Taiwan Chinsan Electric Industrial Co., Ltd. and Subsidiaries
Consolidated Financial Statements and Independent Auditor's Report

for the Years Ended December 31, 2022 and 2021
TSE Stock Symbol 8042

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for the Years Ended December 31, 2022 and 2021

INDEX

Taiwan Chinsan Electronic Industrial Co., Ltd.

REPRESENTATION LETTER FOR

Consolidated Financial Statements of its Associates

The entities that are required to be included in the consolidated financial statements of Taiwan Chinsan Electronic Industrial Co., Ltd. as of and for the year ended December 31, 2022, under the “Criteria Governing the Preparation of Affiliation Reports, Consolidated Business Reports and Consolidated Financial Statements of Associates, are the same as those included in the consolidated financial statements prepared in conformity with the International Financial Reporting Standard 10, “Consolidated Financial Statements”. In addition, the information required to be disclosed in the combined financial statements is included in the consolidated financial statements. Consequently, Taiwan Chinsan Electronic Industrial Co., Ltd. and Subsidiaries do not prepare a separate set of combined financial statements.

Hereby declare and sincerely yours,

TAIWAN CHINSAN ELECTRONIC INDUSTRIAL CO., LTD.

By

CHIANG, SHIH-HSIN

Chairman

14th March, 2023

昊興聯合會計師事務所
EVER-FORTUNE CPAs & Co.
EFCPA
Ever Fortune
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INDEPENDENT AUDITOR'S REPORT

The Board of Directors and Shareholders
Taiwan Chinsan Electronic Industrial Co., Ltd.

Opinion

We have audited the accompanying consolidated financial statements of Taiwan Chinsan Electronic Industrial Co., Ltd. And its subsidiaries (hereinafter referred to as the "Group"), which comprise the consolidated balance sheets as of December 31, 2022 and 2021, as well as the consolidated statements of comprehensive income, consolidated statements of changes in equity, consolidated statements of cash flows for the 2022 and 2021 then ended, and the notes to consolidated financial statements including a summary of significant accounting policies.
In our opinion, based on the auditing of the visa accountants and the checking reports of other accountants (referred to "Other Business Items"), 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 2022 and 2021 then ended, according with the Regulations Governing the Preparation of Financial Reports by Security Issuers and the International Financial Reporting Standard (IFRS), International Accounting Standards (IAS), IFRIC Interpretations (IFRIC), and SIC Interpretations (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 Certificated Public Accountants and the Standards on Auditing of the Republic of China. We are independent of the Group in accordance with The Norm of Professional Ethics for Certificated Public Accountant of the Republic of China, and we have fulfilled other ethical responsibilities according to the requirements of the Norm. Based on the auditing of the visa accountants and the checking reports of other accountants, we believe that the audit evidence we have acquired is sufficient and appropriate to provide a basic for our opinion.

Key Audit Matters

Key audit matters mean the following matters that were of most significance in our audit of the consolidated financial statements of the Group for the 2022 ended December 31, in our professional judgment. These matters addressed in the context of our audit of the consolidated financial statements as a whole, in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matter for the consolidated financial statements of the Group for the 2022 ended 31st December is stated as follows:

Provision for loss of accounts receivable

The amount of provision for loss of accounts receivable depends on the managing-level's subjective judgment on the recoverable amount of overdue and credit-risky accounts. The provision amount for the predicted credit impairment loss is a result of the managing-level's estimation upon customer credit quality. As this provision for loss involves significant estimation and judgment, we focused on the subjects occurring significant accounts receivable balances and payment delays, as well as the rationality of the provision for the predicted credit loss issued by the management.

Accounting policies are described in Note 4(10) and (11) of the consolidated financial statements. The carrying amounts of the accounts receivable and the provision for loss are disclosed in Note 6, 4 of the consolidated financial statements. The audit procedures which we adopted include considerate valuation upon the rationality of recoverability and provision rate assessed by management for the significant overdue or doubtful receivables via executing the valuation of the provisioning policy and the testing of the aging accuracy for the accounts receivables, as well as collectability valuation of the outstanding receivables through subsequent collection confirmations to consider the necessity of additional provision for loss.

The point at which depreciation starts for property, plant and equipment

the Group has kept in building factories and purchasing machinery and equipment in recent years via continuing capital expenditure, mainly for development persistence and production capacity fitted with advanced process technology meeting customer requirement. Information disclosure and relevant accounting policies and related to property, plant and equipment depreciation please refer to Note 4 (15) to the Consolidated Financial Statements. Depreciation should be issued when these aforementioned assets are ready for use according to International Accounting Standard No. 16. As the capital expenditures of the Group kept to be enormous, whether the timing of depreciation issuing is appropriate will deliver a significant impact on its financial performance. Therefore, the timing of depreciation for property, plant and equipment in this fiscal year is listed as one of the significant items to be audited.

The audit procedures performed by us the auditors are as follows:

1. Understanding and testing the effectiveness of the main internal control design and its implementation regarding the timing of depreciation issued for property, plant and equipment.
2. Understand the conditions and related accounting treatment of the assets expected by the management when they are available for use.
3. Sampling checks to verify whether the assets when they are available for use and whether the depreciation is issued appropriately for the current year.
4. Sampling and checking the rationality and completeness of the depreciation timing for equipment awaiting inspection and unfinished projects that reach the usable state after the reporting period.
5. Sampling and checking the reasons why equipment awaiting inspection and unfinished projects have not yet reached the usable state.

Other Business Items regarding the checks of other accountants

The financial statements of a part of the investee companies, which are disclosed as the investment in accordance with equity method in Note 12 of the consolidated financial statements, of the Group have not been reviewed by our auditor but by our other accountants. Therefore, the opinions expressed by out auditor regarding the amounts disclosed in the financial statements of such investee companies by equity method and the relevant information disclosed in Note 12. of the above the Group statements are based on the audit reports of our other accountants.

As of December 31, 2022 and 2021, the balance of investment accounted for using equity method in the aforementioned companies was NT$86,471 thousand and NT$170,070 thousand respectively, which account for 1.06% and 2.13% of the consolidated asset totals. As of the all-year run from 1st

January to December 31, of 2022 and 2021, the comprehensive income using equity method for the aforementioned companies was (NT$16,501) thousand and (NT$22,606) thousand respectively, accounting for (3.76%) and 530.91% of the consolidated comprehensive income totals.

Other Business Items regarding the consolidated financial statements

Taiwan Chinsan Electronic Industrial Co., Ltd. has prepared its consolidated financial statements for the years 2022 and 2021, and our auditor has issued an unqualified opinion with a paragraph of other matters in the auditor's report, which is on file for reference.

Responsibilities of Management and Governance Units for the Consolidated Financial Statements

Management unit is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with the "Regulations Governing the Preparation of Financial Reports by Securities Issuers", IFRS, IAS, IFRIC, and SIC endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China, as well as the maintenance for necessary internal controls relevant to the consolidated financial statements that ensure to be 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, disclose the applicable matters, and adopted the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Governance unit of the Group (also including members of the Audit Committee) is responsible for overseeing the financial reporting process.

Responsibilities of Auditors for the Audit of the Consolidated Financial Statements

The auditors' objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole being free from material misstatement whether due to fraud or error, and to issue the corresponding auditors' report. Reasonable assurance means a high level of assurance, but it comprises no guarantee that an audit conducted in accordance with the Standards on Auditing of the Republic of China will always detect a material misstatement when it exists. Misstatements can arise from fraud or error, and misstatements can be considered material if, in individual or aggregative amounts, they could reasonably be expected to impact on the economic decisions of users taken on the basis of these consolidated financial statements.

As auditing in accordance with the Standards on Auditing of the Republic of China, we the auditors exercise professional judgment and maintain professional skepticism throughout the audit. We also perform as follows:

1. Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and executive audit procedures responsive to those mentioned 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 overrides of internal control.
2. Obtain a necessary understanding of internal control relevant to the audit in order to design appropriate audit procedures in the corresponding 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 and the rationality of accounting estimates and relevant disclosures which adopted and made by the Group management.
4. Conclude on the appropriateness of management's adoption of the going concern basis of accounting and the reveal of whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to operate as a going concern, based on the audit evidence obtained. We the auditors are required to draw attention in the auditor' report to the relevant disclosures in the consolidated financial statements if we conclude that a material uncertainty exists, or we the auditors modify the audit opinion if such disclosures inadequate.

Our conclusions are based on the audit evidence obtained up to the date of the auditors' report. However, future events or conditions may cause the Group to cease operation as a going concern.

5. Evaluate the overall presentation, structure and content of the consolidated financial statements also including the notes, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
6. Obtain sufficient and appropriate audit evidence regarding the financial information of the entities within the Group to express an opinion on the p consolidated financial statements. We the auditors are responsible for the guidance, supervision and execution of this Group audit, and we perform the audit opinion upon the consolidated financial statements.

We the auditors communicate the matters with governance unit, which comprise the planned scope and timing of the audit, and the significant audit findings including any significant deficiencies in internal control identified during the audit process.

We also provide the governance unit with a statement that we have complied with relevant ethical requirements regarding independence, and communicate with governance unit all relationships and other matters that may reasonably be recognized to bear on our independence, as well as related safeguard measures.

From the matters communicated with governance unit, we the auditors determine the key audit matters that were of most significance in the audit of the Group consolidated financial statements for the year ended December 31, 2022 and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare cases, we determine that a matter should not be revealed in auditors' report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication matter.

The engagement partners on the audits resulting this independent auditors' report

Visa accountant	Visa accountant
LIN, YU-HSUAN	JUAN LU, SHAO WEI
EVER-FORTUNE CPAs & Co.	EVER-FORTUNE CPAs & Co.
New Taipei City, Taiwan, ROC	New Taipei City, Taiwan, ROC
Approved-certified No.:	Approved-certified No.:
Jin-Guan-Certificate No. 106001453	Jin-Guan-Certificate No. 106001453

Issued in 30st-March-2023

Notice to Readers

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

The standards, procedures and practices to audit such consolidated financial statements are those generally applied in the Republic of China.

For the convenience of readers, the independent auditors' report and the accompanying consolidated financial statements have been translated into English from the original Chinese version prepared and used in the Republic of China. If there is any conflict between the English version and the original Chinese version or any difference in the interpretation of the two versions, the Chinese-language independent auditors' report and consolidated financial statements shall prevail.

Taiwan Chinsan Electronic Industrial Co., Ltd. & Subsidiaries

CONSOLIDATED BALANCE SHEETS

The Years Ended December 31, 2022 and 2021

(In Thousands of New Taiwan Dollars)

CODE	ASSET	December 31 2022 AMOUNT	%	December 31 2021 AMOUNT	%
	CURRENT ASSETS				
1100	Cash and cash equivalents (Note 4 and 6.1)	$ 1,753,538	21.58	$ 1,206,516	15.14
1110	Financial assets at fair value through profit or loss, Current (Note 4, 6.2 and6.23)	153,120	1.88	169,775	2.13
1136	Financial assets measured at amortized cost (Note 4 and 8)	212,414	2.61	178,274	2.24
1150	Notes receivable, net (Note 4 and 6.4)	18,067	0.22	17,319	0.22
1170	Accounts receivable, net (Note 4 and 6.4)	1,314,721	16.18	1,633,001	20.49
1200	Other receivables	29,912	0.37	33,567	0.42
1220	Current tax asset (Note 4, 6.18)	9,999	0.12	16,304	0.21
130x	Inventories (Note 4 and 6.5)	1,176,536	14.48	1,454,837	18.26
1470	Other current assets	59,926	0.74	37,724	0.47
11xx	**Total current assets**	4,728,233	58.18	4,747,317	59.58
	NONCURRENT ASSETS				
1510	Financial assets at fair value through profit or loss, noncurrent (Note 4, 6.2, and6.23)	548,782	6.75	575,935	7.23
1517	Financial assets at fair value through other comprehensive income, noncurrent(Note 4, 6.3 and 6.23)	157,330	1.94	143,208	1.80
1550	Investments accounted for using equity method (Note 4 and 6.6)	86,471	1.06	170,070	2.13
1600	Property, plant and equipment (Notes 4 and 6.7)	1,901,141	23.39	1,700,823	21.34
1755	Right-of-use assets (Notes 4 and 6.8)	376,179	4.63	343,208	4.31
1760	Investment property(Note 4 and 6.9)	79,485	0.98	80,147	1.01
1780	Intangible assets(Note 4)	73,301	0.90	80,334	1.01
1840	Deferred income tax assets (Notes 4 and 6.18)	5,057	0.06	5,023	0.06
1900	Other noncurrent assets	35,818	0.44	24,254	0.30
1915	Prepayments for business facilities	135,485	1.67	86,372	1.08
1975	Net defined benefit assets (Note 4 and 6.14)	-	-	11,696	0.15
15xx	**Total noncurrent assets**	3,399,049	41.82	3,221,070	40.42
1xxx	**TOTAL ASSETS**	$ 8,127,282	100.00	$ 7,968,387	100.00

(Continued to the next page)

Chairman CHIANG, SHIH-HSIN General Manager CHIANG, CHING-SHIN Financial Manager TSAI, MAO-SUNG

Taiwan Chinsan Electronic Industrial Co., Ltd. & Subsidiaries

CONSOLIDATED BALANCE SHEETS (continued from previous page)

The Years Ended December 31, 2022 and 2021

(In Thousands of New Taiwan Dollars)

CODE	LIABILITIES AND EQUITY	December 31 2022 AMOUNT	%	December 31 2021 AMOUNT	%
	CURRENT LIABILITIES				
2100	Short-term loans (Notes 4 and 6.10)	$ 1,235,000	15.20	$ 870,635	10.93
2110	Short-term notes and bills payable (Note 4 and 6.11)	80,000	0.99	110,000	1.38
2150	Notes payable (Note 4)	312,320	3.84	329,705	4.14
2170	Accounts payable (Note 4)	341,219	4.20	734,526	9.22
2200	Other payables	157,117	1.93	147,340	1.85
2230	Current tax liabilities (Note 4 and 6.18)	7,607	0.09	28,823	0.36
2280	Lease liabilities, current (Notes 4)	5,967	0.07	5,096	0.06
2300	Other current liabilities	11,615	0.14	1,970	0.02
2320	Long-term liabilities - current portion (Notes 4 and 6.121)	423,798	5.21	2,287	0.03
21xx	**Total current liabilities**	2,574,643	31.67	2,230,382	27.99
	NONCURRENT LIABILITIES				
2530	Bonds payable (Notes 4 and 6.12)	-	-	513,373	6.44
2540	Long-term loans (Note 4 and 6.13)	1,190,313	14.65	1,210,000	15.19
2570	Deferred tax liabilities (Note 4 and 6.18)	1,164	0.01	3,590	0.04
2580	Lease liabilities, noncurrent (Notes 4)	307,621	3.79	272,789	3.42
2640	Net defined benefit liability (Note 4 and 6.13)	5,642	0.07	-	-
2670	Other liabilities, noncurrent	1,558	0.02	1,205	0.02
25xx	**Total noncurrent liabilities**	1,506,298	18.54	2,000,957	25.11
2xxx	**Total liabilities**	4,080,941	50.21	4,231,339	53.10
	EQUITY (Note 6.15)				
3100	**Capital stock (Note 4)**	1,294,625	15.93	1,294,625	16.25
3200	**Capital surplus**	1,412,631	17.38	1,412,607	17.73
	Retained earnings				
3310	Appropriated as legal capital reserve	546,474	6.72	546,474	6.86
3320	Appropriated as special capital reserve	630,478	7.76	472,779	5.93
3350	Unappropriated earnings	389,878	4.80	569,589	7.15
3400	**Other Equity**				
3410	Exchange differences on translation of foreign financial statements	(275,557)	(3.39)	(589,568)	(7.40)
3420	Unrealized gains (losses) from financial assets measured at fair value throughother comprehensive income	(18,804)	(0.23)	(31,289)	(0.39)
31xx	**Interests attributable to parent company owner**	3,979,725	48.97	3,675,217	46.13
36xx	**Non-controlling interests**	66,616	0.82	61,831	0.77
3xxx	**Total equity**	4,046,341	49.79	3,737,048	46.90
2xxx-3xxx	**TOTALs of LIABILITIES & EQUITY**	$ 8,127,282	100.00	$ 7,968,387	100.00

Chairman CHIANG, SHIH-HSIN General Manager CHIANG, CHING-SHIN Financial Manager TSAI, MAO-SUNG

Taiwan Chinsan Electronic Industrial Co., Ltd. & Subsidiaries

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

The Years Ended December 31, 2022 and 2021

(In Thousands of New Taiwan Dollars, Except Earnings Per Share)

CODE	SUBJECT	2022 AMOUNT	2022 %	2021 AMOUNT	2021 %
4000	**NET REVENUE(Note 4 and 7)**	$ 3,729,360	100.00	$ 4,300,713	100.00
5000	**COST OF REVENUE (Notes 6.5and 17)**	(3,063,593)	(82.15)	(3,612,732)	(84.00)
5900	**GROSS PROFIT**	665,767	17.85	687,981	16.00
	OPERATING EXPENSES (Notes 6.8, 6.14 and 6.17)				
6100	Marketing	(190,368)	(5.10)	(176,197)	(4.10)
6200	General and administrative	(213,904)	(5.74)	(235,656)	(5.48)
6300	Research and development	(77,974)	(2.09)	(80,960)	(1.88)
6450	The expected credit loss (Note 6.4)	1,330	0.04	2,088	0.05
6000	**Total od operating expenses**	(480,916)	(12.89)	(490,725)	(11.41)
6900	**INCOME FROM OPERATIONS**	184,851	4.96	197,256	4.59
	NON-OPERATING INCOME AND EXPENSES				
7050	Finance costs (Note 6.8 and 6.16)	(40,111)	(1.08)	(30,482)	(0.71)
7060	Share of profits of associates (Note 6.6)	(16,501)	(0.44)	(22,606)	(0.53)
7100	Interest income (Note 23)	15,938	0.43	3,086	0.07
7110	Rent income (Note 6.9)	2,565	0.07	4,165	0.10
7130	Dividend revenue	11,215	0.30	5,142	0.12
7190	Other revenue (Note 4)	15,409	0.41	46,732	1.09
7210	Gains on disposals of property, plant and equipment	126	-	-	-
	Foreign exchange gains	55,105	1.48		-
7235	Financial assets measured at fair value through profit (Note 6.2)	-	-	24,066	0.56
7590	Miscellaneous expenses	(7,196)	(0.19)	(4,834)	(0.11)
7610	Losses on disposals of property, plant and equipment	-	-	(1,242)	(0.03)
7625	Losses on disposals of investments	-	-	(395)	(0.01)
7630	Foreign exchange losses	-	-	(10,195)	(0.24)
7635	Financial assets measured at fair value through loss (Note 6.2)	(8,593)	(0.23)	-	-
7670	Impairment loss (Note 6.6)	(82,972)	(2.23)	-	-
7000	**NON-OPERATING INCOME AND EXPENSES**	(55,015)	(1.48)	13,437	0.31
7900	**INCOME BEFORE INCOME TAX**	129,836	3.48	210,693	4.90
7950	INCOME TAX EXPENSE (Notes 4 and 6.18)	(22,812)	(0.61)	(47,106)	(1.10)
8200	**NET INCOME**	$ 107,024	2.87	$ 163,587	3.80
	OTHER COMPREHENSIVE INCOME (LOSS)				
	Items that will not be reclassified subsequently to profit or loss				
8311	Remeasurement of defined benefit obligation (Note 6.14)	3,209	0.09	(4,864)	(0.11)
8316	Unrealized gain on investments in equity instruments at fair value through other comprehensiveincome (Note 6.3)	12,485	0.33	11,014	0.26
8349	Income tax benefit (expense) related to items that will not be reclassified subsequently (Note 4and 6.18)	(373)	(0.01)	973	0.02
8310	**Total of items that will not be reclassified subsequently to profit or loss**	15,321	0.41	7,123	0.17
	Items that may be reclassified subsequently to profit or loss				
8361	Exchange differences arising on translation of foreign operations	316,386	8.48	(175,201)	(4.07)
8367	Unrealized loss on investments in debt instruments at fair value through other comprehensive income (Note 6.3)	-	-	233	-
8360	**Total od items that may be reclassified subsequently to profit or loss**	316,386	8.48	(174,968)	(4.07)
8300	**Other comprehensive income (loss), net of income tax**	331,707	8.89	(167,845)	(3.90)
8500	**TOTAL COMPREHENSIVE INCOME**	438,731	11.76	($ 4,258)	(0.10)
8600	**NET INCOME ATTRIBUTABLE TO:**				
8610	Shareholders of the parent	104,614	2.81	161,131	3.74
8620	Non-controlling interests	2,410	0.06	2,456	0.06
	NET INCOME	$ 107,024	2.87	$ 163,587	3.80
8700	**TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO:**				
8710	Shareholders of the parent	433,946	11.63	(1,018)	(0.02)
8720	Non-controlling interests	4,785	0.13	(3,240)	(0.08)
	TOTAL COMPREHENSIVE INCOM	$ 438,731	11.76	($ 4,258)	(0.10)
	Earnings per share (Note 4 and 6.19)				
9750	**Basic earnings per share**	$ 0.81		$ 1.24	
9850	**Diluted earnings per share**	$ 0.80		$ 1.20	

Chairman CHIANG, SHIH-HSIN General Manager CHIANG, CHING-SHIN Financial Manager TSAI, MAO-SUNG

Taiwan Chinsan Electronic Industrial Co., Ltd. & Subsidiaries

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

The Years Ended December 31, 2022 and 2021

(In Thousands of New Taiwan Dollars)

	Equity Attributable to Shareholders of the Parent									
			Retained Earning			Other equity items				
SUBJECT	Capital Stock - Common Stock	Capital Surplus	Legal Capital Reserve	Special Capital Reserve	Special Reserve	Exchange differences ontranslation offoreign financialstatements	Unrealized gains(losses) from financial assets measured at fair value through other comprehensive income	Total of shareholders of the parent	Not-controlling equity	Total Equity
BALANCE, JANUARY 1, 2021	$ 1,256,918	$ 1,459,178	$ 546,474	$ 352,816	$ 620,855	($ 420,063)	($ 43,095)	$ 3,773,083	$ 59,383	$ 3,832,466
Appropriations of prior year's earnings, 2020										
Special capital reserve				119,963	(119,963)			-		-
Cash dividends to shareholders					(87,984)			(87,984)		(87,984)
Stock dividend from capital surplus	37,707	(37,707)						-		-
Adjustments to share of changes in equities of associates		(17)						(17)		(17)
Redemption of convertible corporate bond		(8,847)						(8,847)		(8,847)
Disposal of investments in equity instruments at fair value through other comprehensive income					(559)		559	-		-
Concolidated net income					161,131			161,131	2,456	163,587
Other comprehensive income (loss)					(3,891)	(169,505)	11,247	(162,149)	(5,696)	(167,845)
Increase in non-controlling interests								-	5,688	5,688
BALANCE, DECEMBER 31, 2021	$ 1,294,625	$ 1,412,607	$ 546,474	$ 472,779	$ 569,589	($ 589,568)	($ 31,289)	$ 3,675,217	$ 61,831	$ 3,737,048
BALANCE, JANUARY 1, 2022	$ 1,294,625	$ 1,412,607	$ 546,474	$ 472,779	$ 569,589	($ 589,568)	($ 31,289)	$ 3,675,217	$ 61,831	$ 3,737,048
Appropriations of prior year's earnings, 2021										
Special capital reserve				157,699	(157,699)			-		-
Cash dividends to shareholders					(129,462)			(129,462)		(129,462)
Adjustments to share of changes in equities of associates		571						571		571
Redemption of convertible corporate bond		(547)						(547)		(547)
Concolidated net income					104,614			104,614	2,410	107,024
Other comprehensive income					2,836	314,011	12,485	329,332	2,375	331,707
BALANCE, DECEMBER 31, 2022	$ 1,294,625	$ 1,412,631	$ 546,474	$ 630,478	$ 389,878	($ 275,557)	($ 18,804)	$ 3,979,725	$ 66,616	$ 4,046,341

Chairman CHIANG, SHIH-HSIN General Manager CHIANG, CHING-SHIN Financial Manager TSAI, MAO-SUNG

Taiwan Chinsan Electronic Industrial Co., Ltd. & Subsidiaries

CONSOLIDATED STATEMENTS OF CASH FLOWS

The Years Ended December 31, 2022 and 2021

(In Thousands of NT$)

	2022	2021
CASH FLOWS FROM OPERATING ACTIVITIES		
Income before income tax	$ 129,836	$ 210,693
Adjustments for:		
Provided by (used in) operating activities		
Depreciation expense	187,724	183,356
Amortization expense	22,180	22,912
Reversal of the expected credit loss	(1,330)	(2,088)
Financial assets measured at fair value through loss(profit)	8,593	(24,066)
Interest expense	40,111	30,482
Interest income	(15,938)	(3,086)
Dividend income	(11,215)	(4,165)
inventory loss on valuation	19,875	4,823
Share of losses of associates	16,501	22,606
Loss on disposal of investments	-	395
Loss (gain) on disposal or retirement of property, plant and equipment	(126)	1,242
Return on pay up of defined benefit plan	(1,145)	-
Loss on impairment	82,972	-
Loss(gain) on redemption of bonds payable	(20)	1,338
Changes in operating assets and liabilities		
Notes receivable	(646)	6,099
Accounts receivable	491,594	(27,507)
Other receivables	7,379	(7,389)
Inventories	256,161	(258,247)
Prepayments	(21,506)	22,675
Other current assets	(696)	4,221
Other noncurrent assets	-	(3,056)
Notes payable	(17,385)	(1,488)
Accounts payable	(432,430)	88,100
Other payables	(22,941)	25,584
Advance receipts	9,693	167
Other current liabilities	(48)	3
Other noncurrent liabilities	(37)	(445)
Cash generated from operations	747,156	293,159
Interest received	12,214	3,166
Interest paid	(27,688)	(19,825)
Income taxes paid	(44,297)	(21,203)
Net cash generated by operating activities	687,385	255,297

	2022	2021
CASH FLOWS FROM INVESTING ACTIVITIES		
Dividends received	$ 11,215	$ 4,165
Disposal of financial assets measured at fair value through other comprehensive income	-	13,610
Acquisitions of financial assets measured at fair value through profit or loss	(326,261)	(1,094,799)
Disposals of financial assets measured at fair value through profit or loss	366,466	1,140,169
Return of pension cost account	21,692	-
Acquisitions of financial assets measured at amortized cost	(34,140)	-
Disposals of financial assets measured at amortized cost	-	9,181
Acquisitions of investment for using equity method	(15,303)	(11,336)
Acquisitions of property, plant and equipment	(240,070)	(188,062)
Disposals of property, plant and equipment	126	169
Acquisitions of tangible assets	(2,363)	(11,605)
Decrease (increase) of guarantee deposits	12	(1,227)
Increase of prepayment for equipment	(153,188)	(108,111)
Increase of other noncurrent assets	(8,603)	(19,148)
Net cash used in investing activities	(380,417)	(266,994)
CASH FLOWS FROM FINANCING ACTIVITIES		
Increase in short-term loans	364,365	227,764
Increase of short-term notes payables	-	40,000
Decrease of short-term notes payables	(30,000)	-
Redemption of bonds	(97,242)	(180,584)
Issuance of long-term loans	513,646	100,000
Repayment of long-term loans	(535,783)	(5,082)
Increase (decrease) of guarantee deposits	374	(195)
Repayment of principle of lease liability	(10,192)	(9,058)
Cash dividends	(129,462)	(87,984)
Change of not-controlling equity	-	5,688
Net cash used in financing activities	75,706	90,549
EFFECT OF EXCHANGING RATE CHANGES ON CASH AND CASH EQUIVALENTS	164,348	(124,449)
NET INCREASE(DECREASE) IN CASH AND CASH EQUIVALENTS	547,022	(45,597)
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	1,206,516	1,252,113
CASH AND CASH EQUIVALENTS, END OF YEAR	$ 1,753,538	$ 1,206,516

(The accompanying notes are an integral part of the consolidated financial statements)

Chairman CHIANG, SHIH-HSIN General Manager CHIANG, CHING-SHIN Financial Manager TSAI, MAO-SUNG

Taiwan Chinsan Electric Industrial Co., Ltd. and Subsidiaries
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021
(Amounts in Thousands of New Taiwan Dollars, Unless Specified Otherwise)

1. Corporate Introduction

Taiwan Chinsan Electric Industrial Co., Ltd. (the "TCEIC" or "Company") was incorporated in the Republic of China (R.O.C.) on March 20, 1970 in accordance with the Company Act R.O.C. TCEIC went public on October 20, 2000 with a paid-in capital of NT$ 220,000 thousand, and the Company's shares were listed on the Taipei Exchange over-the-counter market on March 22, 2004 with a paid-in capital of NT$ 442,789 thousand. As of December 31, 2022, the TCEIC's registered capital reaches NT$ 3,000,000 thousand, and the paid-in capital is NT$ 1,294,625 thousand. TCEIC and its subsidiaries (hereinafter referred as the "Group") mainly engage in the manufacturing, processing, trading, import and export of various electronic equipment and capacitors.

2. The Authorization of Financial Statement

The accompanying consolidated financial statements were approved and authorized for issue by the Board of Directors on March 14, 2023.

3. Application of New & Revised Financial exporting Standards

(3.1) Alisy adopted issues of the amendments to the International Financial Reporting Standards (IFRS) endorsed and issued into effect by the Financial Supervisory Commission (FSC).

The following table summarizes the new, revised, and amended International Accounting Standards Board (IASB) standards and interpretations, as approved by the FSC.

New, Revised or Amended Standards and Interpretations	Effective Date Issued by IASB
Amendments to IFRS 3 " Reference to the Conceptual Framework "	January 1, 2023
Amendments to IFRS 16 " Property, Plant and Equipment: the price before reaching the intended state of use"	January 1, 2023
Amendments to IAS 37 " Onerous Contracts - Cost of Fulfilling a Contract"	January 1, 2023
Annual Improvements — 2018-2020 Cycle	January 1, 2023

These above standards and interpretations are assessed with that they have no significant effect on the Group's financial condition and financial performance.

(3.2) Not yet adopted issues of the amendments to IFRS endorsed and issued into effect by FSC.

The following table summarizes the new, revised, and amended IASB standards and interpretations as approved by FSC.

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

These above standards and interpretations are assessed with that they have no significant effect on the Group's financial condition and financial performance.

(3.3) The issues of the amendments to IFRS but not yet endorsed and issued into effect by FSC.

The following table summarizes the new, revised, and amended IASB standards and interpretations, but as not approved by FSC yet.

New, Revised or Amended Standards and Interpretations	Effective Date Issued by IASB
Amendments to IFRS 10 and IAS 28 “ Sale or Contribution of Assets between an Investor and its Associate or Joint Venture”	pending by IASB
Amendments to IFRS 16 “ Lease Liabilities in Sale and Leaseback”	January 1, 2024
IFRS 17 “ Insurance Contract”」	January 1, 2023
Amendments to IFRS 17 “ Insurance Contract”	January 1, 2023
Amendments to IFRS 17 “Initial Application of IFRS 17 and IFRS 9—Comparative Information”	January 1, 2023
Amendments to IAS 1 “ Classification of Liabilities as Current or Noncurrent”	January 1, 2024
Amendments to IAS 1 “ Non-current Liabilities with Covenants”	January 1, 2024

These above standards and interpretations are assessed with that they have no significant effect on the Group’s financial condition and financial performance.

4. Summary of Significant Accounting Policies

The significant accounting policies applied to the consolidated financial statements state as follows. These policies apply consistently throughout the whole period of these financial statements unless otherwise stated.

(4.1)Statement of Compliance

The accompanying consolidated financial statements have been prepared in conformity with the Regulations Governing the Preparation of Financial Reports by Securities Issuers.

(4.2)Basis of Preparation

a. The accompanying consolidated financial statements have been prepared on the historical cost basis except for the following significant items.

(i) Financial assets and liabilities measured at fair value through profit or loss.

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

(iii)The defined benefit liability recognized by the net after Lessing pension fund assets from the defined benefit obligation.

b. The preparation of financial statements in accordance with IFRS and IASB standards and interpretations (hereinafter referred to as IFRSs) approved by the FSC requires the use of certain important accounting estimates. In applying the Group's accounting policies, management needs to exercise judgement in relation to items involving high judgment or complexity, or significant assumptions and estimates related to the consolidated financial statements. Please refer to Note 5 for further details.

(4.3)Basis of Consolidation

a. The basis for the consolidated financial statements

(i) The Group has included all subsidiaries as individual entities in the preparation of the consolidated financial statements. Subsidiaries means that entities controlled by the Group, where the Group is exposed or has rights to variable returns from its involvement with the entity, and has the ability to affect those returns through its power over the entity. Subsidiaries are included in the consolidated financial statements from the date on which the Group's control acquires, and are deconsolidated in the aforementioned statements from the date on which control ceases.

(ii) The transactions, balances, and unrealized profits or losses among companies within the Group have been eliminated. The accounting policies of subsidiary companies are consistent with those adopted by the Group.

(iii) The components of profit or loss and other comprehensive income are attributed to the owners of the parent company and non-controlling interests. The total comprehensive income is also attributed to the owners of the parent company and non-controlling interests, even if this results in a deficit in non-controlling interests.

(iv) When changes in shareholdings of subsidiaries result no loss of control (i.e., transactions with non-controlling interests), those are treated as equity transactions, and be recognized as transactions among the owners internally. The difference between the adjusted amount for non-controlling interest and the fair value of consideration paid or received is recognized directly in equity.

(v) When the Group loses control over a subsidiary, the remaining investment in the former subsidiary is re-measured at fair value and is recognized as the fair value of the original financial asset or the cost of the original investment in the associates or joint venture, and the difference between the fair value and the carrying amount is recognized in current profit and loss. For all the amounts that were previously recognized in other comprehensive income and be related to the former subsidiary, the accounting treatment is the same as the basis if when the Group directly disposes its relevant assets or liabilities. Namely for these aforementioned profits or losses previously recognized in other comprehensive income, they shall be reclassified to profit or loss when disposing of the relevant assets or liabilities, and be reclassified from equity to profit or loss when losing of control over the subsidiary.

b. Subsidiaries Included in the consolidated financial statements：

Name of Investor	Name of Investee	Main Businesses and Products	Establishment and Operating Location	Percentage of Ownership	
				Dec 31, 2022	Dec 31, 2021
The Company (TCEIC)	Chinsan (Cayman) Enterprise Co., Ltd (Chinsan (Cayman) Co.)	General investment business	Cayman Islands	100%	100%
as above	Yue-Cheng Investment Co., Ltd	General investment business	Taiwan	100%	100%
Chinsan (Cayman) Co.	Thailand Chinsan Electric Industrial Co., Ltd. (Chinsan Thailand Co.)	Manufacturing and trading of aluminum capacitors	Bangkok Thailand	94.52%	94.52%
as above	Chinsan (BVI) Enterprise Co., Ltd. (Chinsan (BVI) Co.)	Trading of aluminum capacitors and investment	BVI	100%	100%
as above	Elite (BVI) Enterprise Co., Ltd. (Elite (BVI) Co.)	Trading of aluminum capacitors	BVI	100%	100%
as above	Eagle Zone (Samoa) Co., Ltd. (Eagle Zone Co.)	Trading of aluminum capacitors and investment	Samoa Islands	100%	100%
as above	Hongkong Kingtachi Capacitor Co. (Hongkong Kingtachi Co.)	Trading of aluminum capacitors and investment	Hongkong	100%	100%
as above	Spotlight International (Samoa) Co. Ltd. (Spotlight Co.)	General investment business	Samoa Islands	100%	100%
Spotlight Co.	Hongkong Baolong Enterprise Co. (Baolong Co.)	General investment business	Hongkong	100%	100%
Hongkong Kingtachi Co.	Guangzhou Chin-Zu Tech Co. (Guangzhou Chin-Zu Co.)	Manufacturing & trading of aluminum capacitors, and investment	Guangzhou	95.22%	95.22%
as above	Guangzhou Kingtachi Electric Co. (Guangzhou Kingtachi Co.)	Manufacturing & trading of aluminum capacitors, and investment	Guangzhou	100%	100%
Baolong Co.	Guangzhou Hang-Lungi Investment Co. (Guangzhou Hang-Lungi Co.)	General investment business	Guangzhou	100%	100%
Guangzhou	Guangzhou You-Mao Electric Co.	Manufacturing and	Guangzhou	100%	100%

Name of Investor	Name of Investee	Main Businesses and Products	Establishment and Operating Location	Percentage of Ownership	
				Dec 31, 2022	Dec 31, 2021
Kingtachi Co.	(Guangzhou You-Mao Co.)	trading of aluminum capacitors			

c. Subsidiaries not included in the consolidated financial statements: Not applicable.
d. Adjustment and treatment methods for different accounting periods of subsidiaries: Not applicable.
e. Significant Restrictions: Not Applicable.
f. Subsidiaries with significant non-controlling interests in the Group: Not applicable.

(4.4)Foreign Currencies

The items listed in the consolidated financial statements of each entity in the Group are measured in terms of the currency of the primary economic environment in which the entity operates (namely the functional currency). The consolidated financial statements are presented in New Taiwan dollars, TCEIC's functional currency, as the expression currency.

a. Foreign currencies and the account balance

(i) Foreign currency transactions are translated into the functional currency at the spot rate on transaction date or measurement date, and the translation differences arising from these transactions as mentioned are recognized as current profit or loss.

(ii) The balance of foreign currency monetary assets and liabilities is evaluated and adjusted according to the spot rate on the issue date of balance sheet, and the translation difference arising from the adjustment is recognized as current profit or loss.

(iii) Translation differences on foreign currency non-monetary asset and liability balances are part of fair value gains and losses. If measured at fair value through profit or loss, it shall be adjusted according to the spot rate on the balance-sheet date, and the exchange difference arising from the adjustment shall be recognized as current profit or loss. If measured at fair value through other comprehensive profit or loss, it shall be calculated according to the balance sheet, and the exchange difference from the adjustment is recognized in other comprehensive profit and loss items. If not measured at fair value, it is calculated according to the historical exchange rate on the initial transaction date.

(iv) All exchange gains and losses are revealed in the profit and loss statement under “Foreign currency exchange profits (losses)”.

b. Translation regarding foreign operation

(i) For all subsidiary and associate companies whose functional currency is different from the expression currency, their respective operating and financial results are converted into the expression currency as follows:

A. The assets and liabilities expressed in each balance sheet are translated at the closing exchange rate on the balance-sheet date.

B. The incomes and expenses expressed in each statement of comprehensive income are translated at the current average exchange rate.

C. All exchange differences arising from translation are recognized in other comprehensive profit or loss.

(ii) When a the partially disposed-or-sold foreign operation is an affiliated corporate, the exchange difference under other comprehensive profit and loss will be re-classified in the current profit and loss in accordance with the proportion of its disposal profit or loss. However, if TCEIC retains part of the rights and interests in this former affiliated corporate but has lost the significant influence on the foreign operation, it will be treated as the whole equity of the disposal implemented in this foreign operation.

(iii) When the partially disposed-or-sold foreign operation is a subsidiary, the accumulated exchange difference recognized as other comprehensive profit or loss shall be re-attributed to the non-controlling interests of the foreign operation in proportion. However, when the TCEIC has no longer control over the foreign operation as a subsidiary even though it retains part of the rights and interests in this former subsidiary, it will be treated as the whole equity of the disposal implemented in this foreign operation.

(4.5)Classification of Current and Noncurrent Assets and Liabilities

a. Assets meeting one of the following conditions are classified as current assets

(i) The assets are expected to be realized in the normal operating cycle, or be meant to be sold or consumed.

(ii) Those being held primarily for trading purposes.

(iii) Those expected to be realized within twelve months after the balance-sheet date.

(iv) Cash or cash equivalents, in exception of that those are exchanged or used to settle liabilities under restriction at least twelve months after the balance sheet date.

Assets that do not meet the above conditions are classified by the Group as noncurrent.

b. Liabilities meeting one of the following conditions are classified as current assets

(i) Those are expected to be settled in the normal operating cycle.

(ii) Those being held primarily for trading purposes.

(iii) Those expected to be paid off within twelve months after the balance-sheet date.

(iv) The repayment period cannot be unconditionally postponed for at least twelve months after the balance-sheet date. But those liabilities, with the terms of repayment through the issuance of equity instruments of the counterparty option, are not affected on its classification.

Liabilities that do not meet the above conditions are classified by the Group as noncurrent.

(4.6)Cash Equivalents

Cash equivalents refer to short-term and high-liquidity investments that meet all the following conditions simultaneously.

a. Those can be converted into fixed cash at any time.

b. Those are with low risk of value change.

Fix deposits, which meeting the aforementioned definition and being held for the purpose of short-term cash commitments in operations, are classified as cash equivalents.

(4.7)Financial Assets Measured at Fair Value through Profit or Loss

a. Refers to the financial assets that are not measured at amortized cost or at fair value through other comprehensive profit or loss. The Group classifies it as a financial asset at fair value through profit or loss at the time of original recognition for the aforementioned financial asset measured at amortized cost or at fair value through other comprehensive income only when the measurement or recognition inconsistency can be eliminated or significantly reduced.

b. The Group adopts delivery date accounting for the financial assets conforming to trading practices via being measured at fair value through profit and loss.

c. The Group measures it at fair value at the time of initial recognition, issues the relevant transaction costs and subsequently measured at fair value, and recognizes its benefits or losses in income statement.

d. The Group recognizes the dividend income when the right of dividend receiving confirmed, the economic benefit of dividend flowing in likely, and the dividend amount fitted with trusty measurement.

(4.8) Financial Assets Measured at Fair Value through Other Comprehensive Income

a. Refers to an irrevocable choice issued at the time of original recognition, the changes, in the fair value of those equity instrument investments which are not held for trading, are reported in other comprehensive income, either debt instrument investment if meeting the following conditions at the same time:

(i) The financial asset is held under the business model for the purpose of collecting contractual cash flow and selling.

(ii) The contract terms of the financial asset generate cash flow on a specific date, which are entirely for the payment of principal and the interest on the outstanding principal amount.

b. The Group adopts delivery date accounting for the financial assets conforming to trading practices via being measured at fair value through other comprehensive income.

c. The Group measures its fair value plus transaction costs at the time of original recognition, measures it at fair value subsequently.

(i) Changes in the fair value of equity instruments are recognizes in other comprehensive income. When derecognized, the accumulated profit or loss, which are recognized in other comprehensive income previously, shall not be reclassified to the comprehensive income subsequently, but shall be transferred to retained earnings. The Group recognizes the dividend income when the right of dividend receiving confirmed, the economic benefit of dividend flowing in likely, and the dividend amount fitted with trusty measurement.

(ii) Changes in the fair value of debt instruments are recognized in other comprehensive income. Before derecognized, impairment losses, interest revenue and foreign currency exchange gains or losses are recognized in profit or loss. When derecognized, the accumulated profit or loss, which are recognized in other comprehensive income previously, shall be reclassified from equity to profit or loss.

(4.9)Financial assets measured at amortized cost

a. Refers to those meeting the following conditions at the same time:

(i) The financial asset is held under the business model for the purpose of collecting contractual cash flow.

(ii) The contractual terms of the financial asset generate cash flow on a specific date, which is entirely the payment of principal and the interest on the outstanding principal amount.

b. The time deposits held by the Group that do not meet the equivalent cash requirements, due to that their short holding periods cause no significant impact upon discounting, are still measured by the investment amount.

(4.10)Accounts Receivable and Notes receivable

a. Refers to the accounts and bills that have the unconditional right of receiving consideration amount in exchange for goods or services in accordance with the contract.

b. For the short-term accounts receivable and notes receivable without interest deals, the Group issues their original invoice amounts for measurement due to the minor impact of discounting.

(4.11) Impairment of Financial Assets

On each balance sheet date, the Group considers all rational and substantiated information, (as well as forward-looking ones), for debt instrument investments measured at fair value through other comprehensive income, financial assets measured at amortized cost, and accounts receivable containing significant financial components. For those whose credit risk has not increased significantly since the original recognition, the provision loss shall be measured by the amount of expected credit loss in 12 months. For those with credit risk arising significantly since the original recognition, the provision is measured by the amount of expected credit loss during the duration. For the accounts receivable not containing significant financial components, the provision is measured based on the amount of expected credit losses during the duration.

(4.12)Derecognition of Financial Assets

The Group will declassify financial assets when one of the following conditions is met.

a. The contractual right of receiving cash flows from the financial asset lapses.

b. The contractual right of receiving cash flow from the financial asset, and most majority of risks and rewards of the financial asset ownership, both have been transferred.

c. The contractual right of receiving cash flows from the financial asset has been transferred and retained no control over the financial asset.

(4.13) Inventories

Inventories are determined by the lower of cost and net realizable value, and their carry-forward costs are measured by the weighted average method under adoption of the perpetual inventory system. The cost of finished and work-in-progress goods includes raw materials, direct labor, other direct costs and overhead apportioned on normal production capacity, but excludes borrowing costs. The item-by-item comparison method is adopted for choosing the lower of the cost and the net realizable value. The net realizable value refers to the estimated balance of selling price in the normal operation course minus the completed cost including related variable sales expenses.

(4.14)Investments using the equity method - associates

1. Associates refer to all entities over which the Group has significant influence but no control, generally directly or indirectly holding more than 20% of its voting shares. The Group's investment in associates is accounted for using the equity method and is recognized at cost upon acquisition, including recognized goodwill at the time of acquisition, and Less accumulated impairment losses arising from subsequent assessments. 。
2. The Group recognizes the share of profits and losses acquired by associates as current profit and loss, and the share of other comprehensive profits and losses acquired by the Group as other comprehensive profits and losses. If the Group's share of losses to any associates equals or exceeds its interest in that associate (including any other unsecured receivables), the Group does not recognize further losses unless the Group incurs legal obligations, constructive obligations, or payments made on their behalves.
3. When the associate occurs nonprofit-and-loss and other comprehensive income equity changes that do not affect the Group’s shareholding ratio of this associate, the Group recognizes all these equity changes as capital surplus based on shareholding ratio.
4. Unrealized profits and losses arising from transactions between the Group and associates have been eliminated in proportion to its equity in the associates. Unrealized losses are also eliminated unless evidence indicates that the assets transferred in the transaction have been impaired. Necessary adjustments have been implemented to the accounting policies of the associates , in according to the consistency of the Group’s accounting policies.
5. When an associate issuing new shares, the change in the net equity value is to adjust the "capital surplus" and "investment using the equity method" if the Group un-fulfills to subscribe or obtain them in proportion which resulting in a change in the investment ratio but still having a significant influence on it. If resulting in a decrease of investment ration, in addition to the aforementioned adjustments, the profits or losses, which are related to the decrease of ownership interests being previously recognized in other comprehensive income and must being reclassified, will be reclassified to profit or loss according to the reduction ratio.
6. When the Group losing significant influence over an associate, the remaining investment in the original associates is re-measured according to the fair value, and the difference between the fair value and the carrying amount is recognized as the current profit and loss.
7. When the Group disposing of an associate, if it loses its significant influence on the associates, the accounting treatment for all amounts related to the associates previously recognized in other comprehensive income corresponds with the same base as if Group directly disposes of related assets or liabilities. Namely for the profits or losses previously recognized as other comprehensive income, those will be reclassified as profit or loss when disposing of the relevant assets or liabilities, and the other ones will be reclassified from profit-or-loss Equity to profit or loss. If the ownership interest in the associates reduces but the significant influence on it remains, only the amount previously recognized in other comprehensive income will be transferred out in proportion to the above method.
8. When the Group disposing of an associate, it will transfer the capital surplus related to the associates to profit or loss, and will transfer the aforementioned capital surplus

to profit and loss according to the disposal ratio.

(4.15)Property, Plant and Equipment

a. Property, plant and equipment are recorded on the basis of acquisition cost, and the relevant interest during the acquisition and construction period is capitalized.

b. Subsequent costs are issued in the carrying amount of assets or recognized as a separate asset only when the future economic benefits related to the project are likely to flow into the Group this project cost can be measured reliably.

c. Subsequent measurement of property, plant and equipment adopts the cost model. Except for the land that issues not depreciation, the others are depreciated using the straight-line method and based on the estimated service life (i.e., the lease improvement will be the contract period).

d. The Group reviews the residual value, service life and depreciation method of each asset at the end of each financial year. If the expected value of the residual value and service life is different from the previous estimate, or the expected consumption pattern of benefits of the future economic value in the asset occurs , a significant change in, it shall be handled in accordance with the accounting estimate change provisions of IASB No. 8 "Accounting Policies, Changes in Accounting Estimates and Errors" from the date of the change.

e. Service life of each asset is as follows:
Housing and construction: 20 to 50 years
Machinery and equipment: 1 to 11years
Transport equipment: 2 to 6 years
Office equipment: 1 to 10 years
Lease Improvements: 6 years

(4.16)Lease Transactions of the Lessee regarding Right-of-use Assets and Lease Liabilities

a. Lease assets are recognized as right-of-use assets and lease liabilities on the day being available for use by the Group. When the contract is a short-term lease or a lease of a low-value asset, the lease payment is recognized as an expense during the lease period accounted for using the straight-line method.

b. Lease liabilities are recognized at the present value of unpaid lease payments discounted at the Group 's incremental borrowing rate on the lease commencement date. Lease payments are fixed payments and any lease incentives that can be received are Leased. Subsequent adoption of the interest method is measured by the amortized cost method, and interest expenses are issued during the lease period. When the lease period or lease payment changes not owing to contract modification, the lease liability will be re-assessed, and the re-measurement amount will be recorded at the right-of-use asset. ◦

c. The right-of-use asset is recognized at cost on the lease commencement date, and the cost includes:

(i) The original measure of this lease liability.

(ii) Any lease payments occurred on or before the commencement date.

Under the subsequent cost model, depreciation expense is recognized on the right-of-use assets when they reach the end of their useful lives or the lease term expires, whichever is earlier. When lease liabilities are remeasured, any re-measurement amounts will adjust the right-of-use assets.

(4.17)Investment Property

Investment Property is recognized at cost and subsequently measured using the cost model. Depreciation is provided using the straight-line method based on the estimated service life of 50 years.

(4.18)Intangible Assets

Intangible assets, which mainly include computer software, patent rights, etc., are amortized using the straight-line method, and the depreciation period is 1 to 20 years.

(4.19)Impairment of Non-financial Assets

a. On the balance sheet date, the Group estimates the recoverable amount of assets with signs of impairment, and recognizes the impairment loss when the recoverable amount is lower than it carrying amount. The recoverable amount is the higher of an asset's fair value minus its disposal cost, or its value in use. Except for goodwill, when the asset impairment recognized in the previous year vanishes or decreases, the impairment loss shall be reversed, while the carrying amount of the asset increased by the reversal of the impairment loss shall not exceed the carrying amount after depreciation if the asset had not been recognized for the impairment loss.

b. For the intangible assets with undetermined service life and the ones not yet available for use, the impairment test shall be implemented to estimate their recoverable amount in regular yearly base. The impairment losses are recognized when the recoverable amount is lower than it carrying amount.

(4.20)Borrowings

Borrowings (Loans) are measured at fair value minus transaction costs at the time of original recognition and subsequently measured at amortized cost over the borrowing period for any difference between transaction costs and redemption value accounted for the use of the effective interest method.

(4.21) Notes Payable and Accounts Payable

Notes payable and accounts payable are an obligation to pay for goods or services obtained from suppliers in ordinary operation course. It is measured at fair value at the time of original recognition, and subsequently measured at amortized cost accounted for the use of the effective interest method. For short-term accounts payable without interest bearing, the subsequent measurement will be based on the original invoice amount since the discounting impact is not significant.

(4.22)Derecognition of financial liabilities

The Group derecognizes financial liabilities when the obligations specified in the contract are performed, canceled or expired.

(4.23)Derecognition of Financial Assets and Liabilities

Financial assets and financial liabilities can be offset only when there is a legally enforceable right to offset the recognized amounts of the aforementioned ones, and it is intended to deliver or realize assets and liquidate liabilities at the same time on a net basis, and issued in net amounts on the balance sheet.

(4.24)Corporate Bonds payable

The payable convertible bonds issued by the Group are embedded with conversion right (namely a right of the holder to convert into the Group’s ordinary shares with converting a fixed number of shares for a fixed amount), potable right and callable right. At the time of initial issue, the issue price is divided into financial assets, financial liabilities, or equity ("capital surplus - stock options") according to the issue conditions, and the treatment is as follows:

a. The embedded potable right and callable right are recorded as "financial assets or liabilities at fair value through profit or loss" at the time of original recognition at the net amount of their fair value. The difference is recognized as "financial asset (liability) profit or loss measured at fair value through profit or loss" based on fair value valuation.

b. The master contract is measured at fair value at the time of original recognition, and the difference between fair value and its redemption value is recognized as the premium or discount of the bond payable, which is issued as an addition or subtraction of the bond payable. The amortizations are recognized in profit or loss as an adjustment to finance costs during their circulation period.

c. The embedded conversion right conforms to the definition of equity. At the time of original recognition, the remaining value after Lessing the aforementioned "financial assets or liabilities measured at fair value through profit and loss" and "corporate bonds payable" is recorded in "capital surplus - stock option", and will not be re-measured in the future.

d. Any directly attributable transaction costs of the issue are allocated to the components of liabilities and equity in proportion to the original carrying amount.

e. When the holder switches, the components of book liabilities (including "corporate bonds payable" and "financial assets or liabilities measured at fair value through profit and loss") are treated according to the subsequent measurement method under their classifications, and then the carrying amount of the aforementioned dependent liabilities plus the carrying amount of "capital surplus - share options" is used as the issuance cost of the common stock exchanged.

(4.25)Employee Benefits

a. Short-term employee benefits

Short-term employee benefits are measured at expected non-discounted amounts to be paid and are recognized as an expense when the related service is rendered.

b. Pension

(i) Defined contribution plan

For the defined contribution plan, the amount of the pension fund that should be appropriated is recognized as the current pension cost on the accrual basis. Advance payments, when accords to the extent of refundable in cash or reduction of future payments, are recognized as assets.

(ii) Defined benefit plan

A. The net obligation under the defined benefit plan is calculated by discounting the number of future benefits earned by the employee in the current or past service, and the fair value of the plan assets is Leased from the present value of the defined benefit obligation on the balance sheet date. The net defined benefit obligation is calculated annually by the actuary using the projected unit credit method, and the discount rate refers to the yield rate of government bonds (on the balance sheet date) that are consistent with the currency and period of the defined benefit plan on the balance sheet date.

B. The re-measurement amount generated by the defined benefit plan is recognized in other comprehensive income in the period in which it occurs, and issued in retained earnings.

C. Expenses related to upfront service costs are recognized immediately in profit or loss.

c. Remuneration of Employees, Directors and Supervisors

Remuneration of Employees, Directors and Supervisors are recognized as expenses and liabilities when there is a legal or constructive obligation and the amount can be estimated rationally. If a discrepancy occurring between the actual distribution amount determined by the Board of Directors and the estimated amount, it shall be treated as a change in accounting estimate. For the employee remuneration paid by stock, the basis for calculating the number of shares is the closing price on the day before the resolution of the Board of Directors.

(4.26)Income Tax

a. Income tax expenses include current and deferred income taxes. Income taxes are recognized in profit or loss except for income taxes that relate to the items being recognized in other comprehensive income or in equity directly.

b. The Group calculates the current income tax based on the tax rate that has been enacted or substantively enacted on the balance sheet date in the country where the Group operates and generates taxable income. Management periodically assesses the status of income tax filings with respect to applicable income tax regulations and, where applicable, estimates income tax liabilities based on the expected tax payments to the taxing authorities. For undistributed earnings, additional income tax is levied in accordance with the Income Tax Act. The income tax expense on undistributed earnings is recognized only after the actual distribution of earnings following the resolution of shareholders' meeting from the year following the year in which the retained earnings were generated.

c. Deferred income tax is accounted for using of the balance sheet method, which is recognized according to the temporary difference between the tax base of assets and liabilities and their carrying amount in the consolidated balance sheet. Deferred income tax liabilities arising from the original recognition of goodwill are not recognized. The deferred income tax is also not recognized if the deferred income tax is derived from the original recognition of assets or liabilities in the transaction which does not affect accounting profit or taxation at the time of the transaction. For the temporary difference generated by the invested subsidiary, which the Group can control the timing of the reversal and this temporary difference is unlikely to reverse in foreseeable future, it will not be recognized. Deferred income tax is based on the tax rates (and tax regulation) that are expected to apply when the deferred income tax asset is realized or the deferred income tax liability is settled, using the tax rates that have been enacted or substantively enacted as of the balance sheet date.

d. Deferred income tax assets are recognized within the extent of temporary differences that are likely to be used to offset future taxable income, and those unrecognized and recognized deferred income tax assets shall be re-assessed on each balance sheet date.

e. When there is a legally enforceable right to offset the recognized current income tax assets and liabilities and there is an intention to pay off on a net basis or realize the assets and liabilities at the same time, the current income tax assets and current income tax liabilities will be offset. When there is a legally enforceable right to offset the current income tax assets and current income tax liabilities, and the deferred income tax assets and liabilities are generated by the same taxpayer with income tax levying by the same tax authority, or different taxpayers but each subject intends to realize assets and paid off liabilities on the net basis at the same time, these deferred income tax assets and liabilities will be offset.

(4.27)Share Capital

Ordinary share is classified as equity. The incremental costs directly attributable to the issuance of new shares or stock options are recorded as a Lesion of the price in equity after Lessing income tax.

(4.28)Dividend Distribution

The dividends distributed to the Group’s shareholders are recognized in the financial statements when the Group shareholders' meeting determines to distribute dividends, and the distribution of cash dividends is recognized as a liability.

(4.29)Revenue Recognition

a. The Group manufactures and sells varieties of electronic equipment and capacitors and other related products. Sales revenue is recognized when the control of the product is transferred to the customer, that is, when the product is delivered to the customer, the customer has discretion over the channel and price of product sales, and the Group has no outstanding performance obligations that may affect the customer's acceptance of the product. The delivery of goods occurs when the product is delivered to the designated place, the risk of obsolescence and loss has been transferred to the customer, and the customer accepts the product in accordance with the sales contract, or there is objective evidence that all acceptance criteria have been met.

b. Accounts receivable are recognized when the control of the product is transferred to the customer, due to that the Group has an unconditional right to the contract price from that point on, and it only takes time to collect the consideration from the customer.

(4.30)Operation Segment

The information and internal management reports provided to the main operational decision-makers by the operation segment of the Group are treated with a consistent manner. The main operational decision-makers are responsible for allocating resources to the operation segment and evaluating its performance.

5. Critical Accounting Judgments & Key Sources of Estimation & Uncertainty

When the consolidated financial statements issued, the management has used its judgment to determine the accounting policies adopted, and made accounting estimates and assumptions based on the current situation on the balance sheet date and rational expectations of future events. The major accounting estimates and assumptions made may differ from the actual results, and will be continuously evaluated and adjusted taking into account historical experience and other factors. The Group does not have significant accounting judgments adopted in its accounting policies. Please refer to our detailed explanations on the uncertainties of important accounting estimates and assumptions as follows:

Critical Accounting Estimates and Assumptions

The accounting estimates made by the Group are rational expectations of future events based on the current situation on the balance sheet date, but the actual results may differ from the estimates. For the possible risk of major adjustments to the carrying amount of assets and liabilities in the next financial year, the Group's estimates and assumptions states in details as follows:

a. Impairment assessment of tangible assets and intangible assets (except goodwill)

In the process of asset impairment assessment, the Group needs to rely on subjective judgments, which based on asset usage patterns and industry characteristics, for determining the independent cash flow of a specific asset group, the useful life of assets, and possible future income and expenses. Changes in estimates due to economics changes or corporate strategy could result in material impairment in the future.

b. Inventory valuation

Since inventories must be measured at the lower of cost and net realizable value, the Group must use judgment and estimation to determine the net realizable value of inventories on the balance sheet date. Attributed to rapid changes in technology, the Group evaluates the amount of inventory due to normal wear, tear, obsolescence or none of market value on the balance sheet date, and issue the inventory cost written down to the net realizable value. This inventory valuation, mainly based on the product demands estimated upon a specific future period, is likely to occur material changes.

On December 31, 2022 and 2021, the carrying amount of the Group‘s inventory was NT$1,176,536 thousand and NT$1,454,837 thousand respectively.

c. Investment impairment valuated by the equity method

When indication of impairment occurs for an investment accounted for use of the equity method may have been impaired to the extent that the carrying amount cannot be recovered, the Group immediately valuates the impairment of the investment. The Group evaluates the recoverable amount based on the discounted present value of the expected future cash flow of the invested company, and analyzes the rationality of the relevant assumptions.

On December 31, 2022, the Group 's investment using the equity method after recognizing impairment losses was NT$86,471 thousand.

6. Explanation of Important Accounting Subjects

a. Cash and cash equivalents

	2022.12.31	2021.12.31
Cash on hand	$ 752	$ 469
Cash in banks	865,236	1,139,615
Cash equivalent (investment with original maturity within 3 months)	887,550	66,432
	$ 1,753,538	$ 1,206,516

(i) The financial institutions that the Group deals with have good credit quality, and the Group conducts transactions with multiple financial institutions to diversify credit risk. The possibility of default is expected to be very low.

(ii) The Group has not pledged cash and equivalent cash.

b. Financial assets and liabilities measured at fair value through profit or loss

	2022.12.31	2021.12.31
CURRENT:		
Financial assets that are required to be measured at fair value through profit or losses		
Listed shares	$ 162,196	$ 108,096
Beneficiary certificate	30,231	44,584
Valuation adjustment	(39,307)	17,095
	$ 153,120	$ 169,775
NONCURRENT:		
Financial assets that are required to be measured at fair value through profit or loss		
Listed shares	$ 94,011	$ 86,709
Unlisted or OTC shares	380,000	560,000
Beneficiary certificate	47,388	52,046
Callable & potable options of corporate bond (Note 4 and 6.12)	-	52
Valuation adjustment	27,383	(122,872)
	$ 548,782	$ 575,935

(i) The breakdown of financial assets and liabilities at fair value through profit or loss recognized in profit or loss is as follows:

	2022	2021
Financial assets that are required to be measured at fair value through profit or losses		
Equity instrument	($ 10,147)	$ 21,552
Debt instrument	1,606	-
	($ 8,541)	$ 21,552
Financial assets that are required to be measured at fair value through profit or losses		
Corporate bond potable option and callable option (Note 4 and 6.12)	($ 52)	$ 2,514

(ii) Key purpose of the Group's forward foreign exchange transactions is for evading the risks of foreign currency assets due to exchange rate fluctuations. However, hedge accounting is not applied.

(iii) The Group has not pledged financial assets at fair value through profit or loss.

(iv) Please refer to Note 6.21.(c) for information on the credit risk of financial assets at fair value through profit or loss.

c. Financial assets measured at fair value through other comprehensive income

	2022.12.31	2021.12.31
NONCURRENT:		
Equity instrument		
Stocks of unlisted and emerging companies	$ 175,460	$ 171,669
Valuation adjustment	(18,130)	(28,461)
	$ 157,330	$ 143,208

(i) The Group chose to classify strategic investments as financial assets measured at fair value through other comprehensive income. The fair values of these investments on December 31, 2022 and 2021 were NT$157,330 thousand and NT$143,208 thousand respectively.

(ii) Details of financial assets measured at fair value through other comprehensive income recognized in other comprehensive income are as follows:

	2022	2021
Equity instruments at fair value through other comprehensive income		
Changes in fair value recognized in other comprehensive income	$ 12,485	$ 11,014
Cumulative profits or losses are derecognized and transferred to retained earnings	$ -	($ 559)
Debt instruments at fair value through other comprehensive income		
Changes in fair value recognized in other comprehensive income	$ -	($ 233)
Reclassification from accumulated other comprehensive income to profit or loss	$ -	($ 395)

(iii) Regardless of the collateral or other credit enhancements held, the financial asset that best represents the Group's holdings measured at fair value through other comprehensive income, the maximum exposure to credit risk as of December 31, 2022 and 2021 were NT$157,330 thousand and NT$143,208 thousand respectively.

(iv) The Group has not provided financial assets measured at fair value through other comprehensive gains and losses as pledge guarantees.

(v) Please refer to Note 6.21.(c) for information on the credit risk of financial assets measured at fair value through other comprehensive income.

4. Notes receivable and accounts receivable(excluding related parties)

(i) Details are as follows:

	2022.12.31	2021.12.31
Notes receivable	$ 18,067	$ 18,614
Less: Provision	-	(1,295)
Net notes receivable	$ 18,067	$ 17,319
Accounts receivable	$ 1,315,509	$ 1,634,970
Less: Provision	(788)	(1,969)
Net accounts receivable	$ 1,314,721	$ 1,633,001

(ii)The aging analysis of notes receivable and net accounts is as follows:

	2022.12.31	2021.12.31
Not overdue	$ 1,281,018	$ 1,616,464
Within 30 days	13,405	22,710
31 to 90 days	31,841	11,017
More than 91 days	6,524	129
Total	$ 1,332,788	$ 1,650,320

The above is an aging analysis based on the days overdue.

(iii) The Group has not provided notes receivable and accounts as pledge guarantees.

(iv) Regardless of the collateral or other credit enhancements held, the maximum exposure to credit risk for the Group 's notes receivable on December 31, 2022 and 2021 were NT$18,067 thousand and NT$17,319 thousand respectively. The maximum exposure to credit risk for the Group 's accounts receivable on December 31, 2022 and 2021 were NT$1,314,721 thousand and NT$1,633,001 thousand respectively.

(v) Please refer to Note 6.21(c) for the credit risk information of relevant accounts receivable and notes receivable.

e.Inventories

	2022.12.31	2021.12.31
Raw materials	$ 482,851	$ 471,777
Finished goods	99,567	156,486
Merchandise	680,996	891,312
Subtotal	1,263,414	1,519,575
Less: Allowance for inventory depreciation	(86,878)	(64,738)
Total	$ 1,176,536	$ 1,454,837

Inventory-related expenses and losses recognized in the current period

	2022	2021
Cost of inventories sold	$ 3,043,718	$ 3,607,909
Inventory depreciation and obsolesce	19,875	4,823
Total	$ 3,063,593	$ 3,612,732

f. Investments accounted for using the equity method

(i) Details are as follows:

Associate investees	2022.12.31	2021.12.31
Sustainable Development Co., Ltd.	$ 86,471	$ 170,070

(ii) Basic information of the Group's major associates s is as follows:

Company name	Principal place of business	Shareholding ratio		Nature of relationship	Measurement method
		2022.12.31	2021.12.31		
Sustainable Development Co., Ltd.	Taiwan	12.91%	12.56%	significant influence	Equity method

The Group participated in the capital increase of Sustainable Development Co., Ltd. in August 2022 and July 2021. The amount per share was NT$20 and NT$100 respectively. These investment shares increased by 765,157 shares and 113,362 shares, and the investment amount increased by NT$15,303 thousand and NT$11,336 thousand, respectively.

(iii) Consolidated financial information of the Group's major associates are as follows:

Balance Sheet	Sustainable Development Co., Ltd.	
	2022.12.31	2021.12.31
Current assets	$ 4,398	$ 6,555
Noncurrent assets	884,837	891,523
Current liabilities	(42,467)	(38,925)
Noncurrent liabilities	(176,967)	(182,091)
Total net assets	$ 669,801	$ 677,062

	Sustainable Development Co., Ltd.	
	2022.12.31	2021.12.31
Share of net assets of associates	$ 86,471	$ 87,098
Goodwill	-	82,972
Carrying amount of associates	$ 86,471	$ 170,070

Comprehensive income statement	Sustainable Development Co., Ltd.	
	2022	2021
Revenue	$ 11,386	$ 10,226
Net loss for the period	($ 78,135)	($ 198,352)
Total comprehensive income for the period	($ 78,135)	($ 198,352)
Dividends received from associates	$ -	$ -

(iv) The goodwill recognized by the Group for a premium acquisition of a portion of the equity of its affiliated-enterprises Sustainable Development Co., Ltd., was evaluated by the management as having a recoverable amount lower than it carrying amount. Therefore, an impairment loss of NT$ 82,972 thousand was recognized in 2022.

(v) A portion of the Group 's investment using the equity method is based on the valuation of the financial statements audited by other accountants appointed by respective associates. The shares of the profits and losses of associates and other comprehensive income in 2022 and 2021 are (NT$16,501) thousand and (NT$22,606) thousand respectively. On December 31, 2022 and 2021, the investments using the equity method were NT$86,471 thousand and NT$170,070 thousand respectively.

(vi) For information about the Group 's associatess, please refer to Note 4(3).2 of the Group 's 2011 consolidated financial statements.

(vii)The Group has not pledged the investment accounted for using the equity method.

g.Property, plant and equipment

A. January 1 to December 31 of the year 2022

	Lands	Buildings	Machinery equipment	Transportation equipment	Other equipment	Constructions unfinish and equipment to be inspected	Lease improvements	Total
Cost								
Balance Jan 1, 2022	$ 193,017	$ 982,223	$ 1,838,685	$ 26,637	$ 293,460	$ 7,398	$ 432	$ 3,341,852
Additions	-	-	38,153	1,821	7,028	193,068	-	240,070
Disposals	-	-	(1,260)	(655)	(1,951)	-	-	(3,866)
Reclassification	-	-	22,811	-	417	65,318	-	88,546
Exchange rate impact amount	13,736	16,454	55,880	695	11,324	212	-	98,301
Balance Dec 31, 2022	$ 206,753	$ 998,677	$ 1,954,269	$ 28,498	$ 310,278	$ 265,996	$ 432	$ 3,764,903
Accumulated depreciation and impairment losses								
Balance Jan 1, 2022	$ -	$ 235,003	$ 1,158,326	$ 22,538	$ 225,023	$ -	$ 139	$ 1,641,029
Additions	-	21,101	128,151	2,094	24,888	-	73	176,307
Disposals	-	-	(1,260)	(655)	(1,951)	-	-	(3,866)
Reclassification	-	3,927	36,772	526	9,067	-	-	50,292
Balance Dec 31, 2022	-	260,031	1,321,989	24,503	257,027	-	212	1,863,762
Net amount	$ 206,753	$ 738,646	$ 632,280	$ 3,995	$ 53,251	$ 265,996	$ 220	$ 1,901,141

B. January 1 to December 31 of the year 2021

	Lands	Buildings	Machinery equipment	Transportation equipment	Other equipment	Constructions unfinish and equipment to be inspected	Lease improvements	Total
Cost								
Balance Jan 1, 2021	$ 79,872	$ 986,171	$ 1,829,803	$ 27,883	$ 287,383	$ 7,089	$ 432	$ 3,218,633
Additions	123,250	5,796	19,770	1,420	20,856	16,970	-	188,062
Disposals	-	-	(7,116)	(1,621)	(2,865)	-	-	(11,602)
Reclassification	-	4,196	82,298	-	6,143	(16,299)	-	76,338
Exchange rate impact amount	(10,105)	(13,940)	(86,070)	(1,045)	(18,057)	(362)	-	(129,579)
Balance Dec 31, 2021	$ 193,017	$ 982,223	$ 1,838,685	$ 26,637	$ 293,460	$ 7,398	$ 432	$ 3,341,852
Accumulated depreciation and impairment losses								
Balance Jan 1, 2021	$ -	$ 221,044	$ 1,096,041	$ 21,021	$ 217,521	$ -	$ 66	$ 1,555,693
Additions	-	21,000	123,352	3,890	24,608	-	73	172,923
Disposals	-	-	(5,765)	(1,621)	(2,805)	-	-	(10,191)
Reclassification	-	(7,041)	(55,302)	(752)	(14,301)	-	-	(77,396)
Balance Dec 31, 2021	-	235,003	1,158,326	22,538	225,023	-	139	1,641,029
Net amount	$ 193,017	$ 747,220	$ 680,359	$ 4,099	$ 68,437	$ 7,398	$ 293	$ 1,700,823

(i) There is no capitalization of interest on property, plant and equipment of the Group.

(ii) Please refer to Note 8 for information on the pledge guarantee provided by the Group with property e, plant and equipment.

h. Leaser Transactions - Lessee

(i) The underlying assets of the Group's lease are houses and buildings, and the lease contract period is usually between 6 and 50 years. The aforementioned contracts are negotiated individually and contain various terms and conditions. There are no other restrictions imposed, except that the leased assets cannot be used as collateral for borrowing.

(ii) The carrying amount of the right-of-use asset and the recognized depreciation expenses is as follows:

Carrying amount

	2022.12.31	2021.12.31
Lands	$ 97,931	$ 99,330
Houses and buildings	278,248	243,878
	$ 376,179	$ 343,208

Depreciation expense

	2022	2021
Lands	$ 2,867	$ 2,815
Houses and buildings	6,705	5,807
	$ 9,572	$ 8,622

(iii) The right-of-use asset of the Group in 2022 was increased by NT$41,075 thousand due to lease modification, and the right-of-use asset in 2021 was increased by NT$192,855 thousand due to lease modification.

(iv) The profit and loss items related to the leasing contract is as follows:

	2022	2021
Items affecting current profit and loss		
Interest expense on the lease liability	$ 4,363	$ 4,025
Expenses for short-term lease contracts	$ 8,002	$ 9,252

(v) The Group's total cash outflows for lease payments in 2022 and 2021 were NT$18,914 thousand and NT$18,310 thousand, respectively.

i. Investment property

	Houses and buildings
January 1, 2022	
Cost	$ 90,622
Accumulated depreciation and impairment losses	(10,475)
	$ 80,147
January 1, 2022	$ 80,147
Depreciation	(1,845)
Exchange rate impact amount	1,183
December 31, 2022	$ 79,485

	Houses and buildings
December 31, 2022	
Cost	$ 91,954
Accumulated depreciation and impairment losses	(12,469)
	$ 79,485

January 1, 2021	
Cost	$ 91,313
Accumulated depreciation and impairment losses	(8,729)
	$ 82,584

January 1, 2021	$ 82,584
Depreciation	(1,811)
Exchange rate impact amount	(626)
December 31, 2021	$ 80,147

December 31, 2021	
Cost	$ 90,622
Accumulated depreciation and impairment losses	(10,475)
	$ 80,147

(i) Rental income and direct operating expense of investment poverty:

	2022	2021
Rental income from investment property	$ 1,594	$ 3,863
Direct operating expenses incurred by investment property that generates rental income in the current period	$ 1,845	$ 1,811

(ii) The fair values of investment properties held by the Group were NT$93,082 thousand and NT$93,054 thousand as of December 31, 2022 and 2021 respectively. The fair values were not assented by independent appraisers, but were evaluated and consolidated by the managements of the Group with reference to market evidence of real estate transaction prices. 。

j.Short-term borrowings

	2022.12.31	2021.12.31
Credit borrowing	$ 1,235,000	$ 870,000
L/C borrowing	-	635
Total	$ 1,235,000	$ 870,635
Interest rate range	1.43%~1.93%	0.25%~0.95%

The available amount of the aforementioned borrowing is as follows:

	2022.12.31	2021.12.31
NT$	$ 2,060,000	$ 1,460,000
USD$ (in thousands of USD)	4,500	4,500

k. Short-term notes payable

2022.12.31

Guarantee Acceptance Agency	Period	Interest rate	Amount	Collateral
Dah Chung Bills Finance Corp.	2022.12.23~2023.01.18	1.71%	$ 80,000	None
Less: Discount of short-term notes payable			-	
Net amount			$ 80,000	

2021.12.31

Guarantee Acceptance Agency	Period	Interest rate	Amount	Collateral
Dah Chung Bills Finance Corp.	2021.12.06-2022.01.05	0.87%	$ 80,000	None
Less: Discount of short-term notes payable			-	
Net amount			$ 80,000	

Guarantee Acceptance Agency	Period	Interest rate	Amount	Collateral
Ta Ching Bills Finance Corp.	2021.12.22~2022.01.21	0.87%	$ 30,000	None
Less: Discount of short-term notes payable			-	
Net amount			$ 30,000	

k. Corporate bonds payable

The 5th-issued domestic unsecured convertible corporate bonds

(i) Taiwan Chinsan Electric Industrial Co., Ltd. (referred to as "TCEIC" and the "Company") issued the fifth unsecured convertible corporate bonds on July 10, 2018, with a total issuance of NT$700,000 thousand. As of December 31, 2022 and 2021. Relevant information of these convertible corporate bonds in the consolidated financial statements is as follows:

A. Components of corporate bonds payable

	2022.12.31	2021.12.31
Issue denomination	$ 700,000	$ 700,000
Less: Corporate Bonds Redemption	(273,300)	(175,600)
Less: Corporate bonds discount	(2,902)	(11,027)
Less: Corporate bonds due within 1 year	(423,798)	-
Ending bond amount	$ -	$ 513,373

B. Components of equities

	2022.12.31	2021.12.31
Original issue	$ 44,450	$ 44,450
Write-off of corporate bond redemption	(17,355)	(11,151)
	$ 27,095	$ 33,299

The aforementioned equity composition items are listed under "capital surplus - stock option".

C. Components of liabilities

	2022.12.31	2021.12.31
Original issue	$ 4,060	$ 4,060
Valuation adjustment of financial liabilities	(4,060)	(4,112)
	$ -	($ 52)

The components of the aforementioned financial liabilities are embedded derivative financial liabilities at the time of issuance, which are listed under "Financial Liabilities at Fair Value through Profit and Loss - Noncurrent" and "Financial Assets at Fair Value through Profit and Loss - Noncurrent". The profits and losses measured by fair value are listed as follows:

	2022	2021
Measurement of profit (loss)	($ 52)	$ 2,514

(ii) TCEIC's issuance conditions for the fifth domestic unsecured convertible corporate bonds are as follows:

A. Issuance quota: The total issuance amount is NT$ 700 million.

B. Face value: NT$ 100,000 per bond.

C. Issue price: Issued at 100.5% of the face value.

D. Coupon rate: 0%.

E. Bond term: 5 years (from July 10, 2018 to July 10, 2023).

F. Conversion price: NT$ 62.2 per share.

G. Restriction period for conversion: The bondholder may convert the bonds into the TCEIC's ordinary shares after 3 months from the issue date of the convertible bonds (starting from October 11, 2018) until the maturity date, except for the legally suspended transfer period.

H. Lock-up period: 3 months after the issue date. ◦

I. Potable option of the bondholders:

This bond has a put-back option for bondholders to sell the convertible bonds back to TCEIC before the third anniversary of the issue date. The Company shall send the "put-back option exercise notice" to bondholders by registered mail at least 40 days before the put-back option date. The bondholders shall notify TCEIC's stock registrar in writing through the aforementioned notice at least 40 days before the put-back option date, to claim that the Company redeems the bonds at a price of 100.75% of the face value (yielding a 0.25% yield) in cash on the put-back option date.

J. Callable option of TCEIC:

a. From the day after 3 months after the issue date of the bond (October 11, 2018) until 40 days before the maturity date (May 31, 2023), if the closing price of the TCEIC's ordinary shares exceeds 130% (inclusive) of the then-current conversion price for 30 consecutive business days, TCEIC may redeem the convertible bonds in cash at their face value within the next 30 business days.

b. From the day after 3 months after the issue date of the bond (October 11, 2018) until 40 days before the maturity date (May 31, 2023), if the outstanding amount of the bond falls below 10% of the original issuance amount, TCEIC may repurchase the convertible bonds in cash. ◦

K. Reset option: None.

m.Long-term borrowings

	2022.12.31	2021.12.31
Credit loans	$ 1,136,667	$ 1,210,000
Secured loans	53,646	2,287
Less: Portion due within 1 year	-	(2,287)
	$ 1,190,313	$ 1,210,000
Interest rate range	1.52%~4.32%	0.825%~2%

(i) The available amount for the above borrowings is as follows:

	2022.12.31	2021.12.31
NT$	$ 1,460,000	$ 1,210,000
THB$ (in thousands of THB)	$ 200,000	$ 183,000

(ii) Please refer to Note 8 for details of the collaterals with assets being set up as guarantees of bank loans.

n.Pension

(i) Defined Contribution Plan

Since July 1, 2005, TCEIC has implemented a defined pension-contribution plan in accordance with the Labor Pension Act. According to the plan, the Company contributes 6% of each employee's monthly salary to the employee's personal account of the Labor Insurance Bureau. Pension are paid to employees either in monthly installments or as a lump-sum pension based on the amount in their individual pension accounts and the accumulated interest. As this pension reserve is completely separated from TCEIC, it is not included in the consolidated financial statements.

The subsidiaries in China, which are Guangzhou Chin-Zu Tech Co., Guangzhou Kingtachi Electric Co., and Guangzhou You-Mao Electric Co., are required to appropriate a certain percentage of their local employees' total monthly salary to the pension insurance fund, in accordance with the retirement insurance system regulations in China (P. R. C.)People's Republic of China government. The appropriation rate for the years 2022 and 2021 is both 14%. The pension of each employee is managed by domestic China government, and the Group has no further obligations other than monthly appropriation.

The subsidiary, Thailand Chinsan Electric Industrial Co., Ltd. established in Thailand, is required to appropriate a certain percentage of their local employees' total monthly salary to the retirement pension fund managed by the retirement pension management institution, and also be mandatory to pay certain retirement benefits to employees in accordance with relevant laws and regulations upon retirement in Thailand.

The Group recognized the pension expenses related to the defined contribution plan of

NT$36,672 thousand and NT$24,918 thousand for the years ended December 31, 2022 and 2021, respectively in comprehensive income statements.

(ii) Defined Benefit Plan

TCEIC and its domestic subsidiaries have a defined benefit retirement plan in accordance with the Labor Standards Act, applicable to all regular employees with service periods before the implementation of the Labor Pension Act on July 1, 2005, and to subsequent service periods of employees who chose to continue to be covered under the Labor Standards Act after the Labor Pension Act implementation. Pension benefits are calculated based on years of service and the average salary for the six months preceding retirement. The service years within 15 years (inclusive) will be given 2 bases every year, and the service years exceeding 15 years will be paid 1 base every year, while the total accumulation is limited to a maximum of 45 bases. TCEIC contributes 2% of the total payroll each month to the pension fund, which is stored in an exclusive account with Bank of Taiwan under the name of the Labor Pension Supervisory Committee. In addition, TCEIC estimates the balance in the labor pension account at the end of each fiscal year. If the balance is insufficient to cover the estimated pension benefits for employees who are expected to retire in the following year, TCEIC will make a one-time contribution to cover the shortfall by the end of March of the following year.

① The total amount of pension expenses recognized in the statements of comprehensive income due to the defined benefit plan from January 1 to December 31 in 2022 and 2021 of TCEIC was NT$0, and it was also recognized under other comprehensive income that the actuarial (profit) and losses were (NT$3,209 thousand) and NT$4,864 thousand respectively.

② The fund assets of TCEIC's defined benefit pension plan are entrusted by the Bank of Taiwan according to the ratio and amount of the fund's annual investment and operation plan, and are in accordance with Article 6 of the Labor Pension Fund Revenue and Expenditure Storage and Use Regulations (i.e. deposit in financial institutions at home and abroad, invest in domestic and foreign listed, over-the-counter or private equity securities, and investing in domestic and foreign real estate securitization products, etc.) to handle entrusted operations, and the relevant application conditions are supervised by the Labor Pension Fund Supervisory Committee. The minimum annual distribution of the fund's utilization shall not be lower than the yield calculated based on the 2-year fixed deposit interest rate of the domestic bank. If any shortfall, it will be supplemented by the National Treasury after approval by the competent authority. As TCEIC has no right to participate in the operation and management of the fund, the Company is unable to disclose t the classification of the fair value of plan assets according to paragraph 142 of IASB 19.

For the fair value of the total assets of the fund as of December 31, 2022 and 2021, please refer to the government's annual reports on the utilization of labor pension funds.

③ Main assumptions of the actuarial valuation of the defined benefit plan are as follows:

	2022.12.31	2021.12.31
Discount rate	1.15%	0.65%
Future salary increases	3.00%	3.00%

The assumptions about the future mortality rate are estimated based on the published statistics and experience of each country.

The analysis of the present value of the defined benefit obligations affected by changes in the main actuarial assumptions adopted is as follows:

	discount rate		future salary increases	
	increase 0.25%	decrease 0.25%	increase 0.25%	decrease 0.25%
December 31, 2022				
Influence on the present value of defined benefit obligations	($ 49)	$ 50	$ 48	($ 48)
December 31, 2021				
Influence on the present value of defined benefit obligations	($ 485)	$ 498	$ 486	($ 475)

The above sensitivity analysis is based on analyzing the influence of a single hypothesis change while holding other assumptions constant, while in practice, changes in many assumptions may be interdependent. Sensitivity analysis is consistent with the method used to calculate the net pension assets in the balance sheet.

The method and assumptions used in the sensitivity analysis prepared for this period are the same as those used in the previous period. The amounts recognized in the balance sheet are as follows:

	2022.12.31	2021.12.31
Present value of defined benefit obligations	($ 5,642)	($ 25,728)
Fair value of project assets	-	37,424
Net defined benefit assets (liabilities)	($ 5,642)	$ 11,696

④ Changes in net defined benefit assets (liabilities) are as follows:

	Present value of defined benefit obligations	Fair value of project assets	Net defined benefit assets (liabilities)
2022			
Balance on January 1	($ 25,728)	$ 37,424	$ 11,696
Interest (expenses) income	(165)	242	77
	(25,893)	37,666	11,773
Amount of re-measurement:			
Compensation for project assets (excluding the amounts included in interest income or expenses)	-	2,730	2,730
Impact of changes in financial assumptions	538	-	538
Impact of changes in demographic assumption	-	-	-
Adjustment via experience	(59)	-	(59)
	479	2,730	3,209
Return of pension fund settlement	-	(22,272)	(22,272)
Benefit payments	8,865	(8,865)	-
Liquidation payment	10,907	(9,259)	1,648
Balance on December 31	($ 5,642)	$ -	($ 5,642)

	Present value of defined benefit obligations	Fair value of project assets	Net defined benefit assets (liabilities)
2021			
Balance on January 1	($ 27,632)	$ 35,800	$ 8,168
Interest (fee) income	(59)	80	21
	(27,691)	35,880	8,189
Amount of re-measurement:			
Compensation for project assets (excluding the amounts included in interest income or expenses)	-	553	553
Impact of changes in financial assumptions	795	-	795
Impact of changes in demographic assumption	(54)	-	(54)
Adjustment via experience	(6,158)	-	(6,158)
	(5,417)	553	(4,864)
Contribution to pension fund	-	991	991
Benefit payments	7,380	-	7,380
Balance on December 31	($ 25,728)	$ 37,424	$ 11,696

⑤ TCEIC has closed the pension account in the third quarter of 2022. ◦

⑥ As of December 31, 2022, the weighted average duration of the retirement pension plan is 3 years. ◦

o. Equity

(i) Capital of ordinary share

① Authorized capital share

As of December 31, 2022 and 2021, the rated number of shares and the number of issued shares are as follows, with a par value of NT$10 per share.

	2022.12.31	2021.12.31
Number of authorized shares (ordinary shares – 1,000 shares)	300,000	300,000
Issued shares (ordinary shares – 1,000 shares)	129,463	129,463

② The number of the Company’s outstanding ordinary shares of at the beginning and end of the period is adjusted as follows:

	2022	2021
Number of shares at beginning period (ordinary shares - 1,000 shares)	129,463	125,692
Capital surplus distribution of share dividends	-	3,771
Number of shares at end period (ordinary shares – 1,000 shares)	129,463	129,463

(ii) Capital surplus

In accordance with the Company Law, the surplus from the issuance of stocks exceeding the face value and the capital surplus obtained from receiving gifts must be distributed to shareholders in the form of new shares or cash, in proportion to their original shareholding, except when used to offset losses. Additionally, in accordance with the relevant provisions of the Securities and Exchange Act, when the aforementioned capital surplus is allocated to capital, the total amount shall not exceed 10% of the paid-in capital per year. If the Company's retained earnings are insufficient to make up for the capital deficit, the capital surplus cannot be used to make up for it.

(iii) Retained earnings and dividends

① Legal reserve

The legal reserve shall not be used except for offsetting the Company's losses and distributing new shares or cash in proportion to the shareholders' original shareholding, and only up to the portion of the surplus that exceeds 25% of the paid-in capital may be used for distributing new shares or cash.

② According to TCEIC's articles of association, the annual surplus after the financial settlement shall be handled in the following order:

A. Paying taxes.

B. Offset losses.

C. Set aside 10% as legal reserves, but this is not applicable when the legal reserves have reached the total capital of the Company.

D. Make provisions or reverse special reserves in accordance with relevant laws and regulations, if necessary.

E. The remaining amount, together with the undistributed profits at the beginning of the period, shall be accumulated as distributable retained earnings. The Board of Directors shall propose a profit distribution plan and submit it to the shareholders' meeting for approval.

③ TCEIC adopts a balanced dividend policy, and the Board of Directors shall propose a profit distribution plan of no less than 20%, however the Board may decide not to distribute dividends if no profit occurs in the current year or the Board of Directors considers the profit to be low. The Board of Directors, when proposing a profit distribution plan, may allocate a portion of the undistributed profits from the previous year to participate in the distribution. In the case of issuing new shares proposed for dividend distribution, it shall be submitted to the shareholders' meeting for approval. TCEIC's dividend policy is in line with current and future development plans. Considering various factors e.g., investment environment, capital needs, etc., the Company may distribute dividends to shareholders in cash or stock. The cash dividend shall not be less than 5% of the total dividend amount, but if the cash dividend per share is less than NT$1, it may be fully replaced by stock dividends.

④ Special reserve

A. When distributing surplus, the Company must first set aside a special reserve from the balance of the other equity items on the balance sheet as of the end of the current fiscal year, in accordance with legal regulations. Later when the debit balance of other equity items is reversed, the reversed amount may be included in the distributable surplus.

B. When adopting IFRSs for the first time, the Company is required by the FSC Approved-certified No.:Jin-Guan-Certificate No.1010012865 on April 6, 2012 to set up a special reserve. TCEIC will reverse the proportion of the original special reserve when we using, disposing of, or reclassifying the related assets. If the aforementioned assets are investment properties, the proportion of land will be reversed when they are disposed of or reclassified, and the proportion of non-land assets will be reversed over the period of use.

⑤ On June 8, 2022 and July 26, 2021, the Company passed the resolution of the shareholders' meeting in the fiscal years of 2021 and 2020, which are as follows:

	2021		2020	
	amount	dividend per share (NT$)	amount	dividend per share (NT$)
Set aside special reserve	$ 157,699		$ 119,963	
Shareholder cash dividend	129,462	$ 1.0	87,984	$ 0.7

In addition, the Company's general meeting of shareholders resolved on July 26, 2021 to issue 3,771 thousand new shares by converting the capital surplus of NT$37,707 thousand into a capital increase. This change has been approved by the Ministry of Economic Affairs.

The information about the profit distribution situation can be inquired at the TWSE MOPS website.

The profit distribution proposes for 2022 is yet to be resolved by the Board of Directors of the Company, and the resolution is expected at the shareholders' meeting held on May 31, 2023. Please refer to Note 6.17 for information on remunerations of employee and directors.

p. Financial cost

	2022	2021
Interest expense		
Bank loan	$ 28,608	$ 19,555
Corporate bonds payable	7,140	6,902
Lease liability	4,363	4,025
	$ 40,111	$ 30,482

q. Functional Information of Employee Benefits, Depreciation, Depletion and Amortization Expenses

	2022			2021		
	Business cost	Business expense	Total	Business cost	Business expense	Total
Employee Benefit						
Salary	$ 336,632	$ 216,926	$ 553,558	$ 385,112	$ 204,188	$ 589,300
Labor health insurance	16,364	12,869	29,233	20,994	15,007	36,001
Pension	25,856	10,816	36,672	16,155	8,763	24,918
Director	-	1,663	1,663	-	2,849	2,849
Other employee benefit expenses	29,686	14,032	43,718	31,765	14,131	45,896
Depreciation	165,609	20,270	185,879	161,904	19,641	181,545
Amortization	8,011	14,169	22,180	9,343	13,569	22,912

(i) The number of TCEIC employees in 2022 and 2021 was 1,420 and 1,544 respectively, of which the number of directors who did not concurrently serve as employees was both 6.

(ii) TCEIC's articles of association stipulate that employee and director remunerations shall be implemented by the Board of Directors with more than two-thirds of the directors present and a resolution approved by more than half of the directors present, and reported to the shareholders' meeting. The contribution criteria are as follows:

A. Makeup of the loss.

B. Allocate 1% to 5% of the pre-tax benefits as employees reward before subtracting the distribution of employee remuneration and director's remuneration in the current year.

C. Allocation of no more than 3% of the pre-tax benefits as director's remuneration before Lessing the distribution of employee remuneration and director's remuneration in the current year.。

(iii)The accounting treatment of employee compensation and director compensation, and their respective estimates are as follows:

	2022	2021
Employee compensation	$ 1,663	$ 2,849
Director compensation	1,663	2,849
	$ 3,326	$ 5,698

A. The employee compensation and director compensation estimated by TCEIC are in accordance with the proportion specified in the bylaws. Those were estimated at 1.5% for the fiscal years 2022 and 2021 respectively, and were based on the principle of distributing cash, and have been recognized as operating costs and expenses for the fiscal years 2022 and 2021.

B. The Group plans to distribute the employee compensation and director compensation for the fiscal year 2022 in April 2023 according to the Board of Directors' resolution. If any changes in the amounts after the approval of the annual financial statements, they will be adjusted and processed based on accounting estimates and recorded in the following fiscal year.

C. The Board of Directors approved the employee compensation and director compensation for the fiscal year 2021 in April 2022. The estimated amounts for the fiscal year 2021 in the financial statements are consistent with the approved amounts. The employee compensation for the fiscal year 2021 has been distributed, and further information can be about the profit distribution situation can be inquired n about the profit distribution situation can be inquired n about the profit distribution situation can be inquired n about the profit distribution situation can be inquired n about the profit distribution situation can be inquired n about the profit distribution situation can be inquired at the TWSE MOPS website.

	2021		
	Amount of the Board of Directors' resolution	Amount recognized in financial statements	Difference
Employee compensation - cash	$ 2,849	$ 2,849	$ -
Director compensation - cash	2,849	2,849	-
	$ 5,698	$ 5,698	$ -

r.Income Tax

1. Income tax expense

(1)Income tax expenses:

	2022	2021
Current income tax:：		
Income tax arising from current income	$ 22,129	$ 41,325
Income tax adjustment for previous years	3,516	1,954
Total current income tax	25,645	43,279
Deferred income tax:		
Occurrence and reversal of temporary differences	(2,833)	347
Occurrence of loss write-offs	-	3,480
Deferred income tax expense	(2,833)	3,827
Income tax expense	$ 22,812	$ 47,106

(2)Income tax amounts related to other comprehensive income:

	2022	2021
Defined benefit plan re-measurements	$ 373	($ 973)

2. The accounting income for the current year and the income tax expenses recognized in profit and loss are adjusted as follows: ：

	2022	2021
Income tax amount calculated based on the statutory tax rate before tax net profit	$ 45,590	$ 56,219
Income tax impact of the excluded items according to tax law	(21,257)	(14,291)
Income exempts from taxation as required by tax law	(2,204)	(603)
Underestimated income tax from the previous year	3,516	1,954
Changes in deferred income tax	(2,833)	347
Income tax impact of loss Lesion	-	3,480
Income tax expense	$ 22,812	$ 47,106

3. The amounts of deferred income tax assets (liabilities) arising from temporary differences are as follows:

A. The fiscal year 2022

	Year-beginning balance	Recognized in profit or loss	Recognized in other comprehensive income	Exchange rate impact amount	Year-ending balance
Unrealized exchange loss (profit)	$ 4,037	($ 1,503)	$ -	$	$ 2,534
Allowance for doubtful debts overrun	(1,222)	87	-		(1,135)
Allowance for inventory depreciation losses	353	408	-		761
Defined benefit plan actuarial profits and losses	(2,339)	3,841	(373)		1,129
Others	604	-	-		604
	$ 1,433	$ 2,833	($ 373)	$	$ 3,893

B. The fiscal year 2021

	Year-beginning balance	Recognized in profit or loss	Recognized in other comprehensive income	Exchange rate impact amount	Year-ending balance
Unrealized exchange loss (profit)	($ 1,126)	$ 5,163	$ -	$	$ 4,037
Allowance for doubtful debts overrun	(721)	(501)	-		(1,222)
Allowance for inventory depreciation losses	3,684	(3,331)	-		353
Defined benefit plan actuarial profits and losses	3,509	(3,480)	-	(2[illegible]	-
Others	(1,634)	(1,678)	973		(2,339)
Unrealized exchange loss (profit)	604	-	-		604
	$ 4,316	($ 3,827)	$ 973	($ 2[illegible]	$ 1,433

4. Income tax assessment status

As of December 31, 2022, the tax assessment authorities have completed the assessment of the income tax filings for the years prior to 2020 for TCEIC.

s. Earnings per share

(i) Basic earnings per share

Basic earnings per share is calculated by dividing the profit or loss attributable to the holders of TCEIC's ordinary shares by the weighted average number of ordinary shares outstanding in the current year.

	2022	2021
Net profit after tax attributable to ordinary-shareholders for current period-A	$ 104,614	$ 161,131
Weighted average number of ordinary shares outstanding (1,000 shares)-B	129,463	129,463
Basic earnings per share (NT$) (A÷B)	$ 0.81	$ 1.24

(ii) Diluted earnings per share

Diluted earnings per share is calculated by adjusting the profit or loss attributable to TCEIC's ordinary equity holders and the weighted average number of outstanding shares based on the impact of all dilutive potential ordinary shares. If the inclusion of potential ordinary shares produces an anti-dilution effect, those are not included in the calculation of diluted earnings per share.

	2022	2021
Net profit after tax attributable to ordinary-share holders	$ 104,614	$ 161,131
Add: Increase in surplus from conversion of corporate bonds deemed to be exercised	5,712	5,522
Adjusted net profit after tax for current period-C	$ 110,326	$ 166,653
Weighted average number of ordinary shares outstanding	129,463	129,463
Add: Effect of dilutive potential ordinary shares:		
Convert corporate bonds	8,087	9,234
employee compensation	116	61
Weighted average number of ordinary shares outstanding after dilution (1,000 shares)-D	137,666	138,758
Diluted earnings per share (NT$) (C÷D)	$ 0.80	$ 1.20

t.Capital Management

The Group, based on the current operational features of its located industry, the scale of business, the potentiality of industry growth, our product developments, considerations regarding external environmental changes and industrial cyclical fluctuations, and other factors, has projected the necessary production capacity and the capital expenditures required to achieve this capacity. Which these capital issues include plant and equipment, operating capital, research and development expenses, and dividend payments for the future period, for ensuring that the Group continues to operate, provide returns to the shareholders, and also take into account the interests of other stakeholders, while maintain the optimal capital structure to enhance long term value for shareholders.

The Group's management regularly reviews the capital structure and considers the possible costs and risks involved in different capital structures. In general, the Group adopts a prudent risk management strategy.

u.Financial instrument

(i)Types of financial instruments

	2022.12.31	2021.12.31
Monetary assets		
Financial assets at fair value through profit or loss		
Mandatory financial assets at fair value through profit or loss	$ 701,902	$ 745,710
Financial assets at fair value through other comprehensive income		
Option of the specified equity instrument investment	157,330	143,208
Financial assets measured at amortized cost		
Cash and cash equivalents	1,753,538	1,206,516
Financial assets measured at amortized cost	212,414	178,274
Notes receivable	18,067	17,319
Accounts receivable	1,314,721	1,633,001
Other receivables	29,912	33,567
Refundable deposits	2,796	2,804
	$ 4,190,680	$ 3,960,399

	2022.12.31	2021.12.31
Financial liabilities		
Short-term loan	$ 1,235,000	$ 870,635
Short-term notes payable	80,000	110,000
Notes payable	312,320	329,705
Accounts payable	341,219	734,526
Other payables	162,759	147,340
Corporate bonds payable (including due within 1 year)	423,978	513,373
Long term loan	1,190,313	1,212,287
Lease liabilities (including due within 1 year)	313,588	277,885
Guarantee deposits received	1,558	1,168
	$ 4,060,735	$ 4,196,919

(ii)Financial risk management policy

①Daily operations of the Group are affected by various financial risks, which are involved with market risk (including risks from exchange rate, interest and price), credit risk and liquidity risk. The Group 's Board of Directors is fully responsible for establishing and supervising the Group 's financial risk management structure for managing exchange rate risk, interest rate risk, credit risk and liquidity risk related to operating activities. In order to reduce related financial risks, the Group is committed to identifying, assessing and avoiding market uncertainties, so as to reduce the potential adverse impact of market changes upon financial performance of the Group.

② The key financial activities of the Group are reviewed by the Board of Directors in according to relevant regulations and internal control systems. During the execution of the financial plan, the finance department of the Group is responsible for identifying, evaluating and avoiding financial risks through close cooperation with the operating units. The Board of Directors issues written principles for overall risk management, as well as written policies for specific areas and matters, such as exchange rate risk, interest rate risk, credit risk, use of derivative and non-derivative financial instruments, and investment of surplus liquidity.

(iii)Nature and extent of material financial risks

①Market risk

A.Exchange rate risk

The Group is exposed to exchange rate risk arising from sales, purchases and borrowing transactions that are not denominated in the Company's functional currency. The functional currency of the Group is set to be New Taiwan dollars. Its strategy for exchange rate risk management is to regularly review the net positions of assets and liabilities denominated in various currencies, and maintain the net positions for risk management.

Since the net investment of foreign operations is a strategic investment, the Group does not hedge against it.

The nominal amount and sensitivity analysis of the Group 's main exposure to foreign currency exchange rate risk is as follows:

	2022.12.31				
	foreign currency ($1,000)	exchange rate	carrying amount (NT$)	range of change	impact amount of profit & loss
Financial assets					
Monetary item					
US$	$ 105,718	30.71	$ 3,246,660	5%	$ 162,330
RMB$	15,312	4.41	67,495	5%	3,375
Financial liabilities					
Monetary item					
US$	$ 74,546	30.71	$ 2,289,308	5%	$ 114,465

	2021.12.31							
	foreign currency ($1,000)		exchange rate	carrying amount (NT$)		range of change	impact amount of profit & loss	
Financial assets								
Monetary item								
US$	$	109,445	27.68	$	3,029,438	5%	$	151,472
RMB$		18,971	4.34		82,410	5%		4,121
Financial liabilities								
Monetary item								
US$	$	66,051	27.68	$	1,828,292	5%	$	91,415

B.Risks of cash flow and fair-value interest rate

Interest rate risk refers to the risk of changes in the fair value of financial instruments due to interest rate changes in market. The Group's interest rate risk mainly arises from long-term and short-term borrowings with floating and fixed interest rates; therefore, the interest rate changes in market will cause changes in the effective interest rates of debt financial products, which results in fluctuations in future cash flows. The Group's fair-value interest rate risk arise from the borrowings issued at a fixed interest rate.

Sensitivity analysis: The Group 's long-term and short-term loans totaled NT$2,425,313 thousand and NT$2,082,922 thousand on December 31, 2022 and 2021 respectively. If the market interest rate increases (or decreases) by 1%, the Company's annual interest expenses will increase (or decrease) by NT$24,253 thousand and NT$20,829 thousand respectively.

C.Price risk

The equity instruments that the Group is exposed to price risk are financial assets held at fair value through profit or loss and financial assets at fair value through other comprehensive income. In order to manage the price risk of equity instrument investment, the Group disperses its investment portfolio via the method of diversification which based on the limit set by the Group. All these major equity instrument investments must be approved by the Board of Directors of the Group.

Prices of these equity instruments will be affected by the uncertainty of the future value of the investment object. For if the situations that individual prices of these equity instruments increase or decreases by 5%, and all other factors remain unchanged, and the after-tax net profit and other comprehensive income in 2022 and 2021 come from fair value through profit and loss and other comprehensive income, the correlated sensitivity analysis of profit and loss on equity instruments of financial assets measured at fair value is as follows:

	2022.12.31						
	carrying amount (NT$)		range of change	impact amount of profit & loss		impact amount of equity	
Financial assets at fair value through profit or loss	$	701,902	5%	$	35,095	$	
Financial assets at fair value through other comprehensive income - noncurrent		157,330	5%		-		7,867

	2021.12.31						
	carrying amount (NT$)		range of change	impact amount of profit & loss		impact amount of equity	
Financial assets at fair value through profit or loss	$	745,710	5%	$	37,286	$	-
Financial assets at fair value through other comprehensive income - noncurrent		143,208	5%		-		7,160

②Credit risk

The Group's credit risk arises from the risk of financial losses resulting from the inability of customers or counterparties of financial instruments to fulfill contractual obligations. This mainly comes from receivables that cannot be collected according to payment conditions and financial instruments whose contractual cash flows are settled according to transaction conditions.

The Group and all its operating entities follow an internally established credit policy that requires management and credit risk analysis for each new customer before setting and delivery terms and conditions. Internal risk control is achieved by evaluating the credit quality of customers based on their financial status, come-and-go experiences, and other factors. Limits for individual risk are established by the credit control supervisor based on internal or external assessments, and credit limits are regularly monitored.

A.Financial credit risk

The credit risks associated with bank deposits, fixed income investments, and other financial instruments are measured and monitored by the Group's finance department. The exposure to credit risks of each financial institution is controlled, and the counterparties are reputable banks with good credit and financial institutions with investment-grade ratings or higher. There are no significant concerns about default, and therefore, there are no significant credit risks.

B. Operation-related credit risk

a. The Group adopts the premise provided by IFRS 9 that when the payment terms of a contract are overdue for more than 90 days, the credit risk of the financial asset has significantly increased since initial recognition.

b. The Group adopts the premise provided by IFRS 9 that when a contract receivable is transferred to a collection account due to expected inability to collect, it is deemed as a default occurrence.

c. The Group categorizes accounts receivable and contract assets by customer type and uses a simplified approach based on the provision matrix to estimate expected credit losses. ◦

C.The Group incorporates prospective considerations and adjusts the established loss rates for accounts receivable based on historical and current information for specific periods to estimate the provision. The provision matrices as of December 31, 2022 and 2021 are listed as follows:

	2022.12.31				
	not overdue	1-30 days overdue	31-90 days overdue	more than 91 days	total
Expected loss rate	0%	0.09%	0.18%	9.44%	
Total carrying amount	$1,262,990	$ 13,417	$ 31,898	$ 7,204	$1,315,509
Loses allowance	$ 39	$ 12	$ 57	$ 680	$ 788

	2021.12.31				
	not overdue	1-30 days overdue	31-90 days overdue	more than 91 days	total
Expected loss rate	0%	0.64%	9.33%	83.12%	
Total carrying amount	$1,599,199	$ 22,857	$ 12,150	$ 764	$1,634,970
Loses allowance	$ 54	$ 147	$ 1,133	$ 635	$ 1,969

The table below, presenting the changes in the provision for accounts receivable and notes receivable using the simplified approach adopted by the Group, is listed as follows:

	2022		
	notes receivable	accounts receivable	total
January 1	$ 1,295	$ 1,969	$ 3,264
Reversal of impairment loss	(102)	(1,228)	(1,330)
Actual write-off due to uncollectible	(1,193)	-	(1,193)
Exchange rate impact amount	-	47	47
December 31	$ -	$ 788	$ 788

	2021		
	notes receivable	accounts receivable	total
January 1	$ 1,295	$ 7,205	$ 8,500
Reversal of impairment loss	-	(2,088)	(2,088)
Actual write-off due to uncollectible	-	(3,057)	(3,057)
Exchange rate impact amount	-	(91)	(91)
December 31	$ 1,295	$ 1,969	$ 3,264

(iv)Liquidity risk

Cash flow forecasts are executed by various operating units within the Group and consolidated by its finance department. The Group's finance department monitors the Group 's forecasted working capital requirements, ensures the funding sufficiency to support operational needs, and maintains adequate unused borrowing capacity at all times. Please refer to Notes 6, 10 and 13 for details on maintaining sufficient cash and cash equivalents, high liquidity securities, and adequate bank financing to meet operational needs and to ensure sufficient financial flexibility of the Group.

The table below, providing an analysis of significant financial liabilities by scheduled repayment date and undiscounted maturity amounts, is as follows:

A. December 31, 2022:

	carrying amount	within 1 year	1-2 years	2-5 years	more than 5 years
Non-derivative financial liabilities					
Short-term loan	$ 1,235,000	$ 1,235,000	$ -	$ -	$ -
Short-term notes payable	80,000	80,000	-	-	-
Notes payable	312,320	312,320	-	-	-
Accounts payable	341,219	341,219	-	-	-
Other payables	162,759	162,759	-	-	-
Corporate bonds payable (including due within 1 year)	423,798	423,798	-	-	-
Long term loan	1,190,313	-	1,136,667	53,646	-
Lease liabilities (Including due within 1 year)	313,588	5,967	6,201	19,916	281,504

B. December 31, 2021:

	carrying amount	within 1 year	1-2 years	2-5 years	more than 5 years
Non-derivative financial liabilities					
Short-term loan	$ 870,635	$ 870,635	$ -	$ -	$ -
Short-term notes payable	110,000	110,000	-	-	-
Notes payable	329,705	329,705	-	-	-
Accounts payable	734,526	734,526	-	-	-
Other payables	147,340	147,340	-	-	-
Corporate bonds payable	513,373	-	513,373	-	-
Long term loan (Including due within 1 year)	1,212,287	2,287	1,110,000	100,000	-
Lease liabilities (Including due within 1 year)	277,885	5,096	5,162	16,449	251,178

(v)Fair values of financial instruments

A.The definitions of various levels of valuation techniques used to measure the fair value of financial and non-financial instruments are as follows:

Level-1: Quoted prices (unadjusted) of the same assets or liabilities available to the Company on the measurement date. An active market means is a marketplace in which transactions in assets or liabilities occur with sufficient frequency and volume to providing pricing information on an ongoing basis.

Level-2: Observable inputs directly or indirectly to assets or liabilities, but excluded the quote prices provided in Level-1 reports.

Level-3: Unobservable inputs to assets or liabilities.

B.Financial instruments are the ones not measured at fair value, including cash and cash equivalents, notes receivable, accounts receivable, other receivables, short-term loans, notes payable, accounts payable, other payables, and corporate bonds payable (due within 1 year) and long-term borrowings (including due within 1 year), and the carrying amount of which is a rational approximation of fair value.

C. Relevant information of the financial and non-financial instruments measured by fair value, which classified by the Company based on the nature, characteristics, risks and fair value levels of assets and liabilities, is as follows:

a. December 31, 2022

	Level-1	Level-2	Level-3	total
Fair value on a recurring basis				
Financial assets at fair value through profit or loss				
Listed or OTC shares	$ 178,045	$ -	$ -	$ 178,045
Beneficiary certificate	22,511	44,705	-	67,216
Unlisted or OTC shares	-	-	456,641	456,641
Financial assets at fair value through other comprehensive income				
Unlisted or OTC shares	-	-	157,330	157,330

b. December 31, 2021

	Level-1	Level-2	Level-3	total
Recurring fair value				
Financial assets at fair value through profit or loss				
Listed or OTC shares	$ 158,249	$ -	$ -	$ 158,249
Beneficiary certificate	59,929	54,480	-	114,409
Unlisted or OTC shares	-	-	473,000	473,000
Callable & potable options of the 5th convertible corporate bond	-	52	-	52
Financial assets at fair value through other comprehensive income				
Unlisted or OTC shares	-	-	143,208	143,208

D.Valuation techniques and assumptions used to measure fair value

The determination of the fair value of the Group's financial assets and financial liabilities is based on the following methods and assumptions:

a.For financial instruments traded in active markets, their fair values are determined with reference to market quotations (including listed corporate bonds and shares of listed and over-the-counter companies). The market quotations are classified according to the features of the instruments as follows:

	listed or OTC shares	convertible corporate bond
Market quote	Closing price	Closing price

b.For financial instruments that are not traded in an active market (e.g., derivatives traded over the counter), the fair value is determined using valuation techniques. Valuation techniques will utilize observable market data as best and rely as least possible on company-specific estimates.

c. For financial instruments with high complexity, the Group uses valuation methods and techniques popularly used by market participants for fair value measurement. Such valuation models are usually used for derivative financial instruments.

d. The fair value of the unlisted shares without an active market is estimated by the net asset value method and the discounted cash flow method. other economic indicators, etc. The determination is based on recent fundraising activities, valuations of similar companies, the Company's technology development, market status, and other economic indicators.

e. When appraising non-standardized and less complex financial instruments, the Group uses valuation techniques popularly used by market participants. The parameters used in the valuation models of such financial instruments are usually market observable information.

f. The output of the valuation model is an estimated value, and the valuation technology may not reflect all relevant factors of the financial instruments and non-financial instruments held by the Group. Therefore, the estimated value of the valuation model will be appropriately adjusted according to the additional parameters. According to the Group 's fair value valuation management policy and related control procedures, management believes that in order to fairly express the fair value of financial instruments and non-financial instruments in consolidated balance sheets, valuation adjustments are appropriate and necessary. The price information and parameters used in the valuation process are carefully evaluated and appropriately adjusted according to the current market conditions.

E.The Group did not have any transfers between Level-1 and Level-2 financial assets during the years 2022 and 2021 through the period from January 1 to December 31.

F. The table shows the changes in Level-3 as follows:

	2022.1.1~12.31	2021.1.1~12.31
January 1	$ 616,208	$ 614,089
Profits or losses recognized in profit or loss for the period	31,753	(8,060)
Profits or losses recognized in other comprehensive income	12,485	11,104
Disposition or liquidation	(48,112)	-
Exchange rate impact amount	1,637	(925)
December 31	$ 613,971	$ 616,208

G. The Group's valuation process for financial instruments classified as Level-3 fair value is carried out by the investment department, which is responsible for independent fair value verification of financial instruments, using independent sources of data to ensure that the valuation results reflect market conditions and are regularly reviewed to ensure rationality.

In addition, the Group’s treasury department formulates fair value valuation policies, valuation procedures, and confirms compliance with relevant IFRS standards. Relevant valuation results are presented to the management on monthly basis, and the management is responsible for managing and reviewing of the valuation process.

H. The sensitivity analysis of significant unobservable input value changes, regarding the quantified information on significant unobservable inputs used in the valuation models for Level -3 fair value measurement items, are listed as follows:

	2022.12.31 Fair value	valuation technique	input of significant unobservable	interval (weighted average)	relation between input value & fair value
Non-derivative equity instruments					
Unlisted shares	$ 157,330	Net Asset Value Method	Not applicable	-	Not applicable
	$ 456,641	Discounted Cash Flow method	Long-term revenue growth rate, weighted average cost of capital, long-term pre-tax operating profit, short-of-market-liquidity discount, minority-equity discount	-	The higher the long-term revenue growth rate and long-term pre-tax operating profit, the higher the fair value

	2021.12.31 Fair value	valuation technique	input of significant unobservable	interval (weighted average)	relation between input value & fair value
Non-derivative equity instruments					
Unlisted shares	$ 143,208	Net Asset Value Method	Not applicable	-	Not applicable
	$ 473,000	Discounted Cash Flow method	Long-term revenue growth rate, weighted average cost of capital, long-term pre-tax operating profit, short-of-market-liquidity discount, minority-equity discount		The higher the long-term revenue growth rate and long-term pre-tax operating profit, the higher the fair value

I. The valuation model and parameters to use are chosen via the Group's deliberate valuation, has chosen. However, using different valuation models or parameters may lead to different valuation results. For financial assets and liabilities classified as Level-3, if the valuation parameters change, the impact on profit or loss and other comprehensive income shows as follows:

2022.12.31

	input value	change	recognized in profit or loss		recognized in other comprehensive income	
			favorable change	adverse change	favorable change	adverse change
Financial assets						
Equity instruments	Net Asset Value Method	± 1%	$ -	$ -	$ 1,573	($ 1,573)
	Long-term revenue growth rate	± 1%	34,368	(12,612)	-	-

2021.12.31

	input value	change	recognized in profit or loss		recognized in other comprehensive income	
			favorable change	adverse change	favorable change	adverse change
Financial assets						
Equity instruments	Net Asset Value Method	± 1%	$ -	$ -	$ 1,432	($ 1,432)
	Long-term revenue growth rate	± 1%	27,417	(22,784)	-	-

7. Related Party Transactions

(1)Name and relationship of related-party

Name of related party	Relationship with the Group
Chinsan Tai-An Co., Ltd.	The chairmen of this company and the Company are the same person.

(2)Significant transactions with related parties

a.Guarantee deposits paid

	2022.12.31	2021.12.31
Other related-party	$ 1,400	$ 1,200

b.Rent expense

	Lease location	2022	2021
Other related-party	1st Floor, No. 1, Alley 11, Lane 68, Section 1, Guangfu Rd., Sanchong Dist., New Taipei City	$ 8,300	$ 7,200

The rental prices listed above follow with general market conditions.

(3)Remuneration information of key management

	2022	2021
Short-term benefit (salary, bonus and employee remuneration, etc.)	$ 14,433	$ 15,400

8. Assets Pledged

Details of the collateral provided by the assets of the Group are as follows: :

	Carrying amount 2022.12.31	Carrying amount 2021.12.31	Guarantee purpose
Investment property	$ 79,485	$ -	Acceptance bill guarantee
Property, plant and equipment	222,499	80,974	Comprehensive loan and amount
Financial assets measured at amortized cost	166,349	178,274	Acceptance bill guarantee
	$ 468,333	$ 259,248	

9. Significant Contingent Liabilities & Unrecognized Commitments

As of December 31, 2022 and 2021, the amount of unused letters of credit issued by the Group for the purchase of raw materials, machinery and equipment was NT$6,930 thousand and NT$5,211 thousand respectively.

10. Significant Damage Loss: None

11. Material Subsequent Event

On January 5, 2023, a fire broke out on the third floor of the Thailand Plant 1 of our subsidiary, Jinshan Company. As a result, part of the company's inventory, factory buildings, and production equipment were damaged. The initial estimated loss is approximately NT$22,663 thousand in book value, and the actual amount of insurance claims as of the audit report date has not yet been determined.

12. Additional Disclosures

(1)Information about major transactions

a. Financings provided: See Table 1 attached.

b. Endorsement/guarantee provided: See Table 2 attached.

c. Marketable securities held: See Table 3 attached.

d. Marketable securities acquired and disposed of at costs or prices of at least NT$300 million or 20% of the paid-in capital: None.

e. Acquisition of individual real estate properties at costs of at least NT$300 million or 20% of the paid-in capital: None.

f. Disposal of individual real estate properties at prices of at least NT$300 million or 20% of the paid-in capital: None.

g. Total purchases from or sales to related parties of at least NT$100 million or 20% of the paid-in capital: See Table 4 attached.

h. Receivables from related parties amounting to at least NT$100 million or 20% of the paid-in capital: See Table 5 attached.

i. Information about the derivative financial instrument's transaction: Refer to Note 6.2.(2).

j. Business relationships, major transaction details and those amounts between the parent company and its subsidiaries and among the subsidiaries: See Table 6 attached.

(2) Information about reinvestment business

Names, locations, and related information of investees over which the Company exercises significant influence (excluding information on investment in mainland China): See Table 7 attached.

(3) Information on investment in mainland China

a. Basic information: See Table 8 attached.

b. Significant direct or indirect transactions with the investee reinvested in mainland China directly or indirectly through third-region enterprises: See Table 6.

(4) Information of major shareholder:

Information of major shareholder: See Table 9 attached.

13. Operating Segment Information

(1)Operating Segment

The Electronic Components Business Division is the only business division of the Group that should be reported in the finance statements. The Electronic Components Business Division mainly engages in the manufacture, processing, trading, and import and export of various electronic equipment and capacitors. The Group has single operating division only, and no other operating divisions or units that do not meet the quantitative threshold.

The operating decision-makers of the Group evaluate the performance of operating divisions based on the operating net profit of each aforementioned units. This measurement standard excludes the impact of non-recurring expenses and unrealized profits and losses of financial products in the operating division.

The Group's corporate composition, deportation basis for division and measurement basis for measuring departmental information have not changed significantly during the current period. The profit and loss of the Group's operating divisions are mainly measured by operating profit and loss, which serves as the basis for performance valuation. In addition, there is no material inconsistency between the accounting policies adopted by the operating division and the summary of important accounting policies described in Notes 4 and 5.

(2)Segment revenue and operating results

	2022.1.1~12.31		
	Electronic Components	Others	Total
Revenue from external clients	$ 3,729,360	$ -	$ 3,729,360
Divisional profit and loss (Note)	$ 184,851	$ -	$ 184,851

	2021.1.1~12.31		
	Electronic Components	Others	Total
Revenue from external clients	$ 4,300,713	$ -	$ 4,300,713
Divisional profit and loss (Note)	$ 197,256	$ -	$ 197,256

Note: The profit and loss after offsetting inter-divisional transactions.

(3)Information on product and service classification

Revenue from external customers is mainly derived from the business of manufacturing and trading of electrolytic capacitors. The breakdown of net operating revenue for the Group in 2022 and 2021 is as follows:

	2022	2021
Liquid electrolytic capacitor	$ 2,850,870	$ 3,270,355
Solid electrolytic capacitor	878,490	1,030,358
	$ 3,729,360	$ 4,300,713

(4)Information on regional classification

The regional breakdown of operating revenue for the Group in 2022 and 2021 is as follows:

	2022	2021
Domestic	$ 71,774	$ 87,037
Asia	3,238,282	3,748,377
Europe	144,430	137,606
America	67,847	37,881
Middle East and Near East	207,027	289,812
	$ 3,729,360	$ 4,300,713

(5)Information on major clients

The client breakdown of operating revenue for the Group in 2022 and 2021 is as follows:

	2022	2021
Company A	$ 634,538	$ 712,854
Company B	481,041	559,968
Others (Note)	2,613,781	3,027,891
	$ 3,729,360	$ 4,300,713

Note: Other refers to the individual clients no exceeding 10% of the consolidated operating revenue.

Table 1

Taiwan Chinsan Electric Industrial Co., Ltd. and Subsidiaries
FINANCINGS PROVIDED
FOR THE YEAR ENDED DECEMBER 31, 2022

(Amounts in Thousands of New Taiwan Dollars)

No.	Financing Company (Note 2)	Counterparty	Financial Statement Account	Related Party	Maximum Balance for the Period	Ending Balance	Amount Actually Drawn	Interest Rate	Nature for Financing	Transaction Amounts	Reason for Financing	Allowance for Bad Debt	Collateral		Financing Limits for Each Borrowing Company (Note 3)	Financing Company's Total Financing Amount Limits (Note 4)
													Item	Value		
1	1	Guangzhou Kingtachi Co.	Other receivables	Yes	318,770	273,319	259,592	1.5%	Short-term financing	-	Operating capital need in short term	-	None	-	453,318	906,636

Note 1: “0” represents the Company.
Note 2: “1" represents HongKong Kingtachi Co..
Note 3: The limit of financing for individual objects is 20% of the net worth.
Note 4: The limit of loan totals is 40% of the net worth.

Table 2

Taiwan Chinsan Electric Industrial Co., Ltd. and Subsidiaries
ENDORSEMENTS/GUARANTEES PROVIDED
FOR THE YEAR ENDED DECEMBER 31, 2022

(Amounts in Thousands of New Taiwan Dollars)

No. (Note 1)	Endorsement/ Guarantee Provider	Guaranteed Party		Limits on Endorsement/ Guarantee Amount Provided to Each Guaranteed Party (Note 3)	Maximum Balance for the Period	Ending Balance	Amount Actually Drawn	Amount of Endorsement/ Guarantee Collateralized by Properties	Ratio of Accumulated Endorsement/ Guarantee to Net Equity per Latest Financial Statements	Maximum Endorsement/ Guarantee Amount Allowable (Note 3)	Guarantee Provided by Parent Company	Guarantee Provided by A Subsidiary	Guarantee Provided to Subsidiaries in Mainland China	Note
		Name	Nature of Relationship (Note 2)											
0	Taiwan Chinsan Eelectric Industrial Co., Ltd.	Guangzhou Kingtachi Co.	2	1,591,890	480,848	473,860	193,291	-	11.91%	1,989,863	Y	N	Y	
1	Kingtachi Capacitor Co.	Guangzhou Kingtachi Co.	2	906,636	280,271	267,177	118,512	119,649	11.79%	1,133,296	Y	N	Y	

Note 1: Descriptions of the number column are as follows:
(1) "0" represents for the issuer.
(2) Invested companies are numbered sequentially starting from "1".

Note 2: There are 7 types of relationships between the endorser and the guaranteed object, which listed as follows:
(1) Companies with business transactions.
(2) A companies that directly or indirectly hold over 50% of voting shares in another company.
(3) A companies that directly or indirectly be held over 50% of voting rights by another company.
(4) A group of affiliated companies that directly or indirectly hold over 90% of voting rights in a company.
(5) Companies that mutually provide insurance according to contract provisions among industry peers or co-constructors required for contract work.
(6) Companies that provide joint guarantees based on their shareholding ratios from all shareholders contributing to joint investment.
(7) Industry peers that jointly provide performance guarantees and collateral in accordance with the Consumer Protection Act for pre-sale real-estate contracts.

Note 3: The operation procedures for the endorsement guarantees of the Company stipulate that the total amount of endorsement guarantees provided by the Company to external parties shall not exceed 50% of the Company's net worth. For endorsement guarantees provided to a single business, except for subsidiaries directly or indirectly held by the Company, which are limited to no more than 40% of the Company's net worth, the remaining amount is limited to no more than 20% of the Company's net worth. The net worth is based on the financial statements audited and signed by the accountant in the most recent period.

Table 3

Taiwan Chinsan Electric Industrial Co., Ltd. and Subsidiaries
MARKETABLE SECURITIES HELD
(Excluding investments in subsidiaries, associates, and joint venture control portions)
DECEMBER 31, 2022

(Amounts in Thousands of New Taiwan Dollars,One share)

Held Company Name	Marketable Securities Type and Name		Relationship with the company	Financial Statement Account31-	December 31, 2022				Note
					Shares/Units Note(In Thousands)	Carrying Value	Percentage of Ownership (%)	Fair Value	
The Company	Stock	GIS-KY	No related-party	Current financial assets measured at fair value through profit or loss	23,000	2,024	-	2,024	
	Stock	Ventec-KY	No related-party		19,000	1,431	-	1,431	
	Stock	AP Memory Technology	No related-party		2,000	330	-	330	
	Stock	Quang Viet Enterprise	No related-party		10,000	1,200	-	1,200	
	Stock	Sea Sonic Electronics	No related-party		25,000	1,288	-	1,288	
	Stock	ASPEED TECHNOLOGY	No related-party		10,500	17,693	-	17,693	
	Stock	Powerchip Semiconductor Manufacturing	No related-party		50,000	1,592	-	1,592	
	Stock	VisEra Technologies	No related-party		70,000	13,545	-	13,545	
	Stock	WPG Holdings	No related-party		20,000	962	-	962	
	Stock	Taishin Financial Holding	No related-party		53,482	808	-	808	
	Stock	TSEC CORPORATION	No related-party		20,000	691	-	691	
	Stock	Cathay Financial Holding	No related-party		51,917	2,077	-	2,077	
	Stock	ITEQ CORPORATION	No related-party		4,000	290	-	290	
	Stock	LU HAI -KY	No related-party		47,000	1,393	-	1,393	
	Stock	New Advanced Eelectronics Technologies	No related-party		43,000	3,444	-	3,444	
	Stock	EFC	No related-party		60,000	1,281	-	1,281	
	Stock	Shinfox Energy	No related-party		686,965	58,159	-	58,159	
	Stock	Shun On Electronic	No related-party		60,000	1,914	-	1,914	
	Stock	uPI Semiconductor	No related-party		46,000	10,902	-	10,902	
	Stock	ASUS TEK	No related-party		10,000	2,685	-	2,685	
	Stock	TATUNG Company	No related-party		200,000	6,900	-	6,900	
	Fund	Fuh Hwa Taiwan Good Income Fund TWD	No related-party		1,497,376	11,140	-	11,140	
	Fund	Fuh Hwa Asia Pacific Tech Equity Fund TWD	No related-party		412,975	4,762	-	4,762	
	Fund	CTBC Vietnam Equity Fund USD	No related-party		20,000	6,609	-	6,609	
	Stock	PINDA Technology	No related-party	Noncurrent financial assets measured at fair value through profit or loss	7,823,200	456,641	6.80%	456,641	
	Stock	WT MICROELECTRONICS	No related-party		400,000	19,100	0.30%	19,100	
	Fund	Fuh Hwa Taiwan Intelligence Fund	No related-party		3,000,000	21,270	-	21,270	
	Stock	CeNtRa Science	No related-party	Noncurrent financial assets measured at fair value through other comprehensive income	2,062,267	16,158	9.93%	16,158	
Yue-Cheng InvestmentCo.	Stock	Taiwan Speciality Chemicals	No related-party	Noncurrent financial assets measured at fair value through other comprehensive income	3,613	-	-	-	
	Stock	H & M Hennes & Mauritz AB B	No related-party		1,000,597	8,742	5.88%	8,742	
Chinsan (BVI) Co.	Stock	Grand Twins International（Cambodia）	No related-party	Noncurrent financial assets measured at fair value through profit or loss	1,000,000	28,336	2.50%	28,336	
	Stock	Alternative Fuel Technologies, Inc.	No related-party	Noncurrent financial assets measured at fair value through other comprehensive income	2,479,726,293	-	3.45%	-	
Guangzhou Kingtachi Co.	Fund	Ping-An Consumer Tech Private Equity Fund Phase-2 No. 8	No related-party	Noncurrent financial assets measured at fair value through profit or loss	5,000,000	23,435	-	23,435	
Guangzhou Hang-Lungi Co.	Stock	Shihezi Zhongjin Electrode Co.	No related-party	Noncurrent financial assets measured at fair value through other comprehensive income	2,400,000	131,280	6.37%	131,280	

Table 4

Taiwan Chinsan Eelectric Industrial Co., Ltd. and Subsidiaries

TOTAL PURCHASES FROM OR SALES TO RELATED PARTIES OF AT LEAST NT$100 MILLION OR 20% OF THE PAID-IN CAPITAL

FOR THE YEAR ENDED DECEMBER 31, 2022

(Amounts in Thousands of New Taiwan Dollars)

Company Name	Related Party	Nature of Relationships	Transaction Details				Abnormal Transaction (Note 1)		Notes/Accounts Payable or Receivable		Note
			Purchases /Sales	Amount	% to Total	Payment Terms	Unit Price	Payment Terms	Ending Balance	% to Total	
The Company	Guangzhou Chin-Zu Tech Co.	Sub-subsidiary	Purchases	1,685,035	65.85	Note 1	Note 1	Note 1	Payable 1,155,784	62.78	
The Company	Eagle Zone Co.	Sub-subsidiary	Purchases	794,009	31.03	as above	as above	as above	Payable 679,668	36.92	
Chinsan (BVI) Co.	Guangzhou Kingtachi Co.	Affiliated enterprise	Purchases	1,922,485	91.25	as above	as above	as above	Payable 90,720	86.39	
Eagle Zone Co.	Chinsan Thailand Co.	Affiliated enterprise	Purchases	596,323	94.49	as above	as above	as above	Payable 36,854	92.89	
Guangzhou Chin-Zu Tech Co.	Guangzhou Kingtachi Co.	Affiliated enterprise	Purchases	606,424	86.71	as above	as above	as above	Payable 421,304	98.37	
Guangzhou Chin-Zu Tech Co.	Guangzhou Kingtachi Co.	Affiliated enterprise	Purchases	569,302	93.55	as above	as above	as above	Payable 6,744	66.33	

Note 1: Transactions among the Ccompany and its affiliated enterprises are based on the intra-group transaction policies. It is difficult to make comparisons as that no external transactions occur.

Note 2: Related transactions among the be-invested companies have already been fully offset in the preparation of the consolidated financial statements.

Table 5

Taiwan Chinsan Eelectric Industrial Co., Ltd. and Subsidiaries

RECEIVABLES FROM RELATED PARTIES AMOUNTING TO AT LEAST NT$100 MILLION OR 20% OF THE PAID-IN CAPITAL

DECEMBER 31, 2022

(Amounts in Thousands of New Taiwan Dollars)

Company Name	Related Party	Nature of Relationships	Ending Balance (Note 1)	urnover Da	Overdue		Amounts Received in Subsequent Period	Loss Allowance for Bad Debts
					Amount	Action Taken		
Chinsan (BVI) Co.	The Company	Sub-subsidiary	1,155,784	1.53	-	-	399,230 (Note 1)	-
Guangzhou Chin-Zu Tech Co.	Guangzhou Kingtachi Co.	Affiliated enterprise	421,304	1.30	-	-	38,303 (Note 1)	-
Hongkong Kingtachi Co.	Guangzhou Kingtachi Co.	Affiliated enterprise	260,514	-	-	-	- (Note 1)	-
Eagle Zone Co.	The Company	Sub-subsidiary	679,668	1.45	-	-	141,266 (Note 1)	-
Chinsan (Cayman) Co.	Chinsan (BVI) Co.	Affiliated enterprise	322,455	-	-	-	- (Note 1)	-

Note 1: Data is as of the end of February 28, 2023.

Table 6

Taiwan Chinsan Electric Industrial Co., Ltd. and Subsidiaries
BUSINESS RELATIONSHIPS AND SIGNIFICANT TRANSACTIONS DETAILS AND AMMOUNTS AMONG PARENT COMPANY, SUBSIDIARIES INTER-SUBSIDIARIES
FOR THE YEAR ENDED DECEMBER 31, 2022

(Amounts in Thousands of New Taiwan Dollars)

No. (Note 1)	Name of transactor	Counterparty of transaction	Relationship with the transactor (Note 2)	Transaction status			
				Account	Amount (in thousands of NT$)	Transaction terms	Ratio to consolidated total revenue or total assets (Note 3)
0	The Company (TCEIC)	Chinsan (BVI) Co.	1	Sales of goods	62,606	Acrd. to Group's pricing strategy	1.68 %
0	The Company	Chinsan (BVI) Co.	1	Purchase of goods	1,685,035	Acrd. to Group's pricing strategy	45.18 %
0	The Company	Eagle Zone Co.	1	Purchase of goods	794,009	Acrd. to Group's pricing strategy	21.29 %
0	The Company	Chinsan (BVI) Co.	1	Accounts payable	1,155,784	-	14.21 %
0	The Company	Eagle Zone Co.	1	Accounts payable	679,668	-	8.36 %
1	Chinsan (BVI) Co.	Chinsan Thailand Co.	3	Sales of goods	34,838	Acrd. to Group's pricing strategy	0.93 %
1	Chinsan (BVI) Co.	Guangzhou Kingtachi Co.	3	Sales of goods	64,321	Acrd. to Group's pricing strategy	1.72 %
1	Chinsan (BVI) Co.	Guangzhou Chin-Zu Co.	3	Purchase of goods	90,386	Acrd. to Group's pricing strategy	2.42 %
1	Chinsan (BVI) Co.	Guangzhou Kingtachi Co.	3	Purchase of goods	1,922,485	Acrd. to Group's pricing strategy	51.55 %
1	Chinsan (BVI) Co.	Chinsan Thailand Co.	3	Accounts receivable	35,895	-	0.44 %
1	Chinsan (BVI) Co.	Guangzhou Kingtachi Co.	3	Accounts payable	90,720	-	1.12 %
1	Chinsan (BVI) Co.	Chinsan (Cayman)Co.	3	Oth accounts payable	322,455	-	3.97 %
2	Eagle Zone Co.	Guangzhou Kingtachi Co.	3	Sales of goods	93,847	Acrd. to Group's pricing strategy	2.52 %
2	Eagle Zone Co.	Guangzhou Kingtachi Co.	3	Purchase of goods	34,782	Acrd. to Group's pricing strategy	0.93 %
2	Eagle Zone Co.	Chinsan Thailand Co.	3	Purchase of goods	596,323	Acrd. to Group's pricing strategy	15.99 %
2	Eagle Zone Co.	Guangzhou Kingtachi Co.	3	Accounts receivable	21,322	-	0.26 %
2	Eagle Zone Co.	Chinsan Thailand Co.	3	Accounts payable	36,854	-	0.45 %
2	Eagle Zone Co.	Chinsan Thailand Co.	3	Prepayments	88,674	-	1.09 %
3	Hongkong Kingtachi Co.	Guangzhou Chin-Zu Co.	3	Oth accounts receivable	67,216	-	0.83 %
3	Hongkong Kingtachi Co.	Guangzhou Kingtachi Co.	3	Oth accounts receivable	260,514	-	3.20 %
3	Hongkong Kingtachi Co.	Chinsan (Cayman)Co.	3	Oth accounts payable	92,753	-	1.14 %
4	Guangzhou Chin-Zu Co.	Guangzhou Kingtachi Co.	3	Sales of goods	606,424	Acrd. to Group's pricing strategy	16.26 %
4	Guangzhou Chin-Zu Co.	Guangzhou Kingtachi Co.	3	Purchase of goods	569,302	Acrd. to Group's pricing strategy	15.27 %
4	Guangzhou Chin-Zu Co.	Guangzhou Kingtachi Co.	3	Accounts receivable	421,304	-	5.18 %
5	Guangzhou Kingtachi Co.	Guangzhou You-Mao Co.	3	Rent income	70,996	Acrd. to Group's pricing strategy	1.90 %
5	Guangzhou Kingtachi Co.	Guangzhou You-Mao Co.	3	Processing cost	353,639	Acrd. to Group's pricing strategy	9.48 %
5	Guangzhou Kingtachi Co.	Guangzhou You-Mao Co.	3	Accounts payable	62,031	-	0.76 %

Note 1: Business transaction information between the parent company and subsidiaries is numbered as follows:
1.The parent company is numbered as 0.
2.The subsidiaries are numbered sequentially starting with numeral 1 according to the company type.

Note 2: There are 3 types of relationships with the transactor, which are marked as follows:
1.Parent company to subsidiary.
2.Subsidiary to parent company.
3.Subsidiary to subsidiary.

Note 3: When calculating the ratio of transaction amount to total consolidated revenue or total assets, these are calculated based on the year-end balance as a percentage of total consolidated assets for the items belonging to to asset and liability account, and those are calculated based on the accumulated amount for the period as a percentage of total consolidated revenue for the items belonging to to income and expense account.

Note 4: The Group only discloses significant transaction information where the transaction amount is equal to or greater than NT$10,000,000.

Note 5: The revelant transactions between investment companies have been fully offset when preparing the consolidated financial statements.

Table 7

Taiwan Chinsan Electric Industrial Co., Ltd. and Subsidiaries
NAMES, LOCATIONS, AND RELATED INFORMATION OF INVESTEES OVER WHICH THE COMPANY EXERCISES SIGNIFICANT INFLUENCE (EXCLUDING INFORMATION ON INVESTMENT IN MAINLAND CHINA)
FOR THE YEAR ENDED DECEMBER 31, 2022

(Amounts in Thousands of New Taiwan Dollars ; Thousands of US Dollars ; Thousands of Shares)

Investor Company	Investee Company	Location	Main Businesses and Products	Original Investment Amount(Note 1)		Balance as of December 31, 2022			Net Income (Losses) of the Investee	Share of Profits/Losses of Investee	Note
				December 31, 2022	December 31, 2021	Shares	% of Ownership	Book value			
The Company	Chinsan (Cayman) Co.	Cayman Islands	Tradings of aluminum capacitor and investment business	750,693 USD 23,251	750,693 USD 23,251	10,931 (Note 2)	100%	$ 5,418,730	194,481	197,874	
	Yue-Cheng Investment Co., Ltd	Taiwan	General investment business	14,000	14,000	-	100%	10,779	4	4	
	Sustainable Development Co., I	Taiwan	Waste disposal business	245,159	229,856	5,059	12.91%	86,471	(78,135)	(99,473)	
Chinsan (Cayman) Co.	Chinsan ThailandCo.	Bangkok Thailand	Manufacturing and trading of aluminum capacitors	479,271 USD 15,424	479,271 USD 15,424	5,057	94.52%	720,004	35,995	21,873	
as above	Chinsan (BVI) Co.	BVI	Tradings of aluminum capacitor and investment business	134,862 USD 4,200	134,862 USD 4,200	2,500 (Note 3)	100%	1,202,494	(66,369)	(61,820)	
as above	Elite (BVI) Co.	BVI	Tradings of aluminum capacitor	-	-	50	100%	-	-	-	
as above	Eagle Zone Co.	Samoa Islands	Tradings of aluminum capacitor and investment business	205,444 USD 7,000	-	1,000 (Note 4)	100%	680,438	175,457	156,298	
as above	Hongkong Kingtachi Co.	Hongkong	Tradings of aluminum capacitor and investment business	1,888,764 USD 60,565	1,888,764 USD 60,565	6,200 (Note 5)	100%	2,266,592	42,662	42,662	
as above	Spotlight Co.	Samoa Islands	General investment business	114,446 USD 3,710	114,446 USD 3,710	2,000 (Note 6)	100%	137,379	(176)	(176)	
Spotlight Co.	Baolong Co.	Hongkong	General investment business	114,048 USD 3,700	114,048 USD 3,700	10 (Note 7)	100%	137,185	(154)	(154)	

Note 1: The above-listed original investment amounts are calculated in actual New Taiwan Dollar amounts based on historical exchange rates.
Note 2: The cumulative capital increase has not yet been registered for share-capital changes, and the amount of the proceeds-new issued is NT$314,533,000.
Note 3: The cumulative capital increase has not yet been registered for share-capital changes, and the amount of the proceeds-new issued is USD$1,700,000.
Note 4: The cumulative capital increase has not yet been registered for share-capital changes, and the amount of the proceeds-new issued is USD$7,000,000.
Note 5: The cumulative capital increase has not yet been registered for share-capital changes, and the amount of the proceeds-new issued is HKD$406,166,000.
Note 6: The cumulative capital increase has not yet been registered for share-capital changes, and the amount of the proceeds-new issued is USD$1,710,000.
Note 7: The cumulative capital increase has not yet been registered for share-capital changes, and the amount of the proceeds-new issued is HKD$29,126,000.

Table 8

Taiwan Chinsan Electric Industrial Co., Ltd. and Subsidiaries
INFORMATION ON INVESTMENT IN MAINLAND CHINA
FOR THE YEAR ENDED DECEMBER 31, 2022

(1) Basic information on investees in China (Amounts in Thousands of New Taiwan Dollars ; A dollar of Foreign Currency)

Investee Company	Main Businesses and Products	Total Amount of Paid-in Capital	Method of Investment (Note 1)	Accumulated Outflow of Investment from Taiwan as of January 1, 2022	Investment Flows		Accumulated Outflow of Investment from Taiwan as of December 31, 2022	Net Income (Losses) of the Investee Company	Percentage of Ownership	Share of Profits/Losses (Note 2)	Carrying Amount as of Balance as of December 31, 2022	Accumulated Inward Remittance of Earnings as of December 31, 2022
					Outflow	Inflow						
Guangzhou Chin-Zu Tech Co.	Aluminum capacitor	322,455 (USD10,500,000)	(2)	252,045 (USD8,207,260)	-	-	252,045 (USD8,207,260)	9,156	95.22%	14,038 (Note 2、(2)、B)	407,897	
Guangzhou Kingtachi Co.	Aluminum capacitor	1,520,145 (USD49,500,000)	(2)	1,520,145 (USD49,500,000)	-	-	1,520,145 (USD49,500,000)	28,755	100.00%	30,217 (Note 2、(2)、B)	1,295,898	
Guangzhou Hang-Lungi Co.	General investment	105,792 (RMB24,000,000)	(2)	105,792 (RMB24,000,000)	-	-	105,792 (RMB24,000,000)	(2)	100.00%	(2) (Note 2、(2)、B)	131,308	
Guangzhou You-Mao Electric Co.	Aluminum capacitor	22,040 (RMB5,000,000)	(3)	-	-	-	-	19,403	100.00%	19,403 (Note 2、(2)、B)	9,110	

Note 1: Investment methods are classified into the following 3 types as below:
(1) Direct investment in Mainland China.
(2) Investment in Mainland China through a third-party offshore company.
(3) Other methods.

Note 2: In the investment profits and losses recognized in this period:
(1) No investment profits and losses yet as the investments are still in the preparatory stage.
(2) The basis for recognizing investment profits and losses is defined as 3 types listed as below:
A. Financial statements audited and certified by an international accounting firm cooperating with a Taiwanese accounting firm.
B. Financial statements audited by the certified public accountant of the Taiwan parent company.
C. Other methods.

Note 3: The figures in this table are presented in New Taiwan Dollars.

Note 4: The above table is converted into New Taiwan Dollars using the spot exchange rate of USD 30.71 and RMB 4.408.

Note 5: Due to that the Company acquires the original shares of Guangzhou Chin-Zu Tech Co. and Guangzhou Kingtachi Co. via the indirect investment in Hongkong Kingtachi Co., it is no solution of separating the amount of profits and losses and fair value adjustments related to the investment in the aforementioned companies, only except revealing the amounts recorded for Hongkong Kingtachi Co. The correlated accounts of Hongkong Kingtachi Co., which include investment carrying amount, investment profit and losses, and fair value adjustments, are listed as the table.

Taiwan Chinsan Electric Industrial Co., Ltd. and Subsidiaries
INFORMATION ON INVESTMENT IN MAINLAND CHINA
FOR THE YEAR ENDED DECEMBER 31, 2022

(2) Investment limit for the investees in China

Accumulated Investment in Mainland China as of December 31, 2022	Investment Amounts Authorized by Investment Commission, MOEA	Upper Limit on Investment (Note 6)
1,877,982 (Note 8)	1,877,982 (Note 8)	-

Note 6: The Company is free of restrictions based on the document issued by Industrial Development Bureau, MOEA in August 2021, which certifies that it conforms to the identification method of the operation headquarters, valid through the period from August 2021 to August 2024.

Note 7: The above table is converted into New Taiwan Dollars using the spot exchange rate of USD 30.71 and RMB 4.408.

Note 8: The Company's total investment in China amounted to USD 57,707,260 and RMB 24,000,000, of which USD 8,207,260 was remitted directly by the Company, USD 49,500,000 was remitted by the profits of its subsidiary, Chinsan (Cayman) Enterprise Co., Ltd, and RMB 24,000,000 was remitted by Bao-Long Co.

Table 9

Taiwan Chinsan Electric Industrial Co., Ltd. and Subsidiaries
INFORMATION ON MAJOR SHAREHOLDERS
DECEMBER 31, 2022

Major Shareholders	Shares	
	Total Shares Owned	Ownership Percentage
KaiMei Electronic Corp.	23,548,546	18.19%
Han-Lin Investment Co., Ltd.	8,478,767	6.55%
Hong-Pu Investment Co., Ltd.	7,428,154	5.74%

Note 1: The major shareholder information in this table is based on the ordinary shares, preferred shares and treasury stocks that have been completed with dematerialized delivery and the individual total holding is 5% or more via the calculation by Taiwan Depository & Clearing Corp. on the last business day of the quarter. The number of shares recorded in the Company's consolidated financial statements and the actual number of dematerialized shares may differ due to differences in the calculation basis.