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Jhen Vei Electronic Co., LTD.

2022 Annual Report

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Name of Exchange where Foreign Securities are Listed and Traded , and Manner of Access to the information of such Foreign Securities: None

Corporate Website
http://www.jve-tech.com

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I. Letter to Shareholders

Dear Shareholders,

First of all, I would like to thank you for your continuing support throughout the year. We would like to report to you the operational results of Jhen Vei Electronic Co., LTD. Group (JVE Group) for the fiscal year 2022, the outlook for the year 2023, and our company's business strategies as follows:

1.1. Overview of Business 2022:

(1) Implementation Results of Business Plans:

1) Consolidated net operating revenue for the year 2022 amounted to NT$1,003,670 thousand, representing a growth of 62% compared to the NT$619,501 thousand of the year 2021.

2) Consolidated net profit for the year 2022 amounted to NT$21,153 thousand, representing a growth of 1,944% compared to the NT$1,035 thousand of the year 2021.

3) After-tax net profit attributable to the parent company for the year 2022 amounted to NT$102,573 thousand, representing a growth of 1,433% compared to NT$6,691 thousand of the year 2021.

(2) Budget Execution Status:

The company did not disclose financial forecasts for the year 2022.

(3) Financial Income and Profitability Analysis:

Consolidated net operating revenue for the year 2022 amounted to NT$1,003,670 thousand, with a gross profit margin of 16.40%.Operating expenses were NT$136,029 thousand. After-tax net profit attributable to the parent company amounted to NT$102,573 thousand, resulting in an earnings per share of NT$1.49.

(4) Research and Development Status:

1) In the year 2022, JVE Group conducted evaluations of its product lines and gradually improved the production environment and raw materials to comply with environmental requirements in more countries.

2) Investments were made in precision equipment for electronic component processing to enhance order fulfillment capabilities.

3) Automation equipment for electronic component manufacturing was also invested in to improve efficiency and reduce production costs.

1.2. Business Plan for the Year 2023:

(1) Business Policy:

1)Expand into new markets and new customer for increase overall market share.

2)Maintain and integrate the supply-demand relationship with industry chain .To improve material quality and production process.

3)Continuously improve sales and marketing policies, product quality, and customer service.

4)Control expenses, cost and project risk management for increase the company's competitiveness.

5)Create for diversification of products and investments to gradually expand the scale of operations.

(2) Anticipated Sale Volume:

Based on internal business plans, we anticipate a modest growth in overall sales quantity for this year. However, the growth rate will depend on changes in the overall economic environment and our business promotions.

(3) Important Production and Marketing Policy:

1) Increase the automated processes to reduce reliance on direct labor and continuously improve production efficiency.
2) Utilize existing technologies and resources, integrate the cooperative relationships within the supply chain then to improve product quality and meet customer requirements.
3) Coordinate policies between production and sales services. To improve inventory turnover efficiency and capital utilization.
4) Promote high-value-added products and flexible pricing strategies to keep the long-term customer relationships, seize business opportunities, and profitable growth.

1.3 Future development Strategy:

(1)Continuously improve to business groups' operations and corporate development.
(2)Expand the scope of group businesses and make continuous investments in new ventures to strengthen the company's growth momentum.
(3)Share resources between existing business groups and new investment ventures for business growing.
(4)In response to the global changes, plan the layout of production in Southeast Asia.
(5)Strengthen corporate governance, environmental protection, and social responsibilities.

1.4 Effects of External Competition, Legal Environment, and Overall Business Environment

In recent years, the COVID-19 epidemic has caused huge damages to all the world. JVE Group is still growing steadily. In 2023, the pandemic seems to show a sign of easing and industrial activities began to normal. JVE Group will also consider the layout of the global economic sector.

To consider the ESG important, JVE Group will also gradually invest in corresponding resources to meet the requirements of customers for suppliers.

Under the huge competitive environment, JVE Group continues to improve its production technology to reduce costs and effectively use resources to strengthen its competitiveness, also provides growth through investment.

Finally, we appreciate your long-term support of us. we still expect that we may have promising outlook as long as all employees work hard together to break new ground. Therefore, we sincerely look forward to your continuing guidance and support.

Sincerely yours,

Chairman: Niang Chuan, Wei

General Manager: Kevin, Ge

II. Company Profile

1. Date of Incorporation: Feb. 21, 1986

2. Company History

Year	Milestones
1986	Founded on Feb. 21, 1986 with NT$1,000 thousand capital. The business involves the manufacturing, and sales of cable .
1988	Conducted a cash capital increase of NT$4,000 thousand . Increased capital to NT$5,000 thousand.
1992	Conducted a cash capital increase of NT$9,990 thousand . Increased capital to NT$14,990 thousand.
1993	Establishment of the Taipei Zhonghe Headquarters.
1997	Conducted a cash capital increase of NT$21,010 thousand. Increased capital to NT$36,000 thousand.
2000	Establishment of the Zhonghe new plant and change of name to Jhen Vei Electronic Co., LTD.
2002	(1) Conducted a cash capital increase of NT$214,000 thousand. Increased capital to NT$250,000 thousand. (2) Invested in Pors Wiring Co., Ltd. and its subsidiary Pors Wiring (Suzhou) Co., Ltd.'s cable factory. (3) Invested in Jhen Vei Enterprise Co., Ltd. and its Shenzhen OEM processing factory.
2003	Relocated to the site in Dayuan, Taoyuan City. Research and development of cold cathode fluorescent lamp. Obtained ISO 9001:2000 certification.
2005	(1) Expanded the production line for cold cathode fluorescent lamp and acquired a factory building in Nankan. (2) Invested in Xinfeng Jhen Vei Electronic Co., Ltd. and its cable factory in China. (3) Capital reduction of to NT$45,000 thousand write off accumulated losses. Conducted a cash capital increase of NT$100,000 thousand. Increased capital to NT$305,000 thousand. (4) Obtained ISO 14000 certification. Expanded the production line for cold cathode fluorescent lamp on Pors Wiring (Suzhou) Co., Ltd.'s factory. (5) Obtained SONY GREEN PARTNER certification.
2006	(1) Conducted a cash capital increase of NT$50,000 thousand. Increased capital to NT$355,000 thousand. (2) Invested and set up the HUAIAN JHEN VEI ELECTRONIC CO., LTD. and expanded the production line for connection cable sets. (3) The stocks formally traded over the counter. (4) Capital increased to NT$399,128 thousand by transforming surplus NT$35,500 thousand and employee dividend NT$8,628 thousand into capital.

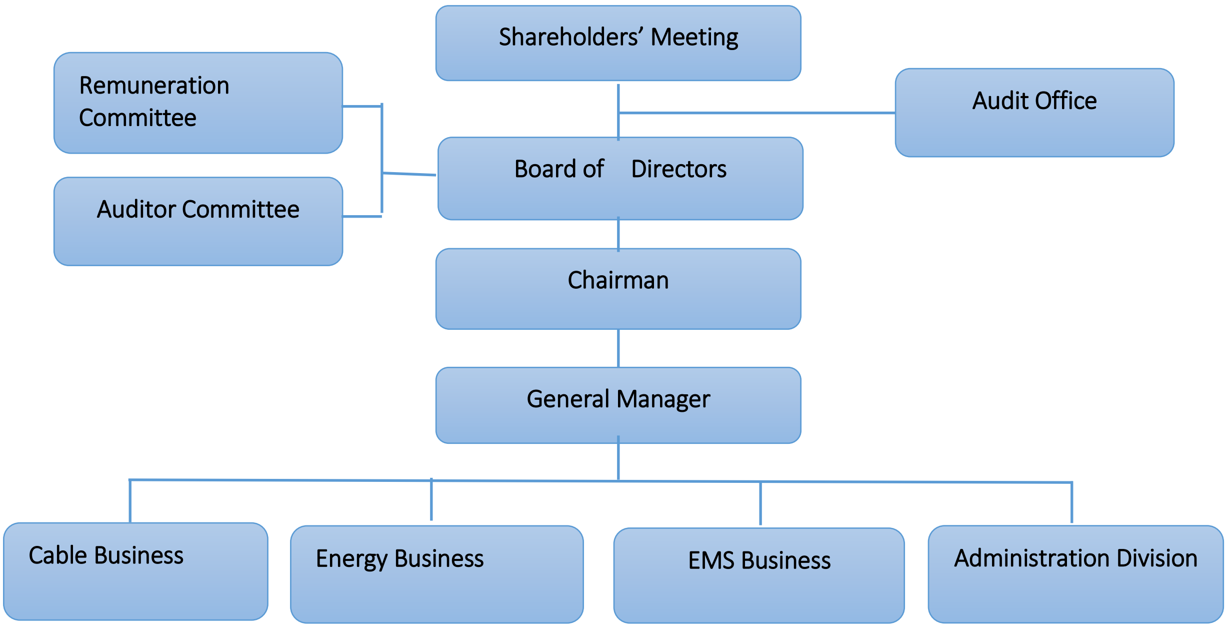
Year	Milestones
2007	(1) HUAIAN JHEN VEI ELECTRONIC CO., LTD. expanded the production line for wire drawing of cable material. (2) Capital increased to NT$496,584 thousand by transforming surplus NT$19,956 thousand and employee dividend NT$7,500 thousand and cash NT$700,000 thousand into capital. (3) Listed in the OTC market.
2009	Obtained TCGA CG6005 Corporate governance system evaluation certification.
2010	Shenzhen OEM processing factory translated to the JHEN VEI ELECTRONIC (Shenzhen) CO., LTD.
2011	(1) Initiated the first share capital decrease by way of treasury shares cancellation of NT$ 10,288 thousand and paid-in capital decreased to NT$ 512,666 thousand. (2) Terminated the CCFL (Cold Cathode Fluorescent Lamp) business.
2012	The resolution of the board of directors to terminated the Pors Wiring (Suzhou) Co., Ltd.
2013	(1) Xiamen JHEN VEI Electronics Co., Ltd. (CCFL Cold Cathode Fluorescent Lamp business) has completed the liquidation process. (2) Invested the UNIFORCE Technology Corporation and Priceplay com Inc. for network communication Business. (3) Relocated to the site in Neihu District, Taipei City (4) Private Placement of first domestic Convertible Bonds for NT$240,000 thousand of 2013year.
2014	(1) The resolution of the board of directors to terminated the JHEN VEI ELECTRONIC (Shenzhen) CO., LTD. (2) HUAIAN JHEN VEI Electronics Co., Ltd. has accepted the expropriation of its factory buildings and the associated land use rights by a local government agency in China. The company will relocate its operations and continue its business.
2015	(1) Private Placement of first domestic Convertible Bonds of 2013year, it converted into 2,127,658 ordinary shares of the company of NT$21,276 thousand. (2) Disposal of real estate in Lujhu District, Taoyuan City. The Pors Wiring (Suzhou) Co., Ltd. has completed the liquidation process.
2016	(1) The resolution of the board of directors to disposed shares held of the Priceplay com Inc. However, the transaction was not completed. The company recognized a full impairment loss of Priceplay.com Inc. (2) Relocated to the site in Ruiguang Road of Neihu District, Taipei City. (3) Private Placement of first domestic Convertible Bonds of 2013year, it converted into 10,638,295 ordinary shares of the company of NT$106,383 thousand. The accumulated transfer into capital and the number of shares are NT$127,659 thousand and 12,765,953 shares, respectively. This bond matures in the current fiscal year, and the outstanding balance of the unconverted corporate bonds has been fully repaid upon maturity by the company.

Year	Milestones
2017	The new factory of HUAIAN JHEN VEI Electronics Co., Ltd. is now operational.
2018	(1) The company conducted the first and second private placements of common shares through cash capital increase, issuing a total of 10,000 thousand shares, with a total capital change to NT$740,325,170. (2) Capital reduction of to NT$35,185,739 write off accumulated losses and the paid-in capital decreased to NT$ 388,467,780.
2020	(1) The company conducted the first private placements of common shares through cash capital increase, issuing of 10,000 thousand shares, with a total capital change to NT$488,467,780. (2) Company Name changed to “Jhen Vei Electronic Co., LTD.”. (3) Relocated to the site in Sanchong District, Taipei City. (4) Established HUAYIN ENERGY CO., LTD. to develop energy business. (5) The JHEN VEI ELECTRONIC (Shenzhen) CO., LTD has completed the liquidation process.
2021	(1) Conducted a cash capital increase of NT$200,000 thousand. Increased capital to NT$688,467,780. (2) Invested the GZ ELECTRONIC CO., LTD. for development of electronic manufacturing services (EMS) business.
2022	Disposal of shares held in UNIFORCE Technology Corporation.

III. Corporate Governance Report

1. Organization

1.1 Organizational Chart



1.2 Major Corporate Functions

Department	Functions
General Manger	Formulate company operational policies and objectives, implement management systems, execute Board of Directors' resolutions, and report to the Board of Directors.
Audit Office	To identify deficiencies in the internal control system, assess the effectiveness and efficiency of operations, and provide appropriate improvement suggestions to ensure the effectiveness of the internal control system as well as for continuous improvement.
Cable Business	Handle customer inquiries, credit assessment, quotation, order processing, and after-sales service. Manage important raw material procurement matters. Coordinate new product sampling, approval, and trial production activities. Oversee production management, assembly line operations, and product quality.
Energy Business	Handle customer inquiries, credit assessment, quotation, and order processing and maintenance, and after-sales service. Manage important raw material procurement and system implementation matters.
EMS Business	Handle customer inquiries, credit assessment, quotation, order processing, and after-sales service for professional electronic manufacturing services. Manage important raw material procurement related matters. Coordinate activities related to new product sampling, approval, and trial production. Oversee production management, production line operations, and product quality.
Administration Division	(1)Control of Group Investment Affairs. (2)Management of Group Fund Allocation.

2. Directors, Supervisors and Management Team

2.1 Directors and Supervisors

May 01, 2023

Title	Nationality/ Place of Incorporation	Name	Gender	Date Elected	Term (Years)	Date First Elected	Shareholding when Elected		Current Shareholding		Spouse & Minor Shareholding		Shareholding by Nominee Arrangement		Experience （Education）	Other Position	Executives, Directors or Supervisors Who are Spouses or within Two Degrees of Kinship			Remark(s) (Note)
							Shares	%	Shares	%	Shares	%	Shares	%			Title	Name	Relation	
Chairman	Taiwan (R.O.C)	YongDing Investment Co., Ltd.	-	6/17/2022	3	2/27/2013	10,374,629	15.07%	10,374,629	15.07%	0	0.00%	0	0.00%	-	-	N/A	N/A	N/A	N/A
Chairman Representative	Taiwan (R.O.C)	Niang- Chuan Wei	Male 51-60	6/17/2022	3	6/25/2019	300,000	0.44%	300,000	0.44%	0	0.00%	0	0.00%	National Siluo Agricultural Industrial Experience: High School Director,Yi Jie Technology Co., Ltd	(1)Corporate Chairman Representative, Yongding Investment Co., Ltd. (2)Director, Pors Wiring Co.,Ltd. (3) Director, Jhen Vei Enterprise Co.,Ltd (4)Director, Jhen Vei Investment Ltd. (5)Chairman ,HUA IAN JHEN VEI Electronics Co., Ltd (6)Chairman, HUAYIN ENERGY CO., LTD. (7)Director , Farmers' Association of the Republic of China	N/A	N/A	N/A	N/A
Director	Taiwan (R.O.C)	YongDing Investment Co., Ltd.	-	6/17/2022	3	2/27/2013	10,374,629	15.07%	10,374,629	15.07%	0	0.00%	0	0.00%			N/A	N/A	N/A	N/A

Title	Nationality/ Place of Incorporation	Name	Gender	Date Elected	Term (Years)	Date First Elected	Shareholding when Elected		Current Shareholding		Spouse & Minor Shareholding		Shareholding by Nominee Arrangement		Experience (Education)	Other Position	Executives, Directors or Supervisors Who are Spouses or within Two Degrees of Kinship			Remark(s) (Note)
							Shares	%	Shares	%	Shares	%	Shares	%			Title	Name	Relation	
Director Representative	Taiwan (R.O.C)	Cing-Lang Jhong	Male 51-60	6/17/2022	3	2/1/2020	0	0.00%	0	0.00%	0	0.00%	0	0.00%	Chung-Shan Industrial & Commercial School, Experience: RISE Construction Co., Ltd. Hung Sheng Construction Co., Ltd.	Director ,Hong Jie Construction Co., Ltd	N/A	N/A	N/A	N/A
Director	Taiwan (R.O.C)	YongDing Investment Co., Ltd.	-	6/17/2022	3	2/27/2023	10,374,629	15.07%	10,374,629	15.07%	0	0.00%	0	0.00%			N/A	N/A	N/A	N/A
Director Representative	Taiwan (R.O.C)	Yu- Rong Pan	Male 51-60	6/17/2022	3	6/17/2022	0	0.00%	0	0.00%	0	0.00%	0	0.00%	HungKuo Delin University of Technology /Department of Electronic Engineering Experience: (1) Assistant Manager / GZ ELECTRONIC CO., LTD. (2) Assistant Manager/SUBTLE ELECTRONIC CO., LTD.	Assistant Manager, GZ ELECTRONIC CO., LTD.	N/A	N/A	N/A	N/A
Director	Taiwan (R.O.C)	HuaTai Management Consulting Co., Ltd	-	6/17/2022	3	6/21/2016	6,359,230	9.24%	6,359,230	9.24%	0	0.00%	0	0.00%			N/A	N/A	N/A	N/A
Director Representative	Taiwan (R.O.C)	Hong-Jyun Lin	Male 41-50	6/17/2022	3	6/25/2019	0	0.00%	0	0.00%	0	0.00%	0	0.00%	Department of Agricultural Business Management/National Chiayi University Experience: Director, ADDcn Technology Co., Ltd	Note 1	N/A	N/A	N/A	N/A
Director	Taiwan (R.O.C)	HuaTai Management Consulting Co., Ltd	-	6/17/2022	3	6/21/2016	6,359,230	9.24%	6,359,230	9.24%	0	0.00%	0	0.00%			N/A	N/A	N/A	N/A

Title	Nationality/ Place of Incorporation	Name	Gender	Date Elected	Term (Years)	Date First Elected	Shareholding when Elected		Current Shareholding		Spouse & Minor Shareholding		Shareholding by Nominee Arrangement		Experience （Education）	Other Position	Executives, Directors or Supervisors Who are Spouses or within Two Degrees of Kinship			Remark(s) (Note)
							Shares	%	Shares	%	Shares	%	Shares	%			Title	Name	Relation	
Director Representative	Taiwan (R.O.C)	Shih-Fung Liao	Male 51-60	6/17/2022	3	6/25/2019	0	0.00%	0	0.00%	0	0.00%	0	0.00%	1.Master of Architecture, Tam Kang University 2.Bachelor of Architecture, National Cheng Kung University Experience: Architect,H.C. Chen Architects & Associates	Note 2	N/A	N/A	N/A	N/A
Director	Taiwan (R.O.C)	HuaTai Management Consulting Co., Ltd	-	6/17/2022	3	6/21/2016	6,359,230	9.24%	6,359,230	9.24%	0	0.00%	0	0.00%			N/A	N/A	N/A	N/A
Director Representative	Taiwan (R.O.C)	Yu-jyun Shen	Female 41-50	1/12/2023	1.5	1/12/2023	0	0.00%	0	0.00%	0	0.00%	0	0.00%	Department of Accounting/Tamkang University Experience: Associate Manager, Eastern Media International Corporation	Associate Manager, Eastern Media International Corporation	N/A	N/A	N/A	N/A
Independent director	Taiwan (R.O.C)	Jyun-Yi Jhou	Female 31-40	6/17/2022	3	6/25/2019	0	0.00%	0	0.00%	0	0.00%	0	0.00%	Department of Accounting/Department of Finance, National Chengchi University Experience: (1)Ernst & Young LLP (Taiwan) (2)PwC Taiwan (3)Juh Yang Industries Co., Ltd. (4)Akzo Nobel Coatings (Taiwan) Ltd	Ming Yuan Certified Public CPA	N/A	N/A	N/A	N/A

Title	Nationality/ Place of Incorporation	Name	Gender	Date Elected	Term (Years)	Date First Elected	Shareholding when Elected		Current Shareholding		Spouse & Minor Shareholding		Shareholding by Nominee Arrangement		Experience (Education)	Other Position	Executives, Directors or Supervisors Who are Spouses or within Two Degrees of Kinship			Remark(s) (Note)
							Shares	%	Shares	%	Shares	%	Shares	%			Title	Name	Relation	
Independent director	Taiwan (R.O.C)	Shih-Tong Lu	Male 51-60	6/17/2022	3	6/19/2020	0	0.00%	0	0.00%	0	0.00%	0	0.00%	Ph.D. of Dept. Business Administration, National Central University Experience: Professor of Dept. of International Logistics and Transportation Management, Kainan University	(1)Independent Director, Taiwan Navigation Co., Ltd. (2)Supervisor of Progroup Electronics Co., Ltd.	N/A	N/A	N/A	N/A
Independent director	Taiwan (R.O.C)	Chin-Han Chen	Male 51-60	6/17/2022	3	6/17/2022	0	0.00%	0	0.00%	0	0.00%	0	0.00%	Department of Law, Soochow University Experience: Legal professional at Hansheng Law Firm	Legal professional at Hansheng Law Firm	N/A	N/A	N/A	N/A

Note 1: (1)Corporate Chairman Representative, Huatai Management Consulting Co., Ltd ;(2)Chairman , Jiu Yi Investment Co., Ltd (3) Corporate Director Representative, ADDWE Technology Co., Ltd(4) Corporate Director Representative, Jia Lin investment Ltd (5)Chairman , Cheng Yu Investment Co., Ltd;(6)Corporate Director Representative, Local Scenery Film Co., Ltd;(7)Chairman, Katan Technology Co., Ltd;(8)Corporate Director Representative, TAIWAN TAOMEE CO., LED.;(9) Corporate Chairman Representative, Jia Lin IIVenture Capital Co., Ltd;(10) Corporate Chairman Representative, Jia Lin Management Consulting Co., Ltd;(11))Chairman, Katan Co., Ltd;(12) Chairman, Emperor Lin Investment Co., Ltd.

Note 2: (1)Chairman and General manager ADDcn Technology Co., Ltd;(2)Chairman and General manager, i-View Process Post-Production Corp. (3)Corporate Chairman Representative, Magcom Co., Ltd (4)Chairman, ADDWE Technology Co., Ltd (5)Chairman, Sheng Cheng investment Co., Ltd (6)Corporate Director Representative, Jia Lin investment Ltd (7)Corporate Chairman Representative, Qian Yi investment Co., Ltd;(8)Corporate Director Representative, Local Scenery Film Co., Ltd (9)Corporate Director Representative, ADDcn Technology (Shenzhen) Ltd (10)Corporate Chairman Representative, ADDcn Technology (HK) Co., Ltd (11)Corporate Chairman Representative, Jia Lin III Venture Capital Co., Ltd (12) Director, Shung Sening Investment Co., Ltd.

2.2Major shareholders of the institutional shareholders

May 01, 2023

Name of Institutional Shareholders	Major Shareholders
Yong Ding Investment Co., Ltd.	Niang- Chuan Wei (100%)
Hua Tai Management Consulting Co., Ltd.	Hong-Jyun Lin (100%)

2.3Major shareholders of the Company's major institutional shareholde

None.

2.4Professional qualifications and independence analysis of directors and supervisors

Criteria / Name	Professional Qualification and Experience	Independent Directors' Independence Status	Number of Other Taiwanese Public Companies Concurrently Serving as an Independent Director
Niang- Chuan Wei Chairman	Technology, Agriculture, Business Management		-
Cing-Lang Jhong Director	Construction, Business Management		-
Yu- Rong Pan Director	Technology, Business Management		-
Hong-Jyun Lin Director	Technology, Business Management		-
Shih-Fung Liao Director	Technology, Construction , Business Management		-
Yu-jyun Shen Director	Financial ,Accounting		-
Jyun-Yi Jhou Independent Director	Financial ,Accounting Ming Yuan Certified Public CPA	There are no circumstances under Article 30 of the Company Law. Meets the independence requirement.	-
Shih-Tong Lu Independent Director	Education, Economics, Civil Engineering, Business Management		-
Chin-Han Chen Independent Director	Law Legal professional at Hansheng Law Firm		-

Note 1: Professional Qualifications and Experience: Specify the professional qualifications and experience of individual directors and supervisors. If they are members of the Audit Committee and possess accounting or financial expertise, their accounting or financial background and work experience should be described. Also, indicate whether there are any circumstances under Article 30 of the Company Law.

Note 2: Independent Directors' Independence: Independent directors shall not have the following circumstances:

(1) Themselves, their spouses, or relatives within the second degree of kinship serving as directors, supervisors, or employees of the Company or its related enterprises;

(2) Themselves, their spouses, or relatives within the second degree of kinship (or holding shares in the name of others) holding shares of the Company; (3) Serving as directors, supervisors, or employees of companies with specific relationships to the Company; (4) Having received remuneration in the past two years for providing business, legal, financial, accounting, or other services to the Company or its related enterprises.

2.5Board Diversity and Independence:

1. The "Director Appointment Guidelines" of our company specify that the composition of the board of directors should consider diversity and establish appropriate diversity policies based on its own operations, business model, and development needs. These policies include, but are not limited to, the following two dimensions:
   (1) Basic conditions and values: gender, age, nationality, and culture.
   (2) Professional knowledge and skills: professional backgrounds (such as law, accounting, industry, finance, marketing, or technology), professional skills, and industry experience.
2. The 9th board of directors of our company consists of 9 directors, including 2 female directors, accounting for 22.22% of the total. The backgrounds of the board members cover various fields of expertise, including technology, construction and engineering, financial accounting, agriculture, education, politics, and business management. More than 50% of the directors have practical business management experience, which fulfills the company's goal of diversity.
3. The board of directors of our company currently has three independent directors, accounting for 33.33% of the total. None of the directors are employees of the company. There are no immediate family relationships within the second degree of kinship among the directors, which complies with the provisions of Article 26-3(3) of the Securities and Exchange Act. The supervisors of our company do not have a spouse or immediate family relationship with each other or with the directors, in accordance with the provisions of Article 26-3(4) of the Securities and Exchange Act. Therefore, the Board of Directors is deemed to be independent.

2.6The situation regarding education and training for directors and supervisors

<table>
<tr><th rowspan="2">Title</th><th rowspan="2">Name</th><th colspan="2">Study period</th><th rowspan="2">Sponsoring Organizatio</th><th rowspan="2">Course</th></tr>
<tr><th>From</th><th>To</th></tr>
<tr><td>Chairman</td><td>YongDing Investment Co., Ltd. Representative: Niang- Chuan Wei</td><td rowspan="2">11/09/2022</td><td rowspan="2">11/09/2022</td><td rowspan="2">Association of Corporate Governance in Greater China</td><td rowspan="2">Response to Anti-Tax Evasion Policies and Measures</td></tr>
<tr><td>Director</td><td>YongDing Investment Co., Ltd. Representative: Cing-Lang Jhong
Yu- Rong Pan</td></tr>
</table>

Title	Name	Study period		Sponsoring Organizatio	Course
		From	To		
Independent director	Chin-Han Chen			Association of Corporate Governance in Greater China	Zero Emissions, Carbon Neutrality, and Corporate Regulatory Compliance
Independent director	Shih-Tong Lu	11/09/2022	11/09/2022	Association of Corporate Governance in Greater China	Response to Anti-Tax Evasion Policies and Measures
		11/09/2022	11/09/2022	Association of Corporate Governance in Greater China	Zero Emissions, Carbon Neutrality, and Corporate Regulatory Compliance
		11/29/2022	11/29/2022	Association of Corporate Governance in Greater China	From ESG to SDGs: Exploring Impact Investing
Independent director	Jyun-Yi Jhou	10/11/2022	10/11/2022	OTC	Release of the 2022 Reference Guidelines for Independent Directors and Audit Committees and Directors and Supervisors Guidance Conference
		11/09/2022	11/09/2022	Association of Corporate Governance in Greater China	Response to Anti-Tax Evasion Policies and Measures
		11/09/2022	11/09/2022	Association of Corporate Governance in Greater	Zero Emissions, Carbon Neutrality, and Corporate Regulatory Compliance

Title	Name	Study period		Sponsoring Organizatio	Course
		From	To		
				China	
Director	Huatai Management Consulting Co., Ltd. Representative: Shih-Fung Liao Hong-Jyun Lin	05/11/2022	05/11/2022	Association of Corporate Governance in Greater China	Finance and Risk Management in Cybersecurity
		08/12/2022	08/12/2022	Association of Corporate Governance in Greater China	Trends and Risk Management in Digital Technology and AI

2.7Representatives of corporate shareholders, including directors and supervisors, should specify the names of the corporate shareholders and the names of the top ten shareholders, along with their respective shareholding percentages.

May 01, 2023

Name of Institutional Shareholders	Major Shareholders
Yong Ding Investment Co., Ltd.	Niang- Chuan Wei (100%)
Hua Tai Management Consulting Co., Ltd.	Hong-Jyun Lin (100%)

2.8. Management Team

Title	Nationality	Name	Gender	Date Effective	Shareholding		Spouse & Minor Shareholding		Shareholding by Nominee Arrangement		Experience （Education）	Other Position	Managers who are Spouses or Within Two Degrees of Kinship			Remark(s) (Note)
					Shares	%	Shares	%	Shares	%			Title	Name	Relation	
Chairman and General Manager	Republic of China	Niang- Chuan Wei	Male	10/03/2019	300,000	0.45%	0	0.00%	0	0.00%	National Siluo Agricultural Industrial Experience: High School Director,Yi Jie Technology Co., Ltd	(1)Corporate Chairman Representative, Yongding Investment Co., Ltd. (2)Director, Pors Wiring Co.,Ltd. (3) Director, Jhen Vei Enterprise Co.,Ltd (4)Director, Jhen Vei Investment Ltd. (5)Chairman ,HUAIAN JHEN VEI Electronics Co., Ltd (6)Chairman ,HUAYIN ENERGY CO., LTD. (7)Director , Farmers' Association of the Republic of China	N/A	N/A	N/A	Note1
General Manager	Republic of China	Kevin,Ge	Male	03/18/2022	204,000	0.30%	0	0.00%	0	0.00%	Institutional Shareholders of the University of Dallas School of Management: Experience: (1)General Manager, Yu Ding Precision Advisory Board (2)Member and General Manager of Asset Division, Fudeng Guarantee (3)Vice Chairman, Five-Star Financial Services	(1)General manager ,HUAIAN JHEN VEI Electronics Co., Ltd (2)Supervisor, GZ ELECTRONIC CO., LTD.	N/A	N/A	N/A	Note2

Title	Nationality	Name	Gender	Date Effective	Shareholding		Spouse & Minor Shareholding		Shareholding by Nominee Arrangement		Experience （Education）	Other Position	Managers who are Spouses or Within Two Degrees of Kinship			Remark(s) (Note)
					Shares	%	Shares	%	Shares	%			Title	Name	Relation	
Accounting & Finance Manager	Republic of China	C.T.Lan	Male	03/28/2023 11/09/2022	0	0.00%	0	0.00%	0	0.00%	Fu Jen Catholic University Department of Accounting: Experience: (1)Chief Financial Officer, Jianxiang International Co., Ltd. (2)Accounting Manager, Liwei Industrial Co., Ltd. Director and Assistant (3)Manager of General Administration, Yade Opto-Mechatronics Co., Ltd.	N/A	N/A	N/A	N/A	N/A
Accounting Manager	Republic of China	Zang-Lan,Wang	Female	08/11/2022	0	0.00%	0	0.00%	0	0.00%	Fu Jen Catholic University Department of Accounting: Experience: (1)Assistant to the Accounting Department, Conjoint Tech. Co., Ltd. (2) Assistant to the Accounting Department, Prodisc Tech. Co., Ltd.	N/A	N/A	N/A	N/A	Note3
Associate, Sale Division	Republic of China	Jheng-Long,Lin	Male	11/18/2019	99,000	0.14%	0	0.00%	0	0.00%	Tamkang University Department of Architecture: Experience: (1)Business Manager, Taiwan Liangde Electronics Co., Ltd. (2)Deputy General Manager of Business, Alisheng Electronics	N/A	N/A	N/A	N/A	N/A

Note 1: The Chairman and General Manager assumed office on October 3, 2019, and resigned on March 18, 2021.

Note 1: The Chairman and General Manager assumed office on October 3, 2019, and resigned on March 18, 2022.

Note 2: The Deputy General Manager assumed office on October 14, 2020, and was appointed as the General Manager by the Board of Directors on March 18, 2022.

Note 3: The appointment as the Accounting Manager was made by the Board of Directors on August 11, 2022, and resigned on March 28, 2023.

2.9 The situation regarding education and training for management team

Title	Name	Study period		Sponsoring Organization	Course
		From	To		
Accounting & Finance Manager	C.T. Lan	11/03/2022	11/04/2022	Foundation for Accounting Research and Development in the Republic of China (Taiwan)	Education Program for Accounting Managers in Issuers, Securities Firms, and Securities Exchanges

3. Remuneration Paid to Directors, Independent Directors, Supervisors, President, and Vice Presidents

3.1Remuneration of Directors and Independent Directors

Unit: NT$ thousands

Title	Name	Remuneration								Ratio of Total Remuneration (A+B+C+D) to Net Income (%)		Relevant Remuneration Received by Directors Who are Also Employees								Ratio of Total Compensation (A+B+C+D+E+F+G) to Net Income (%)		Remuneration from ventures other than subsidiaries or from the parent company (Note 1)
		Base Compensation (A)		Severance Pay (B)		Directors Compensation(C)		Allowances (D)				Salary, Bonuses, and Allowances (E)		Severance Pay (F)		Employee Compensation (G)						
		The company	All companies in the consolidated financial statements	The company	Companies in the consolidated financial statements	The company	Companies in the consolidated financial statements	The company	Companies in the consolidated financial statements	The company	Companies in the consolidated financial statements	The company	Companies in the consolidated financial statements	The company	Companies in the consolidated financial statements	The company		Companies in the consolidated financial statements		The company	Companies in the consolidated financial statements	
																Cash	Stock	Cash	Stock			
Director	YongDing Investment Co., Ltd.	973	973	0	0	2,427	2,427	15	15	3,415	3,415	366	0	0	0	0	0	0	0	3,781 3.69%	3,781 3.69%	0
	HuaTai Management Consulting Co., Ltd(Note4)																					
	Niang- Chuan Wei(Note5)																					
	Shih-Fung Liao																					
	Jian-Hong, Lin(Note1)																					
	Ying- Ciang, Jeuo(Note1)																					
	Cing-Lang Jhong																					
	Hong-Jyun Lin(Note4)																					
	Jhih- Jiang,Lin(Note2、3)																					
	Yu- Rong Pan																					

Title	Name	Remuneration								Ratio of Total Remuneration (A+B+C+D) to Net Income (%)		Relevant Remuneration Received by Directors Who are Also Employees								Ratio of Total Compensation (A+B+C+D+E+F+G) to Net Income (%)		Remuneration from ventures other than subsidiaries or from the parent company (Note 1)
		Base Compensation (A)		Severance Pay (B)		Directors Compensation(C)		Allowances (D)				Salary, Bonuses, and Allowances (E)		Severance Pay (F)		Employee Compensation (G)						
		The company	All companies in the consolidated financial statements	The company	Companies in the consolidated financial statements	The company	Companies in the consolidated financial statements	The company	Companies in the consolidated financial statements	The company	Companies in the consolidated financial statements	The company	Companies in the consolidated financial statements	The company	Companies in the consolidated financial statements	The company		Companies in the consolidated financial statements		The company	Companies in the consolidated financial statements	
																Cash	Stock	Cash	Stock			
Independent Director	Jyun-Yi Jhou																					
	Shih-Tong Lu	529	529	0	0	0	0	300	300	829 0.81%	829 0.81%	0	0	0	0	0	0	0	0	829 0.81%	829 0.81%	0
	Chin-Han Chen(Note2)																					

1. Please describe the policy, system, standard, and structure of remuneration to independent directors, and the correlation between duties, risk, and time input with the amount of remuneration:

2. In addition to the above remuneration, director remuneration shall be disclosed as follows when received from companies included in the consolidated financial statements in the most recent y to compensate directors for their services, such as being independent contractors.

Note 1: Resigned on June 17, 2022.

Note 2: Newly appointed on June 17, 2022.

Note 3: Resigned on October 31, 2022.

Note 4: Resigned as Supervisor on June 17, 2022, and newly appointed as Director on the same day.

Note 5: Stepped down as General Manager on March 18, 2022.

<table>
<tr><th rowspan="3">Range of Remuneration</th><th colspan="4">Name of Directors</th></tr>
<tr><th colspan="2">Total of (A+B+C+D)</th><th colspan="2">Total of (A+B+C+D+E+F+G)</th></tr>
<tr><th>The company</th><th>Companies in the consolidated financial statements</th><th>The company</th><th>Companies in the consolidated financial statements (I)</th></tr>
<tr><td>Less thanNT$ 1,000,000</td><td>Directors:
YongDing Investment Co., Ltd.
HuaTai Management Consulting Co., Ltd
Representative :Niang- Chuan Wei、Shih-Fung Liao、Ying-Ciang, Jeuo、Cing-Lang Jhong、Hong-Jyun Lin、Jhih-Jiang,Lin、Yu- Rong Pan
Independent Director:
Jyun-Yi Jhou、Shih-Tong Lu、Chin-Han Chen</td><td>Direcotr
Yongding Investment Co., Ltd.
Huatai Management Consulting Co., Ltd
Representative :
Niang- Chuan Wei、Shih-Fung Liao、Ying- Ciang, Jeuo、Cing-Lang Jhong、Hong-Jyun Lin、Jhih- Jiang,Lin、Yu- Rong Pan
Independent Director:
Jyun-Yi Jhou、Shih-Tong Lu、Chin-Han Chen</td><td>Yongding Investment Co., Ltd.
Huatai Management Consulting Co., Ltd
Representative :Niang- Chuan Wei、Shih-Fung Liao、Ying-Ciang, Jeuo、Cing-Lang Jhong、Hong-Jyun Lin、Jhih-Jiang,Lin、Yu- Rong Pan
Independent Director:
Jyun-Yi Jhou、Shih-Tong Lu、Chin-Han Chen</td><td>Yongding Investment Co., Ltd.
Huatai Management Consulting Co., Ltd
Representative :Niang- Chuan Wei、Shih-Fung Liao、Ying-Ciang, Jeuo、Cing-Lang Jhong、Hong-Jyun Lin、Jhih-Jiang,Lin、Yu- Rong Pan
Independent Director:
Jyun-Yi Jhou、Shih-Tong Lu、Chin-Han Chen</td></tr>
<tr><td>NT$1,000,000 ~ NT$1,999,999</td><td>0</td><td>0</td><td>0</td><td>0</td></tr>
<tr><td>NT$2,000,000 ~ NT$3,499,999</td><td>0</td><td>0</td><td>0</td><td>0</td></tr>
<tr><td>NT$3,500,000 ~ NT$4,999,999</td><td>0</td><td>0</td><td>0</td><td>0</td></tr>
<tr><td>NT$5,000,000 ~ NT$9,999,999</td><td>0</td><td>0</td><td>0</td><td>0</td></tr>
<tr><td>NT$10,000,000 ~ NT$14,999,999</td><td>0</td><td>0</td><td>0</td><td>0</td></tr>
<tr><td>NT$15,000,000 ~ NT$29,999,999</td><td>0</td><td>0</td><td>0</td><td>0</td></tr>
<tr><td>NT$30,000,000 ~ NT$49,999,999</td><td>0</td><td>0</td><td>0</td><td>0</td></tr>
<tr><td>NT$50,000,000 ~ NT$99,999,999</td><td>0</td><td>0</td><td>0</td><td>0</td></tr>
<tr><td>Greater than or equal to NT$100,000,000</td><td>0</td><td>0</td><td>0</td><td>0</td></tr>
<tr><td>Total</td><td>13</td><td>13</td><td>13</td><td>13</td></tr>
</table>

3.2Remuneration of Supervisors

Unit: NT$ thousands

Title	Name	Remuneration						Ratio of Total Remuneration (A+B+C) to Net Income (%)		Remuneration from ventures other than subsidiaries or from the parent company (Note)
		Base Compensation (A)		Bonus to Supervisors (B)		Allowances (C)				
		The company	Companies in the consolidated financial statements	The company	Companies in the consolidated financial statements	The company	Companies in the consolidated financial statements	The company	Companies in the consolidated financial statements	
	HuaTai Management Consulting Co., Ltd	171	171	0	0	65	65	236 0.23%	236 0.23%	0
Representative	Hong-Jyun Lin									
Representative	Mei- Huei, Jhang									
Representative	Ruei-Ming, Huang									

Note: All the supervisors resigned on June 17th, 2022, and the Audit Committee was established at the same time. There was no allocation of supervisor remuneration in the fiscal year 2022.

Range of Remuneration	Name of Supervisors	
	Total of (A+B+C)	
	The company	Companies in the consolidated financial statements (D)
Less than NT$ 1,000,000	HuaTai Management Consulting Co., Ltd Representative :Hong-Jyun Lin、Mei- Huei , Jhang、Ruei-Ming, Huang	HuaTai Management Consulting Co., Ltd Representative :Hong-Jyun Lin、Mei- Huei, Jhang、Ruei-Ming, Huang
NT$1,000,000 ~ NT$1,999,999	0	0
NT$2,000,000 ~ NT$3,499,999	0	0
NT$3,500,000 ~ NT$4,999,999	0	0
NT$5,000,000 ~ NT$9,999,999	0	0
NT$10,000,000 ~ NT$14,999,999	0	0
NT$15,000,000 ~ NT$29,999,999	0	0
NT$30,000,000 ~ NT$49,999,999	0	0
NT$50,000,000 ~ NT$99,999,999	0	0
Greater than or equal to NT$100,000,000	0	0
Total	3	3

3.3Remuneration of the President and Vice Presidents

Unit: NT$ thousands

<table>
<tr><th rowspan="3">Title</th><th rowspan="3">Name</th><th colspan="2">Salary(A)</th><th colspan="2">Severance Pay (B)</th><th colspan="2">Bonuses and Allowances (C)</th><th colspan="4">Employee Compensation (D)</th><th colspan="2">Ratio of total compensation (A+B+C+D) to net income (%)</th><th rowspan="3">Remuneration from ventures other than subsidiaries or from the parent company
(Note)</th></tr>
<tr><th rowspan="2">The company</th><th rowspan="2">Companies in the consolidated financial statements</th><th rowspan="2">The company</th><th rowspan="2">Companies in the consolidated financial statements</th><th rowspan="2">The company</th><th rowspan="2">Companies in the consolidated financial statements</th><th colspan="2">The company</th><th colspan="2">Companies in the consolidated financial statements</th><th rowspan="2">The company</th><th rowspan="2">Companies in the consolidated financial statements</th></tr>
<tr><th>Cash</th><th>Stock</th><th>Cash</th><th>Stock</th></tr>
<tr><td>Chairman and General Manager</td><td>Niang- Chuan Wei(Note1)</td><td rowspan="2">3,120</td><td rowspan="2">3,120</td><td rowspan="2">101</td><td rowspan="2">101</td><td rowspan="2">240</td><td rowspan="2">240</td><td rowspan="2">731</td><td rowspan="2">0</td><td rowspan="2">731</td><td rowspan="2">0</td><td rowspan="2">4,192
4.09%</td><td rowspan="2">4,192
4.09%</td><td rowspan="2">0</td></tr>
<tr><td>General Manager</td><td>Kevin,Ge (Note2)</td></tr>
</table>

Note 1: Mr. Niang- Chuan Wei stepped down as General Manager on Mar. 18, 2022.

Note 2: Mr. Kevin,Ge assumed the position of Deputy General Manager on Oct.14, 2022, and was subsequently appointed as the General Manager by the Board of Directors on Ma. 18, 2022.

Range of Remuneration	Name of President and Vice Presidents	
	The company	Companies in the consolidated financial statements (E)
Less than NT$ 1,000,000	Niang- Chuan Wei	Niang- Chuan Wei
NT$1,000,000 ~ NT$1,999,999	0	0
NT$2,000,000 ~ NT$3,499,999	Kevin,Ge	Kevin,Ge
NT$3,500,000 ~ NT$4,999,999	0	0
NT$5,000,000 ~ NT$9,999,999	0	0
NT$10,000,000 ~ NT$14,999,999	0	0
NT$15,000,000 ~ NT$29,999,999	0	0
NT$30,000,000 ~ NT$49,999,999	0	0
NT$50,000,000 ~ NT$99,999,999	0	0
Greater than or equal to NT$100,000,000	0	0
Total	2	2

Managers with Employee Remuneration Distribution

	Title	Name	Employee Compensation - in Stock (Fair Market Value)	Employee Compensation - in Cash	Total	Ratio of Total Amount to Net Income (%)
Executive Officers	Chairman and General Manager	Niang- Chuan Wei(Note1)	0	931	931	0.91%
	General Manager	Kevin, Ge (Note2)				
	Accounting& Finance Manager	C.T. Lan				
	Accounting Manager	Zang -Lan, Wang				
	Associate, Sale Division	Jheng - Long, Lin				

3.4 Comparison and explanation of the analysis of the ratio of total remuneration (paid to theDirectors, Supervisors, General Manager and Deputy General Managers of the Company by the Company in the last two years to net profit after tax and the correlation among the remuneration payment policy, standards and combinations, the procedures for setting the remuneration, the business performance and future risks:

(1) Analysis of the ratio of total remuneration paid by the Company and Companies in the consolidated financial report to its Directors, Supervisors, General Manager and Deputy General Managers in the last two years to net profit after tax on parent company only is as follows:

Title	Ratio to Net Profit after Tax on Parent Company	
	2022	2021
Director	4.5%	45.71%
Supervisor	0.23%	6.5%
General Manager and Deputy General Manager	4.09%	53.93%

The reduction in the remuneration percentages of the directors, supervisors, president and General Manager and Deputy General Manager resulted from the increase in 2022 earnings as compared to 2021.

(2)The policies, standards, and portfolios for the payment of remuneration, the procedures for determining remuneration, and the correlation with risks and business performance. Remuneration Policy, Standards, Composition, and Procedures:

The remuneration policy for the directors of the company is established by the Remuneration Committee, taking into consideration the customary payment standards in the industry. The policy is formulated as the "Director Remuneration Regulations" and is presented for discussion by the board of directors. The remuneration is implemented in accordance with the regulations, and the composition of the compensation is as follows:

A. Remuneration:

Handled in accordance with Article 20 of the company's bylaws. The company's payment standard is a monthly fee ranging from NT$10,000 to NT$50,000 per director. The actual operating conditions, level of participation in company operations, and contributions made may be adjusted accordingly.

B. Director's Remuneration:

If the company is profitable for the year, a provision of no more than 3% shall be allocated for director's remuneration. However, if the company has accumulated losses, an amount for offsetting the losses shall be reserved in advance, and then the aforementioned proportion shall be allocated as director's remuneration.

C. Business Execution Expenses:

For attending various meetings on behalf of the company, a fixed travel expense of NT$5,000 per director is provided. If there is a need for business travel or advance payment of expenses related to the company's operations, it shall be handled in accordance with the relevant company regulations.

D. Remuneration for Part-Time Employees:

If directors of the company are also employed part-time, their part-time remuneration shall be handled in accordance with the company's salary management regulations.

2.2 The remuneration for the company's General Manager and Deputy General Manager is determined based on their positions, contributions to the company, and reference to the customary payment standards in the industry, in accordance with the company's personnel regulations. The matter is then discussed and approved by the Remuneration Committee before being presented to the board of directors for further discussion.

2.3 Relationship with Business Performance and Future Risks:

The fixed payments, including remuneration and business execution expenses, are set at a predetermined amount that aligns with industry standards. The company has also established the "Board of Directors Performance Evaluation Regulations," taking into account factors such as the achievement of short-term and long-term business goals, the company's financial performance, and individual performance evaluations. These factors are highly related to the business performance, and the design of the remuneration does not encourage the aforementioned individuals to engage in high-risk operational activities to obtain higher rewards. Therefore, the remuneration has a low correlation with future risks.

4. Implementation of Corporate Governance

4.1 Operations of the Board of Directors

A total of 6 (A) meetings of the Board of Directors were held in the previous period. The attendance of director and supervisor were as follows:

Title	Name	Attendance in Person (B)	By Proxy	Attendance Rate (%) 【B/A】	Remarks
Chairman	YongDing Investment Co., Ltd. Rpresentative : Niang- Chuan Wei	6	0	100.00	
Director	YongDing Investment Co., Ltd. Rpresentative : Cing-Lang Jhong	5	1	83.33	
Director	YongDing Investment Co., Ltd. Rpresentative: Yu- Rong Pan	4	0	66.67	
Director	HuaTai Management Consulting Co., Ltd Rpresentative : Hong-Jyun Lin	2	3	33.33	
Director	HuaTai Management Consulting Co., Ltd Rpresentative : Shih-Fung Liao	4	1	66.67	
Independent director	Jyun-Yi, Jhou	6	0	100.00	
Independent director	Shih-Tong Lu	6	0	100.00	
Independent director	Chin-Han Chen	6	0	100.00	

Other mentionable items:

(1)If any of the following circumstances occur,, the dates of the meetings, sessions, contents of motion, all independent directors' opinions and the company's response should be specified:

1) Matters referred to in Article 14-3 of the Securities and Exchange Act.

The Audit Committee was established in our company on June 17th, 2022. As of that date, the Company is no longer subject to the provisions of Article 14-3 of the Securities and Exchange Act.

Date	Major resolutions	All independent directors' opinions and the company's handling of their opinions
8th Board Meeting, 21st. 01/26/2022	A. Cancellation of unused funding limit for related party loans. B .Related party loan arrangements.	Approved by all attending directors.
8th Board Meeting, 22st. 03/18/2022	A.Amendment to the "Regulations Governing the Acquisition and Disposal of Assets by Public Companies". B. Related-party funding loan. C. Disposal of significant subsidiary.	Approved by all attending directors.
8th Board Meeting, 23st. 04/26/2022	A. Resolution to lift the non-compete restrictions on newly appointed directors and their representatives. B. Cancellation of the unexecuted quota for private placement of securities approved at the 2021 Meeting of Shareholders. C. Implementation of private placement of securities by the company for the fiscal year 2022. D. Recognition of the disposal of a significant subsidiary case. E. Subsidiary endorsement and guarantee case.	Approved by all attending directors.

8th Board Meeting, 24st. 05/12/2022	Amendment to the "Internal Control System"	Approved by all attending directors.

2) Other matters involving objections or expressed reservations by independent directors that were recorded or stated in writing that require a resolution by the board of directors.: None.

(2) If there are directors' avoidance of motions in conflict of interest, the directors' names, contents of motion, causes for avoidance and voting should be specified: None

(3)TWSE/TPEx-listed companies are required to disclose the evaluation cycle and period, scope of evaluation, evaluation method, and evaluation items of the self (or peer) evaluations conducted by the Board of Directors, and to fill out "Implementation Status of Board Evaluations."

Implementation Status of Board Evaluations

Evaluation cycle	Evaluation period	Scope of evaluation	Evaluation method	Evaluation items
Once a year	01/01/2022~ 12/31/2022	Board of Directors	Self-evaluation by the Board of Directors	Level of participation in company operations, the quality of Board decisions, Board composition and structure, appointment of directors and their continued development, and internal controls.
Once a year	01/01/2022~ 12/31/2022	Individual directors	Self-assessment by directors	Grasp of company targets and missions, understanding of the director's role and responsibilities, level of participation in company operations, internal relationship management and communication, director's specialty and continued development, and internal controls.
Once a year	01/01/2022~ 12/31/2022	Functional committees	Peer evaluation	Participation in company operations, understanding of the responsibilities of functional committees, improvement of the decision-making quality of functional committees, composition of functional committees, and member selection and internal control.

(4)Measures taken to strengthen the functionality of the board: The Board of Directors has established an Audit Committee and a Remuneration Committee to assist the board in carrying out its various duties

1) Strengthening the Objectives of the Board of Directors' Functions

A. The company established the Compensation Committee on Dec. 16, 2011, to provide the Board of Directors with a fair and objective system for director and executive remuneration.

B. The Audit Committee was established on June 17, 2022, to provide the Board of Directors with independent and professional advice on significant matters.

C. The company has established the "Standard Operating Procedures for Handling Director Requests" to provide the necessary information for each director to carry out their duties.

2) Implementation Performance Assessment

The Board of Directors, Remuneration Committee, and Audit Committee of the company operate in accordance with the "Board of Directors Meeting Regulations," "Organizational Regulations for Remuneration Committees," and "Organizational Regulations for Audit Committees."

4.2 Attendance of Supervisors at Board Meetings

A total of **4** (A) Board Meetings were held before June 17, 2022. The attendance of the Supervisors was as follows:

Title	Name	Attendance in Person (B)	By Proxy	Attendance Rate (%)【B/A】	Remarks
Supervisor	HuaTai Management Consulting Co., Ltd Representative: Hong-Jyun Lin	2	0	50.00	
Supervisor	HuaTai Management Consulting Co., Ltd Representative: Mei- Huei, Jhang	4	0	100.00	
Supervisor	HuaTai Management Consulting Co., Ltd Representative: Ruei-Ming, Huang	3	0	75.00	

Other mentionable items:

(1)Composition and responsibilities of supervisors:

1) Communications between supervisors and the Company's employees and shareholders (e.g. communication channels and methods, etc.):

Supervisors are entitled to exercise their supervisory powers in a timely manner and, when necessary, engage in communication with employees and shareholders. They are also authorized to access internal audit reports and monitor the implementation of internal controls and internal audits within the company. Additionally, supervisors may establish communication channels with the Audit Department and the Office of the Chairman.

2) Communications between supervisors and the Company's chief internal auditor and CPA(e.g. items, methods and results of the audits of corporate finance or operations, etc.):
The company's supervisors operate independently. They engage in periodic communication and understanding with the auditors, financial managers, and accounting managers regarding financial reports and newly issued accounting principles. The audit manager regularly submits audit reports to the supervisors, who also conduct periodic reviews of the company's financial operations. They may also request explanations from the management authorities as needed.

(2) If a supervisor expresses an opinion during a meeting of the Board of Directors, the dates of the meetings, sessions, contents of motion, resolutions of the directors' meetings and the company's response to the supervisor's opinion should be specified: None

4.3 Audit Committee

A total of **4** (A) Audit Committee meetings were held in the previous period. The attendance of the independent directors was as follows:

Title	Name	Attendance in Person (B)	By Proxy	Attendance Rate (%) 【B/A】	Remarks
Independent director	Jyun-Yi Jhou	4	0	100.00	
Independent director	Shih-Tong Lu	4	0	100.00	
Independent director	Chin-Han Chen	4	0	100.00	

Other mentionable items:

(1)If any of the following circumstances occur, the dates of meetings, sessions, contents of motion, resolutions of the Audit Committee and the Company's response to the Audit Committee's opinion should be specified:

1) Matters referred to in Article 14-5 of the Securities and Exchange Act.

2) Other matters which were not approved by the Audit Committee but were approved by two-thirds or more of all directors.

Refer to the information on the Audit Committee meeting as below:

Date	Communication Focus	Result
1th Audit Committee meeting 1st. 08/11/2022	A. Election of Audit Committee Convener. B. Appointment of Accounting manager. C. Approval of the Consolidated Financial Statements for the 2nd quarter of 2022. D. Acquisition of Equity in Subsidiary Company, GZ Electronics .Co., Ltd. E. Capital Increase of GZ Electronics .Co., Ltd.	No objection
1th Audit Committee meeting 2st. 11/09/2022	A. Approval of the Consolidated Financial Statements for the 3nd quarter of 2022. B. Appointment of Financial manager. C. 2023 audit plan. D. Subsidiary endorsement and guarantee.	No objection
1th Audit Committee meeting 3st. 03/28/2023	A. Appointment of Accounting manager. B. Approval of the Consolidated Financial Statements for the 2023. C. Adoption of the 2022 Business Report and Financial Statements D. Adoption of the Proposal for Distribution of 2022 Profits E. 2022 Internal Control Statement F. Amendment to the「Internal Control System」 G. Amendment to the「Operating Procedures for Trading Derivatives」	No objection

	H. Amendment to the「Operational Procedures for Endorsements and Guarantees」 I. Amendment to the「Operational Procedures for Loaning of Company Funds」 J. Amendment to the「 Authority Matrix 」 K. Assessment of the Independence and Qualifications of the Auditor, and Compensation L. The General Principles for Establishing the Company's Policy on Pre-Approval of Non-Assurance Services M. Subsidiary endorsement and guarantee. N. Cancellation of Unused Quota for Subsidiary's Endorsement and Guarantee. O. Subsidiary endorsement and guarantee. P. Remuneration of employees and directors for the year 2022	
1th Audit Committee meeting 4st. 05/11/2023	A. Approval of the Consolidated Financial Statements for the 1nd quarter of 2023. B. Establishment of Corporate Governance manger. C. Amendment to the Procedure for 2023 Shareholder Meetings D. Amendment to the Company's Articles of Incorporation E. Amendment to the Rules of Procedure for Shareholder Meetings F. Amendment to the Operational Procedures for Loaning of Company Funds G. Cancellation of the unexecuted quota for private placement of securities approved at The 2022 Meeting of Shareholders. H. Implementation of private placement of securities by the company for the fiscal year 2023. I. Resolution and Remuneration of the 3rd meeting of the 5th term Remuneration Committee.	No objection

(2) If there are independent directors' avoidance of motions in conflict of interest, the directors' names, contents of motion, causes for avoidance and voting should be specified: None

(3)Communications between the independent directors, the Company's chief internal auditor and CPAs (e.g. the material items, methods and results of audits of corporate finance or operations, etc.)

1)The internal auditors have communicated the result of the audit reports to the members of the Audit Committee periodically, and have presented the findings of all audit reports in the quarterly meetings of the Audit Committee. Should the urgency of the matter require it, the Company's chief internal auditor will inform the members of the Audit Committee outside of the regular reporting. The communication channel between the Audit Committee and the internal auditor has been functioning well.

2) The Company's CPAs have presented the findings or the comments for the quarterly corporate financial reports, in the regular quarterly meetings of the Audit Committee. Under applicable laws and regulations, the CPAs are required to communicate to the Audit Committee any material matters that they have discovered.

4.4 Corporate Governance Implementation Status and Deviations from "the Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies"

Evaluation Item	Implementation Status [1]			Deviations from "the Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies" and Reasons
	Yes	No	Abstract Illustration	
1. Does the company establish and disclose the Corporate Governance Best-Practice Principles based on "Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies"?	✓		The Company has established the Corporate Governance Best-Practice Principles based on "Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies" .The information has been disclosed on the Company's website.	No major difference
2. Shareholding structure & shareholders' rights (1) Does the company establish an internal operating procedure to deal with shareholders' suggestions, doubts, disputes and litigations, and implement based on the procedure? (2) Does the company possess the list of its major shareholders as well as the ultimate owners of those shares?	 ✓ ✓		 (1)In addition to the existing hotline and email channels, the Company has established an internal operating procedure, and has designated accounting departments, to handle shareholders' suggestions, doubts, disputes and litigation. (2)The shareholder services agent is responsible for collecting the updated information of major shareholders and the list of ultimate owners of	No major difference

Evaluation Item	Implementation Status [1]			Deviations from "the Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies" and Reasons
	Yes	No	Abstract Illustration	
			those shares.	
(3) Does the company establish and execute the risk management and firewall system within its conglomerate structure?	✓		(3) Both the Company and its related entities operate independently, and have established internal control systems for managing related-party transactions, which are implemented accordingly.	
(4) Does the company establish internal rules against insiders trading with undisclosed information?	✓		(4) The Company has established regulations such as "Prevention of Insider Trading Management," "Code of Conduct for Business Ethics," and "Code of Ethics," which prohibit insiders from trading securities based on undisclosed material information in the market.	
3. Composition and Responsibilities of the Board of Directors				No major difference
(1) Does the Board develop and implement a diversified policy for the composition of its members?	✓		(1) The Board of Directors of the Company has formulated a diversity policy, concrete management objectives, and implemented them	

Evaluation Item	Implementation Status[1]			Deviations from "the Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies" and Reasons
	Yes	No	Abstract Illustration	
(2) Does the company voluntarily establish other functional committees in addition to the Remuneration Committee and the Audit Committee?		✓	(2) The Company has currently established a Remuneration Committee and an Audit Committee, and will evaluate the need for setting up other functional committees in the future.	
(3) Does the company establish a standard to measure the performance of the Board and implement it annually, and are performance evaluation results submitted to the Board of Directors and referenced when determining the remuneration of individual directors and nominations for reelection?	✓		(3) The Company has established the "Board of Directors Performance Evaluation Guidelines" and conducts an annual evaluation of the Board of Directors' performance. The results of the performance evaluation are reported to the Board of Directors. The guidelines also stipulate that the results of the Board of Directors' performance evaluation serve as a reference for the selection or nomination of directors, and individual director performance evaluation results serve as a reference for determining their individual compensation.	

Evaluation Item	Implementation Status [1]			Deviations from "the Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies" and Reasons
	Yes	No	Abstract Illustration	
(4) Does the company regularly evaluate the independence of CPAs?	✓		(4) The Board of Directors of the Company conducts regular annual assessments of the independence and qualifications of the external auditors. The Accounting Department conducts a preliminary assessment of each item listed in the checklist (note) and submits it to the Board of Directors for overall evaluation and approval.	
4. Does the company appoint a suitable number of competent personnel and a supervisor responsible for corporate governance matters (including but not limited to providing information for directors and supervisors to perform their functions, assisting directors and supervisors with compliance, handling work related to meetings of the board of directors and the shareholders' meetings, and producing minutes of board meetings and shareholders' meetings)?	✓		The Company has appointed Corporate Governance Officer on May 11, 2023.responsible for corporate governance affairs to protect shareholders' rights and strengthen the functions of the Board of Directors.	No major difference

Evaluation Item	Implementation Status[1]			Deviations from "the Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies" and Reasons
	Yes	No	Abstract Illustration	
5. Does the company establish a communication channel and build a designated section on its website for stakeholders (including but not limited to shareholders, employees, customers, and suppliers), as well as handle all the issues they care for in terms of corporate social responsibilities?	✓		(1)The company has established a spokesperson and a proxy spokesperson, and the contact information is publicly disclosed on the Market Observation Post System (MOPS) as required. Additionally, financial and shareholder-related information is announced on the MOPS or the company's website to establish effective communication channels with investors. (2)The company has created a stakeholder section on its website, where stakeholders can find contact information such as phone numbers and email addresses for communication when needed.	No major difference
6. Does the company appoint a professional shareholder service agency to deal with shareholder affairs?	✓		The Company designates IBF Securities Co., Ltd. to deal with shareholder affairs.	No major difference

Evaluation Item	Implementation Status[1]			Deviations from "the Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies" and Reasons
	Yes	No	Abstract Illustration	
7. Information Disclosure (1) Does the company have a corporate website to disclose both financial standings and the status of corporate governance? (2) Does the company have other information disclosure channels (e.g. building an English website, appointing designated people to handle information collection and disclosure, creating a spokesman system, webcasting investor conferences)?	✓ ✓		(1)The company has established a website for regular disclosure of relevant information. In accordance with regulatory requirements, the company announces its corporate profile and various financial business information on the Market Observation Post System (MOPS). (2)The website is regularly updated, and all external announcements are made through the company's spokesperson system. A designated person is responsible for disclosing company information on the MOPS in accordance with legal regulations.	No major difference

Evaluation Item	Implementation Status [1]			Deviations from “the Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies” and Reasons
	Yes	No	Abstract Illustration	
(3) Does the company announce and report annual financial statements within two months after the end of each fiscal year, and announce and report Q1, Q2, and Q3 financial statements, as well as monthly operation results, before the prescribed time limit?		✓	(3)The company complies with the deadline specified in the Securities and Exchange Act for announcing and reporting the annual financial reports, which are audited and certified by the auditors, approved by the Board of Directors, and acknowledged by the Audit Committee. The company also undergoes review and reporting of quarterly financial reports and monthly operational performance. Whenever possible, the company strives to announce and report the financial information ahead of the regulatory deadlines, based on the progress of the relevant operations.	

Evaluation Item	Implementation Status [1]			Deviations from "the Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies" and Reasons
	Yes	No	Abstract Illustration	
8. Does the Company have additional important information that is helpful to understand the operation of the corporate governance (including but not limited to the interests and care of employees, investor relationships, supplier relationships, rights of stakeholders, further education of directors and supervisors, implementation of risk management policies and risk assessment standards, implementation of customer policies, and liability insurance coverage for directors and supervisors)?	✓		(1)The company values employee welfare, communication, and workplace safety, and provides and protects employee rights in accordance with the law. (2)The company implements a retirement pension system, provides group insurance for employees, and establishes a welfare committee to prioritize labor harmony and talent development. (3)The company honestly and publicly discloses corporate information in compliance with legal regulations to safeguard the rights of investors and stakeholders and fulfill its responsibilities to shareholders. (4)The company maintains smooth and good communication channels with customers and suppliers.	No major difference

Evaluation Item	Implementation Status [1]			Deviations from “the Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies” and Reasons
	Yes	No	Abstract Illustration	
			(5)The company periodically arranges for directors and supervisors to participate in professional development courses related to corporate governance, meeting the requirements of the "Guidelines for Continuing Education for Directors and Supervisors of Listed and OTC Companies" in terms of hours, scope, system, arrangements, and information disclosure. (6)The company's directors adhere to a high level of self-discipline. When a proposed resolution involves a conflict of interest that could harm the director's own interests or the company's interests, they are not allowed to participate in the discussion or vote. (7)The company has purchased liability insurance for directors and executives.	

Evaluation Item	Implementation Status [1]			Deviations from "the Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies" and Reasons
	Yes	No	Abstract Illustration	
			(8)The company does not engage in high-risk or highly leveraged investments. Derivative transactions are primarily used for hedging purposes and are carried out in accordance with the company's " Operating Procedures for Trading Derivatives," with due consideration given to risk conditions and cautious execution	
9. Please explain the improvements which have been made in accordance with the results of the Corporate Governance Evaluation System released by the Corporate Governance Center, Taiwan Stock Exchange, and provide the priority enhancement measures. The Company has completed the corporate governance self-evaluation in 2022, conducted review and improvement according to the evaluation results and to gradually enhance the effectiveness of corporate governance.				

(Note) Criteria for assessing the independence and suitability of auditors:

- **The auditor does not have any direct or indirect significant financial interests in the merged company.**
- **No inappropriate business relationships are found between the auditor and the merged company, the Company's directors, supervisors, or executives.**
- **The latest shareholder roster does not show that the auditor holds any shares of the merged company.**
- **There is no financial borrowing or lending between the auditor and the merged company.**
- **There are no joint investments or profit-sharing arrangements between the auditor and the merged company.**

- **The auditor does not hold any positions or receive compensation from the merged company.**
- **The Chairman, CEO, CFO, or managers responsible for financial or accounting affairs of the Company have not held any positions at the auditor's firm or its affiliated companies in the past year.**
- **The auditor confirms that their affiliated CPA firm adheres to independence standards.**
- **The non-audit services provided to the merged company do not directly affect the audit engagement.**
- **The merged company does not coerce the audit engagement team members to accept inappropriate accounting choices or improper disclosures in the financial statements.**
- **The same auditor has not served as the Company's auditor for consecutive 7 years.**
- **No disciplinary actions have been taken against the auditor by regulatory authorities.**
- **No circumstances affecting independence have been found with the auditor.**
- **The auditor has been approved and recognized by the Financial Supervisory Commission.**

4.5 Composition, Responsibilities and Operations of the Remuneration Committee

(1)Professional Qualifications and Independence Analysis of Remuneration Committee Members

Title (Note1)	Issuance condition / Name	Professional qualifications and experience (Note2)	Independence (Note3)	Number of positions as an Independent Director in other public listed companies
Convener Independent Director	Shih-Tong Lu	Professor/ Education, Economics, Civil Engineering, Business Management	Compliance with independence	1
Independent Director	Jyun-Yi Jhou	CPA/ Financial and Accounting	Compliance with independence	0
Other	Jia-Wei, Guo	Lawyer / Law	Compliance with independence	0
Independent Director	Chin-Han Chen	Lawyer / Law	Compliance with independence	0

Note 1: Please indicate whether the position is Independent Director or Other (if Convener, please add a note).

Note 2:Professional qualifications and experience: Specify the professional qualifications and experience of each individual member of the Remuneration Committee.

Note 3: The members of the Remuneration Committee meet the independence criteria and do not have the following situations: (1) The member, spouse, or relatives within the second degree of kinship serving as directors, supervisors, or employees of the Company or its related entities; (2) The member, spouse, or relatives within the second degree of kinship (or using another person's name) holding shares of the Company; (3) Serving as a director, supervisor, or employee of a company with specific relationships to the Company; (4) Having received remuneration for providing business, legal, financial, accounting, or other services to the Company or its related entities in the past two years.

(2) Attendance of Members at Remuneration Committee Meetings

1) There are 3 members in the Remuneration Committee.

2) Term of Office for the 4th Committee: July 4, 2019, to June 16, 2022.
Term of Office for the 5th Committee: June 17, 2022, to June 16, 2025.

3) A total of 2 (A) Remuneration Committee meetings were held in the previous period. The attendance record of the Remuneration Committee members was as follows:

Title	Name	Attendance in Person(B)	By Proxy	Attendance Rate (%) 【B/A】	Remarks
Convener	Shih-Tong Lu	2	0	100.00	4th , 5th
Committee Member	Jyun-Yi Jhou	2	0	100.00	4th , 5th
Committee Member	Jia-Wei, Guo	2	0	100.00	4th
Committee Member	Chin-Han Chen	2	0	100.00	4th , 5th

Other mentionable items:

1. If the board of directors declines to adopt or modifies a recommendation of the remuneration committee, it should specify the date of the meeting, session, content of the motion, resolution by the board of directors, and the Company's response to the remuneration committee's opinion (eg., the remuneration passed by the Board of Directors exceeds the recommendation of the remuneration committee, the circumstances and cause for the difference shall be specified): None.
2. Resolutions of the remuneration committee objected to by members or expressed reservations and recorded or declared in writing, the date of the meeting, session, content of the motion, all members' opinions and the response to members' opinion should be specified: None.

4.6 Fulfillment of CSR and Deviations from the "Corporate Social Responsibility Best Practice Principles for TWSE/GTSM Listed Companies"

Evaluation Item	Implementation Status [1]			Deviations from "the Corporate Social Responsibility Best-Practice Principles for TWSE/TPEx Listed Companies" and Reasons
	Yes	No	Abstract Explanation [2]	
1. Does the company establish exclusively (or concurrently) dedicated first-line managers authorized by the board to be in charge of proposing the corporate social responsibility policies and reporting to the board?	✓		The company has established a dedicated unit for promoting sustainability, which falls under the management department. The Manager of the management department is responsible for overseeing the implementation of sustainability initiatives and reporting to the board of directors. The most recent report to the board of directors was submitted on March 28, 2023	No major difference
2. Does the company assess ESG risks associated with its operations based on the principle of materiality, and establish related risk management policies or strategies?	✓		The company has established a "Risk Management Policy," with the General Manager serving as the Chief Risk Officer responsible for coordinating and directing the implementation and operation of the risk management plan. The General Manager reports to the board of directors at least once a year, with the most recent report submitted on March 28, 2023. Each department follows the risk management policy and identifies and assesses internal and external risks through the evaluation of significant factors in areas such as business, finance, environment, society, and corporate governance. Weekly regular business meetings and periodic review meetings are held to discuss key areas of risk management and promptly establish objectives and corresponding measures to mitigate the impact of environmental and business model changes on the company, both internally and externally.	No major difference

Evaluation Item	Implementation Status [1]			Deviations from "the Corporate Social Responsibility Best-Practice Principles for TWSE/TPEx Listed Companies" and Reasons
	Yes	No	Abstract Explanation [2]	
3.Environmental issues (1) Does the company establish proper environmental management systems based on the characteristics of their industries? (2) Does the company endeavor to utilize all resources more efficiently and use renewable materials which have low impact on the environment? (3) Does the company evaluate the potential risks and opportunities in climate change with regard to the present and future of its business, and take appropriate action to counter climate change issues?	✓ ✓ ✓		(1)The company continuously engages in activities such as waste sorting, recycling, waste reduction, and reuse in compliance with government environmental policies. (2)The company promote the digitalization of paper-based operations and have fully digitized standardized documents using a document management system to reduce paper consumption and minimize environmental pollution. (3)Recognizing that climate change has become a significant concern for investors and businesses, the company evaluates the impact and effects of environmental risk factors on the company and develops corresponding measures in accordance with the risk management policy.	No major difference

Evaluation Item	Implementation Status[1]			Deviations from "the Corporate Social Responsibility Best-Practice Principles for TWSE/TPEx Listed Companies" and Reasons
	Yes	No	Abstract Explanation[2]	
(4) Does the company take inventory of its greenhouse gas emissions, water consumption, and total weight of waste in the last two years, and implement policies on energy efficiency and carbon dioxide reduction, greenhouse gas reduction, water reduction, or waste management?	✓		(4) As the company did not have any production units in Taiwan in the year 2021, the company is unable to provide statistics on greenhouse gas emissions, water usage, and total waste weight from production processes. However, the company actively promote water conservation practices, and internally, to reduce the use of air conditioning until a certain temperature is reached, as well as to power off unnecessary electrical devices during lunch breaks. The company achieve policies focused on energy conservation, carbon reduction, and greenhouse gas emission reduction.	
4. Social issues (1) Does the company formulate appropriate management policies and procedures according to relevant regulations and the International Bill of Human Rights?	✓		(1) The company has established an "Employee Handbook" based on relevant laws and regulations such as the "Labor Standards Act ", "Gender Equality in Employment Act ", and "Sexual Harassment Prevention Act ", as well as references to international human rights conventions. The company implement and enforce these policies to provide a good working environment and protect the rights of employees.	No major difference

Evaluation Item	Implementation Status [1]			Deviations from "the Corporate Social Responsibility Best-Practice Principles for TWSE/TPEx Listed Companies" and Reasons
	Yes	No	Abstract Explanation [2]	
(2) Does the company have reasonable employee benefit measures (including salaries, leave, and other benefits), and do business performance or results reflect on employee salaries? (3) Does the company provide a healthy and safe working environment and organize training on health and safety for its employees on a regular basis? (4) Does the company provide its employees with career development and training sessions	✓ ✓ ✓		(2)The company provide all employees with labor and health insurance coverage, implement a retirement pension system, establish an Employee Welfare Committee, offer support for marriage, bereavement, and further education, and ensure reasonable vacation time for employees. The company also established a salary management policy as a basis for employee compensation and incentives. Employee remuneration is allocated based on provisions in the articles of incorporation and resolutions passed at shareholder meetings. (3)The company complies with occupational safety and health regulations at locations. The company provide safety and health education and training for employees in accordance with the law. Although no production units in Taiwan, the company premised to equip with strict access control and surveillance systems. It also conduct regular maintenance and inspections of various equipment such as general office equipment, water dispensers, and fire-fighting apparatus to ensure the safety and health of employees. (4)The management department of the company has a comprehensive training plan for career development for employees. Providing employees with the necessary skills for job execution within their respective units and facilitate their career advancement through further education. (5)The company have contracts with customers and provide effective channels for	

Evaluation Item	Implementation Status [1]			Deviations from "the Corporate Social Responsibility Best-Practice Principles for TWSE/TPEx Listed Companies" and Reasons
	Yes	No	Abstract Explanation [2]	
(5) Do the company's products and services comply with relevant laws and international standards in relation to customer health and safety, customer privacy, and marketing and labeling of products and services, and are relevant consumer protection and grievance procedure policies implemented?	✓		product and service-related complaints. In order to achieve customer satisfaction, the company committed to delivering high-quality products and promptly addressing and providing complete product information services for customer complaints. The company has established relevant management procedures in accordance with applicable laws and international guidelines to safeguard customer rights.	
(6)Does the company implement supplier management policies, requiring suppliers to observe relevant regulations on environmental protection, occupational health and safety, or labor and human rights? If so, describe the results.	✓		(6) The company has established "Supplier Evaluation Operation Guidelines" and conducts regular evaluations of suppliers. It ensure that suppliers understand the company auditing standards and communicate clearly that do not support or use materials from illegal sources. The company require suppliers to confirm the legality of their product sources and comply with relevant laws and regulations regarding occupational safety and health, labor rights, and environmental protection. If a supplier fails the evaluation or engages in activities that do not comply with relevant laws and regulations or have a significant negative impact on society and the environment, immediately cease using their products or services. All suppliers are expected to comply with the policies to achieve sustainable development goals together with the company.	

<table>
<tr><th rowspan="2">Evaluation Item</th><th colspan="3">Implementation Status [1]</th><th rowspan="2">Deviations from “the Corporate Social Responsibility Best-Practice Principles for TWSE/TPEx Listed Companies” and Reasons</th></tr>
<tr><th>Yes</th><th>No</th><th>Abstract Explanation [2]</th></tr>
<tr><td>5. Does the company reference internationally accepted reporting standards or guidelines, and prepare reports that disclose non-financial information of the company, such as corporate social responsibility reports? Do the reports above obtain assurance from a third party verification unit?</td><td></td><td>✓</td><td>The company is not currently required by law to prepare and submit a separate sustainability report. However, we have disclosed relevant sustainability information in our annual report to facilitate access for stakeholders.</td><td>No major difference</td></tr>
<tr><td colspan="5">6. Describe the difference, if any, between actual practice and the corporate social responsibility principles, if the company has implemented such principles based on the Corporate Social Responsibility Best Practice Principles for TWSE/TPEx Listed Companies:
The company has established a "Code of Sustainable Development Practices" and implemented the spirit of the code in our business operations, with no significant deviations from the prescribed guidelines.</td></tr>
<tr><td colspan="5">7. Other useful information for explaining the status of corporate social responsibility practices:
The company is committed to environmental conservation and actively promotes energy-saving and carbon reduction activities.</td></tr>
</table>

4.7 Fulfillment of Ethical Corporate Management and Deviations from the "Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies"

Evaluation Item	Implementation Status			Deviations from the "Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies" and Reasons
	Yes	No	Abstract Illustration	
1. Establishment of ethical corporate management policies and programs (1) Does the company have a Board-approved ethical corporate management policy and stated in its regulations and external correspondence the ethical corporate management policy and practices, as well as the active commitment of the Board of Directors and management towards enforcement of such policy?	✓		(1)The Company has established a " Ethical Corporate Management Policies '" which has been approved by the board of directors. When entering into contracts with external parties, the Company follows the principles of integrity and mutual benefit, and negotiates reasonable contract terms. The company actively fulfills its contractual commitments.	No major difference

Evaluation Item	Implementation Status			Deviations from the "Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies" and Reasons
	Yes	No	Abstract Illustration	
(2) Does the company have mechanisms in place to assess the risk of unethical conduct, and perform regular analysis and assessment of business activities with higher risk of unethical conduct within the scope of business? Does the company implement programs to prevent unethical conduct based on the above and ensure the programs cover at least the matters described in Paragraph 2, Article 7 of the Ethical Corporate Management Best Practice Principles for TWSE/TPEx Listed Companies?	✓		(2)In accordance with the "Risk Management Policy," the Company evaluates and analyzes various risk factors in its business activities. It has also developed measures to prevent dishonest behavior in accordance with the " Ethical Corporate Management Policies " All employees are required to promptly report any violations of the integrity and ethical behavior guidelines to the management.	

Evaluation Item	Implementation Status			Deviations from the "Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies" and Reasons
	Yes	No	Abstract Illustration	
(3) Does the company provide clearly the operating procedures, code of conduct, disciplinary actions, and appeal procedures in the programs against unethical conduct? Does the company enforce the programs above effectively and perform regular reviews and amendments?	✓		(3)The Company has formulated the "Operating Procedures and Guidelines for Conducting Business with Integrity" and consistently promotes the importance of ethical behavior. It has established channels for complaints and reports. In cases of employee misconduct, the Company will issue warnings or impose disciplinary measures based on the severity of the situation and the impact, in accordance with the provisions outlined in the employee handbook.	
2. Fulfill operations integrity policy (1) Does the company evaluate business partners' ethical records and include ethics-related clauses in business contracts?	✓		(1)The Company holds annual business meetings, conveying our integrity requirements to all our business partners. In addition, an ethic-related clause is included in every business contract. Appropriate measures are established for	No major difference

Evaluation Item	Implementation Status			Deviations from the "Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies" and Reasons
	Yes	No	Abstract Illustration	
			dealing with dishonest behavior that violates contractual provisions.	
(2) Does the company have a unit responsible for ethical corporate management on a full-time basis under the Board of Directors which reports the ethical corporate management policy and programs against unethical conduct regularly (at least once a year) to the Board of Directors while overseeing such operations?	✓		(2)The Integrity Management Policy and Prevention Program of the company are formulated and supervised by the Management Department, which is responsible for their implementation. A report on the execution status is submitted to the board of directors annually. The most recent report to the board of directors was on March 18, 2022.	

Evaluation Item	Implementation Status			Deviations from the "Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies" and Reasons
	Yes	No	Abstract Illustration	
(3) Does the company establish policies to prevent conflicts of interest and provide appropriate communication channels, and implement it?	✓		(3) 1)The Company has established policies and practices in the ' Ethical Corporate Management Policies ' and the 'Operating Procedures and Guidelines for Conducting Business with Integrity' to prevent conflicts of interest. 2) Employees can express their opinions on matters related to conflicts of interest through various channels and these concerns will be appropriately addressed by the management. 3) Directors or any other individuals attending or participating in board meetings are required to abstain from discussions and voting on matters where they have a conflict of interest."	

Evaluation Item	Implementation Status			Deviations from the “Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies” and Reasons
	Yes	No	Abstract Illustration	
(4) Does the company have effective accounting and internal control systems in place to implement ethical corporate management? Does the internal audit unit follow the results of unethical conduct risk assessments and devise audit plans to audit the systems accordingly to prevent unethical conduct, or hire outside accountants to perform the audits?	✓		(4)The Company has established accounting and internal control systems to ensure integrity in operations. After internal auditors have analyzed and reviewed the annual audit program according to the risk evaluation results, and report to board of directors.	
(5) Does the company regularly hold internal and external educational trainings on operational integrity?	✓		(5) The Company has established a ' Ethical Corporate Management Policies ' that integrates integrity into its corporate culture. The senior management regularly promotes this code during various meetings, emphasizing the importance of its implementation across all departments.	

Evaluation Item	Implementation Status			Deviations from the "Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies" and Reasons
	Yes	No	Abstract Illustration	
3. Operation of the integrity channel (1) Does the company establish both a reward/punishment system and an integrity hotline? Can the accused be reached by an appropriate person for follow-up? (2) Does the company have in place standard operating procedures for investigating accusation cases, as well as follow-up actions and relevant post-investigation confidentiality measures?	✓ ✓		(1)The Company has established the 'Operating Procedures and Guidelines for Conducting Business with Integrity,' which includes the implementation of a whistleblowing system. Both internal and external individuals who discover violations of the integrity policies can report them to the company via email or phone. The Company will assign appropriate personnel to handle the reported cases. (2) The personal information of whistleblowers will be kept confidential in accordance with the law, and appropriate measures will be taken to protect individual privacy. Upon receiving a report, the investigation process involves	No major difference

Evaluation Item	Implementation Status			Deviations from the "Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies" and Reasons
	Yes	No	Abstract Illustration	
			various techniques such as backward tracing, observation, questioning, analysis, verification, investigation, and evaluation to collect concrete evidence. After the investigation is completed, further actions will be taken in accordance with national regulations and company policies.	
(3) Does the company provide proper whistleblower protection?	✓		(3) The company ensures confidentiality of the handling process and whistleblower information throughout the whistleblowing process. Whistleblowers will not face any improper treatment as a result of their report.	

<table>
<tr><th rowspan="2">Evaluation Item</th><th colspan="3">Implementation Status</th><th rowspan="2">Deviations from the “Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies” and Reasons</th></tr>
<tr><th>Yes</th><th>No</th><th>Abstract Illustration</th></tr>
<tr><td>4. Strengthening information disclosure
(1) Does the company disclose its ethical corporate management policies and the results of its implementation on the company’s website and MOPS?</td><td>✓</td><td></td><td>The Company disclose the 'Ethical Corporate Management Policies ' and the results of our implementation have been posted on the Company’s website and MOPS.</td><td>No major difference</td></tr>
<tr><td colspan="5">5. If the company has established the ethical corporate management policies based on the Ethical Corporate Management Best-Practice Principles for TWSE/TPEx Listed Companies, please describe any discrepancy between the policies and their implementation.

The Company has established the 'Ethical Corporate Management Policies ' .There have been no differences with the Ethical Corporate Management Best-Practice Principles for TWSE/TPEx Listed Companies.</td></tr>
<tr><td colspan="5">6. Other important information to facilitate a better understanding of the company’s ethical corporate management policies (e.g., review and amend its policies).
(1)The company complies with the Company Act, Securities and Exchange Act, Business Accounting Act, relevant regulations for listing on stock exchanges, and other laws and regulations related to commercial activities. These serve as the foundation for implementing ethical corporate management, and the company conducts its operations based on these principles.</td></tr>
</table>

Evaluation Item	Implementation Status			Deviations from the “Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies” and Reasons
	Yes	No	Abstract Illustration	
(2) The "Board of Directors Meeting Regulations" of the Company includes a system for directors to avoid conflicts of interest. For agenda items in which a director, their affiliated entities, or their representatives have a vested interest that may harm the company's interests, they are allowed to express opinions and provide answers, but they are not permitted to participate in discussions or voting. They must abstain from discussions and voting, and they are not allowed to delegate their voting rights to other colleagues.				

4.8 Corporate Governance Guidelines and Regulations

Please refer to the Company's website at www.jve-tech.com of "**Corporate Governance".**

4.9 Other Important Information Regarding Corporate Governance

Please refer to above 4.4 Corporate Governance Implementation Status and Deviations from "the Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies" item 8.

4.10 Internal Control Systems

(1)Disclosures for Statement of the Internal Control System

Jhen Vei Electronic Co., LTD.

Declaration for Statement of Internal Control System

Date: March 28, 2023

We made the following declaration based on self-assessment on the Company's internal control policies in 2022:

I. The Company acknowledges and understands that establishment, implementation and maintenance of the internal control system are the responsibility of the Board and managerial officers, and that such a system has already been established throughout the Company. The purpose of this system is to provide reasonable assurance in terms of business performance, efficiency (including profitability, performance, asset security etc.,), reliable, timely and transparent financial reporting, and regulatory compliance.

II. The internal control system is designed with inherent limitations. No matter how perfect the internal control system is, it can only provide a reasonable assurance to the fulfillment of the three objectives referred to above. Moreover, the effectiveness of the internal control system could be affected by the changes of environment and circumstances. However, self-supervision measures were implemented within the Company's internal control policies to facilitate immediate rectification once procedural flaws were identified.

III. The Company evaluates the effectiveness of its internal control policy design and execution based on the criteria specified in "Regulations Governing the Establishment of Internal Control Systems by Public Companies" (hereinafter referred to as the "Regulations"). The criteria introduced by the "Regulations" consists of five major elements, each representing a different stage of internal control: 1. Control environment, 2. Risk evaluation and response, 3. Procedural control, 4. Information and communication, 5. Supervision. Each element further encompasses several sub-elements. Please refer to "the Regulations" for details.

IV. The Company has adopted the above-mentioned criteria to validate the effectiveness of its internal control design and execution.

V. Based on the assessments described above, the Company considers the design and execution of its internal control policies to be effective as of December 31, 2022. This system (including the supervision and management of subsidiaries) has provided assurance with regards to the Company's business results, target accomplishments, reliability, timeliness and transparency of reported financial information, and its compliance with relevant laws.

VI. The Statement forms an integral part of the Company's annual report and prospectus, and shall be made public. Any illegal misrepresentation or concealment in the public statement above are subject to the legal consequences described in Articles 20, 32, 171, and 174 of the Securities and Exchange Act.

VII. This Statement was approved at the Company's Board of Directors meeting held on March 28, 2023.None of the 8 directors present to the meeting held any objections, and unanimously agreed to the content of this declaration.

Jhen Vei Electronic Co., LTD.

Chairman : Niang Chuan, Wei

General Manager: Kevin, Ge

(2)The party responsible for engaging the accountant to review the internal control system shall disclose the accountant's review report: None.

4.11 Penal Provisions

If there has been any legal penalty against the company and its internal personnel, or any disciplinary penalty by the company against its internal personnel for violation of the internal control system, during the most recent fiscal year or during the current fiscal year up to the publication date of the annual report, where the result of such penalty could have a material effect on shareholder interests or securities prices, the annual report shall disclose the penalty, the main shortcomings, and condition of improvement: None.

4.12 Major Resolutions of Shareholders' Meeting and Board Meetings

Major Resolutions of Shareholders' Meeting

Date	Major resolutions	Implementation status
06/17/2022	1. Approval of the 2021 Business Report and Financial Statements 2.Approval of the Loss Offset Proposal of the 2021. 3. Approval of amendment to the Articles of Incorporation. 4. Amendment to the "Regulations Governing the Acquisition and Disposal of Assets by Public Companies". 5. Amendment to the Rules of Procedure for Shareholder Meetings. 6. 2022Proposal for a cash offering by private placement. 7. Resolution for Board of Directors Election.	(1)All actions have been executed and relevant information has been publicly disclosed on the Taiwan Stock Exchange's website, in accordance with regulations. (2) The amendments to the company's articles of incorporation and the election of directors and supervisors have been duly registered with the Taipei City Government. (3) The quota for private placement of securities will remain valid for one year from the date of the 111th Annual Shareholders' Meeting resolution. The cancellation of this quota was resolved during the 6th Board of Directors meeting of the 9th term.

Major Resolutions of Board Meetings

Date	Major resolutions	Opinions of all independent directors and the company's handling of the opinions of independent directors.
03/18/2022	1. Approval of the 2021 Business Report and Financial Statements. 2.Approval of the Loss Offset Proposal of the 2021 3.Internal Control Statement of the 2021 。 4. The nominations of directors (including independent directors) were accepted at the 2022 Annual Shareholders' Meeting of the Company. 5.Amendment to the Articles of Incorporation. 。 6.Amendment to the "Regulations Governing the Acquisition and Disposal of Assets by Public Companies" 7.Amendment to the " Corporate Governance Guidelines" 8. Amendment to the "Authority Matrix "of Subsidiary.	No any objections.

Date	Major resolutions	Opinions of all independent directors and the company's handling of the opinions of independent directors.
	9. Manager Appointment. 10. Termination of Manager Non-Competition Agreement. 11. Related-Party Fund Lending. 12. Convene 2022 annual shareholders’ meeting. 13. Reassignment of Director Representative for Invested Companies. 14.Disposal of Significant Subsidiary	
04/26/2022	1.List of Director (including Independent Directors). 2. Termination of Directors Non-Competition Agreement. 3. Amendment to the Rules of Procedure for Shareholder Meetings. 4. Cancellation of Unexecuted for Private Placement of Securities Approved at the 2021 Annual Shareholders' Meeting. 5.2022Proposal for a cash offering by private placement. 6. Bank Comprehensive Credit Limit Case. 7. Recognition of Disposal of Significant Subsidiary. 8. Amendment of Agenda for the 2022 Annual Shareholders' Meeting of the Company. 9. Resolutions of the 7th Remuneration Committee Meeting of the 4th term and Managerial Remuneration. 10. Subsidiary Endorsement and Guarantee.	No any objections.
05/12/2022	1. Consolidated Financial Statements for the 1st Quarter of 2022Fiscal Year. 2 .Bank Loan Extension. 3. Amendment of "Internal Control System". 4. Evaluation of the Independence and Suitability of the Auditor's Certification. 5. Capital Increase for Subsidiary Hua Ying Energy Co., Ltd. 6. Establishment of Authority Matrix for Hua Yin Energy Co., Ltd.	No any objections.
08/11/2022	1. Appointment of Accounting manager. 2. Consolidated Financial Statements for the 2nd Quarter of 2022 Fiscal Year. 3. Acquisition of Equity in Subsidiary Company GZ Electronics from its Subsidiary. 4. Capital Increase for GZ Electronics. 5. Establishment of Employee Stock Ownership Trust. 6. Resolutions of the 1st Remuneration Committee Meeting of the 5th term.	No any objections.
11/09/2022	1. Consolidated Financial Statements for the 3rd Quarter of the 2022 Fiscal Year. 2. Appointment of Finance Supervisor manger. 3. Audit Plan for the 2023. 4. Endorsement and Guarantee for Subsidiary Company. 5. Extension of Bank Credit Limit. 6. Reassignment of Representative for Invested Companies. 7. Resolutions of the 2nd Remuneration Committee Meeting of the 5th term Case. 8. Amendment of Tripartite Cooperation Agreement Case.	No any objections.

Date	Major resolutions	Opinions of all independent directors and the company's handling of the opinions of independent directors.
1/11/2023	1. Establishment of "Financial Business Operation Guidelines for Transactions among Related Parties". 2 .Abolition of "Subsidiary Management Regulations". 3 Abolition of "Group and Specific Company Financial Business Operation Guidelines". 4. Amendment of certain articles in the "Corporate Governance Guidelines". 5. Reassignment of Director Representative for Invested Companies.	No any objections.
3/28/2023	1. Appointment of Accounting manager. 2. Business Report and Financial Statements for the Fiscal Year 2022. 3. Profit Distribution for the Fiscal Year 2022. 4.Internal Control Statement for the Fiscal Year 2022 5. Revision of Internal Control System. 6. Amendment of certain articles in the "Procedures for Financial Derivatives Transactions ". 7. Amendment of certain articles in the "Operating Procedures of Endorsement / Guarantees ". 8. Amendment of certain articles in the "Operating Procedures for Loaning Funds to Other". 9. Amendment of Authority Matrix. 10. Evaluation of the Independence and Suitability of the Auditor and Compensation. 11. Proposal to establish general principles for the Pre-approval Policy of Non-Assurance Services. 12. Funds Lending to Subsidiaries. 13. Cancellation of Unexecuted Quota for Endorsement and Guarantee of Subsidiaries. 14. Endorsement and Guarantee by Subsidiary Companies. 15. Amendment of certain articles in the "Internal Significant Information Handling Procedures". 16. Planning of Greenhouse Gas Inventory and Verification Schedule for Subsidiaries. 17. The convening of the 2023 Annual Shareholders' Meeting. 18. Budget for the Fiscal Year 2023. 19. Discussion on Director and Employee Remuneration for the Fiscal Year 2022.	No any objections.
5/11/2023	1. Consolidated Financial Statements for the 1st Quarter of the 2023 Fiscal Year. 2. Establishment of Corporate Governance Supervisor Position. 3. Amendment of Agenda for the 2023 Annual Shareholders' Meeting of the Company. 4. Amendment of certain articles in the "Articles of Incorporation". 5. Amendment of certain articles in the "Shareholders Meeting Rules". 6. Amendment of certain articles in the "Operating Procedures for Loaning Funds to Others". 7. Cancellation of Unexecuted Quota for Private Placement of Securities approved at the 2022 Annual Shareholders' Meeting.	No any objections.

Date	Major resolutions	Opinions of all independent directors and the company's handling of the opinions of independent directors.
	8. Private Placement of Securities for the Fiscal Year 2023. 9. Bank Comprehensive Credit Limit. 10. Resolutions of the 3rd Remuneration Committee Meeting of the 5th term and Managerial Remuneration.	

4.13 Major Issues of Record or Written Statements Made by Any Director or Supervisor Dissenting to Important Resolutions Passed by the Board of Directors: None

4.14 Resignation or Dismissal of the Company's Key Individuals, Including the Chairman, CEO, and Heads of Accounting, Finance, Internal Audit, Corporate Governance and R&D

Title	Name	Date of Appointment	Date of Termination	Reasons for Resignation or Dismissal
General Manager	Niang Chuan, Wei	10/03/2019	03/18/2022	Position adjustment
Accounting Manager	Yao-De, Huang	08/09/2019	07/22/2022	Resignation for personal career development
Financial Manager	Yao-De, Huang	08/09/2019	07/22/2022	Resignation for personal career development
Accounting Manager	Zang-Lan, Wang	08/11/2022	03/28/2023	Position adjustment

5. Information Regarding the Company's Audit Fee and Independence

Unit: NT$ thousands

Accounting Firm	Name of CPA	Period Covered by CPA's Audit	Audit Fee	Non-audit Fee	Total	Remarks
KPMG(Taiwan)	HENG SHEN LIN SHU CHI YANG	2022.01.01~ 2022.12.31	1,920	50	1,970	Annual Report and salary review 50

(1) The accounting firm was changed in the current fiscal year, and the audit fees paid for the current fiscal year decreased compared to the audit fees of the previous fiscal year: None.
(2) A decrease in audit fees by more than 10 percent compared to the previous fiscal year: None.

6. **Replacement of CPA:** None.

7. **The Employment of the Company's Chairman, General Manager, Financial or Accounting Manager with the Auditing CPA Firm or Its Affiliated Businesses in the ast Year:** None.

8. Changes in Shareholding of Directors, Supervisors, Managers and Major Shareholders

(1) Changes in Shareholding of Directors, Supervisors, Managers and Major Shareholders

Unit: shares

Title	Name	2022		As of May 1, 2023	
		Holding Increase (Decrease)	Pledged Holding Increase (Decrease)	Holding Increase (Decrease)	Pledged Holding Increase (Decrease)
Chairman	YongDing Investment Co., Ltd.	0	0	0	0
Chairman Representative & General Manager	Niang- Chuan Wei(Note2)	0	0	0	0
Director	Cing-Lang Jhong	0	0	0	0
Director	Ying- Ciang, Jeuo(Note3)	0	0	0	0
Director	Yu- Rong Pan	0	0	0	0
Director	Jian-Hong, Lin(Note3)	0	0	0	0
Director	Shih-Fung Liao	0	0	0	0
Director	Jhih- Jiang,Lin(Note5)	0	0	Not applicable	Not applicable
Director	Yu-jyun Shen(Note6)	Not applicable	Not applicable	0	0
Director	Jyun-Yi Jhou	0	0	0	0
Director	Shih-Tong Lu	0	0	0	0
Director	Chin-Han Chen	0	0	0	0
Supervisor	Hua Tai Management Consulting Co., Ltd.	0	0	0	0
Supervisor	Hong-Jyun Lin(Note4)	0	0	Not applicable	Not applicable
Supervisor	Mei- Huei, Jhang(Note3)	0	0	Not applicable	Not applicable
Supervisor	Ruei-Ming, Huang(Note3)	0	0	Not applicable	Not applicable
General Manager	Kevin, Ge	(42,000)	0	(48,000)	0
Associate, Accounting& Finance Division	Yao-De, Huang(Note7)	0	0	Not applicable	Not applicable
Accounting manager	Zang -Lan, Wang(Note8)	0	0	0	0
Associate, Accounting& Finance Division	C.T .Lan(Note9)	0	0	0	0
Associate, Sale Division	Jheng- Long ,Lin	62,000	0	(43,000)	0

Note 1: Information regarding directors, supervisors, executives, and major shareholders during their tenure or incumbency.
Note 2: Resigned as General Manager on March 18, 2022.
Note 3: Resigned on June 17, 2022.
Note 4: Resigned as supervisor on June 17, 2022, and appointed as director on the same date.
Note 5: Resigned on October 31, 2022.
Note 6: Appointed as director on January 12, 2023.

Note 7: Resigned on July 22, 2022.
Note 8: Resigned on March 28, 2023.
Note 9: Appointed as CFO on November 9, 2022, and appointed as Accounting Manager on March 28, 2023.

(2)Shares Trading with Related Parties :None.

(3) Shares Pledge with Related Parties : None

9. Relationship among the Top Ten Shareholders

As of 05/1/2023

Name	Current Shareholding		Spouse's/minor's Shareholding		Shareholding by Nominee Arrangement		Name and Relationship Between the Company's Top Ten Shareholders, or Spouses or Relatives Within Two Degrees		Remarks
	Shares	%	Shares	%	Shares	%	Name	Relationship	
YongDing Investment Co., Ltd.	10,374,629	15.07%	0	0.00%	0	0.00%	-	-	
YongDing Investment Co., Ltd. Representative: Niang - Chuan Wei	300,000	0.44%	0	0.00%	0	0.00%	-	-	
YongDing Investment Co., Ltd. Representative: Cing-Lang Jhong	0	0.00%	0	0.00%	0	0.00%	-	-	
YongDing Investment Co., Ltd. Representative: Yu- Rong Pan	0	0.00%	0	0.00%	0	0.00%	-	-	
HuaTai Management Consulting Co., Ltd	6,359,230	9.24%	0	0.00%	0	0.00%	-	-	
HuaTai Management Consulting Co., Ltd Representative: Hong-Jyun Lin	0	0.00%	0	0.00%	0	0.00%	Shih-Fung Liao	Relatives Within Two Degrees	
HuaTai Management Consulting Co., Ltd Representative: Shih-Fung Liao	0	0.00%	0	0.00%	0	0.00%	Hong-Jyun Lin	Relatives Within Two Degrees	
HuaTai Management Consulting Co., Ltd Representative: Yu-jyun Shen	0	0.00%	0	0.00%	0	0.00%	-	-	
Huei-Jhen, Jhuang	1,196,000	1.74%	0	0.00%	0	0.00%	-	-	
Syue-Ying, Liou	1,151,773	1.67%	0	0.00%	0	0.00%	-	-	
Citi Custody Berkeley Capital SBL/PB Investment Fund	1,059,000	1.54%	Not applicable		Not applicable		Not applicable	Not applicable	
Ciou-Yue, Jhang	892,034	1.30%	0	0.00%	0	0.00%	-	-	
Shih-Sheng, Gai	744,292	1.08%	0	0.00%	0	0.00%	-	-	
Ding-Sian, Yang	707,076	1.03%	0	0.00%	0	0.00%	-	-	
Min-Syu, Wu	700,000	1.02%	0	0.00%	0	0.00%	-	-	
Yong-Wei , Lin	632,923	0.92%	0	0.00%	0	0.00%	-	-	

10.Ownership of Shares in Affiliated Enterprises

Unit: shares/ %

Affiliated Enterprises	Ownership by the Company		Direct or Indirect Ownership by Directors/Supervisors/Managers		Total Ownership	
	Shares	%	Shares	%	Shares	%
JHEN VEI ENTERPRISE CO., LTD.	48	100.00	0	0	48	100.00
PORS WIRING CO., LTD.	48	100.00	0	0	48	100.00
HUAIAN JHEN VEI ELECTRONICS CO., LTD.	0	0	(Note1)	100.00	(Note1)	100.00
JHEN VEI INVESTMENT CO., LTD.	0	0	810	100.00	810	100.00
HUAYIN ENERGY CO., LTD.	10,000	100.00	0	0	10,000	100.00
GZ ELECTRONIC CO., LTD.	20,000	100.00	0	0	20,000	100.00

Note 1: As a limited company, no shares are issued.

Note 2: The Company has disposed of all its shares in Uniforce Technology Corporation. as of April 2022, and Uniforce Technology Corporation is no longer a related party or a significant subsidiary of the company, hence not listed here.

IV. Capital Overview
1. Capital and Shares
1.1 Source of Capital
(1) Issued Shares

As of 05/01/2023

Month/ Year	Par Value (NT$)	Authorized Capital		Paid-in Capital		Remark		
		Shares	Amount (NT$ thousands)	Shares	Amount (NT$ thousands)	Sources of Capital	Capital Increased by Assets Other than Cash	Other
1986.03	10.00	100,000	1,000,000	100,000	1,000,000	Cash capital increase of establishment NTD1,000,000	None	Approval date and document number： 1986.02.21 Ref.No.Jiansanzi 53737
1988.08	10.00	500,000	5,000,000	500,000	5,000,000	Cash capital increase of NTD4,000,000	None	Approval date and document number： 1988.08.29 Ref.No.Jiansanzi 341569
1992.11	10.00	1,499,000	14,990,000	1,499,000	14,990,000	Cash capital increase of NTD9,990,000	None	Approval date and document number： 1992.11.13 Ref.No.Jiansanzi 375310
1997.06	10.00	3,600,000	36,000,000	3,600,000	36,000,000	Cash capital increase of NTD21,010,000	None	Approval date and document number： 1997.07.04 Ref.No.Jiansanzi 193694
2002.07	10.00	25,000,000	250,000,000	25,000,000	250,000,000	Cash capital increase of NTD214,000,000	None	Approval date and document number： 2002.08.19 Ref.No.Shoushangzi 09101333610
2005.03	10.00	45,000,000	450,000,000	20,500,000	205,000,000	Capital reduction to cover losses NTD45,000,000	None	Approval date and document number： 2005.04.13 Ref.No.Shouzhongzi 09431939160
2005.03	10.00	45,000,000	450,000,000	30,500,000	305,000,000	Cash capital increase of NTD100,000,000	None	Approval date and document number： 2005.04.13 Ref.No.Shouzhongzi 09431939160
2006.05	40.00	45,000,000	450,000,000	35,500,000	355,000,000	Cash capital increase of NTD50,000,000	None	Approval date and document number： 2006.05.29 Ref.No.Shouzhongzi 09532233540
2006.07	10.00	45,000,000	450,000,000	39,912,754	399,127,540	Capitalization of retained earnings of NTD35,500,000; capitalization of employee bonuses of NTD8,627,540	None	Approval date and document number： 2006.08.01 Ref.No.Shouzhongzi 09532604540
2007.06	10.00	45,000,000	450,000,000	42,658,391	426,583,910	Capitalization of retained earnings of NTD19,956,370; capitalization of employee bonuses of NTD7,500,000	None	Approval date and document number： 2007.08.20 Ref.No.Shouzhongzi 09632633410
2007.08	26.00	65,000,000	650,000,000	49,658,391	496,583,910	Cash capital increase of NTD70,000,000	None	Approval date and document number： 2007.10.25 Ref.No.Shouzhongzi 09632948610
2008.09	10.00	65,000,000	650,000,000	50,880,338	508,803,380	Capitalization of retained earnings of NTD9,888,470; capitalization of employee bonuses of NTD2,331,000	None	Approval date and document number： 2008.09.05 Ref.No.Jingshoushangzi 09701222460

Month/ Year	Par Value (NT$)	Authorized Capital		Paid-in Capital		Remark		
		Shares	Amount (NT$ thousands)	Shares	Amount (NT$ thousands)	Sources of Capital	Capital Increased by Assets Other than Cash	Other
2009.08	10.00	65,000,000	650,000,000	51,885,564	518,855,640	Capitalization of retained earnings of NTD10,052,260	None	Approval date and document number： 2009.08.18 Ref.No.Jingshoushangzi 09801187240
2011.04	10.00	65,000,000	650,000,000	51,266,564	512,665,640	Retired treasury stock, reducing capital by 6,190,000 NTD	None	Approval date and document number： 2011.04.15 Ref.No.Jingshoushangzi 10001074840
2015.05	14.10	65,000,000	650,000,000	53,394,222	533,942,220	Private Placement of first domestic Convertible Bonds of 2013year, it converted into 2,127,658 ordinary shares per Value 14.10 of the company of NTD30,000,000	None	Approval date and document number： 2015.06.29 Ref.No.Jingshoushangzi 10401098210
2016.08	14.10	65,000,000	650,000,000	54,599,895	545,998,950	Private Placement of first domestic Convertible Bonds of 2013year, it converted into 1,205,673 ordinary shares per Value 14.10 of the company of NTD17,000,000	None	Approval date and document number： 2016.08.25 Ref.No.Jingshoushangzi 10501209600
2016.11	14.10	65,000,000	650,000,000	64,032,517	640,325,170	Private Placement of first domestic Convertible Bonds of 2013year, it converted into 9,432,622 ordinary shares per Value 14.10 of the company of NTD133,000,000	None	Approval date and document number： 2016.12.07 Ref.No.Jingshoushangzi 10501278130
2018.10	6.00	90,000,000	900,000,000	74,032,517	740,325,170	The company conducted the first and second private placements of 2017year common shares through cash NTD100,000,000	None	Approval date and document number： 2018.10.25 Ref.No.Jingshoushangzi 10701135470
2018.11	10.00	90,000,000	900,000,000	38,846,778	388,467,780	Capital reduction of offset the losses NTD351,857,390	None	Approval date and document number： 2018.11.14 Ref.No.Jingshoushangzi 10755543200
2020.04	7.18	90,000,000	900,000,000	48,846,778	488,467,780	The company conducted the first private placements of 2019year common shares through cash NTD100,000,000	None	Approval date and document number： 2020.05.12 Ref.No. Fuchanyeshangzi 10948683910
2021.12	12.80	90,000,000	900,000,000	68,846,778	688,467,780	Cash capital increase of NTD200,000,000	None	Approval date and document number： 2021.12.20 Ref.No.Jingshoushangzi 11001234440

(2)Type of Stock

As of 05/01/2023

Share Type	Authorized Capital			Remarks
	Issued Shares	Un-issued Shares	Total Shares	
Common stock	68,846,778	21,153,222	90,000,000	Over-the-counter Stocks 46,900,893 private placements Stocks 21,945,885

(3)Summary declaration system-related information: None

1.2 Status of Shareholders

As of 12/31/2019

Item	Government Agencies	Financial Institutions	Other Juridical Persons	Domestic Natural Persons	Foreign Institutions & Natural Persons	Total
Number of Shareholders	0	0	139	17,344	15	17,498
Shareholding (shares)	0	0	16,816,782	49,028,863	3,001,133	68,846,778
Percentage	0%	0%	24.43%	71.21%	4.36%	100.00%

1.3 Shareholding Distribution Status

Common Shares

As of 05/01/2023

Class of Shareholding (Unit: Share)	Number of Shareholders	Shareholding (Shares)	Percentage
1 ~ 999	11,954	501,791	0.73%
1,000 ~ 5,000	4,020	8,193,402	11.90%
5,001 ~ 10,000	734	5,707,146	8.29%
10,001 ~ 15,000	257	3,251,142	4.72%
15,001 ~ 20,000	161	2,965,432	4.31%
20,001 ~ 30,000	123	3,153,841	4.58%
30,001 ~ 40,000	65	2,313,162	3.36%
40,001 ~ 50,000	40	1,867,409	2.71%
50,001 ~ 100,000	79	5,508,720	8.00%
100,001 ~ 200,000	35	4,659,702	6.77%
200,001 ~ 400,000	14	3,969,363	5.77%
400,001 ~ 600,000	6	2,938,711	4.27%
600,001 ~ 800,000	4	2,784,291	4.04%
800,001 ~ 1,000,000	1	892,034	1.30%
1,000,001 or over	5	20,140,632	29.25%
Total	17,498	68,846,778	100.00%

1.4 List of Major Shareholders

As of 05/01/20123

Shareholder's Name	Shareholding	
	Shares	Percentage
YongDing Investment Co., Ltd.	10,374,629	15.07%
HuaTai Management Consulting Co., Ltd	6,359,230	9.24%
Huei-Jhen , Jhuang	1,196,000	1.74%
Syue-Ying, Liou	1,151,773	1.67%
Citi Custody Berkeley Capital SBL/PB Investment Fund	1,059,000	1.54%
Ciou-Yue, Jhang	892,034	1.30%
Shih-Sheng, Gai	744,292	1.08%
Ding-Sian, Yang	707,076	1.03%
Min-Syu, Wu	700,000	1.02%
Yong-Wei , Lin	632,923	0.92%

Note: List all shareholders with a stake of 5 percent or greater, and if those are fewer than 10 shareholders, also list all shareholders who rank in the top 10 in shareholding percentage, and specify the number of shares and stake held by each shareholder on the list.

1.5 Market Price, Net Worth, Earnings, and Dividends per Share

Unit: NT$

Items	2022	2021	01/01/2023-03/31/2023 (Note 3)
Market Price per Share			
Highest Market Price	27.05	18.80	16.30
Lowest Market Price	13.00	12.05	13.90
Average Market Price	17.52	14.06	15.06
Net Worth per Share(Note2、3)			
Before Distribution	11.80	10.26	11.24
After Distribution	(Note 1)	10.26	(Note 1)
Earnings per Share			
Weighted Average Shares (thousand shares)	68,847	49,724	68,847
Diluted Earnings Per Share	1.49	0.13	0.90
Adjusted Diluted Earnings Per Share	1.49	0.13	0.90
Dividends per Share			
Cash Dividends	0.3	0	0
Stock Dividends			
• Dividends from Retained Earnings	0	0	0
• Dividends from Capital Surplus	0	0	0
Accumulated Undistributed Dividends	0	0	0
Return on Investment			
Price / Earnings Ratio	11.76	108.15	16.73
Price / Dividend Ratio	0	0	0
Cash Dividend Yield Rate	0	0	0

Note 1：The profit distribution plan for the fiscal 2022year has been approved by the board of directors on Mar. 28, 2023, and it was decided to distribute a cash dividend of NTD0.3 per share.

Note 2：Net Worth per Share and Earnings per Share of the 2021-2022year in the table above are the number certified by the CPAs.

Note 3：Net Worth per Share and Earnings per Share of the 01/01/2023~03/31/2023 in the table above are the number reviewed by the CPAs. The remaining columns are the data for the current year as of the publication date of the annual report.

1.6 Dividend Policy and Implementation Status

(1)Dividend Policy

The dividend distribution of our company is determined in accordance with the provisions of our company's bylaws. Dividends may be distributed in the form of cash dividends or stock dividends. However, various factors are taken into consideration, including the investment environment, domestic and international competition, shareholder interests, long-term financial planning of the company, funding requirements, and the impact on company operations. The actual type and ratio of dividend distribution are proposed by the Board of Directors based on the actual profits and financial conditions of the year. They are then discussed and resolved upon by the shareholders' meeting.

(2)Proposed Distribution of Dividend

The profit distribution plan for the fiscal 2022year has been approved by the board of directors on March 28, 2023, and it was decided to distribute a cash dividend of NTD0.3 per share.

1.7 Effect on the Operating Performance and Earnings per Share of Distribution of Stock Dividends Proposed or Adopted in the current year: None.

1.8 Compensation of Employees, Directors and Supervisors

(1)Information Relating to Compensation of Employees, Directors and Supervisors in the Articles of Incorporation:

According to the company's bylaws, it is stipulated that if the company generates profits in a fiscal year, a minimum of 2.5% should be allocated as employee remuneration. The distribution can be made in the form of stocks or cash and includes employees of both controlling and subsidiary companies who meet certain conditions. Additionally, the board of directors may allocate up to 3% of the aforementioned profit for director and supervisor remuneration. The distribution plans for employee remuneration and director and supervisor remuneration should be reported to the shareholders' meeting. However, if the company has accumulated losses, an amount should be reserved in advance for offsetting such losses before allocating employee and director and supervisor remuneration according to the aforementioned proportions.

(2)The basis for estimating the amount of employee, director, and supervisor compensation, for calculating the number of shares to be distributed as employee compensation, and the accounting treatment of the discrepancy, if any, between the actual distributed amount and the estimated figure, for the current period.：

The Company estimates the remuneration amounts for employees, directors, and supervisors based on the provisions in the company's articles of incorporation. The estimation basis is determined by allocating a portion of the pre-tax income, before distributing employee and director/supervisor remuneration, at a rate not less than 2.5% and not exceeding 3% respectively.

The Company calculates the number of shares for employee remuneration in the form of stock distributions based on the calculation basis. The calculation basis is determined using the closing price of the day prior to the shareholders' meeting, taking into account the impact of ex-rights and ex-dividends. Refer to the calculation formula provided by Taiwan Stock Exchange Corporation for ex-rights and ex-dividends reference price.

The calculation formula is as follows:

$$(A + B) / (1 + C)$$

A: Ex-rights and ex-dividends reference price – dividends

B: Cash capital increase subscription price * cash capital increase stock allocation rate

C: Shareholders' free stock allocation rate + cash capital increase stock allocation rate

Accounting treatment for differences between the actual distribution amount and the estimated amount:

1) There is a significant change in the amount of disbursements approved by the Board of Directors prior to the issuance date of the annual financial report, the adjustment for such change is made to the originally allocated annual expenses.

2) If there are still changes in the amounts after the annual financial report has been approved and released, such changes will be processed and adjusted in the subsequent year's accounting estimates.

For information regarding employee and director/supervisor remuneration as determined by the shareholders' meeting of the Company, please refer to the "Public Information Observation System" of Taiwan Stock Exchange for further details.

(3)Distribution of Compensation of Employees, Directors and Supervisors for 2022 Approved in the Board of Directors Meeting

1)Recommended Distribution of Compensation of Employees, Directors and Supervisors：

Employee			Directors'and Supervisors'	Difference Description
in Cash	in Stock	TOTAL	in Cash	
2,022,465	0	2,022,465	2,426,958	Note

Note: The amount recognized is higher than the estimated figure by a total of NT$204,661. The main reason for the difference is accounting estimation variance. The treatment involves including the variance between the estimated and actual figures as expenses for the year 2023.

2) The amount of any employee compensation distributed in stocks, and the size of that amount as a percentage of the sum of the after-tax net income stated in the parent company only financial reports or individual financial reports for the current period and total employee compensation.：None.

(4) Information of 2021 Distribution of Compensation of Employees, Directors and Supervisors (with an indication of the number of shares, monetary amount, and stock price, of the shares distributed) and, if there is any discrepancy between the actual distribution and the recognized employee, director, or supervisor compensation, additionally the discrepancy, cause, and how it is treated.:
During the fiscal year 2021, no compensation was distributed to employees, directors, and supervisors, resulting in a total of NTD 0. There is no difference between the actual distribution and the recognized compensation for employees, directors, and supervisors, as both amounts are NTD 0. This aligns with the estimated expenses for employee, director, and supervisor compensation in the fiscal year 2020.

1.9 Buy-back of Treasury Stock: None.

2. Bonds : None.

3. Financing Plans and Implementation

3.1 Finance Plans：

As of the quarter preceding the publication date of the annual report, the previous issuance or private placement of securities has not been completed or has been completed within the last three years and the planned benefits have not yet appeared.

【For each uncompleted public issue or private placement of securities】：

(1)On June 19, 2020, our company's shareholder meeting approved a cash capital increase plan to enhance working capital and meet the future funding needs of our company's operations. The plan involved a private placement of up to 10,000 thousand shares of common stock with a par value of NT$10 per share. The total amount raised through the private placement would depend on the issue price and the actual number of shares issued. The issuance of these shares was planned to be conducted in two stages within one year from the date of the shareholder meeting, depending on the actual operational requirements of the company. As of May 12, 2021, before the 16th meeting of the fifth board of directors, no issuance plan had been established for this private placement, and therefore, the board of directors decided to cancel the execution of this allocation.

(2) On August 27, 2021, our company's shareholder meeting approved a cash capital increase plan to enhance working capital and meet the future funding needs of our company's operations. The plan involved a private placement of up to 10,000 thousand shares of common stock with a par value of NT$10 per share. The total amount raised through the private placement would depend on the issue price and the actual number of shares issued. The issuance of these shares was planned to be conducted in two stages within one year from the date of the shareholder meeting, depending on the actual operational requirements of the company. As of May 12, 2022, before the 24th meeting of the fifth board of directors, no issuance plan had been established for this private placement, and therefore, the board of directors decided to cancel the execution of this allocation.

(3) On June 17, 2022, our company's shareholder meeting approved a cash capital increase plan to enhance working capital and meet the future funding needs of our company's operations. The plan involved a private placement of up to 10,000 thousand shares of common stock with a par value of NT$10 per share. The total amount raised through the private placement would depend on the issue price and the actual number of shares issued. The issuance of these shares was planned to be conducted in two stages within one year from the date of the shareholder meeting, depending on the actual operational requirements of the company. As of May 11, 2023, before the sixth meeting of the ninth board of directors, no issuance plan had been established for this private placement, and therefore, the board of directors decided to cancel the execution of this allocation.

【Those completed within the last three years but have not yet shown planned benefits.】：N/A

3.2 Implementation:

Analyzing each of the previous plans' purposes, the execution status and a comparison with the originally anticipated benefits up until the quarter preceding the printing date of the annual report.

Year 2019

Regarding the execution status and a comparison with the originally anticipated benefits of the private placement of common shares in the year 2020, carried out during the board of directors meeting on April 8, 2020, the details are as follows:

(1)Plan details:

1) The purpose of the private placement of common shares in 2020, approved by the board of directors, was to enhance working capital.

- Subscription payment completion: Completed on April 13, 2020.
- Cash capital increase reference date: April 14, 2020.
- Approval of the cash capital increase application: The private placement of common shares in 2020 was approved and recorded under the government property industry letter number Fuchanyeshangzi 10948683910 by the competent authority on May 12, 2020

2) Total funding required for the plan: The private placement of common shares in 2020 aimed to raise NT$71,800 thousand Dollars.
3) Source of funds: Issuance of 10,000 thousand shares of common stock at an issuance price of NT$7.18 per share, raising a total of NT$71,800 thousand Dollars.
4) Plan for Cash Capital Increase and Utilization Progress:
■ The consolidated utilization status of the private placement of common stock in the year 2019 is as follows.

Project Item	Estimated Completion Date	Total Amount of Required Funds (in thousand Dollar)	Estimated fund utilization progress. (in thousand Dollar)
			3rd quarter of 2020
Enhancement of Working Capital	3rd quarter of 2020	71,800	71,800

■ Reasonable Expectation of Potential Benefits: It is expected to contribute to future business expansion, strengthen the company's financial structure, and enhance profitability and shareholders' equity.

5) Changes in plan details, reasons for changes, and the impact of changes on expected benefits: There were no changes made to the private placement of common shares in 2020, so this section is not applicable.
6) Date of enter the information reporting of the FSC-designated website: May 15, 2020.

(2) Execution Status: The consolidated utilization status of the private placement of common stock in the year 2019 is as follows.

Project Item	Execution Status	As of Q3 2020		Reasons for being ahead or behind schedule and improvement plans.
Enhancement of Working Capital	Funds Utilized	Estimated	71,800	The utilization of funds in this plan is based on actual needs.
		Actual	71,800	
	Execution Progress	Estimated	100.00%	
		Actual	100.00%	

(3)Evaluation of Execution Benefits

1) Changes in Current Assets, Current Liabilities, Interest Expenses, Operating Revenue, and Earnings per Share

Unit；NT$ thousands

Item	3/31/2020 (Before Cash Capital Increase)	6/30/2020 (after Cash Capital Increase)	Difference Amount	Difference Rate
Current assets	554,803	691,238	136,435	24.59%
Current liabilities	207,424	277,232	69,808	33.65%
Total liabilities	287,627	353,427	65,800	22.88%
Interest Expense	690	575	(115)	(16.67%)
Operating Revenue	131,273	272,613	141,340	107.67%
Earnings per Share	(0.11)	0.17	0.28	254.55%

Due to the completion of capital fundraising, our company witnessed a significant increase in current assets, revenue, and profit in the second quarter of the 2020 fiscal year compared to the first quarter. However, both current liabilities and total liabilities increased due to the growth in business volume. Overall, there was a notable improvement compared to the first quarter of the 2020 fiscal year.

2) Financial Structure and Debt Repayment Ability Analysis

Items		3/31/2020 (Before Cash Capital Increase)	6/30/2020 (after Cash Capital Increase)
Financial Structure	Debt Ratio	41.19%	42.06%
	Ratio of long-term capital to fixed assets	526.97%	566.33%
Debt Repayment Ability	Current ratio	267.47%	249.34%
	Quick ratio	194.21%	182.98%

In the fiscal year 2019, the private placement of common stock for cash capital increase amounted to NT$71,800 thousand. It was completed in April 2020, and the funds have been gradually utilized according to the planned progress. As a result of the doubled growth in operating revenue, the financial structure and debt repayment capacity have also improved. However, further observation is required as the increase in operating revenue exceeds the amount of the cash capital increase.

Year 2021

The following is an explanation of the implementation status and a comparison with the originally anticipated benefits of the year of 2021 cash capital increase and issuance of common shares plan decided at the Board of Directors meeting held on Aug.5, 2021:

(1)Plan details:

1) Total issuance amount of the plan: 20,000 thousand shares of common stock issued through cash capital increase, with a par value of NTD 10 per share, resulting in a total issuance amount of NT$ 200,000 thousand.

2) Source of funds for the plan: 20,000 thousand shares of common stock issued through cash capital increase, with an issuance price of NTD 12.80 per share, resulting in a total fundraising amount of NTD 256,000 million.

3) Project items and planned progress of fund utilization:

Unit；NT$ thousands

Project item	Date	Amount	Planned progress	
			2021	2022
			4th quarter	1st quarter
Repayment of bank loans	4th quarter of the year 2021	129,395	129,395	-
Strengthening working capital	1st quarter of the year 2022	126,605	35,000	91,605
Total		256,000	144,395	111,605

4) Expected Benefits:

A. Repayment of bank loans:

Out of the raised funds, an amount of NT$129,395 thousand will be used to repay bank loans. This will reduce interest expenses, decrease dependency on bank borrowings, strengthen the company's financial structure, and enhance debt repayment capability. Based on the interest rates and projected repayment dates for the bank loans, it is estimated that an annual interest savings of approximately NT$1,232 thousand can be achieved starting from the year 2022.

B. Strengthening working capital:

Out of the raised funds, an amount of NT$126,605 thousand will be utilized to meet the operational cash flow requirements for material purchases. The raised capital will replace bank financing, contributing to increased long-term financial stability, improved liquidity flexibility, and reduced operational risks. If this funding requirement were to be fulfilled through bank loans, estimated annual interest savings of around NT$1,203 thousand can be achieved starting from the year 2022, based on the current weighted average borrowing interest rate of 0.95% for the company's bank loans.

5) Changes to the plan, reasons for changes, and the impact before and after the changes:

The year of 2021 cash capital increase and issuance of common shares plan has not undergone any changes; hence, this section is not applicable.

6) Date of submission to the designated information reporting website of the Financial Supervisory Commission (FSC): November 5th, 2021.

(2) Execution Status: The consolidated utilization status of the year of 2021 cash capital increase and issuance of common shares plan is as follows.

Project item	Execution Status		4th quarter of the year 2021	1st quarter of the year 2022	Improvement plans
Repayment of bank loans	Amount	Expected	129,395	-	The fund utilization progress is in line with the original plan
		Actual	129,395	-	
	Planned progress	Expected	100.00%	-	
		Actual	100.00%	-	
Strengthening working capital	Amount	Expected	35,000	91,605	The fund utilization progress is in line with the original plan
		Actual	35,000	91,605	
	Planned progress	Expected	27.65%	100.00%	
		Actual	27.65%	100.00%	

(3)Evaluation of Execution Benefits

1) Changes in Current Assets, Current Liabilities, Interest Expenses, Operating Revenue, and Earnings per Share

Unit；NT$ thousands

Item	9/30/2021 (Before Cash Capital Increase)	3/31/2022 (after Cash Capital Increase)	Difference Amount	Difference Rate
Current assets	800,522	878,125	77,603	9.69%
Current liabilities	466,503	416,462	(50,041)	(10.73)%
Total liabilities	576,454	660,613	84,159	14.60%
Interest Expense	1,124	1,792	668	59.43%
Operating Revenue	321,970	242,018	(79,952)	(24.83)%
Earnings per Share	0.19	0.90	0.71	373.68%

Due to the completion of fund raising on Dec.13, 2022, the financial data for the first quarter of 2022 shows more comparability. Following the capital increase, the company witnessed an increase in both current assets and profits compared to the third quarter of 2021. The decline in operating revenue is primarily due to the disposal of a significant subsidiary, Uniforce Technology Corporation, resulting in the reclassification of its operating revenue as discontinued operations. While the current liabilities have decreased compared to pre-capital increase levels, the total liabilities increased due to the completion of solar energy power plant facilities, resulting in the reclassification of long-term liabilities and an increase in both total liabilities and interest expenses. Overall, there has been a significant improvement compared to the third quarter of 2021.

2) Financial Structure and Debt Repayment Ability Analysis

Items		9/30/2021 (Before Cash Capital Increase)	3/31/2022 (after Cash Capital Increase)
Financial Structure	Debt Ratio	53.10%	46.05%
	Ratio of long-term capital to fixed assets	370.99%	242.53%
Debt Repayment Ability	Current ratio	171.60%	210.85%
	Quick ratio	134.96%	170.59%

The cash capital increase for the fiscal year 2021 amounted to a total of NT$ 256,000 thousand. It was successfully raised and completed in December of the same year. The funds have been utilized according to the planned schedule. The debt repayment capability has significantly increased after the capital increase. However, the financial structure has been impacted due to the substantial capital expenditure in the energy industry, which relies on bank financing, and the reclassification of completed projects as fixed assets. As a result, the expected benefits in the financial structure have not been achieved.

V. Operational Highlights

1. Business Activities

1.1 Business Scope

(1) Main areas of business operations

A. Production, manufacturing, and sales of electronic components.

B. Electronic manufacturing services(EMS)

C. Development, planning, construction, and operation of solar photovoltaic power generation systems.

(2) Revenue distribution

Unit；NT$ thousands

Major Divisions	Total Sales in Year 2022	(%) of Total Sales
Electronic components	620,724	61.85
Electronic manufacturing services(EMS)	304,817	30.37
Energy	78,129	7.78
Total	1,003,670	100.00

(3) Main products

Main products	Applications
Electronic components	Components for consumer electronics, industrial electronics, medical and automotive products.
Electronic manufacturing services(EMS)	SMT, DIP, coating, assembly, testing, and packaging services
Energy	Selling electricity generated from solar power plants and providing integrated services for the construction and long-term operation of power plants

(4) New products development

The company continues to develop applications in various fields of wire and cable, providing new product specifications in line with customer product evolution. Additionally, the company invests continuously in equipment to provide comprehensive services in the downstream processing of electronic components. In the energy sector, the company continues to plan the development of power plants and provides services for the construction and profitable operation of power plants.

1.2 Industry Overview

(1) Current Status and Future Development

The company's electronic component and processing business adapts to the fluctuations in downstream industries by providing essential components and processing services for end products. With the rise of regional economies worldwide, there is a corresponding shift in the supply chain. Furthermore, as global industries increasingly prioritize ESG (Environmental, Social, and Governance) factors, product trends also lean towards greater environmental friendliness, including the handling of raw materials, manufacturing processes, and waste management in an eco-friendly manner.

Under the context of ESG-related issues, clean energy is receiving increasing attention from governments and businesses worldwide. Taiwan, in its pursuit of energy transition policies, is witnessing a growing demand for solar power generation. Additionally, Taiwan has established timetables for greenhouse gas reduction and carbon inventory. In the future, solar power generation will be one of the essential options for clean energy.

(2) Relationship with Up-, Middle- and Downstream Companies

	Electronic components	Electronic manufacturing services	Energy
Upstream	Metal materials, electroplating materials, and plastic materials	Semiconductors, metal-plastic components, firmware, electronic components	Solar modules, power generation equipment, building materials
Middle-stream	Connectors, terminals, cables, cable assemblies	SMT, DIP, coating, assembly, testing, and packaging services	Solar power plants, systems, and constructions
Downstream	Components for consumer electronics, industrial electronics, medical and automotive products	Components for consumer electronics, industrial electronics, medical and automotive products	Taiwan Power Company and self-owned power plants
Relationship			
Electronic components	The products of our company are various electronic components for electronic devices. Our upstream suppliers include metal and plastic suppliers, while our downstream customers consist of manufacturers in consumer electronics, industrial electronics, medical equipment, and automotive industries.		
Electronic manufacturing services	The Electronic manufacturing services business of our company operates with upstream suppliers such as semiconductor, metal and plastic component, firmware, and electronic component suppliers. Our downstream customers include manufacturers in consumer electronics, industrial electronics, medical equipment, and automotive industries.		
Energy	The energy business of our company operates with upstream suppliers of solar panel modules, power generation equipment, and construction materials. Our downstream customers include Taiwan Power Company and self-operated power plants.		

(3) Product Trends and Competition

A. Product Trends

In the electronic components and processing business, products are continuously evolving towards the principles of lightweight, thinness, shortness, and smallness in design. Additionally, there is a growing emphasis on environmentally friendly materials and recycling practices to reduce harm to the Earth.

In the solar power plant sector, apart from the development of more efficient power generation modules upstream, as the increase in demand for solar energy generation, suppliers are gradually developing transparent solar panels that can be installed on all sides of buildings to maximize the surface area available for power generation.

B. Product Competition

The electronic components and processing business is significantly influenced by the price fluctuations of metal and plastic materials, as well as the increasing cost of labor. To mitigate these impacts and maintain competitiveness, the company is continuously investing in automation equipment and process improvements.

In the energy-related business, which is in the downstream sector, the cost of raw materials and labor can be more easily passed on to consumers, making it less sensitive to impact. The bases of solar power plants are land and buildings. By continually developing solar power plants, the company will establish a solid track record to gain customer trust, and thus improve its competitive edge.

1.3 Research and Development

(1) Research and Development Expenses in the Past Two Years as of 2022Q1

In the electronic components and manufacturing business, the company primarily focuses on technology investment in equipment upgrades and process improvements. The associated costs are classified under manufacturing expenses and are not separately disclosed as research and development expenses.

In the energy-related business, product research and development are primarily conducted by upstream suppliers. The company maintains close cooperation with these suppliers to obtain high-efficiency materials for power generation. The costs related to these activities are disclosed under administrative expenses.

(2) Research and Development Achievements

In the recent fiscal year and up until the printing date of the annual report, our company has completed the establishment of a halogen-free production line in the electronic components sector. Additionally, we have also set up high-precision production equipment in the electronic manufacturing services department.

1.4 Long-term and Short-term Development

(1) Short-term Development

For the current three business entities, in addition to strengthening cooperation with existing customers, there will also be a continuous focus on developing new customers to further expand the existing business.

(2) Long-term Development

With the rise of regional economies, the company will evaluate the expansion into other regions. Additionally, the company will continue to assess investments in other businesses to broaden the scope of its operations and reduce the operational risks associated with reliance on a single industry's business cycle.

2. Market and Sales Overview

2.1 Market Analysis

(1) Sales Region

Unit：NT$ thousands

Sales Region \ Year		2022		2021	
		Net Income	%	Net Income	%
Domestic sales	Taiwan	735,158	73.25	306,545	49.48
Export	Asia	268,512	26.75	312,956	50.52
Total		1,003,670	100.00	619,501	100.00

(2) Market share, future supply-demand and growth potential.

Since 1986, our company has been providing service in the wire harness sector and has gained a considerable level of brand recognition in the industry. We collaborated with leading manufacturers in the field, though the market share has not been specifically quantified. In the electronic component manufacturing and energy sectors, our company is a relatively new player and has a relatively low market share.

There is some overlap between the target customers in the electronic component business and the electronic component processing business. Leveraging our group's business promotion efforts will contribute to the growth of the processing business. In the energy sector, our company has already completed several projects, which will facilitate future endeavors in building our own power plants or providing services for power plant construction and operation.

(3) Competitive advantages

A. Huayin has over 37 years of experience in the electronics industry, specializing in the production and sales of electronic components. The company has established strong relationships with well-known corporations in the industry and have a deep understanding of product development and technological advancements in electronic components and electronic manufacturing services.

B. Huayin possesses a mature production process and advanced equipment. The team consists of highly experienced professionals in the industry, enabling the company to deliver high-quality and competitive products and services.

C. In the energy sector, Huayin has successfully operated multiple solar power plants and provides services for the construction and operation of power plants. The brand and track record of the company provide a higher level of trust in customers.

(4) Favorable and Unfavorable Factors in the Long Term

A. Favorable Factors

a. The company's management team possesses extensive industry experience and can provide accurate directions in terms of development strategies, technological advancements, and operational management.

b. Huaying Electronics primarily serves major electronics manufacturers, enabling it to grasp the direction and technology of product development.

c. The company is moving towards a group-oriented development approach, which facilitates resource integration and drives the growth of various business entities within the group.

B. Unfavorable Factors and response Strategies

a. Electronic components and electronic manufacturing Services:
The company faces challenges such as volatile raw material prices, rising labor costs, and price competition. To address these issues, the company maintains good relationships with suppliers to anticipate and respond to fluctuations in raw material prices. It also invests in automation to reduce reliance on labor force. Additionally, the company emphasizes employee education and training to enhance individual contributions and maintain competitive pricing.

b. Energy:
With the promotion of energy transition policies in Taiwan, there is increasing competition in the solar power industry with the limited source of land and buildings. The company tackles this challenge by maintaining prudent financial management and demonstrating excellent construction track records to gain customer trust and secure more cooperative partnerships.

2.2 Production Procedures of Main Products

(1) Major Products and Their Main Uses

Major Products	Main Uses
Electronic components	Wire harness assembly for consumer electronics, industrial electronics, medical devices, and automotive applications.
Electronic manufacturing services	PCB proessing for consumer electronics, industrial electronics, medical devices, and automotive applications.
Construction and operation of power plants, and related services	Solar power generation and construction and operation of power plants.

(2) Major Products and Their Production Processes

Major Products	Production Processes
Electronic components	Copper wire drawing → winding → plastic coating → assembly of other components → testing → packaging for shipping
Electronic manufacturing services	OEM: SMT→DIP→testing→ coating→ assembly→ packaging
Construction and operation of power plants, and related services	Construction materials and solar photovoltaic materials→ construction→ solar power plants

2.3 Supply Status of Main Materials

Major Raw Materials	Source of Supply	Supply Situation
Copper	**A**	**Good**

2.4 Major Suppliers and Clients.

(1) Major Suppliers in the Last Two Calendar Year

Unit: NT$ thousands

Item	2022				2021				2023Q1			
	Name	Net purchase	%	Relationship	Name	Net purchas	%	Relationship	Name	Net purchas	%	Relationship
1	A	132,315	23.78	—	A	200,366	41.73	—	A	45,488	37.33	—
	Other	424,144	76.22	—	Other	279,809	58.27	—	Other	76,358	62.67	—
	Total	556,459	100	—	Total	480,174	100	—	Total	121,846	100	—

Note 1: Major suppliers refer to those commanding 10%-plus share of annual order volume.
Note 2:The supplier is under the electronic components business. The decrease in purchase compared to the previous period primarily due to lower material prices and a decrease in quantities, resulting in a decrease in the total purchase amount.

(2) Major Clients in the Last Two Calendar Years

Unit: NT$ thousands

Item	2022				2021				2023Q1			
	Name	Net revenue	%	Relationship	Name	Net revenue	%	Relationship	Name	Net revenue	%	Relationship
1	a	308,170	30.70	—	a	296,226	47.82	—	a	73,656	34.91	—
2	b	265,487	26.45	—	b	310,537	50.13	—	b	42,411	20.10	—
3	c	—	—	—	c	—	—	—	c	26,634	12.62	—
	Other	430,013	42.84	—	Other	12,738	2.05	—	Other	68,262	32.37	—
	Total	1,003,670	100	—	Total	619,501	100	—	Total	210,963	100	—

Note 1: Major clients refer to those commanding 10%-plus share of annual order volume.
Note 2: All of these customers are under the electronic components business. The decrease in net sales compared to the previous period is mainly attributed to a decrease in the sales in US dollars due to the impact of exchange rates, as well as a reduction in number of orders.

2.5 Production in the Last Two Years

Unit: thousand pieces; NT$ thousands

Year / Capacity &Output / Major Products	2022			2021		
	Capacity	Quantity	Amount	Capacity	Quantity	Amount
Electronic components(note1)	—	27,172	553,324	33,880	32,188	807,664
Electronic manufacturing services(note2)	—	3,148	220,359	—	—	—
Energy	6,849	6,849	62,780	557	557	2,050
Total	6,849	37,169	836,463	557	32,745	809,714

Note 1: The components are manufactured according to customer specifications. There is no capacity data available, and the production quantity represents the semi-finished material at the early stage of the manufacturing process.

Note 2: The Electronic manufacturing services is carried out based on customer specifications and the quantity of electronic parts. There is no capacity data available.

2.6 Shipments and Sales in the Last Two Years

Unit: thousand pieces; NT$ thousands

Year / Shipments & Sales / Major Products	2022				2021			
	Local		Export		Local		Export	
	Quantity	Amount	Quantity	Amount	Quantity	Amount	Quantity	Amount
Electronic components	15,406	352,212	11,456	268,512	15,753	304,125	15,157	312,956
Electronic manufacturing services	13,006	304,816	—	—	—	—	—	—
Energy	6,849	78,130	-	-	557	2,420	-	-
Total	35,261	735,158	11,456	268,512	16,310	306,545	26,752	312,956

3. Human Resources

Human resources of the group

Year		2022	2021	As of 05/10/2023
Number of Employees	Office staff	71	121	67
	Production line staff	344	181	329
	Total	415	302	396
Average Age		45.72	42.62	45.54
Average Years of Service		4.38	4.22	4.65
Education	Ph.D.	—	—	—
	Masters	—	4.35%	—
	Bachelor’s Degree	14.94%	20.53%	15.66%
	Senior High School	34.03%	31.92%	33.74%
	Below Senior High School	51.03%	47.55%	50.60%

4. Environmental Protection Expenditure

As of the most recent fiscal year and up until the date of printing the annual report, the company has not incurred any losses or expenses related to environmental pollution or disposals. Therefore, it is expected that there will be no significant related expenses in the future.

5. Labor Relations

5.1 List any employee benefit plans, continuing education, training, retirement systems, the status of their implementation, and the status of labor agreements and measures for preserving employees' rights and interests:

(1) Employee Welfare

A. All employees are enrolled in labor insurance from their date of employment. Benefits related to childbirth, injury, disability, old age, and death are provided in accordance with the Labor Insurance Act or regulations set by the local government where the company is located. Employees and their dependents are also covered by the National Health Insurance or according to regulations set by the local government. The company also provides group accident insurance for employees.

B. The company has established the Employee Welfare Committee and allocates a certain percentage of welfare funds according to the article of corporation. A fixed percentage of total revenue is deposited into a designated bank account monthly.

C. Employee welfare measures include:

a. Subsidies for marriage, childbirth, illness, funeral expenses, and major disasters.

b. Subsidies for short-range outings and domestic or overseas travel.

c. Financial support for employee continuing education and professional development.

d. Regular employee health examination.

(2) Employee Training and Development

To cultivate employees' moral character, improve their qualities, professional abilities, and work efficiency, the company not only organizes various educational training programs but also selects outstanding executives to attend relevant professional training courses at vocational training institutions. Additionally, experts and scholars are invited to the company to deliver a series of lectures on specialized topics, aiming to enhance employees' academic and technical skills, thus facilitating the accomplishment of their assigned tasks.

(3)Retirement Policy and Implementation

For the companies subject to the "Labor Retirement Pension Act," the retirement pension system is a government-managed defined contribution retirement plan. It involves allocating 6% of employees' monthly salaries as retirement contributions to their individual accounts at the Labor Insurance Bureau. Some merged companies follow a defined contribution retirement scheme, where a certain proportion of the retirement funds, contributed from employees' salaries, is allocated to a retirement fund account. This account is managed by a local statutory insurance institution. Upon retirement, employees can withdraw their personal contributions, as well as the company's corresponding contributions and their accrued interest from the fund account.

The retirement pension system in our company follows the provisions of the "Labor Standards Act" in our country and is classified as a defined benefit retirement plan. The payment of employees' retirement pensions is calculated based on their years of service and the average salary for the six months preceding the approved retirement date. Our company allocates 2% of the total monthly salary of employees as contributions to their retirement pensions, which are deposited into a dedicated account at Taiwan Bank in the name of the Labor Retirement Reserve Supervisory Committee. If it is estimated that the balance in the account will be insufficient to cover the projected retirement benefits for eligible employees within the next fiscal year, the shortfall will be allocated in a lump sum by the end of March of the following year. The management of the account is entrusted to the Labor Fund Supervisory Committee under the Ministry of Labor, and our company does not have the authority to influence the investment management strategy.

(4)The labor-management agreement and the implementation of various employee rights protection measures

A. The Company has always placed great importance on humanistic management and employs multiple approaches to address labor-management issues. We prioritize employee welfare and maintain open lines of communication with our employees. Regular labor-management meetings are held to discuss various matters of mutual concern. As a result, the labor-management relationship in our company is characterized by harmony and cooperation.

B. The Company remains committed to implementing and enhancing welfare measures to uphold the labor-management relationship and minimize the possibility of disputes.

(5) Measures to protect working environment and employees' personal safety

A. The company attaches great importance to the occupational safety and health of its employees. The operations are implemented with the fundamental requirement of "safety first". The company also provides secure hardware facilities in the manufacturing work environment.

B. The company has established comprehensive measures for machine and equipment protection to ensure operational safety. Standard operating procedures have been developed to enhance safety in the workplace. Additionally, the company focuses on greening the factory area to provide a safe, healthy, and comfortable working environment.

C. Regular occupational safety and health education and training are conducted for the operational staff to enhance their awareness and understanding of operational safety. These training programs aim to increase employees' safety consciousness, improve their understanding of safety measures, and reduce human errors. By promoting a sense of responsibility for safety among employees, the company strives to eliminate potential hazards and ensure a safe working environment.

D. The company has implemented a strict access control and surveillance system to ensure security. Periodic maintenance and inspections are carried out on various equipment, such as manufacturing machinery and fire safety devices, to ensure the safety of employees. These measures are in place to provide the necessary protection for the personal safety of employees.

5.2 Labor Disputes

Any losses suffered by the company in the most recent fiscal year and up to the annual report publication date due to labor disputes (including labor inspection results found in violation of the Labor Standards Act, specifying the disposition dates, disposition reference numbers, the articles of law violated, and the content of the dispositions): None

6. Information Security Management

6.1 Information Security Risk Management Framework, Information Security Policies, Specific Management Plans, and Allocation of Resources for Information Security Management.

In order to effectively manage and mitigate information security risks faced by the company, and to prevent or minimize potential losses resulting from these risks, the company has implemented specific management protocols and guidelines to be followed.

(1) Information Security Risk Management Framework and Policy:

The company's information security controls are based on the information security management standards established by the Executive Yuan and its affiliated agencies. The company has formulated its "Information Security Management Regulations" to govern information security practices. The Information Security Council is responsible for establishing the information security risk management framework, developing information security policies, and implementing specific management plans. The head of the Information Department serves as the convener of the Information Security Council, overseeing and coordinating all information security-related matters.

(2) Concrete Management Plans and Allocated Resources for Information Security:

A. Access Control and Authorization:

a. Connections between external networks and the company's internal network must go through network equipment in the server room and be authorized by the firewall.

b. The company has procured professional firewall software and established firewall control policies as the basis for external access management.

c. At least two external lines are ensured to provide redundancy in case of a single line failure.

d. Users' access to internal systems and files is controlled based on the accounts set up by the Information Department.

B. Anti-Virus Mechanism:

a. To prevent viruses and trojans, all computers should have antivirus software installed, with regular updates of virus definitions. Information personnel and users should not execute files or emails from unknown sources, and should not download software from suspicious websites.

b. Information personnel should regularly review virus records.

c. The email server should have the capability to scan for viruses and remove spam, serving as the first line of defense. Professional spam filtering software has been implemented to effectively isolate spam emails.

C. Security Updates:

a. An operating system update notification platform is provided, and colleagues should promptly update their systems upon receiving update notifications to prevent potential security vulnerabilities.

b. System administrators in the server room should regularly check for operating system and software security updates. Information personnel should assess the need for updates and their impact, and proceed with the necessary updates.

D. Data Backup:

a. Colleagues should store their important personal data in two places: their personal computers and the server hosting the colleague data storage area, in order to achieve backup effectiveness.

b. Information personnel should regularly review the results of system and database backups, copy backup files to USB external drives, and hand them over to the Information Department supervisor or designated information personnel for safekeeping.

c. The storage devices for the server hosting the system database in the server room should have mirroring and disk array functions to achieve automatic data redundancy.

E.Operational Adjustments:

a. Information personnel should regularly review the logs of the firewall and email server, and periodically review the System logs of various network services to track any abnormal situations. If necessary, parameter adjustments may be made to maintain the security of the company's network.

b. Information personnel should disable unused accounts first and investigate the reasons before reactivating them. If there is no longer a need for their use, the accounts should be permanently disabled or deleted.

c. In emergency situations, information personnel may use colleague accounts to access or delete data.

d. When there are concerns about password leakage, information personnel have the authority to perform a comprehensive password change.

e. When necessary, information personnel may access and delete data stored by colleagues in the server's data storage area, in accordance with information equipment and software usage regulations.

f. The above operations require the approval of the Information Department supervisor.

F. Audit and Control:

Cooperate with internal auditors for regular annual audits to ensure the implementation of operations.

6.2 Losses, potential impacts, and measures taken in response to significant information security incidents in the recent year and up until the printing date of the annual report: None.

7. Important Contracts

None

1 Five-Year Financial Summary

(1) Consolidated Condensed Balance Sheet -Based on IFRS

Unit: NT$ thousands

Item \ Year		Financial Summary for The Last Five Years (Note1) 2022	2021	2020	2019	2018	As of Mar.31, 2023 (Note3)
Current assets		800,478	1,077,053	861,388	618,544	632,615	745,308
Property, Plant and Equipment		480,241	295,426	133,929	96,354	101,527	474,020
Intangible assets		65,719	—	—	—	—	64,138
Other assets		97,678	116,545	46,867	51,232	37,810	100,611
Total assets		1,444,116	1,489,024	1,042,184	766,130	771,952	1,384,077
Current liabilities	Before distribution	331,655	554,920	431,971	264,673	322,854	285,857
	After distribution	Note2	554,920	431,971	264,673	322,854	Note2
Non-current liabilities		300,382	148,290	98,378	148,290	98,378	83,414
Total liabilities	Before distribution	632,037	703,210	530,349	348,087	406,790	596,945
	After distribution	Note2	703,210	530,349	348,087	406,790	Note2
Equity attributable to shareholders of the parent		812,079	706,580	442,074	706,580	442,074	352,934
Capital stock		688,468	688,468	488,468	688,468	488,468	388,468
Capital surplus		61,506	61,506	2,536	61,506	2,536	2,536
Retained earnings	Before distribution	74,511	(28,751)	(35,560)	(21,849)	(39,137)	48,681
	After distribution	Note2	(28,751)	(35,560)	(21,849)	(39,137)	Note2
Other equity interest		(12,406)	(14,643)	(13,370)	(14,643)	(13,370)	(16,221)
Treasury stock		—	—	—	—	—	Note2
Non-controlling interest		—	79,234	69,761	79,234	69,761	65,109
Total equity	Before distribution	812,079	785,814	511,835	418,043	365,162	787,132
	After distribution	Note2	785,814	511,835	418,043	365,162	Note2

Note 1: The financial data for each year has been audited and certified by CPA.

Note 2: The profit distribution plan for the fiscal year 2022 has been approved by the Board of Directors on March 28, 2023, but it has not yet been ratified by the shareholders' meeting.

Note 3: The financial data as of March 31, 2023, has been reviewed by CPA.

(2) Parent Company Only Condensed Balance Sheet- Based on IFRS

Unit: NT$ thousands

Item \ Year		Financial Summary for The Last Five Years (Note1) 2022	2021	2020	2019	2018
Current assets		181,716	469,468	300,322	224,887	297,160
Property, Plant and Equipment		38,535	39,210	40,098	820	984
Intangible assets		—	—	—	—	—
Other assets		457,641	297,447	254,191	231,775	153,611
Total assets		1,082,538	806,125	594,611	457,482	451,755
Current liabilities	Before distribution	245,639	73,195	127,233	100,426	110,068
	After distribution	(Note2)	73,195	127,233	100,426	110,068
Non-current liabilities		24,820	26,350	25,304	4,122	2,184
Total liabilities	Before distribution	270,459	99,545	152,537	104,548	112,252
	After distribution	(Note2)	99,545	152,537	104,548	112,252
Equity attributable to shareholders of the parent		—	—	—	—	—
Capital stock		688,468	688,468	488,468	388,468	388,468
Capital surplus		61,506	61,506	2,536	2,536	—
Retained earnings	Before distribution	74,511	(28,751)	(35,560)	(21,849)	(39,137)
	After distribution	(Note2)	(28,751)	(35,560)	(21,849)	(39,137)
Other equity interest		(12,406)	(14,643)	(13,370)	(16,221)	(9,828)
Treasury stock		—	—	—	—	—
Non-controlling interest		—	—	—	—	—
Total equity	Before distribution	812,079	706,580	442,074	352,934	339,503
	After distribution	(Note2)	706,580	442,074	352,934	339,503

Note 1: The financial data for each year has been audited and certified by CPA.

Note 2: The profit distribution plan for the fiscal year 2022 has been approved by the Board of Directors on March 28, 2023, but it has not yet been ratified by the shareholders' meeting.

(3) Consolidated Condensed Statement of Comprehensive Income – Based on IFRS

Item \ Year	Financial Summary for The Last Five Years (Note1)					As of Mar.31, 2023 (Note3)
	2022	2021 (Note2)	2020	2019	2018	
Operating revenue	1,003,670	619,501	1,107,314	838,193	867,753	208,786
Gross profit	157,182	70,142	161,070	150,548	120,928	26,429
Income from operations	21,153	1,035	28,804	24,368	1,179	(5,636)
Non-operating income and expenses	81,427	(3,324)	177	3,205	9,339	(907)
Income before tax	102,580	(2,289)	28,981	27,573	10,518	(6,543)
Net profit (Net loss) from continuing operations	97,645	(3,172)	22,152	23,050	5,572	(5,176)
Profit from discontinued business	9,662	19,336	—	—	—	—
Net income (Loss)	107,307	16,164	22,152	23,050	5,572	(5,176)
Other comprehensive income (income after tax)	2,926	(1,155)	3,091	(6,169)	(1,779)	883
Total comprehensive income	110,233	15,009	25,243	16,881	3,793	(4,293)
Net income attributable to shareholders of the parent	102,573	6,691	14,249	17,064	793	(5,176)
Net income attributable to non-controlling interest	4,734	9,473	7,903	5,986	4,779	—
Comprehensive income attributable to Shareholders of the parent	105,499	5,536	17,340	10,895	(986)	(4,293)
Comprehensive income attributable to non-controlling interest	4,734	9,473	7,903	5,986	4,779	—
Earnings per share(Note3)	1.49	0.13	0.31	0.44	0.03	(0.08)

Note 1: The financial data for each year has been audited and certified by CPA.

Note 2: The financial data for the year 2022 has been adjusted to reflect the disposal of a subsidiary, compared to the financial data of the year 2021.

Note 3: The financial data as of March 31, 2023, has been reviewed by CPA.

Note 4: The Company conducted a capital reduction to offset accumulated losses on October 31, 2018. The impact of earnings (losses) per share before 2018 has been retrospectively adjusted, while the basic earnings (losses) per share for each year have been adjusted as follows:

EPS(Losses)	2018	2017	2016	2015
Net profit attributable to shareholders of the company	793	(107,419)	(59,529)	(42,011)
Used to calculate basic earnings (losses) per share - weighted average number of ordinary shares	31,066	28,847	20,565	18,051
EPS(Losses) - before retrospective adjustment	-	(1.68)	(1.07)	(0.79)
EPS(Losses) - after retrospective adjustment	0.03	(3.72)	(2.89)	(2.33)

(4) Parent Company Only Condensed Statement of Comprehensive Income – Based on IFRS

Item / Year	Financial Summary for The Last Five Years (Note1)				
	2022	2021	2020	2019	2018
Operating revenue	458,059	304,126	297,457	263,917	310,826
Gross profit	80,415	47,592	20,242	11,711	19,641
Income from operations	15,151	9,362	(10,640)	(23,018)	(20,426)
Non-operating income and expenses	89,565	(2,944)	24,685	39,587	22,155
Income before tax	104,716	6,418	14,045	16,569	1,729
Net profit (Net loss) from continuing operations	102,573	6,691	14,249	17,064	793
Profit from discontinued business	—	—	—	—	—
Net income (Loss)	102,573	6,691	14,249	17,064	793
Other comprehensive income (income after tax)	2,926	(1,155)	3,091	(6,169)	(1,779)
Total comprehensive income	105,499	5,536	17,340	10,895	(986)
Net income attributable to shareholders of the parent	—	—	—	—	—
Net income attributable to non-controlling interest	—	—	—	—	—
Comprehensive income attributable to Shareholders of the parent	—	—	—	—	—
Comprehensive income attributable to non-controlling interest	—	—	—	—	—
Earnings per share(Note3)	1.49	0.13	0.31	0.44	0.03

Note 1: The financial data for each year has been audited and certified by CPA.

Note 2: The Company conducted a capital reduction to offset accumulated losses on October 31, 2018. The impact of earnings (losses) per share before 2018 has been retrospectively adjusted, while the basic earnings (losses) per share for each year have been adjusted as follows:

EPS(Losses)	2018	2017	2016	2015
Net profit attributable to shareholders of the company	793	(107,419)	(59,529)	(42,011)
Used to calculate basic earnings (losses) per share - weighted average number of ordinary shares	31,066	28,847	20,565	18,051
EPS(Losses) - before retrospective adjustment	-	(1.68)	(1.07)	(0.79)
EPS(Losses) - after retrospective adjustment	0.03	(3.72)	(2.89)	(2.33)

(5) Auditors' Opinions from 2015 to 2019

Year	Accounting Firm	CPA	Audit Opinion
2022	KPMG Taiwan	Heng-Shen, Lin、Shu-Chi, Yang	Unqualified opinion
2021	KPMG Taiwan	Heng-Shen, Lin、Shu-Chi, Yang	Unqualified opinion
2020	KPMG Taiwan	Heng-Shen, Lin、Shu-Chi, Yang	Unqualified opinion
2019	KPMG Taiwan	Heng-Shen, Lin、Shu-Chi, Yang	Unqualified opinion
2018	Deloitte Taiwan	Dong-Feng, Li、Zhi-Yuan, Chen	Unqualified opinion
2017	Deloitte Taiwan	Dong-Feng, Li、Zhi-Yuan, Chen	Unqualified opinion

2. Five-Year Financial Analysis

(1) Financial analysis - consolidated

Item	Year	Financial Analysis for the Last Five Years(Note1)					As of Mar.31, 2023 (Note2)
		2022	2021	2020	2019	2018	
Financial structure (%)	Debt Ratio	43.77	47.23	50.89	45.43	52.7	43.13
	Ratio of long-term capital to property, plant and equipment	231.65	316.19	455.62	520.43	442.34	231.68
Solvency (%)	Current ratio	241.36	194.09	199.41	233.7	195.94	260.73
	Quick ratio	197.54	161.69	169.9	190.19	159.98	207.78
	Interest earned ratio (times)	13.91	0.30	12.59	10.32	6.32	0.24
Operating performance	Accounts receivable turnover (times)	2.37	1.21	2.49	2.3	2.19	2.64
	Average collection period	154	303	147	158.7	167	138
	Inventory turnover (times)	5.24	3.63	7.95	6.03	7.31	4.92
	Accounts payable turnover (times)	4.09	4.35	4.69	3.9	3.23	4.81
	Average days in sales	70	55	46	61	50	74
	Property, plant and equipment turnover (times)	2.59	2.89	9.62	8.47	8.14	1.75
	Total assets turnover (times)	0.68	0.49	1.22	1.09	1.15	0.59
Profitability	Return on total assets (%)	7.75	1.48	2.67	3.3	0.95	0.12
	Return on stockholders' equity (%)	13.43	2.49	4.76	5.89	1.66	-0.65
	Pre-tax income to paid-in capital (%)	14.9	-0.33	5.93	7.1	2.71	-0.95
	Profit ratio (%)	10.69	2.61	2	2.75	0.64	-0.62
	Earnings per share (NT$)	1.49	0.13	0.31	0.44	0.03	-0.08
Cash flow	Cash flow ratio (%)	50.53	10.49	-0.56	-15.6	0.84	-1.44
	Cash flow adequacy ratio (%)	42.81	-42.37	-88.46	-74.28	-46.65	43.36
	Cash reinvestment ratio (%)	13.84	5.77	-0.36	-7.47	0.53	-0.37
Leverage	Operating leverage	8.40		—	—	—	—
	Financial leverage	1.73	1.68	1.78	1.14	—	—

Analysis of financial ratio differences for the last two years. (Not required if the difference does not exceed 20%)

(A) Decrease in the ratio of long-term funds to property, plant, and equipment: This is due to the completion of the majority of energy division projects in the year 2022.

(B) Increase in current ratio and quick ratio: This is due to a reduction in short-term borrowings and accounts payable, resulting in a decrease in current liabilities in the year 2022.

(C) Increase in interest coverage ratio: Mainly due to the increase in profits in the current year compared to the previous year.

(D) Accounts receivable turnover ratio and average collection days: Mainly due to the addition of the electronic components back-end processing division in the current year, leading to an increase in revenue, higher accounts receivable turnover ratio, and a decrease in average collection days.

(E) Inventory turnover ratio and average sales days: Mainly due to the addition of the electronic components back-end processing division in the current year, resulting in an increase in cost of goods sold, higher inventory turnover ratio, and a decrease in average sales days.

(F) Increase in total asset turnover ratio and return on assets: Due to the addition of the electronic components back-end processing division and increased profitability in the current year.

(G) Increase in return on equity, ratio of pre-tax net income to paid-in capital, net profit margin, and earnings per share: Due to the addition of the electronic components back-end processing division and increased profitability in the current year.

(H) Cash flow ratio, cash flow adequacy ratio, and cash reinvestment ratio: Mainly due to an increase in cash inflows from operating activities and increased investment in assets from the addition of new divisions in the current year.

(I) Increase in operating and financial leverage: Mainly due to the increase in profits in the current year compared to the previous year.

Note 1: The financial data for each year has been audited and certified by CPA.

Note 2: The financial data as of March 31, 2023, has been reviewed by CPA.

Note 3: The Company conducted a capital reduction to offset accumulated losses on October 31, 2018.Please refer to Note3 of Consolidated Condensed Statement of Comprehensive Income.

Note 4: Please refer to the next page for the calculation formulas of the financial ratios.

(2) Financial Analysis - Parent Company Only

Item	Year	Financial Analysis for the Past Five Years				
		2022	2021	2020	2019	2018
Financial structure (%)	Debt Ratio	24.98	12.35	25.65	22.85	24.85
	Ratio of long-term capital to fixed assets	2,171.79	1869.24	1,165.59	43,543.41	34,724.29
Solvency (%)	Current ratio	238.59	641.39	236.04	223.93	269.98
	Quick ratio	172.47	607.26	221.15	203.81	249.95
	Interest earned ratio (times)	80.15	7.03	52.26	122.83	–
Operating performance	Accounts receivable turnover (times)	2.54	2.11	2.33	2.09	2.36
	Average collection period	144	173	157	174	155
	Inventory turnover (times)	13.62	11.87	14.32	12.19	14.25
	Accounts payable turnover (times)	6.18	3.53	3.05	2.59	3.08
	Average days in sales	27	30.74	25.48	29.94	25.61
	Fixed assets turnover (times)	11.78	7.67	14.54	292.59	254.36
	Total assets turnover (times)	0.49	0.43	0.57	0.58	0.75
Profitability	Return on total assets (%)	11.11	1.08	2.75	4.27	0.19
	Return on stockholders' equity (%)	13.51	1.17	3.58	4.93	0.26
	Pre-tax income to paid-in capital (%)	15.21	0.93	2.88	4.27	0.45
	Profit ratio (%)	22.39	2.20	4.79	6.47	0.25
	Earnings per share (NT$)	1.49	0.13	0.31	0.44	0.03
Cash flow	Cash flow ratio (%)	52.21	–	–	–	–
	Cash flow adequacy ratio (%)	111.31	–	–	–	–
	Cash reinvestment ratio (%)	15.26	–	–	–	–
Leverage	Operating leverage	2.26	–	–	–	–
	Financial leverage	1.22	–	–	–	–

Analysis of financial ratio differences for the last two years. (Not required if the difference does not exceed 20%)

(A) Increase in the debt-to-assets ratio: Mainly due to the addition of a new subsidiary in the current year, resulting in an increase in accounts payable and new bank borrowings.

(B) Decrease in current ratio and quick ratio: Mainly due to the addition of a new subsidiary in the current year, leading to an increase in accounts payable and higher current liabilities ratio.

(C) Increase in interest coverage ratio: Mainly due to increased profitability in the current year.

(D) Increase in accounts receivable turnover ratio: Mainly due to higher sales in the current year compared to the same period last year.

(E) Increase in accounts payable turnover ratio: Mainly due to the increase in accounts payable from the addition of a new subsidiary in the current year.

(F) Increase in property, plant, and equipment turnover ratio: Due to increased revenue from the addition of the electronic components back-end processing division in the current year.

(J) Decrease in total asset turnover ratio and return on assets: Due to the addition of the electronic components back-end processing division and increased profitability in the current year.

(K) Increase in return on equity, ratio of pre-tax net income to paid-in capital, net profit margin, and earnings per share: Due to the addition of the electronic components back-end processing division and increased profitability in the current year.

(L) Cash flow ratio, cash flow adequacy ratio, and cash reinvestment ratio: Mainly due to an increase in cash inflows from operating activities in the current year.

(M) Increase in operating and financial leverage: Mainly due to the increase in profits in the current year compared to the previous year.

Note 1: The financial data for each year has been audited and certified by CPA.

Note 2: The Company conducted a capital reduction to offset accumulated losses on October 31, 2018.Please refer to Note2 of Parent Company Only Condensed Statement of Comprehensive Income.

Note 3: Please refer to the next page for the calculation formulas of the financial ratios.

The formula for the analysis items is stated as following:

1. Financial structure

(1) Debt to Assets Ratio =Total liabilities/Total assets.

(2) Long-term Capital as a Percentage of Property, Plants, and Equipment = (Total equity + Non-current liabilities)/Property, plants and equipment

2. Insolvency

(1) Current Ratio = Current assets/Current liabilities.

(2) Quick Ratio = (Current assets – Inventory - prepayments)/Current liabilities.

(3) Interest coverage ratio = income tax and income before interest expenses / interest expenses for the current period.

3. Operational Ability

(1) Receivables (including accounts receivable and notes receivable resulting from operation) turnover = net sales / balance of average accounts receivable (including accounts receivable and notes receivable resulting from operation).

(2) Average cash collection days=365/Receivables turnover.

(3) Inventory turnover=Cost of goods sold/Average inventory.

(4) Payables (including accounts payables and notes payable resulting from operation) turnover = cost of goods sold/balance of average accounts payable (including accounts payable and notes payable resulting from operation).

(5) Average inventory turnover days=365/Inventory turnover.

(6) Property, plant and equipment turnover=net sales/average property, plant and equipment, net.

(7) Total assets turnover=Net sales/Average total assets.

4. Profitability

(1) ROA = [Profit or loss after tax + interest expenses × (1- tax rate)]/Average total assets.

(2) ROE=Profit or loss after tax/Average total equity.

(3) Net profit margin=Profit or loss after tax/Net sales.

(4) Earnings per share = (Income attributable to owners of the parent company - Preferred stock dividend)/Weighted average number of outstanding shares.

5. Cash flow

(1) Cash flow ratio = Cash flow from operating activities / Current liabilities

(2) Cash flow adequacy ratio = net cash flow from operating activities for the latest 5 years /(capital expenditure+increase in inventories+cash dividends) for the latest 5 years.

(3) Cash reinvestment ratio = (Net cash flow from operating activities - Cash dividends)/(Gross property, plants, and equipment + Long-term investments + Other non-current assets + working capital).

6. Leverage:

(1) Operating leverage = (Net operating revenue - Variable operating costs and expenses)/Operating income

(2) Financial leverage = Operating income/(Operating income - Interest expenses).

3. Audit Committee’s Report for the Most Recent Year

Audit Committee’s Report

The board of directors prepared the Company’s 2022 Business Report, Financial Statements and profit distribution, etc. The CPA firm of KPMG audited the Financial Statements and have issued an audit report. Above Business Reports. Financial Statements and profit distribution were audited by Audit Committee and found no discrepancy, as reported in accordance with the Securities and Exchange Act and Company Act, please check.

To:

2023 Annual General Meeting of Shareholders of Jhen Vei Electronic Co., LTD.

Chairman of the Audit Committee：Jyun-Yi Jhou

March 28, 2023

4 . Consolidated Financial statements

The Most Recent Year: Please refer to Pages 128-200.

5 Parent Company Only Financial Statements

The Most Recent Year: Please refer to Pages 201-267.

6. Disclosure of the Impact on Company's Financial Status Due to Financial Difficulties : None.

VII. Review of Financial Conditions, Financial Performance, and Risk Management

1 Analysis of Financial Status

Unit: NT$ thousands

Year / Item	2022	2021	Difference	
			Amount	%
Current Assets	800,478	1,077,053	(276,575)	(25.68)
Fixed Assets	643,638	411,971	231,667	56.23
Total Assets	1,444,116	1,489,024	(44,908)	(3.02)
Current Liabilities	331,655	554,920	(223,265)	(40.23)
Long-term Liabilities	300,382	148,290	152,092	102.56
Total Liabilities	632,037	703,210	(71,173)	(10.12)
Capital stock	688,468	688,468	0	0.00
Capital surplus	61,506	61,506	0	0.00
Retained Earnings	74,511	(28,751)	103,262	(359.16)
Other Adjustments	(12,406)	(14,643)	2,237	(15.28)
Equity attributable to shareholders of the parent	812,079	706,580	105,499	14.93
Non-controlling interests	—	79,234	—	—
Total Stockholders' Equity	812,079	785,814	26,265	3.34

Analysis of changes in financial ratios:

(A) Decrease in current assets: Mainly due to the completion of cash capital increase in the amount of NT$ 256,000 thousands in the year 2021.

(B) Increase in non-current assets: Mainly due to the reclassification of energy division power plant as fixed assets.

(C) Decrease in current liabilities: Mainly due to the conversion of short-term bank financing for energy division power plant into long-term financing.

(D) Increase in non-current liabilities: Mainly due to the conversion of short-term financing for energy division power plant into long-term financing.

(E) Increase in retained earnings: Mainly due to the disposal of the network security system integration division, resulting in a shift from losses to profits.

Note: The financial data for each year has been audited and certified by CPA.

2. Analysis of Financial Performance

Unit: NT$ thousands

Year / Item	2019	2018	Difference	
			Amount	%
Net Sales	1,003,670	619,501	384,169	62.01
Cost of Sales	846,488	549,359	297,129	54.09
Gross Profit	157,182	70,142	87,040	124.09
Operating Expenses	136,029	69,107	66,922	96.84
Operating Income	21,153	1,035	20,118	1,943.77
Non-operating Expenses and Losses	81,427	(3,324)	84,751	(2,549.67)
Income Before Tax	102,580	(2,289)	104,869	(4,581.43)
Tax Benefit (Expense)	4,935	883	4,052	458.89
Non-continued business unit profit (loss)	9,662	19,336	(9,674)	(50.03)
Net income	107,645	16,164	91,481	565.96
Other comprehensive income (net after tax)	2,926	(1,155)	4,081	(353.33)
Total comprehensive income	110,233	15,009	95,224	634.45

Analysis of changes in financial ratios:

(A) Increase in operating revenue: Mainly due to the increased revenue from the newly established business division - electronic component back-end processing.

(B) Increase in operating costs and gross profit: Mainly due to the increased revenue from the newly established business division - electronic component back-end processing.

(C) Increase in operating expenses and operating profit (loss): Mainly due to the increased expenses associated with the newly established business division - Electronic manufacturing services.

(D) Increase in non-operating income and expenses: Mainly due to the profit from the disposal of the network security system integration division and exchange gains.

(E) Increase in pre-tax net profit (loss) and income tax: As a result of the aforementioned reasons, the current period shows an increase compared to the previous period.

(F) Decrease in profit from Non-continued operations: Mainly due to the inclusion of the profit/loss of the network security system integration division in this category.

(G) Increase in net profit (loss) for the period: Due to the aforementioned reasons, the current period shows an increase compared to the previous period.

(H) Increase in other comprehensive income (loss) and total comprehensive income (loss) for the period: Mainly due to the increased profit in the current period compared to the same period last year and positive translation adjustments resulting from exchange rate fluctuations.

Note: The financial data for each year has been audited and certified by CPA.

- **Anticipated Sale Volume:**

  Based on internal business plans, the Company anticipate a modest growth in overall sales quantity for this year. However, the growth rate will depend on changes in the overall economic environment and the Company business promotions.

3. Analysis of Cash Flow

(1) Cash Flow Analysis for the Current Year

Year / Item	2022	2021	Variance (%)
Cash Flow Ratio (%)	50.53	10.49	382
Cash Flow Adequacy Ratio (%)	42.81	(42.37)	(201)
Cash Reinvestment Ratio (%)	13.84	5.77	140

Analysis of financial ratio change:

(A) Increase in cash flow ratio: The increase in the amount of accounts receivable inflow in the current year resulted in a higher cash inflow from operating activities compared to the previous period.

(B) Adequacy of cash flow ratio: The increase in the amount of accounts receivable inflow in the current year resulted in a higher cash inflow from operating activities compared to the previous period.

(C) Increase in cash reinvestment ratio: The increase in cash inflow from operating activities in the current period, coupled with the gradual completion of projects in the energy business division, led to an increase in gross fixed assets.

(2)Improvement plan for insufficient liquidity : None.

(3)Cash Flow Analysis for the Coming Year

Estimated Cash and Cash Equivalents, Beginning of Year (1)	Estimated Net Cash Flow from Operating Activities (2)	Estimated Cash Outflow (Inflow) (3)	Cash Surplus (Deficit) (1)+(2)-(3)	Leverage of Cash Surplus (Deficit)	
				Investment Plans	Financing Plans
279,258	39,765	29,659	348,682	—	—

There is no expected cash shortage due to insufficient liquidity in the projected cash flows required for operational turnover in the coming year.

4. Major Capital Expenditure Items : None

5. The Most Recent Investment Policy, Major Causes for Profits or Losses Thereof, Improvement Plan, and Investment Plan For Next Year

(1) Investment policy:

Continuously strengthening the business expansion in previously invested electronic components and solar photovoltaic companies, and evaluating the future development prospects of the group. Adjustments will be made to divest non-core investment ventures. In the future, the group will also venture into the field of electronic manufacturing services to enhance its diversification and future growth prospects.

(2) Investment profit or loss:

Explanation of profit or loss for the investment company as below:

1)Jhen Vei Enterprise Co., Ltd.:

Jhen Vei Enterprise Co., Ltd. is an investment holding company with no substantial operating activities. Its main income and expenses are derived from the equity method recognition of the share of profits or losses from associated enterprises, interest income from foreign currency (USD) loans to associated enterprises, and gains or losses from foreign currency translation. In the year 2022, besides interest income from loans to associated enterprises, the company achieved profitability mainly due to the consolidated operating results of the invested companies and favorable net exchange gains resulting from exchange rate fluctuations. As a result, Jhen Vei Enterprise Co., Ltd. reported net profit after tax in 2022.

2)Pors Wiring Co., Ltd.:

Pors Wiring Co., Ltd. is an investment holding company, and its main income and expenses come from interest income and gains or losses from foreign currency translation of associated enterprises. In the fiscal year 2022, the interest income was from loans to associate enterprise .The Company reported net profit due to favorable net exchange gains resulting from exchange rate fluctuations.

3) Priceplay.com Inc.:

The company assessed the operational situation- contract litigation status of Priceplay.com Inc. in the second quarter of 2016 and determined that there would be no future economic benefits. In the second quarter of 2016, an investment loss of NT$1,862 thousand was recognized, and impairment loss of NT$3,214 thousand was provided, resulting in a zero carrying value at the end of 2016.

4) Huaian Jhen Vei electronics Co., Ltd.:

Huaian Jhen Vei electronics Co., Ltd. is primarily engaged in the production and sales of various types of signal cables as an electronic component manufacturing factory. In the second half of the fiscal year 2022, due to a significant decrease in copper prices, exchange rate fluctuations, and the company's efforts to control costs and expenses, it generated a net profit.

5)Jhen Vei Investment Limited:

Jhen Vei Investment Limited is an investment holding company with no substantial operating activities. Its main income and expenses come from interest income from foreign currency loans to associated enterprises and gains or losses from foreign currency translation. In the year 2022, besides interest income from loans to associated enterprise, the company reported net profit due to favorable net exchange gains resulting from exchange rate fluctuations.

6)HuaYin Energy Co., Ltd.:

HuaYin Energy Co., Ltd. is primarily a solar power supplier. Its operating revenue has been steadily increasing on a monthly basis. However, in the fiscal year 2022, the company reported a net loss mainly due to the consolidated operating results of the invested companies showing a loss.

7)GZ Electronics Co., Ltd.:

GZ Electronics Co., Ltd. is engaged in the electronic manufacturing services business, primarily in the backend processing. In the year 2022, it incurred losses due to severe fluctuations in raw material prices and the Ukraine-Russia conflict.

(3) Investment Plan For Next Year:

In order to strive the optimal operational performance of the merged company, the Company has implemented the following measures to strengthen management in the operation of invested companies.

Operational management:

1) Production control:

A. Strengthening improvements in production operations and implementing streamlined processes to effectively control costs and expenses.

B. Enhancing the introduction of automated production operations to increase production efficiency, improve product quality, and enhance production yield while avoiding damages caused by human error.

C. Actively seeking industry talent through different compensation systems to improve work efficiency and reduce direct labor turnover rates.

2) Business development:

A. Continuously negotiate with key customers to secure favorable product pricing and avoid price competition with competitors that would impact gross profit and profitability.

B. Continuously engage in new customer development and actively seek revenue and profit growth in new industries to increase earnings.

Dealing with exchange rate fluctuations:

By considering exchange rate fluctuation factors, promptly adjust product pricing with reference to the business department. Additionally, depending on the situation, utilize foreign exchange hedging instruments to mitigate the impact of exchange rate fluctuations.

(4)Investment plan for the next year:

There are plans to invest in the field of electronic manufacturing services to diversify business industry risks.

6. Analysis of Risk Management

(1)Effects of Changes in Interest Rates, Foreign Exchange Rates and Inflation on Corporate Finance, and Future Response Measures

1)Interest rate

Unit: NT$ thousands

Item	2022	2021	As of Mar.31,2023
Interest expenses	7,943	3,885	2,147

Due to the impact of the COVID-19 pandemic last year, central banks around the world have lowered their reserve requirements to stimulate economic recovery. This has resulted in excessive liquidity and contributed to the rise in commodity prices, leading to inflation in various countries. It is expected that central banks will raise interest rates this year to curb inflation.

To reduce reliance on banks, the Company conducted a cash capital increase this year. However, the energy business requires significant capital expenditure, which still relies on bank funding. Therefore, the Company will continue to monitor changes in market interest rates. In addition to actively enhancing operational efficiency, the Company will maintain close contact and communication with financial institutions to obtain reasonable and favorable interest rates, mitigating the impact on the overall operations of the Company.

2) Foreign exchange rates

Unit: NT$ thousands

Item	2022	2021	As of Mar.31,2023
Exchange Gain(Loss)(A)	30,285	(5,378)	(2,252)
Net Sales (B)	1,003,670	619,501	208,786
(A)⁄(B)（%）	3.02	(0.87)	(1.08)

The company primarily conducts sales and procurement transactions in USD, and therefore, the Company adopt a natural hedging approach to mitigate exchange rate fluctuations. Exchange rate movements do not have a significant impact on the Company's profitability. The Company still take into account exchange rate fluctuation factors based on feedback from business and purchase departments, and we timely incorporate them into our customer quotations to minimize the impact of exchange rate fluctuations.

The second half of the year 2022, due to the Ukraine-Russia conflict and the influence of the Fed's interest rate hike, the USD has experienced a sharp increase, resulting in exchange gains for the fiscal year 111. In the future, the Company will continue to maintain close contact with financial institutions to stay informed about market exchange rate trends. The Company will adjust the foreign currency assets and liabilities or engage in forward exchange contracts as necessary, as part of response measures.

3) Inflation

Due to the government's effective control over overall inflation, there is no significant inflation phenomenon in the Company's region. Therefore, in the recent fiscal year and up until the date of printing the annual report, there have been no major adjustments in raw material procurement prices due to inflation, and cost increases have not eroded the profits. However, despite this, the Company do not underestimate the possibility of future inflationary conditions. To prevent potential pressure on the business operations caused by international increases in raw material prices, the Company will continue to actively improve internal production and sales processes, enhance product quality, and streamline various cost expenditures to mitigate the impact of inflation. The Company will strengthen efforts to persuade customers to accept price increases, reducing the burden of inflation solely on the company.

(2) Policies, Main Causes of Gain or Loss and Future Response Measures with Respect to High-risk, High-leveraged Investments, Lending or Endorsement Guarantees, and Derivatives Transactions

1) In the recent fiscal year and up until the date of printing the annual report, the Company has not engaged in high-risk, high-leverage investments, or derivative trading activities.

2) As of the end of April 2023, apart from intercompany loans (amounting to NTD 171,530 thousands), the Company has not provided loans to any third parties. Any instances of loans to others are processed in accordance with the Company's operational procedures. The aforementioned intercompany loans have not had a significant adverse impact on the Company's financial condition.
3) As of the end of April 2023, apart from endorsing guarantees for subsidiaries (amounting to NTD 77,543 thousands), the Company has not provided endorsement guarantees to any other parties.
4) The company has established a " Procedures for Financial Derivatives Transactions " and has implemented it accordingly. However, in the recent fiscal year and up until the date of printing the annual report, the Company have not engaged in derivative trading activities, and thus, no related gains or losses have been incurred.

(3)Future Research & Development Projects and Corresponding Budget

1) In the fiscal year 2022, the HuaYin Group conducted evaluations of its product lines and gradually improved the production environment and raw materials to meet the environmental requirements in various countries.
2) Investments were made in precision equipment for electronic component processing to expand the company's capacity to accept orders.
3)Investments were made in automation equipment for electronic component manufacturing to enhance efficiency and reduce production costs.

(4) Effects of and Response to Changes in Policies and Regulations Relating to Corporate Finance and Sales

In the recent fiscal year and up until the date of printing the annual report, significant changes in domestic and international policies and laws have not had a significant adverse impact on the Company's financials and operations.

(5) Effects of and Response to Changes in Technology and the Industry Relating to Corporate Finance and Sales

The company constantly monitors technological changes (including information and communication security risks) in the industry and keeps track of relevant market trends. The Company assign dedicated individuals or project teams, as needed, to evaluate and research the impact of these changes on the Company's future development, including potential effects on our financials and operations. We also develop corresponding response measures accordingly. However, in the recent fiscal year and up until the date of printing the annual report, there have been no significant technological changes (including information and communication security risks) that have had a major impact on the Company's financials and operations.

(6) The Impact of Changes in Corporate Image on Corporate Risk Management, and the

Company's Response Measures

In the recent fiscal year and up until the date of printing the annual report, there have been no significant events that have had an impact on the Company's corporate image.

(7) Expected Benefits from, Risks Relating to and Response to Merger and Acquisition Plans

In the recent fiscal year and up until the date of printing the annual report, the Company has not engaged in any mergers or acquisitions. However, the subsidiary GZ Electronics Co., Ltd. operates the electronic manufacturing services business through asset acquisition.

(8) Expected Benefits from, Risks Relating to and Response to Factory Expansion Plans

In the recent fiscal year and up until the date of printing the annual report, there have no factory expansion plans.

(9) Risks Relating to and Response to Excessive Concentration of Purchasing Sources and Excessive Customer Concentration

1) Purchasing:

For the Company's Purchasing, apart from copper materials required for the electronic components business unit, which are mainly purchased from the Walsin Lihwa Group, the purchase of other raw materials is relatively diversified. Since the suppliers in the copper materials market are not limited, the supply is not expected to be constrained, and thus, significant risks resulting from procurement are not anticipated for the overall company. In addition, the electronic components business unit mainly outsources labor-intensive processing stages to various subcontracting factories, and due to the multitude of such contract manufacturers, significant risks are also not expected.

The company will continue to seek and evaluate new suppliers in terms of product quality, reliability, and compatibility to mitigate the risk of material shortages.

2) **Sales:**

In the fiscal years 2022 and 2021, the top two customers of the Company was customers of the electronic components business unit, accounting for approximately 50% of the consolidated revenue. To avoid the risk of production capacity and labor idle due to concentrated sales, which could lead to operational losses, the Compnay established the Energy Business Unit in 2021 and added the post-processing business unit for electronic components in the first quarter of 2022. We continue to strive for diversification by expanding operations, developing new customers, and introducing new products. To reduce the operational risks associated with concentrated sales through these efforts.

(10) Effects of, Risks Relating to and Response to Large Share Transfers or Changes in Shareholdings by Directors, Supervisors, or Shareholders with Shareholdings of over 10% :None.

(11) Effects of, Risks Relating to and Response to the Changes in Management Rights: None.

(12) Litigation or Non-litigation Matters

The Company signed an investment agreement for television programs with an agreed investment of $65,000 thousand on May 16, 2017 . This investment case is a principal protection investment agreement. The Company is entitled to the net profit distribution of the project according to the contract upon the expiry of the investment term. If the amount recovered at maturity is less than $65,000 thousand, the shortfall is to be covered by the counterparty within one month from the date of termination of the investment term. In addition, the Company try to work with program broadcast by contributing marketing fees successively, amounting to RMB$ 3,000 thousand (equivalent to NT$13,664 thousand), and the license fee of $2,991 thousand for the program to be authorized for broadcasting in Taiwan. However, the program production has decided to adjust its performance pattern to improve the program quality after broadcasting on television stations in mainland China in July 2017. The recording and broadcasting were suspended after the fourth episode broadcast in August 2017. Thus, the Company complied with principal protection provisions and transferred its financial assets from available-for-sale financial assets to other receivables and entered into repayment agreements with the trading counterparty. An agreement was made to repay $77,341 thousand in installments before December 31, 2017 (including $65,000 thousand for investment and $9,350 thousand for unused license fees and $2,991 thousand). As the end of 2017, The Company had recovered $19,125 thousand, but the management after considering the possibility of collection, had included all outstanding amounts as bad debts.

The Company filed a lawsuit to the Taiwan Taipei District Court in November 2018 for the contract mentioned above. The Taiwan Taipei District Court ruled on September 11, 2019 that the Company had won the appeal. The Company apply to the Beijing No.4 Intermediate People's Court for recognition and enforcement of the judgment of the Taiwan Taipei District Court in 2021, and obtained the civil decision from the Beijing No.4 Intermediate People's Court on December 10, 2021. The ruling approved the execution of the 2018 re-appeal cilvil judgment No. 1339 by the Taipei District Court. The Company appealed to the People's Court on March 8, 2022 for enforcement, and the for the receivables from related mentioned above were not received after the People's Court performed its execution on August 25, 2022. The Company continues to consult with legal counsel to seek feasible approaches.

7. Other Major Risks

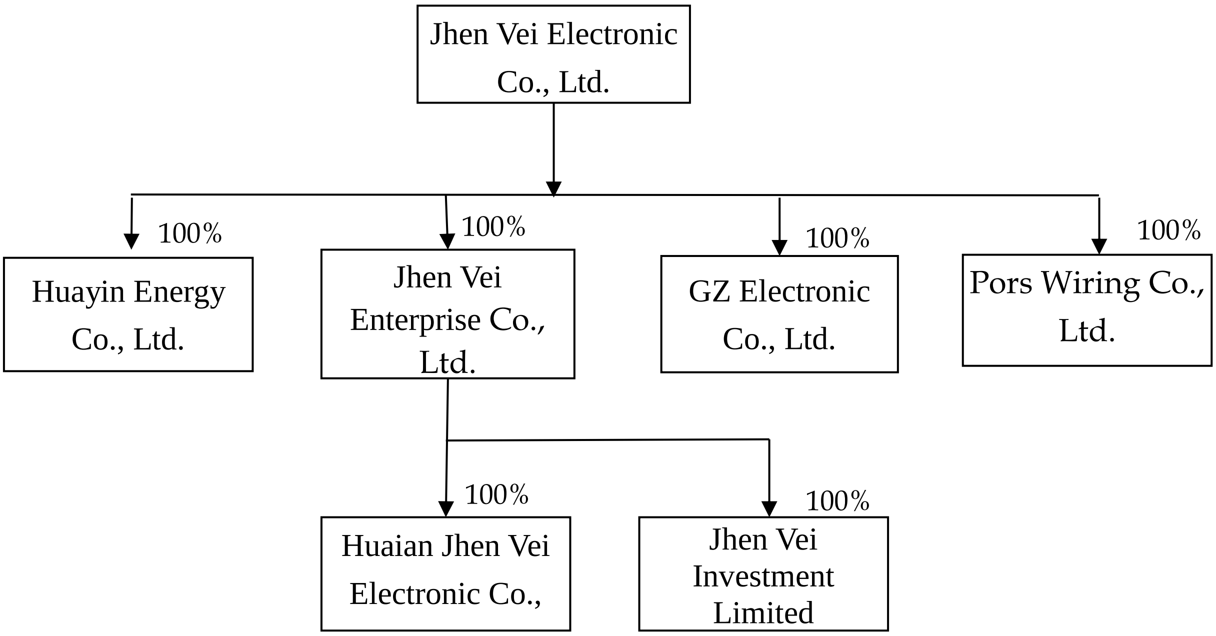
VIII. Special Disclosure

1. **Information of Affiliated Companies**

1.1 Summary of Affiliated Companies

(1) Affiliated Companies Diagram

3/31/2023



(2) Basic information of Affiliated Companies

3/31/2023/TW$ in thousands unless other specified

Company Name	Date of Establishment	Address	Paid-in Capital	Major Business and Product Items
Jhen Vei Enterprise Co.,Ltd.	11/21/2002	British Virgin Islands	USD 9,671K	Manufacturing and sales of various types of signal cables and investment holding
Pors Wiring Co., Ltd.	10/03/2002	British Virgin Islands	USD 2,595K	Investment holding
Jhen Vei Investment Co., Ltd.	12/07/2016	Belize	USD 810K	Investment holding
Huaian Jhen Vei Electronic Co., Ltd.	4/19/2006	Industrial Park, Lianshui County, Huai'an City, Jiangsu Province, China	USD 7,000K	Manufacturing and sales of various types of signal cables
Huayin Energy Co., Ltd.	7/24/2020	6th Floor, No. 18, Lane 609, Section 5, Chongqing Road, Sanchong District, New Taipei City, Taiwan	100,000K	Power generation for self-usage using renewable energy
GZ Electronic Co., Ltd.	12/29/2021	6th Floor, No. 18, Lane 609, Section 5, Chongqing Road, Sanchong District, New Taipei City, Taiwan	200,000K	After processing of electronic components

Note : As of March 2022, the company divested its shares in Uniforce Technology Corporation, making it no longer a subsidiary and information is not disclosed.

(3) Identical shareholder of companies with presumption of a relationship of control or

subordination: None

(4) The industry and division of labor within the affiliated companies

Jhen Vei Enterprise Co., Ltd., Pors Wiring Co., Ltd., and Jhen Vei Investment Co., Ltd. are all planned as investment holding companies and do not have actual production and sales functions.

Huaian Jhen Vei Electronic Co., Ltd. is primarily engaged in the manufacturing and sales of wire connectors, sockets, and computer connection cables. It serves as an important base for the company's production and business expansion in the East China region.

Huayin Energy Co., Ltd. is primarily engaged in solar power generation and supply. Through this, the company enters the green energy industry and contributes to environmental protection.

GZ Electronic Co., Ltd. is primarily engaged in electronic manufacturing services. It complements and supports the company's existing wire business, expanding the diversification of the group.

(5) Information of Directors, Supervisors and General Manager of Affiliated Companies

Company Name	Title	Name or Representative	Shares Held	
			Shares (thousands)	%
Jhen Vei Enterprise Co.,Ltd.	Directors	Jhen Vei Electronic Co., Ltd. representative：Niang- Chuan Wei representative：Tzu-Lin Chung	48	100
	Supervisors	None	0	0
	General Manager	Niang- Chuan Wei	0	0
Pors Wiring Co.,Ltd.	Directors	Jhen Vei Electronic Co., Ltd. representative：Niang- Chuan Wei representative：Tzu-Lin Chung	48	100
	Supervisors	None	0	0
	General Manager	Niang- Chuan Wei	0	0
Jhen Vei Investment Co., Ltd.	Directors	Jhen Vei Enterprise Co.,Ltd. representative：Niang- Chuan Wei representative：Tzu-Lin Chung	810	100
	Supervisors	None	0	0
	General Manager	Niang- Chuan Wei	0	0
Huaian Jhen Vei Electronic Co.,	Directors	Jhen Vei Enterprise Co.,Ltd.	Note 1	100

Company Name	Title	Name or Representative	Shares Held	
			Shares (thousands)	%
Ltd.		representative：Niang- Chuan Wei representative：Chi-Chu Lu representative：Tzu-Lin Chung		
	Supervisors	None	0	0
	General Manager	Kevin,Ge	0	0
Huayin Energy Co., Ltd.	Directors	Jhen Vei Electronic Co., Ltd. representative：Niang- Chuan Wei	10,000	100
	Supervisors	Jhen Vei Electronic Co., Ltd. representative：Tzu-Lin Chung		
	General Manager	Chun-Chang Wei		
GZ Electronic Co., Ltd.	Directors	Jhen Vei Electronic Co., Ltd. representative：Min-Hung Lin	20,000	100
	Supervisors	Jhen Vei Electronic Co., Ltd. representative：Kevin,Ge		
	General Manager	Min-Hung Lin		

Note 1: As a limited company, no share is issued.

(6) Financial Condition And Operating Results Of Affiliated Companies

3/31/2023

TW$ in thousands unless other specified

Company Name	Paid-in Capital	Total Assets	Total Liabilities	Total Equity	Operation Revenue	Net Operating Gain(Loss)	Net Profit(Loss)	Earnings(Loss) per share
Jhen Vei Enterprise Co.,Ltd.	688,468	1,444,116	632,037	812,079	1,003,670	21,153	107,307	1.49
Jhen Vei Enterprise Co., Ltd.	352,091	111,951	—	111,951	—	(98)	17,153	354.73
Pors Wiring Co., Ltd.	98,373	63,062	—	63,062	—	(96)	6,612	137.61
Jhen Vei Investment Co., Ltd	26,244	27,277	—	27,277	—	(260)	2,115	2.61
Huaian Jhen Vei Electronic Co., Ltd.	199,360	419,564	384,862	34,702	599,444	23,694	9,347	—
Huayin Energy Co., Ltd.	100,000	357,812	256,633	101,179	32,708	10,078	(14,541)	(1.45)
GZ Electronic Co., Ltd.	200,000	319,915	152,926	166,989	244,391	(30,548)	(33,011)	(1.65)

Note 1: Exchange Rate for Balance Sheet Items: USD ：NTD ＝1：30.71 ；CNY：NTD ＝1：4.4094

Exchange Rate for Statement of Comprehensive Income Items: USD ：NTD ＝1：29.8044；CNY：NTD ＝1：4.4219

Note 2: As of March 2022, the company divested its shares in Uniforce Technology Corporation, making it no longer a subsidiary and information is not disclosed.

1.2 Consolidated financial statements of affiliated companies: Please refer to pages 128 to 200.

1.3 Affiliation Reports: None.

2. Private Placement of Securities in the Most Recent Years:

Information of Private Placement of Securities

Items	First Private Placement of securities in 2019 Date of Issue：2020/04/14
Types of Securities	Private common shares
Date/Amount approved by shareholders' meeting	1. On June 25, 2019, the company received shareholder approval to undertake a cash capital increase through private placement. The authorized maximum limit for the private placement of common shares was set at 25,000 thousand shares, each with a par value of NT$10. The total amount raised through the private placement will be determined based on the agreed issuance price and the actual number of shares issued. The timing and execution of the share issuance will be contingent upon the operational requirements of the company and will be conducted in three tranches over a period of one year, commencing from the date of the shareholder meeting. 2. On April 8, 2020, the company obtained board approval for the first issuance of private placement of common shares, with the following details: (1) Estimated number of shares to be issued: 10,000 thousand shares (2) Estimated funds to be raised: NT$71,800 thousand (3) Estimated record date of capital increase: To be determined by the Chairman after the full amount of the capital increase is received. 3. As of May 8, 2020, a total of 10,000 thousand shares have been actually issued, with a remaining unissued quota of 15,000 thousand shares. It is projected that the remaining quota will not be further issued and the issuance will be canceled based on the decision of the board of directors on the same day, prior to the expiration date (June 18th).
Basis and reasonableness of the private placement pricing	1. Basis for price determination: (1) The determination of the reference price for the private placement was authorized by the shareholders' meeting and approved by the board of directors. The reference pricing date for the private placement was set as April 9, 2020, in accordance with the following guidelines: A. The shareholders' meeting resolution determined the reference price based on the following criteria: a. Calculating the simple arithmetic average of the closing prices of ordinary shares for either the 1st, 3rd, or 5th business day prior to the pricing date, after deducting the free stock dividend and rights offering, and adding back the price adjustment due to capital reduction. b. Alternatively, calculating the simple arithmetic average of the closing prices of ordinary shares for the 30 business days prior to the pricing date, after deducting the free stock dividend and rights offering, and adding back the price adjustment due to capital reduction. c. The higher price between the two aforementioned criteria was selected as the determined price. B. The reference price for the first private placement of ordinary shares in 2019 was determined as follows: a. Calculating the simple arithmetic average of the closing prices of ordinary shares for the 1st, 3rd, or 5th business day prior to the pricing date (April 9, 2020), after deducting the free stock dividend and rights offering, and adding back the price adjustment due to capital reduction. The calculated prices were NT$ 8.00, NT$ 7.96, and NT$ 8.13, respectively. The price of NT$ 8.13 was chosen as the comparative price. b. Calculating the simple arithmetic average of the closing prices of ordinary shares for the 30 business days prior to the pricing

Items	First Private Placement of securities in 2019 Date of Issue：2020/04/14
	date, after deducting the free stock dividend and rights offering, and adding back the price adjustment due to capital reduction. The calculated price was NT$ 8.97. c. The reference price for the private placement of ordinary shares was determined as the higher value between the two criteria mentioned above, resulting in a reference price of NT$ 8.97. (2) The actual subscription price for the first private placement of ordinary shares in 2019 was determined as follows: Based on the resolution of the Board of Directors, the subscription price was set at NT$8.97, which was derived from the aforementioned reference price. The subscription price was then calculated at 80% of the reference price, rounded down to the nearest New Taiwan Dollar, resulting in an actual subscription price of NT$7.18. 2. Determination of Common Stock Issuance Price (as stipulated by the resolution of the Shareholders' Meeting): (1) If the subscriber is an insider or related party, the issuance price shall not be lower than 80% of the reference price as required by laws and regulations. (2) Taking into account the company's current net worth and the need to raise funds for sustainable and stable long-term growth without compromising shareholder rights, if there are strategic investors among the subscribers, the provisional private placement price per share is set at NT$10. Considering the possibility that the future reference price may be affected by changes in the securities market or capital reduction, resulting in the private placement price of NT$10 falling below 80% of the reference price, it is required by laws and regulations to engage an independent expert to provide an opinion on the basis and reasonableness of the pricing for the private placement. The opinion of the independent expert regarding the basis and reasonableness of the pricing should be stated in the meeting notice, serving as a reference for shareholders to decide whether to consent to the proposal. 3. The rights and obligations of the privately placed common stock in this issuance are the same as those of the common stock already issued by the company. The transfer of the privately placed securities in this resolution shall be subject to the restrictions set forth in Article 43-8 of the Securities Exchange Act. Furthermore, after a period of three years from the date of delivery of the privately placed securities, the Board of Directors will seek authorization from the shareholders' meeting to determine, based on the prevailing circumstances, whether to apply for the issuance of a consent letter for supplementary public offering from the competent authority and make a declaration to the Financial Supervisory Commission for the supplementary public offering.
Method for selecting the specific persons	The selection of specific individuals for this private placement is limited to those who meet the requirements stipulated in Article 43-6 of the Securities and Exchange Act, as well as the relevant provisions of the letter No. 0910003455 issued by the former the Department of National Treasury of the Ministry of Finance on June 13, 2002, and the amendment made by the Financial Supervisory Commission's Letter No. 1030051453 issued on December 30, 2014, titled " Directions for Public Companies Conducting Private Placements of Securities ". The decision was approved by the shareholders' meeting on June 25, 2019. Currently, the intended eligible subscribers are primarily insiders, related parties, and potentially strategic investors.

Items	First Private Placement of securities in 2019 Date of Issue：2020/04/14
Reasons for the necessity of conducting the private placement	Taking into consideration the capital market conditions, the timeliness, feasibility, and cost-effectiveness of capital raising, as well as the actual demand for introducing strategic investors, the private placement method is deemed more expedient and efficient. Additionally, the restriction on the free transfer of privately placed securities within three years ensures a long-term cooperative relationship between the company and its investment partners. By authorizing the board of directors to conduct private placements based on the actual operational needs of the company, it will effectively enhance the flexibility and agility of our fundraising activities. Therefore, the decision has been made to opt for private placement instead of a public offering. The implementation of this plan is expected to improve the financial structure, enhance operational efficiency, and provide positive benefits to shareholders' equity.
Date of the price of the shares or subscription has been paid up in full	The first private placement of common shares for the year 2019, which was approved by the board of directors on April 8, 2020, is scheduled for a payment period from April 10 to April 13, 2020. The payment for this additional capital increase is expected to be completed on April 13, 2020, and the record date for the capital increase is set for April 14, 2020.
Information of the placees	Note 1
Difference between the actual subscription (or conversion) price and the reference price	1. The reference price for the private placement was determined based on the criteria mentioned in the "Basis and Reasoning for Price Determination". 2. The chosen reference price for this private placement of common shares is set at NT$8.97 per share, based on the closing price of 30 days before April 9, 2023 The actual subscription price is calculated to be NT$7.18 per share, which is 80.04% of the reference price. This percentage falls within the authorized range as approved by the shareholders' meeting.
Impacts on shareholders' equity	1. The issuance of the private placement securities will inject capital into the company, which will contribute to improving the company's financial structure and increasing its equity ratio. Additionally, with the increase in the common shares' capital, the paid-in capital will also increase, leading to a positive impact on shareholders' equity. 2. The funds raised from each round of private placement will be used to enhance working capital and meet the future funding needs of the company's business development. By utilizing these funds, the company will be able to reduce the pressure on its operating capital and improve its overall competitiveness. This will enable the company to achieve stable growth in its operations, create optimal operational performance, and ultimately maximize shareholders' equity.
Status of utilization of the funds and plan implementation progress	Please refer to Status of utilization of the funds and plan implementation on P.75.
Realization of plan benefits	

Note 1: Information of the places: In accordance with the resolution of the shareholders' meeting on June 25, 108, it was agreed that the subscription for private placement of common shares would primarily target insiders, related parties, and potentially strategic investors. Therefore, the board of directors has approved the engagement of insiders as the subscribers for the private placement of common shares. The information of the subscribers is as follows:

Placees of the private placement	Qualification requirements	Subscription quantities	Relationship to the company	Involvement in company operations
Yongding Investment Co., Ltd.	Insiders	5,215 thousand shares	Corporate chairman; corporate director	Yes
HuaTai Management Consulting Co., Ltd	Insiders	4,785 thousand shares	Corporate supervisor	Yes

Information of Juristic Person

Name of Juristic Person	Name of top 10 shareholders	Percentage of shareholdings	Relationship to the company
Yongding Investment Co., Ltd.	Niang- Chuan Wei	100%	Responsible person of corporate director
HuaTai Management Consulting Co., Ltd	Hong-Jyun Lin	100%	Responsible person of corporate supervisor

3. Information of Subsidiaries Holding or Disposing the Company's Stocks in the Most Recent Years: None.

4. Other Important Matters

Disclosure of unfulfilled over-the-counter (OTC) listing commitments according to letter No. 1020200236 of Taipei Exchange.

Unfulfilled OTC Listing Commitments	Progress of Commitments
The company committed to establishing dedicated audit personnel in our mainland subsidiaries and ensuring the implementation of annual audit plans before OTC listing. This commitment shall remain in effect after the OTC listing.	Our mainland subsidiary, Huaian Jhen Vei Electronic Co., Ltd., has already established dedicated audit personnel who are responsible for implementing the annual audit plans. They have also issued a commitment letter to ensure the continuity of these efforts after the OTC listing.

Unfulfilled OTC Listing Commitments	Progress of Commitments
The company committed that if the financial reports of our overseas subsidiaries are audited and certified by other auditors, and we rely on those reports to recognize investment gains or losses or to prepare consolidated financial statements, our appointed auditors will issue an audit report on their financial statements without referring to the opinions of other auditors.	The company has complied with the rules.
The company committed that the company, Jhen Vei Enterprise Co., Ltd. and Pors Wiring Co.,Ltd. shall include “Jhen Vei Company shall not waive the future capital increase of Jhen Vei Enterprise Co., Ltd. and Pors Wiring Co., Ltd.. In addition, Jhen Vei Enterprise Co., Ltd. and Pors Wiring Co., Ltd. shall not provide future capital increase to Huaian Jhen Vei Electronic Co., Ltd. and Pors Wiring (Suzhou) Co., Ltd. respectively.” in their Asset Acquisition or Disposal Procedures. In the event that our company disposes of the aforementioned companies in the future, it is required to obtain special resolutions from the respective company's board of directors. Moreover, any subsequent revisions to this disposal procedure should be disclosed as significant information on the Market Observation Post System (MOPS) and reported to the Taiwan Exchange for record.	The company has revised the "Asset Acquisition or Disposal Procedure" during the special shareholder's meeting held on August 31, 2007.

IX. Any Matter which has had a Significant Impact on Shareholders Rights or the Price for the Securities" Referred to Article 36, Paragraph 3, Subparagraph 2 of the Securities and Exchange Act in the Most Recent Years.

None.

Representation Letter

The entities that are required to be included in the consolidated financial statements of the Group as of and for the year ended December 31, 2022 under the Criteria Governing Preparation of Affiliation Reports, Consolidated Business Reports, and Consolidated Financial Statements of Affiliated Enterprises are the same as those included in the consolidated financial statements prepared in conformity with the International Financial Reporting Standard No. 10, "Consolidated Financial Statements" endorsed by the Financial Supervisory Commission of the Republic of China. In addition, the information required to be disclosed in the combined financial statements is included in the consolidated financial statements. Consequently, the Group and its subsidiaries do not prepare a separate set of combined financial statements.

Hereby declare

Company name: JHEN VEI ELECTRONIC CO., LTD

Chairman: Niang Chuan, Wei

Date: March 28, 2023

Independent Auditors' Report

To the Board of Directors of JHEN VEI ELECTRONIC CO., LTD.:

Opinion

We have audited the consolidated financial statements of JHEN VEI ELECTRONIC CO., LTD. and its subsidiaries ("the Group"), which comprise the consolidated statement of financial position as of December 31, 2022 and 2021, and the consolidated statement of comprehensive income, changes in equity and cash flows for the years then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as of December 31, 2022 and 2021, and its consolidated financial performance and its consolidated cash flows for the years then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and with the International Financial Reporting Standards ("IFRS"), International Accounting Standards ("IAS"), Interpretations developed by the International Financial Reporting Interpretations Committee ("IFRIC") or the former Standing Interpretations Committee ("SIC") endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China.

Basis for Opinion

We conducted our audits in accordance with the Regulations Governing Auditing and Attestation of Financial Statements by Certified Public Accountants and the Standards on Auditing of the Republic of China. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the The Norm of Professional Ethics for Certified Public Accountant of the Republic of China ("these requirements"), and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis of our opinion.

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Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. Based on our judgment, the key audit matters that should be disclosed in this report are as follows:

1. Revenue recognition

   Please refer to note 4 (m) for the relevant accounting policy regarding recognition of revenue, and refer to note 6 (r) for relevant disclosures.

   Description of key audit matter:

   JHEN VEI ELECTRONIC CO., LTD. and its subsidiaries are principally engaged in the trading of electronic components and the after-processing of electronic components. Sales revenue is one of the key items in the financial statements. therefore, the recognition of sales revenue is one of the most important evaluation in performing our audit procedures

   How the matter was addressed in our audit:

   Our principal audit procedures the following:

   - Assess whether the revenue recognition policy has been made in in accordance with relevant bulletins.
   - Understand and test revenue recognition design and implementation of internal controls related with revenue recognition.
   - Analyze the changes in the prior year's amount within the top ten customers to evaluate if there are any major abnormalities.
   - Spot-check revenue for the year and test whether revenue transactions are recorded correctly.
   - Choose the period between the Balance sheet date, then examine the recognition of income transactions and vouchers cover for the appropriate period.
   - Assess whether there are material sales return and discounts

2. Business combination

   Please refer to notes 4(r) and 6(f) for the accounting policy on business combination, and "Business Combination" for the related disclosures, respectively, of the notes to the consolidated financial statements.

   Description of key audit matter:

   The Group acquired inventories, machinery and equipment and intangible assets (including business items and patent rights) of SUBTLE ELECTRONIC CO., LTD. during the year. The fair value assessment of net identifiable assets of that transaction, which involves the subjective judgment of management. Thus, business combinations is one of the most important in performing our audit procedures.

   How the matter was addressed in our audit:

   Our principal audit procedures the following:

   - To assess whether the business combination process complies with internal control procedures and relevant regulations.

- Obtain the purchase price allocation report from management, which was performed by an external expert through commissioning, to assess the reasonableness of the valuation of identifiable net assets as of the acquisition date; and to assess the reasonableness of the methodology and assumptions used in such evaluation.

- To assess whether the accounting treatment and disclosure of the business combination are appropriate.

Other Matters

The Group has prepared its parent company only financial statements as of and for the years ended December 31, 2022 and 2021, on which we have issued an unmodified opinion with other matter paragraph.

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

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

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

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

Auditors' Responsibilities for the Audit of the Consolidated Financial Statements

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

We conducted our audits in accordance with professional judgment and skepticism. We also:

1. Assess for purposes of identifying the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

2. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.

3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

4. Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we determine that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

5. Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

6.Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the group financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

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

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

The engagement partners on the audit resulting in this independent auditors' report are HENG-SHEN LIN and SHU-CHI YANG.

KPMG

Taipei, Taiwan (Republic of China)
March 28, 2023

Notes to Readers

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

The independent auditors' audit report and the accompanying parent company only financial statements are the English translation of the Chinese version prepared and used in the Republic of China. If there is any conflict between, or any difference in the interpretation of the English and Chinese language independent auditors' audit report and parent company only financial statements, the Chinese version shall prevail.-

JHEN VEI ELECTRONIC CO., LTD. AND SUBSIDIARIES (Originally known as JHEN VEI ELECTRONIC CO., LTD. AND SUBSIDIARIES)

Consolidated Balance Sheets

For the years ended December 31, 2022 and 2021

(In Thousands of New Taiwan Dollars)

		2022.12.31		2021.12.31	
	Assets:	**Amount**	**%**	**Amount**	**%**
	Current assets				
1100	Cash and cash equivalents (Note 6 (a))	$ 279,258	19	366,651	25
1170	Accounts and notes receivable, net (Notes 6(b),(r) and 8)	347,844	24	495,008	33
1200	Other receivables (Note 6(c))	6,809	1	956	-
130X	Inventories (Note 6(d)(f))	145,339	10	177,821	12
1479	Prepayments and other current assets (Note 8)	21,228	1	36,617	2
		800,478	55	1,077,053	72
	Non-current assets:				
1600	Property, plant and equipment (Notes 6(f),(g) and 8)	480,241	33	295,426	20
1755	Right-of-use assets (Note 6(f), (h))	39,985	3	10,034	1
1805	Intangible assets (Note 6(f),(i))	65,719	5	-	-
1840	Deferred tax assets (Note 6(n))	16,711	1	24,053	2
1915	Prepayments for equipment	25,639	2	64,741	4
1920	Refundable deposits	3,263	-	6,464	-
1975	Non-current net defined benefit asset (Note 6(m))	12,080	1	11,196	1
1990	Other non-current assets, others	-	-	57	-
		643,638	45	411,971	28
	Total assets	**$ 1,444,116**	**100**	**1,489,024**	**100**

		2022.12.31		2021.12.31	
	Liabilities and Equity	**Amount**	**%**	**Amount**	**%**
	Current liabilities:				
2100	Short-term borrowings (Notes 6(j) and 8)	$ 94,603	7	165,723	12
2130	Current lease liabilities (Note 6(r))	26,965	2	27,660	2
2170	Accounts payable	117,931	8	154,018	11
2181	Accounts payable to related parties (Note 7)	-	-	7,967	1
2200	Other payables to related parties (Note 7)	59,309	4	190,726	13
2280	Current lease liabilities (note 6(l))	11,240	1	4,420	-
2322	Long-term borrowings, current portion (Notes 6(k) and 8)	16,470	1	-	-
2399	Other current liabilities, others	5,137	-	4,406	-
		331,655	23	554,920	39
	Non-current liabilities				
2540	Long-term borrowings, current portion (Notes 6(k) and 8)	203,119	14	72,769	5
2570	Deferred tax liabilities (Note 6(n))	3,572	-	2,449	-
2580	Non-current lease liabilities (Note 6(l))	27,417	2	4,013	-
2550	Non-current provisions	3,928	-	3,126	-
2630	Long term deferred revenues (Note 6(g))	62,346	4	65,933	4
		300,382	20	148,290	9
	Total liabilities	632,037	43	703,210	48
	Equity attributable to owners of parent (notes 6(e), and (o)):				
3110	Ordinary share	688,468	48	688,468	46
3200	Capital surplus	61,506	4	61,506	4
3350	Unappropriated retained earnings	74,511	5	(28,751)	(2)
3410	Exchange differences on translation of foreign financial statements	(12,406)	-	(14,643)	(1)
	Equity attributable to owners of parent, subtotal	812,079	57	706,580	47
36XX	Non-controlling interests (Note 6 (e))	-	-	79,234	5
	Total equity	812,079	57	785,814	52
	Total liabilities and equity	**$ 1,444,116**	**100**	**1,489,024**	**100**

See accompanying notes to the Consolidated Financial Statements.

JHEN VEI ELECTRONIC CO., LTD. AND SUBSIDIARIES (Originally known as JHEN VEI ELECTRONIC CO., LTD. AND SUBSIDIARIES)

Consolidated Statements of Comprehensive Income

For the years ended December 31, 2022 and 2021

(In Thousands of New Taiwan Dollars)

		For the Year Ended				
		December 31, 2022			December 31, 2021	
			Amount	%	Total Amount	%
4000	**Operating revenue (Notes 6(r) and 7)**	$	1,003,670	100	619,501	100
5000	**Operating costs (Note 6(d),(m),(p))**		(846,488)	(84)	(549,359)	(89)
	Gross profit		157,182	16	70,142	11
	Operating expenses (Notes 6(b),(f),(p), (m), and (s))					
6100	Selling expenses (note 7)		56,284	6	22,312	4
6200	Administrative expenses		79,417	8	46,854	7
6450	Expected credit losses (Reversal gains)		328	-	(59)	-
	Total operating Expenses		136,029	14	69,107	11
	Net operating gains (losses)		21,153	2	1,035	-
	Non-operating income and expenses					
7100	Interest income (Note 6(t))		1,744	-	312	-
7230	Foreign exchange gains		30,285	3	(5,378)	(1)
7050	Finance costs (Note 6(t))		(7,943)	(1)	(3,284)	(1)
7190	Other gains and losses (note 6(e), (t) and 7)		57,341	6	5,026	1
	Total non-operating income and expenses		81,427	8	(3,324)	(1)
7900	**Profit (loss) before income tax**		102,580	10	(2,289)	(1)
7950	**Less: Income tax expense (note 6(n))**		4,935	-	883	-
	Net profit (Net loss) from continuing operations		97,645	10	(3,172)	(1)
8100	Profit from discontinued business (Note 12(b))		9,662	1	19,336	3
	Net profit (loss)		107,307	11	16,164	2
8300	**Other comprehensive income (loss):**					
8310	**Items that will not be reclassified subsequently to profit or loss**					
8311	Remeasurements of defined benefit plans (note 6(m))		861	-	148	-
8349	Less: Income tax related to components of other comprehensive income that will not be reclassified to profit or loss (Note 6(n))		172	-	30	-
8360	**Items that may be reclassified subsequently to profit or loss:**					
8361	Exchange differences on translation of foreign financial statements		2,237	-	(1,273)	-
8300	**Other comprehensive income, net of tax**		2,926	-	(1,155)	-
	Total comprehensive income	**$**	**110,233**	**11**	**15,009**	**2**
	Profit attributable to:					
8610	Owners of the parent	$	102,573	11	6,691	
8620	Non-controlling interests		4,734	-	9,473	2
		$	**107,307**	**11**	**16,164**	**2**
	Comprehensive income attributable to:					
8710	Owners of the parent	$	105,499	11	5,536	-
8720	Non-controlling interests		4,734	-	9,473	2
		$	**110,233**	**11**	**15,009**	**2**
	Earnings per share (in dollar) (Note 6(q)):					
9710	Net profit (Net loss) from continuing operations	$	1.42		(0.06)	
9720	Net profit (loss) from discontinued business (Note 12(b))		0.07		0.19	
	Basic loss (earnings) per share	**$**	**1.49**		**0.13**	
	Diluted earnings (losses) per share (in dollar) (Note 6(q)):					
9810	Net profit (Net loss) from continuing operations	$	1.42		(0.06)	
9820	Net profit (loss) from discontinued business (Note 12(b))		0.07		0.19	
	Diluted earning (loss) per share	**$**	**1.49**		**0.13**	

JHEN VEI ELECTRONIC CO., LTD. AND SUBSIDIARIES (Originally known as JHEN VEI ELECTRONIC CO., LTD. AND SUBSIDIARIES)

Consolidated Statements of Changes in Equity

For the years ended December 31, 2022 and 2021

(In Thousands of New Taiwan Dollars)

	Equity Attributable to Owners of the Group						
			Retained earnings	Other equity interest	Equity attributable to owners of parent:		
				Foreign operations Financial statements Exchange differences on translation of foreign financial statements			
	Ordinary share	Capital surplus	Deficit yet to be compensated	Exchange differences on translation of foreign financial statements	Equity attributable to owners of parent	Non-controlling interests	Total equity
Balance on January 1, 2021	$ 488,468	2,536	(35,560)	(13,370)	442,074	69,761	511,835
Net profit (loss)	-	-	6,691	-	6,691	9,473	16,164
Other comprehensive income	-	-	118	(1,273)	(1,155)	-	(1,155)
Total comprehensive income for the period	-	-	6,809	(1,273)	5,536	9,473	15,009
Issuance of shares for cash	200,000	56,000	-	-	256,000	-	256,000
Share-based payment	-	2,970	-	-	2,970	-	2,970
Balance on December 31, 2021	688,468	61,506	(28,751)	(14,643)	706,580	79,234	785,814
Profit	-	-	102,573	-	102,573	4,734	107,307
Other comprehensive income	-	-	689	2,237	2,926	-	2,926
Total comprehensive income for the period	-	-	103,262	2,237	105,499	4,734	110,233
Proceeds from disposal of subsidiaries	-	-	-	-	-	(83,968)	(83,968)
Balance on December 31, 2022	**$ 688,468**	**61,506**	**74,511**	**(12,406)**	**812,079**	**-**	**812,079**

See accompanying notes to the Consolidated Financial Statements.

JHEN VEI ELECTRONIC CO., LTD. AND SUBSIDIARIES (Originally known as JHEN VEI ELECTRONIC CO., LTD. AND SUBSIDIARIES)

Consolidated Statements of Cash Flows

For the years ended December 31, 2022 and 2021

(In Thousands of New Taiwan Dollars)

	For the Year Ended December 31, 2022	For the Year Ended December 31, 2021
Cash flows from (used in) operating activities:		
Net profit (loss) before tax from continuing operations	$ 102,580	(2,289)
Net profit before tax from discontinued operation	12,078	25,077
Profit (loss) before tax	114,658	22,788
Adjustments:		
Adjustments to reconcile profit (loss)		
Depreciation expense	46,423	18,125
Amortizations	6,150	-
Expected credit loss (Reversal of expected credit loss)	328	375
Interest expense	7,943	3,885
Interest income	(1,744)	(331)
Share-based payments	-	2,970
Losses on disposals of property, plant and equipment	229	(186)
Gains on disposals of investments	(48,709)	-
Total adjustments to reconcile profit (loss)	10,620	24,838
Changes in operating assets and liabilities:		
Changes in operating assets:		
Notes and accounts receivable	11,323	38,632
Other receivables	(5,853)	(224)
Inventories	(31,772)	(51,016)
Prepayments and other current assets	(248)	673
Net defined benefit assets	(884)	(20)
Net changes in operating assets Total	(27,434)	(11,955)
Net changes in operating liabilities:		
Increase in contract liabilities	20,464	-
Accounts payable	44,428	(57,092)
Accounts payable - related parties	(7,967)	7,967
Other payables	18,957	80,898
Deferred income	(4,546)	(4,475)
Other current liabilities	5,057	4,149
Net changes in operating liabilities:	76,393	31,447
Adjustments	59,579	44,330
Cash inflows generated from operations	174,237	67,118
Interest received	1,744	331
Interest paid	(7,943)	(3,732)
Income taxes paid	(466)	(5,503)
Net cash inflow from operating activities	167,572	58,214
Cash from (used in) investing activities		
Business combination	(186,477)	-
Proceeds from disposal of subsidiaries	136,131	-
Cash decreased from disposal of subsidiaries	(139,727)	-
Acquisition of property, plant and equipment	(103,749)	(174,336)
Disposals of property, plant and equipment	7,367	348
Decrease (increase) in refundable deposits	(2,331)	4,333
Acquisition of intangible assets	(1,139)	-
Increase in other financial assets	(78,877)	55,895
Increase in prepayment for equipment	(25,904)	(64,741)
Decrease in other payables	(58,938)	-
net cash outflow from investing activities	(453,644)	(178,501)
Cash from (used in) financing activities:		
Increase in short-term borrowings	11,219	84,659
long-term borrowings	204,819	49,769
Repayments of long term debt	(11,570)	-
Payments of lease liabilities	(11,210)	(4,751)
Issuance of shares for cash	-	256,000
Net cash inflows used in financing activities	193,258	385,677
Effect of exchange rate changes on cash and cash equivalents	5,421	(5,271)
Current Increase in cash and cash equivalents	(87,393)	260,119
Cash and cash equivalents at beginning of period	366,651	106,532
Cash and cash equivalents, end of period	**$ 279,258**	**366,651**

JHEN VEI ELECTRONIC CO., LTD. AND SUBSIDIARIES (Originally known as JHEN VEI ELECTRONIC CO., LTD. AND SUBSIDIARIES)

Notes to Consolidated Financial Statements

For the Years Ended December 31, 2022 and 2021

(Expressed in Thousands of New Taiwan Dollars, Unless Otherwise Specified)

(1) Company history

JHEN VEI ELECTRONIC CO., LTD. (Hua Yin Group, hereinafter referred to as “the Group”), formerly known as JHEN VEI ELECTRONIC CO., LTD.,was established by the Ministry of Economic Affairs on February 21, 1986. As of June 19, 2020, the name of the Group was approved by the general shareholders’meeting to be changed to JHEN VEI ELECTRONIC CO., LTD. The registered address is 6F, No. 18, Ln 609, Sec 5, Chongxin Rd., Sanchong Dist., New Taipei City 24159, Taiwan. The principal activities of the Company and its subsidiaries (hereinafter referred to as the “Group”) are trading of plug, socket, computer cable, the after processing of electronic components ,Solar power plant construction services and renewable energy generation.

(2) Approval date and procedures of the financial statements

These consolidated financial statements were authorized for issue by the Board of Directors on March 28, 2023.

(3) New standards, amendments, and interpretations adopted

(a) The impact of the International Financial Reporting Standards endorsed by the Financial Supervisory Commission, R.O.C. which have already been adopted.

The Group has initially adopted the following new amendments, which do not have a significant impact on its consolidated financial statements, from January 1, 2022:

- Amendments to IAS 16 “Property, Plant and Equipment－Proceeds before Intended Use”
- Amendments to IAS 37 “Onerous Contracts－Cost of Fulfilling a Contract”
- Annual Improvements to IFRS Standards 2018-2020
- Amendments to IFRS 3 “Reference to the Conceptual Framework”

(b) The impact of IFRS endorsed by FSC but not yet effective

The Group assesses that the adoption of the following new amendments, effective for annual period beginning on January 1, 2023, would not have a significant impact on its consolidated financial statements:

- Amendments to IAS 1 “Disclosure of Accounting policies”
- Amendments to IAS 8 “Definition of Accounting Estimates”
- Amendment to IAS 12 "Deferred income tax in relation to assets and liabilities arising from a single exchange”

(c) The impact of IFRS issued by IASB but not yet endorsed by the FSC

The following new and amended standards, which may be relevant to The Group, have been issued by the International Accounting Standards Board (IASB), but have yet to be endorsed by the FSC:

New standards, amendments and interpretations adopted	Content of amendment	Effective date per IASB
● Amendments to IAS 1 "Classification of Liabilities as Current or Non-current"	According to IAS 1, the Group does not have an unconditional right to defer settlement of the liability for at least twelve months after the reporting period. The amendment removes the requirement of unconditional right and instead,such right shall exist and be substantial on the end of the reporting period. The amended provision clarifies how an enterprise should classify its liabilities (such as convertible corporate bonds) which are settled by issuing its own equity instrument.	January 1, 2024
● Amendments to IAS 1 "Disclosure of Accounting policies"	After reconsidering some aspects of the IAS 1 Amendments in 2020, the new amendment states that only contractual terms that were followed on or before the reporting date will affect the classification of a liability as current or non-current. The contractual terms (i.e. future terms) that an enterprise is required to comply with after the reporting date do not affect the classification of liabilities on that date. However, where non-current liabilities are subject to future contract terms, enterprises need to disclose information to help financial statement users understand the risk that such liabilities may be repaid within 12 months of the reporting date.	January 1, 2024

The Group is evaluating the impact of its initial adoption of the above mentioned standards or interpretations on its consolidated financial position and consolidated financial performance. The results thereof will be disclosed when the Group completes its evaluation.

The Group does not expect the following other new and amended standards, which have yet to be endorsed by the FSC, to have a significant impact on its consolidated financial statements:

* Amendments to IFRS 10 and IAS 28 "Sale or Contribution of Assets Between an Investor and Its Associate or Joint Venture"

● IFRS 17 " Insurance Contracts" and amendments to IFRS 17 " Insurance Contracts"

●Amendments to IFRS 17 "Initial Application of IFRS 17 and IFRS 9—Comparative Information"

● IFRS 16"Leases"

JHEN VEI ELECTRONIC CO., LTD. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements
(Originally known as JHEN VEI ELECTRONIC CO., LTD. AND SUBSIDIARIES)

(4) Summary of significant accounting policies

The significant accounting policies presented in the consolidated financial statements are summarized as below. Except for those specifically indicated, the following accounting policies were applied consistently throughout the periods presented in the consolidated financial statements.

(a) Statement of compliance

The consolidated financial statements have been prepared in accordance with the "Regulations Governing the Preparation of Financial Reports by Securities Issuers" (hereinafter referred to as the Regulations) and the IFRSs endorsed by the FSC.

(b) Basis of consolidation

1. Principles of preparation of the consolidated financial statements

The consolidated financial statements comprise the Group and subsidiaries. Subsidiaries are entities controlled by the Group. The Group 'controls' an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity.

The financial statements of the subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases. Intragroup balances and transactions, and any unrealized income and expenses arising from Intragroup transactions, are eliminated in preparing the consolidated financial statements. The Group attributes the profit or loss and each component of other comprehensive income to the owners of the parent and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance.

The Group prepares consolidated financial statements using uniform accounting policies for like transactions and other events in similar circumstances.

Changes in the Group's ownership interests in a subsidiary that do not result in a loss of control are accounted for as equity transactions. The difference between the adjustment of the non controlling interest and the fair value of the consideration paid or received is recognized in equity and attributed to the shareholders of the Group.

When The Group loses control of a subsidiary, it derecognizes the assets (including any goodwill) and liabilities of the subsidiary as well as any related non-controlling interests. Any interest retained in the former subsidiary is measured at fair value at the date when control is lost. The Group recognizes as gain or loss in profit or loss the difference between (i) the fair value of the consideration received as well as any investment retained in the former subsidiary at its fair value at the date when control is lost; and (ii) the assets (including any goodwill) and liabilities of the subsidiary as well as any related non-controlling interests at their carrying amounts at the date when control is lost. When The Group loses control of its subsidiary, it accounts for all amounts previously recognized in other comprehensive income in relation to that subsidiary on the same basis as would be required if it had directly disposed of the related assets or liabilities.

JHEN VEI ELECTRONIC CO., LTD. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements
(Originally known as JHEN VEI ELECTRONIC CO., LTD. AND SUBSIDIARIES)

2. List of subsidiaries included in the consolidated financial statements

   The subsidiaries included in the consolidated financial statements were as follows:

Investor	Name of Subsidiary	Principal activity	Percentage of Ownership 2022.12.31	Percentage of Ownership 2021.12.31	Note
The Group	Jhen Vei Enterprise Co., Ltd.	Manufacturing and sales of various types of signal cables and investment holding	100%	100%	
The Group	Ports Wiring Co., Ltd.	Investment holding	100%	100%	
The Group	UNIFORCE TECHNOLOGY CORPORATION	System integration services of network security	- %	51%	Note (b)
The Group	Hua Yin Energy	Power generation for self-usage using renewable energy	100%	100%	Note (d):
The Group	Gou Zhi Electronic	After processing of electronic components	100%	- %	Note (c):
Jhen Vei Enterprise Co., Ltd.	Huai An Jhen Vei Electronic Co., Ltd.	Manufacturing and sales of various types of signal cables	100%	100%	
Jhen Vei Enterprise Co., Ltd.	Jhen Vei Investment Limited	Investment holding	100%	100%	
Hua Yin Energy	Gou Zhi Electronic	After processing of electronic components	- %	100%	Notes (a), (c)

Note(a): Guozhi Electronic Co., Ltd. was established on December 29, 2021 with the approval of the Ministry of economy and was incorporated into the consolidated entity since that date.

Note(b): The Group disposed of its entire shareholding on March 18, 2022 by resolution of the board of directors. 30% and 21% of the equity interest were delivered between March and April of the same year,respectively. The equity method then ceased to be applied after losing control in March of the same year. The legal procedures have been completed on April 27, 2022 and the payment has been received.

Note(c): The Group increased the cash capital of Guozhi Electronic Co., Ltd.by $199,000 thousand in September 2022 and purchased the remaining shares from Huayin Energy. The Group directly hold 100%shareholding of Guozhi Electronic Co., Ltd..

Note(d): The Group was involved in a cash capital increase of $50,000 thousand in Huayin Energy. The base day for capital increase is May 25, 2022.

3. List of subsidiaries excluded in the consolidated financial statements: None

(c) Foreign currencies

1. Foreign currency transactions

   Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies at the end of each subsequent reporting period (hereinafter referred to as the reporting date) are retranslated to the functional currency at the exchange rate at that date. Non-monetary items denominated in foreign currencies that are measured at fair value are translated into the functional currencies using the exchange rate at the date that the fair value was determined. Non monetary items denominated in foreign currencies that are measured based on historical cost are translated using the exchange rate at the date of the transaction.

Exchange differences are generally recognized in profit or loss.

2. Foreign operations

The assets and liabilities of foreign operations, including goodwill and fair value adjustments arising on acquisition, are translated into the presentation currency at the exchange rates at the reporting date. The income and expenses of foreign operations are translated into the presentation currency at the average exchange rate. Exchange differences are recognized in other comprehensive income.

When a foreign operation is disposed of such that control, joint control, or significant influence is lost, the cumulative amount in the translation reserve related to that foreign operation is reclassified to profit or loss as part of the gain or loss on disposal. When The Group disposes of any part of its interest in a subsidiary that includes a foreign operation while retaining control, the relevant proportion of the cumulative amount is reattributed to non-controlling interests. For a partial disposal of the Company's ownership interest in an associate or joint venture, the proportionate share of the accumulated exchange differences in equity is reclassified to profit or loss.

When the settlement of a monetary receivable from or payable to a foreign operation is neither planned nor likely to occur in the foreseeable future, exchange differences arising from such a monetary item that are considered to form part of the net investment in the foreign operation are recognized in other comprehensive income.

(d) Classification of current and non-current assets and liabilities

An asset is classified as current when one of following criteria is met; all other assets are classified as non-current assets.

1. It is expected to be realized, or intended to be sold or consumed, in the normal operating cycle;
2. It is held primarily for the purpose of trading;
3. It expects to realize the asset within twelve months after the reporting period; or
4. The asset is cash or a cash equivalent (as defined in IAS 7) unless the asset is restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

A liability is classified as current under one of the following criteria, and all other liabilities are classified as non-current.

1. It is expected to be settled in its normal operating cycle;
2. It is held primarily for the purpose of trading;
3. The liability is due to be settled within twelve months after the reporting period; or
4. The Group does not have an unconditional right to defer settlement of the liability for at least twelve months after the reporting period. Terms of a liability that could, at the option of the counterparty, result in its settlement by issuing equity instruments do not affect its classification.

(e) Cash and cash equivalents

Cash and cash equivalents comprise cash, cash in bank, and short term, highly liquid investments that are readily convertible to known amounts of cash and are subject to an insignificant risk of changes in value. Time deposits meet aforementioned definitions that are held for the purpose of meeting short term cash commitments rather than for investment or other purposes, and that are subject to an insignificant risk of changes in their fair value are recognized as cash and cash equivalents.

(f) Financial instruments

Accounts receivable and debt securities issued are initially recognized when they are originated. All other financial assets and financial liabilities are initially recognized when the Group becomes a party to the contractual provisions of the instrument. A financial asset (unless it is an accounts receivable without a significant financing component) or financial liability is initially measured at fair value plus, for an item not at fair value through profit or loss (FVTPL), transaction costs that are directly attributable to its acquisition or issue. An accounts receivable without a significant financing component is initially measured at the transaction price.

1. Financial assets

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

On initial recognition, a financial asset is classified as measured at amortized cost. The Group changes its business model for managing financial assets, in which case all affected financial assets are reclassified on the first day of the first reporting period following the change in the business model.

(1) Impairment of financial assets

The Group measures loss allowances at an amount equal to lifetime expected credit loss (“ECL”), except for the following which are measured as 12-month ECL:

- debt securities that are determined to have low credit risk at the reporting date; and
- other debt securities and bank balances for which credit risk (i.e. the risk of default occurring over the expected life of the financial instrument) has not increased significantly since initial recognition.

Loss allowance for accounts receivable are always measured at an amount equal to lifetime ECL.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECL, The Group considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis based on The Group’s historical experience and informed credit assessment as well as forward looking information.

The Group assumes that the credit risk on a financial asset has increased significantly if it is more than 30 days past due.

The Group considers a financial asset to be in default when the financial asset is more than 90 days past due or the debtor is unlikely to pay its credit obligations to the Group in full.

Lifetime ECLs are the ECLs that result from all possible default events over the expected life of a financial instrument.

12-month ECLs are the portion of ECLs that result from default events that are possible within the 12 months after the reporting date (or a shorter period if the expected life of the instrument is less than 12 months).

The maximum period considered when estimating ECLs is the maximum contractual period over which the Group is exposed to credit risk.

ECLs are probability-weighted estimate of credit losses over the expected life of financial assets. Credit losses are measured as the present value of all cash shortfalls, i.e the difference between the cash flows due to The Group in accordance with the contract and the cash flows that The Group expects to receive. ECL are discounted at the effective interest rate of the financial asset.

At each reporting date, the Group assesses whether financial assets carried at amortized cost and debt securities at FVOCI are credit-impaired. A financial asset is ‘credit-impaired’ when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred. An evidence that a financial assets is credit-impaired includes the following observable data:

- significant financial difficulty of the borrower or issuer;
- a breach of contract such as a default or being more than 90 days past due;
- the lender of the borrower, for economic or contractual reasons relating to the borrower's financial difficulty, having granted to the borrower a concession that the lender would not otherwise consider;
- it is probable that the borrower will enter bankruptcy or other financial reorganization; or
- the disappearance of an active market for a security because of financial difficulties.

Loss allowances for financial assets measured at amortized cost are deducted from the gross carrying amount of assets.

The gross carrying amount of a financial asset is written off either partially or in full to the extent that there is no realistic prospect of recovery. For corporate customers, the Group individually makes an assessment with respect to the timing and amount of write off based on whether there is a reasonable expectation of recovery. The Group expects no significant recovery from the amount written off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Group's procedures for recovery of amount due.

(2) Derecognition of financial assets

The Group derecognizes a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which The Group neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset.

The Group enters into transactions whereby it transfers assets recognized in its statement of balance sheet, but retains either all or substantially all of the risks and rewards of the transferred assets. In these cases, the transferred assets are not derecognized.

2. Financial liabilities and equity instruments

(1) Classification of debt or equity

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

(2) Equity instruments

An equity instrument is any contract that evidences the residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued is recognized as the amount of consideration received, less the direct cost of issuing.

(3) Derecognition of financial liabilities

The Group derecognizes a financial liability when its contractual obligations are discharged or canceled, or expire. The Group also derecognizes a financial liability when its terms are modified and the cash flows of the modified liability are substantially different, in which case a new financial liability based on the modified terms is recognized at fair value.

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

(4) Offsetting of financial assets and liabilities

Financial assets and financial liabilities are offset and the net amount presented in the statement of balance sheet when, and only when, The Group currently has a legally enforceable right to offset the amounts and it intends either to settle them on a net basis or to realize the asset and settle the liability simultaneously.

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(g) Inventory

The inventory of the Group include construction in progress-power plants and products. The expenditures of power plants before construction, construction costs, and engineering expenses can be allocated by power plants, and should be recognized as “power plants in progress”.

Inventories are measured at the lower of cost and net realizable value. The cost of inventories is calculated based on the weighted average method and includes expenditure incurred in acquiring the inventories, production or conversion costs, and other costs incurred in bringing them to the location and condition. Fixed manufacturing overhead is allocated to finished products and work in process based on normal capacity

Net realizable value represents the estimated selling price in the ordinary course of business, less all estimated costs of completion and necessary selling expenses.

(h) Noncurrent assets held for sale and discontinued operations

A discontinued operation is a component of the Group’s business that either has been disposed, or is classifies as held for sale, and

1. represents a separate major line of business or geographic area of operations;
2. is part of a single coordinated plan to dispose of a separate major line of business or geographic area of operations; or
3. is a subsidiary acquired exclusively with a view to resale.

Classification as a discontinued operation occurs at the earlier of disposal or when the operation meets the criteria to be classified as held for sale.

(i) Property, plant and equipment

1. Recognition and measurement

Items of property, plant and equipment are measured at cost, less accumulated depreciation and any accumulated impairment losses.

If significant parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

Any gain or loss on disposal of an item of property, plant and equipment is recognized in profit or loss.

2. Subsequent expenditure

Subsequent expenditure is capitalized only if it is probable that the future economic benefits associated with the expenditure will flow to the Group.

3. Depreciation

Depreciation is calculated on the cost of an asset, less its residual value, and is recognized in profit or loss on a straight-line basis over the estimated useful lives of each component of an item of property, plant and equipment.

Land is not depreciated.

The useful life of property, plant and equipment is as follows:

1) buildings: 20 years

2) Machinery and equipment: 5~10 years

3) Transportation equipment: 5 years.

4) Other equipment: 2~10 years

Depreciation methods, useful lives, and residual values are reviewed at each reporting date and adjusted if appropriate.

(j) Lease

At inception of a contract, The Group assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

1. As a lessee

The Group recognizes a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. In addition, the right-of-use asset is periodically evaluated and reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date. The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be reliably determined, the Group's incremental borrowing rate. Generally, The Group uses its incremental borrowing rate as the discount rate.

Lease payments included in the measurement of the lease liability comprise the following:

(1) fixed payments, including in-substance fixed payments;

(2) variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;

(3) Amounts expected to be payable under a residual value guarantee; and

(4) payments for purchase or termination options that are reasonably certain to be exercised.

The lease liability is subsequently measured at amortized cost using the effective interest method. It is remeasured when:

(1) there is a change in future lease payments arising from the change in an index or rate; or

(2) there is a change in the Group's estimate of the amount expected to be payable under a residual value guarantee; or

(3) there is a change in the lease term resulting from a change of its assessment on whether it will exercise an option to purchase the underlying asset; or

(4) there is a change in the lease term resulting from a change of the Group's assessment on whether it will exercise an extension or termination option; or

(5) there is any lease modifications

When the lease liability is remeasured, other than lease modifications, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or in profit and loss if the carrying amount of the right-of-use asset has been reduced to zero.

When the lease liability is remeasured to reflect the partial or full termination of the lease for lease modifications that decrease the scope of the lease, the Group accounts for the remeasurement of the lease liability by decreasing the carrying amount of the right-of-use asset to reflect the partial or full termination of the lease, and recognize the difference in profit or loss for any gain or loss relating to the partial or full termination of the lease.

The Group presents right-of-use assets that do not meet the definition of investment properties, and lease liabilities as a separate line item respectively in the consolidated balance sheets.

the Group has elected not to recognize right of use assets and lease liabilities for short term leases of Other equipment of low value assets, the Company recognizes the lease payments associated with these leases as an expense on a straight line basis over the lease term.

(k) Intangible assets

1. Recognition and measurement

Other intangible assets, including customer relationships and patents and trademarks, that are acquired by the Group and have finite useful lives are measured at cost less accumulated amortization.

2. Subsequent expenditure

Subsequent expenditure is capitalized only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditures, including expenditure on internally generated goodwill and brands, is recognized in profit or loss as incurred.

3. Amortization

   Amortization is calculated over the cost of the asset, less its residual value, and is recognized in profit or loss on a straight-line basis over the estimated useful lives of intangible assets, from the date that they are available-for-use.

   Amortization is recognized in profit or loss on a straight line basis over the Group's intangible assets, from the date that they are available for use. The estimated useful lives for the current and comparative periods are as follows:

   1) Patent 10 years

   2) Customer relationship 10 years

   3) Software 2 years

   The residual value, amortization period, and amortization method are reviewed at least annually at each annual reporting date, and any changes therein are accounted for as changes in accounting estimates.

(l) Estimate of provisions

A provision is recognized if, as a result of a past event, the Group has a present obligation that can be estimated reliably, and it is probably that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pretax rate that reflects the current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognized as finance cost.

1. Warranties

   A provision for warranties is recognized when the underlying products or services are sold. The provision is weighting factors based on historical experience of warranty claims rate and other possible outcomes against their associated probabilities.

2. Restructuring

   A provision for restructuring is recognized when the Group has approved a detailed and formal restructuring plan, and the restructuring has either commenced or been announced publicly. Provisions are not recognized for future operating losses.

3. Site restoration

   In accordance with the Group's published environmental policy and applicable legal requirements, a provision for restoration of contaminated land and the related expense are recognized when the land is contaminated.

4. Onerous contracts

   A provision for onerous contracts is recognized when the expected benefits to be derived by the Group from a contract are lower than the unavoidable cost of meeting its obligations under the contract. The provision is measured at the present value of the lower of the expected cost of terminating the contract and the expected net cost of continuing with the contract. Before a provision is established, the Group recognizes any impairment loss on the assets associated with that contract.

(m) Revenue recognition

Revenue is measured based on the consideration to which the Group expects to be entitled in exchange for transferring goods or services to a customer. The Group recognizes revenue when it satisfies a performance obligation by transferring control of a good or a service to a customer. The accounting policies for the Group' s main types of revenue are explained below.

1. Sale of goods - electronic components

   Revenue is recognized when the control over a product has been transferred to the customer. Being when the products are delivered to the customer, the customer has full discretion over the channel and price to sell the products, and there is no unfulfilled obligation that could affect the customer's acceptance of the products. Delivery occurs when the products have been shipped to the specific location, the risks of obsolescence and loss have been transferred to the customer, and either the customer has accepted the products in accordance with the sales contract, the acceptance provisions have lapsed, or The Group has objective evidence that all criteria for acceptance have been satisfied.

   Therefore, The Group's obligation to provide a refund for faulty automatic machines under the standard warranty terms is recognized as a provision of warranty.

2. Sale of goods - network security equipment

   The sales revenue of the Group is arising from sales of information security equipment. As the goods arrive at the customer's designated location, the customer has the right to set the price and application goods and has the primary responsibility for reselling goods, as well as the risk of their obsolescence, the Group recognizes revenue and accounts receivable at that point.

   A receivable is recognized when the goods are delivered as this is the point in time that the Group has a right to an amount of consideration that is unconditional. Advance sales receipts are recognized as contractual liabilities and are recognized as revenues when goods are delivered to customers.

3. Service revenue

   Labor revenue is arising from equipment acquisition services, hardware and software installation services and extended warranty services.

4. Power electric revenue

   The Group recognized the power electric revenue is based on the actual electric units and electric rate.

5. Engineering service revenue

   The Group enters into contracts to build customized power plants. Because its customer controls the asset as it is constructed, the Group recognizes revenue over time on the basis of the construction costs incurred to date as a proportion of the total estimated costs of the contract. The Group recognizes revenue only to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognized will not occur. If the consideration paid by the customer according to agreed schedule is received and the Group has not recognized as revenue, it should be recognized as contract liabilities. The consideration is paid by the customer according to the agreed payment terms. The excess of the amount that has been recognized as revenue over the amount that the Group has issued a bill is recognized as a contract asset. When the entitlement to the payment becomes unconditional, the contract asset is transferred to receivables.

   If the Group cannot reasonably measure its progress towards complete satisfaction of the performance obligation of a construction contract, the Group shall recognize revenue only to the extent of the costs expected to be recovered.

   Estimates of revenues, costs, or extent of progress toward completion, are revised if circumstances change. Any resulting increases or decreases in estimated revenues or costs are reflected in profit or loss in the period in which the circumstances that give rise to the revision become known by the management.

6. Financing components

   The Group does not expect to have any contracts where the period between the transfer of the promised goods or services to the customer and payment by the customer exceeds one year. As a consequence, The Group does not adjust any of the transaction prices for the time value of money.

(n) Government grants

The Group recognizes an related to the unconditional government grant related to business operation as other income when the unconditional grant becomes receivable. Other government grants related to assets with terms of how the Group should purchase, build or acquire non-current assets through other methods are recognized as deferred revenues if there is reasonable assurance that they will be received and the Group will comply with the conditions associated with the grant; they are then recognized in profit or loss as other income on a systematic basis over the useful life of the asset. Grants that compensate the Group for expenses or losses incurred are recognized in profit or loss on a systematic basis in the periods in which the expenses or losses are recognized.

(o) Employee benefits

1. Defined contribution plans

   Obligations for contributions to defined contribution pension plans are expensed as the related service is provided.

2. Defined benefit plans

   The Group’s net obligation in respect of defined benefit plans is calculated separately for each the plan by estimating the amount of future benefit that employees have earned in the current and prior periods, discounting that amount and deducting the fair value of any plan assets.

The calculation of defined benefit obligations is performed annually by a qualified actuary using the projected unit credit method. When the calculation results in a potential asset for The Group, the recognized asset is limited to the present value of economic benefits available in the form of any future refunds from the plan or reductions in future contributions to the plan. To calculate the present value of economic benefits, consideration is given to any applicable minimum funding requirements.

Remeasurements of the net defined benefit liability, which comprise actuarial gains and losses, the return on plan assets (excluding interest) and the effect of the asset ceiling (if any, excluding interest), are recognized immediately in other comprehensive income, and accumulated in retained earnings. The Group determines the net interest expense (income) on the net defined benefit liability (asset) for the period by applying the discount rate used to measure the defined benefit obligation at the beginning of the annual period to the then-net defined benefit liability (asset). Net interest expense and other expenses related to defined benefit plans are recognized in profit or loss.

When the benefits of a plan are changed or when a plan is curtailed, the resulting change in benefit that relates to past service or the gain or loss on curtailment is recognized immediately in profit or loss. The Group recognizes gains and losses on the settlement of a defined benefit plan when the settlement occurs.

(p) Share based payment

The grant-date fair value of equity-settled share-based payment arrangements granted to employees is generally recognized as an expense, with a corresponding increase in equity, over the resting period of the awards. The compensation cost is adjusted to reflect the number of awards given to employees for which the performance and non-market conditions are expected to be met, such that the amount ultimately recognized shall be based on the number of equity instruments that eventually have vested.

For share-based payment awards with non-vesting conditions, the grant-date fair value of the share-based payment is measured to reflect such conditions, and there is no true-up for differences between expected and actual outcomes.

The fair value of the amount payable to employees in respect of share appreciation rights, which are settled in cash, is recognized as an expense with a corresponding increase in liabilities, over the period that the employees become unconditionally entitled to payment. The liability is remeasured at each reporting date and at settlement date based on the fair value of the share appreciation rights. Any changes in the liability are recognized in profit or loss.

The Group’s grant date of a share-based payment award is the date which the Group informs its employee of the exercise price and number of exercised shares.

(q) Income taxes

Income taxes comprise both current taxes and deferred taxes. Except for expenses related to business combinations or recognized directly in equity or other comprehensive income, all current and deferred taxes shall be recognized in profit or loss.

Current taxes comprise the expected tax payables or receivables on the taxable profits (losses) for the year and any adjustment to the tax payable or receivable in respect of previous years. The amount of current tax payables or receivables are the best estimate of the tax amount expected to be paid or received that reflects uncertainty related to income taxes. It is measured using tax rates enacted or substantively enacted at the reporting date.

Deferred income taxes are recognized in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting date and the amounts used for taxation purposes. Deferred taxes are not recognized for the following exceptions:

Temporary differences related to investments in subsidiaries to the extent that the Group is able to control the timing of the reversal of the temporary differences and it is probable that they will not reverse in the foreseeable future.

Deferred taxes are measured at tax rates that are expected to be applied to temporary differences when they reserve, using tax rates enacted or substantively enacted at the reporting date.

Deferred tax assets and liabilities are offset if the following criteria are met:

1. the Group has a legally enforceable right to set off current tax assets against current tax liabilities; and

2. the deferred tax assets and the deferred tax liabilities relate to income taxes levied by the same taxation authority on either:

    1) the same taxable entity; or

    2) Different taxable entities which intend to settle current tax assets and liabilities on a net basis, or to realize the assets and liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

Deferred tax assets are recognized for unused tax losses, tax credits, and deductible temporary differences to the extent that it is probable that future taxable profits will be available against which they can be utilized. Deferred tax assets are reviewed at each reporting date and reduced to the extent that it is no longer probable that the related tax benefit will be realized; such reductions are reversed when the probability of future taxable profits improves.

(r) Business combination

The Group accounts for business combinations using the acquisition method. The goodwill arising from an acquisition is measured as the excess of (i) the consideration transferred (which is generally measured at fair value) and (ii) the amount of non-controlling interest in the acquiree, both over the identifiable net assets acquired at the acquisition date. If the amount calculated above is a deficit balance, the Group recognized that amount as a gain on a bargain purchase in profit or loss immediately after reassessing whether it has correctly identified all of the assets acquired and all of the liabilities assumed.

All the transaction costs incurred for the business combination are recognized immediately as the Group’s expenses when incurred, except for the issuance of debt or equity instruments.

If the initial accounting for a business combination is incomplete by the end of the reporting period in which the combination occurs, provisional amounts for the items for which the accounting is incomplete are reported in the Group's financial statements. During the measurement period, the provisional amounts recognized are retrospectively adjusted at the acquisition date, or additional assets or liabilities are recognized to reflect new information obtained about facts and circumstances that existed as of the acquisition date. The measurement period shall not exceed one year from the acquisition date.

The Group recognizes the acquisition-date fair value of the contingent consideration as part of the consideration transferred. Subsequent changes to the fair value of the contingent consideration during the measurement period shall adjust to the cost of the acquisition and the resulting goodwill retrospectively. An adjustment made during the measurement period is to reflect additional information obtained by the Company about facts and circumstances that existed as of the acquisition date. The measurement period shall not exceed one year from the acquisition date. The accounting treatment for those changes to the fair value of the contingent consideration that are not measurement period adjustments is depending on the classification of the contingent consideration. Contingent consideration classified as equity will not be remeasured and its subsequent settlement will be accounted for within equity. Otherwise, other contingent consideration is remeasured at fair value at each reporting date and subsequent changes in the fair value are recognized in profit or loss.

(s) Earnings per share

The basic and diluted EPS attributable to shareholders of the Group are disclosed in the consolidated financial statements. Basic earnings per share is calculated as the profit attributable to the ordinary shareholders of The Group divided by the weighted average number of current ordinary shares outstanding. Diluted earnings per share is calculated as the profit attributable to ordinary shareholders of The Group divided by the weighted average number of ordinary shares outstanding after adjustment for the effects of all potential dilutive ordinary shares.

(t) Operating segments

An operating segment is a component of The Group that engages in business activities from which it may incur revenues and incur expenses (including revenues and expenses relating to transactions with other components of The Group). Operating results of the operating segment are regularly reviewed by The Group's chief operating decision maker to make decisions about resources to be allocated to the segment and to assess its performance. Each operating segment consists of standalone financial information.

(5) Significant accounting assumptions and judgments, and major sources of estimation uncertainty

The preparation of the consolidated financial statements in conformity with the Regulations Governing the Preparation of Financial Reports by Securities Issuers, the Regulations and the IFRSs endorsed by the FSC, requires management to make judgments, estimates, and assumptions that affect the application of the accounting policies and the reported amount of assets, liabilities, income, and expenses. Actual results may differ from these estimates.

The management continues to monitor the accounting estimates and assumptions. The management recognizes any changes in accounting estimates during the period and the impact of those changes in accounting estimates in the next period.

Information about assumptions and estimation uncertainties that has not a significant risk of resulting in a material adjustment within the next financial year is as follows:

(6) Explanation of significant accounts

(a) Cash and cash equivalents

	2022.12.31	2021.12.31
Cash on hand and petty cash	$ 304	99
Cash in banks and demand deposits	278,954	366,552
	$ 279,258	366,651

Please refer to Note 6(u) for the fair value sensitivity analysis and interest rate risk of the financial assets and liabilities of the Group.

(b) Notes receivable and accounts receivable

1. Details are set out in the following table:

	2022.12.31	2021.12.31
Notes receivable	$ 2,200	2,860
Accounts receivable	346,966	493,820
Less: Loss allowance	(1,322)	(1,672)
	$ 347,844	495,008

2. The Group applies the simplified approach to provide for its expected credit losses, i.e. the use of lifetime expected loss provision for accounts receivable. To measure the expected credit losses, Accounts receivable have been grouped based on shared credit risk characteristics and the days past due, as well as the incorporated forward-looking information, including macroeconomic and relevant industry information. The ECL analysis of notes receivable and accounts receivable-related parties, of the Group was as follows:

	2022.12.31		
	Book value of accounts and notes receivable	**Weighted average expected credit losses rate**	**Allowance provision for lifetime expected credit losses**
2022	$ 343,769	0.1%	(339)
1 to 30 days past due	2,018	1%	(20)
31 to 60 days past due	288	25%	(72)
61 to 90 days past due	-	50%	-
More than 91 days past due	891	100%	(891)
	$ 346,966		**(1,322)**

	2021.12.31		
	Book value of accounts and notes receivable	**Weighted average expected credit losses rate**	**Allowance provision for lifetime expected credit losses**
2022	$ 490,540	0.1%	(475)
1 to 30 days past due	1,185	1%	(13)
31 to 60 days past due	601	25%	(152)
61 to 90 days past due	926	50%	(464)
More than 91 days past due	568	100%	(568)
	$ 493,820		**(1,672)**

The movements in the loss allowance for accounts receivables were as follows:

	For the year ended December 31, 2022	For the year ended December 31, 2021
Balance at January 1	$ 1,672	1,292
Expected credit losses (gains)	328	(59)
Profit or loss of discontinued segment	-	434
Proceeds from disposal of subsidiaries	(682)	-
Foreign exchange gains/(losses)	4	5
Balance at December 31, 2022	$ 1,322	1,672

The payment terms granted to customers are generally 120 days for sales of goods.Interests are not accrued for accounts receivable, please refer to Note 6(u) for information on other credit risks.

3. As of December 31, 2022 and 2021, the notes and accounts receivable of the Group were pledged as collateral. Please refer to note 8 for details.

(c) Other receivables

	2022.12.31	2021.12.31
Other receivables	$ 65,025	59,172
Less: Allowance for bad debt	(58,216)	(58,216)
	$ 6,809	956

The Group signed an investment agreement for television programs on January 3, 2017 with an agreed investment of$50,000 thousand and a new agreement was subsequently entered on May 16, 2017 with an agreed investment of $65,000 thousand. This investment case is a principal protection investment agreement. The Group is entitled to the net profit distribution of the project according to the contract upon the expiry of the investment term. If the amount recovered at maturity is less than $65,000 thousand, the shortfall is to be covered by the counterparty within one month from the date of termination of the investment term. In addition, the Group try to work with program broadcast by contributing marketing fees successively, amounting to RMB$ 3,000 thousand (equivalent to NT$13,664 thousand), and the license fee of $2,991 thousand for the program to be authorized for broadcasting in Taiwan. However, the program production has decided to adjust its performance pattern to improve the program quality after broadcasting on television stations in mainland China in July 2017. The recording and broadcasting were suspended after the fourth episode broadcast in August 2017. Thus, the Group complied with principal protection provisions and transferred its financial assets from available-for-sale financial assets to other receivables and entered into repayment agreements with the trading counterparty. An agreement was made to repay $77,341 thousand in installments before December 31, 2017 (including $65,000 thousand for investment and $9,350 thousand for unused license fees and$2,991 thousand (US$93.6 thousand)). As the end of 2017, the Group had recovered $19,125 thousand (US$632 thousand), but the management after considering the possibility of collection, had included all outstanding amounts as bad debts.

The Group filed a lawsuit to the Taiwan Taipei District Court in November 2018 for the contract mentioned above. The Taiwan Taipei District Court ruled on September 11, 2019 that the Group had won the appeal. The Group appointed a lawyer to apply to the Beijing No.4 Intermediate People’s Court for recognition and enforcement of the judgment of the Taiwan Taipei District Court in 2021, and obtained the civil decision from the Beijing No.4 Intermediate People’s Court on December 10, 2021. The ruling approved the execution of the 2018 re-appeal cilvil judgment No. 1339 by the Taipei District Court. The Group appealed to the People’s Court on March 8, 2022 for enforcement, and the other receivables mentioned above were not received after the People’s Court performed its execution on August 25, 2022.

(d) Inventories

		2022.12.31	2021.12.31
Raw materials	$	90,190	52,356
Finished goods		24,210	30,879
Merchandise		30,939	94,586
	$	145,339	177,821

The details of the cost of sales were as follows:

	For the year ended December 31, 2021	For the year ended December 31, 2021
Inventory is transferred for sales	$ 836,703	562,946
Loss on write-down of inventories (reversal gains)	5,501	(5,661)
Others	4,284	(7,926)
	$ 846,488	549,359

As of December 31, 2022 and 2021, there was no inventory pledged as collateral.

(e) Lost control over subsidiaries

The Group disposed of it entire shareholding in UNIFORCE TECHNOLOGY CORPORATION of 51% by resolution of the Board of Directors on March 18, 2022. 30% and 21% of the equity interests were settled on March 22 and April 11, 2022, respectively, the the control of it was lost in March 2022, with a disposal price of $80,000 thousand and $56,131 thousand, respectively. The gain on disposal amounting to $48,709 thousand is recognized in the consolidated statement of comprehensive income under “Other gains and losses”. Please refer to note 6(t) for details.

The carrying amount of assets and liabilities of UNIFORCE TECHNOLOGY CORPORATION on March 31, 2022 were as follow:

Cash and cash equivalents	$ 139,727
Notes and accounts receivable	131,897
Inventories	119,265
Other financial asset	80,000
Other current assets:	14,404
Property, plant and equipment (Notes 6(i))	3,394
Right-of-use assets (note 6(j))	4,595
Other non-current assets:	11,146
Bank loan	(70,000)
Accounts payable and other payables	(167,917)
Contract liabilities	(21,159)
Lease liabilities	(4,651)
Current tax liabilities	(6,603)
Other current liabilities	(3,524)
long-term borrowings	(59,184)
Carrying amount of the net assets	171,390
Less: Non-controlling interests	83,968
Book value of net identifiable assets	$ 87,422

(f) Business combination

The subsidiaries of the Group acquired the principal assets, production technology (know -how), proprietary technology and customers lists of SUBTLE ELECTRONIC on January 1, 2022 to obtain the PCB assembly and processing business originally operated by SUBTLE ELECTRONIC. It is expected that this will expand the business of the Group. The total contract price was $186,477 thousand. The acquisition method of accounting is adopted as the key elements of contribution, processes and outputs for which the target is acquired are in line with the business definition.

The Group entered into a cooperation agreement with the SUBTLE ELECTRONIC on January 6, 2022 and agreed that SUBTLE ELECTRONIC would be responsible for marketing, transfer the accepted external order to the Group and processing customer order services. The Group will provide 5.8% to 6% of its turnover as service fee for rendering of services as described above during period of service. Please refer to note 7 for details of the transaction.

SUBTLE ELECTRONIC warrants that during the agreement term, the sales revenue for the year ended December 31, 2022 will not be less than 80% of the sales revenue of the Company for the year ended December 31, 2021.If the sales revenue for the year ended December 31, 2022 does not reach 80% of the sales revenue for the year ended December 31, 2021, the Group may request SUBTLE ELECTRONIC to compensate for damages. The Group estimated that the contingent consideration may be requested in future amounted to $0 thousand.

From the acquisition date to December 31, 2022, the PCB assembly segment contributed revenue of $304,817 thousand and profit after tax of $3,091 thousand to the Group's results.

1. Identifiable net assets acquired

The following table summarizes the fair values of identifiable assets acquired at the acquisition date:

		January 1, 2022
Inventories	$	55,011
Property, plant and equipment		60,736
Intangible assets		55,502
Fair value of net identifiable assets	**$**	**171,249**

The fair value of the aforementioned identifiable assets acquired by the Group is adjusted retrospectively over the measurement period, please refer to note 12(c) for the details as set out in a comparative reconciliation table.

2. Goodwill

Goodwill arising from the acquisition has been recognized as follows:

		January 1, 2022
Consideration transferred	$	186,477
Less: Fair value of identifiable assets		(171,249)
	$	15,228

Goodwill is mainly derived from the profitability and employee values of SUBTLE ELECTRONIC in the PCB assembly and processing segment. It is expected to generate synergies of combination from integrating such company's PCB business with the Group's.

3. Acquisition Costs

Acquisition-related costs of $1,110 thousand on legal fees and on-site investigation costs of $1,520 thousand were expensed and recognized in operating expenses under the consolidated statement of comprehensive income for the year ended December 31, 2022 and 2021.

(g) Property, plant and equipment

The cost, depreciation of the property, plant and equipment of the the Group were as follows:

		Land	Buildings and Construction	Machinery and equipment	Transportation equipment	Other equipment	Total
Cost or deemed cost:							
Balance on January 1, 2022	$	25,980	91,298	226,363	1,615	24,286	369,542
Acquisition through business combination		-	-	60,311	-	425	60,736
Additions		-	-	39,454	1,889	5,850	47,193
Reclassification		-	-	118,130	-	3,432	121,562
Subsidiaries sold		-	-	-	-	(11,790)	(11,790)
Disposal		-	-	(9,272)	-	(1,453)	(10,725)
Effects of changes in foreign exchange rates		-	1,160	816	24	131	2,131
Balance on December 31, 2022	$	25,980	92,458	435,802	3,528	20,881	578,649
Balance at January 1, 2021	$	25,980	91,906	51,537	1,627	25,146	196,196
Additions		-	-	175,747	-	1,715	177,462
Reclassification		-	-	-	-	(2,163)	(2,163)
Disposal		-	-	-	-	(203)	(203)
Effects of changes in foreign exchange rates		-	(608)	(921)	(12)	(209)	(1,750)
Balance on December 31, 2021	$	25,980	91,298	226,363	1,615	24,286	369,542

JHEN VEI ELECTRONIC CO., LTD. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements
(Originally known as JHEN VEI ELECTRONIC CO., LTD. AND SUBSIDIARIES)

		Land	Buildings and Construction	Machinery and equipment	Transportation equipment	Other equipment	Total
Accumulated depreciation:							
Balance on January 1, 2022	$	-	14,944	40,963	1,498	16,711	74,116
Depreciation for the year		-	4,331	27,293	332	2,902	34,858
Subsidiaries sold		-	-	-	-	(8,396)	(8,396)
Reclassification		-	-	(766)	-	759	(7)
Disposal		-	-	(1,665)	-	(1,392)	(3,057)
Effects of changes in foreign exchange rates		-	201	586	22	85	894
Balance on December 31, 2022	$	-	19,476	66,411	1,852	10,669	98,408
Balance at January 1, 2021	$	-	10,755	37,102	1,468	12,942	62,267
Depreciation for the year		-	4,266	4,673	41	4,551	13,531
Reclassification		-	-	-	-	(563)	(563)
Disposal		-	-	-	-	(40)	(40)
Effects of changes in foreign exchange rates		-	(77)	(812)	(11)	(179)	(1,079)
Balance on December 31, 2021	$	-	14,944	40,963	1,498	16,711	74,116
Carrying amounts:							
Balance at December 31, 2022	$	25,980	72,982	369,391	1,676	10,212	480,241
Balance at January 1, 2021	$	25,980	81,151	14,435	159	12,204	133,929
Balance at December 31, 2021	$	25,980	76,354	185,400	117	7,575	295,426

1. As of December 31, 2022 and 2021, the property, plant, and equipment of the Group were pledged as collateral. Please refer to note 8 for details.

2. Property, plant and equipment falls within the scope of government subsidy income (it is accounted for as long-term deferred income), which will be transfered to profit and loss over the expected useful life.

(h) Right-of-use assets

The Group leases many assets including land, buildings and vehicles. Information about leases for which the Group as a lessee is presented below:

		Landuse Rights	Buildings and Construction	Transportation equipment	Total
Right-of-use assets, Cost:					
Balance on January 1, 2022	$	1,844	16,797	2,712	21,353
Additions		-	46,086	-	46,086
Subsidiaries sold		-	(16,132)	-	(16,132)
Effects of changes in foreign exchange rates		28	-	-	28
Balance on December 31, 2022	**$**	**1,872**	**46,751**	**2,712**	**51,335**
Balance at January 1, 2021	$	1,858	11,570	667	14,095
Additions		-	5,227	2,045	7,272
Effects of changes in foreign exchange rates		(14)	-	-	(14)
Balance on December 31, 2021	**$**	**1,844**	**16,797**	**2,712**	**21,353**
Depreciation:					
Balance on January 1, 2022	$	143	10,535	641	11,319
Depreciation for the year		49	10,612	904	11,565
Subsidiaries sold		-	(11,537)	-	(11,537)
Effects of changes in foreign exchange rates		3	-	-	3
Balance on December 31, 2022	**$**	**195**	**9,610**	**1,545**	**11,350**
Balance at January 1, 2021	$	96	6,611	19	6,726
Depreciation		48	3,924	622	4,594
Effects of changes in foreign exchange rates		(1)	-	-	(1)
Balance on December 31, 2021	**$**	**143**	**10,535**	**641**	**11,319**
Carrying amounts:					
Balance at December 31, 2022	**$**	**1,677**	**37,141**	**1,167**	**39,985**
Balance at January 1, 2021	**$**	**1,762**	**4,959**	**648**	**7,369**
Balance at December 31, 2021	**$**	**1,701**	**6,262**	**2,071**	**10,034**

As of December 31, 2022 and 2021, there was no right-of-use assets pledged as collateral.

(i) Intangible assets

The cost and amortization of the intangible assets of the Group for the years ended December 31, 2022 and 2021, were as follows:

	Goodwill	Patent Rights	Customer relationships	Computer software	Total
Cost:					
Balance on January 1, 2022	$ -	-	-	-	-
Individual Acquisition	-	-	-	1,139	1,139
Acquisition through business combination	15,228	5,178	49,815	509	70,730
Reclassification	-	-	-	-	-
Balance on December 31, 2022	**$ 15,228**	**5,178**	**49,815**	**1,648**	**71,869**
Balance on December 31, 2021 (Beginning balance)	**$ -**	**-**	**-**	**-**	**-**
Depreciation and impairment losses:					
Balance on January 1, 2022	$ -	-	-	-	-
Amortization	-	518	4,981	651	6,150
Reclassification	-	-	-	-	-
Balance on December 31, 2022	**$ -**	**518**	**4,981**	**651**	**6,150**
Balance on December 31, 2021 (Beginning balance)	**$ -**	**-**	**-**	**-**	**-**
Carrying amounts:					
Balance at December 31, 2022	**$ 15,228**	**4,660**	**44,834**	**997**	**65,719**
Balance at December 31, 2021 (Beginning balance)	**$ -**	**-**	**-**	**-**	**-**

As of December 31, 2022 and 2021, there was no intangible assets pledged as collateral.

(j) Short-term borrowings

1. The details of the Group's short-term borrowings were as follows:

	2022.12.31	2021.12.31
Unsecured bank borrowings	$ 40,000	10,000
Secured bank loans	54,603	155,723
Total	**$ 94,603**	**165,723**
Unused short-term credit lines	**$ 209,092**	**173,767**
Range of Interest rate	**2.00%~6.32%**	**1.43%~3.29%**

2. Refer to note 8 for a description of the Group's assets pledged as collateral to secure the bank loans.

(k) Long-term debts

1. The details of the Group's long-term borrowings were as follows:

	2022.12.31			
	Currency	**Range of interest rates**	**Maturity year**	**Total Amount**
Secured bank loans	TWD	1.92%~2.441%	117~ 124	$ 219,589
Less: current portion				(16,470)
Total				$ 203,119
Unused long-term credit lines				$ 24,251

	2021.12.31			
	Currency	**Range of interest rates**	**Maturity year**	**Total Amount**
Secured bank loans	TWD	1.3%~ 1.715	117~ 124	$ 72,769
Less: current portion				-
Total				$ 72,769
Unused long-term credit lines				$ 98,170

2. Refer to note 8 for a description of the Group's assets pledged as collateral to secure the bank loans.

(l) Lease liabilities

The carrying amount of lease liabilities was as follows：

	2022.12.31	2021.12.31
Current	$ 11,240	4,420
Non-current	$ 27,417	4,013

For the maturities analysis, please refer to Note 6(u).

The amounts of leases recognized in profit or loss were as follows:

	For the year ended December 31, 2022	For the year ended December 31, 2021
Interest expense on lease liabilities	$ 796	154
Variable lease payments not included in the measurement of lease liabilities	$ 2,324	363
Expenses relating to short-term leases	$ 1,107	1,031
Expenses relating to leases of low-value assets	$ 626	435

The amounts of leases recognized in the statement of cash flows for the Group was as follows:

	For the year ended December 31, 2022	For the year ended December 31, 2021
Total cash outflow for leases	$ 16,063	6,734

1. Real estate leases

   As of December 31, 2022 and 2021, the Group lease houses and buildings for its office space. The leases of office space typically run for 3 to 5 years; the Group also leases building rooftops as sites for solar power generation, with the leases term typically run for 20 years.

   Some leases of spaces contain extension options exercisable. These leases are monitored by local management, and accordingly, contain a wide range of different terms and conditions. These options are agreed upon after negotiation between the parties prior to the expiry of the lease contract. In which lessee is not reasonably certain to use an optional extended lease term, payments associated with the optional period are not included within lease liabilities.

2. Other of equipment leases

   The Group leases transportation equipment with contract terms of three years. These leases are leases of low-value items. The Group has elected not to recognize right-of-use assets and lease liabilities for these leases.

(m) Employee benefits

1. Defined benefit plans

Management believes that there was no material volatility of the market, no material reimbursement and settlement or other material one time events since prior fiscal year. As a result, the pension cost in the accompanying interim period was measured and disclosed according to the actuarial report as of December 31, 2022 and 2021.

The expenses recognized in profit or loss for the Group were as follows:

2. Defined benefit plans

the reconciliation of defined benefit obligation at present value and plan asset at fair value were as follows:

		2022.12.31	**2021.12.31**
Present value of the defined benefit obligations	$	1,945	1,735
Fair value of plan assets		(14,025)	(12,931)
Net defined benefit liabilities (assets)	**$**	**(12,080)**	**(11,196)**

The Group makes defined benefit plan contributions to the pension fund account with Bank of Taiwan that provides pension benefits for employees upon retirement. Plans (covered by the Labor Standards Law) entitle a retired employee to receive retirement benefits based on years of service and average monthly salary for the six months prior to retirement.

(1) Composition of plan assets

The Group allocates pension funds in accordance with the Regulations for Revenues, Expenditures, Safeguard and Utilization of the Labor Retirement Fund, and such funds are managed by the Labor Pension Fund Supervisory Committee. With regard to the utilization of the funds, minimum earnings in the annual distributions on the final financial statements shall be no less than the earnings attainable from the amounts accrued from two-year time deposits with interest ; rates offered by local banks.

The Group’s Bank of Taiwan labor pension reserve account balance amounted to $14,025 thousand as of December 31, 2021. Please refer to the related information published on the website of the Labor Pension Supervisory Committee concerning the utilization of the labor pension fund, related yield rate and its allocation.

(2) Movements in present value of defined benefit obligations

The movement in present value of the defined benefit obligations of the Group were as follows:

	For the year ended December 31, 2022	For the year ended December 31, 2021
Defined benefit obligations at January 1	$ 1,735	1,676
Current service cost and interest cost	50	37
Remeasurement of net liabilities (assets) for defined benefit obligations		
-Actuarial losses (gains) arising from adjustments	132	31
–Actuarial loss (gain) arising from financial assumptions	28	(9)
Defined benefit obligations at December 31	**$ 1,945**	**1,735**

(3) Movements in fair value of defined benefit plan assets

The movement in present value of the defined benefit obligations of the Group were as follows:

	For the year ended December 31, 2022	For the year ended December 31, 2021
Fair value of plan assets at January 1	$ 12,931	12,704
Interest income	73	57
Remeasurement of net liabilities (assets) for defined benefit obligations		
Return on plan assets excluding interest income	1,021	170
Fair value of plan assets at December 31	**$ 14,025**	**12,931**

(4) Expenses recognized in profit or loss

The expenses recognized in profit or loss for the Group were as follows:

	For the year ended December 31, 2022	For the year ended December 31, 2021
Current service cost	$ 40	29
Net interest of net defined benefit assets	(63)	(49)
	$ (23)	(20)
Operating expenses	$ (23)	(20)

(5) Remeasurements of net defined benefit liability (asset) recognized in other comprehensive income

The Group's remeasurement of the net defined benefit liability (asset) recognized in other comprehensive income for the years ended December 31, 2022 and 2021, is as follows:

	For the year ended December 31, 2022	For the year ended December 31, 2021
Cumulated amount at January 1	$ 885	737
Recognized in current period	861	148
Cumulated amount at December 31	$ 1,746	885

(6) Actuarial assumptions

The principal actuarial assumptions of the actuarial valuation were as follows:

	2022.12.31	2021.12.31
Discount Rate	1.679%	0.565%
Future salary increases	2.000%	1.000%

The expected allocation payment to be made by the Group to the defined benefit plans for the one year period after the reporting date is $0 thousand.

The weighted average lifetime of the defined benefits plans is 15.77 years.

(7) Sensitivity analysis

If the actuarial assumptions had changed, the impact on the present value of the defined benefit obligation shall be as follows:

	Impact on the defined benefit obligations	
	Increased 0.25%	**Decreased 0.25%**
Balance at December 31, 2022		
Discount Rate	(73)	77
Future salary increases	75	(72)
Balance at December 31, 2021		
Discount Rate	(65)	68
Future salary increases	67	(64)

Reasonably possible changes at the reporting date to one of the relevant actuarial assumptions, holding other assumptions constant, would have affected the defined benefit obligation by the amounts shown above. In practical, the relevant actuarial assumptions are correlated to each other. The approach to develop the sensitivity analysis as above is the same approach to recognize the net defined benefit liability in the balance sheet.

There is no change in the method and assumptions used in the preparation of the sensitivity analysis for 2022 and 2021.

3. Defined contribution plans

The continuing operations allocate 6% of each employee’s monthly wages to the labor pension personal account at the Bureau of Labor Insurance in accordance with the provisions of the Labor Pension Act. Under these defined contribution plans, the Group allocates a fixed amount to the Bureau of Labor Insurance without additional legal or constructive obligation.

Under the contribution pension plan, the Group’s pension costs amounted to $2,911 thousand and $3,076 thousand for the years ended December 31, 2022 and 2021, respectively.

The pension expenses contributed by the foreign entities following the local regulations amounted to $8,874 thousand and $7,558 thousand for the years ended December 31, 2022 and 2021, respectively.

(n) Income tax

1. Income tax expenses:

(1) The income tax expense recognized in profit or loss for the Group were as follows:

	For the year ended December 31, 2022	For the year ended December 31, 2021
Current tax expense		
Current period	$ 1,591	6,412
Adjustment for prior years	-	-
Less: Income Taxes of discontinued segment	-	(6,334)
	1,591	78
Deferred tax expense (income)		
Origination and reversal of temporary differences	3,344	212
Less: Deferred tax of discontinued segment	-	593
Income tax expense	$ 4,935	883

There were no income tax expense directly recognized in equity of the Group for years ended December 31, 2022 and 2021.

(2) The income tax expense and profit before tax for the Group were as follows:

	For the year ended December 31, 2022	For the year ended December 31, 2021
Profit before income tax	$ 102,580	(2,289)
Income tax using the's domestic tax rate	$ 21,942	(458)
Non-deductible expenses	11,327	3,225
Recognition of previously unrecognized tax losses	(28,334)	(1,884)
	$ 4,935	883

(3) The amounts of income tax (benefit) recognized in other comprehensive income for the years ended December 31, 2022 and 2021, were as follows:

	For the year ended December 31, 2022	For the year ended December 31, 2021
Remeasurement of defined benefit plans	$ 172	30

2. Deferred tax assets and liabilities

(1) Unrecognized deferred tax assets

Deferred tax assets have not been recognized with respect to the following items:

		2022.12.31	2021.12.31
Tax effect of deductible Temporary Differences	$	241,209	247,053
Unused tax losses		119,234	262,552
	$	360,443	509,605

The ROC Income Tax Act allows tax losses, as assessed by the tax authorities, to offset taxable income over a period of ten years for local tax reporting purposes. The deferred tax assets have not been recognized in respect of the these items because they are not probable that future taxable profit will be available against which the Group can utilize the benefits therefrom.

As of December 31, 2022, the information of the Group's unused tax losses for which no deferred tax assets were recognized are as follows:

Year of loss		Before loss deduction	Year after deduction
2016	$	13,189	2026
2017		39,722	2027
2018		40,577	2028
2019		19,144	2029
2020		6,602	2030
	$	119,234	

(2) Recognized deferred income tax assets and liabilities

Changes in the amount of deferred tax assets and liabilities for 2022 and 2021 were as follows:

	Defined benefit plans	Other	Total
Deferred tax liabilities:			
Balance at January 1, 2022	$ 2,379	70	2,449
Recognized in profit or loss	1,021	-	1,021
Proceeds from disposal of subsidiaries	-	(70)	(70)
Recognized in other comprehensive income	172	-	172
Balance at December 31, 2022	$ 3,572	-	3,572
Balance at January 1, 2021	$ 2,304	-	2,304
Recognized in profit or loss	45	70	115
Recognized in other comprehensive income	30	-	30
Balance at December 31, 2021	$ 2,379	70	2,449

	Bad debt limit exceeded	Write-down of inventories	Unrealized depreciation	Unrealized exchange gain (loss)	Other	Total
Deferred Tax Assets:						
Balance at January 1, 2022	$ 45	6,070	16,474	522	942	24,053
Recognized in profit or loss	(25)	133	(1,140)	(349)	(942)	(2,323)
Proceeds from disposal of subsidiaries	-	(5,284)	-	-	-	(5,284)
Effects of changes in foreign exchange rates	1	12	252	-	-	265
Balance at December 31, 2022	$ 21	931	15,586	173		16,711
Balance at January 1, 2021	$ 38	5,353	17,728	377	794	24,290
Recognized in profit or loss	7	723	(1,120)	145	148	(97)
Effects of changes in foreign exchange rates	-	(6)	(134)	-	-	(140)
Balance at December 31, 2021	$ 45	6,070	16,474	522	942	24,053

4. Assessment of tax

The Company's tax returns for the years through 2020 were assessed by the National Taxation Bureau of R.O.C..

(o) Capital and other equity interest

As of December 31, 2022 and 2021, the Group's authorized share capital comprised 90,000 thousand shares with the par value of $10 per share, amounting to $900,000 thousand. The total number of issued shares on January 1, 2021 were 68,847 thousand ordinary shares. All issued shares were paid up upon issuance.

Reconciliation of shares outstanding for year ended December 31,2021 and 2022 were as follows:

(in thousands of shares)	Ordinary share	
	For the year ended December 31, 2022	**For the year ended December 31, 2021**
Balance on January 1	68,847	48,847
Issuance of shares for cash	-	20,000
Balance on December 31	**68,847**	**68,847**

1. Ordinary shares

On August 5, 2021, the Group issued ordinary shares amounting to $200,000 thousand in cash with a par value of $10 each. The total of 20,000 shares at an issue price of $12.8 per share. The Financial Supervisory Commission approved the application for this capital increase, and the effective date of the capital increase was December 14, 2021. All the proceeds from share issuance has been collected and the registration procedure has been completed, then recognized under equity.

The Group aims to enhance its financial structure and strengthen its competitiveness by increasing its working capital, investee companies and responding to the capital requirements of the future operational development of the Group. Pursuant to the resolution of the general shareholders' meeting on June 17, 2022 and August 27, 2022, respectively, the board was authorized to issue ordinary shares for cash capital increase through private placement of not more than 10,000 thousand shares with one year.The previous limit on number of shares through private placement resolved by general shareholders' meeting for the year ended December 31, 2021 was canceled by a resolution of the Board of Directors on April 26,2022.

The rights and obligations of ordinary shares issued through private placement are the same as those ordinary shares issued by the Group. However, under the provisions of Securities and Exchange Act, the ordinary shares issued through private placement may only apply to the competent authorities for listing complying with the relevant provisions of the Securities Exchange Act, three years after the delivery date and such shares should be reissued through public offering.

2. Capital surplus

The balances of capital surplus were as follows:

	2022.12.31	2021.12.31
Share capital at premium	$ 56,000	56,000
Changes in ownership interests in subsidiaries	2,536	2,536
Employee stock options	2,970	2,970
	$ 61,506	**61,506**

According to the R.O.C. Company Act, capital surplus can only be used to offset a deficit, and only the realized capital surplus can be used to increase the common stock or be distributed as cash dividends. The aforementioned realized capital surplus includes capital surplus resulting from premium on issuance of capital stock and earnings from donated assets received. According to the Regulations Governing the Offering and Issuance of Securities by Securities Issuers, capital increases by transferring capital surplus in excess of par value should not exceed 10% of the total common stock outstanding.

3. Retained earnings

If there are appropriate earnings at current year-end, the after-tax earnings shall first be offset against any deficit, and 10% should be set aside as legal reserve. The appropriation for legal reserve is discontinued when the balance of the legal reserve equals the total authorized capital. Special capital reserve may be appropriated or reversed in accordance with relevant laws. The remaining balance of the earnings can be distributed in accordance with a special resolution passed during a meeting of the Board of Directors. The whole or a part of the distributable dividends and bonuses may be paid in the forms of shares newly issued after board of directors submitted to general shareholder’s meeting for resolution.

The Group’s dividend policy is based on stability and balance for distribution.Considering factors such as the Group’s future investment environment, domestic and overseas competitive conditions, while taking into account shareholders’ interest. In addition to taking into account such factors as long term financial planning for the Group, capital requirment and impact on the Group’s operation.

(1) Legal reserve

When a company incurs no loss, it may, pursuant to a resolution by a shareholders’ meeting, distribute its legal reserve by issuing new shares or by distributing cash, and only the portion of legal reserve which exceeds 25% of capital may be distributed.

(2) Special reserve

In accordance with Order No. 1010012865 issued by the FSC on April 6, 2012, a portion of current period earnings and undistributed prior period earnings shall be reclassified as a special earnings reserve during earnings distribution. The amount to be reclassified should be equal to the total net reduction of current period of other shareholders’ equity resulting from the IFRS first-time adoption. Similarly, a portion of undistributed prior period earnings shall be reclassified as a special earnings reserve (and does not qualify for earnings distribution) to account for cumulative changes to other shareholders’ equity pertaining to prior periods due to the IFRS first time adoption. The subsequent reversals of the contra accounts in shareholders' equity shall qualify for additional distributions.

(3) Earnings distribution

On June 17, 2022 and August 27, 2021, the appropriation the earnings for 2021 and 2020 were resolved in the general shareholders’ meeting to offset the deficits and there were no distribution of dividends.

(p) Share-based payment

The Group’s Board of Directors resolved to implement cash injection on August 5, 2021, of which 1,100 thousand shares were reserved for employees.

	Cash injection reserved for employees subscription
Grant date	November 17, 2021
Number of options granted	1,100 thousand shares
Vesting conditions	Immediate vesting condition

1. Measurable parameter of fair value at grant date

The Group adopted the Black-Scholes model to evaluate the fair value of the share-based payments at the grant date. The assumptions adopted in this valuation model were as follows:

	For the Year Ended December 31, 2021
	Cash injection reserved for employees subscription
Fair value at the grant date	2.70
Share price at the grant date	15.50
Exercise price	12.80
Expected volatility (%)	38.53%
The expected life of the option (days)	30
Expected dividend	-
The risk-free rate (%)	0.245%

The rate of volatility is based on the historical volatility of share price in the past year; the duration of the share options is governed by each of the Group's issue policy; the cash dividend rate is based on the cash dividend rate paid by the Group in the past three years and the risk-free interest rate based on government bonds. The definition of fair value did not cover the service fee of the trade or the non-market achievement conditions.

2. Expenses and liabilities resulted from share-based payments

The Group incurred expenses and liabilities of share-based arrangements for year ended December 31, 2021 on follows:

	For the year ended December 31, 2022
Expenses arising from cash injection reserved for employees	$ 2,970

(q) Earnings per share

1. Basic earnings per share

	For the year ended December 31, 2022			For the year ended December 31, 2021		
	Continuing operations	Discontinued operations	Total	Continuing operations	Discontinued operations	Total
Net profit (loss) attributable to ordinary shareholders of the Company	$ 97,645	4,928	102,573	(3,172)	9,863	6,691
Weighted average number of ordinary shares outstanding (in thousands of shares)	68,847	68,847	68,847	49,724	49,724	49,724
Basic loss (earnings) per share	$ 1.42	0.07	1.49	(0.06)	0.19	0.13

	For the year ended December 31, 2022			For the year ended December 31, 2021		
	Continuing operations	Discontinued operations	Total	Continuing operations	Discontinued operations	Total
Net profit (loss) attributable to ordinary shareholders of the Group (basic)	$ 97,645	4,928	102,573	(3,172)	9,863	6,691
Net profit (loss) attributable to ordinary shareholders of the Group (dilutive)	$ 97,645	4,928	102,573	(3,172)	9,863	6,691
Weighted average number of ordinary shares outstanding (in thousands of shares)	68,847	68,847	68,847	49,724	49,724	49,724
Effect of employee share bonus (in thousand of shares)	106	106	106	-	-	-
Weighted-average number of common shares outstanding (After the effect of diluted potential ordinary share is adjusted/ thousand shares):	68,953	68,953	68,953	49,724	49,724	49,724
Diluted earning (loss) per share	$ 1.42	0.07	1.49	(0.06)	0.19	0.13

(r) Revenue from contracts with customers

1. Details of revenue

		For the year ended December 31, 2022	For the year ended December 31, 2021
Primary geographical markets:			
Taiwan	$	735,158	306,545
China		268,512	312,956
	$	**1,003,670**	**619,501**
Major products/service lines:			
electronic components	$	620,724	617,081
After processing of electronic components		304,817	-
Energy Revenues		32,708	2,420
Power plant engineering service revenue		45,421	-
	$	**1,003,670**	**619,501**

2. Contract balances

		2022.12.31	2021.12.31	2021.1.1
Notes receivable	$	2,200	2,860	12,481
Accounts receivable		346,966	493,820	518,060
Less: Loss allowance		(1,322)	(1,672)	(1,292)
Total	$	**347,844**	**495,008**	**529,249**
Contract liabilities	$	**26,965**	**27,660**	**22,775**

For details on notes and accounts receivable and allowance for impairment, please refer to note 6(b).

The amount of revenue recognized for the years ended December 31, 2022 and 2021 included the contract liability balance at the beginning of the period were $2,371 thousand and $22,144 thousand, respectively.

The change in the balance of contract liabilities is the difference between the time frame in the performance obligation to be satisfied and the payment to be received, as well as the disposal of subisdiary by the Group in March 2022. For details, please refer to Note 6(e).

(s) Remuneration for employees, directors, and supervisors

In accordance with the articles of association of the Group if there is profit in the year, the company shall accrue no less than 2.5% of the profit as employee's remuneration. The board of directors decides to distribute it by stock or cash, and the object of distribution including employees meeting certain conditions; and the board of directors decides to accrue up to 3% of the above profit as Directors' remuneration. The distribution of remuneration of employees and directors should be submitted and reported to the shareholders' meeting. Prior years' accumulated deficit is first offset before any appropriation of profit, then contribute the employees' compensation and remuneration of directors by the aforementioned appropriate ratio.

The estimated amounts mentioned above are calculated based on the net profit before tax, excluding the remuneration to employees, directors and supervisors of each period, and multiplied by the percentage of remuneration to employees, directors and supervisors as specified in the Group's articles. These remunerations were expensed under operating costs or operating expenses during the reporting period. If the actual amounts differ from the estimated amounts, the differences shall be accounted as changes in accounting estimates and recognized as profit or loss in the following year. However, if the Board of Directors resolved that the employee remuneration to be distributed through stock dividends, the closing price of the ordinary share on the day before the Board of Directors' meeting is used in the calculation for stock remuneration. The Group recognized $1,929 thousand and $0 thousand of renumeration to employees for the years ended December 31, 2022 and 2021, respectively. In addition, the Group estimated renumeration to directors and supervisors amounting to $2,315 thousand and $0 thousand for the years ended December 31, 2022 and 2021, respectively.

Board of directors'meetings were held on March 18, 2022 and March 19, 2021, as there were accumulated losses, the resolution passed respectively that employee, supervisors and directors' remuneration for the year ended December 31, 2021 and 2020 were not distributed. There were no differences between the amounts employees' and directors' remuneration allocated by the aforesaid Board resolutions and the amounts in the consolidated financial statements of 2021 and 2020.

The renumeration to the Group's employees,directors and supervisors can be obtained from the Open Information Observatory.

(t) Non-operating income and expenses

1. Interest income

The details of interest income for 2022 and 2021 were as follows:

	For the year ended December 31, 2022	For the year ended December 31, 2021
Interest income from bank deposits	$ 1,744	331
Less:Interest income from bank deposits of discontinued operations	-	(19)
	$ 1,744	312

2. Other gains and losses

The details of other income for 2022 and 2021 were as follows:

	For the year ended December 31, 2022	For the year ended December 31, 2021
Gains on disposals of investments	$ 48,709	-
losses on disposals of assets	(229)	186
Other gains (losses)	8,861	5,023
Less: losses on disposal of assets by discontinued operations	-	(183)
	$ 57,341	5,026

3. Finance costs

The details of finance costs for 2022 and 2021 were as follows:

	For the year ended December 31, 2022	For the year ended December 31, 2021
Interest expense	$ (7,943)	(3,885)
Less: Interest expense of discontinued operation	-	601
	$ (7,943)	(3,284)

(u) Financial instruments

1. Credit risk

(1) Concentration of credit risk

The sales of the Group is significantly concentrated in a few customers. As of December 31, 2022 and 2021, 75.11% and 67.51%, respectively, of accounts receivable (including related parties) were two major customers.

(2) Credit risks of receivables and debt securities

For details on credit risk of notes and accounts receivable and other receivables arising from operation, please refer to note 6(b) and (c).

All of these financial assets are considered to be low risk, and thus the impairment provision recognized during the period was limited to 12 months expected losses. (Please refer to Note 4(f) on how the Group determines whether credit risk is to be low risk).

(3) Liquidity risk

The following are the contractual maturities of financial liabilities, including the estimated interest payments and excluding the impact of netting agreements.

	Carrying value	Contractual Cash flows	Paid on request or less than 1 month	1-3 months	3- months to 1 years	Over 1 years
December 31, 2022						
Non-derivative financial liabilities						
Short-term borrowings	$ 94,603	95,271	40,207	24,065	30,999	-
Lease liabilities	38,657	44,158	992	1,984	8,909	32,273
Non-interest bearing liabilities	177,240	177,240	92,814	43,752	40,674	-
Long-term borrowings (including current portion)	219,589	240,507	1,852	3,470	15,596	219,589
	$ 530,089	557,176	135,865	73,271	96,178	251,862
December 31, 2021						
Non-derivative financial liabilities						
Short-term borrowings	$ 165,723	127,404	208	83,316	43,880	-
Lease liabilities	8,433	8,575	521	1,043	2,952	4,059
Non-interest bearing liabilities	327,929	327,929	94,683	188,412	44,834	-
long-term borrowings	72,769	86,567	395	782	4,061	81,329
	$ 574,854	646,282	191,614	273,553	95,727	85,388

The Group does not expect that the cash flows included in the maturity analysis would occur significantly earlier or at significantly different amounts.

2. Currency risk

(1) Currency risk

The Group’s significant exposure to foreign currency risk were as follows:

(In Thousands)

	2022.12.31				2021.12.31			
	Foreign currency	Exchange rate		TWD	Foreign currency	Exchange rate		TWD
Financial assets								
Monetary items								
USD	$ 11,117	USD/TWD	30.710	341,403	13,287	USD/TWD	27.680	367,784
USD	8,043	USD/CNY	6.965	247,001	7,171	USD/CNY	6.372	198,493
Financial liabilities								
Monetary items								
USD	3,422	USD/TWD	30.710	105,090	5,089	USD/TWD	27.680	140,865
USD	5,543	USD/CNY	6.965	170,226	9,303	USD/CNY	6.372	257,507

(2) Sensitivity analysis

The Group's exposure to foreign currency risk arises from the foreign currency exchange gains and losses resulted from the translation of cash and cash equivalents, trade receivables, other receivables, trade payables and other payables which are denominated in foreign currencies.

A strengthening (weakening) of 1% of the NTD against the USD at December 31, 2022, would have increased or decreased the profit before tax by $3,131 thousand and $1,679 thousand for the years ended December 31, 2022 and 2021, respectively. The analysis assumes that all other variables remain constant and was performed on the same basis for both periods.

(3) Foreign exchange gains and losses on monetary items

As the Group deal in diverse foreign currencies, gains and losses on foreign exchange were summarized as a single amount. The Group aggregate of realized and unrealized foreign exchange gain (loss) for the years ended December 31,2022 and 2021 were $30,285 thousand and $(5,378) thousand, respectively.

3. Currency risk

Please refer to the notes on liquidity risk management and interest rate exposure of the Group's financial assets and liabilities.

The following sensitivity analysis is based on the risk exposure to the interest rates risk of derivative and non-derivative financial instruments on the reporting date. Regarding liabilities with variable interest rates, the analysis is based on the assumption that the amount of liabilities outstanding at the reporting date was outstanding throughout the year. The rate of change is expressed as the interest rate increases or decreases by 1% when reporting to management internally, which also represents the Group management's assessment of the reasonably possible interest rate change.

If the interest rate increases or decreases by 1% the Group's profit before tax will decrease /increase by $250 thousand and $3,447 thousand for the years ended December 31, 2022 and 2021, respectively, assuming all other variable factors remain constant. This is mainly due to the Group's borrowings and loans at variable rate and the risk exposure of cash flow interest rate risks for receivables.

4. Fair value of financial instruments

The Group's management considers its financial assets and financial liabilities measured at amortized cost to be the approximation of the fair value.

For the Group's financial assets and liabilities including cash and cash equivalents, account receivables, account payables and other financial liabilities, their carrying amount is reasonably close to the fair value, disclosure of fair value information is not required.

(v) Financial risk management

1. Overview

The Group has exposure to the following risks from its financial instruments:

(1) Credit risk

(2) Liquidity risk

(3) Market risk

The following likewise discusses the Group's exposure information, objectives, policies and processes for measuring and managing the above mentioned risks For more disclosures about the quantitative effects of these risks exposures, please refer to the respective notes in the accompanying consolidated financial statements.

2. Structure of risk management

The Group's finance management department provides business services for the overall internal department. It monitor and manage financial risks of the the Group's business operation through internal risk report, which analyze the exposure according to risk levels and scopes. The Group these risks by natural hedging through timely adjust its foreign currency assets and liabilities position. The Board of Directors regulated the use of derivative financial instruments in accordance with the Group's policy about risks arising from financial instruments such as currency risk, interest rate risk, credit risk, the use of derivative and non-derivative financial instruments and the investments of excess liquidity. The internal auditors of the Company continue with the review of the amount of the risk exposure in accordance with the Company's policies and the risk management policies and procedures. The Group has no transactions in financial instruments (including derivative financial instruments) for the purpose of speculation. The business and finance departments submit quarterly financial and business reports to the board of directors of the Group in accordance with the procedure of the board meetings.

3. Credit risk

Credit risk means the potential loss of the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Group's receivables from customers and investments in debt Category and name of security.

(1) Accounts receivable and other receivables

The Group has established a credit policy under which each new customer is analyzed individually for creditworthiness before the Group's standard payment and delivery terms and conditions are offered.

(2) Investments

The credit risk exposure in the bank deposits and other financial instruments are measured and monitored by the Group's finance department. Since The Group's transaction counterparties and the contractually obligated counterparties are banks, financial institutes and corporate organizations with good credits, there are no compliance issues, and therefore, no significant credit risk.

4. Liquidity risk

The Group manages and maintains sufficient cash and cash equivalents so as to cope with its operations and mitigate the effects of fluctuations in cash flows. The Group's management supervises the banking facilities and ensures compliance with the terms of loan agreements.

Bank borrowing is an essential liquidity source for the Group. As of December 31, 2022 and 2021, the Group's unused credit line were $233,343 thousand and $271,937 thousand, respectively.

5. Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rate, and equity prices which will affect the Group's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters while optimizing the return.

The Group buys and sells derivatives in order to reduce market risks. All such transactions are carried out within the guidelines set by the Risk Management Committee.

(1) Currency risk

The Group is exposed to currency risk on sales and purchases and borrowings that are denominated in a currency other than the functional currency of the Group's respective entity. The respective functional currencies of The Group's entities are primarily the NTD,USD and RMB. These transactions are denominated into the presentation (NTD), US dollar (USD) and Chinese Yuan (CNY).

(2) Currency risk

The Group borrows funds on fixed and variable interest rates, which has a risk exposure to changes in fair value and cash flow. The Group manages the interest rates risk by maintaining an adequate combination of fixed and variable interest rates.

(w) Capital management

The Group sets its objectives for managing capital to safeguard the capacity to continue to operate, to continue to provide a return to stockholders, to safeguard the interest of related parties, and to maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the Group may adjust the dividend payment and reduce the capital for redistribution to its shareholders. The Group also issues new shares or sell assets to settle any liabilities.

The Group uses the debt-to-equity ratio to manage capital. The net debt from the balance sheet is derived from the total liabilities less cash and cash equivalents. The total capital and equity include share capital, capital surplus, retained earnings, and other equity plus net debt. The total capital consists all components of equity, which including ordinary shares, capital surplus and retained earnings, plus net liabilities.

	2022.12.31	2021.12.31
Total liabilities	$ 632,037	703,210
Less: Cash and cash equivalents	(279,258)	(366,651)
Net liabilities	$ 352,779	336,559
Total equity	$ 812,079	785,814
Debt-to-equity ratio	43.44%	42.83%

(x) Investing and financing activities not affecting cash flows

The Group’s the investing and financing activities which did not affect the current cash flow in the years ended December 31, 2022 and 2021, were as follows:

Please refer to note 6(h) for a description of acquisition of right-of-use assets through leases.

	2022.1.1	Cash flows	Non-Cash changes	2022.12.31
Short-term borrowings	$ 165,723	11,219	(82,339)	94,603
Long-term borrowings (including current portion)	72,769	193,249	(62,899)	203,119
Lease liabilities	8,433	(11,210)	41,434	38,657
Total liabilities from financing activities	$ 246,925	193,258	(103,804)	336,379

	2021.1.1	Cash flows	Non-Cash changes	2021.12.31
Short-term borrowings	$ 81,262	84,659	(198)	165,723
long-term borrowings	23,000	49,769	-	72,769
Lease liabilities	5,759	(4,751)	7,425	8,433
Total liabilities from financing activities	$ 110,021	129,677	7,227	246,925

(y) Net cash outflows from acquisition of property, plant and equipment

	For the year ended December 31, 2022	For the year ended December 31, 2021
Addition	$ 47,193	177,462
Add: Payable at beginning	68,516	65,390
Less: Ending balance of payables	(11,960)	(68,516)
Total	**$ 103,749**	**174,336**

(7) Related-party transactions

(a) Names and relationship with related parties

The followings are entities that have had transactions with related parties during the periods covered in the consolidated financial statements.

Name of related party	Relationship with the Group
Wei Liangquan	Key management personnel of the Group
Qingrui Investment Co., Ltd.	Its major shareholder is the key management personnel of the Group (Note 1)
Cloudhood Technology Corporation (Hereafter referred to as Cloudhood Technology)	Substantive related party of the Group (Note 1)
SUBTLE ELECTRONIC CO., LTD. (Hereafter referred to as SUBTLE ELECTRONIC)	Other related parties (whose representatives are directors of the Group) (Note 2, 3)

Note 1: The major shareholder of the Company is the key management personnel of UNIFORCE TECHNOLOGY CORPORATION. Since the Group disposed of the Company in April 2022, the Company ceased to be a related party of the Group.

Note 2: A director of the Group, Huatai Management Consulting Co., Ltd., its representative, Lin Zhiqiang, was elected as the new director at the general shareholders' meeting on June 17, 2022. And since Lin Zhiqiang was the representative of SUBTLE ELECTRONIC, the company became an related party of the Group.

Note 3: Mr Lin Zhiqiang resigned as the director on October 31, 2022 and therefore, SUBTLE ELECTRONIC ceased to be a related party of the Group since November 1, 2022.

(b) Significant related-party transactions

1. Sale revenue

   The total sales amount between the Group and SUBTLE ELECTRONIC was $27,151 thousand for the year ended December 31, 2022, which is the sales revenue of SUBTLE ELECTRONIC before it became the related party of the Group.

   The Group recognized a sales discounts and allowances amounting to $1,260 thousand for the current period a result of discounts negotiated with its end customers in July 2022.

   The Group did not purchase the product specifications from other vendors, so the purchase price was not comparable to other vendors. The payment term was 30 days. Same as regular vendors.

2. Purchases

Account	For the year ended December 31, 2022	For the year ended December 31, 2021
Other related parties - Cloudhood Technology	$ 924	-

   The Group did not purchase the product specifications from the related party from other vendors, so the purchase price was not comparable to other vendors. The payment term was 30 days. Same as regular vendors.

   The purchases from other related parties are those of the subsidiary, UNIFORCE TECHNOLOGY CORPORATION, which has been transferred to the discontinued operation. Please refer to note 12(b) for details.

3. Rendering of services Provision

   The Group entered into a cooperation agreement with the SUBTLE ELECTRONIC and agreed that SUBTLE ELECTRONIC would be responsible for marketing and processing customer order services during the agreement term. The Group will provide 5.8% to 6% of its turnover as service fee for rendering of aforementioned services fee. For the year ended December 31, 2022, the Group estimated $9,970 thousand and $7,764 thousand, respectively before and after the company became a related party and is recognized under “selling expenses”. As of December 31, 2022, the outstanding balance of as a result of SUBTLE ELECTRONIC being no longer a related party to the Group, amounting to $16,232 thousand and is recognized under "other payables".

4. Payables from related parties

Account	Relationship	2022.12.31	2021.12.31
Accounts payable	Other related parties - Cloudhood Technology	$ -	7,967

5. Proceeds from disposal of subsidiaries' equity interest

The Group disposed of it entire shareholding in UNIFORCE TECHNOLOGY CORPORATION by resolution of the Board of Directors on March 18, 2022. 30% of the equity interests were disposed on March 22, 2022 to Qingrui Investment Co., Ltd.The total of 3,200 thousand shares were traded with a disposal price of $25 per share, amounting to $80,000thousand in total. Please refer to note 6(f) for details.

6. Guarantee

As of December 31, 2022, the chairman of the Group, Wei Liangquan, have issued a promissory notes amounting to $44,500 thousand for the guarantee of acquiring SUBTLE ELECTRONIC.

(c) Key management personnel compensation includes

	For the year ended December 31, 2022	For the year ended December 31, 2021
Short-term employee benefits	$ 10,139	9,661
Post-employment benefits	298	239
	$ 10,437	9,900

(8) Pledged assets

The carrying values of pledged assets were as follows:

Pledged assets	Pledged to secure	2022.12.31	2021.12.31
Accounts receivable	Short-term bank loans	$ 78,531	-
Property, plant and equipment			
Land	Long-term bank loans	$ 25,980	25,980
Machinery and Equipment	Long-term bank loans	280,071	61,614
Buildings and Construction	Long-term bank loans	11,868	12,640
Buildings and Construction	Short-term bank loans	61,114	63,704
		$ 379,033	163,938
Cash in banks (recognized in other current asset)	Short-term bank loans	$ 4,820	1,066

(9) Significant contingent liabilities and unrecognized commitments

(a) Major commitments were as follows:

The Group's unrecognized contractual commitments were as follows:

	2022.12.31	2021.12.31
Acquisition of property, plant and equipment	$ 2,726	31,373
Inventories - Construction in progress-power plants	$ 16,850	-

(b) The Group has entered into several contracts with Taiwan Power Company for the purchase and sale of electricity, all of which are terminated on the expiry date of 20 years after the date of the first parallel of power generators. The Group shall not transfer electricity generated by the renewable energy system to other persons for usage, except for the purpose of electricity sales as applied with Taiwan Power Company in accordance with the regulations.

(10) Losses due to major disasters: None

(11) Significant Subsequent Events: None.

(12) Others:

(a) A summary of employee benefits, depreciation, and amortization, by function, is as follows

By functional / By item	For the year ended December 31, 2022			For the year ended December 31, 2021		
	Cost of good sold	Operating expenses	Total	Cost of good sold	Operating expenses	Total
Employee benefits						
Salary	109,022	59,410	168,432	51,603	80,445	132,048
Labor and health insurance	8,749	5,076	13,825	4,131	5,825	9,956
Pension	9,436	2,326	11,762	7,277	3,337	10,614
Remuneration of directors	-	1,817	1,817	-	1,450	1,450
Other employee benefits expense	5,724	2,571	8,295	4,957	2,893	7,850
Depreciation	40,214	6,209	46,423	8,208	9,917	18,125
Amortizations	-	6,150	6,150	-	-	-

(b) Discontinued operations

The Group approved the sales of Network Security Systems Integration Segment in March 2022, and so it was presented as a discontinued operation since the sales was completed in April 2022. The profit from discontinued business as of December 31, 2021 presented in the consolidated statement of comprehensive income is a restatement of the relevant segment profit or loss by the Group, rather than a retroactive adjustment.

Please refer to note 6(q) for details on the amount of net profit (loss) attributable to the owner of the parent company from the continuing operations and the discontinued operation.

Profit and loss, and cash flows from (used in) discontinued operations are summarized as follows:

	For the year ended December 31, 2022	For the year ended December 31, 2021
Net profit before tax from discontinued operation		
Sale revenue	$ 127,797	558,526
Total operating costs	(94,462)	(457,052)
Gross profit	33,335	101,474
Operating expenses	(20,346)	(78,098)
Net operating income (loss) of discontinued operations	12,989	23,376
Non-operating income and expenses	(911)	1,701
Net profit before tax from discontinued operation	12,078	25,077
Income tax expense	(2,416)	(5,741)
Gain (loss) of discontinued segment	$ 9,662	19,336
Cash flows of discontinued operation:		
Cash flows from (used in) operating activities:	$ 28,430	50,611
Cash from (used in) investing activities	(80,008)	(2,021)
Cash from (used in) financing activities:	57,933	26,231
Net cash inflows (outflows)	$ 6,355	74,821

Please refer to note 6(f) for details on the impact of the disposal of Network Security Systems Integration Segment on the financial position of the Group.

(c) The comparative reconciliation statement for the adjustment of the fair value of acquired assets

As stated in note 4(r) to the consolidated financial statements, the Group performs retroactive adjustments to the fair value of assets acquired during the measurement period to reflect new information obtained during the measurement period for the existing facts and circumstances before acquisition date. The results are used to prepare the consolidated balance sheet and consolidated statement of comprehensive income of the Group and its subsidiaries for the year ended December 31, 2022.

The comparative information prepared for the reconciliation of the Group's consolidated financial report for the year ended December 31, 2022 is as follows:

	2022.12.31		
Consolidated Balance Sheets	**Original Amount**	**Adjusted Amount**	**Amount acquired from the beginning**
Current assets	$ 800,478	-	800,478
Non-current assets	645,426	(1,788)	643,638
Total assets	**$ 1,445,904**	**(1,788)**	**1,444,116**
Current liabilities	$ 331,655	-	331,655
Non-current liabilities	300,382	-	300,382
Total liabilities	632,037	-	632,037
Capital stock	688,468	-	688,468
Capital surplus	61,506	-	61,506
Retained earnings	76,299	(1,788)	74,511
Other equity interest	(12,406)	-	(12,406)
Total equity	813,867	(1,788)	812,079
Total liabilities and equity	**$ 1,445,904**	**(1,788)**	**1,444,116**

	For the years ended December 31, 2022		
Consolidated Statements of Comprehensive Income	**Original Amount**	**Adjusted Amount**	**Amount acquired from the beginning**
Sale revenue	$ 1,003,670	-	1,003,670
Total operating costs	843,580	2,908	846,488
Gross profit	160,090	(2,908)	157,182
Operating expenses	137,149	(1,120)	136,029
Non-operating income and expenses	81,427	-	81,427
Profit before income tax	104,368	(1,788)	102,580
Income tax expense	4,935	-	4,935
Net profit from continuing operations	99,433	(1,788)	97,645
Profit from discontinued business	9,662	-	9,662
Profit	109,095	(1,788)	107,307
Other comprehensive income	2,926	-	2,926
Total comprehensive income for the period	**$ 112,021**	**(1,788)**	**110,233**
Profit attributable to:			
Owners of the parent	$ 104,361	(1,788)	102,573
Non-controlling interests	4,734	-	4,734
Total comprehensive income for the period	**$ 109,095**	**(1,788)**	**107,307**

Consolidated Statements of Comprehensive Income	For the years ended December 31, 2022 Original Amount	Adjusted Amount	Amount acquired from the beginning
Comprehensive income attributable to:			
Owners of the parent	$ 107,287	(1,788)	105,499
Non-controlling interests	4,734	-	4,734
Total comprehensive income for the period	$ 112,021	(1,788)	110,233

(13) Additional Disclosures

(a) Information on significant transactions:

The following is the information on significant transactions required by the "Regulations Governing the Preparation of Financial Reports by Securities Issuers" for the Group:

(i) Loans to other parties:

(In Thousands of New Taiwan Dollars)

Number	Name of lender Subsidiary	Name of borrower Recipients	Business Activity Account title	Related party Related party Related party	Highest balance of financing to other parties during the period Amount	Balance at December 31 Ending balance	Actual usage amount during the period Amount	Interest rate Interest rate	Amount Name of borrower Nature (Note 3)	Business Activity Amount	Provision for doubtful debts is required for short-term financing The reason for the failure	Loss allowance Total Amount	Collateral Name	Collateral Value	Individual funding loan limits Limits	Name of borrower Total amounts	Note
0	The Group	Gou Zhi Electronic	Other receivables due from -related parties	Yes	150,000	-	-	2.7%	2	-	Operating capital	-		-	324,831	324,831	
0	The Group	Gou Zhi Electronic	Other receivables due from -related parties	Yes	90,000	-	-	2.7%	2	-	Operating capital	-		-	324,831	324,831	
0	The Group	Gou Zhi Electronic	Other receivables due from -related parties	Yes	90,000	90,000	80,000	2.7%	2	-	Operating capital	-		-	324,831	324,831	
1	Jhen Vei Enterprise Co., Ltd.	Huai An Jhen Vei Electronic Co., Ltd.	Other receivables due from -related parties	Yes	14,313	-	-	2.7%	2	-	Operating capital	-	-	-	296,996	296,996	
1	Jhen Vei Enterprise Co., Ltd.	Huai An Jhen Vei Electronic Co., Ltd.	Other receivables due from -related parties	Yes	10,316	-	-	2.7%	2	-	Operating capital	-	-	-	296,996	296,996	
1	Jhen Vei Enterprise Co., Ltd.	Huai An Jhen Vei Electronic Co., Ltd.	Other receivables due from -related parties	Yes	14,738	-	-	2.7%	2	-	Operating capital	-	-	-	296,996	296,996	
1	Jhen Vei Enterprise Co., Ltd.	Hua Yin Energy	Other receivables due from -related parties	Yes	10,169	-	-	2.7%	2	-	Operating capital	-	-	-	46,358	46,358	
1	Jhen Vei Enterprise Co., Ltd.	Huai An Jhen Vei Electronic Co., Ltd.	Other receivables due from -related parties	Yes	16,108	15,355	15,355	2.7%	2	-	Operating capital	-	-	-	296,996	296,996	
1	Jhen Vei Enterprise Co., Ltd.	Huai An Jhen Vei Electronic Co., Ltd.	Other receivables due from -related parties	Yes	11,275	10,749	10,749	2.7%	2	-	Operating capital	-		-	296,996	296,996	
1	Jhen Vei Enterprise Co., Ltd.	Huai An Jhen Vei Electronic Co., Ltd.	Other receivables due from -related parties	Yes	16,108	15,355	15,355	2.7%	2	-	Operating capital	-		-	296,996	296,996	
2	Pors Wiring Co., Ltd	Huai An Jhen Vei Electronic Co., Ltd.	Other receivables due from -related parties	Yes	11,072	-	-	2.7%	2	-	Operating capital	-	-	-	79,679	79,679	
2	Pors Wiring Co., Ltd	Huai An Jhen Vei Electronic Co., Ltd.	Other receivables due from -related parties	Yes	29,720	-	-	2.7%	2	-	Operating capital	-	-	-	79,679	79,679	
2	Pors Wiring Co., Ltd	Hua Yin Energy	Other receivables due from -related parties	Yes	10,316	-	-	2.7%	2	-	Operating capital	-	-	-	25,225	25,225	
2	Pors Wiring Co., Ltd	Hua Yin Energy	Other receivables due from -related parties	Yes	1,486	-	-	2.7%	2	-	Operating capital	-	-	-	25,225	25,225	
2	Pors Wiring Co., Ltd	Huai An Jhen Vei Electronic Co., Ltd.	Other receivables due from -related parties	Yes	16,108	15,355	15,355	2.7%	2	-	Operating capital	-	-	-	79,679	79,679	
2	Pors Wiring Co.,	Huai An Jhen	Other receivables	Yes	16,108	15,355	15,355	2.7%	2	-	Operating	-		-	79,679	79,679	

Number	Name of lender Subsidiary	Name of borrower Recipients	Business Activity Account title	Related party Related party Related party	Highest balance of financing to other parties during the period Amount	Balance at December 31 Ending balance	Actual usage amount during the period Amount	Interest rate Interest rate	Amount Name of borrower Nature (Note 3)	Business Activity Amount	Provision for doubtful debts is required for short-term financing The reason for the failure	Loss allowance Total Amount	Collateral Name	 Value	Individual funding loan limits Limits	Name of borrower Total amounts	Note
	Ltd	Vei Electronic Co., Ltd.	due from -related parties								capital						
2	Pors Wiring Co., Ltd	Huai An Jhen Vei Electronic Co., Ltd.	Other receivables due from -related parties	Yes	16,108	15,355	15,355	2.7%	2	-	Operating capital	-		-	79,679	79,679	
3	Jhen Vei Investment Limited	Huai An Jhen Vei Electronic Co., Ltd.	Other receivables due from -related parties	Yes	8,304	-	-	2.7%	2	-	Operating capital	-	-	-	24,875	24,875	
3	Jhen Vei Investment Limited	Huai An Jhen Vei Electronic Co., Ltd.	Other receivables due from -related parties	Yes	16,108	-	-	0%	2	-	Operating capital	-		-	24,875	24,875	
3	Jhen Vei Investment Limited	Huai An Jhen Vei Electronic Co., Ltd.	Other receivables due from -related parties	Yes	15,445	15,355	15,355	0%	2	-	Operating capital	-		-	24,875	24,875	

Note 1: For capital financing, except for the Group holds more than 100% of voting shares in the foreign entity, directly and indirectly, Total financing amount for a single company by the Group and its subsidiaries shall not exceed 40 percent of the Group's net worth as stated in its latest financial report. For capital financing, except for the Group holds more than 100% of voting shares in the foreign entity, directly and indirectly, Total financing amount for a single company shall not exceed 100% of the paid-in capital as stated in the latest financial report.

Note 2 : For capital financing, except for the Group holds more than 100% of voting shares in the foreign entity, directly and indirectly, Total financing amount for external entity by the Group and its subsidiaries shall not exceed 40 percent of the Group's net worth as stated in its latest financial report. For capital financing, except for the Group holds more than 100% of voting shares in the foreign entity, directly and indirectly, Total financing amount for external entity shall not exceed 100% of the paid-in capital as stated in the latest financial report.

Note 3 : Purpose of fund financing for the borrower:

(1) Those with business contact please fill in 1

(2) Those necessary for short-term financing please fill in 2.

Note 4: The transaction has already been written off in the consolidated financial statements.

(ii) Guarantees and endorsements for other parties:

Number	Maximum amount for guarantees and endorsements Name of investee	Counter-party of guarantee and endorsement Name	 Note 3	Limitation on amount of guarantees and endorsements for a specific enterprise Guarantee limit (note 1 and 3)	Highest balance of financing to other parties during the period Balance of guarantees and endorsements as of reporting date	Balance at December 31 Balance of guarantees and endorsements as of reporting date	Actual usage amount during the period Amount	Property pledged for guarantees and endorsements (Amount) Property pledged for guarantees and endorsements (Amount)	Ratio of accumulated amounts of guarantees and endorsements to net worth of the latest financial statements Ratio of accumulated amounts of guarantees and endorsements to net worth of the latest financial statements	Guarantee Maximum endorcement limit (note 2 and 3)	Parent company endorsements/ guarantees to third parties on behalf of subsidiary Parent company endorsements/ guarantees to third parties on behalf of subsidiary	Subsidiaries Subsidiary endorsements/ guarantees to third parties on behalf of parent company	Endorsements/guarantees to third parties on behalf of companies in Mainland China Endorsements/guarantees to third parties on behalf of companies in Mainland China
0	The Group	Hua Yin Energy	2	649,663	17,000	-	-	-	- %	649,663	Y	N	N
0	The Group	Hua Yin Energy	2	649,663	83,000	-	-	-	- %	649,663	Y	N	N
0	The Group	Hua Yin Energy	2	649,663	100,000	-	-	-	- %	649,663	Y	N	N
0	The Group	Hua Yin Energy	2	649,663	14,000	-	-	-	- %	649,663	Y	N	N
0	The Group	Huai An Jhen Vei Electronic Co., Ltd.	2	649,663	80,538	76,775	10,509	-	9.45%	649,663	Y	N	Y
0	The Group	Gou Zhi Electronic	2	649,663	30,000	30,000	-	-	3.69%	649,663	Y	N	N

Note 1: In accordance to the "endorsement and guarantees operational procedure" of the Group, The total amount of the guarantees and endorsements by the Group and its subsidiaries for a company shall not exceed 80% of the Group's net worth. An inter-subsidiary endorsement and guarantee of which the Group directly holds more than 90% of the ordinary shares of the subsidiary, shall not exceed 10% of the current net worth. A company in which the Group holds, directly or indirectly, 100% or more of the voting shares, is excluded.

Note 2: In accordance to the "endorsement and guarantees operational procedure" of the Group, the total endorsement and guarantee by the Group shall not exceed 100% of the Group's net worth.

Note 3: The relationship between the endorser/guarantor and the guaranteed party:

1) Trading counterparty
2) The Company holds more than 50% of the voting shares in the entity, directly and indirectly.
3) The entity holds more than 50% of voting shares in the Group, directly and indirectly.
4) The Group holds more than 90% of voting shares in the entity, directly and indirectly.
5) The stockholders of the Group provide guarantees or endorsements for the entity in proportion to percentage of ownership for joint investment.
6) Fulfillment of contractual obligations by providing mutual endorsements and guarantees for peer or joint builders in order to undertake a construction project.
7) The companies in the same industry provide among themselves joint and several securities for a performance guarantee of a sales contract for preconstruction homes pursuant to the Consumer Protection Act for each other.

(iii) Marketable securities held at the reporting date (excluding investments in subsidiaries and associates): None

(iv) Marketable securities for which the accumulated purchase or sale amounts for the period exceed $300 million or 20% of the paid in capital: None

(In Thousands of New Taiwan Dollars)

	Category and name of security	Account title	Related party		Beginning Balance		Purchase		Sales				Ending balance	
Name of company	Category and name of security	Account title	Recipients	Relationship with The Company	shares	Amount	shares	Amount	shares	Price	Carrying Cost	Gain (Loss) on disposal of assets	shares	Amount
The Group	Gou Zhi Electronic	long-term investments under the equity method	Gou Zhi Electronic	Subsidiaries	-	-	20,000	199,927	-	-	-	-	20,000	166,989
The Group	UNIFORCE TECHNOLOGY CORPORATION	long-term investments under the equity method	Qingrui Investment Co., Ltd.,WENBO CO., LTD.	Non-related party	54,452	82,493	-	-	54,452	136,131	87,422	48,709	-	-

(v) Acquisition of individual real estate with amount exceeding the lower of NT$300 million or 20% of the capital stock: None

(vi) Disposal of individual real estate with amount exceeding the lower of NT$300 million or 20% of the capital stock: None

(vii) Total purchases from and sales to related parties which exceed $100 million or 20% of the paid in capital:

(In Thousands of New Taiwan Dollars)

Name of company	Counterparty	Nature of relationship	Transaction details				Transactions with terms different from others		Notes/accounts receivable (payable)		Note
			Purchase/Sale	Total Amount	Percentage of total purchases/sales	Payment terms	price	Credit terms	Balance	Percentage of total notes/accounts receivable (payable)	
JHEN VEI ELECTRONIC CO., LTD. AND SUBSIDIARIES	Huai An Jhen Vei Electronic Co., Ltd.	The Group	Purchase	326,985	46.92%	O/A 90 days	-	-	(87,198)	(53.30)%	
Huai An Jhen Vei Electronic Co., Ltd.	JHEN VEI ELECTRONIC CO., LTD. AND SUBSIDIARIES	Subsidiaries	Sales	(326,985)	(55.19)%	O/A 90 days	-	-	87,198	41.27%	

Note: The aforementioned inter-company transactions have been eliminated in the consolidated financial statements.

(viii) Receivable from related parties exceeding the lower of $100,000 thousand or 20% of The Group's paid-in capital: None.

(In Thousands of New Taiwan Dollars)

Receivables	Name of counter-party		Receivables from related parties		Overdue		Amounts received in subsequent period (Note 1)	Loss allowance
Name of holder	Name	Nature of relationship	Ending balance	Turnover days	Total Amount	Actions taken	Amounts received in subsequent period (Note 1)	Amount
The Group	Gou Zhi Electronic	Subsidiaries	81,632	-	-		-	-
The Group	Gou Zhi Electronic	Subsidiaries	32,306	3.69	-	-	12,648	-

Note: The aforementioned inter-company transactions have been eliminated in the consolidated financial statements.

(ix) Trading in derivative instruments: None

(x) Business relationships and significant intercompany transactions:

No. (Note 1)	Name of Company	Name of counter-party	Nature of relationship	Intercompany transactions, 2021			
			Relationship (Note 2)	Account name	Total Amount	Trading terms	Percentage of the consolidated net revenue or total assets
0	The Group	Huai An Jhen Vei Electronic Co., Ltd.	1	Other receivables	48,093	O/A 30 days	3.33%
0	The Group	Huai An Jhen Vei Electronic Co., Ltd.	1	Purchase	326,985	O/A 90 days	32.58%
0	The Group	Huai An Jhen Vei Electronic Co., Ltd.	1	Accounts payable	87,198	O/A 90 days	6.04%
0	The Group	Huai An Jhen Vei Electronic Co., Ltd.	1	Sales	74	O/A 90 days	0.01%
0	The Group	Gou Zhi Electronic	1	Other receivables	81,632	According to the contract	5.65%
0	The Group	Gou Zhi Electronic	1	Purchase	118,385	O/A 90 days	11.80%
0	The Group	Gou Zhi Electronic	1	Accounts payable	56,492	O/A 90 days	3.91%
0	The Group	Gou Zhi Electronic	1	Other receivables	32,306	O/A 90 days	2.24%
1	Pors Wiring Co.,Ltd	Huai An Jhen Vei Electronic Co., Ltd.	3	Other receivables	46,740	According to the contract	3.24%
2	Jhen Vei Investment Limited	Huai An Jhen Vei Electronic Co., Ltd.	3	Other receivables	15,355	According to the contract	1.06%
3	Jhen Vei Enterprise Co., Ltd.	Huai An Jhen Vei Electronic Co., Ltd.	3	Other receivables	42,122	According to the contract	2.92%

Note 1: Numbers are filled in as follows:
1. “0” represents the Group
2. The subsidiaries start with number 1.

Note 2: Relationship with the listed companies:
1. Transactions from parent Group to subsidiary
2. Transactions from subsidiary to parent Group
3. Transactions between subsidiaries

(b) Information on investees:

The following is the information on investees for the years ended December 31, 2022 (excluding information on investees in Mainland China):

Unit: Shares (In Thousands of New Taiwan Dollars)

Name of investor Name	Name of investee Name	Location Geographical information	Main businesses and products Item	Original investment amount		Balance as of December 31			Highest during the term	Name of investor	Share of profits/losses of investee (Note 1)	Note
				December 31, 2022	December 31, 2021	shares	Percentage of ownership	Carrying value	Percentage of ownership (%)	Current profit (loss)	Gains on investments	
The Group	Jhen Vei Enterprise Co., Ltd.	The British Virgin Islands	Manufacturing and sales of various types of signal cables and investment holding	352,091	352,091	48,355	100.00%	111,951	100.00%	17,153	13,208	Note 1
The Group	Pors Wiring Co., Ltd	The British Virgin Islands	Investment holding	98,373	98,373	48,048	100.00%	63,062	100.00%	6,612	6,612	Note 1
The Group	UNIFORCE TECHNOLOGY CORPORATION	Taiwan	System integration services of network security	-	54,452	-	- %	-	51.01%	9,662	4,929	Note 3
The Group	Priceplay.com Inc.	United States	IC and software design	27,187	27,187	45,000	30.00%	-	30.00%	-	-	Note 2
The Group	Hua Yin Energy	Taiwan	Power generation for self-usage using renewable energy	100,000	50,000	10,000,000	100.00%	101,179	100.00%	(14,541)	(14,541)	Note 1
Jhen Vei Enterprise Co., Ltd.	Jhen Vei Investment Limited	Belize	Investment holding	26,244	26,244	810,000	100.00%	27,277	100.00%	2,115	2,115	Note 1
The Group	Gou Zhi Electronic	Taiwan	After processing of electronic components	199,927	-	20,000,000	100.00%	166,989	100.00%	(33,011)	(14,055)	Note 1, 4, 5
Hua Yin Energy	Gou Zhi Electronic	Taiwan	After processing of electronic components	-	1,000	-	- %	-	100.00%	(33,011)	(18,956)	Note 1, 4, 5

Note 1: The aforementioned inter-company transactions have been eliminated in the consolidated financial statements.

Note 2: It has been assessed that carrying amount has no future economic benefits and was therefore fully recognized in the impairment losses as of June 30, 2016.

Note 3: The Group was resolved by the Board of Directors to dispose of its subsidiaries in March 2022, UNIFORCE TECHNOLOGY CORPORATION, which equity interest was completed and the disposal price was received in April 2022.

Note 4: Guozhi Electronic Co., Ltd. was established on December 29, 2021 with the approval of the Ministry of economy.

Note 5: The Group increased the cash capital of Guozhi Electronic Co., Ltd.by $199,000 thousand in September 2022 and purchased the remaining shares from Huayin Energy. The Group directly hold 100%shareholding of Guozhi Electronic Co., Ltd..

(c) Information on investment in mainland China:

(i) The names of investees in Mainland China, the main businesses and products, and other information:

Name of investee	Main businesses and products	Total amount of capital surplus	Method of investment	Accumulated outflow of investment from Taiwan as of January 1, 2020	Investment flows from Taiwan as of January 1, 2020		Accumulated outflow of investment from Taiwan as of December 31, 2021	Name of investor	Percentage of ownership	Highest during the term	Investment income (losses)	Balance at December 31 Carrying amounts	Accumulated remittance of earnings in current period
Name of investor	Item	Capital	(Note 1)	accumulated investment amount	Outflow	Inflow	accumulated investment amount	Current profit (loss)	Percentage	Percentage	(Note 2)	Note 3:	Gains on investments
Huai An Jhen Vei Electronic Co., Ltd.	Manufacturing and sales of various types of signal cables	214,970 7,000 thousand USD)	(2)	214,970 7,000 thousand USD)	-	-	214,970 7,000 thousand USD)	9,347	100.00%	100.00%	9,347 (2,114 thousand RMB)	34,703 (7,870 thousand RMB)	-

Note 1: There are three ways to invest in China:
(1) Direct investment in the Mainland China.
(2) Through investing in an existing company in the third area, which then invested in the investee in Mainland China.
(3) Others.

Note 2: The financial report of the investee is audited financial report and is calculated by shareholding of the Group.

Note 3: The aforementioned inter-company transactions have been eliminated in the consolidated financial statements.

(ii) Limitation on investment in Mainland China:

Accumulated Investment in Mainland China as of December 31, 2022 (Notes 1 and 2)	Investment Amounts Authorized by Investment Commission, MOEA	Upper Limit on Investment Authorized by Investment Commission, MOEA
293,680 (USD 9,563 thousand)	333,603 (USD 10,863 thousand)	487,247

Note 1: Except that the recognized investment losses for the period were calculated at the average exchange rate from January 1,2022 to December 31, 2022 and the remittance of surplus was calculated at the historical exchange rate, the balance was calculated at the closing exchange rate as of December 31, 2022.

Note 2: The difference is due to the disposal of equity interest in Xinfeng Zhenwei Electronics Co., Ltd.. The return of investment amounting to US$600 thousand was fully remitted to Jhen Vei Enterprise Co., Ltd. Zhenwei Electronics (Wujiang) Co., Ltd.is liquidated and return investment amounting to $963 thousand and Zhenwei Electronics (Shenzhen) Co., Ltd.is liquidated and its loss on investment amounting to $1 thousand.

(iii) Information on significant transactions

The significant inter-company transactions (direct or indirect) with the subsidiary in Mainland China for the years ended December 31, 2022, which were eliminated in the preparation of consolidated financial statements, are disclosed in Note 13(a)"Information on significant transactions".

(iv) Major Shareholders

Unit: Shares

Shareholding / Shareholder's name	Shares	Percentage
Yongding Investment Co., Ltd.	10,374,629	15.06%
Huatai Management Consulting Co., Ltd.	6,359,230	9.23%

Note: 1) Information about the substantial shareholders of this form is provided by the General Insurance Company on the last business day of each quarter. The total number of ordinary shares and special shares in which the calculation of shareholders' holding company has completed the unincorporated delivery (including treasury shares) is more than 5%. As to the number of shares recorded in the Group's financial reports that are not physically registered as delivered by the Group, the basis of the calculation may varies or be different.

2) The above information, in the case of a shareholder's delivery of shares to a trust, is disclosed by the individual sub-account of the principal who opened the trust in favor of the trustee. As to the declaration of the shareholders' shareholding of an insider in excess of 10% by virtue of the Securities Trading Act, the shareholding of the shareholders includes the addition of the shares of the shareholders in trust and the application of the right of decision in respect of the trust property, and so on. For information on the declaration of the rights of the insider, please refer to the Public Information Observatory.

(14) Segment information:

(a) Reportable segment profit or loss, segment assets, segment liabilities, and their measurement and reconciliations

Reportable segment profit or loss is based on operating profit or loss before taxation, and as the base of performance evaluation. The segments' accounting policy are same note 4.

The Group's operating segment information and the reconciliations were as follows:

	For the year ended December 31, 2022					
	Electronics Component Department	**Network Security Systems Integration Segment (discontinued)**	**After Processing of Electronics Component Segment**	**Energy Segment**	**Discontinued segment and adjustment**	**Total**
Revenue:						
Revenue from external customers	$ 620,724	127,797	304,817	78,129	(127,797)	1,003,670
Intersegment revenues	-	-	-	-	-	-
Total revenue	**$ 620,724**	**127,797**	**304,817**	**78,129**	**(127,797)**	**1,003,670**
Profit (loss) of reportable segments	**$ 7,984**	**12,989**	**3,091**	**10,078**	**(12,989)**	**21,153**

	For the year ended December 31, 2021					
	Electronics Component Department	**Network Security Systems Integration Segment (discontinued)**	**After Processing of Electronics Component Segment**	**Energy Segment**	**Discontinued segment and adjustment**	**Total**
Revenue:						
Revenue from external customers	$ 617,081	558,526	-	2,420	(558,526)	619,501
Intersegment revenues	-	-	-	-	-	-
Total revenue	**$ 617,081**	**558,526**	**-**	**2,420**	**(558,526)**	**619,501**
Profit (loss) of reportable segments	**$ 3,705**	**23,376**	**-**	**(2,670)**	**(23,376)**	**1,035**

(b) Geographic information

In presenting information on the basis of geography, segment revenue is based on the geographical location of customers, please refer to Note 6(p) and non-current assets are based on the geographical location of the assets.

Geographical information	**For the year ended December 31, 2022**	**For the Year Ended December 31, 2021**
Current assets		
Taiwan	$ 594,808	287,151
China	94,251	83,107
Total	**$ 689,059**	**370,258**

Noncurrent assets include property, plant and equipment, rightofuse assets and other noncurrent assets, excluding financial instruments, deferred tax assets, pension fund assets, and rights arising from an insurance contract (noncurrent).

(c) Major customer information

	For the Year Ended December 31, 2022	For the Year Ended December 31, 2021
Customer A	$ 308,170	296,226
Customer B	265,487	310,537
	$ 573,657	**606,763**

JHEN VEI ELECTRONIC CO., LTD

Parent Company Only Financial Statements with Independent Auditors' Report

For the Years Ended December 31, 2022 and 2021

Independent Auditors' Report

To the Board of Directors of JHEN VEI ELECTRONIC CO., LTD.:

Opinion

We have audited the financial statements of JHEN VEI ELECTRONIC CO., LTD. ("the Company"), which comprise the balance sheet as of December 31, 2022 and 2021, and Interest statements of comprehensive income, changes in equity and cash flows for the years then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as of December 31, 2022 and 2021, and its financial performance and its cash flows for the years then ended in accordance with for the Governing one year Financial Reports by Securities Issuers.

Basis for Opinion

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

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. Based on our judgment, the key audit matters that should be disclosed in this report are as follows:

1. Revenue recognition

   Please refer to note 4 (k) for the relevant accounting policy regarding recognition of revenue, and refer to note 6 (q) for relevant disclosures.

Description of key audit matter:

JHEN VEI ELECTRONIC CO., LTD. is principally engaged in the manufacture and trading of electronic components. Sales revenue is one of the key items in the financial statements. therefore, the recognition of sales revenue is one of the most important evaluations in performing our audit procedures.

How the matter was addressed in our audit:

Our principal audit procedures included the following:

- assess whether the revenue recognition policy has been made in in accordance with relevant bulletins.
- Understand and test revenue recognition design and implementation of internal controls related with revenue recognition.
- Analyze the changes in the prior year's amount within the top ten customers to to continue evaluate if there are any major abnormalities.
- Spot-check revenue for the year and test whether revenue transactions are recorded correctly.
- Choose the period between the Balance sheet date, then examine the recognition of income transactions and vouchers cover for the appropriate period.
- Assess whether there are material sales return and discounts

2. long-term investments under the equity method

Please refer to note 4 (h) for the relevant accounting policy of long-term investment accounted for using equity method (acquisition through sub-subsidiary), and refer to note 6 (f) for relevant disclosures.

Description of key audit matter:

Through 100% held sub-subsidiary, the Company acquired the inventory, machinery and intangible assets (including business items and patents) of SUBTLE ELECTRONIC CO., LTD., (hereinafter referred to as SUBTLE ELECTRONIC) during the year. At the acquisition date, SUBTLE ELECTRONIC is accounted for at the fair value of the net identifiable assets by the Company at the date of acquisition. The difference between the acquisition price and the fair value of the net identifiable assets will affect the recognized investment profit. Since the fair value assessment of the net identifiable assets of the transaction involves the subjective judgment of management; Thus, business combinations is one of the most important in performing our audit procedures.

How the matter was addressed in our audit:

Our principal audit procedures included the following:

- ·To assess whether the business combination process complies with internal control procedures and relevant regulations.
- ·Obtain the purchase price allocation report from management, which was performed by an external expert through commissioning, to assess the reasonableness of the valuation of identifiable net assets as of the acquisition date; and to assess the reasonableness of the methodology and assumptions used in such evaluation.

- To assess whether the accounting treatment and disclosure of the business combination are appropriate.

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

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

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

Those charged with governance (including the Audit Committee) are responsible for overseeing the Company's financial reporting process.

Auditors' Responsibilities for the Audit of the Financial Statements

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

We conducted our audits in accordance with professional judgment and skepticism. We also:

1. Identified and assessed the risks of material misstatement of the financial statements, whether due to fraud or error, designed and performed audit procedures responsive to those risks, and obtained audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

2. 2. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.

3. 3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

4. 4. Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.

5. Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

6. Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Consolidated Company to express an opinion on The Company financial statements. We are responsible for the direction, supervision, and performance of the audit. We remain solely responsible for our audit opinion.

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

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

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

The engagement partners on the audit resulting in this independent auditors' report are HENG-SHEN LIN and

SHU-CHI YANG

KPMG

Taipei, Taiwan (Republic of China)
March 28, 2023

Notes to Readers

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

The independent auditors' audit report and the accompanying parent company only financial statements are the English translation of the Chinese version prepared and used in the Republic of China. If there is any conflict between, or any difference in the interpretation of the English and Chinese language independent auditors' audit report and parent company only financial statements, the Chinese version shall prevail.

JHEN VEI ELECTRONIC CO., LTD (Originally known as JHEN VEI ELECTRONIC CO., LTD)

Balance sheets

December 31, 2022 and 2021

(In Thousands of New Taiwan Dollars)

		2022.12.31			2021.12.31	
	Assets:		**Amount**	**%**	**Amount**	**%**
	Current assets					
1100	Cash and cash equivalents (Note 6 (a))	$	181,716	17	210,956	26
1170	Accounts and notes receivable, net (Notes 6(b),(q))		208,272	19	150,190	19
1210	Other receivables due from related parties (Notes 6(c) and (g)		162,031	15	79,645	10
1300	Inventories (Note 6(d))		30,939	3	24,527	3
1470	Other current assets (Note 6(c))		3,119	-	4,150	1
			586,077	54	469,468	59
	Non-current assets:					
1550	Investments accounted for using equity method (Notes 6(e),(f))		443,181	41	282,286	35
1600	Property, plant and equipment (Notes 6(g) and 8)		38,535	4	39,210	5
1755	Right-of-use assets(Note 6(h))		961	-	1,639	-
1840	Deferred tax assets (Note 6(m))		354	-	1,476	-
1975	Non-current net defined benefit asset (Note 6(l))		12,080	1	11,196	1
1900	Other non-current assets:		1,350	-	850	-
			496,461	46	336,657	41
	Total assets	$	1,082,538	100	806,125	100

		2022.12.31			2021.12.31	
	Liabilities and Equity		**Amount**	**%**	**Amount**	**%**
	Current liabilities:					
2100	Short-term borrowings (Notes 6(i) and 8)	$	40,000	4	-	-
2131	Current - contract liability (Note 6(q))		8,970	1	29	-
2170	Accounts payable		20,199	2	513	-
2180	Accounts payable to related parties (Note 7)		143,690	13	61,099	8
2200	Other payables (Note 7)		28,420	2	7,858	1
2281	current lease liabilities (Note 6(k))		683	-	674	-
2322	Long-term borrowings, current portion(Note 6(j))		1,535	-	-	-
2300	Other current liabilities		2,142	-	3,022	-
			245,639	22	73,195	9
	Non-current liabilities					
2540	Long-term borrowings (notes 6(j) and 8)		20,961	2	23,000	3
2570	Deferred tax liabilities (Note 6(m))		3,572	-	2,379	-
2581	Non-current lease liabilities (Note 6(k))		287	-	971	-
			24,820	2	26,350	3
	Total liabilities		270,459	24	99,545	12
	Equity (Note 6(n))					
3110	Ordinary share		688,468	64	688,468	86
3200	Capital surplus		61,506	6	61,506	8
3350	Unappropriated retained earnings		74,511	7	(28,751)	(4)
3410	Exchange differences on translation of foreign financial statements		(12,406)	(1)	(14,643)	(2)
	Total equity		812,079	76	706,580	88
	Total liabilities and equity	$	1,082,538	100	806,125	100

See accompanying notes to the parent company only financial statements.

JHEN VEI ELECTRONIC CO., LTD (Originally known as JHEN VEI ELECTRONIC CO., LTD)

Statements of Comprehensive Income

For the years ended December 31, 2022 and 2021

(In Thousands of New Taiwan Dollars)

		For the Year Ended December 31, 2022			For the Year Ended December 31, 2021	
			Amount	%	Amount	%
4100	**Operating revenues,net (Notes 6(q) and 7)**	$	458,059	100	304,126	100
5000	**Operating costs (Notes 6(d) and 7)**		377,644	82	256,534	84
	Gross profit		80,415	18	47,592	16
	Operating expenses (Notes 6 (b), (k),(l),(o) (r))					
6100	Selling expenses (note 7)		27,392	6	8,156	3
6200	Administrative expenses		37,496	8	30,153	10
6450	Expected credit losses (Reversal gains)		376	-	(79)	-
	Total operating Expenses		65,264	14	38,230	13
	Net operating income		15,151	4	9,362	3
	Non-operating income and expenses (Note 6(s) and 7):					
7100	Interest income		5,578	1	233	-
7020	Other gains and losses (note 6(f))		89,157	19	4,334	1
7070	Share of profit (loss) of subsidiaries, associates, and joint ventures under the equity method		(3,847)	(1)	(6,447)	(2)
7050	Finance costs		(1,323)	-	(1,064)	-
	Total non-operating income and expenses		89,565	19	(2,944)	(1)
7900	**Profit before tax**		104,716	23	6,418	2
7951	**Less: Income tax expense (gains) (Note 6(m))**		2,143	-	(273)	-
	Profit for the period		102,573	23	6,691	2
8300	**Other comprehensive income (loss):**					
8310	**Items that will not be reclassified subsequently to profit or loss**					
8311	Remeasurements of defined benefit plans (note 6(l))		861	-	148	-
8349	Less: Income tax related to components of other comprehensive income that will not be reclassified to profit or loss (Note 6(m))		172	-	30	-
			689	-	118	-
8360	**Items that may be reclassified subsequently to profit or loss:**					
8380	Share of other comprehensive income of associates and joint ventures under the equity method		2,237	-	(1,273)	-
8399	Less: Income tax related to components of other comprehensive income that will be reclassified to profit or loss		-	-	-	-
	Components of other comprehensive income (loss)that will be reclassified to profit or loss, total		2,237	-	(1,273)	-
8300	**Other comprehensive income**		2,926	-	(1,155)	-
8500	**Total comprehensive income for the period**	**$**	**105,499**	**23**	**5,536**	**2**
	Earnings per share (in dollars) (Note 6(p)):					
9750	**Basic earnings per share**	**$**		**1.49**		**0.13**
9850	**Diluted earnings per share**	**$**		**1.49**		**0.13**

See accompanying notes to the parent company only financial statements.

JHEN VEI ELECTRONIC CO., LTD (Originally known as JHEN VEI ELECTRONIC CO., LTD)

Statement of Changes in Equity

For the years ended December 31, 2022 and 2021

(In Thousands of New Taiwan Dollars)

				Retained earnings	Other equity interest	
					Foreign operations Financial statements Exchange differences on translation of foreign financial statements	
		Ordinary share	Capital surplus	Unappropriated retained earnings		Total equity
Balance on January 1, 2021	$	488,468	2,536	(35,560)	(13,370)	442,074
Profit for the year ended December 31, 2021		-	-	6,691	-	6,691
Other comprehensive income		-	-	118	(1,273)	(1,155)
Total comprehensive income for the period		-	-	6,809	(1,273)	5,536
Issuance of shares for cash		200,000	56,000	-	-	256,000
Share-based payment		-	2,970	-	-	2,970
Balance on December 31, 2021	$	688,468	61,506	(28,751)	(14,643)	706,580
Profit for the year ended December 31, 2021		-	-	102,573	-	102,573
Other comprehensive income		-	-	689	2,237	2,926
Total comprehensive income for the period		-	-	103,262	2,237	105,499
Balance on December 31, 2022	**$**	**688,468**	**61,506**	**74,511**	**(12,406)**	**812,079**

See accompanying notes to the parent company only financial statements.

JHEN VEI ELECTRONIC CO., LTD (Originally known as JHEN VEI ELECTRONIC CO., LTD)

Statement of Cash Flows

For the years ended December 31, 2022 and 2021

(In Thousands of New Taiwan Dollars)

	For the Year Ended	
	December 31, 2022	December 31, 2021
Cash flows from (used in) operating activities:		
Profit before tax	$ 104,716	6,418
Adjustments:		
Adjustments to reconcile profit (loss)		
Depreciation expense	1,743	1,384
Expected credit losses (Reversal gains)	376	(79)
Interest expense	1,323	1,064
Interest income	(5,578)	(233)
Share-based payments	-	2,970
Share of Profit or loss of subsidiaries and associates under the equity method	3,847	6,447
Gains on disposals of investments	(48,709)	-
Total adjustments to reconcile profit (loss)	(46,998)	11,553
Changes in operating assets and liabilities:		
Changes in operating assets:		
Accounts receivable	(58,458)	(12,808)
Other receivable - related parties	(754)	(13,309)
Inventories	(6,412)	(5,845)
Other current assets	1,031	(553)
Net defined benefit assets	(23)	(20)
Net changes in operating assets Total	(64,616)	(32,535)
Net changes in operating liabilities:		
Contract liabilities	8,942	-
Accounts payable	19,686	97
Accounts payable - related parties	82,591	(42,658)
Other payables	20,562	1,785
Other current liabilities	(880)	1,064
Net changes in operating liabilities	130,901	(39,712)
Net changes in operating liabilities (assets)	66,285	(72,247)
Adjustments:	19,287	(60,694)
Cash inflows (outflows) generated from operations	124,003	(54,276)
Interest received	5,578	233
Interest paid	(1,323)	(1,064)
Net cash inflows (outflows) from operating activities	128,258	(55,107)
Cash from (used in) investing activities:		
Acquisition of investments accounted for using equity method	(249,927)	(48,000)
Proceeds from disposal of investments accounted for using equity method	136,131	-
Acquisition of property, plant and equipment	(390)	(101)
Refundable deposits	(501)	(850)
Other receivables due from -related parties	(81,632)	-
Increase in other financial assets	-	56,960
Net cash inflows (outflows) from investing activities	(196,319)	8,009
Cash from (used in) financing activities:		
Decrease (increase) in short-term borrowings	40,000	(15,000)
Repayments of long-term debt	(504)	-
Payments of lease liabilities	(675)	(389)
Issuance of shares for cash	-	256,000
Net cash inflows used in financing activities	38,821	240,611
Current Increase in cash and cash equivalents	(29,240)	193,513
Cash and cash equivalents at beginning of period	210,956	17,443
Cash and cash equivalents, end of period	**$ 181,716**	**210,956**

See accompanying notes to the parent company only financial statements.208

JHEN VEI ELECTRONIC CO., LTD (Originally known as JHEN VEI ELECTRONIC CO., LTD)

Notes to the Parent Company Only Financial Statements

For the Years Ended December 31, 2022 and 2021

(Expressed in Thousands of New Taiwan Dollars, Unless Otherwise Specified)

(1) Company history

JHEN VEI ELECTRONIC CO., LTD. (Hua Yin Group, hereinafter referred to as "the Company"), formerly known as JHEN VEI ELECTRONIC CO., LTD.,was established by the Ministry of Economic Affairs on February 21, 1986. As of June 19, 2020, the name of The Company was approved by the general shareholders'meeting to be changed to JHEN VEI ELECTRONIC CO., LTD. The registered address is 6F, No. 18, Ln 609, Sec 5, Chongxin Rd., Sanchong Dist., New Taipei City 24159, Taiwan. The principal activities of the Company are the trading of plug connections, sockets, computer cables, import/export trade and the construction services of solar power plants.

(2) Approval date and procedures of the financial statements

These parent company only financial statements were authorized for issue by the Board of Directors on March 28, 2023.

(3) New standards, amendments, and interpretations adopted

(a) The impact of the International Financial Reporting Standards ("IFRSs") endorsed by the Financial Supervisory Commission, R.O.C. ("FSC") which have already been adopted.

The Company has initially adopted the following new amendments,which do not have a significant impact on its financial statements, from January 1, 2022.

- Amendments to IAS 16 "Property, Plant and Equipment－Proceeds before Intended Use"
- Amendments to IAS 37 "Onerous Contracts－Cost of Fulfilling a Contract"
- Annual Improvements to IFRS Standards 2018-2020
- Amendments to IFRS 3 "Reference to the Conceptual Framework"

(b) The impact of IFRS issued by the FSC but not yet effective

The Company assesses that the adoption of the following new amendments, effective for annual period beginning on January 1, 2023, would not have a significant impact on its financial statements:

- Amendments to IAS 1 "Disclosure of Accounting policies"
- Amendments to IAS 8 "Definition of Accounting Estimates"
- Amendment to IAS 12 "Deferred income tax in relation to assets and liabilities arising from a single exchange"

(c) The impact of IFRS issued by International Accounting Standards Board but not yet endorsed by the FSC

The following new and amended standards, which may be relevant to the Company, have been issued by the International Accounting Standards Board (IASB), but have yet to be endorsed by the FSC:

New standards, amendments and interpretations adopted	Content of amendment	Effective date per IASB
● Amendments to IAS 1 "Classification of Liabilities as Current or Non-current"	According to IAS 1, The Company does not have an unconditional right to defer settlement of the liability for at least twelve months after the reporting period. The amendment removes the requirement of unconditional right and instead,such right shall exist and be substantial on the end of the reporting period. The amended provision clarifies how an enterprise should classify its liabilities (such as convertible corporate bonds) which are settled by issuing its own equity instrument.	January 1, 2024
● Amendments to IAS 1 "Disclosure of Accounting policies"	After reconsidering some aspects of the IAS 1 Amendments in 2020, the new amendment states that only contractual terms that were followed on or before the reporting date will affect the classification of a liability as current or non-current. The contractual terms (i.e. future terms) that an enterprise is required to comply with after the reporting date do not affect the classification of liabilities on that date. However, where non-current liabilities are subject to future contract terms, enterprises need to disclose information to help financial statement users understand the risk that such liabilities may be repaid within 12 months of the reporting date.	January 1, 2024

The Company is evaluating the impact of its initial adoption of the above-mentioned standards or interpretations on its financial position and financial performance. The results thereof will be disclosed when the Company completes its evaluation.

The Company expects that the adoption of the following new standards and amendments issued by IASB but not yet endorsed by the FSC would not have any material impact on its financial statements.

- Amendments to IFRS 10 and IAS 28 "Sale or Contribution of Assets Between an Investor and Its Associate or Joint Venture"
- IFRS 17 " Insurance Contracts" and amendments to IFRS 17 " Insurance Contracts"
- Amendments to IFRS 17 "Initial Application of IFRS 17 and IFRS 9—Comparative Information"
- IFRS 16"Leases"

(4) Summary of significant accounting policies

The significant accounting policies presented in the financial statements are summarized as below. Except for those specifically indicated, the following accounting policies were applied consistently throughout the periods presented in the financial statements.

(a) Statement of compliance

The financial statements have been prepared in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers (hereinafter referred to as the Regulations) and the International Financial Reporting Standard.

(b) Basis of preparation

1. Basis of measurement

The financial statements have been prepared on the historical cost basis, except for the following material items in the statement of financial position:

1) Financial instruments measured at fair value；

2) The defined benefit liabilities (assets) are measured at fair value of the plan assets less Recognition the present value of the defined benefit obligation.

2. Functional and presentation currency

The functional currency of the Company charges is determined based on the primary economic environment in which the Company operates. The parent company only financial statements are presented in New Taiwan dollars, which is the Company's functional currency, All financial information presented in NTD has been rounded to the nearest thousand.

(c) Foreign currencies

1. Foreign currency transactions

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. At the end of each subsequent reporting period, monetary items denominated in foreign currencies are translated into the functional currencies using the exchange rate at that date. Non-monetary items denominated in foreign currencies that are measured at fair value are translated into the functional currencies using the exchange rate at the date that the fair value was determined. Non monetary items denominated in foreign currencies that are measured based on historical cost are translated using the exchange rate at the date of the transaction.

Exchange differences are generally recognized in profit or loss.

2. Foreign operations

The assets and liabilities of foreign operations, including goodwill and fair value adjustments arising on acquisition, are translated into the presentation currency at the exchange rates at the reporting date. The income and expenses of foreign operations are translated into the presentation currency at the average exchange rate. Exchange differences are recognized in other comprehensive income.

When a foreign operation is disposed of such that control, joint control, or significant influence is lost, the cumulative amount in the translation reserve related to that foreign operation is reclassified to profit or loss as part of the gain or loss on disposal. When The Company disposes of any part of its interest in a subsidiary that includes a foreign operation while retaining control, the relevant proportion of the cumulative amount is reattributed to non-controlling interests. For a partial disposal of the Company's ownership interest in an associate or joint venture, the proportionate share of the accumulated exchange differences in equity is reclassified to profit or loss.

When the settlement of a monetary receivable from or payable to a foreign operation is neither planned nor likely to occur in the foreseeable future, exchange differences arising from such a monetary item that are considered to form part of the net investment in the foreign operation are recognized in other comprehensive income.

(d) Classification of current and non-current assets and liabilities

An asset is classified as current when one of following criteria is met; all other assets are classified as non-current assets.

1. It is expected to be realized, or intended to be sold or consumed, in the normal operating cycle;

2. It is held primarily for the purpose of trading;

3. It is expected to be realized within twelve months after the reporting date; or

4. The asset is cash or a cash equivalent (as defined in IAS 7) unless the asset is restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

A liability is classified as current under one of the following criteria, and all other liabilities are classified as non-current.

1. It is expected to be settled in its normal operating cycle;
2. It is held primarily for the purpose of trading;
3. It is expected to be realized within twelve months after the reporting period; or
4. the Company does not have an unconditional right to defer settlement of the liability for at least twelve months after the reporting period. Terms of a liability that could,at the option of the counterparty, result in its settlement by issuing equity instruments do not affect its classification.

(e) Cash and cash equivalents

Cash and cash equivalents comprise cash, cash in bank, and short term, highly liquid investments that are readily convertible to known amounts of cash and are subject to an insignificant risk of changes in value. Time deposits meet aforementioned definitions that are held for the purpose of meeting short term cash commitments rather than for investment or other purposes, and that are subject to an insignificant risk of changes in their fair value are recognized as cash and cash equivalents.

(f) Financial instruments

Trade receivables and debt securities issued are initially recognized when they are originated. All other financial assets and financial liabilities are initially recognized when the Company becomes a party to the contractual provisions of the instrument. A financial asset (unless it is an accounts receivable without a significant financing component) or financial liability is initially measured at fair value plus, for an item not at fair value through profit or loss (FVTPL), transaction costs that are directly attributable to its acquisition or issue. An accounts receivable without a significant financing component is initially measured at the transaction price.

(i) Financial assets

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

On initial recognition, a financial asset is classified as measured at amortized cost. The Company changes its business model for managing financial assets, in which case all affected financial assets are reclassified on the first day of the first reporting period following the change in the business model.

(1) Impairment of financial assets

The Company recognizes loss allowances for expected credit losses (ECL) on financial assets measured at amortized cost (including cash and cash equivalents, amortized costs, notes and accounts receivable, other receivables, guarantee deposit paid and other financial assets).

The Company measures loss allowances at an amount equal to lifetime expected credit loss ("ECL"), except for the following which are measured as 12-month ECL:

- debt securities that are determined to have low credit risk at the reporting date; and
- other debt securities and bank balances for which credit risk (i.e. the risk of default occurring over the expected life of the financial instrument) has not increased significantly since initial recognition.

Loss allowance for accounts receivable are always measured at an amount equal to lifetime ECL.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECL, the Company considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis based on the Company's historical experience and informed credit assessment as well as forward looking information.

The Company assumes that the credit risk on a financial asset has increased significantly if it is more than 30 days past due.

The Company considers a financial asset to be in default when the financial asset is more than 90 days past due or the debtor is unlikely to pay its credit obligations to the Company in full.

Lifetime ECLs are the ECLs that result from all possible default events over the expected life of a financial instrument.

12-month ECLs are the portion of ECLs that result from default events that are possible within the 12 months after the reporting date (or a shorter period if the expected life of the instrument is less than 12 months).

The maximum period considered when estimating ECLs is the maximum contractual period over which the Company is exposed to credit risk.

ECLs are probability-weighted estimate of credit losses over the expected life of financial assets. Credit losses are measured as the present value of all cash shortfalls, i.e the difference between the cash flows due to the Company in accordance with the contract and the cash flows that the Company expects to receive. ECL are discounted at the effective interest rate of the financial asset.

At each reporting date, the Company assesses on debt securities whether financial assets carried at amortized cost is credit-impaired. A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred. An evidence that a financial assets is credit-impaired includes the following observable data:

·significant financial difficulty of the borrower or issuer;

· a breach of contract such as a default or being more than 90 days past due;

·the lender of the borrower, for economic or contractual reasons relating to the borrower's financial difficulty, having granted to the borrower a concession that the lender would not otherwise consider;

· it is probable that the borrower will enter bankruptcy or other financial reorganization; or

· the disappearance of an active market for a security because of financial difficulties.

Loss allowances for financial assets measured at amortized cost are deducted from the gross carrying amount of assets.

The gross carrying amount of a financial asset is written off either partially or in full to the extent that there is no realistic prospect of recovery. For corporate customers, the Company individually makes an assessment with respect to the timing and amount of write off based on whether there is a reasonable expectation of recovery. The Company expects no significant recovery from the amount written off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Company's procedures for recovery of amounts due.

2) Derecognition of financial assets

The Company derecognizes a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Company neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset.

When the Company enters into transactions whereby it transfers assets but retains either all or substantially all of the risks and rewards of the assets, the transferred assets are not derecognized from statement of balance sheet.

2. Financial liabilities and equity instruments

1) Classification of debt or equity

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

2) Equity instruments

An equity instrument is any contract that evidences the residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued is recognized as the amount of consideration received, less the direct cost of issuing.

3) Derecognition of financial liabilities

The Company derecognizes a financial liability when its contractual obligations are discharged or canceled, or expire. The Company also derecognizes a financial liability when its terms are modified and the cash flows of the modified liability are substantially different, in which case a new financial liability based on the modified terms is recognized at fair value.

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

4) Offsetting of financial assets and liabilities

Financial assets and financial liabilities are offset and the net amount presented in the statement of balance sheet when, and only when, the Company currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realize the asset and settle the liability simultaneously.

(g) Inventories

The inventory of The Company include construction in progress-power plants and products. The expenditures of power plants before construction,construction costs, and engineering expenses can be allocated by power plants, and should be recognized as "power plants in progress".

Inventories are measured at the lower of cost or net realizable value. The cost of inventories is calculated based on the weighted average method and includes expenditure incurred in acquiring the inventories, production or conversion costs, and other costs incurred in bringing them to the location and condition. Fixed manufacturing overhead is allocated to finished products and work in process based on normal capacity.

Net realizable value represents the estimated selling price in the ordinary course of business, less all estimated costs of completion and necessary selling expenses.

(h) Investment in subsidiaries

The subsidiaries in which the Company holds controlling interest are accounted for under equity method in the parent company only financial statements. Under equity method, the net income, other comprehensive income and equity in the parent company only financial statement are the same as those attributable to the owners of parent in the financial statements.

Changes in the Company's ownership interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions.

When The Company loses control over a subsidiary, it derecognizes the assets and liabilities of the subsidiary, and any related non-controlling interests and other components of equity. Any interest retained former subsidiary is measured at fair value when control is lost, with the resulting gain or loss being recognized in profit or loss. The Company recognizes as gain or loss in profit or loss the difference between (i) the fair value of the consideration received as well as any investment retained in the former subsidiary at its fair value at the date when control is lost ;and (ii) the assets, liabilities of the subsidiary as well as any related noncontrolling interests at their carrying amounts at the date when control is lost. When The Company loses control of its subsidiary, it accounts for all amounts previously recognized in other comprehensive income in relation to that subsidiary on the same basis as would be required if it had directly disposed of the related assets or liabilities.

(i) Property, Plant and Equipment

(i) Recognition and measurement

Items of property, plant and equipment are measured at cost, less accumulated depreciation and any accumulated impairment losses.

If significant parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

Any gain or loss on disposal of an item of property, plant and equipment is recognized in profit or loss.

(ii)Subsequent expenditure

Subsequent expenditure is capitalized only if it is probable that future economic benefits associated with the expenditure will flow to the Company.

(iii)Depreciation

Depreciation is calculated on the cost of an asset, less its residual value, and is recognized in profit or loss on a straight-line basis over the estimated useful lives of each component of an item of property, plant and equipment.

Land is not depreciated.

The estimated useful lives of property, plant and equipment for the current and comparative years are as follows:

1) buildings: 20 years

2) Other equipment: 2~5 years

Depreciation methods, useful lives, and residual values are reviewed at each reporting date and adjusted if appropriate.

(j) Lease

At inception of a contract, the Company assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

(i) As a lessee

The Company recognizes a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. In addition, the right-of-use asset is periodically evaluated and reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date. The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be reliably determined, the Company's incremental borrowing rate. Generally, the Company uses its incremental borrowing rate as the discount rate.

Lease payments included in the measurement of the lease liability comprise the following:

1) fixed payments, including in-substance fixed payments;

2) variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;

3) Amounts expected to be payable under a residual value guarantee; and

4) payments for purchase or termination options that are reasonably certain to be exercised.

The lease liability is subsequently measured at amortized cost using the effective interest method. It is remeasured when:

(1) there is a change in future lease payments arising from the change in an index or rate; or

(2) there is a change in the Group's estimate of the amount expected to be payable under a residual value guarantee; or

(3) there is a change in the lease term resulting from a change of its assessment on whether it will exercise an option to purchase the underlying asset; or

(4) there is a change in the lease term resulting from a change of the Group's assessment on whether it will exercise an extension or termination option; or

(5) there is any lease modifications in lease subject, scope of the lease or other terms.

When the lease liability is remeasured, other than lease modifications, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or in profit and loss if the carrying amount of the right-of-use asset has been reduced to zero.

When the lease liability is remeasured to reflect the partial or full termination of the lease for lease modifications that decrease the scope of the lease, the Company accounts for the remeasurement of the lease liability by decreasing the carrying amount of the right-of-use asset to reflect the partial or full termination of the lease, and recognize the difference in profit or loss for any gain or loss relating to the partial or full termination of the lease.

The Company presents right-of-use assets that do not meet the definition of investment and lease liabilities as a separate line item respectively in the balance sheets.

The Company has elected not to recognize right of use assets and lease liabilities for short term leases of Other equipment of low value assets, the Company recognizes the lease payments associated with these leases as an expense on a straight line basis over the lease term.

(k) Revenue recognition

Revenue is measured based on the consideration to which the Company expects to be entitled in exchange for transferring goods or services to a customer. The Company recognizes revenue when it satisfies a performance obligation by transferring control of a good or a service to a customer. The accounting policies for the Company' s main types of revenue are explained below.

1. Sale of goods— electronic components

Revenue is recognized when the control over a product has been transferred to the customer. Being when the products are delivered to the customer, the customer has full discretion over the channel and price to sell the products, and there is no unfulfilled obligation that could affect the customer's acceptance of the products. Delivery occurs when the products have been shipped to the specific location, the risks of obsolescence and loss have been transferred to the customer, and either the customer has accepted the products in accordance with the sales contract, the acceptance provisions have lapsed, or the Company has objective evidence that all criteria for acceptance have been satisfied.

A receivable is recognized when the goods are delivered as this is the point in time that the Company has a right to an amount of consideration that is unconditional.

2. Engineering service revenue

   The Company enters into contracts to build customized power plants. Because its customer controls the asset as it is constructed, the Company recognizes revenue over time on the basis of the construction costs incurred to date as a proportion of the total estimated costs of the contract. Because its customer controls the asset as it is constructed, the Company recognizes revenue over time on the basis of the construction costs incurred to date as a proportion of the total estimated costs of the contract. The Company recognizes revenue only to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognized will not occur. If the consideration paid by the customer according to agreed schedule is received and the Company has not recognized as revenue, it should be recognized as contract liabilities. The consideration is paid by the customer according to the agreed payment terms. The excess of the amount that has been recognized as revenue over the amount that the Company has issued a bill is recognized as a contract asset. When the entitlement to the payment becomes unconditional, the contract asset is transferred to receivables.

   If the Company cannot reasonably measure its progress towards complete satisfaction of the performance obligation of a construction contract, the Company shall recognize revenue only to the extent of the costs expected to be recovered.

   Estimates of revenues, costs, or extent of progress toward completion, are revised if circumstances change. Any resulting increases or decreases in estimated revenues or costs are reflected in profit or loss in the period in which the circumstances that give rise to the revision become known by the management.

3. Financing components

   The Company does not expect to have any contracts where the period between the transfer of the promised goods or services to the customer and payment by the customer exceeds one year. As a consequence, the Company does not adjust any of the transaction prices for the time value of money.

(l) Employee benefits

1. Defined contribution plans

   Obligations for contributions to the defined contribution plans are expensed as related services are provided.

2. Defined benefit plans

   The Company's net obligation in respect of defined benefit plans is calculated separately for each the plan by estimating the amount of future benefit that employees have earned in the current and prior periods, discounting that amount and deducting the fair value of any plan assets.

The calculation of defined benefit obligations is performed annually by a qualified actuary using the projected unit credit method. When the calculation results in a potential asset for the Company, the recognized asset is limited to the present value of economic benefits available in the form of any future refunds from the plan or reductions in future contributions to the plan. To calculate the present value of economic benefits, consideration is given to any applicable minimum funding requirements.

Remeasurements of the net defined benefit liability, which comprise actuarial gains and losses, the return on plan assets (excluding interest) and the effect of the asset ceiling (if any, excluding interest), are recognized immediately in other comprehensive income, and accumulated in retained earnings within equity. The Company determines the net interest expense (income) on the net defined benefit liability (asset) for the period by applying the discount rate used to measure the defined benefit obligation at the beginning of the annual period to the then-net defined benefit liability (asset). Net interest expense and other expenses related to defined benefit plans are recognized in profit or loss.

When the benefits of a plan are changed or when a plan is curtailed, the resulting change in benefit that relates to past service or the gain or loss on curtailment is recognized immediately in profit or loss. The Company recognizes gains and losses on the settlement of a defined benefit plan when the settlement occurs.

3. Short-term employee benefits

Short-term employee benefit obligations are expensed as the related service is provided. A liability is recognized for the amount expected to be paid if the Company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

(m) Share-based payment

The grant-date fair value of equity-settled share-based payment arrangements granted to employees is generally recognized as an expense, with a corresponding increase in equity, over the resting period of the awards. The compensation cost is adjusted to reflect the number of awards given to employees for which the performance and non-market conditions are expected to be met, such that the amount ultimately recognized shall be based on the number of equity instruments that eventually have vested.

For share-based payment awards with non-vesting conditions, the grant-date fair value of the share-based payment is measured to reflect such conditions, and there is no true-up for differences between expected and actual outcomes.

The fair value of the amount payable to employees in respect of share appreciation rights, which are settled in cash, is recognized as an expense with a corresponding increase in liabilities, over the period that the employees become unconditionally entitled to payment. The liability is remeasured at each reporting date and at settlement date based on the fair value of the share appreciation rights. Any changes in the liability are recognized in profit or loss.

The Company's grant date of a share-based payment award is the date which the Company informs its employee of the exercise price and number exercised shares.

(n) Income tax

Income taxes comprise both current taxes and deferred taxes. Except for expenses related to business combinations or recognized directly in equity or other comprehensive income, all current and deferred taxes shall be recognized in profit or loss.

Current taxes comprise the expected tax payables or receivables on the taxable profits (losses) for the year and any adjustment to the tax payable or receivable in respect of previous years. The amount of current tax payables or receivables are the best estimate of the tax amount expected to be paid or received that reflects uncertainty related to income taxes. It is measured using tax rates enacted or substantively enacted at the reporting date.

Deferred taxes arise due to the temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and their respective tax bases. Deferred taxes are not recognized for the following exceptions:

1. temporary differences related to investments in subsidiaries, associates and joint arrangements to the extent that the Company is able to control the timing of the reversal of the temporary differences and it is probable that they will not reverse in the foreseeable future; and

   Deferred taxes are measured at tax rates that are expected to be applied to temporary differences when they reserve, for the usage tax rates enacted or substantively enacted at the reporting date.

   Deferred tax assets and liabilities are offset if the following criteria are met:

2. the Company has a legally enforceable right to set off current tax assets against current tax liabilities; and

3. the deferred tax assets and the deferred tax liabilities relate to income taxes levied by the same
   taxation authority on either:

   1) the same taxable entity; or

   2) Different taxable entities which intend to settle current tax assets and liabilities on a net basis, or to realize the assets and liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

   Deferred tax assets are recognized for unused tax losses, tax credits, and deductible temporary differences to the extent that it is probable that future taxable profits will be available against which they can be utilized. Deferred tax assets are reviewed at each reporting date and reduced to the extent that it is no longer probable that the related tax benefit will be realized; such reductions are reversed when the probability of future taxable profits improves.

(o) Earnings per share

The basic and diluted EPS attributable to shareholders of the Company are disclosed in the financial statements. Basic earnings per share is calculated as the profit attributable to the ordinary shareholders of the Company divided by the weighted average number of ordinary shares outstanding. Diluted earnings per share is calculated as the profit attributable to ordinary shareholders of the Company divided by the weighted average number of ordinary shares outstanding after adjustment for the effects of all potential dilutive ordinary shares. Dilutive potential ordinary shares comprise accrued employee remuneration.

(p) Operating segments

Segment information was disclosed in consolidated financial statements; therefore, it was not disclosed in the parent company only financial statement.

(5) Significant accounting assumptions and judgments, and major sources of estimation uncertainty

The preparation of the parent company only financial statements, in conformity with the Regulations and the IFRSs endorsed by the FSC, requires management to make judgments estimates and assumptions that affect the application of the accounting policies and reported amount of assets, liabilities, income and expenses. Actual results may differ from these estimations.

Management continues to monitor the accounting estimations and assumptions. Management recognizes any changes in the accounting estimations during the period in which the estimates are revised and in any future periods affected.

Information about assumptions and estimation uncertainties that has not a significant risk of resulting in a material adjustment within the next financial year is as follows:

(6) Explanation of significant accounts

(a) Cash and cash equivalents

	2022.12.31	2021.12.31
Cash on hand	$ 71	40
Checking account deposits	10	-
Demand deposits	87,929	210,916
Time deposits	93,706	-
	$ 181,716	210,956

Please refer to note 6(t) for the interest rate risk and the fair value sensitivity analysis of the financial assets and liabilities of the Company.

(b) Notes receivable and accounts receivable

	2022.12.31	2021.12.31
Notes receivable	$ 2,200	-
Accounts receivable	207,260	151,002
Less: Loss allowance	(1,188)	(812)
	$ 208,272	150,190

The Company applies the simplified approach to provide for its expected credit losses, i.e. the use of lifetime expected loss provision for accounts receivable. To measure the expected credit losses, Accounts receivable have been grouped based on shared credit risk characteristics and the days past due, as well as the incorporated forward-looking information, including macroeconomic and relevant industry information. The analysis of expected credit losses on accounts receivable was as follows:

	2022.12.31		
	Book value of accounts and notes receivable	**Weighted-average loss rate**	**Loss allowance provision**
Current	$ 206,287	0.1%	(209)
1 to 30 days past due	2,008	1%	(20)
31 to 60 days past due	274	25%	(68)
61 to 90 days past due	-	50%	-
More than 91 days past due	891	100%	(891)
	$ 209,460		(1,188)

	2021.12.31		
	Book value of accounts and notes receivable	**Weighted-average loss rate**	**Loss allowance provision**
Current	$ 149,967	0.1%	(150)
1 to 30 days past due	95	1%	(1)
31 to 60 days past due	372	25%	(93)
61 to 90 days past due	-	50%	-
More than 91 days past due	568	100%	(568)
	$ 151,002		(812)

The movements in the loss allowance for accounts receivables were as follows:

	For the year ended December 31, 2022	For the year ended December 31, 2021
Balance at January 1	$ 812	891
Recognition (reversal) of Impairment loss	376	(79)
Ending balance	$ 1,188	812

The payment terms granted to customers are generally 120 days for sales of goods.Interests are not accrued for accounts receivable, please refer to Note 6(t) for information on other credit risks.

As of December 31, 2022 and 2021, the accounts receivable of the Company were not pledged as collateral.

(c) Other receivables

	2022.12.31	2021.12.31
Other receivables (is recognized as other current assets)	$ 58,408	58,417
Less: Loss allowance	(58,216)	(58,216)
	$ 192	201

The Company signed an investment agreement for television programs on January 3, 2017 with an agreed investment of $50,000 thousand and a new agreement was subsequently entered on May 16, 2017 with an agreed investment of $65,000 thousand. This investment case is a principal protection investment agreement. The Company is entitled to the net profit distribution of the project according to the contract upon the expiry of the investment term. If the amount recovered at maturity is less than $65,000 thousand, the shortfall is to be covered by the counterparty within one month from the date of termination of the investment term. In addition, the Company try to work with program broadcast by contributing marketing fees successively, amounting to RMB$ 3,000 thousand (equivalent to NT$13,664 thousand), and the license fee of $2,991 thousand for the program to be authorized for broadcasting in Taiwan. However, the program production has decided to adjust its performance pattern to improve the program quality after broadcasting on television stations in mainland China in July 2017. The recording and broadcasting were suspended after the fourth episode broadcast in August 2017. Thus, the Company complied with principal protection provisions and transferred its financial assets from available-for-sale financial assets to other receivables and entered into repayment agreements with the trading counterparty. An agreement was made to repay $77,341 thousand in installments before December 31, 2017 (including $65,000 thousand for investment and $9,350 thousand for unused license fees and $2,991 thousand (US$93.6 thousand)). As the end of 2017, The Company had recovered $19,125 thousand (US$632 thousand), but the management after considering the possibility of collection, had included all outstanding amounts as bad debts.

The Company filed a lawsuit to the Taiwan Taipei District Court in November 2018 for the contract mentioned above. The Taiwan Taipei District Court ruled on September 11, 2019 that the Company had won the appeal. The Company apply to the Beijing No.4 Intermediate People's Court for recognition and enforcement of the judgment of the Taiwan Taipei District Court in 2021, and obtained the civil decision from the Beijing No.4 Intermediate People's Court on December 10, 2021. The ruling approved the execution of the 2018 re-appeal cilvil judgment No. 1339 by the Taipei District Court. The Company appealed to the People's Court on March 8, 2022 for enforcement, and the for the receivables from related mentioned above were not received after the People's Court performed its execution on August 25, 2022.

(d) Inventories

	2022.12.31	2021.12.31
Merchandise	$ 30,939	24,527

The details of the cost of sales were as follows:

	For the year ended December 31, 2022	For the year ended December 31, 2021
Inventory is transferred for sales	$ 376,802	256,477
Loss on write-down of inventories (reversal gains)	842	57
	$ 377,644	256,534

As of December 31, 2022 and 2021, the notes and accounts receivable of the Company were not pledged as collateral.

(e) Investments accounted for using equity method

A summary of The Company's financial information for investments accounted for using the equity method at the reporting date is as follows:

	2022.12.31	2021.12.31
Subsidiaries	$ 443,181	282,286

1. Subsidiaries

Please refer to the consolidated financial statements for the year ended December 31, 2022 explained in Note 4 (b).

2.As of December 31, 2022 and 2021, the investment of the Company accounted for using equity method were not pledged as collateral.

(f) Loss control of subsidiaries

The Company disposed of it entire shareholding in UNIFORCE TECHNOLOGY CORPORATION of 51% by resolution of the Board of Directors on March 18, 2022. 30% and 21% of the equity interests were settled on March 22 and April 11, 2022, respectively, the control of it was lost in March 2022, with a disposal price of $80,000 thousand and $56,131 thousand, respectively. The gain on disposal amounting to $48,709 thousand is recognized in the consolidated statement of comprehensive income under "Other gains and losses". Please refer to note 6(t) for details.

The carrying amount of assets and liabilities of UNIFORCE TECHNOLOGY CORPORATION on March 31, 2022 were as follow:

Cash and cash equivalents	$ 139,727
Notes and accounts receivable	131,897
Inventories	119,265
(i) Other financial asset	80,000
Other current assets:	14,404
Property, plant and equipment (Notes 6(i))	3,394
Right-of-use assets (note 6(j))	4,595
Other non-current assets:	11,146
Bank loan	(70,000)
Accounts payable and other payables	(167,917)
Contract liabilities	(21,159)
Lease liabilities	(4,651)
Current tax liabilities	(6,603)
Other current liabilities	(3,524)
long-term borrowings	(59,184)
Carrying amount of the net assets	171,390
Less: Non-controlling interests	83,968
Book value of net identifiable assets	**$ 87,422**

(g) Property, plant and equipment

The cost and depreciation of the property, plant and equipment for the years ended December 31, 2022 and 2021, were as follows:

		Land	Buildings and Construction	Other equipment	Total
Cost or deemed cost:					
Balance on January 1, 2022	$	25,980	13,600	3,704	43,284
Additions		-	-	390	390
Disposal		-	-	(1,392)	(1,392)
Balance on December 31, 2022	**$**	**25,980**	**13,600**	**2,702**	**42,282**
Balance at January 1, 2021	$	25,980	13,600	3,603	43,183
Additions		-	-	101	101
Balance on December 31, 2021	**$**	**25,980**	**13,600**	**3,704**	**43,284**
Accumulated depreciation:					
Balance on January 1, 2022	$	-	960	3,114	4,074
Depreciation for the year		-	772	293	1,065
Disposal		-	-	(1,392)	(1,392)
Balance on December 31, 2022	**$**	**-**	**1,732**	**2,015**	**3,747**
Balance at January 1, 2021	$	-	188	2,897	3,085
Depreciation for the year		-	772	217	989
Balance on December 31, 2021	**$**	**-**	**960**	**3,114**	**4,074**
Carrying amounts:					
Balance on December 31, 2022	**$**	**25,980**	**11,868**	**687**	**38,535**
Balance at January 1, 2021	**$**	**25,980**	**13,412**	**706**	**40,098**
Balance on December 31, 2021	**$**	**25,980**	**12,640**	**590**	**39,210**

1. As of December 31, 2022 and 2021, the property, plant, and equipment of The Group were pledged as collateral. Please refer to note 8 for details.

(h) Right-of-use assets

the Company leases many assets including land, buildings and vehicles. Information about leases for which the Company as a lessee is presented below:

	Transportation equipment
Right-of-use assets, Cost:	
Balance on December 31, 2022 (Beginning balance)	**$ 2,034**
Balance at January 1, 2021	$ -
Additions	2,034
Balance on December 31, 2021	**$ 2,034**
Depreciation:	
Balance on January 1, 2022	$ 395
Depreciation	678
Balance on December 31, 2022	**$ 1,073**
Balance at January 1, 2021	$ -
Depreciation	395
Balance on December 31, 2021	**$ 395**
Carrying amounts:	
Balance at December 31, 2022	**$ 961**
Balance at January 1, 2021	**$ -**
Balance at December 31, 2021	**$ 1,639**

(i) Short-term borrowings

1. The details of the Company's short-term borrowings were as follows:

	2022.12.31	2021.12.31
Unsecured bank borrowings	$ 40,000	-
Total	**$ 40,000**	**-**
Unused short-term credit lines	**142,840**	**160,720**
Range of Interest rate	**2.001%**	**-**

2. For the collateral pledged for bank loans, please refer to note 8.

(j) Long-term borrowings

1. The details were as follows:

	2022.12.31			
	Currency	**Range of interest rates**	**Maturity year**	**Amount**
Secured bank loans	TWD	2.441%	124	$ 22,496
Less: current portion				(1,535)
Total				$ 20,961
Unused long-term credit lines				-

	2021.12.31			
	Currency	**Range of interest rates**	**Maturity year**	**Amount**
Secured bank loans	TWD	1.3%	124	$ 23,000
Less: current portion				-
Total				$ 23,000
Unused long-term credit lines				-

2. For the collateral pledged for bank loans, please refer to note 8.

(k) Lease liabilities

The carrying amounts of The Company's lease liabilities were as follows:

	2022.12.31	**2021.12.31**
Current	$ 683	674
Non-current	$ 287	971

For the maturities analysis, please refer to Note 6(t).

The amounts of leases recognized in the statement of cash Flow for the Group was as follows:

	For the year ended December 31, 2022	**For the year ended December 31, 2021**
Interest expense on lease liabilities	$ 17	14
Expenses relating to short-term leases	$ 123	120
Expenses relating to leases of low-value assets, excluding short-term leases of low-value assets	$ 191	60

The amounts of leases recognized in the statement of cash Flow for the Group was as follows:

	For the year ended December 31, 2022	For the year ended December 31, 2021
Total cash outflow for leases	$ 1,006	583

1. Means of Transport Lease

   The Group leases vehicles and equipment, with lease terms of three years. In some cases, the Group has options to purchase the assets at the end of the contract term.

(l) Employee benefits

1. Defined benefit plans

   The reconciliation of the present value of the defined benefit obligations and fair value of plan assets was as follows:

	2022.12.31	2021.12.31
Present value of the defined benefit obligations	$ 1,945	1,735
Fair value of plan assets	(14,025)	(12,931)
Net defined benefit assets	$ (12,080)	(11,196)

   The Company makes defined benefit plan contributions to the pension fund account at Bank of Taiwan that provides pensions for employees upon retirement. Under the Labor Standards Act, each employee's retirement payment is calculated based on years of service and the average salary for the six months prior to retirement.

   1) Composition of plan assets

      The Labor Pension Fund Supervisory Committee manages the Company's pension fund which is being funded according to the Labor Standards Law. Under the Regulations for Revenues, Expenditures, Safeguard and Utilization of the Labor Retirement Fund, this fund is required to distribute minimum income, but such minimum income shall not be less than the interest income derived from two year time deposit with the local banks.

      As of December 31, 2022, the Company's pension fund with Bank of Taiwan amounted to $14,025 thousand. For information on the utilization of the labor pension fund assets including the asset allocation and yield rate of the fund, please refer to the website of the Utilization Bureau of Labor Funds.

2) Movements in present value of defined benefit obligations

The movement in present value of the defined benefit obligations of the Company were as follows:

	For the year ended December 31, 2022	For the year ended December 31, 2021
Defined benefit obligations at January 1	$ 1,735	1,676
Current service cost and interest cost	50	37
Remeasurements of the net defined benefit asset		
–Actuarial loss (gain) arising from experience adjustment	132	31
–Actuarial loss (gain) arising from financial assumptions	28	(9)
Defined benefit obligations at December 31	**$ 1,945**	**1,735**

3) Movements in fair value of defined benefit plan assets

The movement in present value of the defined benefit obligations of The Company were as follows:

	For the year ended December 31, 2022	For the year ended December 31, 2021
Fair value of plan assets at January 1	$ 12,931	12,704
Interest income	73	57
Remeasurement of net liabilities (assets) for defined benefit obligations		
Return on plan assets excluding interest income	1,021	170
Fair value of plan assets at December 31	**$ 14,025**	**12,931**

4) Expenses recognized in profit or loss

The expenses recognized in profit or loss for The Group were as follows:

	For the year ended December 31, 2022	For the year ended December 31, 2021
Current service cost	$ 40	29
Net interest of net defined benefit assets	(63)	(49)
	$ (23)	**(20)**
Operating expenses	**$ (23)**	**(20)**

5) Remeasurements of net defined benefit asset recognized in other comprehensive income

The Company's remeasurements of net defined benefit liability recognized in other comprehensive income for the years ended December 31, 2022 and 2021, are as follows:

	For the year ended December 31, 2022	For the year ended December 31, 2021
Cumulated amount at January 1	$ 885	737
Recognized in current period	861	148
Cumulated amount at December 31	**$ 1,746**	**885**

6) Actuarial assumptions

The following were the actuarial assumptions at the year-end reporting date:

	2022.12.31	**2021.12.31**
Discount Rate	1.679%	0.565%
Future salary increases	2.00%	1.00%

The expected allocation payment to be made by the Company to the defined benefit plans for the one-year period after the reporting date is $0 thousand.

The weighted average lifetime of the defined benefits plans is 15.77 years.

7) Sensitivity analysis

If the actuarial assumptions had changed 0.25%, the impact on the present value of the defined benefit obligation shall be as follows:

	Impact on the defined benefit obligations		
		Increased 0.25%	**Decreased 0.25%**
Balance at December 31, 2022			
Discount Rate	$	(73)	77
Future salary increases		75	(72)
December 31, 2021			
Discount Rate		(65)	68
Future salary increases		67	(64)

Reasonably possible changes at the reporting date to one of the relevant actuarial assumptions, holding other assumptions constant, would have affected the defined benefit obligation by the amounts shown above. In practical, the relevant actuarial assumptions are correlated to each other. The approach to develop the sensitivity analysis as above is the same approach to recognize the net defined benefit liability in the balance sheet.

There is no change in the method and assumptions used in the preparation of the sensitivity analysis for 2022 and 2021.

2. Defined contribution plans

The Company allocates 6% of each employee's monthly wages to the labor pension personal account at the Bureau of Labor Insurance in accordance with the provisions of the Labor Pension Act. Under this defined contribution plan, the Company contributes a fixed amount to the Bureau of Labor Insurance without additional legal or constructive obligations.

The pension costs incurred from the contributions to the Bureau of the Labor Insurance amounted to $986 thousand and $906 thousand for the years ended December 31, 2022 and 2021, respectively.

(m) Income taxes

1. Income tax expenses:

The components of income tax expense (gains) in the years 2022 and 2021 were as follows:

	For the year ended December 31, 2022	For the year ended December 31, 2021
Deferred tax expense (income)		
Origination and reversal of temporary differences	$ 2,143	(273)
Tax expenses (income)	**$ 2,143**	**(273)**

The amounts of income tax benefit recognized in other comprehensive income for the years ended December 31, 2022 and 2021, were as follows:

	For the year ended December 31, 2022	For the year ended December 31, 2021
Items that will not be reclassified subsequently to profit or loss:		
Remeasurement of defined benefit plans	**$ 172**	**30**

Reconciliation of income tax expense and profit before tax for 2022 and 2021 is as follows:

	For the year ended December 31, 2022	For the year ended December 31, 2021
Profit before tax	**$ 104,716**	**6,418**
Income tax using the Company's domestic tax rate	$ 20,943	1,284
stment losses of domestic subsidiary	4,733	1,406
Loss (gain) on disposal of domestic subsidiaries	6,594	-
Change in unrecognized temporary differences	(4,022)	(2,963)
Recognition of previously unrecognized tax losses	(26,105)	-
Income tax expense	**$ 2,143**	**(273)**

2. Deferred tax assets and liabilities

1) Unrecognized deferred tax assets

Deferred tax assets have not been recognized with respect to the following items:

	2022.12.31	2021.12.31
Tax effect of deductible Temporary Differences	$ 241,209	247,053
Unused tax losses	119,234	262,552
	$ 360,443	509,605

The ROC Income Tax Act allows tax losses, as assessed by the tax authorities, to offset taxable income over a period of ten years for local tax reporting purposes. The aforementioned tax losses are not recognized as deferred tax assets as the Company estimates that the taxable income in the future will not be sufficient for covering temporary differences.

As of December 31, 2022, The unused loss carryforwards and related expiration years of the Company were as follows:

Year of loss	Unused tax losses	Expiry date
2016	$ 13,189	2026
2017	39,722	2027
2018	40,577	2028
2019	19,144	2029
2020	6,602	2030
	$ 119,234	

2) Recognized deferred income tax assets and liabilities

Changes in the amount of deferred tax assets and liabilities for 2022 and 2021 were as follows:

Deferred tax liabilities:	Defined benefit plans
Balance at January 1, 2022	$ 2,379
Recognized in profit or loss	1,021
Recognized in other comprehensive income	172
Balance at December 31, 2022	$ 3,572
Balance at January 1, 2021	$ 2,304
Recognized in profit or loss	45
Recognized in other comprehensive income	30
Balance at December 31, 2021	$ 2,379

Deferred Tax Assets:		Unrealized exchange loss	Other	Total
Balance at January 1, 2022	$	941	535	1,476
Recognized in profit or loss		(941)	(181)	(1,122)
Balance at December 31, 2022	**$**	**-**	**354**	**354**
Balance at January 1, 2021	$	778	379	1,157
Recognized in profit or loss		163	156	319
Balance at December 31, 2021	**$**	**941**	**535**	**1,476**

3. Assessment of tax

The Company's tax returns for the years through 2020 were assessed by the National Taxation Bureau of R.O.C..

(n) Capital and other equity

As of December 31, 2022 and 2021, the Company's authorized share capital comprised 90,000 thousand shares with the par value of $10 per share, amounting to $900,000 thousand. The total number of issued shares were 68,847 thousand. All issued shares were paid up upon issuance.

Reconciliation of shares outstanding for year ended December 31,2021 and 2022 were as follows:

	Ordinary share	
(in thousands of shares)	**For the year ended December 31, 2022**	**For the year ended December 31, 2021**
Balance on January 1	68,847	48,847
Issuance of shares for cash	-	20,000
Balance on December 31	**68,847**	**68,847**

(i) Ordinary shares

The Company aims to enhance its financial structure and strengthen its competitiveness by increasing its working capital, investee companies and responding to the capital requirements of the future operational development of the Company. Pursuant to the resolution of the general shareholders' meeting on June 17, 2022 and August 27, 2022, respectively, the board was authorized to issue ordinary shares for cash capital increase through private placement of not more than 10,000 thousand shares with one year.The previous limit on number of shares through private placement resolved by general shareholders' meeting for the year ended December 31, 2021 was canceled by a resolution of the Board of Directors on April 26,2022.

The rights and obligations of ordinary shares issued through private placement are the same as those ordinary shares issued by the Company. However, under the provisions of Securities and Exchange Act, the ordinary shares issued through private placement may only apply to the competent authorities for listing complying with the relevant provisions of the Securities Exchange Act, three years after the delivery date and such shares should be reissued through public offering.

On August 5, 2021, The Company issued ordinary shares amounting to $200,000 thousand in cash with a par value of $10 each. The total of 20,000 shares at an issue price of $12.8 per share. The Financial Supervisory Commission approved the application for this capital increase, and the effective date of the capital increase was December 14, 2021. All the proceeds from share issuance has been collected and the registration procedure has been completed, then recognized under equity.

2. Capital surplus

The components of capital surplus were as follows:

		2022.12.31	2021.12.31
Share capital at premium	$	56,000	56,000
Changes in net equity of subsidiaries recognized by equity method		2,536	2,536
Employee stock options		2,970	2,970
	$	61,506	61,506

According to the R.O.C. Company Act, capital surplus can only be used to offset a deficit, and only the realized capital surplus can be used to increase the common stock or be distributed as cash dividends. The aforementioned realized capital surplus includes capital surplus resulting from premium on issuance of capital stock and earnings from donated assets received. According to the Regulations Governing the Offering and Issuance of Securities by Securities Issuers, capital increases by transferring capital surplus in

excess of par value should not exceed 10% of the total common stock outstanding.

3. Retained earnings

If there are appropriate earnings at current year-end, the after-tax earnings shall first be offset against any deficit, and 10% should be set aside as legal reserve. The appropriation for legal reserve is discontinued when the balance of the legal reserve equals the total authorized capital. Special capital reserve may be appropriated or reversed in accordance with relevant laws. The remaining balance of the earnings can be distributed in accordance with a special resolution passed during a meeting of the Board of Directors. The whole or a part of the distributable dividends and bonuses may be paid in the forms of shares newly issued after board of directors submitted to general shareholder's meeting for resolution.

The Company's dividend policy is based on stability and balance for distribution.Considering factors such as The Company's future investment environment, domestic and overseas competitive conditions, while taking into account shareholders' interest. In addition to taking into account such factors as long term financial planning for The Company, capital requirement and impact on The Company's operation.

1) Legal reserve

When a company incurs no loss, it may, pursuant to a resolution by a shareholders' meeting, distribute its legal reserve by issuing new shares or by distributing cash, and only the portion of legal reserve which exceeds 25% of capital may be distributed.

2) Special reserve

In accordance with Order No. 1010012865 issued by the FSC on April 6, 2012, a portion of current period earnings and undistributed prior period earnings shall be reclassified as a special earnings reserve during earnings distribution. The amount to be reclassified should be equal to the total net reduction of current period of other shareholders' equity resulting from the IFRS first-time adoption. Similarly, a portion of undistributed prior period earnings shall be reclassified as a special earnings reserve (and does not qualify for earnings distribution) to account for cumulative changes to other shareholders' equity pertaining to prior periods due to the IFRS first time adoption. The subsequent reversals of the contra accounts in shareholders' equity shall qualify for additional distributions.

(3) Earnings distribution

On June 17, 2022 and August 27, 2021, the appropriation the earnings for 2021 and 2020 were resolved in the general shareholders' meeting to offset the deficits and there were no distribution of dividends.

(o) share-based payment transaction

The Company's Board of Directors resolved to implement cash injection on August 5, 2021, of which 1,100 thousand shares were reserved for employees. Details are as follows:

	Cash injection reserved for employees subscription
Grant date	Balance at November 17, 2021
Number of options granted	1,100 thousand shares
Vesting conditions	Immediate vesting condition

i) Measurable parameter of fair value at grant date

The Company adopted the Black-Scholes model to evaluate the fair value of the share-based payments at the grant date. The assumptions adopted in this valuation model were as follows:

	For the Year Ended December 31, 2021
	Cash injection reserved for employees
Fair value at the grant date	2.70
Share price at the grant date	15.50
Exercise price	12.80
Expected volatility (%)	38.53%
The expected life of the option (days)	30 days
Expected dividend	-
The risk-free rate (%)	0.245%

The rate of volatility is based on the historical volatility of share price in the past year; the duration of the share options is governed by each of The Company's issue policy; the cash dividend rate is based on the cash dividend rate paid by The Company in the past three years and the risk-free interest rate based on government bonds. The definition of fair value did not cover the service fee of the trade or the non-market achievement conditions.

3. Expenses and liabilities resulted from share-based payments

The Company incurred expenses and liabilities of share-based arrangements for year ended December 31, 2021 on follows:

	For the year ended December 31, 2021
Expenses arising from cash injection reserved for mployees	$ 2,970

(p) Earnings per share

	For the year ended December 31, 2022	For the year ended December 31, 2021
Basic earnings per share		
Profit attributable to the Company	$ **102,573**	**6,691**
Weighted average number of ordinary shares outstanding (in thousands of shares)	**68,847**	**49,723**
Basic earnings per share	$ **1.49**	**0.13**
Diluted earnings per share		
Profit attributable to the Company	$ **102,573**	**6,691**
Weighted average number of ordinary shares outstanding (in thousands of shares)	68,847	49,723
Effect of dilutive potential ordinary shares:		
Effect of employee bonus (in thousand of shares)	106	-
Weighted average number of ordinary shares outstanding (in thousands of shares) (after adjusting the effect of dilutive potential ordinary share)	**68,953**	**49,723**
Diluted earnings per share	$ **1.49**	**0.13**

(q) Revenue from contracts with customers

1. Details of revenue

	For the year ended December 31, 2022	For the year ended December 31, 2021
Primary geographical markets:		
Taiwan	$ 458,059	304,126
Major products/service lines:		
Manufactures and sale of electronic devices	$ 352,212	304,126
After processing of electronic components	60,426	-
Power plant engineering service revenue	45,421	-
Total	$ 458,059	304,126

(ii)Contract balances

	2022.12.31	2021.12.31	2021.1.1
Notes receivable	$ 2,200	-	-
Accounts receivable	207,260	151,002	138,194
Less: Loss allowance	(1,188)	(812)	(891)
Total	$ 208,272	150,190	137,303

	2022.12.31	2021.12.31	2021.1.1
Contract liabilities	$ 8,970	29	-

For details on notes and accounts receivable and allowance for impairment, please refer to note 6(b).

The change in the balance of contract liabilities is the difference between the time frame in the performance obligation to be satisfied and the payment to be received, as well as the disposal of subsidiary by the Company in March 2022. For details, please refer or a service to Note 6(f).

(r) Remuneration for employees, directors, and supervisors

In accordance with the articles of association of the Company if there is profit in the year, the company shall accrue no less than 2.5% of the profit as employee's remuneration. The board of directors decides to distribute it by stock or cash, and the object of distribution including employees meeting certain conditions; and the board of directors decides to accrue up to 3% of the above profit as Directors' remuneration. The distribution of remuneration of employees and directors should be submitted and reported to the shareholders' meeting. Prior years' accumulated deficit is first offset before any appropriation of profit, then contribute the employees' compensation and remuneration of directors by the aforementioned appropriate ratio.

The estimated amounts mentioned above are calculated based the percentage net profit before tax, excluding the remuneration to employees, directors and supervisors of each period,and multiplied by the percentage of remuneration to employees, directors and supervisors as specified in the Company's articles. These remunerations were expensed under operating costs or operating expenses during the reporting period. If the actual amounts differ from the estimated amounts, the differences shall be accounted as changes in accounting estimates and recognized as profit or loss in the following year. However, if the Board of Directors resolved that the employee remuneration to be distributed through stock dividends, the closing price of the ordinary share on the day before the Board of Directors' meeting is used in the calculation for stock remuneration. The Company recognized $1,929 thousand and $0 thousand of renumeration to employees for the years ended December 31, 2022 and 2021, respectively. In addition, The Company estimated renumeration to directors and supervisors amounting to $2,315 thousand and $0 thousand for the years ended December 31, 2022 and 2021, respectively.

Board of directors'meetings were held on March 18, 2022 and March 19, 2021, as there were accumulated losses, the resolution passed respectively that employee, supervisors and directors' remuneration for the year ended December 31, 2021 and 2020 were not distributed. There were no differences between the amounts employees' and directors' remuneration allocated by the aforesaid Board resolutions and the amounts in the consolidated financial statements of 2021 and 2020.

The renumeration to The Company's employees,directors and supervisors can be obtained from the Open Information Observatory.

(s) Non-operating income and expenses:

1. Interest income

The details of interest income for 2022 and 2021 were as follows:

	For the year ended December 31, 2022	For the year ended December 31, 2021
Interest income from bank deposits	$ 1,293	233
Other interest income	4,285	-
	$ 5,578	**233**

2. Other gains and losses

The details of other income for 2022 and 2021 were as follows:

		For the year ended December 31, 2022	For the year ended December 31, 2021
Foreign exchange gains (Losses)	$	31,754	(5,687)
Gains on disposals of investments		48,709	-
Other income and loss		8,694	10,021
	$	89,157	4,334

3. Finance costs

The details of finance costs for 2022 and 2021 were as follows:

		For the year ended December 31, 2022	For the year ended December 31, 2021
Interest on bank loans	$	(1,306)	(1,050)
Interest expenses on lease liabilities		(17)	(14)
	$	(1,323)	(1,064)

(t) Financial instruments

1. Credit risk

1) Exposure to credit risk

The carrying amount of financial assets represent the maximum amount exposed to credit risk.

2) Concentration of credit risk

The sales of the Company is significantly concentrated in a few customers. As of December 31, 2022 and 2021, 65.18% and 98.36%, respectively, of accounts receivable (including related parties) were neo major customer.

(3) Credit risk of receivables

For credit risk exposure of accounts receivable, please refer to note 6(b).

All of these financial assets are considered to be low risk, and thus the impairment provision recognized during the period was limited to 12 months expected losses. (Please refer to Note 4(f) on how The Company determines whether credit risk is to be low risk).

2. Liquidity risk

The following are the contractual maturities of financial liabilities, including the estimated interest payments and excluding the impact of netting agreements.

	Carrying value	Contractual Cash flows	Paid on request or less than 1 month	1-3 months	3- months to 1 years	Over 1 years
Balance at December 31, 2022						
Non-derivative financial liabilities						
Short-term borrowings	$ 40,000	40,035	40,035	-	-	-
Lease liabilities	970	980	58	115	519	288
Non-interest bearing liabilities	192,309	192,309	35,834	120,460	36,015	-
Long-term borrowings (including current portion)	22,496	26,174	172	344	1,550	24,108
	$ 255,775	259,498	76,099	120,919	38,084	24,396
December 31, 2021						
Non-derivative financial liabilities						
Lease liabilities	$ 1,645	1,672	58	115	519	980
Non-interest bearing liabilities	66,356	66,356	1,428	33,429	31,499	-
long-term borrowings	23,000	27,367	25	50	224	27,068
	$ 91,001	393,619	1,511	33,594	32,242	28,048

The Company does not expect that the cash flows included in the maturity analysis could occur significantly earlier or at significantly different amounts.

3. Currency risk

1) Exposure of foreign currency risk

The Company's significant exposure to foreign currency risk was as follows:

(In Thousands)

	2022.12.31				2021.12.31			
	Foreign currency	Exchange rate		TWD	Foreign currency	Exchange rate		TWD
Financial assets								
Monetary items								
USD	$ 9,822	USD/TWD:	30.71	301,634	12,346	USD/TWD:	27.68	341,737
Financial liabilities								
Monetary items								
USD	2,993	USD/TWD:	30.71	91,915	2,226	USD/TWD:	27.68	61,616

(2) Sensitivity analysis

The Company's exposure to foreign currency risk arises from the translation of the foreign currency exchange gains and losses on cash and cash equivalents, accounts and notes receivable, other receivables, loans and borrowings, accounts payable and other payables that are denominated in foreign currency.

A strengthening (weakening) of 1% of the NTD against the USD at December 31, 2022 and 2021, would have increased or decreased the profit before tax by $2,097 thousand and $2,801 thousand, respectively. The analysis assumes that all other variables remain constant and was performed on the same basis for both periods.

(3) Foreign exchange gains and losses on monetary items

As the gains and losses on foreign exchange were summarized as a single amount. The aggregate of realized and unrealized foreign exchange loss for the years ended December 31, 2022 and 2021 were $31,754 thousand and $(5,687) thousand, respectively.

4. interest rate analysis

Please refer to the notes on liquidity risk management and interest rate exposure of the Company's financial assets and liabilities.

The following sensitivity analysis is based on the risk exposure to the interest rates risk of derivative and non-derivative financial instruments on the reporting date. Regarding liabilities with variable interest rates, the analysis is based on the assumption that the amount of liabilities outstanding at the reporting date was outstanding throughout the year. The rate of change is expressed as the interest rate increases or decreases by 1% when reporting to management internally, which also represents the Company management's assessment of the reasonably possible interest rate change.

If the interest rate increases or decreases by 1%, The Company's profit before tax will decrease /increase by $1,191 thousand and $1,879 thousand for the years ended December 31, 2022 and 2021, respectively, assuming all other variable factors remain constant. This is mainly due to The Company's borrowings and risk exposure of cash flow interest rate risks for receivables.

5. Fair value of financial instruments

The Company considered that the carrying amounts of financial assets and financial liabilities measured at amortized cost approximated their fair values.

For The Company's financial assets and liabilities including cash and cash equivalents, account receivables, account payables and other financial liabilities,their carrying amount is reasonably close to the fair value, disclosure of fair value information is not required.

(u) Financial risk management

1. Overview

The Company has exposures to the following risks from its financial instruments:

(1) Credit risk

(2) Liquidity risk

(3) Market risk

The following likewise discusses the Company's exposure information, objectives, policies and processes for measuring and managing the above mentioned risks For more disclosures about the quantitative effects of these risks exposures, please refer to the respective notes in the accompanying financial statements.

2. Structure of risk management

The Company's finance management department provides business services for the overall internal department. It monitor and manage financial risks of the Company's business operation through internal risk be recognized, which analyze the exposure according to risk readily scopes. The Company mitigates these risks by natural hedging through timely adjust its foreign currency assets and liabilities position. The Board of Directors regulated the use of derivative financial instruments in accordance with the Company's policy about risks arising from financial instruments such as currency risk, interest rate risk, credit risk, the use of derivative and non-derivative financial instruments and the investments of excess liquidity. The internal auditors of the Company continue with the review of the amount of the risk exposure in accordance with the Company's policies and the risk management policies and procedures. The Company has no transactions in financial instruments (including derivative financial instruments) for the purpose of speculation. The business and finance departments submit quarterly financial and business reports to the board of directors of the Company in accordance with the procedure of the board meetings.

3. Credit risk

Credit risk is the risk of financial loss to The Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from The Company's receivables from customers and investments in debt securities.

1) Accounts receivable and other receivables

The Company's exposure to credit risk is influenced mainly by the individual characteristics of each customer. The Company assesses the customers' credit risk based on their basic information, which comprises of the default risk in their industry and country.

The Company has established a credit policy under which each new customer is analyzed individually for creditworthiness before the Company's standard payment and delivery terms and conditions are offered.

Purchase limits are established for each customer and represent the maximum open amount without requiring the approval from the Risk Management Committee; these limits are reviewed quarterly.

2) Investments

The credit risk exposure in the bank deposits, investments with fixed income and other financial instruments are measured and monitored by the Company's finance department. Since The Company's transaction counterparties and the contractually obligated counterparties are banks, financial institutes and corporate organizations with good credits, there are no compliance issues, and therefore, no significant credit risk.

3) Guarantees

As of December 31, 2022 and 2021, there is no guarantee outstanding, except the endorsements/ guarantee the Company provided for subsidiary and sub-subsidairy'bank loans.

4. Liquidity risk

The Company manages and maintains sufficient cash and cash equivalents so as to cope with its operations and mitigate the effects of fluctuations in cash flows. the Company's management supervises the banking facilities and ensures compliance with the terms of loan agreements.

5. Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates, and equity prices, will affect the Company income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters while optimizing the return.

1) Currency risk

The Company's exposure to the risk of fluctuation in foreign currency exchange rates relates primarily to the Company's sales, purchases, and borrowings transactions, and those are denominated in a currency different from the functional currencies of the Company. The respective functional currencies of The Company's entities are primarily the NTD. These transactions are denominated in US dollar (USD) and Chinese Yuan (CNY).

2) Currency risk

The Company borrows funds on fixed and variable interest rates, which has a risk exposure to changes in fair value and cash flow. The Company manages the interest rates risk by maintaining an adequate combination of fixed and variable interest rates.However, the market rate of interest is not high, thus the changes in interest rates will not cause material cash flow risks.

(v) Capital management

The Company sets its objectives for managing capital to safeguard the capacity to continue to operate, to continue to provide a return to stockholders, to safeguard the interest of related parties, and to maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the Company may adjust the dividend payment and reduce the capital for redistribution to its shareholders. The Company also issues new shares or sell assets to settle any liabilities.

The Company and other entities in the same industry use the debt-to-equity ratio to manage its capital. This ratio is using the total net debt divided by the total capital. The net debt from the balance sheet is the total liabilities less cash and cash equivalents. The total capital and equity include share capital, capital surplus, retained earnings, and other equity.

The Company's debt-to-equity ratios at the end of the reporting periods were as follows:

	2022.12.31	2021.12.31
Total liabilities	$ 270,459	99,545
Less: Cash and cash equivalents	(181,716)	(210,956)
Net liabilities	**$ 88,743**	**(111,411)**
Total equity	**$ 812,079**	**706,580**
Debt-to-equity ratio	**10.93%**	**(15.77)%**

As of December 31, 2022, the Company had not changed its capital management method.

(w) Investing and financing activities not affecting current cash flow

the Company's investing and financing activities which did not affect the current cash flow in the years ended December 31, 2022 and 2021, were as follows:

Please refer to note 6(h) for a description of acquisition of right-of-use assets through leases.

	2022.1.1	Cash from borrowings	Contractual Cash flows	Non-Cash changes	2022.12.31
Lease liabilities	$ 1,645	-	(675)	-	970
Short-term borrowings	-	40,000	-	-	40,000
long-term borrowings	23,000	-	(504)	-	22,496
Total liabilities from financing activities	**$ 24,645**	**40,000**	**(1,179)**	**-**	**63,466**

	2021.1.1	Cash from borrowings	Contractual Cash flows	Non-Cash changes	2021.12.31
Lease liabilities	$ -	-	(389)	2,034	1,645
Short-term borrowings	15,000	-	(15,000)	-	-
long-term borrowings	23,000	-	-	-	23,000
Total liabilities from financing activities	**$ 38,000**	**-**	**(15,389)**	**2,034**	**24,645**

(7) Related-party transactions

(a) Names and relationship with related parties

Name of related party	Relationship with The Company
Jhen Vei Enterprise Co., Ltd.	Subsidiary of the Company
UNIFORCE TECHNOLOGY CORPORATION	Subsidiary of the Company(Note 1)
Huai An Jhen Vei Electronic Co., Ltd.	Subsidiary of the Company
Hua Yin Energy	Subsidiary of the Company
Gou Zhi Electronic	Sub-subsidiary of the Company (Note 2)
SUBTLE ELECTRONIC CO., LTD.	Other related parties (note 3, 4)

Note 1: The Company disposed of its equity interest in the investee company in March 2022.

Note 2: The Company engaged in a cash capital increase in September 2022, which was 100% contributed by the Company and repurchased the remaining equity from its subsidiary, Huayin Energy to become a subsidiary of the Company.

Note 3: Lin Zhiqiang, the representative of Huatai Management Consulting Co., Ltd., a director of the Company, was elected as a new Director at the general shareholders' meeting on June 17, 2022. And since Lin Zhiqiang is a representative of the SUBTLE ELECTRONIC, the Company has become a related party of the Company.

Note 4: Lin Zhiqiang resigned as the director on October 31, 2022 and therefore, SUBTLE ELECTRONIC ceased to be a related party of the Group since November 1, 2022.

(b) Significant transactions with related parties

1. Sales

	For the year ended December 31, 2022	For the year ended December 31, 2021
Subsidiary:		
Huai An Jhen Vei Electronic Co., Ltd.	**$ 74**	**-**

There is no significant difference between the sales price of the Company for other related parties and for third parties.

2. Purchases

	For the year ended December 31, 2022	For the year ended December 31, 2021
Subsidiary:		
Huai An Jhen Vei Electronic Co., Ltd.	$ 326,985	261,219
	$ 326,985	**261,219**

The terms and pricing of purchases with related parties were charges different from those offered by other vendors. Therefore, the prices and the payment terms are not comparable.

In the year ended December 31, 2022, the Company sold products on behalf of its subsidiary, Guozhi Electronic Co., Ltd., and the purchase amount of the Company as an agent amounting to $244,391 thousand.

3. Receivables from related parties

Account	Relationship	2022.12.31	2021.12.31
Other receivables due from -related parties	Subsidiary: Gou Zhi Electronic	$ 32,306	-
Other receivables due from -related parties	Subsidiary: Huai An Jhen Vei Electronic Co., Ltd.	48,093	79,645
		$ 80,399	**79,645**

The product specifications of the raw materials purchased by the Company on behalf of its subsidiaries have not been sold to other customers and therefore the price and payment terms were not comparable.

The Company's revenue from purchasing raw materials on behalf of its subsidiary, Guozhi Electronic Co., Ltd., in the year ended December 31,2022 did not increase the price, and the amount eliminated after deducting the cost of purchase was $118,385 thousand.

4. Payables from related parties

Account	Relationship	2022.12.31	2021.12.31
Accounts payable to related parties	Subsidiary:		
	Huai An Jhen Vei Electronic Co., Ltd.	$ 87,198	61,099
Accounts payable to related parties	Subsidiary:		
	Gou Zhi Electronic	56,492	-
		$ 143,690	61,099

As of December 31, 2022 and 2021, there are no unpaid products from the Company to the companies above.

5. Other

Account	Relationship	2022.12.31	2021.12.31
Other income	Subsidiary:		
	Huai An Jhen Vei Electronic Co., Ltd.	$ 7,179	9,999
Other income	Subsidiary:		
	UNIFORCE TECHNOLOGY CORPORATION	-	443
		$ 7,179	10,442

The Company and the related parties received their income from the service fee for the purchase of raw materials on behalf of others and from the accounts management on the basis of the remuneration and the payment method set out by the contract as agreed between the parties.

6. Rendering of services Provision

The Company entered into a cooperation agreement with the SUBTLE ELECTRONIC and agreed that SUBTLE ELECTRONIC would be responsible for marketing and processing customer order services during the agreement term. The Group will provide 5.8% to 6% of its turnover as service fee for rendering of aforementioned services. For the year ended December 31, 2022, the Company estimated $9,970 thousand and $7,764 thousand, respectively before and after the company became a related party and is recognized under "selling expenses". As of December 31, 2022, the outstanding balance of as a result of SUBTLE ELECTRONIC being no longer a related party to the Group, amounting to $16,232 thousand and is recognized under "other payables".

7. Loans to Other Parties

The Company lend a loan of $90,000 thousand at an interest rate of 2.7% to its subsidiary, Guozhi Electronics Co., Ltd., which had short-term financing demand in the year ended December 31, 2022. $80,000 thousand has been used as of December 31, 2022.The interest income amounted to $4,285 thousand and principal and interest outstanding amounted to $81,632 thousand.

The Company lend a loan of $150,000 thousand at an interest rate of 2.7% due to the demand for short-term financing demand of its sub-subsidiary, Guozhi Electronics Co., Ltd.,in the year ended December 31, 2021.No amount has been used as of December 31, 2021.

(c) Key management personnel transactions

Key management personnel compensation includes:

		For the year ended December 31, 2022	For the year ended December 31, 2021
Short-term employee benefits	$	10,139	8,488
Post-employment benefits		298	239
	$	**10,437**	**8,727**

(8) Pledged assets

The carrying amounts of pledged assets were as follows:

Pledged assets	Pledged to secure		2022.12.31	2021.12.31
Land	Long-term bank loans	$	25,980	25,980
Buildings and Construction	Long-term bank loans		11,868	12,640
		$	**37,848**	**38,620**

(9) Significant contingent liabilities and unrecognized commitments

(i) The Company's unrecognized contractual commitments were as follows:

		2022.12.31	2021.12.31
Inventories - Construction in progress-power plants	**$**	**16,850**	**-**

(10) Losses due to major disasters: None

(11) Significant Subsequent Events: None.

(12) Others:

(a) Employee benefits, depreciation and amortization expenses categorized by function were as follows:

By functional / By item	For the year ended December 31, 2022			For the year ended December 31, 2021		
	Cost of good sold	**Operating expenses**	**Total**	**Cost of good sold**	**Operating expenses**	**Total**
Employee benefits						
Salary	-	26,211	26,211	-	21,623	21,623
Labor and health insurance	-	1,891	1,891	-	1,787	1,787
Pension	-	964	964	-	886	886
Remuneration of directors	-	1,817	1,817	-	1,450	1,450
Other employee benefits expense	-	1,071	1,071	-	825	825
Depreciation	-	1,743	1,743	-	1,384	1,384
Amortizations	-	-	-	-	-	-

(b) The information about number of employees and employee benefit expenses for the years ended December 31, 2022 and 2021 were as follows:

	For the year ended December 31, 2022	**For the year ended December 31, 2021**
Number of employees	32	30
Number of Directors who are not concurrently employed	8	6
Average employee benefits expense	$ 1,256	1,047
Average employee Salary expense	$ 1,092	901
Average employee Salary adjustments	21.20%	14.20%
Remuneration to supervisors	$ 236	435

The Company's remuneration policy (including directors, supervisors, managers and employees) is as follows:

The remuneration paid by the Company to the Directors and the supervisors include remuneration, compensation and business execution expenses. For the renumeration, the directors and the supervisors receive a fixed monthly remuneration of $10 thousand per seat per month; the business execution expense is transportation fee payable on the basis of attendance of the board of directors and functional committees; and the remuneration is provided in the Articles of Incorporation of the Company, if there is a profit for the year, the directors shall, by resolution of the board, the company shall accrue no more than 3% of the profit as director's and supervisor's remuneration., which shall be paid out after general shareholders' meeting has been reported to.However, if the Company has accumulated deficits, the profit should be reserved to offset the deficit. Then renumeration to directors and supervisors are appropriated.

The remuneration paid by the Company to its employees (including managers and directors concurrently employed as employees) includes salaries, pensions, bonuses and special expenses, compensation. Salaries, bonuses and special expenses are based on job position and duties, and are determined by reference to common renumeration package across industry for similar positions. Employees hiring are submitted to general manager for approval by the Human Resources as requested by the head of the hiring unit.The hiring of manager are submitted to the remuneration committee for consideration and then submitted to the board of directors for approval; the pension is appropriated in accordance with the provisions of the Labor Pension Act and the relevant regulations; and the remuneration is paid out in accordance with the Articles of Incorporation of the Company.If there is profit in the year, the company shall accrue no less than 2.5% of the profit as employee's remuneration as appropriated by resolution of the board of directors and shall be paid after reporting to the general shareholders' meeting. However, if the Company has accumulated deficits, the profit should be reserved to offset the deficit. Then renumeration to employees are appropriated.

(13) Other disclosures

(a) Information on significant transactions

The following is the information on significant transactions required by the "Regulations Governing the Preparation of Financial Reports by Securities Issuers" for the Company for the year ended December 31, 2022:

(i) Loans to other parties:

Number	Name of lender	Name of borrower	Account name	Related party	Highest balance of financing to other parties during the period	Ending balance	Actual usage amount during the period	Range of interest rates during the period	Purposes of fund financing for the borrower	Transaction amount for business between two parties	Reasons for short-term financing	Loss allowance	Collateral		Individual funding loan limits	Maximum limit of fund financing	Note
													Item	Value			
0	JHEN VEI ELECTRONIC CO., LTD. AND SUBSIDIARIES	Gou Zhi Electronic	Other receivables due from -related parties	Yes	150,000	-	-	2.7%	2	-	Operating capital	-		-	324,831	324,831	
0	JHEN VEI ELECTRONIC CO., LTD. AND SUBSIDIARIES	Gou Zhi Electronic	Other receivables due from -related parties	Yes	90,000	-	-	2.7%	2	-	Operating capital	-	-	-	324,831	324,831	
0	JHEN VEI ELECTRONIC CO., LTD.	Gou Zhi Electronic	Other receivables due	Yes	90,000	90,000	80,000	2.7%	2	-	Operating capital	-	-	-	324,831	324,831	

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Number	Name of lender	Name of borrower	Account name	Related party	Highest balance of financing to other parties during the period	Ending balance	Actual usage amount during the period	Range of interest rates during the period	Purposes of fund financing for the borrower	Transaction amount for business between two parties	Reasons for short-term financing	Loss allowance	Collateral		Individual funding loan limits	Maximum limit of fund financing	Note
													Item	Value			
	AND SUBSIDIARIES		from -related parties														
1	Jhen Vei Enterprise Co., Ltd.	Huai An Jhen Vei Electronic Co., Ltd.	Other receivables due from -related parties	Yes	14,313	-	-	2.7%	2	-	Operating capital	-	-	-	296,996	296,996	
1	Jhen Vei Enterprise Co., Ltd.	Huai An Jhen Vei Electronic Co., Ltd.	Other receivables due from -related parties	Yes	10,316	-	-	2.7%	2	-	Operating capital	-	-	-	296,996	296,996	
1	Jhen Vei Enterprise Co., Ltd.	Huai An Jhen Vei Electronic Co., Ltd.	Other receivables due from -related parties	Yes	14,738	-	-	2.7%	2	-	Operating capital	-	-	-	296,996	296,996	
1	Jhen Vei Enterprise Co., Ltd.	Hua Yin Energy	Other receivables due from -related parties	Yes	10,169	-	-	2.7%	2	-	Operating capital	-	-	-	46,358	46,358	
1	Jhen Vei Enterprise Co., Ltd.	Huai An Jhen Vei Electronic Co., Ltd.	Other receivables due from -related parties	Yes	16,108	15,355	15,355	2.7%	2	-	Operating capital	-		-	296,996	296,996	
1	Jhen Vei Enterprise Co., Ltd.	Huai An Jhen Vei Electronic Co., Ltd.	Other receivables due from -related parties	Yes	11,275	10,749	10,749	2.7%	2	-	Operating capital	-	-	-	296,996	296,996	
1	Jhen Vei Enterprise Co., Ltd.	Huai An Jhen Vei Electronic Co., Ltd.	Other receivables due from -related parties	Yes	16,108	15,355	15,355	2.7%	2	-	Operating capital	-	-	-	296,996	296,996	
2	Pors Wiring Co., Ltd	Huai An Jhen Vei Electronic Co., Ltd.	Other receivables due from -related parties	Yes	11,072	-	-	2.7%	2	-	Operating capital	-	-	-	79,679	79,679	
2	Pors Wiring Co., Ltd	Huai An Jhen Vei Electronic Co., Ltd.	Other receivables due from -related parties	Yes	29,720	-	-	2.7%	2	-	Operating capital	-	-	-	79,679	79,679	
2	Pors Wiring Co., Ltd	Hua Yin Energy	Other receivables due from -related parties	Yes	10,316	-	-	2.7%	2	-	Operating capital	-	-	-	25,225	25,225	
2	Pors Wiring Co., Ltd	Hua Yin Energy	Other receivables due from -related parties	Yes	1,486	-	-	2.7%	2	-	Operating capital	-		-	25,225	25,225	
2	Pors Wiring Co., Ltd	Huai An Jhen Vei Electronic Co., Ltd.	Other receivables due from -related parties	Yes	16,108	15,355	15,355	2.7%	2	-	Operating capital	-	-	-	79,679	79,679	
2	Pors Wiring Co., Ltd	Huai An Jhen Vei Electronic Co., Ltd.	Other receivables due from -related parties	Yes	16,108	15,355	15,355	2.7%	2	-	Operating capital	-	-	-	79,679	79,679	
2	Pors Wiring Co., Ltd	Huai An Jhen Vei Electronic Co., Ltd.	Other receivables due from -related parties	Yes	16,108	15,355	15,355	2.7%	2	-	Operating capital	-		-	79,679	79,679	
3	Jhen Vei Investment Limited	Huai An Jhen Vei Electronic Co., Ltd.	Other receivables due from -related parties	Yes	8,304	-	-	2.7%	2	-	Operating capital	-		-	24,875	24,875	
3	Jhen Vei Investment	Huai An Jhen Vei	Other receivables	Yes	16,108	-	-	0%	2	-	Operating capital	-		-	24,875	24,875	

Number	Name of lender	Name of borrower	Account name	Related party	Highest balance of financing to other parties during the period	Ending balance	Actual usage amount during the period	Range of interest rates during the period	Purposes of fund financing for the borrower	Transaction amount for business between two parties	Reasons for short-term financing	Loss allowance	Collateral		Individual funding loan limits	Maximum limit of fund financing	Note
													Item	Value			
	Limited	Electronic Co., Ltd.	due from -related parties														
3	**Jhen Vei Investment Limited**	Huai An Jhen Vei Electronic Co., Ltd.	Other receivables due from -related parties	Yes	15,445	15,355	15,355	0%	2	-	Operating capital	-	-	-	24,875	24,875	

Note 1 : For capital financing, except for The Company holds more than 100% of voting shares in the foreign entity, directly and indirectly, Total financing amount for a single company by The Company and its subsidiaries shall not exceed 40 percent of The Company's net worth as stated in its latest financial report. For capital financing, except for The Company holds more than 100% of voting shares in the foreign entity, directly and indirectly, Total financing amount for a single company shall not exceed 100% of the paid-in capital as stated in the latest financial report.

Note 2 : For capital financing, except for The Company holds more than 100% of voting shares in the foreign entity, directly and indirectly, Total financing amount for external entity by The Company and its subsidiaries shall not exceed 40 percent of The Company's net worth as stated in its latest financial report. For capital financing, except for The Company holds more than 100% of voting shares in the foreign entity, directly and indirectly, Total financing amount for external entity shall not exceed 100% of the paid-in capital as stated in the latest financial report.

Note 3 : Purpose of fund financing for the borrower:

(1) Those with business contact please fill in 1

(2) Those necessary for short-term financing please fill in 2.

Note 4 : The transactions were written-off in the consolidated financial statements.

(ii) 2. Guarantees and endorsements for other parties:

No.	Name of guarantor	Counter-party of guarantee and endorsement		Limitation on amount of guarantees and endorsements for a specific enterprise	Highest balance for guarantees and endorsements during the period	Balance of guarantees and endorsements as of reporting date	Actual usage amount during the period	Property pledged for guarantees and endorsements (Amount)	Ratio of accumulated amounts of guarantees and endorsements to net worth of the latest financial statements	Maximum amount for guarantees and endorsements	Parent company endorsements/ guarantees to third parties on behalf of subsidiary	Subsidiary endorsements/ guarantees to third parties on behalf of parent company	Endorsements/guarantees to third parties on behalf of companies in Mainland China
		Name	Relationship with the Company										
0	JHEN VEI ELECTRONIC CO., LTD. AND SUBSIDIARIES	Hua Yin Energy	2	649,663	17,000	-	-	-	- %	649,663	Y	N	N
0	JHEN VEI ELECTRONIC CO., LTD. AND SUBSIDIARIES	Hua Yin Energy	2	649,663	83,000	-	-	-	- %	649,663	Y	N	N
0	JHEN VEI ELECTRONIC CO., LTD. AND SUBSIDIARIES	Hua Yin Energy	2	649,663	100,000	-	-	-	- %	649,663	Y	N	N
0	JHEN VEI ELECTRONIC CO., LTD. AND SUBSIDIARIES	Hua Yin Energy	2	649,663	14,000	-	-	-	- %	649,663	Y	N	N
0	JHEN VEI ELECTRONIC CO., LTD. AND SUBSIDIARIES	Huai An Jhen Vei Electronic Co., Ltd.	2	649,663	80,538	76,775	10,509	-	9.45%	649,663	Y	N	Y
0	JHEN VEI ELECTRONIC CO., LTD. AND SUBSIDIARIES	Gou Zhi Electronic	2	649,663	30,000	30,000	-	-	3.69%	649,663	Y	N	N

Note 1: Note 1: In accordance to the "endorsement and guarantees operational procedure" of the Company. The total amount of the guarantees and endorsements by the Company and its subsidiaries for a company shall not exceed 80% of the Company's net worth. An inter-subsidiary endorsement and guarantee of which The Company directly holds more than 90% of the ordinary shares of the subsidiary, shall not exceed 10% of the current net worth. A company in which The Company holds, directly or indirectly, 100% or more of the voting shares, is excluded.

Note 2: In accordance to the "endorsement and guarantees operational procedure" of the Company, the total endorsement and guarantee by the Company shall not exceed 100% of the Company's net worth.

Note 3: The relationship between the endorser/guarantor and the guaranteed party:

1) Trading counterparty
2) the Company holds more than 50% of the voting shares in the entity, directly and indirectly.
3) the Company holds more than 50% of the voting shares in the entity, directly and indirectly.
4) the Company holds more than 90% of voting shares in the entity, directly and indirectly.
5) The stockholders of The Company provide guarantees or endorsements for the entity in proportion to percentage of ownership for joint investment.
6) Fulfillment of contractual obligations by providing mutual endorsements and guarantees for peer or joint builders in order to undertake a construction project.
7) The companies in the same industry provide among themselves joint and several securities for a performance guarantee of a sales contract for preconstruction homes pursuant to the Consumer Protection Act for each other.

(iii) Marketable securities held at the reporting date (excluding investments in subsidiaries and associates): None

(iv) Marketable securities for which the accumulated purchase or sale amounts for the period exceed $300 million or 20% of the paid in capital:

(In Thousands of New Taiwan Dollars)

Name of company	Category and name of security	Account name	Name of counter-party Relationship with the company	Relationship with the company	Beginning Balance		Purchase		Sales				Ending balance	
					shares	Amount	shares	Amount	shares	Price	Carrying Cost	Gain (Loss) on disposal of assets	shares	Amount
The Company	Gou Zhi Electronic	long-term investments under the equity method	Gou Zhi Electronic	Subsidiaries	-	-	20,000	199,927	-	-	-	-	20,000	166,989
The Company	UNIFORCE TECHNOLOGY CORPORATION	long-term investments under the equity method	Qingrui Investment Co., Ltd.,WENBO CO., Share LTD.	Non-related party	54,452	82,493	-	-	54,452	136,131	87,422	48,709	-	-

(v) Acquisition of individual real estate with amount exceeding the lower of NT$300 million or 20% of the capital stock: None

(vi) Disposal of individual real estate with amount exceeding the lower of NT$300 million or 20% of the capital stock: None

(vii) Total purchases from and sales to related parties which exceed $100 million or 20% of the paid in capital:

Name of company	Counterparty	Nature of relationship	Transaction details				Transactions with terms different from others		Notes/accounts receivable (payable)		Note
			Purchase/Sale	Total Amount	Percentage of total purchases/sales	Payment terms	price	Credit terms	Balance	Percentage of total notes/accounts receivable (payable)	
JHEN VEI ELECTRONIC CO., LTD. AND SUBSIDIARIES	Huai An Jhen Vei Electronic Co., Ltd.	The Company	Purchase	326,985	46.92%	O/A 90 days	-	-	(87,198)	(53.30)%	
Huai An Jhen Vei Electronic Co., Ltd.	JHEN VEI ELECTRONIC CO., LTD. AND SUBSIDIARIES	Sub subsidiary	Sales	(326,985)	(55.19)%	O/A 90 days	-	-	87,198	41.27%	

(viii) Receivable from related parties exceeding the lower of $100,000 thousand or 20% of The Company's paid-in capital:

Name of company	Related party	Nature of relationship	Ending balance	Turnover days	Overdue		Amounts received in subsequent period (Note 1)	Loss allowance
					Total Amount	Actions taken		
The Company	Gou Zhi Electronic	Subsidiaries	81,632	-	-	-	-	-
The Company	Gou Zhi Electronic	Subsidiaries	32,306	3.69	-	-	12,648	-

(ix) Trading in derivative instruments: None

(2) Information on investees:

The following is the information on investees for the year ended December 31, 2022 (excluding information on investees in Mainland China):

Name of investor	Name of investee	Location	Main businesses and products	Original investment amount		Balance as of December 31			Net income (losses) of investee	Share of profits/losses of investee (Note 1)	Note
				December 31, 2022	December 31, 2021	shares	Percentage of ownership	Carrying value			
The Company	Jhen Vei Enterprise Co., Ltd.	The British Virgin Islands	Manufacturing and sales of various types of signal cables and investment holding	352,091	352,091	48,355	100.00%	111,951	17,153	13,208	
The Company	Pors Wiring Co., Ltd	The British Virgin Islands	Investment holding	98,373	98,373	48,048	100.00%	63,062	6,612	6,612	
The Company	UNIFORCE TECHNOLOGY CORPORATION	Taiwan	System integration services of network security	-	54,452	-	- %	-	9,662	4,929	Note 3
The Company	Priceplay.com Inc.	United States	IC and software design	27,187	27,187	45,000	30.00%	-	-	-	Note 1
The Company	Hua Yin Energy	Taiwan	Power generation for self-usage using renewable energy	100,000	50,000	10,000,000	100.00%	101,179	(14,541)	(14,541)	
Jhen Vei Enterprise Co., Ltd.	Jhen Vei Investment Limited	Belize	Investment holding	26,244	26,244	810,000	100.00%	27,277	2,115	2,115	
Hua Yin Energy	Gou Zhi Electronic	Taiwan	After processing of electronic components	-	1,000	-	- %	-	(33,011)	(18,956)	Note 4
The Company	Gou Zhi Electronic	Taiwan	After processing of electronic components	199,927	-	20,000,000	100.00%	166,989	(33,011)	(14,055)	Note 2, 4

Note 1: It has been assessed that carrying amount has no future economic benefits and was therefore fully recognized in the impairment losses as of June 30, 2016.

Note 2: Guozhi Electronic Co., Ltd. was established on December 29, 2021 with the approval of the Ministry of Economy.

Note 3: The Company was resolved by the Board of Directors to dispose of its subsidiaries in March 2022, UNIFORCE TECHNOLOGY CORPORATION, which equity interest was completed and the disposal price was received in April 2022.

Note 4: The Company increased the cash capital of Guozhi Electronic Co., Ltd.by $199,000 thousand in September 2022 and purchased the remaining shares from Huayin Energy. The Company directly hold 100% shareholding of Guozhi Electronic Co., Ltd.

(c) Information on investments in mainland China:

(i) The names of investees in Mainland China, the main businesses and products, and other information:

Name of investee	Main businesses and products	Total amount of capital surplus	Method of investment	Accumulated outflow of investment from Taiwan as of January 1, 2021	Investment flows		Accumulated outflow of investment from Taiwan as of December 31, 2022	Net income (losses) of the investee	Percentage of ownership	Investment income (losses)	Book value	Accumulated remittance of earnings in current period
					Outflow	Inflow						
Huai An Jhen Vei Electronic Co., Ltd.	Manufacturing and sales of various types of signal cables	214,970 (7,000 thousand USD)	(2)	214,970 (7,000 thousand USD)	-	-	214,970 (7,000 thousand USD)	9,347	100.00%	9,347 (2,114 thousand RMB)	34,703 (7,870 thousand RMB)	-

Note 1: There are three ways to invest in China:

(1) Direct investment in the Mainland China.

(2) Through investing in an existing company in the third area, which then invested in the investee in Mainland China.

(3) Others.

Note 2: The recognition of investment income (loss) is based on financial statements audited by the parent's external accountants.

(ii) Limitation on investment in Mainland China:

Accumulated Investment in Mainland China as of December 31, 2022 (Notes 1 and 3)	Investment Amounts Authorized by Investment Commission, MOEA	Upper Limit on Investment Authorized by Investment Commission, MOEA
293,680 (USD 9,563 thousand)	333,603 (USD 10,863 thousand)	487,247

Note 1: Except that the recognized investment losses for the period were calculated at the average exchange rate from January 1,2022 to December 31, 2022 and the remittance of surplus was calculated at the historical exchange rate, the balance was calculated at the closing exchange rate as of December 31, 2022.

Note 2: The difference is due to the disposal of equity interest in Xinfeng Zhenwei Electronics Co., Ltd.. The return of investment amounting to US$600 thousand was fully remitted to Jhen Vei Enterprise Co., Ltd. Zhenwei Electronics (Wujiang) Co., Ltd.is liquidated and return investment amounting to $963 thousand.

(iii) Information on significant transactions

The significant inter-company transactions with the subsidiary in Mainland China for the year ended December 31, 2022, which were eliminated in the preparation of consolidated financial statements, are disclosed in in the Company's consolidated financial statements "Information on significant transactions".

(d) Major Shareholders

Unit: Shares

Shareholding / Shareholder's name	Shares	Percentage
Yongding Investment Co., Ltd.	10,374,629	15.06%
Huatai Management Consulting Co., Ltd.	6,359,230	9.23%

Note: 1) Information about the substantial shareholders of this form is provided by the General Insurance Company on the last business day of each quarter. The total number of ordinary shares and special shares in which the calculation of shareholders' holding company has completed the unincorporated delivery (including treasury shares) is more than 5%. As to the number of shares recorded in The Company's financial reports that are not physically registered as delivered by The Company, the basis of the calculation may varies or be different.

2) The above information, in the case of a shareholder's delivery of shares to a trust, is disclosed by the individual sub-account of the principal who opened the trust in favor of the trustee. As to the declaration of the shareholders' shareholding of an insider in excess of 10% by virtue of the Securities Trading Act, the shareholding of the shareholders includes the addition of the shares of the shareholders in trust and the application of the right of decision in respect of the trust property, and so on. For information on the declaration of the rights of the insider, please refer to the Public Information Observatory.

(14) Segment information:

Please refer to the consolidated financial statements for the year ended December 31, 2022.

JHEN VEI ELECTRONIC CO., LTD. AND SUBSIDIARIES

(Originally known as JHEN VEI ELECTRONIC CO., LTD)

Statement of Cash and Cash Equivalents

Balance on December 31, 2022

(In Thousands of New Taiwan Dollars)

Item	Description	Amount
Cash	Petty cash	$ 71
Bank deposits	Checking deposits	10
	Demand deposits	44,026
Foreign currency deposits	USD 1,209,076.89	37,131
	JPY 21, 407,895.00	4,975
	RMB 407,831.81	1,797
Time deposits		50,910
Time deposits (foreign currency)	USD 1,250,000.00	38,388
	RMB 1,000,000.00	4,408
	Total	**$ 181,716**

USD:NTD=1:30.71

JPY:NTD=1: 0.2324

RMB:NTD=1: 4.408

Statement of Notes and Accounts Receivable

Item	Amount
A.	$ 135,677
W11	16,222
S24	11,650
Other (all less than 5%)	45,911
Total	209,460
Less: Allowance for bad debt	(1,188)
Net amount	**$ 208,272**

JHEN VEI ELECTRONIC CO., LTD. AND SUBSIDIARIES

Statement of Inventories

Balance on December 31, 2022

(In Thousands of New Taiwan Dollars)

Item	Amount	
	Costs	Net realizable value
Merchandise	$ 31,849	34,543
Less: Allowance for inventory valuation and obsolescence losses	(910)	
Total	**$ 30,939**	

JHEN VEI ELECTRONIC CO., LTD. AND SUBSIDIARIES

(Originally known as JHEN VEI ELECTRONIC CO., LTD)

Statement of changes in investments under equity method

For the year ended December 31, 2022 **(In Thousands of New Taiwan Dollars)**

	Beginning Balance		Increase		Disposal		Equity method	Others	Ending balance			Market price or P/B ratio		Pledge or guarantee
Item	shares	Amount	shares	Amount (Note 4)	shares	Amount (Note 3)	Share of profits/losses of investee	(Note 1)	shares	Percentage	Amount	Unit price($)	Total price	The pledge
Long-term investments in equity interests accounted for using the equity method - non-listed companies:								-						
Pors Wiring CO., LTD.	48,048	$ 55,631	-	-	-	-	6,612	819	48,048 (Note 2)	100.00%	63,062	1,312.49	63,062	None
Jhen Vei Enterprise CO., LTD.	48,355	97,325	-	-	-	-	13,208	1,418	48,355 (Note 2)	100.00%	111,951	2,315.19	111,951	〃
UNIFORCE TECHNOLOGY CORPORATION	5,445,240	82,493	-	-	5,445,240	(87,422)	4,929	-	-	- %	-	-	-	〃
Hua Yin Energy	5,000,000	46,837	5,000,000	68,883	-	-	(14,541)	-	10,000,000	100.00%	101,179	10.12	101,179	〃
Gou Zhi Electronic	-	-	20,000,000	181,044	-	-	(14,055)	-	20,000,000	100.00%	166,989	8.35	166,989	〃
		$ 282,286		249,927		(87,422)	(3,847)	2,237			443,181			

(Note 1) It is based on distributed dividends of investee company, currency translation adjustments and unrealized profit and loss of affiliated companies.

(Note 2) The shares of Pors Wiring Co., Ltd. and Jhen Vei Enterprise Co., Ltd.were engaged in reverse stock splits with a split ratio of 54:1 and 200:1, respectively.

(Note 3) For the proceeds from disposal of subsidiaries,UNIFORCE TECHNOLOGY CORPORATION for the period, please refer to note 6(e).

(Note 4) The Company was involved in a cash capital increase of $50,000 thousand in Huayin Energy and participating in cash capital increase of sub-subsidiary, Guozhi Electronic Co., Ltd. Amounting to $199,000 thousand and obtained the remaining equity interests from Huayin Energy at $927 thousand. The increase amounting to $18,883 thousandin the net equity of Huayin Energy was also recognized as a result.

JHEN VEI ELECTRONIC CO., LTD. AND SUBSIDIARIES

(Originally known as JHEN VEI ELECTRONIC CO., LTD)

Statement of Long-term Borrowings

Balance on December 31, 2022

(In Thousands of New Taiwan Dollars)

Type of loan	Description	current portion	current portion	Contract Period	Range of interest rates	Unused credit lines	Collateral or pledge
Secured loans	Taiwan Cooperative Bank	$ 1,535	20,961	2020.08.13~2035.08.09	2.441%	23,000	Security

JHEN VEI ELECTRONIC CO., LTD. AND SUBSIDIARIES

(Originally known as JHEN VEI ELECTRONIC CO., LTD)

Statement of Operating Costs

For the year ended December 31, 2022

(In Thousands of New Taiwan Dollars)

Item	Amount
Merchandise	
Beginning inventory	$ 24,595
Add: Purchase for the period	339,217
Less: Ending inventory	(31,850)
Transfer to operating expenses	(241)
Cost of finished goods sold	331,721
Write-down of inventories	842
Other	(341)
Construction in progress-power plants	
Construction in progress at beginning of the period-power plants	-
Add: Contribution of raw materials	45,422
Cost of engineering sales of power plants	45,422
Total operating costs	**$ 377,644**

JHEN VEI ELECTRONIC CO., LTD. AND SUBSIDIARIES

(Originally known as JHEN VEI ELECTRONIC CO., LTD)

Statement of Selling Expenses

For the year ended December 31, 2022

Item	Sales	Management
Wages and salaries	$ 6,016	17,915
Service expenses	17,734	4,684
Remuneration of directors and supervisors	-	4,369
Other (all less than 5%)	3,642	10,528
	$ 27,392	**37,496**

Please refer to Note 6(g) for Statement of property, plant and equipment

Please refer to Note 6(g) for Statement of Changes in accumulated depreciation of property, plant and equipment

Please refer to Note 6(h) for Statement of right-for use assets.

Please refer to Note 6(h) for Statement of Changes in accumulated depreciation of right-for use assets.

Please refer to note 6 (q) for Statement of Operating revenue

Please refer to note 6 (s) for Statement of Non-operating income and expenses

Jhen Vei Electronic Co., LTD.

Chairman: Niang Chuan, Wei