,925
Depreciation expense	4,180	3,753	2,101	4,070	3,605	17,709
dispose	(91)	(13,336)	(2,123)	(9,678)	(2,453)	(27,681)
rearrange	-	(849)	(3)	(35)	-	(887)
December 31, 2021						
balance	<u>\$ 62,937</u>	<u>\$ 18,214</u>	<u>\$ 5,007</u>	<u>\$ 17,725</u>	<u>\$ 10,183</u>	<u>\$ 114,066</u>
December 31, 2021						
net	<u>\$ 95,920</u>	<u>\$ 3,263</u>	<u>\$ 1,474</u>	<u>\$ 2,231</u>	<u>\$ 7,234</u>	<u>\$ 110,122</u>

Since there is no sign of impairment in 2022 and 2021, the Company has not conducted an impairment assessment.

Depreciation expenses are accrued according to the following useful years:

Buildings	
The main building of the factory	51 years
Mechanical and electrical engineering	6 to 11 years
other	6 to 11 years
R & D equipment	2 to 3 years
Wealth making equipment	3 to 6 years
Production equipment	3 years
Lease Improvement	4 to 11 years

Please refer to Note 29 for the amount of real estate, plant and equipment pledged by the Company as security for the loan.

XII、 Rental agreement

(1) Right-of-use assets

	<u>December 31, 2022</u>	<u>December 31, 2021</u>
Carrying amount of right-of-use asset		
land	\$ 22,614	\$ 23,283
building	19,773	31,668
	\$ 42,387	\$ 54,951
	<u>2022</u>	<u>2021</u>
Addition of right-of-use assets	\$ 22,235	\$ 8,339
Depreciation expense on right-of-use assets		
land	\$ 775	\$ 772
building	12,944	13,970
	\$ 13,719	\$ 14,742

(2) Lease liabilities

	<u>December 31, 2022</u>	<u>December 31, 2021</u>
Carrying amount of the lease liability		
Flow	\$ 12,864	\$ 13,600
non-flow	\$ 30,456	\$ 42,514

The discount rate range for lease liabilities is as follows: :

	<u>December 31, 2022</u>	<u>December 31, 2021</u>
land	2.50%	2.50%
building	2.50%	2.50%

(3) Important leasing activities and terms

The company leases land from the Hsinchu Science Industrial Park of the Ministry of Science and Technology as a factory building, and the lease period is 90 to 141 years. According to the land lease agreement in the park, the lessor may adjust the amount of rent at any time according to the announced land price of the base where the factory is located or the adjustment of the rent rate of state-owned land approved by the Executive Yuan; There is no preferential purchase right.

(4) Other leasing information

	2022	2021
short-term rental fee	<u>\$ 153</u>	<u>\$ 57</u>
Low-value asset rental expenses	<u>\$ 306</u>	<u>\$ 331</u>
Variable lease payments not included in the measurement of lease liabilities	<u>\$ 5</u>	<u>\$ 8</u>
Total cash (outflows) from leases	<u>(\$ 14,929)</u>	<u>(\$ 16,035)</u>

The company chooses to apply the recognition exemption to parking spaces and warehouses that qualify for short-term leases, and photocopiers, water dispensers, and cloud host leases that qualify for low-value asset leases, and does not recognize the relevant right-of-use assets and lease liabilities for these leases.

XIII、 intangible assets

	<u>intangible assets</u>	<u>computer software</u>	<u>Research and Development Technology</u>	<u>total</u>
<u>cost</u>				
January 1, 2022 balance	\$ 417,781	\$ 696	\$ 42,399	\$ 460,876
obtained separately	266	776	-	1,042
dispose	-	(383)	-	(383)
December 31, 2022 balance	<u>\$ 418,047</u>	<u>\$ 1,089</u>	<u>\$ 42,399</u>	<u>\$ 461,535</u>
<u>Accumulated amortization and impairment</u>				
January 1, 2022 balance	\$ 417,413	\$ 446	\$ 42,399	\$ 460,258
Amortization fee	182	282	-	464
dispose	-	(383)	-	(383)
December 31, 2022 balance	<u>\$ 417,595</u>	<u>\$ 345</u>	<u>\$ 42,399</u>	<u>\$ 460,339</u>
December 31, 2022 net	<u>\$ 452</u>	<u>\$ 744</u>	<u>\$ -</u>	<u>\$ 1,196</u>
<u>cost</u>				
January 1, 2021 balance	\$ 417,568	\$ 771	\$ 58,448	\$ 476,787
obtained separately	269	71	-	340
dispose	(56)	(146)	(16,049)	(16,251)
December 31, 2021 balance	<u>\$ 417,781</u>	<u>\$ 696</u>	<u>\$ 42,399</u>	<u>\$ 460,876</u>
<u>Accumulated amortization and impairment</u>				
January 1, 2021 balance	\$ 417,321	\$ 398	\$ 58,448	\$ 476,167
Amortization fee	148	194	-	342
dispose	(56)	(146)	(16,049)	(16,251)
December 31, 2021 balance	<u>\$ 417,413</u>	<u>\$ 446</u>	<u>\$ 42,399</u>	<u>\$ 460,258</u>
December 31, 2021 net	<u>\$ 368</u>	<u>\$ 250</u>	<u>\$ -</u>	<u>\$ 618</u>

Amortization fee is accrued on a straight-line basis over the following useful years :

technical rights	2 to 13 years
computer software	3 to 5 years
R & D technology	3 to 5 years

XIV、 other assets

	<u>December 31, 2022</u>	<u>December 31, 2021</u>
<u>flow</u>		
Prepayments	\$ 7,058	\$ 6,190
Tax refund receivable	3,863	4,427
Current income tax assets	137	57
other	<u>105</u>	<u>409</u>
	<u>\$ 11,163</u>	<u>\$ 11,083</u>
 <u>non-flow</u>		
Refundable deposits	\$ 894	\$ 1,432
other	<u>1,237</u>	<u>1,237</u>
	<u>\$ 2,131</u>	<u>\$ 2,669</u>

XV、 Borrowings

(1) Short-term loans

	<u>December 31, 2022</u>	<u>December 31, 2021</u>
<u>unsecured borrowing</u>		
— Line of credit borrowing	<u>\$159,000</u>	<u>\$243,600</u>

The range of interest rates for short-term loans on the balance sheet date is as follows :

	<u>December 31, 2022</u>	<u>December 31, 2021</u>
Short-term loans	1.93%~2.18%	1.25%~1.55%

(2) Long-term loans

	<u>December 31, 2022</u>	<u>December 31, 2021</u>
<u>Guaranteed loans (Note 29)</u>		
Bank loan(a)	\$ -	\$ 29,500
Less:listed as part due within 1 year	<u>-</u>	<u>(29,500)</u>
Long-term loans	<u>\$ -</u>	<u>\$ -</u>

- a. The bank loan is guaranteed by the company's building mortgage, the loan maturity date is November 15, 2022, and the effective annual interest rate as of December 31, 2021 is 1.95%.

XVI、 other liabilities

<u>Flow</u>	<u>December 31, 2022</u>	<u>December 31, 2021</u>
Other payables		
payable bonus	\$ 14,649	\$ 16,846
Payable Unleavened Payment	3,713	5,317
other	<u>14,723</u>	<u>16,500</u>
	<u>33,085</u>	<u>38,663</u>
other liabilities		
Collection	1,282	1,218
Temporary payment	462	590
Contract Liabilities - Advance		
Receipts	<u>123</u>	<u>39,973</u>
	<u>1,867</u>	<u>41,781</u>
	<u>\$ 34,952</u>	<u>\$ 80,444</u>

XVII、 Post-employment benefit plan

(1) Determine the allocation plan

The company applies the pension system of the "Labor Pension Act", which is a defined contribution retirement plan managed by the government. 6% of the employee's monthly salary is allocated to the individual account of the Labor Insurance Bureau.

(2) Defined benefit plan

The pension system handled by the company in accordance with my country's "Labor Standards Law" is a defined benefit retirement plan managed by the government. The payment of employee pensions is calculated based on the years of service and the average salary of the six months before the approved retirement date. The company allocates pensions based on 2% of the total monthly salary of employees, and submits it to the Labor Retirement Reserve Supervision Committee to deposit it in the special account of the Bank of Taiwan in the name of the committee. Before the end of the year, if the estimated balance in the special account is not enough to pay within the next year For workers who are expected to meet the retirement conditions, the difference will be allocated in one lump sum before the end of March of the following year. The special account is entrusted to the Labor Fund Utilization Bureau of the Ministry of Labor to manage, and the company has no right to influence the investment management strategy.

The defined benefit plan amounts included in the Individual Balance Sheet are listed below:

	<u>December 31, 2022</u>	<u>December 31, 2021</u>
Determining the Present Value of Benefit Obligations	\$ 48,738	\$ 50,709
Fair value of project assets	(<u>9,508</u>)	(<u>8,248</u>)
Net defined benefit liability	<u>\$ 39,230</u>	<u>\$ 42,461</u>

Changes in net defined benefit liabilities are as follows :

	Determining the Present Value of Benefit Obligations	Determining the Present Value of Benefit Obligations	Net defined benefit liability
January 1, 2021	<u>\$ 49,671</u>	<u>(\$ 7,391)</u>	<u>\$ 42,280</u>
service cost			
current service cost	1,187	-	1,187
Interest expense (income)	<u>447</u>	<u>(70)</u>	<u>377</u>
Recognized in profit or loss	<u>1,634</u>	<u>(70)</u>	<u>1,564</u>
remeasurement			
Return on project assets (except for the amount included in net interest)	-	(139)	(139)
Actuarial losses - changes in financial assumptions	2,152	-	2,152
Actuarial loss - experience adjustment	<u>(2,748)</u>	<u>-</u>	<u>(2,748)</u>
recognized in other comprehensive income	<u>(596)</u>	<u>(139)</u>	<u>(735)</u>
employer appropriation	<u>-</u>	<u>(648)</u>	<u>(648)</u>
December 31, 2021	<u>50,709</u>	<u>(8,248)</u>	<u>42,461</u>
service cost			
current service cost	1,426	-	1,426
Interest expense (income)	<u>279</u>	<u>(47)</u>	<u>232</u>
Recognized in profit or loss	<u>1,705</u>	<u>(47)</u>	<u>1,658</u>
remeasurement			
Return on project assets (except for the amount included in net interest)	-	(623)	(623)
Actuarial losses - changes in financial assumptions	<u>(3,147)</u>	<u>-</u>	<u>(3,147)</u>
Actuarial loss - experience adjustment	<u>(474)</u>	<u>-</u>	<u>(474)</u>
recognized in other comprehensive income	<u>(3,621)</u>	<u>(623)</u>	<u>(4,244)</u>
employer appropriation	<u>-</u>	<u>(645)</u>	<u>(645)</u>
welfare payment	<u>(55)</u>	<u>55</u>	<u>-</u>
December 31, 2022	<u>\$ 48,738</u>	<u>(\$ 9,508)</u>	<u>\$ 39,230</u>

The company is exposed to the following risks due to the pension system of the "Labor Standards Act":

1. Investment risk: The Labor Fund Utilization Bureau of the Ministry of Labor invests labor pension funds in domestic (foreign) equity securities, debt securities, and bank deposits through self-use and

entrusted operation methods, but the company's planned assets may be allocated. The amount is calculated based on the local bank's 2-year fixed deposit interest rate.

2. Interest rate risk: The decline in the interest rate of government bonds will increase the present value of defined benefit obligations, but the debt investment return on project assets will also increase accordingly, and the impact of the two on net defined benefit liabilities will have a partial offset effect.

3. Salary risk: The calculation of the present value of the defined benefit obligation refers to the future salary of the plan members. An increase in plan member salaries will therefore increase the present value of the defined benefit obligation.

The present value of the company's defined benefit obligations is calculated by a qualified actuary, and the major assumptions on the measurement date are as follows :

	<u>December 31, 2022</u>	<u>December 31, 2021</u>
Discount Rate	1.25%	0.55%
Salary Expected Increase Rate	5.00%	5.00%

If there are reasonably possible changes in major actuarial assumptions, and all other assumptions remain unchanged, the amount that will increase (decrease) the present value of the defined benefit obligation is as follows :

	<u>December 31, 2022</u>	<u>December 31, 2021</u>
Discount Rate		
Increase 0.25%	(<u>\$ 1,423</u>)	(<u>\$ 1,665</u>)
Reduce 0.25%	<u>\$ 1,481</u>	<u>\$ 1,738</u>
Salary Expected Increase Rate		
Increase 1%	<u>\$ 6,085</u>	<u>\$ 7,105</u>
Reduce 1%	(<u>\$ 5,301</u>)	(<u>\$ 6,136</u>)

Since the actuarial assumptions may be related to each other, the possibility of only a single assumption changing is unlikely, so the above sensitivity analysis may not reflect the actual changes in the present value of the defined benefit obligations.

	<u>December 31, 2022</u>	<u>December 31, 2021</u>
Expected amount allocated within 1 year	<u>\$ 647</u>	<u>\$ 633</u>
Determining the average benefit obligation due period	12.5 years	13.4 years

XVIII、equity

(1) Common stock capital

	<u>December 31, 2022</u>	<u>December 31, 2021</u>
Rated number of shares (thousand shares)	<u>250,000</u>	<u>250,000</u>
Rated share capital	<u>\$ 2,500,000</u>	<u>\$ 2,500,000</u>
Number of issued and fully paid shares (thousand shares)	<u>92,679</u>	<u>89,329</u>
Issued share capital	<u>\$ 926,787</u>	<u>\$ 893,288</u>

In order to seek opportunities for technical cooperation or strategic alliances with domestic and foreign manufacturers or customers, and to repay bank loans and at the same time enrich working capital to meet future operating needs, the company passed the resolution of the shareholders' meeting on July 8, 2021 to handle private placement cash. The capital increase case is expected to be handled within the quota of ordinary shares of no more than 5,209,000 total issued shares. It will be completed within one year or in batches (no more than three times), and the private placement cash capital increase will be handled in April 2022 to issue new shares. The number is 3,350,000 shares, and the private placement price is 10.45 yuan per share. The base date for capital increase is April 21, 2022. The relevant change registration procedures have been completed on April 29, 2022. The remaining 1,859,000 shares that have not been fully raised will not be recruited again.

(2) Capital reserves

	<u>December 31, 2022</u>	<u>December 31, 2021</u>
<u>may be used to cover losses,</u>		
<u>issue cash or capitalize (a)</u>		
stock issue premium	\$ 1,507	\$ 2,584
Overdue cash dividends	112	85
Share Issue Premium - Lapsed/Vested Option	627	2,484
<u>not for any purpose</u>		
employee stock options	<u>86,949</u>	<u>87,576</u>
	<u>\$ 89,195</u>	<u>\$ 92,729</u>

- a. This kind of capital reserve can be used to make up for losses, and can also be used to distribute cash or allocate capital when the company has no losses. However, when capital is allocated, it is limited to a certain percentage of paid-in capital every year.

Changes in the capital reserve balance are as follows:

	<u>stock issue premium</u>	<u>employee stock options</u>	<u>Share Issue Premium - Lapsed/Vested Option</u>	<u>other</u>	<u>total</u>
January 1, 2021 balance	\$ 1,539	\$ 90,060	\$ 3,078	\$ 272	\$ 94,949
cash capital increase	2,584	-	-	-	2,584
Capital reserves make up for losses	(1,539)	-	(3,078)	(272)	(4,889)
Cancellation of lapsed stock warrants	-	(2,484)	2,484	-	-
Overdue cash dividends	-	-	-	85	85
December 31, 2021 balance	2,584	87,576	2,484	85	92,729
cash capital increase	1,507	-	-	-	1,507
Capital reserves make up for losses	(2,584)	-	(2,484)	(85)	(5,153)
Cancellation of lapsed stock warrants	-	(627)	627	-	-
Overdue cash dividends	-	-	-	112	112
December 31, 2022 balance	<u>\$ 1,507</u>	<u>\$ 86,949</u>	<u>\$ 627</u>	<u>\$ 112</u>	<u>\$ 89,195</u>

(3) Retained earnings and dividend policy

According to the surplus distribution policy stipulated in the articles of association of the company, if there is net profit after tax for the current period in the annual final accounts, it shall be distributed in the following order:

1. Make up for losses (including adjusting the amount of undistributed surplus).
2. Allocate 10% of the statutory reserve, except when the statutory reserve has reached the total capital of the company;
3. Appropriate or reverse the special surplus reserve according to laws and regulations.
4. The distribution of the remaining surplus and the cumulative undistributed surplus of the previous year (including adjustments to the amount of undistributed surplus) and the adjusted amount of undistributed surplus for the current year shall be determined by the board of directors and shall be resolved by the shareholders' meeting. Pursuant to Article 240, Paragraph 5 of the Company Law, the Company authorizes the Board of Directors to distribute dividends and bonuses or as stipulated in Article 241, Paragraph 1 of the Company Law, with more than two-thirds of the directors present and a resolution passed by more than half of the directors present. All or part of the statutory surplus reserve and capital reserve shall be distributed in cash and reported to the shareholders' meeting. °

Please refer to Note 20 (7) Employee Remuneration and Director Remuneration for the employee and director remuneration distribution policy stipulated in the company's articles of association.

In order to match the overall environment and the characteristics of industrial growth, and consider the capital needs of the future capital expenditure budget, in order to achieve the company's sustainable operation, the pursuit of long-term interests of shareholders and the goal of stable operating performance, the company's dividend policy, the distribution of surplus can be cash Dividends or stock dividends, of which cash dividends shall not be less than 10% of the total dividends. The amount of this dividend payment depends on the actual operating conditions of the current period, and the capital budget plan for the next year is considered, and the most suitable dividend policy is determined by the shareholders meeting.

The statutory reserve shall be appropriated until its balance reaches the total paid-in share capital of the company. The statutory reserve can be used to make up for losses. When the company has no losses, the portion of the statutory reserve exceeding 25% of the total paid-in share capital may be allocated to share capital and distributed in cash.

The company held regular shareholders' meetings on June 23, 2022 and July 8, 2021, and passed resolutions to make up for losses in 2021 and 2010 as follows :

	<u>2021</u>	<u>2010</u>
Capital reserves make up for losses	<u>\$ 5,153</u>	<u>\$ 4,889</u>

The company's board of directors meeting on March 9, 2023 proposed to make up for the loss in 2022 as follows:

	<u>2022</u>
Capital reserves make up for losses	<u>\$ 2,246</u>

The proposal on making up for losses in 2022 is yet to be resolved at the general meeting of shareholders expected to be held on June 26, 2023.

(IV) Other equity items

1. Exchange difference on translation of financial statements of foreign operating institutions

	<u>2022</u>	<u>2021</u>
initial balance	(\$ 94,717)	(\$ 68,275)
Generated in the current year		
The conversion difference of foreign operating institutions	<u>26,596</u>	<u>(26,442)</u>
Year-end balance	<u>(\$ 68,121)</u>	<u>(\$ 94,717)</u>

2. Unrealized valuation gains and losses on financial assets measured at fair value through other comprehensive income

	<u>2022</u>	<u>2021</u>
Balance at the beginning of the year and at the end of the year	<u>(\$ 30,215)</u>	<u>(\$ 30,215)</u>

XIX、operating income

	<u>2022</u>	<u>2021</u>
Client contract revenue		
Commodity sales income	\$795,789	\$750,433
Technical service income	<u>3,990</u>	<u>9,314</u>
	<u>\$799,779</u>	<u>\$759,747</u>

(1) Contract balance

	<u>December 31, 2022</u>	<u>December 31, 2021</u>	<u>January 1, 2021</u>
Net accounts receivable (Note 8)	\$ 24,579	\$ 83,467	\$ 43,389
Receivables from related parties (Note 28)	<u>30,050</u>	<u>17,454</u>	<u>10,007</u>
	<u>\$ 54,629</u>	<u>\$ 100,921</u>	<u>\$ 53,396</u>
contract liabilities			
Contract Liabilities -Advance Receipts (Other Current Liabilities)(Note 16)	<u>\$ 123</u>	<u>\$ 39,973</u>	<u>\$ 17,646</u>

Contract liabilities mainly arise from the difference between the time when the sales of goods meet the performance obligations and the time when customers pay °

(2) Breakdown of customer contract revenue

<u>Regional distinction</u>	<u>2022</u>	<u>2021</u>
Asia	\$391,705	\$415,161
Taiwan (the location of our company)	191,373	133,502
America	116,268	78,379
Europe	83,810	83,530
other	16,623	49,175
	<u>\$799,779</u>	<u>\$759,747</u>

XX、Continuing business unit net profit

1.interest income

	<u>2022</u>	<u>2021</u>
interest income		
Bank savings	\$ 1,140	\$ 197
Deposit calculation	<u>6</u>	<u>49</u>
	<u>\$ 1,146</u>	<u>\$ 246</u>

(3) Other income

	<u>2022</u>	<u>2021</u>
Government grant income (Note 24)	\$ 129	\$ 620
other	<u>13,610</u>	<u>15,143</u>
	<u>\$ 13,739</u>	<u>\$ 15,763</u>

(3) Other benefits and losses

	<u>2022</u>	<u>2021</u>
Compensation for loss	(\$ 3,139)	\$ -
other	<u>(15)</u>	<u>301</u>
	<u>(\$ 3,154)</u>	<u>\$ 301</u>

(4) Financial costs

	<u>2022</u>	<u>2021</u>
Bank loan interest	\$ 3,240	\$ 4,633
Interest on the lease liability	1,234	1,545
Other loan interest	-	393
Related party loan interest	-	58
	<u>\$ 4,474</u>	<u>\$ 6,629</u>

(5) Depreciation and amortization

	<u>2022</u>	<u>2021</u>
Property, plant and equipment	\$ 13,327	\$ 17,709
Property, plant and equipment	13,719	14,742
intangible assets	<u>464</u>	<u>342</u>
	<u>\$ 27,510</u>	<u>\$ 32,793</u>
Summary of depreciation expense by function		
Operating cost	\$ 6,322	\$ 9,221
Operating expenses	<u>20,724</u>	<u>23,230</u>
	<u>\$ 27,046</u>	<u>\$ 32,451</u>
Amortization expenses summarized by function		
Management costs	\$ 160	\$ 33
R& D costs	<u>304</u>	<u>309</u>
	<u>\$ 464</u>	<u>\$ 342</u>

(6) Employee benefits

	<u>2022</u>	<u>2021</u>
Post-employment benefits		
Confirm the appropriation plan	\$ 7,343	\$ 7,574
Defined benefit plans (Note 17)	<u>1,658</u>	<u>1,564</u>
	9,001	9,138
Other employee benefits	<u>185,308</u>	<u>191,882</u>
	<u>\$194,309</u>	<u>\$201,020</u>
Summary by function		
Operating cost	\$ 38,445	\$ 36,380
Operating expenses	<u>155,864</u>	<u>164,640</u>
	<u>\$194,309</u>	<u>\$201,020</u>

(7) Employee Remuneration and Directors' Remuneration

The company allocates employee remuneration and director remuneration at a rate of no less than 5% and no more than 3% of the pre-tax profit before deducting the distribution of employee and director remuneration in the current year.

Both 2022 and 2021 are accumulated losses, so employee remuneration and director remuneration have not been estimated.

If there is still a change in the amount after the annual individual financial report is released, it will be treated as a change in accounting estimate, and it will be adjusted and recorded in the next year.

For information on employee remuneration and director remuneration for the company's 2022 and 2021 board resolutions, please visit the "Public Information Observatory" of the Taiwan Stock Exchange.

(8) Foreign currency exchange gains (losses)

	<u>2022</u>	<u>2021</u>
Total foreign currency exchange benefit	\$ 30,853	\$ 11,012
Total foreign exchange losses	(<u>16,156</u>)	(<u>15,326</u>)
net gain (loss)	<u>\$ 14,697</u>	<u>(\$ 4,314)</u>

XXI、Income tax

(1) Income tax recognized in profit or loss

The main components of income tax expenses are as follows :

	<u>2022</u>	<u>2021</u>
current income tax		
Producer of the year	\$ _____	<u>\$ 2,087</u>
Income tax expense recognized in profit or loss	<u>\$ _____</u>	<u>\$ 2,087</u>

The adjustment of accounting income and income tax expense is as follows :

	<u>2022</u>	<u>2021</u>
Net profit before tax of continuing business units	<u>\$ 2,890</u>	<u>\$ 2,531</u>
Income tax calculated on the net profit before tax according to the statutory tax rate	\$ 578	\$ 506
Non-deductible expense losses	6,231	7,597
Unrecognized temporary differences	(10,522)	(8,103)
Unrecognized loss write-off	3,713	-
other	_____	<u>2,087</u>
Income tax expense recognized in profit or loss	<u>\$ _____</u>	<u>\$ 2,087</u>

(2) Current income tax assets

	<u>December 31, 2022</u>	<u>December 31, 2021</u>
Current income tax assets		
Current income tax assets	<u>\$ 137</u>	<u>\$ 57</u>

(3) Deferred income tax assets and liabilities

Changes in deferred tax assets and liabilities are as follows :

2022

	<u>Year–beginning balance</u>	<u>recognized in profit or loss</u>	<u>Year-end balance</u>
<u>Deferred tax assets</u>			
temporary difference			
Allowance for loss			
of inventory	\$ 4,344	\$ 652	\$ 4,996
loss deductions	<u>11,753</u>	<u>3,129</u>	<u>14,882</u>
	<u>\$ 16,097</u>	<u>\$ 3,781</u>	<u>\$ 19,878</u>
 <u>Deferred tax liabilities</u>			
temporary difference			
Foreign currency			
exchange benefits	<u>\$ 14,692</u>	<u>\$ 3,781</u>	<u>\$ 18,473</u>

2021

	<u>Year–beginning balance</u>	<u>recognized in profit or loss</u>	<u>Year-end balance</u>
<u>Deferred tax assets</u>			
temporary difference			
Allowance for loss			
of inventory	\$ 4,678	(\$ 334)	\$ 4,344
loss deductions	<u>10,139</u>	<u>1,614</u>	<u>11,753</u>
	<u>\$ 14,817</u>	<u>\$ 1,280</u>	<u>\$ 16,097</u>
 <u>Deferred tax liabilities</u>			
temporary difference			
Foreign currency			
exchange benefits	<u>\$ 13,412</u>	<u>\$ 1,280</u>	<u>\$ 14,692</u>

(4) Deductible temporary differences and unused tax deductions for deferred income tax assets not recognized in the balance sheet

	<u>December 31, 2022</u>	<u>December 31, 2021</u>
loss deductions		
Due in 2026	\$ 9,142	\$ 9,142
due in 2027	50,402	50,402
Due in 2028	50,935	50,935
due in 2029	44,877	44,877
Due in 2030	20,166	20,166
Due in 2032	<u>3,713</u>	<u>-</u>
	<u>\$179,235</u>	<u>\$175,522</u>

(5) Income tax verification situation

The company's income tax declaration cases as of 2010 have been approved by the tax collection agency.

XXII、earnings per share

	Unit: NT\$ per share	
	<u>2022</u>	<u>2021</u>
Basic and Diluted EPS	<u>\$ 0.03</u>	<u>\$ 0.01</u>

The net income and weighted average number of ordinary shares used to calculate earnings per share are as follows :

Net profit for the year

	<u>2022</u>	<u>2021</u>
Net income used to calculate basic and diluted earnings per share	<u>\$ 2,890</u>	<u>\$ 444</u>

number of shares

Unit: thousand shares

	<u>2022</u>	<u>2021</u>
Net income used to calculate basic and diluted earnings per share	<u>91,660</u>	<u>88,798</u>

The company's outstanding employee stock options are potential ordinary shares, but the execution price is higher than the average market price of shares in 2022, which has an anti-dilution effect, so employee stock options are not included in the calculation of diluted earnings per share.

XXIII、Share-Based Payment Agreement

(1) The company's employee stock option plan

On August 9, 2018, the company's board of directors approved the first employee stock option certificate issuance and share subscription method in 2018. This employee stock option plan was approved by the Securities and Futures Bureau of the Financial Supervision and Administration Commission on November 2, 2018. The issuance approval declaration has become effective, and 3,000 thousand shares of new shares will be issued to perform the contract. As of the release date of this consolidated financial report, one year has passed since the date of the effective notification of the declaration and has not been issued. Therefore, the employee stock option certificate has expired.

On June 12, 2017 (hereinafter referred to as the 2017 stock option plan), September 9, 2016 (hereinafter referred to as the 2016 stock option plan) and December 9, 2015 (hereinafter referred to as

the 2015 stock option plan) 2-time stock option plan) approved by the Financial Supervisory and Management Commission to issue employee stock option certificates of 5,000 units, 2,100 units and 3,900 units. The total number of new ordinary shares required to issue due to the implementation of this stock option certificate is 5,000 thousand shares and 2,100 units respectively thousand shares and 3,900 thousand shares. Certificate holders can exercise a certain proportion of the granted stock option certificates from the date of 2 years after the issuance, and the duration of the stock option certificates is 10 years, 10 years and 10 years respectively. After the stock option is issued, if there is a change in equity or a capital reduction not due to the cancellation of treasury stock, it will be adjusted according to the employee stock option certificate issuance and share subscription method of the merged company.

The information of the above share option plan is summarized as follows :

	<u>2017 Stock Option Plan</u>		<u>2016 Stock Option Plan</u>		<u>2015-2 stock Option Plan</u>	
	<u>u n i t</u>	<u>W e i g h t e d a v e r a g e e x e r c i s e p r i c e (yuan/share)</u>	<u>u n i t</u>	<u>W e i g h t e d a v e r a g e e x e r c i s e p r i c e (yuan/share)</u>	<u>u n i t</u>	<u>W e i g h t e d a v e r a g e e x e r c i s e p r i c e (yuan/share)</u>
<u>2021</u>						
Year-beginning balance	1,077	\$ 24.6	474	\$ 30.8	665	\$ 32.3
Expires this year	(390)	24.5	(77)	30.7	(130)	32.2
Year-end balance	<u>687</u>	24.5	<u>397</u>	30.7	<u>535</u>	32.2
Executable at the end of the year	<u>687</u>	24.5	<u>397</u>	30.7	<u>535</u>	32.2
<u>2022</u>						
Year-beginning balance	687	\$ 24.5	397	\$ 30.7	535	\$ 32.2
Expires this year	(88)	24.4	(36)	30.5	(28)	32.0
Year-end balance	<u>599</u>	24.4	<u>361</u>	30.5	<u>507</u>	32.0
Executable at the end of the year	<u>599</u>	24.4	<u>361</u>	30.5	<u>507</u>	32.0

There are no employee stock options in 2022 and 2021.

As of the balance sheet date, the relevant information on outstanding employee stock options is as follows:

	<u>December 31, 2022</u>	<u>December 31, 2021</u>
Execution price range (yuan)	\$24.4~\$32.0	\$24.5~\$32.2
Weighted average remaining contract term (years)	3.74 years	4.76 years

The employee stock options granted by the company in 2017 are evaluated using a three-item tree model. The parameters used in the evaluation model are as follows :

Giving day share price	\$ 12.95
exercise price	\$ 12.95
expected volatility	29.15%
expected duration	7.45 年
expected dividend rate	1.5%
risk free rate	1.1183%
Fair value of stock options	\$ 3.227

The employee stock options granted by the company in 2016 are evaluated using a three-item tree model. The parameters used in the evaluation model are as follows :

Giving day share price	\$	16.20
exercise price	\$	16.20
expected volatility		43.63%
expected duration		6.69 年
expected dividend rate		1.50%
risk free rate		0.7744%
Fair value of stock options	\$	5.872

The employee stock options granted by the company in 2015-2 are evaluated using a three-item tree model. The parameters used in the evaluation model are as follows :

Giving day share price	\$	17.35
exercise price	\$	17.35
expected volatility		45.25%
expected duration		5.94 年
expected dividend rate		1.5%
risk free rate		1.2513%
Fair value of stock options	\$	7.1316

The expected volatility is the standard deviation of the average annual return rate of the company's stock price in the past year. The company assumes that employees will exercise stock options when the stock price after the expiration of the vested period is higher than the exercise price.

The company's 2022 and 2021 employee stock option recognition remuneration costs are all NT\$0 .

XXIV 、 government subsidy

In 2020, the company applied for electricity fee reduction and exemption in accordance with the "Measures of the Ministry of Economic Affairs for the Relief and Revitalization of Difficult Businesses Affected by Severe Specific Infectious Pneumonia". The company recognized NT\$523,000 in 2021.

In 2010, the company applied to the Ministry of Labor for the "Ministry of Labor's Occupational Safety and Health Administration to Promote Small and Medium-sized Enterprises On-Site Health Service Subsidy Program". For labor insurance with less than 199 people, the company will subsidize the cost of each special on-site service, or subsidize the full-time employment of nursing staff For the monthly salary, the company recognizes NT\$129,000 and NT\$97,000 in 2022 and 2021, respectively.

XXV、Non-cash transactions

Except as disclosed in other notes, the merged company will conduct the following non-cash transaction investment and financing activities in 2022 and 2021:

In 2022 and 2021, the consolidated company will be reclassified as real estate, plant and equipment with book value of inventories of 4,411 thousand and 1,404 thousand respectively, see Note 11.

XXVI、Capital Risk Management

The company conducts capital management to ensure that it can maximize shareholder returns by optimizing the balance of debt and equity before continuing to operate. There has been no material change in the Company's overall strategy.

The capital structure of the company is composed of the company's equity (namely share capital, capital reserve, retained earnings and other equity items).

The Company is not subject to other external capital requirements.

The main management of the company re-examines the capital structure every year, and the content of the review includes consideration of the cost of various types of capital and related risks. Based on the recommendations of the main management, the company will balance the overall capital structure by paying dividends, buying back shares, and issuing new bonds or repaying old debts.

XXVII、Financial tool

(1) Types of financial instruments

	<u>December 31, 2022</u>	<u>December 31, 2021</u>
<u>monetary assets</u>		
Financial assets measured at amortized cost (Note 1)	\$337,061	\$438,066
<u>financial liabilities</u>		
Measured by amortized cost (Note 2)	253,382	405,185

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

Note 2: The balance includes short-term borrowings (including those due within one year), accounts payable (including related parties) and other payables, which are measured at cost after amortization.

(2) Financial Risk Management Objectives and Policies

本公司主要金融工具包括債務工具投資、應收帳款、應付帳款、借款及租賃負債。本公司之財務管理部門係為各業務單位提供服務，統籌協調進入國內與國際金融市場操作，藉由依照風險程度與廣度分析暴險之內部風險報告監督及管理本公司營運有關之財務風險。該等風險包括市場風險（包含匯率風險及利率風險）、信用風險及流動性風險。

1. 市場風險

本公司因營運活動使本公司承擔之主要財務風險為外幣匯率變動風險（參閱下述(1)）以及利率變動風險（參閱下述(2)）。

本公司有關金融工具市場風險之暴險及其對該等暴險之管理與衡量方式並無改變。

(1) 匯率風險

本公司從事外幣計價之銷貨與進貨交易，因而使本公司產生匯率變動暴險。本公司之銷售額中約有 97%非以功能性貨幣計價，而成本金額中約有 80%非以功能性貨幣計價。

本公司於資產負債表日非功能性貨幣計價之貨幣性資產與貨幣性負債帳面金額，參閱附註 XXX。

敏感度分析

本公司主要受到美元匯率波動之影響。有關外幣匯率風險之敏感性分析，主要係針對資產負債表日之美元貨幣性項目計算。當新台幣對美元升值／貶值 1%時，本公司於 2022 及 2021 年度之稅前淨利將分別增加／減少 751 仟元及 622 仟元。

(2) 利率風險

因本公司同時持有固定及浮動利率之金融資產及負債，因而產生利率暴險。

本公司於資產負債表日受利率暴險之金融資產及金融負債帳面金額如下：

	<u>December 31, 2022</u>	<u>December 31, 2021</u>
具公允價值利率風險		
— 金融資產	\$ 62,793	\$ 1,371
— 金融負債	93,320	90,614
具現金流量利率風險		
— 金融資產	213,653	328,672
— 金融負債	109,000	238,600

敏感度分析

有關利率風險之敏感度分析，係以資產負債表日浮動利率資產及負債之現金流量變動為計算基礎。假若利率上升／下降 0.5%，2022 及 2021 年度之稅前淨利將分別減少／增加 523 仟元及 450 仟元。

2. 信用風險

信用風險係指交易對方拖欠合約義務而造成本公司財務損失之風險。截至資產負債表日，本公司可能因交易對方未履行義務或本公司提供財務保證造成財務損失之最大信用風險暴險，主要係來自於 Individual Balance Sheet 所認列之金融資產帳面金額。

應收帳款之對象涵蓋眾多客戶，分散於不同產業及地理區域。本公司持續地針對應收帳款客戶之財務狀況進行評估，為減輕主要的信用風險，已購買信用保證保險合約或由客戶預先付款。

3. 流動性風險

本公司係透過管理及維持足夠部位之現金及約當現金以支應營運並減輕現金流量波動之影響。本公司管理階層監督銀行融資額度使用狀況並確保借款合同條款之遵循。

銀行借款對本公司而言係為一項重要之流動性來源。截至 2022 年及 2021 年 12 月 31 日止，本公司未動用之短期銀行融資

額度分別為 277,065 仟元及 96,400 仟元，未動用長期銀行融資額度均為 0 元。

(1) 非衍生金融負債之流動性及利率風險表

非衍生金融負債剩餘合約到期分析係依本公司最早可能被要求還款之日期，按金融負債未折現現金流量（包含本金及估計利息）編製。因此，本公司可被要求立即還款之銀行借款，係列於下表最早之期間內，不考慮銀行立即執行該權利之機率；其他非衍生金融負債到期分析係依照約定之還款日編製。

December 31, 2022

	要求即付或 短於 3 個月	3 個月至 1 年	1 至 5 年	5 年以上	合 計
非衍生金融負債					
浮動利率工具	\$ 60,000	\$ 49,000	\$ -	\$ -	\$ 109,000
固定利率工具	50,000	-	-	-	50,000
應付帳款	79,296	5,912	-	-	85,208
租賃負債	3,571	10,226	12,122	27,429	53,348
	<u>\$ 192,867</u>	<u>\$ 65,138</u>	<u>\$ 12,122</u>	<u>\$ 27,429</u>	<u>\$ 297,556</u>

上述金融負債到期分析之進一步資訊如下：

	短於 1 年	1 ~ 5 年	5 ~ 10 年	10 ~ 15 年	15 ~ 20 年	20 年以上
租賃負債	<u>\$ 13,797</u>	<u>\$ 12,122</u>	<u>\$ 5,695</u>	<u>\$ 5,695</u>	<u>\$ 5,695</u>	<u>\$ 10,344</u>

December 31, 2021

	要求即付或 短於 3 個月	3 個月至 1 年	1 至 5 年	5 年以上	合 計
非衍生金融負債					
浮動利率工具	\$ 168,000	\$ 70,600	\$ -	\$ -	\$ 238,600
固定利率工具	12,375	22,125	-	-	34,500
應付帳款	109,992	9,937	-	-	119,929
租賃負債	3,625	11,222	24,034	28,443	67,324
	<u>\$ 293,992</u>	<u>\$ 113,884</u>	<u>\$ 24,034</u>	<u>\$ 28,443</u>	<u>\$ 460,353</u>

上述金融負債到期分析之進一步資訊如下：

	短於 1 年	1 ~ 5 年	5 ~ 10 年	10 ~ 15 年	15 ~ 20 年	20 年以上
租賃負債	<u>\$ 14,847</u>	<u>\$ 24,034</u>	<u>\$ 5,670</u>	<u>\$ 5,670</u>	<u>\$ 5,670</u>	<u>\$ 11,433</u>

XXVIII、transactions

除已於其他附註揭露外，本公司與關係人間之交易如下。

(一) 關係人名稱及其關係

<u>關 係 人 名 稱</u>	<u>與 本 公 司 之 關 係</u>
PTJ	子 公 司
Promise Technology Europe B.V. (簡稱 PTE)	孫 公 司
Promise Technology, Inc. (U.S.A.) (簡稱 PTU)	孫 公 司
喬鼎(上海)計算機科技有限公司(簡稱 PTC)	孫 公 司

(二) 營業收入

<u>帳 列 項 目</u>	<u>Related Person Category/Name</u>	<u>2022</u>	<u>2021</u>
銷貨收入	Subsidiary	\$ 80,816	\$ 83,905
	Sub-subsiary		
	PTU	111,796	73,237
	PTC	103,104	91,973
	PTE	<u>80,920</u>	<u>75,538</u>
		<u>\$ 376,636</u>	<u>\$ 324,653</u>

本公司向關係人銷貨之價格由集團內部轉撥計價決定，收款期間平均約為起運點起算 120 天，但亦得視本公司資金需求狀況向關係人請款。

(三) 業外收入

<u>帳 列 項 目</u>	<u>Related Person Category/Name</u>	<u>2022</u>	<u>2021</u>
專業服務收入	Subsidiary	\$ 819	\$ 920
	Sub-subsiary		
	PTU	7,156	6,990
	PTE	<u>4,887</u>	<u>5,162</u>
		<u>\$ 12,862</u>	<u>\$ 13,072</u>

(四) 進 貨

<u>Related Person Category/Name</u>	<u>2022</u>	<u>2021</u>
Sub-subsiary		
PTU	\$ 1,858	\$ 19,501
PTE	<u>26</u>	<u>3,274</u>
	<u>\$ 1,884</u>	<u>\$ 22,775</u>

本公司向關係人之進貨採購價格係依當地市場行情訂定，付款條件與非關係人均相當。

(五) 合約負債

<u>Related Person Category / Name</u>	<u>December 31, 2022</u>	<u>December 31, 2021</u>
Sub-subsidiary		
PTU	\$ -	\$ 37,367
PTE	<u>-</u>	<u>2,242</u>
	<u>\$ -</u>	<u>\$ 39,609</u>

(六) 應收關係人款項

<u>帳列項目</u>	<u>Related Person Category</u>	<u>December 31, 2022</u>	<u>December 31, 2021</u>
應收關係人款	Subsidiary	\$ 4,767	\$ 3,765
	Sub-subsidiary		
	PTC	14,281	13,689
	PTE	7,183	-
	PTU	<u>3,819</u>	<u>-</u>
		<u>\$ 30,050</u>	<u>\$ 17,454</u>
其他應收關係人款	Subsidiary	\$ 5	\$ 83
	Sub-subsidiary		
	PTU	762	735
	PTC	6	13
	PTE	<u>5</u>	<u>4</u>
		<u>\$ 778</u>	<u>\$ 835</u>

應收關係人款項未收取保證。因對關係人具有控制權，應收關係人款項無減損風險，故未提列呆帳費用。

其他應收關係人款項係代子公司代墊款項。

(七) 應付關係人款項（不含向關係人借款）

<u>帳列項目</u>	<u>Related Person Category</u>	<u>December 31, 2022</u>	<u>December 31, 2021</u>
應付關係人款	Sub-subsidiary		
	PTE	<u>\$ -</u>	<u>\$ 2</u>

(八) 向關係人借款

利息費用

<u>Related Person Category / Name</u>	<u>2022</u>	<u>2021</u>
Sub-subsidiary		

PTU \$ - \$ 58

The interest rate of the company's borrowing from related parties is equivalent to the market interest rate. All loans from Sub-subsidiary are unsecured loans.

(九) 主要管理階層薪酬

	2022	2021
短期員工福利	\$ 14,399	\$ 13,124
退職後福利	<u>216</u>	<u>216</u>
	<u>\$ 14,615</u>	<u>\$ 13,340</u>

董事及其他主要管理階層之薪酬係由薪酬委員會依照個人績效及市場行情決定。

XXIX、Pledged assets

下列資產已提供作為短期借款、關稅以及科學工業園區管理局土地租約保證之擔保品：

	December 31, 2022	December 31, 2021
<u>本公司</u>		
建築物	\$ 91,740	\$ 95,920
質押定期存款（帳列按攤銷後成本衡量之金融資產－流動）	<u>1,373</u>	<u>1,371</u>
	<u>\$ 93,113</u>	<u>\$ 97,291</u>

XXX、Information on Foreign Currency Assets and Liabilities with Significant Impacts

以下資訊係按本公司功能性貨幣以外之外幣彙總表達，所揭露之匯率係指該等外幣換算至功能性貨幣之匯率。具重大影響之外幣資產及負債如下：

December 31, 2022

	外	幣	匯	率	帳	面	金	額
<u>外幣資產</u>								
<u>貨幣性項目</u>								
美元	\$	4,271	30.71	（美元：新台幣）	\$		131,162	
人民幣		7,465	4.408	（人民幣：新台幣）			32,906	
歐元		2,816	32.72	（歐元：新台幣）			92,140	
日圓		80,771	0.2324	（日圓：新台幣）			<u>18,771</u>	
							<u>\$ 274,979</u>	

（接次頁）

(continued from previous page)

	外	幣	匯	率	帳	面	金	額
<u>非貨幣性項目</u>								
<u>採權益法之子公司及關聯企業</u>								
美 元	\$	10,722		30.71 (美元：新台幣)	\$		329,270	
日 圓		98,008		0.2324 (日圓：新台幣)			22,777	
							<u>352,047</u>	
<u>外 幣 負 債</u>								
<u>貨幣性項目</u>								
美 元		1,824		30.71 (美元：新台幣)	\$		56,015	

110 年 12 月 31 日

	外	幣	匯	率	帳	面	金	額
<u>外 幣 資 產</u>								
<u>貨幣性項目</u>								
美 元	\$	6,144		27.68 (美元：新台幣)	\$		170,066	
人 民 幣		14,437		4.344 (人民幣：新台幣)			62,714	
歐 元		1,853		31.32 (歐元：新台幣)			58,036	
日 圓		50,680		0.2405 (日圓：新台幣)			12,189	
							<u>303,005</u>	
<u>非貨幣性項目</u>								
<u>採權益法之子公司及關聯企業</u>								
美 元		12,406		27.68 (美元：新台幣)	\$		343,410	
日 圓		60,541		0.2405 (日圓：新台幣)			14,560	
							<u>357,970</u>	
<u>外 幣 負 債</u>								
<u>貨幣性項目</u>								
美 元		3,898		27.68 (美元：新台幣)	\$		107,897	

具重大影響之外幣未實現兌換（損）益如下：

外 幣	111年度		110年度	
	匯 率	淨兌換（損）益	匯 率	淨兌換（損）益
美 元	30.71 (美元：新台幣)	\$ 10,844	27.68 (美元：新台幣)	(\$ 1,229)
歐 元	32.72 (歐元：新台幣)	5,263	31.32 (歐元：新台幣)	(1,743)
人 民 幣	4.408 (人民幣：新台幣)	2,643	4.344 (人民幣：新台幣)	(1,134)
日 圓	0.2324 (日圓：新台幣)	119	0.2405 (日圓：新台幣)	(3,050)
澳 幣	20.83 (澳幣：新台幣)	39	20.08 (澳幣：新台幣)	(279)
		<u>\$ 18,908</u>		<u>(\$ 7,435)</u>

XXXI、Notes Disclosure

(一) 重大交易事項及(二)Reinvestment business related information：

1. 資金貸與他人：無。
2. 為他人背書保證：無。
3. 期末持有有價證券情形（不包含投資子公司、關聯企業及合資權益部分）：附表一。
4. 累積買進或賣出同一有價證券之金額達新臺幣 3 億元或實收資本額 20% 以上：無。
5. 取得不動產之金額達新臺幣 3 億元或實收資本額 20% 以上：無。
6. 處分不動產之金額達新臺幣 3 億元或實收資本額 20% 以上：無。
7. 與關係人進、銷貨之金額達新臺幣 1 億元或實收資本額 20% 以上：附表二。
8. 應收關係人款項達新臺幣 1 億元或實收資本額 20% 以上：無。
9. 從事衍生工具交易：無。
10. 被投資公司資訊（不包含大陸被投資公司）：附表三。

(三) China investment information：

1. 大陸被投資公司名稱、主要營業項目、實收資本額、投資方式、資金匯出入情形、持股比例、投資損益、期末投資帳面金額、已匯回投資損益及赴大陸地區投資限額：請參閱附表四。
2. 與大陸被投資公司直接或間接經由第三地區所發生下列之重大交易事項，暨其價格、付款條件、未實現損益及其他有助於瞭解大陸投資對財務報表影響之有關資料：請參閱附表五。

(四) Major shareholder information：

Major shareholder Name	股 份	
	持 有 股 數	持 股 比 例
其享有限公司	7,142,873	7.70%

註 1：本表主要股東資訊係由集保公司以當季季底最後一個營業日，計算股東持有公司已完成無實體登錄交付（含庫藏股）之普通股及特別股合計達 5% 以上資料。本公司財務報告所記載股本與實際已完成無實體登錄交付股數，可能因編製計算基礎不同或有差異。

註 2：上開資料如屬股東將持股交付信託，係以受託人開立信託專戶之委託人個別分戶揭示。至於股東依據證券交易法令辦理持股超過 10%之內部人股權申報，其持股包括本人持股加計其交付信託且對信託財產具有運用決定權股份等，有關內部人股權申報資料請參閱公開資訊觀測站。

Promise Technology ,Inc.

期末持有有價證券情形

2022

附表一

單位：除另予註明者外，
為新台幣仟元

持有之公司	有價證券種類	有價證券名稱	與有價證券發行人之關係	帳列科目	期末				備註
					股數 (thousand shares)	帳面金額	持股比例	公允價值	
Joding Investment Corp.	股票	Symply, Inc.	—	透過其他綜合損益按公允價值衡量之金融資產—非流動	59	\$ -	特別股	\$ -	註1
	股票	Global Channel Resources Inc	—	透過其他綜合損益按公允價值衡量之金融資產—非流動	500	-	特別股	-	註1
PTU	股票	Symply, Inc.	—	透過其他綜合損益按公允價值衡量之金融資產—非流動	26	-	特別股	-	註1

註1：係按公允價值列示。

註2：上列有價證券於111年12月底無提供擔保、質押借款或其他依約定受限制使用者。

Promise Technology ,Inc.

與關係人進、銷貨之金額達新臺幣 1 億元或實收資本額 20% 以上

2022

附表二

單位：除另予註明者外
，為新台幣仟元

進(銷)貨之公司	交易對象名稱	關係	交易情形				交易條件與一般交易不同 之情形及原因(註)		應收(付)票據、帳款		備註
			進(銷)貨 金額	佔總進(銷) 貨之比率 (%)	授 信 期 間	單 價	授 信 期 間	餘 額	佔總應收(付) 票據、帳款 之比率(%)		
本公司	PTU	子公司	銷貨	\$ 111,796	14	120天	\$ -	-	\$ 3,819	7	-
本公司	PTC	子公司	銷貨	103,104	13	120天	-	-	14,281	26	-

註：本公司銷售予子公司之價格及交易條件係依銷售地區之經濟環境及當地市場行情訂定。

Promise Technology ,Inc.
被投資公司資訊、所在地區...等相關資訊
2022

附表三

單位：除另予註明者外
，為新台幣仟元

投資公司名稱	被投資公司名稱	所在地區	主要營業項目	原始投資金額		期末持有			被投資公司 本期損益	本期認列之 投資損益	備註
				本期期末	去年年底	股數 (thousand shares)	比率 (%)	帳面金額			
本公司	Joding Investment Corp.	開曼群島	一般投資業	\$ 217,010	\$ 217,010	7,374	100.00	\$ 329,270	(\$ 39,608)	(\$ 40,970)	子公司
	PTJ	日本	銷售業務	41,621	41,621	2	100.00	22,777	8,451	8,451	子公司
Joding Investment Corp.	PTU	美國	銷售業務	41,962	41,962	48,596	99.60	228,123	(20,864)	(23,255)	子公司
	PTE	荷蘭	銷售業務	24,459	24,459	130	100.00	33,909	(13,613)	(14,186)	子公司
PTU	Tacis Solutions Inc.	美國	研發及銷售業務	19,967	19,967	1,800	19.35	18,339	6,580	1,274	關聯企業

註：本期認列之投資（損）益業已考量公司間交易之未實現損益之影響數。

Promise Technology, Inc.
China investment information
2022

附表四

單位：除另予註明者外
，係新台幣仟元

大陸被投資公司名稱	主要營業項目	實收資本額	投資方式	本期期初自台灣匯出累積投資金額	本期匯出或收回投資金額		本期期末自台灣匯出累積投資金額	被投資公司本期(損)益	本公司直接或間接投資之持股比例	本期認列投資(損)益	期末投資帳面價值	截至本期止已匯回投資收益
					匯出	收回						
PTC	開發、製作計算機應用軟件、銷售自產產品及提供技術諮詢	\$ 63,877 (美元 2,080 仟元)	註一	\$ 50,702 (美元 1,651 仟元)	\$ -	\$ -	\$ 50,702 (美元 1,651 仟元)	(\$ 3,030)	100%	(\$ 3,305) (註二)	\$ 80,598	\$ 39,266

本期期末累計自台灣匯出赴大陸地區投資金額	經濟部投審會核准投資金額	依經濟部投審會規定赴大陸地區投資限額為淨值之百分之六十
\$50,702 (美元 1,651 仟元)	\$58,564 (美元 1,907 仟元)	\$523,042

註一：係子公司 Joding Investment Corp. 自行投資大陸公司及本公司投資 Joding Investment Corp.，再透過該公司投資大陸公司，該投資已由經濟部投資審議委員會核准，核准投資金額分別為美金 327 仟元及美金 3,000 仟元，本公司於 109 年 3 月通過董事會，並已於 109 年 7 月由經濟部投資審議委員會核准，核准減資匯回美金 1,420 仟元。

註二：本表相關數字涉及外幣者，以財務報告日之匯率換算為新台幣。

Promise Technology ,Inc.

與大陸被投資公司直接或間接經由第三地區所發生下列之重大交易事項及其價格、付款條件、未實現損益及其他相關資訊

2022

附表五

單位：除另予註明者外
，為新台幣仟元

大陸被投資公司名稱	交易類型	進、銷貨		交易條件		應收(付)票據、帳款		已(未)實現損益	備註
		金額	百分比	付款條件	與一般交易之比較	金額	百分比		
PTC	銷貨	\$103,104	13%	註	—	\$ 14,281	26%	(\$ 275)	—

註：本公司母子公司間銷貨之價格係依當地市場行情訂定，收款期間約為起運點起算 120 天，但亦得視本公司及子公司資金需求狀況向子公司請款。

§LIST OF IMPORTANT ACCOUNTING ITEMS§

<u>ITEM</u>	<u>NO/ Index</u>
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- Statement of Current Changes	
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Promise Technology ,Inc.
Cash and Equivalent Cash Schedule
December 31,2022

Schedule 1

Unit: Unless otherwise specified, in
thousands of NT dollars

Item	Amount
Bank deposits	
Foreign currency demand deposits (Note 1)	\$161,134
Taiwan dollar demand deposits	52,519
Check deposits	45
Foreign currency time (Note 2)	<u>61,420</u>
Subtotal	275,118
 Cash on hand and working capital	 <u>367</u>
total	 <u><u>\$275,485</u></u>

Note 1: RMB 4,221 thousand, Euro 2,593 thousand, USD 1,302 thousand and Japanese yen 76,201 thousand yuan (conversion rate: RMB\$1: NT\$4.408; EUR\$1: NT\$32.72; US\$1: NT\$30.71; YEN\$1: NT\$0.2324).

Note 2: It is USD 2,000,000 (exchange rate: US\$1: NT\$30.71).

Promise Technology ,Inc.
Notes Receivable and Accounts Schedule
December 31,2022

Schedule 2

Unit: NT\$ thousand

C u s t o m e r N a m e	A m o u n t
Accounts Receivable	
A Custome	\$ 7,472
B Custome	2,896
C Custome	2,498
D Custome	1,967
other (note)	<u>9,746</u>
Total	24,579
Less: Allowance for doubtful debts	<u> -</u>
net amount	<u>\$ 24,579</u>

Note: The balance of each account does not exceed 5% of the balance of this subject.

Promise Technology, Inc.
 Financial Assets Measured at Amortized Cost - Breakdown of Current Changes
 From January 1st to December 31st, 2022

Schedule 3

Unit: Unless otherwise specified, in thousands of NT dollars

名 稱	Initial		increase in current period		Decrease in current period		Reclassification		discount (premium)	期	末	Cumulative impairment	provide a guarantee or Pledge Remarks	備 註	
	Number of sheets	Book amount	Number of sheets	a m o u n t	Number of sheets	a m o u n t	Number of sheets	a m o u n t	Amortization	Number of sheets	Book amount				
兆豐商銀竹科科管局土地															
租用徵收土地	1	\$ 1,031	-	\$ -	-	\$ -	-	\$ -	\$ -		1	\$ 1,031	\$ -	有	—
廠房土地租金調漲補質押定存	1	88	-	-	-	-	-	-	-		1	88	-	有	—
土地租金調整增加定存設質	1	15	-	-	-	-	-	-	-		1	15	-	有	—
土地銀行海關質押	1	<u>237</u>	-	<u>2</u>	-	<u>-</u>	-	<u>-</u>	<u>-</u>		1	<u>239</u>	<u>-</u>	有	—
		<u>\$ 1,371</u>		<u>\$ 2</u>		<u>\$ -</u>		<u>\$ -</u>	<u>\$ -</u>			<u>\$ 1,373</u>	<u>\$ -</u>		

Promise Technology ,Inc.

存貨明細表

December 31,2022

明細表四

Unit: NT\$ thousand

項	目	金	額
		成	本
		淨	變現價
		值	值
製	成 品	\$ 82,522	\$178,530
在	製 品	15,764	23,078
原	料	<u>290,267</u>	<u>509,476</u>
	合 計	<u>\$388,553</u>	<u>\$711,084</u>

註：存貨成本已包含存貨跌價損失。

Promise Technology, Inc.
採用權益法之投資變動明細表
2022

明細表五

單位：除另予註明者外
，係新台幣仟元

被投資公司名稱	年初餘額		本年度減少		採用權益法 之子公司 (損)益份額	聯屬公司間已 (未)實現利益	國外營運機構 財務報表換算 之兌換差額	年底餘額		股權淨值備註		
	股數 (thousand shares)	金額	股數 (thousand shares)	金額				股數 (thousand shares)	持股比例%		金額	
採權益法計價												
Joding Investment Corp.	7,374	\$ 343,410	-	\$ -	(\$ 39,608)	(\$ 1,362)	\$ 26,830	7,374	100	\$ 329,270	\$ 343,527	註
PTJ	2	14,560	-	-	8,451	-	(234)	2	100	22,777	22,777	註
合計		<u>\$ 357,970</u>		<u>\$ -</u>	<u>(\$ 31,157)</u>	<u>(\$ 1,362)</u>	<u>\$ 26,596</u>			<u>\$ 352,047</u>	<u>\$ 366,304</u>	

註：採權益法認列之投資(損)益及股權淨值係依該公司同期間經會計師查核之財務報表計算。

Promise Technology ,Inc.

A detailed statement of changes in right-of-use assets and right-of-use
assets accumulated depreciation

From January 1 to December 31, 2011

明細表六

單位：除另予註明者外
，係新台幣仟元

title	土	地	房屋及建築	合	計
cost					
January 1, 2022 balance	\$ 25,599		\$ 57,284		\$ 82,883
increase	106		22,129		22,235
dispose	<u>-</u>		(53,206)		(53,206)
December 31, 2022 balance	<u>25,705</u>		<u>26,207</u>		<u>51,912</u>
accumulated depreciation					
January 1, 2022 balance	2,316		25,616		27,932
depreciation	775		12,944		13,719
dispose	<u>-</u>		(32,126)		(32,126)
December 31, 2022 balance	<u>3,091</u>		<u>6,434</u>		<u>9,525</u>
December 31, 2022 net	<u>\$ 22,614</u>		<u>\$ 19,773</u>		<u>\$ 42,387</u>

Promise Technology ,Inc.

應付帳款明細表

December 31,2022

明細表七

Unit: NT\$ thousand

供 應 商 名 稱	金 額
A 供應商	\$ 19,614
B 供應商	15,539
C 供應商	11,079
D 供應商	6,653
其他 (註)	<u>32,323</u>
合 計	<u>\$ 85,208</u>

註：各戶餘額皆未超過本科目餘額之百分之五。

Promise Technology, Inc.

短期借款明細表

December 31, 2022

明細表八

單位：除另予註明者外
，係新台幣仟元

債權銀行	借 款 期 間	年 利 率 (%)	年 底 餘 額	融 資 額 度	抵 押 或 擔 保
週轉金借款					
兆豐銀行	111/09/05~112/03/03	2.03	\$ 5,000	\$ 100,000	無
	111/11/21~112/05/19	2.18	2,000	100,000	無
	111/11/25~112/05/24	2.18	5,000	100,000	無
	111/12/05~112/06/02	2.03	9,000	100,000	無
	111/12/15~112/06/13	2.04	4,000	100,000	無
合作金庫	111/05/12~112/05/12	2.05	16,000	100,000	無
	111/10/05~112/10/05	1.93	13,000	100,000	無
中國信託	111/11/28~112/02/24	2.08	20,000	40,000	無
土地銀行	111/11/15~112/02/15	2.03	13,000	100,000	無
	111/11/29~112/03/15	2.03	12,000	100,000	無
	111/12/14~112/03/14	2.03	30,000	100,000	無
台新銀行	111/10/03~112/01/31	1.94	13,000	46,065	無
	111/11/23~112/02/21	2.06	10,000	46,065	無
	111/12/13~112/03/13	2.08	7,000	46,065	無
合 計			<u>\$ 159,000</u>		

Promise Technology ,Inc.

租賃負債明細表

December 31,2022

明細表九

單位：除另予註明者外
，係新台幣仟元

t i t l e	租 賃 期 間	折 現 率	期 末 餘 額
土 地	自 90.05 至 141.02	2.5%	\$ 23,522
房屋及建築	自 105.03 至 113.09	2.5%	<u>19,798</u>
合 計			43,320
減：租賃負債—流動			(<u>12,864</u>)
租賃負債—非流動			<u>\$ 30,456</u>

Promise Technology ,Inc.

營業收入明細表

2022

明細表十

單位：除另予註明者外
，係新台幣仟元

項	目	數	量	單	位	金	額
磁碟容錯陣列櫃（系統）		30,979		片／顆／台		\$	692,602
其他（註）		34,990		—			<u>117,101</u>
							809,703
減：銷貨退回及折讓		1,984		片／顆／台		(<u>9,924</u>)
						\$	<u>799,779</u>

註：其他主要係權利金、工程服務、維修、出售原料等收入。

Promise Technology, Inc.

營業成本明細表

2022

明細表十一

Unit: NT\$ thousand

項	目	金	額
年初原料		\$285,360	
本年度進料		487,130	
出售原料		(58,435)	
轉列費用		(742)	
轉列固定資產		(391)	
年底原料		(<u>290,267</u>)	
本年度耗料		422,655	
直接人工		7,592	
製造費用		64,621	
委外加工費		<u>15,924</u>	
製造成本		510,792	
年初在製品		17,405	
年底在製品		(<u>15,764</u>)	
製成品成本		512,433	
年初製成品		101,152	
購入製成品		808	
轉列費用		(18,313)	
轉列固定資產		(3,455)	
年底製成品		(82,522)	
出售原料成本		<u>58,435</u>	
營業成本		<u>\$568,538</u>	

Promise Technology ,Inc.

營業費用明細表

2022

明細表十二

Unit: NT\$ thousand

項	目	推 銷 費 用	管 理 費 用	研 究 發 展 費 用
薪資支出		\$ 29,923	\$ 31,712	\$ 73,030
運 費		3,668	11	51
折 舊		3,085	6,657	10,982
勞 務 費		3,012	5,532	1,222
保 險 費		2,656	2,834	6,211
其他 (註)		<u>7,734</u>	<u>13,218</u>	<u>16,248</u>
合 計		<u>\$ 50,078</u>	<u>\$ 59,964</u>	<u>\$ 107,744</u>

註：各項金額皆未超過各該科目金額之百分之五。

Promise Technology, Inc.

本期發生之員工福利、折舊及攤銷費用功能別彙總表

民國 2022 及 2021 年度

明細表十三

Unit: NT\$ thousand

	111 年度			110 年度		
	屬於營業 成本者	屬於營業 費用者	合 計	屬於營業 成本者	屬於營業 費用者	合 計
員工福利費用						
薪資費用	\$ 31,770	\$ 133,305	\$ 165,075	\$ 30,143	\$ 141,427	\$ 171,570
勞健保費用	3,074	9,847	12,921	2,859	10,348	13,207
退休金費用	2,098	6,903	9,001	1,947	7,191	9,138
其他員工福利費用	1,503	4,449	5,952	1,431	4,322	5,753
董事酬金	-	1,360	1,360	-	1,352	1,352
合 計	<u>\$ 38,445</u>	<u>\$ 155,864</u>	<u>\$ 194,309</u>	<u>\$ 36,380</u>	<u>\$ 164,640</u>	<u>\$ 201,020</u>
折舊費用	<u>\$ 6,322</u>	<u>\$ 20,724</u>	<u>\$ 27,046</u>	<u>\$ 9,221</u>	<u>\$ 23,230</u>	<u>\$ 32,451</u>
Amortization fee	<u>\$ -</u>	<u>\$ 464</u>	<u>\$ 464</u>	<u>\$ -</u>	<u>\$ 342</u>	<u>\$ 342</u>

註 1：截至 2022 年及 2021 年 12 月 31 日止，本公司員工人數分別為 145 人及 147 人，其中未兼任員工之董事皆為 5 人。

註 2：股票已在證券交易所上市或於證券櫃檯買賣中心上櫃買賣之公司，應增加揭露以下資訊：

- (1) 本年度平均員工福利費用 1,378 仟元（『本年度員工福利費用合計數－董事酬金合計數』／『本年度員工人數－未兼任員工之董事人數』）。
前一年度平均員工福利費用 1,406 仟元（『前一年度員工福利費用合計數－董事酬金合計數』／『前一年度員工人數－未兼任員工之董事人數』）。
- (2) 本年度平均員工薪資費用 1,179 仟元（本年度薪資費用合計數／『本年度員工人數－未兼任員工之董事人數』）。
前一年度平均員工薪資費用 1,208 仟元（前一年度薪資費用合計數／『前一年度員工人數－未兼任員工之董事人數』）。
- (3) 平均員工薪資費用調整變動情形(2.40)%（『本年度平均員工薪資費用－前一年度平均員工薪資費用』／前一年度平均員工薪資費用）。
- (4) 本公司已設立審計委員會，獨立董事之報酬已併入董事報酬中揭露。
- (5) 薪資報酬政策：
 - A. 本公司依據章程規定，公司年度扣除員工酬勞及董事酬勞前之本期稅前淨利，應提撥不低於 5% 為員工酬勞及提撥不高於 3% 為董事酬勞。但公司尚有累積虧損（包括調整未分配盈餘金額）時，應預先保留彌補數額，再依前項比例提撥員工酬勞及董事酬勞。
 - B. 本公司高階經理人薪酬係由薪資酬勞委員會參考同業間及相關產業之水準提出建議，並由董事會通過。
 - C. 本公司依據員工績效考核情形予以合理薪資報酬。