Stock Code:1615

Dah San Electric Wire & Cable Corp. AND SUBSIDIARIES

Consolidated Financial Statements

With Independent Auditors' Report
For the Years Ended December 31, 2022 and 2021

Address: No. 369, Sec. 3, Yunlin Rd., Douliu City, Yunlin County 640101, Taiwan (R.O.C.)

Telephone: 05-5222333

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Representation Letter

The entities that are required to be included in the combined financial statements of Dah San Electric Wire & Cable Corp. 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 Affiliated Enterprises are the same as those included in the consolidated financial statements prepared in conformity with International Financial Reporting Standards No. 10 by the Financial Supervisory Commission, "Consolidated Financial Statements." In addition, the information required to be disclosed in the combined financial statements is included in the consolidated financial statements. Consequently, Dah San Electric Wire & Cable Corp. and Subsidiaries do not prepare a separate set of combined financial statements.

Company name: Dah San Electric Wire & Cable Corp.
Chairman: Wen-Bin, Su
Date: March 24, 2023

安侯建業聯合會計師事務所
KPMG
台北市110615信義路5段7號68樓(台北101大樓)
68F., TAIPEI 101 TOWER, No. 7, Sec. 5,
Xinyi Road, Taipei City 110615, Taiwan (R.O.C.)
電 話 Tel + 886 2 8101 6666
傳 真 Fax + 886 2 8101 6667
網 址 Web kpmg.com/tw

Independent Auditors' Report

To the Board of Directors of Dah San Electric Wire & Cable Corp.:

Opinion

We have audited the consolidated financial statements of Dah San Electric Wire & Cable Corp. and its subsidiaries("the Group"), which comprise the consolidated balance sheet as of December 31, 2022 and 2021, the consolidated statement of comprehensive income, changes in equity and cash flows for the years then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

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

Basis for Opinion

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

Other Matter

We did not audit the financial statements of Xin Yi Construction Co., Ltd., which represented investment in Dah San Electric Wire & Cable Corp. and its subsidiaries accounted for using the equity method of the Company. Those statements were audited by other auditors, whose report has been furnished to us, and our opinion, insofar as it relates to the amounts included for Xin Yi Construction Co., Ltd., is based solely on the report of other auditors. As of December 31, 2022 and 2021, the assets of Xin Yi Construction Co., Ltd. constitute 0.80% and 3.48%, respectively, of the consolidated total assets. For the years ended December 31, 2022 and 2021, its operating revenues constitute 0.02% and 14.23%, respectively, of the consolidated operating revenues.

Dah San Electric Wire & Cable Corp. has prepared its parent-company-only financial statements as of and for the years ended December 31, 2022 and 2021, on which we have issued an unmodified opinion.

Key Audit Matters

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

1. Timing of recognition of sales revenues

   Please refer to note 4(o) "Revenue Recognition" in the parent-company-only financial statements for accounting policies on revenue recognition and note 6(r) "Revenue from Contracts with Customers" for disclosure regarding revenues.

   Description of key audit matter:

   Primary products of Dah San Electric Wire & Cable Corp. include electric wires, electric cables, and copper plates. There are 3 types of selling as the Company positions itself as domestic sellers, distributors, and agents. Revenues from domestic public works for electric wires and cables are recognized upon customers' acceptance as agreed by both parties. Besides, the amount of revenue has a significant influence on financial statements. Therefore, we considered the timing of recognition of sales revenues to be a key audit matter.

   Our audit procedures in this area included:

   Obtaining understanding and testing both revenue recognition policies and internal control procedures regarding various types of sales of electric wires, cables, copper plates, so as to verify both the reasonableness and effectiveness; reviewing transaction terms to ascertain whether the timing of sales revenue recognition upon satisfaction of performance obligations specified in contracts was appropriate; and sampling relevant transaction vouchers regarding sales revenues during a period of time before and after the balance sheet date, so as to ascertain that sales revenues were recognized during appropriate periods.

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

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

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

Those charged with governance are responsible for overseeing the Group's financial reporting process.

Auditors' Responsibilities for the Audit of the Consolidated Financial Statements

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

As part of an audit in accordance with the Standards on Auditing of the Republic of China, we exercise professional judgment and professional skepticism throughout the audit. We also:

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

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

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

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

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

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

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

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

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

The engagement partners on the audit resulting in this independent auditors' report are Shu-Ling Lien and Rou-Lan Kuo.

KPMG

Taipei, Taiwan (Republic of China)
March 24, 2023

<u>Notes to Readers</u>

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

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

(English Translation of Consolidated Financial Statements and Report Originally Issued in Chinese)

Dah San Electric Wire & Cable Corp. and subsidiaries

Consolidated Balance Sheets

December 31, 2022 and 2021

(Expressed in Thousands of New Taiwan Dollars)

		December 31, 2022		December 31, 2021	
	Assets	**Amount**	**%**	**Amount**	**%**
	Current assets:				
1100	Cash and cash equivalents (note 6(a))	$ 78,296	2	230,110	6
1110	Current financial assets at fair value through profit or loss (note 6(b))	138,214	4	112,036	3
1120	Current financial assets at fair value through other comprehensive income (note 6(c))	199,660	5	238,005	7
1151	Notes receivable (note 6(d))	77,626	2	62,314	2
1170	Accounts receivable, net (notes 6(d) and 7)	728,938	20	587,853	17
1200	Other receivables, net (note 6(e))	2,579	-	3,151	-
130x	Inventories (note 6(f))	598,380	16	422,135	12
1410	Prepayments	41,381	1	21,379	1
1461	Non-current assets classified as held for sale (note 6(g))	-	-	37,642	1
1476	Other current financial assets (note 8)	10,675	-	1,835	-
1479	Other current assets, others	57	-	207	-
		1,875,806	50	1,716,667	49
	Non-current assets:				
1517	Non-current financial assets at fair value through other comprehensive income (note 6(c))	163,430	5	219,135	6
1600	Property, plant and equipment (note 6(h))	1,190,758	32	1,117,732	32
1755	Right-of-use assets (notes 6(i) and 10)	17,431	-	-	-
1760	Investment property, net (note 6(j))	456,225	12	457,193	13
1780	Total intangible assets	-	-	14	-
1840	Deferred tax assets (note 6(o))	3,846	-	3,508	-
1920	Guarantee deposits paid (note 8)	6,740	-	4,455	-
1975	Net defined benefit asset, non-current (note 6(n))	2,234	-	250	-
1990	Other non-current assets, others	26,948	1	28,960	-
		1,867,612	50	1,831,247	51
	Total assets	**$ 3,743,418**	**100**	**3,547,914**	**100**

		December 31, 2022		December 31, 2021	
	Liabilities and Equity	**Amount**	**%**	**Amount**	**%**
	Current liabilities:				
2100	Total short-term borrowings (note 6(k))	$ 540,881	15	515,000	15
2120	Current financial liabilities at fair value through profit or loss (note 6(b))	-	-	115	-
2130	Current contract liabilities (note 6(r))	8,221	-	32,564	1
2150	Notes payable (note 7)	18,013	-	23,091	1
2170	Accounts payable (note 7)	192,458	5	112,369	3
2219	Other payables, others	102,040	3	105,748	3
2230	Current tax liabilities	72,696	2	30,293	1
2280	Current lease liabilities (note 6(m))	1,770	-	-	-
2300	Other current liabilities	13,079	-	35,989	1
2320	Long-term liabilities, current portion (notes 6(l) and 8)	10,526	-	10,526	-
		959,684	25	865,695	25
	Non-Current liabilities:				
2540	Long-term borrowings (notes 6(l) and 8)	176,316	5	186,842	5
2570	Deferred tax liabilities (note 6(o))	31,064	1	30,794	1
2580	Non-current lease liabilities (note 6(m))	15,701	-	-	-
		223,081	6	217,636	6
	Total liabilities	1,182,765	31	1,083,331	31
	Equity attributable to owners of parent (note 6(p)):				
	Share capital:				
3110	Ordinary share	1,488,389	40	1,378,138	39
	Retained earnings:				
3310	Legal reserve	326,750	9	281,608	8
3320	Special reserve	61,490	2	192,417	5
3350	Unappropriated retained earnings (accumulated deficit)	816,251	22	673,909	19
3400	Other equity interest	(132,227)	(4)	(61,489)	(2)
	Total equity	2,560,653	69	2,464,583	69
	Total liabilities and equity	**$ 3,743,418**	**100**	**3,547,914**	**100**

See accompanying notes to consolidated financial statements.

(English Translation of Consolidated Financial Statements Originally Issued in Chinese)

Dah San Electric Wire & Cable Corp. and subsidiaries

Consolidated Statements of Comprehensive Income

For the years ended December 31, 2022 and 2021

(Expressed in Thousands of New Taiwan Dollars , Except for Earnings Per Common Share)

		2022		2021	
		Amount	%	Amount	%
	Operating Revenues (notes 6(r) and 7):				
4100	Net sales revenue	$ 4,335,256	98	3,837,267	85
4300	Rental revenue	2,367	-	2,370	-
4511	Construction revenue	-	-	643,800	14
4520	Engineering service revenue, net	95,180	2	41,131	1
	Operating revenue, net	4,432,803	100	4,524,568	100
	Operating costs (notes 6(f) and 7):				
5110	Cost of sales	3,704,859	84	3,361,801	74
5310	Cost of rental sales	1,202	-	1,535	-
5510	Cost of construction sales	-	-	471,042	10
5520	Cost of engineering sales	76,138	2	32,925	1
	Total operating costs	3,782,199	86	3,867,303	85
	Gross profit (loss) from operations	650,604	14	657,265	15
	Operating expenses:				
6100	Selling expenses	50,818	1	48,543	1
6200	Administrative expenses	115,599	3	102,913	2
6300	Research and development expenses	8,972	-	8,129	-
6450	Expected credit gain	(333)	-	(827)	-
	Total operating expenses	175,056	4	158,758	3
	Net operating income	475,548	10	498,507	12
	Non-operating income and expenses (note 6(t)):				
7100	Interest income	326	-	90	-
7010	Other income	33,422	1	16,289	-
7020	Other gains and losses, net	35,935	1	10,084	-
7050	Finance costs, net	(7,267)	-	(8,644)	-
	Total non-operating income and expenses	62,416	2	17,819	-
	Profit from continuing operations before tax	537,964	12	516,326	12
7950	**Less: Income tax expenses (note 6(o))**	106,404	2	65,028	1
	Profit	431,560	10	451,298	11
8300	**Other comprehensive income:**				
8310	**Components of other comprehensive income that will not be reclassified to profit or loss**				
8311	Gains (losses) on remeasurements of defined benefit plans	(363)	-	262	-
8316	Unrealized gains (losses) from investments in equity instruments measured at fair value through other comprehensive income (note 6(p))	(59,571)	(1)	130,845	3
8349	Income tax related to components of other comprehensive income that will not be reclassified to profit or loss	(72)	-	52	-
	Components of other comprehensive income that will not be reclassified to profit or loss	(59,862)	(1)	131,055	3
8300	**Other comprehensive income**	(59,862)	(1)	131,055	3
	Total comprehensive income	**$ 371,698**	**9**	**582,353**	**14**
	Basic earnings per share (note 6(q))	**$**	**2.90**		**3.03**
	Diluted earnings per share (note 6(q))	**$**	**2.89**		**3.02**

See accompanying notes to consolidated financial statements.

(English Translation of Consolidated Financial Statements Originally Issued in Chinese)

Dah San Electric Wire & Cable Corp. and subsidiaries

Consolidated Statements of Changes in Equity

For the years ended December 31, 2022 and 2021

(Expressed in Thousands of New Taiwan Dollars)

	Share capital	Retained earnings			Total other equity interest	
	Ordinary shares	Legal reserve	Special reserve	Unappropriated retained earnings	Unrealized gains (losses) on financial assets measured at fair value through other comprehensive income	Total equity
Balance at January 1, 2021	$ 1,230,480	248,841	196,618	546,366	(192,417)	2,029,888
Profit	-	-	-	451,298	-	451,298
Other comprehensive income	-	-	-	210	130,845	131,055
Total comprehensive income	-	-	-	451,508	130,845	582,353
Appropriation and distribution of retained earnings:						
Legal reserve appropriated	-	32,767	-	(32,767)	-	-
Special reserve appropriated	-	-	(4,201)	4,201	-	-
Cash dividends of ordinary share	-	-	-	(147,658)	-	(147,658)
Stock dividends of ordinary share	147,658	-	-	(147,658)	-	-
Disposal of investments in equity instruments designated at fair value through other comprehensive income	-	-	-	(83)	83	-
Balance at December 31, 2021	1,378,138	281,608	192,417	673,909	(61,489)	2,464,583
Profit	-	-	-	431,560	-	431,560
Other comprehensive income	-	-	-	(291)	(59,571)	(59,862)
Total comprehensive income	-	-	-	431,269	(59,571)	371,698
Appropriation and distribution of retained earnings:						
Legal reserve appropriated	-	45,142	-	(45,142)	-	-
Cash dividends of ordinary share	-	-	-	(275,628)	-	(275,628)
Stock dividends of ordinary share	110,251	-	-	(110,251)	-	-
Special reserve used to offset accumulated deficits	-	-	(130,927)	130,927	-	-
Disposal of investments in equity instruments designated at fair value through other comprehensive income	-	-	-	11,167	(11,167)	-
Balance at December 31, 2022	**$ 1,488,389**	**326,750**	**61,490**	**816,251**	**(132,227)**	**2,560,653**

See accompanying notes to consolidated financial statements.

(English Translation of Consolidated Financial Statements Originally Issued in Chinese)

Dah San Electric Wire & Cable Corp. and subsidiaries

Consolidated Statements of Cash Flows

For the years ended December 31, 2022 and 2021

(Expressed in Thousands of New Taiwan Dollars)

	2022	2021
Cash flows from (used in) operating activities:		
Profit before tax	$ 537,964	516,326
Adjustments:		
Adjustments to reconcile profit (loss):		
Depreciation expense	48,415	42,442
Amortization expense	14	24
Expected credit loss	(333)	(827)
Interest expense	7,267	8,644
Interest income	(326)	(90)
Dividend income	(33,422)	(16,289)
Loss on disposal of property, plan and equipment	212	295
Gain on disposal of non current assets classified as held for sale	(28,449)	-
Total adjustments to reconcile profit (loss)	(6,622)	34,199
Changes in operating assets and liabilities:		
Changes in operating assets:		
Financial assets at fair value through profit or loss	(26,178)	(112,036)
Notes receivable	(15,312)	(23,090)
Accounts receivable	(140,752)	20,238
Other receivable	572	(2,457)
Inventories	(176,245)	379,983
Prepayments	(20,002)	12,341
Other current assets	150	115
Other financial assets	(8,840)	358
Net defined benefit asset	(2,347)	(250)
Other non current assets	54	-
Total changes in operating assets	(388,900)	275,202
Changes in operating liabilities:		
Current financial liabilities at fair value through profit or loss	(115)	(51)
Contract liabilities	(24,343)	32,135
Notes payable	(5,078)	12,752
Accounts payable	80,089	495
Other payable	(3,877)	29,668
Other current liabilities	(22,910)	6,349
Net defined benefit liability	-	(4,501)
Total changes in operating liabilities	23,766	76,847
Total changes in operating assets and liabilities	(365,134)	352,049
Total adjustments	(371,756)	386,248
Cash inflow (outflow) generated from operations	166,208	902,574
Interest received	326	90
Dividends received	33,422	16,289
Interest paid	(7,098)	(8,714)
Income taxes paid	(63,997)	(82,064)
Net cash flows from (used in) operating activities	128,861	828,175
Cash flows from (used in) investing activities:		
Acquisition of financial assets at fair value through other comprehensive income	(7,200)	(42,410)
Proceeds from disposal of financial assets at fair value through other comprehensive income	41,679	2,064
Proceeds from disposal of non-current assets classified as held for sale	73,880	-
Acquisition of property, plant and equipment	(125,462)	(107,642)
Proceeds from disposal of property, plant and equipment	26	572
Decrease in refundable deposits	(2,285)	(3,041)
Acquisition of investment properties	-	(651)
Increase in other non-current assets	-	(82)
Net cash flows from (used in) investing activities	(19,362)	(151,190)
Cash flows from (used in) financing activities:		
Increase (decrease) in short-term loans	25,881	(90,000)
Repayments of long-term debt	(10,526)	(272,492)
Payment of lease liabilities	(1,040)	-
Cash dividends paid	(275,628)	(147,658)
Net cash flows from (used in) financing activities	(261,313)	(510,150)
Net (decrease) increase in cash and cash equivalents	(151,814)	166,835
Cash and cash equivalents at beginning of period	230,110	63,275
Cash and cash equivalents at end of period	**$ 78,296**	**230,110**

See accompanying notes to consolidated financial statements.

(English Translation of Consolidated Financial Statements Originally Issued in Chinese)

Dah San Electric Wire & Cable Corp. and subsidiaries

Notes to the Consolidated Financial Statements

For the years ended December 31, 2022 and 2021

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

(1) Company history

Dah San Electric Wire & Cable Corp. (the "Company") was incorporated on April 15, 1974 as a company limited by shares under the Company Act of the Republic of China (ROC). The Company engages in the manufacture, processing and sale of electric wires and cables, as well as related accessories and equipment. In addition, it undertakes various electronic and telecommunications engineering projects, including design, installation, maintenance, quality control, technical services, etc. Furthermore, it develops, leases out and sells residential buildings.

(2) Approval date and procedures of the consolidated financial statements:

These consolidated financial statements were authorized for issue by the Board of Directors on March 24, 2023.

(3) New standards, amendments and interpretations adopted:

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

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

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

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

The Group's adoption of the new amendments, effective for annual period beginning on January 1, 2023, are expected to have the following impacts:

(i) Amendments to IAS 12 "Deferred Tax related to Assets and Liabilities arising from a Single Transaction"

The amendments narrowed the scope of the recognition exemption so that it no longer applies to transactions that, on initial recognition, give rise to equal taxable and deductible temporary differences. The Group may need to recognize equal deferred income tax assets and deferred income tax liabilities and is evaluating the impact of its initial adoption of the amendments on its consolidated financial position. The Group estimated the application of the amendements resulting in defferred tax assets, defferred tax liabilities and retained earnings to increase by 0 thousand, 0 thousand and 0 thousand on January 1, 2022 and on December 31, 2022, respectively, as well as a 0 decrease of thousand in tax expenses for the year ended 2022.

(Continued)

Dah San Electric Wire & Cable Corp. and subsidiaries
Notes to the Consolidated Financial Statements

(ii) Other amendments

The following amendments are not expected to have a significant impact on the Group' s consolidated financial statements.

- Amendments to IAS 1 "Disclosure of Accounting Policies"
- Amendments to IAS 8 "Definition of Accounting Estimates"

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

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

Standards or Interpretations	Content of amendment	Effective date per IASB
Amendments to IAS 1 "Classification of Liabilities as Current or Non-current"	Under existing IAS 1 requirements, companies classify a liability as current when they do not have an unconditional right to defer settlement for at least 12 months after the reporting date. The amendments has removed the requirement for a right to be unconditional and instead now requires that a right to defer settlement must exist at the reporting date and have substance. The amendments clarify how a company classifies a liability that can be settled in its own shares – e.g. convertible debt.	January 1, 2024
Amendments to IAS 1 "Non-current Liabilities with Covenants"	After reconsidering certain aspects of the 2020 amendments1, new IAS 1 amendments clarify that only covenants with which a company must comply on or before the reporting date affect the classification of a liability as current or non-current. Covenants with which the company must comply after the reporting date (i.e. future covenants) do not affect a liability' s classification at that date. However, when non-current liabilities are subject to future covenants, companies will now need to disclose information to help users understand the risk that those liabilities could become repayable within 12 months after the reporting date.	January 1, 2024

Dah San Electric Wire & Cable Corp. and subsidiaries
Notes to the Consolidated Financial Statements

Standards or Interpretations	Content of amendment	Effective date per IASB
IFRS16 “Requirements for Sale and Leaseback Transactions”	The amendments to IFRS 16 Leases introduce a new accounting model that will impact how a seller-lessee accounts for variable lease payments in a sale-and-leaseback transaction. Under this new accounting model for variable payments, a seller-lessee will: ● include estimated variable lease payments when it initially measures a lease liability arising from a sale-and-leaseback transaction; and ● after initial recognition, apply the general requirements for subsequent accounting of the lease liability such that it recognizes no gain or loss relating to the right of use it retains.	January 1, 2024

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

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

- Amendments to IFRS 10 and IAS 28 “Sale or Contribution of Assets Between an Investor and Its Associate or Joint Venture”
- IFRS 17 “ Insurance Contracts” and amendments to IFRS 17 “ Insurance Contracts”
- Amendments to IFRS 17 “Initial Application of IFRS 17 and IFRS 9 – Comparative Information “

(4) Summary of significant accounting policies:

The significant accounting policies presented in the financial statements are summarized below. Except for those specifically indicated, the following accounting policies have been applied consistently to all periods presented in these consolidated financial statements.

(a) Statement of compliance

These consolidated financial statements have been prepared in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers (hereinafter referred to as “the Regulations”) and the International Financial Reporting Standards, International Accounting Standards, IFRIC Interpretations, and SIC Interpretations endorsed and issued into effect by the Financial Supervisory Commission, R.O.C..

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(b) Basis of preparation

(i) Basis of measurement

Except for the following significant accounts, the consolidated financial statements have been prepared on a historical cost basis:

1) Financial instruments at fair value through profit or loss are measured at fair value;

2) Financial assets at fair value through other comprehensive income are measured at fair value;

3) The defined benefit liabilities (assets) are measured at fair value of the plan assets less the present value of the defined benefit obligation, limited as explained in note 4(p).

(ii) Functional and presentation currency

The functional currency of each Group entity is determined based on the primary economic environment in which the entity operates. The consolidated financial statements are presented in New Taiwan Dollar (NTD), which is the Group's functional currency. All financial information presented in NTD has been rounded to the nearest thousand.

(c) Basis of consolidation

(i) Principles of preparation of the consolidated financial statements

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

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

The Group prepares consolidated financial statements using uniform accounting policies for like transactions and other events in similar circumstances. Changes in the Group's ownership interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received will be recognized directly in equity, and the Group will attribute it to the owners of the parent.

(Continued)

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(ii) List of subsidiaries in the consolidated financial statements

List of the subsidiaries included in the consolidated financial statements:

			Shareholding		
Name investor	**Name of investee**	**Pricipal activity**	**December 31, 2022**	**December 31, 2021**	**Description**
The Company	Da Huo Investment Co., Ltd.	Method of	100.00 %	100.00 %	
〃	Xin Yi Construction Co., Ltd.	Construction	100.00 %	100.00 %	

(iii) Subsidiaries excluded from the consolidated financial statements: None.

(d) Foreign currencies

(i) Foreign currency transactions

Transactions in foreign currencies are translated into the respective functional currencies of Group entities at the exchange rates at the dates of the transactions. At the end of each subsequent reporting period, monetary items denominated in foreign currencies are translated into the functional currencies using the exchange rate at that date. Non-monetary items denominated in foreign currencies that are measured at fair value are translated into the functional currencies using the exchange rate at the date that the fair value was determined. Non monetary items denominated in foreign currencies that are measured based on historical cost are translated using the exchange rate at the date of the transaction.

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

An asset is classified as current under one of the following criteria, and all other assets are classified as non-current.

(i) It is expected to be realized, or intended to be sold or consumed, in the normal operating cycle;

(ii) It is held primarily for the purpose of trading;

(iii) It is expected to be realized within twelve months after the reporting period; or

(iv) The asset is cash or a cash equivalent (as defined in IAS 7) unless the asset is restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

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

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An entity shall classify a liability as current when:

(i) It is expected to be settled in the normal operating cycle;

(ii) It is held primarily for the purpose of trading;

(iii) It is due to be settled within twelve months after the reporting period; or

(iv) The does not have an unconditional right to defer settlement of the liability for at least twelve months after the reporting period. Terms of a liability that could, at the option of the counterparty, result in its settlement by issuing equity instruments do not affect its classification.

(f) Cash and cash equivalents

Cash comprises cash on hand and demand deposits. Cash equivalents are short term, highly liquid investments that are readily convertible to known amounts of cash and are subject to an insignificant risk of changes in value. Time deposits which meet the above definition and are held for the purpose of meeting short term cash commitments rather than for investment or other purposes should be recognized as cash equivalents.

(g) Financial instruments

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

(i) Financial assets

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

On initial recognition, a financial asset is classified as measured at: amortized cost; Fair value through other comprehensive income (FVOCI) – debt investment; FVOCI – equity investment; or FVTPL. Financial assets are not reclassified subsequent to their initial recognition unless the Group changes its business model for managing financial assets, in which case all affected financial assets are reclassified on the first day of the first reporting period following the change in the business model.

1) Financial assets measured at amortized cost

A financial asset is measured at amortized cost if it meets both of the following conditions and is not designated as at FVTPL:

· it is held within a business model whose objective is to hold assets to collect contractual cash flows; and

· its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

These assets are subsequently measured at amortized cost, which is the amount at which the financial asset is measured at initial recognition, plus/minus, the cumulative amortization using the effective interest method, adjusted for any loss allowance. Interest income, foreign exchange gains and losses, as well as impairment, are recognized in profit or loss. Any gain or loss on derecognition is recognized in profit or loss.

2) Fair value through other comprehensive income (FVOCI)

On initial recognition of an equity investment that is not held for trading, the Group may irrevocably elect to present subsequent changes in the investment's fair value in other comprehensive income. This election is made on an instrument-by-instrument basis.

Equity investments at FVOCI are subsequently measured at fair value. Dividends are recognized as income in profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognized in other comprehensive income and are never reclassified to profit or loss.

Dividend income is recognized in profit or loss on the date on which the Group's right to receive payment is established.

3) Fair value through profit or loss (FVTPL)

All financial assets not classified as amortized cost or FVOCI described as above are measured at FVTPL, including derivative financial assets. Trade receivables that the Group intends to sell immediately or in the near term are measured at FVTPL; however, they are included in the 'trade receivables' line item. On initial recognition, the Group may irrevocably designate a financial asset, which meets the requirements to be measured at amortized cost or at FVOCI, as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognized in profit or loss.

4) Impairment of financial assets

The Group recognizes loss allowances for expected credit losses (ECL) on financial assets measured at amortized cost (including cash and cash equivalents, amortized costs, trade receivables and notes receivable, other receivables, leases receivable, guarantee deposit paid and other financial assets), debt investments measured at FVOCI and contract assets.

(Continued)

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

· debt securities that are determined to have low credit risk at the reporting date；and

· other debt securities and bank balances for which credit risk (i.e. the risk of default occurring over the expected life of the financial instrument) has not increased significantly since initial recognition.

Loss allowance for trade receivables and contract assets are always measured at an amount equal to lifetime ECL.

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

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

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

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

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

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

· significant financial difficulty of the borrower or issuer;

· a breach of contract such as a default or being more than one year past due;

·the lender of the borrower, for economic or contractual reasons relating to the borrower's financial difficulty, having granted to the borrower a concession that the lender would not otherwise consider;

·it is probable that the borrower will enter bankruptcy or other financial reorganization; or

· the disappearance of an active market for a security because of financial difficulties.

Loss allowances for financial assets measured at amortized cost are deducted from the gross carrying amount of the assets. For debt securities at FVOCI, the loss allowance is charge to profit or loss and is recognized in other comprehensive income instead of reducing the carrying amount of the asset.

The gross carrying amount of a financial asset is written off when the Group has no reasonable expectations of recovering a financial asset in its entirety or a portion thereof. For corporate customers, the Group individually makes an assessment with respect to the timing and amount of write-off based on whether there is a reasonable expectation of recovery. The Group expects no significant recovery from the amount written off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Group's procedures for recovery of amounts due.

5) Derecognition of financial assets

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

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

(ii) Financial liabilities

1) Financial liabilities

Financial liabilities are classified as measured at amortized cost or FVTPL. A financial liability is classified as at FVTPL if it is classified as held-for-trading, it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognized in profit or loss.

2) Derecognition of financial liabilities

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

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

3) Offsetting of financial assets and liabilities

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

(iii) Derivative financial instruments and hedge accounting

The Group holds derivative financial instruments to hedge its foreign currency and interest rate exposures. Embedded derivatives are separated from the host contract and accounted for separately if the host contract is not a financial asset and certain criteria are met.

Derivatives are initially measured at fair value. Subsequent to initial recognition, derivatives are measured at fair value, and changes therein are generally recognized in profit or loss.

The Group designates certain hedging instruments (which include derivatives) as fair value hedges.

At inception of designated hedging relationships, the Group documents the risk management objective and strategy for undertaking the hedge. The Group also documents the economic relationship between the hedged item and the hedging instrument, including whether the changes in cash flows of the hedged item and hedging instrument are expected to offset each other.

1) Fair value hedges

The fair value change on qualifying hedging instruments is recognized in profit or loss except when the hedging instrument hedges an equity instrument designated at FVOCI in which case it is recognized in other comprehensive income.

(h) Inventories

Inventories are measured at the lower of cost and net realizable value. The cost of inventories is calculated using the weighted average method, and includes expenditure incurred in acquiring the inventories, production or conversion costs, and other costs incurred in bringing them to their present location and condition. In the case of manufactured inventories and work in progress, cost includes an appropriate share of production overheads based on normal operating capacity.

If the actual number of production units does not differ materially from normal capacity, the fixed production overheads shall still be amortized at the former. Variable production overheads are amortized on the basis of actual number of production units.

Construction in progress is recognized based on cost of acquisition, and the gains (losses) are recognized using the completed contract method.

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

On September 22, 2021, the Company's Board of Directors resolved to sell a portion of investment property. Since January 1, 2021, accounting policies related to non-current assets held for sales have been applied.

Non-current assets or disposal groups comprising assets and liabilities that are highly probable to be recovered primarily through sale rather than through continuing use, are reclassified as held for sale. Immediately before classification as held for sale, the assets, or components of a disposal group, are remeasured in accordance with the Group's accounting policies. Thereafter, generally, the assets or disposal groups are measured at the lower of their carrying amount and fair value less costs to sell.

Any impairment loss on a disposal group is first allocated to goodwill, and then to the remaining assets and liabilities on a pro rata basis, except that no loss is allocated to assets not within the scope of IAS 36 – Impairment of Assets. Such assets will continue to be measured in accordance with the Group's accounting policies.

Impairment losses on assets initially classified as held for sale and any subsequent gains or losses on remeasurement are recognized in profit or loss. Gains are not recognized in excess of the cumulative impairment loss that has been recognized.

Once classified as held for sale, intangible assets and property, plant and equipment are no longer amortized or depreciated, and any equity-accounted investee is no longer equity accounted.

(j) Investment property

Investment property is property held either to earn rental income or for capital appreciation or for both, but not for sale in the ordinary course of business, use in the production or supply of goods or services, or for administrative purposes. Investment property is measured at cost on initial recognition, and subsequently at cost, less accumulated depreciation and accumulated impairment losses. Depreciation expense is calculated based on the depreciation method, useful life, and residual value which are the same as those adopted for property, plant and equipment.

Any gain or loss on disposal of an investment property (calculated as the difference between the net proceeds from disposal and the carrying amount) is recognized in profit or loss.

Rental income from investment property is recognized as other revenue on a straight-line basis over the term of the lease. Lease incentives granted are recognized as an integral part of the total rental income, over the term of the lease.

(k) Property, plant and equipment

(i) Recognition and measurement

Items of property, plant and equipment are measured at cost, which includes capitalized borrowing costs, less accumulated depreciation and any accumulated impairment losses.

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

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

(ii) Subsequent expenditure

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

(iii) Depreciation

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

Land is not depreciated.

The estimated useful lives of property, plant and equipment for current and comparative periods are as follows:

1) Buildings and structures: 8 to 55 years

2) Machinery equipment: 1 to 10 years

3) Utility facilities equipment: 5 to 20 years

4) Transportation equipment: 1 to 5 years

5) Other equipment: 1 to 50 years

Depreciation methods, useful lives, and residual values are reviewed on each reporting date and appropriately adjusted if necessary.

(l) Leases

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

(i) As a leasee

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

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

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

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

— fixed payments, including in-substance fixed payments;

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

— amounts expected to be payable under a residual value guarantee; and

— payments for purchase or termination options that are reasonably certain to be exercised.

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

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

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

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

— there is a change of its assessment on whether it will exercise a extension or termination option; or

— there is any lease modification

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

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

The Group presents right-of-use assets that do not meet the definition of investment and lease liabilities as a separate line item respectively in the statement of financial position.

In respect of office equipment and parking lots, the Group has elected not to recognize right-of-use assets and lease liabilities for short-term leases or leases of low-value assets. The Group recognizes related lease payments as expenses on a straight-line basis over the lease term.

(Continued)

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(ii) As a leasor

When the Group acts as a lessor, it determines at lease commencement whether each lease is a finance lease or an operating lease. To classify each lease, the Group makes an overall assessment of whether the lease transfers to the lessee substantially all of the risks and rewards of ownership incidental to ownership of the underlying asset. If this is the case, then the lease is a finance lease; if not, then the lease is an operating lease. As part of this assessment, the Group considers certain indicators such as whether the lease is for the major part of the economic life of the asset.

When the Group is an intermediate lessor, it accounts for its interests in the head lease and the sub-lease separately. It assesses the lease classification of a sub-lease with reference to the right-of-use asset arising from the head lease. If a head lease is a short-term lease to which the Group applies the exemption described above, then it classifies the sub-lease as an operating lease.

If an arrangement contains lease and non-lease components, the Group applies IFRS15 to allocate the consideration in the contract.

The Group recognizes lease payments received under operating leases as income on a straight-line basis over the lease term as part of ‘other income’.

(m) Intangible assets

(i) Recognition and measurement

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

(ii) Subsequent expenditure

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

(iii) Amortization

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

The estimated useful lives for current and comparative periods are as follows:

Cmputer software: 3 to 5 years

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

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(n) Impairment of non-financial assets

On each reporting date, the Group assesses whether there is any indication that the carrying amounts of non-financial assets (other than inventories, deferred tax assets, assets arising from employee benefits, investment properties measured at fair value, and non-current assets held for sale) have been impaired. If any such indication exists, then the asset's recoverable amount is estimated.

For impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or cash-generating units (CGUs). Goodwill arising from a business combination is allocated to CGUs or groups of CGUs that are expected to benefit from the synergies of the combination.

The recoverable amount of an asset or CGU is the greater of its value in use and its fair value less costs to sell. Value in use is based on the estimated future cash flows, discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or CGU.

An impairment loss is recognized if the carrying amount of an asset or CGU exceeds its recoverable amount.

Impairment losses are recognized in profit or loss. They are allocated first to reduce the carrying amount of any goodwill allocated to the CGU, and then to reduce the carrying amounts of the other assets in the CGU on a pro rata basis.

(o) Revenue recognition

(i) Revenue from contracts with customers

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

1) Sale of goods

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

A receivable is recognized when the goods are delivered as this is the point in time that the Group has a right to an amount of consideration that is unconditional.

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2) Construction contracts

The Group undertakes public works. The consideration promised in the contract includes fixed and variable amounts. Some variable considerations (e.g. a penalty payment calculated based on days of delay), are estimated based on the expected value with reference to historical experience. Other variable considerations are estimated using the most likely amount. Taking into account the fact that the progress of a public construction is highly susceptible to factors beyond the Group' s control; therefore, the Group recognizes revenue only to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognized will not occur. The contract asset is transferred to receivables when the entitlement to payment becomes unconditional.

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

A provision for onerous contracts is recognized when the Group expects the unavoidable costs of performing the obligations under a construction contract exceed the economic benefits expected to be received under the contract.

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

3) Financing components

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

(p) Employee benefits

(i) Defined contribution plans

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

(ii) Defined benefit plans

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

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

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

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

(iii) Short-term employee benefits

Short-term employee benefits are expensed as the related service is provided. A liability is recognized for the amount expected to be paid if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

(q) Income taxes

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

The Group has determined that interest and penalties related to income taxes, including uncertain tax treatment, do not meet the definition of income taxes, and therefore accounted for them under IAS37.

Current taxes comprise the expected tax payables or receivables on the taxable profits (losses) for the year and any adjustment to the tax payable or receivable in respect of previous years. The amount of taxes payable or refundable is the best estimate measured using the tax rate enacted or substantively enacted on the reporting date.

Deferred taxes arise due to temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and their respective tax bases. Deferred taxes are recognized except for the following:

(i) temporary differences on the initial recognition of assets and liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profits (losses) at the time of the transaction;

(Continued)

(ii) temporary differences related to investments in subsidiaries, associates and joint arrangements to the extent that the Group is able to control the timing of the reversal of the temporary differences and it is probable that they will not reverse in the foreseeable future; and

(iii) taxable temporary differences arising on the initial recognition of goodwill.

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

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

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

(i) the Group has a legally enforceable right to set off current tax assets against current tax liabilities; and

(ii) the deferred tax assets and the deferred tax liabilities relate to income taxes levied by the same taxation authority on either:

1) the same taxable entity; or

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

(r) Earnings per share

The Group discloses the Company's basic and diluted earnings per share attributable to ordinary shareholders of the Group. Basic earnings per share is calculated as the profit attributable to ordinary shareholders of the Group divided by the weighted average number of ordinary shares outstanding. Diluted earnings per share is calculated as the profit attributable to ordinary shareholders of the Group divided by the weighted average number of ordinary shares outstanding after adjustment for the effects of all potentially dilutive ordinary shares, such as convertible bonds and employee compensation.

(s) Operating segments

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

(Continued)

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

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

The management continues to monitor the accounting estimates and assumptions. The management recognizes any changes in accounting estimates during the period and the impact of those changes in accounting estimates in the following period.Accounting policies neither involved material judgment nor had significant influence on the amounts stated in the consolidated financial statements.

There were no assumptions and estimation uncertainties that had a significant risk of resulting in a material adjustment during the following financial year.

There were no assumptions and estimation uncertainties that had a significant risk of resulting in a material adjustment during the following financial year.

(6) Explanation of significant accounts:

(a) Cash and cash equivalents

	December 31, 2022	December 31, 2021
Cash on hand and petty cash	$ 456	1,118
Checking account deposits	23	613
Demand deposits	50,815	103,785
Foreign currency deposits	14,002	24,594
Time deposits	13,000	100,000
Cash and cash equivalents in the consolidated statement of cash flows	**$ 78,296**	**230,110**

Please refer to note 6(u) for the exchange rate risk, interest rate risk, and sensitivity analysis of the financial assets and liabilities of the Group.

(b) Financial assets and liabilities at fair value through profit or loss

	December 31, 2022	December 31, 2021
Mandatorily measured at fair value through profit or loss		
Non-derivative financial assets		
Corporate bonds	**$ 138,214**	**112,036**

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	December 31, 2022	December 31, 2021
Held-for-trading financial liabilities：		
Derivative instruments not used for hedging		
Forward exchange contracts	$ -	115

The Group uses derivative financial instruments to hedge the certain foreign exchange and interest rate risk the Group exposures arising from its operating, financing and investing activities. The following derivative instruments, without the application of hedge accounting, were classified as mandatorily measured at fair value through profit or loss and held-for-trading financial liabilities:

Forward exchange contracts:

	December 31, 2021		
	Amount (in thousands)	Currency	Maturity dates
Forward exchange purchased	EUR 300	Euro to NTD	2021.11.12-2022.08.15

During 2022, the dividend income of $4,324 thousand was recognized for investments in equity instruments designated at FVOCI.

Please refer to note 6(u) for credit risk and market risk.

None of the aforementioned financial assets has been pledged as security.

(c) Financial assets at fair value through other comprehensive income

	December 31, 2022	December 31, 2021
Equity investments at fair value through other comprehensive income:		
Domestic listed entities	$ 199,660	236,732
Domestic unlisted entities	163,430	220,408
Total	$ 363,090	457,140
Current	$ 199,660	238,005
Non-current	163,430	219,135
Total	$ 363,090	457,140

The Group designated the investments shown above as equity securities at fair value through other comprehensive income because these equity securities represent those investments that the Group intends to hold for the long term strategic purposes.

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During 2022 and 2021, the dividends of $29,098 thousand and $16,289 thousand were recognized for the above-mentioned investments in equity instruments designated at FVOCI.

During 2022 and 2021, the Group sold its financial assets at FVOCI, whose fair values amounted to $41,679 thousand and $2,064 thousand respectively at the time of disposal. The accumulated gains (losses) on disposal amounted to gains of $11,167 thousand and losses of $83 thousand, and the aforementioned gains on disposal was transferred from other equity to retained earnings.

Please refer to note 6(u) for credit risk and market risk.

None of the aforementioned financial assets has been pledged as security.

(d) Notes and accounts receivable (to related parties)

	December 31, 2022	December 31, 2021
Notes receivable	$ 77,626	62,314
Accounts receivable (including accounts receivable due from related parties)	729,240	589,571
Less: Loss allowance	(302)	(1,718)
	$ 806,564	**650,167**

The Group applies the simplified approach to provide for its expected credit losses, i.e. the use of lifetime expected loss provision for all receivables. The exposures to credit risk and expected credit losses for trade receivables were determined as follows:

	December 31, 2022		
	Carrying amount of accounts receivable	**Weighted-average loss rate**	**Allowance lifetime expected credit loss**
Current	$ 806,575	0.00%-0.25%	11
30 day past due	-	0.50%	-
31~120 day past due	-	1.00%	-
121~180 day past due	-	5.00%	-
181~360 day past due	-	10.00%~50.00%	-
More than 361 day past due	291	100.00%	291
	$ 806,866		**302**

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	December 31, 2021		
	Carrying amount of accounts receivable	Weighted-average loss rate	Allowance lifetime expected credit loss
Current	$ 650,200	0.00%-0.25%	33
30 day past due	-	0.50%	-
31~120 day past due	-	1.00%	-
121~180 day past due	-	5.00%	-
181~360 day past due	-	10.00%~50.00%	-
More than 361 day past due	1,685	100.00%	1,685
	$ 651,885		**1,718**

During 2022 and 2021, the movements in loss allowances for notes and accounts receivable were as follows:

	For the years ended December 31,	
	2022	2021
Balance at January 1	$ 1,718	2,545
Impairment losses reversed	(333)	(827)
Write-offs of unrecoverable receivables	(1,083)	-
Balance at December 31	**$ 302**	**1,718**

None of the aforementioned financial assets has been pledged as security.

(e) Other receivables

	December 31, 2022	December 31, 2021
Other	$ 2,579	3,151
Less: allowance for bad debts	-	-
	-	-
	$ 2,579	**3,151**

Based on historical experience, the aforementioned other receivables were not expected to incur any lifetime ECLs resulting from default events; therefore, the ECL rate was estimated at 0%.

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(f) Inventories

	December 31, 2022	December 31, 2021
Raw materials	$ 105,599	97,918
Supplies	6,061	3,514
Work in progress	278,600	153,855
Finished goods	204,071	151,033
Scrap	2,836	4,506
Construction in progress	1,213	11,309
	$ 598,380	**422,135**

The construction in progress, within the line item of inventories, represents the costs of engineering sales incurred by uncompleted installation project of various electrical wires and cables as of the reporting date.

During 2022 and 2021, operating costs were as follows:

	For the years ended December 31,	
	2022	2021
Cost of sales	$ 3,699,913	3,359,667
(Shortage) overage of inventories	(183)	20
Net revenues from selling scrap	3,427	2,633
(Reversal of) losses on inventory write-downs and obsolescence	1,702	(519)
Costs of rental sales	1,202	1,535
Cost of construction sales	-	471,042
Cost of engineering sales	76,138	32,925
Total	**$ 3,782,199**	**3,867,303**

The factors that caused net realizable values of inventories to be lower than the costs had disappeared. Consequently, the increase in net realizable values was recognized as a reduction from operating costs. Besides, losses on inventory write-downs and obsolescence have been incurred by obsolete and unusable inventories, resulting in the recognition of the excess of costs to net realizable values as operating costs.

As of December 31, 2022 and 2021, none of the Group's inventories was pledged as security.

(Continued)

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(g) Non-current assets held for sale

On September 22, 2021, the Group's Board of Directors resolved to sell of investment properties and has started to handling matters related to sales. These investment properties have been classified as non-current assets held for sale. As of December 31, 2021, the amounts of non-current assets held for sale were as follows:

	December 31, 2021		
	Land	**Buildings and structures**	**Total**
Non-current assets held for sale	$ **22,307**	**15,335**	**37,642**

In addition, no impairment loss was recognized after measuring at the lower of carrying amount and fair value less costs to sell.

During February 2022, the Group has completed the disposal for a price of $73,880 thousand. In addition, the gains on disposal amounted to $28,449 thousand.

(h) Property, plant and equipment

During 2022 and 2021, the movements in costs of, depreciation of and impairment losses on property, plant and equipment were as follows:

	Land	Buildings and structures	Machinery equipment	Utility facilities	Transportation equipment	Other equipment	Unfinished construction and equipment under acceptance	Total
Cost or deemed cost:								
Balance on January 1, 2022	$ 727,322	359,931	1,419,466	47,797	111,061	191,618	19,840	2,877,035
Additions	-	860	10,359	630	5,243	2,370	107,958	127,420
Disposal and obsolescence	-	-	(8,890)	-	(1,634)	(210)	-	(10,734)
Reclassification	-	2,852	26,477	-	3,280	1,800	(34,409)	-
Reclassified as assets held for sale	-	-	-	-	-	-	(7,789)	(7,789)
Investment on property	-	-	-	-	-	-	(235)	(235)
Balance on December 31, 2022	$ **727,322**	**363,643**	**1,447,412**	**48,427**	**117,950**	**195,578**	**85,365**	**2,985,697**
Balance on January 1, 2021	$ 724,105	345,722	1,416,858	33,245	93,569	185,009	17,624	2,816,132
Addition (including capitalized interest)	-	5,246	24,104	14,460	12,002	7,290	19,784	82,886
Disposal and obsolescence	-	-	(33,377)	(105)	-	(681)	-	(34,163)
Reclassification	3,217	8,963	11,881	197	5,490	-	(17,568)	12,180
Balance on December 31, 2021	$ **727,322**	**359,931**	**1,419,466**	**47,797**	**111,061**	**191,618**	**19,840**	**2,877,035**
Depreciation and impairments loss:								
Balance on January 1, 2022	$ -	212,471	1,282,114	13,068	77,060	174,590	-	1,759,303
Depreciation	-	8,510	23,595	1,991	8,712	3,324	-	46,132
Disposal and obsolescence	-	-	(8,685)	-	(1,617)	(194)	-	(10,496)
Balance on December 31, 2022	$ **-**	**220,981**	**1,297,024**	**15,059**	**84,155**	**177,720**	**-**	**1,794,939**
Balance on January 1, 2021	$ -	204,529	1,293,145	11,522	70,067	172,429	-	1,751,692
Depreciation	-	7,942	21,512	1,644	6,993	2,816	-	40,907
Disposal and obsolescence	-	-	(32,543)	(98)	-	(655)	-	(33,296)
Balance on December 31, 2021	$ **-**	**212,471**	**1,282,114**	**13,068**	**77,060**	**174,590**	**-**	**1,759,303**

(Continued)

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		Land	Buildings and structures	Machinery equipment	Utility facilities	Transportation equipment	Other equipment	Unfinished construction and equipment under acceptance	Total
Book value:									
Balance on December 31, 2022	$	727,322	142,662	150,388	33,368	33,795	17,858	85,365	1,190,758
Balance on January 1, 2021	$	724,105	141,193	123,713	21,723	23,502	12,580	17,624	1,064,440
Balance on December 31, 2021	$	727,322	147,460	137,352	34,729	34,001	17,028	19,840	1,117,732

The sites of the Company's main factory and Huxi II factory is located at land lot No. 721 to 723 and No. 791 to 792 Jioulaoye Section, as well as No. 1619 (previously No. 144-9) Huxi Section, totaling 3,820.73 square feet and $36,016 thousand. As the site is agricultural land subject to the Agricultural Development Act, it is not allowed to apply for title registration in the name of the Group. Consequently, it is registered in name of a related party that serves as the trustee. The Group has entered into a trust deed for real estate with a trustee, prescribing the rights and obligations of both parties. In addition, the trustee has issued a statement stating that the actual ownership of the land belongs to the Group, and the land is pledged to the Group as security.

Please refer to note 8 for property, plants and equipment pledged as security.

Please refer to note 6(t) for gains (losses) on property, plant and equipment.

Please refer to note 6(t) for capitalization of interest.

(i) Right-of-use assets

The Group recognized leased land as right-of-use assets, and the costs and accumulated depreciation thereof were as follows:

		Land
Costs of right-of-use assets:		
Balance on January 1, 2022	$	-
Additions		18,511
Balance on December 31, 2022	**$**	**18,511**
Depreciation and impairments loss of right-of-use assets:		
Balance on January 1, 2022	$	-
Depreciatio		1,080
Balance on January 1, 2022	**$**	**1,080**
Book value:		
Balance on December 31, 2022	**$**	**17,431**
Balance on December 31, 2021	**$**	**-**

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(j) Investment property

The movements in the Group's investment property were as follows:

	Land	Buildings and structures	Total
Cost or deemed cost:			
Balance on January 1, 2022	$ 420,132	50,710	470,842
Additions	-	235	235
Balance on December 31, 2022	**$ 420,132**	**50,945**	**471,077**
Balance on January 1, 2021	$ 442,439	72,128	514,567
Additions	-	651	651
Transferred to non-current assets held for sale	(22,307)	(22,069)	(44,376)
Balance on December 31, 2021	**$ 420,132**	**50,710**	**470,842**
Depreciation and impairments loss:			
Balance on January 1, 2022	$ -	13,649	13,649
Depreciation	-	1,203	1,203
Balance on December 31, 2022	**$ -**	**14,852**	**14,852**
Balance on January 1, 2021	$ -	18,848	18,848
Depreciation	-	1,535	1,535
Transferred to non-current assets held for sale	-	(6,734)	(6,734)
Balance on December 31, 2021	**$ -**	**13,649**	**13,649**
Carrying amount:			
Balance on December 31, 2022	**$ 420,132**	**36,093**	**456,225**
Balance on January 1, 2021	**$ 442,439**	**53,280**	**495,719**
Balance on December 31, 2021	**$ 420,132**	**37,061**	**457,193**
Fair Falue:			
Balance on December 31, 2022			**$ 1,003,897**
Balance on December 31, 2021			**$ 1,041,952**

The fair value of the investment property was determined with reference to market price in the vicinity.

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During 2021, the Group's investment properties were reclassified as non-current assets held for sale; please refer to note 6(g) for details.

As of December 31, 2022 and 2021, none of investment property was pledged as security.

(k) Short-term borrowings

The short-term borrowings were summarized as follows:

	December 31, 2022	December 31, 2021
Unsecured bank loans	$ **540,881**	**515,000**
Unused short-term credit lines	$ **1,338,260**	**1,492,949**
Range of interest rates	**1.23%~6.23%**	**0.75%~0.90%**

(l) Long-term borrowings

The details were as follows:

	December 31, 2022			
	Currency	Rate	Maturity year	Amount
Secured bank loans	NTD	1.76%	129	$ 186,842
Less: current portion				(10,526)
Total				$ **176,316**
Unused long-term credit lines				$ **140,000**

	December 31, 2021			
	Currency	Rate	Maturity year	Amuont
Secured bank loans	NTD	1.07%	129	$ 197,368
Less: current portion				(10,526)
Total				$ **186,842**
Unused long-term credit lines				$ **200,000**

For the collateral for long-term borrowings, please refer to note 8.

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(m) Lease liabilities

The carrying amounts of the Group's lease liabilities were as follows:

		December 31, 2022	December 31, 2021
Current	$	1,770	-
Non-current	$	15,701	-

For the maturity analysis, please refer to note 6(u).

The amounts recognized in profit or loss was as follows:

		For the years ended December 31, 2022	2021
Interest on lease liabilities	$	100	-
Expenses relating to short-term leases	$	285	-

The amounts recognized in the statement of cash flows by the Group were as follows:

		For the years ended December 31, 2022	2021
Total cash outflow for leases	$	1,425	-

Land leases

Since May 10, 2022, the Group leased land as parking lot with a lease term of 10 years. Some leases include an option to renew the lease for an additional period of the same duration at the end of the lease term.

(n) Employee benefits

(i) Defined benefit plans

Reconciliation of defined benefit obligation at present value and plan asset at fair value are as follows:

		December 31, 2022	December 31, 2021
Present value of the defined benefit obligations	$	74,324	70,677
Fair value of plan assets		(76,558)	(70,927)
Net defined benefit liabilities	$	(2,234)	(250)

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

1) Composition of plan assets

The Group allocates pension funds in accordance with the Regulations for Revenues, Expenditures, Safeguard and Utilization of the Labor Retirement Fund, and such funds are managed by the Bureau of Labor Funds, Ministry of Labor. With regard to the utilization of the funds, minimum earnings shall be no less than the earnings attainable from two-year time deposits with interest rates offered by local banks.

The Group's labor pension reserve account balance at Bank of Taiwan amounted to $76,558 thousand as of the reporting date. For information on the utilization of the labor pension fund assets, including the asset allocation and yield of the fund, please refer to the website of the Bureau of Labor Funds, Ministry of Labor.

2) Movements in present value of the defined benefit obligations

The movements in the present values of the defined benefit obligations for 2022 and 2021 were as follows:

	For the years ended December 31,	
	2022	**2021**
Defined benefit obligations at January 1	$ 70,677	72,563
Current service costs and interest cost	652	284
Remeasurements on the net defined benefit liabilities		
—Actuarial losses (gains) arising from experience adjustments	8,342	(550)
—Actuarial loss arising from changes in population assumptions	-	2,706
—Actuarial loss arising from changes in financial assumptions	(2,728)	(1,696)
Amount paid for the defined benefit obligations	(2,619)	(2,630)
Defined benefit obligations as of December 31	**$ 74,324**	**70,677**

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3) Movements of defined benefit plan assets

During 2022 and 2021, the movements in the fair values of the defined benefit plan assets were as follows:

	For the years ended December 31,	
	2022	2021
Fair value of plan assets at January 1	$ 70,927	67,800
Interest income	550	135
Remeasurements on the net defined benefit liabilities:		
—Return on plan assets (excluding current interest)	5,251	723
Amount of benefits paid	(2,619)	4,899
Amount of contributions	2,449	(2,630)
Fair value of plan assets at December 31	**$ 76,558**	**70,927**

4) Expenses recognized in profit or loss

The Group's expenses recognized for 2022 and 2021 were as follows:

	For the years ended December 31,	
	2022	2021
Current service costs	$ 122	140
Net interest of net liabilities (assets) for defined benefit obligations	(20)	9
	$ 102	**149**
Operating cost	$ 47	74
Selling expenses	11	21
Administration expenses	42	44
Research and development expenses	2	10
	$ 102	**149**

5) Remeasurement of net defined benefit liabilities recognized in other comprehensive income

As of December 31, 2022 and 2021, the remeasurement of accumulated net defined benefit liabilities recognized in other comprehensive income were as follows:

	For the years ended December 31,	
	2022	2021
Balance on January 1	$ 28,308	28,570
Recognized for the period	363	(262)
Cumulative amount as of December 31	**$ 28,671**	**28,308**

(Continued)

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6) Actuarial assumptions

The following were the Group's principal actuarial assumptions of present value of defined benefit obligation:

	2022	2021
Discount rate	1.400 %	0.750 %
Future salary increase rate	1.250 %	1.250 %

The contributions to be made by the Group to the defined benefit plans, within 1 year after the reporting date of 2022, amounted to $2,658 thousand.

The weighted-average duration of the defined benefits obligation is 6 years.

7) Sensitivity Analysis

If the actuarial assumptions had changed, the impact on the present value of the defined benefit obligation shall be as follows:

	Impact on the defined benefit obligations	
	0.25% increase	0.25% decrease
December 31, 2022		
Discount rate	$ (1,078)	1,104
Future salary increasing rate	1,071	(1,050)
December 31, 2021		
Discount rate	$ (1,087)	1,115
Future salary increasing rate	1,073	(1,051)

The above-mentioned sensitivity analysis assumes that all other assumptions remain constant, which means to analyze the impact of a single assumption. In practice, the relevant actuarial assumptions are correlated to each other. The method used in the sensitivity analysis is consistent with the calculation of pension liabilities in the balance sheets.

There is no change in the method and assumptions used in the preparation of sensitivity analysis for 2022 and 2021.

(ii) Defined contribution plans

The Group allocates 6% of each employee's monthly wages to the labor pension personal account at the Bureau of Labor Insurance in accordance with the provisions of the Labor Pension Act. Under these defined contribution plans, the Company allocates a fixed amount to the Bureau of Labor Insurance without additional legal or constructive obligation.

During 2022 and 2021, the Group's pension expenses under the defined contribution method amounted to $5,616 thousand and $5,009 thousand, respectively. Payment to the Bureau of Labor Insurance has been made.

(Continued)

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(o) Income taxes

(i) Income taxes expense

During 2022 and 2021, the Group's expenses were as follows

	For the years ended December 31, 2022	2021
Current tax expense		
Current period	$ 106,629	67,419
Adjustment for prior periods	(229)	(3,417)
	106,400	64,002
Deferred tax expense		
Origination and reversal of temporary differences	4	1,026
Income tax expense from continuing operations	**$ 106,404**	**65,028**

During 2022 and 2021, none of income taxes have been directly recognized in equity.

During 2022 and 2021, income tax expenses, recognized in other comprehensive income, were as follows:

	For the years ended December 31, 2022	2021
Items that will not be reclassified subsequently to profit or loss:		
Remeasurement from defined benefit plans	**$ (72)**	**52**

During 2022 and 2021, reconciliations of income tax expenses and net pre-tax profits were as follows:

	For the years ended December 31, 2022	2021
Profit before income tax	**$ 537,964**	**516,326**
Income tax using the Group's domestic tax rate	$ 107,593	103,265
Non-deductible expenses	3,049	(256)
Tax-exempt income	(12,358)	(34,753)
Recognition of previously unrecognized tax losses	782	-
Prior-period overestimate	(229)	(3,417)
Additional tax on undistributed earnings	7,567	189
Income tax expenses	**$ 106,404**	**65,028**

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(ii) Deferred tax assets and liabilities

1) Unrecognized deferred tax assets

As of December 31, 2022 and 2021, tax losses on unrecognized deferred income tax assets of the Group's subsidiaries amounted to $4,129 thousand and $3,347 thousand, respectively; unused tax losses that were carried forward and have not been deducted amounted to $20,644 thousand and $16,735 thousand, respectively.

2) Unrecognized deferred tax liabilities

During 2022 and 2021, movements in deferred income tax assets and liabilities were as follows:

		Land value increment tax	Net defined benefit asset	Total
Deferred tax assets liabilities:				
Balance on January 1, 2022	$	30,617	177	30,794
Recognized in profit or loss		-	342	342
Recognized in other comprehensive income		-	(72)	(72)
Balance on December 31, 2022	$	**30,617**	**447**	**31,064**
Balance on January 1, 2021	$	30,617	153	30,770
Recognized in profit or loss		-	(28)	(28)
Recognized in other comprehensive income		-	52	52
Balance on December 31, 2021	$	**30,617**	**177**	**30,794**

		Losses on doubtful debts	Impairment of inventories	Total
Deferred Tax Assets:				
Balance on January 1, 2022	$	-	3,508	3,508
Recognized in profit or loss		-	338	338
Balance on December 31, 2022	$	**-**	**3,846**	**3,846**
Balance on January 1, 2021	$	-	4,562	4,562
Recognized in profit or loss		-	(1,054)	(1,054)
Balance on December 31, 2021	$	**-**	**3,508**	**3,508**

(iii) The tax returns assessment and approval

The Group's tax returns through 2020 have been assessed and approved by the Tax Authority. The Subsidiary's returns through 2020 have been assessed and approved by the Tax Authority.

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(p) Capital and other equity

As of both December 31, 2022 and 2021, authorized share capital amounted to $1,500,000 thousand, divided into 15,000,000 thousand shares, with a par value of $10 per share. The issued shares were 148,839 thousand and 137,814 thousand ordinary shares, and all issued shares have been paid up.

Reconciliation of shares outstanding for 2022 and 2021 was as follows:

(in thousands of shares)

	Ordinary Shares	
	2022	**2021**
Balance on January 1	137,814	123,048
Share dividends distributed	11,025	14,766
Balance on December 31	**148,839**	**137,814**

(i) Issue of ordinary shares

On June 27, 2022, the shareholders' general meeting of the Company resolved and authorized Board of Directors to determine a record date of capital increase, so as to increase capital from the unappropriated retained earnings of $110,251 thousand by issuing $11,025 thousand shares, which was approved by the F.S.C. On August 26, 2022, the record date of capital increase was resolved to be September 20, 2022. Relevant statutory registration procedures have been completed.

On July 20, 2021, the shareholders' general meeting of the Company resolved and authorized Board of Directors to determine a record date of capital increase, so as to increase capital from the unappropriated retained earnings of $147,658 thousand by issuing 14,766 thousand shares, which was approved by the F.S.C. On July 27, 2021, the record date of capital increase was resolved to be August 17, 2021. Relevant statutory registration procedures have been completed.

(ii) Retained earnings

The Company's Articles of Incorporation stipulates that Company's net earnings shall first be used to offset prior years' losses before paying any income taxes. Of the remaining balance, 10% is to be appropriated as legal reserve, unless the amount in the legal reserve has already reached the Company' s paid-in capital. In addition, special reserve shall be appropriated according to related regulations and the Company' s operating needs, after which more than 50% of both the remaining profit and any undistributed retained earnings shall be distributed according to the distribution plan proposed by the Board of Directors. Cash dividends shall not be lower than 15% of the total dividends; however, if cash dividend is less than $0.1 dollar, then share dividends shall be distributed instead. During earnings appropriation, if dividends and bonuses are distributed in cash, or if capital surplus or legal reserve are distributed in cash, the amounts shall be passed in majority in a Board meeting with two-thirds of attendance and be reported to the shareholders' meeting.

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1) Legal reserve

When a company incurs no loss, it may, pursuant to a resolution by a shareholders' meeting, distribute its legal reserve by issuing new shares or by distributing cash, and only the portion of legal reserve which exceeds 25% of capital may be distributed.

2) Special reserve

The Company elected to adopt the exemptions allowed under IFRS 1 " First-time Adoption of International Financial Reporting Standards" during the Company's first-time adoption of the IFRSs endorsed by the F.S.C. Consequently, unrealized revaluation surplus included in shareholders' equity of $28,591 thousand were recognized as additional retained earnings on the transition date pursuant to regulations. As stipulated by the FSC, a special reserve of the same amount was appropriated. Upon use, disposal or reclassification of relevant assets, distributable earnings shall be reversed in proportion to the previously recognized special reserve.

In accordance with Ruling issued by the FSC, a portion of current-period earnings and undistributed prior-period as earnings shall be reclassified as a special earnings reserve during earnings distribution. The amount to be reclassified should equal to the current-period total net reduction of other shareholders' equity . Similarly a portion of undistributed prior-period earnings shall be reclassified to special earnings reserve (and does not qualify for earnings distribution) to account for cumulative changes to the net reduction of other shareholders' equity pertaining to prior periods. Amounts of subsequent reversals pertaining to the net reduction of other shareholders' equity shall qualify for additional distributions.

3) Earnings distribution

On May 10, 2022 and 2021, the amounts of share dividends for the 2021 and 2020 earnings appropriation were resolved in a Board meeting. On June 27, 2022 and July 20, 2021, the earnings appropriation for 2021 and 2020 was resolved in shareholders' general meetings. Dividends were distributed to owners as follows:

	2021		2020	
	Amount per share	**Total amount**	**Amount per share**	**Total amount**
Dividends distributed to ordinary shareholders:				
Cash	$ 2.00	275,628	1.20	147,658
Shares	0.80	110,251	1.20	147,658

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(iii) Other equity interest after tax

	Unrealized gains (losses) from financial assets measured at fair value through other comprehensive income
Balance on January 1, 2022	$ (61,489)
Unrealized losses from financial assets measured at fair value through other comprehensive income	(59,571)
Disposal of investments measured at fair value through other comprehensive income	(11,167)
Balance on December 31, 2022	**$ (132,227)**
Balance on January 1, 2021	(192,417)
Unrealized losses from financial assets measured at fair value through other comprehensive income	130,845
Disposal of investments measured at fair value through other comprehensive income	83
Balance on December 31, 2021	**$ (61,489)**

(q) Earnings per share

During 2022 and 2021, basic earnings per share and diluted earnings per share were calculated as follows:

(i) Basic earnings per share

1) Profit attributable to ordinary shareholders of Company

	For the years ended December 31, 2022	2021
Profit attributable to ordinary shareholders of Company	**$ 431,560**	**451,298**

2) Weighted average number of ordinary shares

	For the years ended December 31, 2022	2021
Weighted average number of ordinary shares (basic)	**148,839**	**148,839**
Basic earnings per share(dollars)	**$ 2.90**	**3.03**

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(ii) Diluted earnings per share

1) Profit attributable to ordinary shareholders of Company (diluted)

	For the years ended December 31, 2022	2021
Profit attributable to ordinary shareholders of Company	$ **431,560**	**451,298**

2) Weighted average number of ordinary shares (diluted)

	For the years ended December 31, 2022	2021
Weighted average number of ordinary shares (basic)	148,839	148,839
Effect of employee remuneration	703	502
Weighted average number of ordinary shares (diluted)	**149,542**	**149,341**
Diluted earnings per share (dollars)	$ **2.89**	**3.02**

(r) Revenue from contracts with customers

(i) Disaggregation of revenue

	For the years ended December 31, 2022	2021
Primary geographical markets:		
Taiwan	$ 4,262,452	4,362,585
Japan	132,778	132,516
	37,573	29,467
	$ **4,432,803**	**4,524,568**
Major products:		
Electric wires and cables	$ 3,945,115	3,041,578
Copper plates	189,232	587,103
Rental revenue	2,367	2,370
Construction revenue	-	643,800
Engineering revenue	95,180	41,131
Others	200,909	208,586
	$ **4,432,803**	**4,524,568**

(Continued)

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(ii) Contract balances

	December 31, 2022	December 31, 2021	January 1, 2021
Contract liabilities	$ 8,221	32,564	429

For accounts receivable and the loss allowances thereof, please refer to note 6(d).

The amount of revenue recognized for the years ended 2022 and 2021 that was included in the contract liability balance at the beginning of the period were $32,564 and $429, respectively.

(s) Employee compensation and directors' and supervisors' remuneration

In accordance with the articles of incorporation the Company should contribute 2%~5% of the profit as employee compensation and less than 5% as directors' and supervisors' remuneration when there is profit for the year. However, if the Company has accumulated deficits, the profit should be reserved to offset the deficit. The amount of remuneration of each director and supervisor and of compensation for employees entitled to receive the abovementioned employee compensation is approved by the Board of Directors. The recipients of shares and cash may include the employees of the Company's affiliated companies who meet certain conditions.

For 2022 and 2021, the Company’s employee remunerations were estimated at $17,193 thousand and $16,232 thousand, and director and supervisor remunerations were estimated at $17,193 thousand and $16,232 thousand, respectively. The estimates mentioned above were calculated based on the Company’ s pre-tax profits multiplied by the percentages of remunerations of employees, directors and supervisors as specified in the Company's Articles of Incorporation. These remunerations were expensed under operating costs or operating expenses during 2022 and 2021. The amounts above, as stated in the parent-company-only financial statements for 2022 and 2021, are identical to those of actual distributions.

(t) Non-operating income and expenses

(i) Interest income

During 2022 and 2021, interest income was as follows:

	For the years ended December 31,	
	2022	2021
Interest income from bank deposits	$ 326	90

(ii) Other income

During 2022 and 2021, other income was as follows:

	For the years ended December 31,	
	2022	2021
Dividend income	$ 33,422	16,289

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(iii) Other gains and losses

During 2022 and 2021, other gains and losses were as follows:

	For the years ended December 31, 2022	2021
Proceeds from disposal of non-current assets held for sale	$ (212)	(295)
Losses on disposals of property, plant and equipment	28,449	-
Foreign exchange gains	1,894	3,445
Gains Losses on financial assets (liabilities) at fair value through profit or loss	2,497	5,044
Otehers	3,307	1,890
	$ 35,935	**10,084**

(iv) Finance costs

During 2022 and 2021, finance costs were as follows:

	For the years ended December 31, 2022	2021
Interest expense	$ 7,267	8,671
Less: capitalization of interest	-	(27)
	$ 7,267	**8,644**

(u) Financial instruments

(i) Credit risks

1) Credit risk exposure

The carrying amounts of financial assets represented the maximum credit risk exposure of the Group.

2) Concentration of credit risk

Apart from the Group' s most significant customer, Customer A, the Group has no exposure to credit risk of any individual counterparty or any group of counterparties with similar credit characteristics. Those related parties of which having transactions with the Group are regarded as group of counterparties with similar credit characteristics. During 2022 and 2021, 66% and 58% of accounts receivable concentrated within company A.

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(ii) Liquidity risks

The following were the contractual maturities of financial liabilities of the Group, including estimated interest payments and excluding the impact of netting arrangements:

	Carrying amount	Contractual cash flows	Within 6 months	6 to 12 months	1 to 2 years	2 to 5 years	Over 5 years
December 31, 2022							
Non-derivative financial liabilities							
Secured bank loans	$ 186,842	215,165	6,833	6,788	13,442	39,251	148,851
Unsecured bank loans	540,881	541,175	541,175	-	-	-	-
Notes payable	18,013	18,013	18,013	-	-	-	-
Accounts payable	192,458	192,458	192,458	-	-	-	-
Other payables	102,040	102,040	102,040	-	-	-	-
Lease liabilities	17,471	18,408	977	978	1,955	5,864	8,634
	$ 1,057,705	**1,087,259**	**861,496**	**7,766**	**15,397**	**45,115**	**157,485**
December 31, 2021							
Non-derivative financial liabilities							
Secured bank loans	$ 197,368	217,015	6,295	6,267	12,450	36,684	155,319
Unsecured bank loans	515,000	515,180	515,180	-	-	-	-
Notes payable	23,091	23,091	23,091	-	-	-	-
Accounts payable	112,369	112,369	112,369	-	-	-	-
Other payables	105,748	105,748	105,748	-	-	-	-
Derivative financial liabilities							
Forward exchange contracts for non-hedging purposes:							
Outflows	115	9,698	9,698	-	-	-	-
Inflows	-	(9,583)	(9,583)	-	-	-	-
	$ 953,691	**973,518**	**762,798**	**6,267**	**12,450**	**36,684**	**155,319**

The company did not expect that the cash flows included in the maturity analysis to occur significantly earlier or at significantly different amounts.

(iii) Currency risk

1) Currency risk exposure

The Group's exposure to significant foreign currency risk was as follows:

	December 31, 2022			December 31, 2021		
	Foreign currency	Exchange rate	NTD	Foreign currency	Exchange rate	NTD
Financial assets						
Monetary items						
JPY	$ 5,220	0.23	1,197	1,323	0.24	313
USD	544	30.66	16,672	660	27.63	18,239
EUR	-	32.52	-	413	31.12	12,866
Financial liabilities						
Monetary items						
USD	117	31	3,604	-	27.830	-

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2) Sensitivity analysis

The Group's exposure to currency risk arises from translation of foreign exchange gains (losses) on cash and cash equivalents, accounts receivable, other receivables, accounts payable and borrowings that are denominated in foreign currencies. A strengthening (weakening) of 5% of the NTD against the USD, EUR, and JPY as of December 31, 2022 and 2021 would have increased (decreased) the net profit after tax by $571 thousand and $1,257 thousand. The analysis assumes that all other variables remain constant. The analysis is performed on the same basis.

3) Gain or losses on foreign exchange

As the Group has various functional currencies, its foreign exchange gains (losses) on monetary items were disclosed on an aggregate basis. During 2022 and 2021, (realized and unrealized) foreign exchange gains amounted to $1,894 thousand and $3,445 thousand.

(iv) Interest rate analysis

Please refer to the notes on liquidity risk management for interest rate exposure of the Company's financial assets and liabilities.

The following sensitivity analysis is based on the risk exposure to the interest rates risk of derivative and non-derivative financial instruments on the reporting date. The following sensitivity analysis is based on the risk exposure to the interest rates risk of derivative and non-derivative financial instruments on the reporting date. For floating rate instruments, the sensitivity analysis assumes the variable rate liabilities are outstanding for the whole year on the reporting date. The rate of change is expressed as the interest rate increases or decreases by 0.5% when reporting to management internally, which also represents management's assessment of the reasonably possible interest rate change.

If the interest rate had increased/decreased by 0.5%, profit after tax would have decreased/increased by $2,600 thousand and $1,936 thousand for 2022 and 2021, respectively, with all other variables remaining constant. This is mainly due to borrowings and bank deposits at variable rates.

(v) Fair value information

If the equity price changes, and if it is based on the same basis for both years and assumes that all other variables remain the same, the impact to comprehensive income will be as follows:

	2022		2021	
Equity price at the reporting date	**Other comprehensive income after tax**	**Post-tax profits (losses)**	**Other comprehensiv e income after tax**	**Post-tax profits (losses)**
3% increase	$ 10,893	4,146	13,714	3,361
3% decrease	$ (10,893)	(4,146)	(13,714)	(3,361)

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(vi) Fair value of financial instruments

1) Categories and fair values of financial instruments

The measurement basis of the financial assets and liabilities at fair value through profit or loss and the financial assets at fair value through other comprehensive income is repetitive. The carrying amount and fair value of the Group's financial assets and liabilities, including the information on fair value hierarchy, were as follows; however, except as described in the following paragraphs, for financial instruments not measured at fair value whose carrying amount is reasonably close to the fair value, and for equity investments that has no quoted prices in the active markets and whose fair value cannot be reliably measured, disclosure of fair value information is not required:

	December 31, 2022				
		Level 1			
	Book value	**Level 1**	**Level 2**	**Level 3**	**Total**
Financial assets at fair value through profit or loss					
Derivative financial assets not for hedging	$ 138,214	138,214	-	-	138,214
Financial assets at fair value through other comprehensive income					
Shares in domestic listed entities	199,660	199,660	-	-	199,660
Shares in domestic unlisted entities	163,430	-	-	163,430	163,430
Subtotal	363,090	199,660	-	163,430	363,090
Financial assets measured at amortized cost					
Cash and cash equivalents	78,296	-	-	-	-
Trade receivables and notes receivable	806,564	-	-	-	-
Other receivables	2,579	-	-	-	-
Other financial assets-current	10,675	-	-	-	-
Refundable deposits	6,740	-	-	-	-
Subtotal	904,854	-	-	-	-
Total	**$ 1,406,158**	**337,874**	**-**	**163,430**	**501,304**

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	December 31, 2022				
		Level 1			
	Book value	Level 1	Level 2	Level 3	Total
Financial liabilities measured at amortized cost					
Bank loans	$ 727,723	-	-	-	-
Notes and trade payables	210,471	-	-	-	-
Other payables	102,040	-	-	-	-
Lease liabilities	17,471	-	-	-	-
Total	**$ 1,057,705**	**-**	**-**	**-**	**-**

	December 31, 2021				
		Fair Value			
	Book value	Level 1	Level 2	Level 3	Total
Financial assets at fair value through profit or loss					
Derivative financial assets not for hedging	$ 112,036	112,036	-	-	112,036
Financial assets at fair value through other comprehensive income					
Domestic listed stocks	236,732	236,732	-	-	236,732
Shares in domestic unlisted entities	220,408	1,273	-	219,135	220,408
Subtotal	457,140	238,005	-	219,135	457,140
Financial assets measured at amortized cost					
Cash and cash equivalents	230,110	-	-	-	-
Trade receivables and notes receivable	650,167	-	-	-	-
Other receivables	3,151	-	-	-	-
Other financial assets-current	1,835	-	-	-	-
Refundable deposits	4,455	-	-	-	-
Subtotal	889,718	-	-	-	-
Total	**$ 1,458,894**	**350,041**	**-**	**219,135**	**569,176**

(Continued)

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	December 31, 2021				
		Fair Value			
	Book value	**Level 1**	**Level 2**	**Level 3**	**Total**
Financial liabilities at fair value through profit or loss					
Derivative financial assets not for hedging	$ 115	-	115	-	115
Financial liabilities measured at amortized					
Bank loans	712,368	-	-	-	-
Notes and trade payables	135,460	-	-	-	-
Other payables	105,748	-	-	-	-
Subtotal	953,576	-	-	-	-
Total	**$ 953,691**	**-**	**115**	**-**	**115**

2) Valuation techniques for financial instruments measured at fair value

(2.1)Non-derivative financial instruments

The fair value of financial instruments traded in an active market is based on quoted market price. The quoted price of a financial instrument obtained from main exchanges and popular bonds from the Taipei Exchange was the basis of determining the fair value of the listed companies' equity instrument, and debt instrument that has the quoted price in an active market.

A financial instrument is regarded as being quoted in an active market if quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing service, or regulatory agency and those prices represent actual and regularly occurring market transactions on an arm' s-length basis. Whether transactions are taking place 'regularly' is a matter of judgment and depends on the facts and circumstances of the market for the instrument. Otherwise, the market is deemed to be inactive. Quoted market prices may not be indicative of the fair value of an instrument if the activity in the market is infrequent, the market is not well-established, only small volumes are traded, or bid-ask spreads are very wide. Determining whether a market is active involves judgment.

The fair values of the Group's financial instruments that have an active market, such as shares in listed entities, are determined with reference to quoted market prices.

(2.2)Derivative financial instruments

Forward exchanges contracts are normally assessed using the current forward exchange rate.

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3) Transfers between Level 1 and Level 2

During 2022 and 2021, there was no transfer of financial assets from level 2 to level 1.

4) Changes in level 3 of the fair value

		Fair value through other comprehensive income
		Unquoted equity instruments
Balance on January 1, 2022	$	219,135
Total gains and losses recognized		
In other comprehensive income		(55,705)
Balance on December 31, 2022	**$**	**163,430**
Balance on January 1, 2021	$	146,215
Total gains and losses recognized		
In other comprehensive income		72,920
Balance on December 31, 2021	**$**	**219,135**

The aforementioned total gains (losses) were classified as " unrealized losses from financial assets at FVOCI". The assets held as of December 31, 2022 and 2021 were follows:

	For the years ended December 31,	
	2022	**2021**
Total gains and losses recognized		
In other comprehensive income (accounted as "unrealized gains and losses from financial assets at fair value through other comprehensive income (losses) ")	**$ (55,705)**	**72,920**

5) Quantified information on significant unobservable inputs (Level 3) used in fair value measurement

Financial instruments, whose fair values are classified as Level 3, are mainly financial assets at FVOCI-investments in equity securities. Most of the Company' s financial instruments that use Level 3 inputs have only one significant unobservable input. Only equity investments without an active market have multiple significant unobservable inputs. The significant unobservable inputs of the equity investments without an active market are independent, therefore, there is no correlation between them.

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Quantified information of significant unobservable inputs was as follows:2022

Item	Valuation technique	Significant unobservable inputs	Inter-relationship between significant unobservable inputs and fair value measurement
Financial assets at FVOCI– equity investments without an active market	Comparable listed companies approach	●P/B ratio (1.14~2.43 and 1.48~2.33 as of December 31, 2022 and 2022, respectively) ●Market liquidity discount rate (30% as of December 31, 2022 and 2022)	●The higher the multiplier, the higher the fair value. ●The higher the market liquidity discount rate, the lower the fair value

6) Fair value measurements in Level 3 – sensitivity analysis of reasonably possible alternative assumptions

For fair value measurements in Level 3, changing one or more of the assumptions to reflect reasonably possible alternative assumptions would have the following effects:

	Input	Upward or downward movement	Changes in other comprehensive income arising from changes in fair value Favorable	Unfavorable
December 31, 2022				
Equity instruments at fair value through other comprehensive income			$	
Equity investments without an active market	P/B value multiplier	5%	8,172	(8,172)
Equity investments without an active market	Market liquidity discount	5%	11,674	(11,674)
			$ 19,846	**(19,846)**
December 31, 2021				
Equity instruments at fair value through other comprehensive income				
Equity investments without an active market	P/B value multiplier	5%	$ 10,176	(10,254)
Equity investments without an active market	Market liquidity discount	5%	15,609	(15,687)
			$ 25,785	**(25,941)**

(Continued)

The favorable and unfavorable effects represent the changes in fair value, and fair value is based on a variety of unobservable inputs calculated using a valuation technique. The analysis above only reflects the effects of changes in a single input, and it does not include the interrelationships with another input.

(v) Financial risk management

(i) Overview

The Group have exposures to the following risks from its financial instruments:

1) Credit risk

2) Current risk

3) Market risk

The following likewise discusses the Group's objectives, policies and processes for measuring and managing the above mentioned risks. For more disclosures about the quantitative effects of these risks exposures, please refer to the respective notes in the accompanying consolidated financial statements.

(ii) Structure of risk management

The Board of Directors has overall responsibility for the establishment and oversight of the risk management policies.

The Group's risk management policies are established to identify and analyze the risks faced by the Group, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Group's activities. The Group, through its training and management standards and procedures, aims to develop a disciplined and constructive control environment in which all employees understand their roles and obligations.

The Group Audit Committee oversees how management monitors compliance with the Group's risk management policies and procedures and reviews the adequacy of the risk management framework in relation to the risks faced by the Group. The board of directors is assisted in its oversight role by Internal Audit. Internal Audit undertakes both regular and ad hoc reviews of risk management controls and procedures, the results of which are reported to the Audit Committee.

(iii) Credit risk

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Group's receivables from customers and investments in debt securities.

1) Accounts receivable and other receivable

Exposure to credit risk of the Group is mainly influenced by the condition of each customer. However, management also considers the demographics of the Group’ s customer base, including the default risk of the industry and the country in which customers operate, as these factors may have an influence on credit risk.

The Board of Directors has established a credit policy under which each new customer is analyzed individually for creditworthiness before the Group’ s standard payment and delivery terms and conditions are offered. The Group’s review includes external ratings, when available, and, in some cases, bank references. Purchase limits are established for each customer and represent the maximum open amount without requiring approval from the Risk Management Committee; these limits are reviewed quarterly. Customers that fail to meet the Group’s benchmark creditworthiness may transact with the Group only on a prepayment basis. Purchase limits, which represents the maximum outstanding amount that does not require the approval of the Board of Directors, are established for each customer. The limits were reviewed periodically. Customers that fail to meet the Group’s benchmark creditworthiness may transact with the Group only on a prepayment basis.

The Group monitors customers’ credit risk by grouping them according to credit characteristics; for example, by whether they provide collateral, by whether they are state-owned enterprise, agents, retailers, or end-users, as well as by region, aging and maturity dates of receivables and existing financial difficulties. Apart from the Group’s largest customer, Group A, the Group is not exposed to to credit risk associated with any transaction counterparty. To mitigate risk, the Group continuously assesses the financial position of its customers.

2) Investments

Credit risks arising from bank deposits and derivative instruments related to foreign exchange are measured and monitored by the Group’ s finance department. Since the Group’ s transaction counterparties and the contractually obligated counterparties are banks with good credits, there are no compliance issues, and therefore, no significant credit risk.

3) Guarantees

As of December 31, 2022 and 2021, the Group has not provided any endorsement/ guarantee.

(iv) Currency risk

Liquidity risk is the risk that the Group will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Group’s approach to managing liquidity is to ensure, as far as possible, that it always has sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group’s reputation.

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As of December 31, 2022 and 2021, unused credit lines amounted to $1,255,419 thousand and $1,762,100 thousand, respectively.

(v) Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates, and equity prices, will affect the Group's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimizing the return.

The Group buys and sells derivatives, and also incurs financial liabilities. All such transactions are carried out in compliance with the guidelines set by the Board of Directors.

1) Currency risk

The values of the Group's financial assets and liabilities that are denominated in foreign currencies and arising from operating, financing and investing activities may fluctuate along with changes in exchange rates, such that the Group leverages derivatives to hedge its currency risk. Exchange gains (losses) on foreign currency assets (liabilities) offset approximately the valuation gains thereof. However, derivative transactions reduce, but do not eliminate, the effects of changes in foreign exchange rates.

The Group periodically examines portions exposed to currency risks for individual asset and liability denominated in foreign currency and uses forward contracts as hedging instruments to hedge positions exposed to risks.

2) Interest rate risk

The Group adopts floating interest rates for most of its short-term and long-term borrowings. Besides, the Group has not changed interest rates from floating to fixed by entering into interest rate swap contracts. To manage interest rate risk, the Group periodically assesses the interest rates of bank loans and maintains good relationships with financial institutions to obtain lower financing costs. In addition, the Group strengthens the management of working capital to reduce the dependence on bank loans as well as the risk arising from fluctuation of interest rates.

3) Other market price risk

The investments held by the Group are classified in the balance sheet as financial assets at FVOCI or financial assets (liabilities) at FVTPL. Therefore, the Group is exposed to price risk associated with equity instruments. To manage and control such risk, the Group will diversify its investment portfolio.

(w) Capital management

The Group's objectives for managing capital to safeguard the capacity to continue to operate, to continue to provide a return on shareholders, to maintain the interest of other related parties, and to maintain an optimal capital structure to reduce the cost of capital.

(Continued)

The manages capital based on debt-to-equity ratio. This ratio is the total net debt divided by the total capital. The net debt from the balance sheet is derived from the total liabilities less cash and cash equivalents. The total capital and equity include share capital, capital surplus, retained earnings, and other equity plus net debt.

During 2022 and 2021, the Group held the same capital management strategy. Debt-to-equity ratios on the reporting dates were as follows:

	December 31, 2022	December 31, 2021
Total liabilities	$ 1,182,765	1,083,331
Less: cash and cash equivalents	(78,296)	(230,110)
Net debt	1,104,469	853,221
Total equity	2,560,653	2,464,583
Total capital	**$ 3,665,122**	**3,317,804**
Debt-to-equity ratio	**30.13 %**	**25.72 %**

As of December 31, 2022, the Group has not changed its capital management method.

(7) Related-party transactions

(a) Names and relationship with related parties

The following are subsidiaries and related parties that have had transactions with the Group during the periods covered in the parent-company-only financial statements.

Name of related party	Relationship with the Group
Lianfa Metal Enterprise Co., Ltd.	The Company is the entity's corporate
United Electric Industry Co., Ltd.	〃
Promore Environment & Energy Co., Ltd.	The entity's chairman is the second immediate family of the chairman of the Company
One Two Three Green Energy Technology Co., Ltd.	〃
Dan Jin lnvestment Co., Ltd.	Same chairman as the Company
Bin Yan lnvestment Co., Ltd.	〃
Employee Welfare Commitee of Dah San Electric Wire & Cable Corp.	Substantive related party
Ting-Te Su	A relative of 1st degree of the Company's chairman

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(b) Significant transactions with related parties

(i) Revenues from related parties

The amounts of significant sales between the Group and related parties were as follows:

	For the years ended December 31, 2022	2021
Other related parties	**$ 37,830**	**79,266**

The selling prices for the above-mentioned entities were not significantly different from those of arm's length transactions. Payment term was 35 days. Accounts receivable due from related parties were uncollateralized, and management assessed that there was no necessity to recognize provisions for doubtful debts.

(ii) Purchases

The amounts of significant purchases by the Group from related parties were as follows:

	For the years ended December 31, 2022	2021
Other related parties:		
Lianfa Metal Enterprise Co., Ltd.	$ 829,550	764,657
Other related parties	96,334	86,816
	$ 925,884	**851,473**

The terms and pricing of purchase transactions with related parties were not significantly different from those offered by other vendors. Payment term is O/A 30 days or lump sum.

(iii) Receivables from related parties

The receivables from related parties were as follows:

Account	Relationship	December 31, 2022	December 31, 2021
Accounts receivable	Other related parties	$ 1,653	5,841
Other receivables	〃	915	-
		$ 2,568	**5,841**

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(iv) Payables to related parties

The payables to related parties were as follows:

Account	Relationship	December 31, 2022	December 31, 2021
Notes payable	Other related party–United Electric Industry Co., Ltd.	$ -	4,742
〃	Other related party–Lianfa Metal Enterprise Co., Ltd.	1,046	965
Accounts payable	Other related party–United Electric Industry Co., Ltd.	-	210
〃	Other related party–Lianfa Metal Enterprise Co., Ltd.	62,104	306
Other payables	Other related parties	817	-
		$ 63,967	6,223

(v) Prepayments

During 2022, the Group’s prepayments to suppliers amounted to $2,319 thousand.

(vi) Leases

In May 2022, the Company entered in a 10-year contract to lease land from one of other related parties with reference to the market price in the vicinity. During 2022, interest expenses amounted to $100 thousand. As of December 31, 2022, lease liabilities amounted to $17,471 thousand and guarantee deposits paid for leases amounted to $489 thousand, respectively.

The Group contracted with subsidiaries and other related parties to lease office buildings. During 2022 and 2021, rental income amounted to $176 thousand and $179 thousand.

(vii) Others

During 2021, the Company purchased solar photovoltaic systems from other related parties at a total contract price of $14,700 thousand. On July 30, 2021, the equipment was accepted and transferred to property, plant and equipment. During 2022, the 2nd-phase solar photovoltaic system, purchased at a contract price of $3,200 thousand, has been completed and under Taipower’s acceptance. Consequently, prepayments for business facilities of $2,743 thousand were recognized.

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(c) Key management personnel compensation

Key management personnel compensation comprised:

	For the years ended December 31, 2022	2021
Short-term employee benefits	$ 26,828	23,769
Termination benefits	375	117
	$ 27,203	**23,886**

The Group provides 3 cars with a total carrying amount of $8,582 thousand for key management personnel's use.

(8) Assets pledged as security:

The carrying values of assets pledged as security were as follows:

Assets pledged as security	Liabilities secured by pledge	December 31, 2022	December 31, 2021
Other financial assets－current	Guarantees for sales	$ 10,675	1,835
Guarantee deposits paid	Deposits and other payments for leases	6,740	4,455
Property, plant and equipment	Long-term borrowings	416,807	418,733
		$ 434,222	**425,023**

(9) Significant commitments and contingencies:

(a) Unrecognized contractual commitments:

(i) The outstanding amounts of letters of credit issued by the Company for purchasing materials and equipment were as follows:

	December 31, 2022	December 31, 2021
USD	$ 532	2,213
JPY	117,405	31,629
EUR	128	411

(ii) The sales contract prices with undelivered goods were as follows:

	December 31, 2022	December 31, 2021
Total price of undelivered goods with sales commitments	**$ 3,802,045**	**1,505,480**

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(iii) The prices of installation and construction contracts that had not been closed were as follows:

	December 31, 2022	December 31, 2021
Unfinished installation	$ 68,550	103,689
Outstanding balance of the contract sums of outsourced construction projects	$ -	2,216
Outstanding balance of the subcontract sum for installation	$ 29,166	42,142

(iv) The amounts of raw materials not purchased according to contracts were as follows:

	December 31, 2022	December 31, 2021
Copper wires and copper plates (in metric tons)	$ 6,274	6,088

(v) The amounts of finished goods not purchased according to contracts were as follows:

	December 31, 2022	December 31, 2021
Total price of finished goods	$ 935,128	499,558

(vi) The volume of raw materials that had not been processed according to outsourcing contracts was as follows:

	December 31, 2022	December 31, 2021
Outsourced copper plate processing (in metric tons)	$ 4,200	-

(vii) The Company contracted with domestic and foreign vendors to purchase additional machinery. The outstanding balances were as follows:

	December 31, 2022	December 31, 2021
Outstanding balance	$ 37,565	25,763

(viii) The promissory notes, issued by the Company to secure bank loans, commercial papers and sales, were as follows:

	December 31, 2022	December 31, 2021
NTD	$ 2,500,000	2,450,000
USD	7,200	6,200
	$ 2,507,200	2,456,200

(Continued)

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(ix) As of December 31, 2022 and 2021, issued by the bank for public tender projects amounted to $461,574 thousand and $350,849 thousand, respectively.

(b) Unrecognized contractual commitments:

As of December 31, 2022 and 2021, both of the guarantee notes received for outsourced projects amounted to $500 thousand.

(10) Losses due to major disasters: None

(11) Subsequent events: None

(12) Other:

(a) A summary of employee benefits, depreciation, and amortization, by function, is as follows:

By funtion / By item	For the year ended December 31, 2022			For the year ended December 31, 2022		
	Cost of Sale	Operating Expense	Total	Cost of Sale	Operating Expense	Total
Employee benefits						
Salary	100,831	77,531	178,362	79,202	85,372	164,574
Labor and health insurance	7,913	5,656	13,569	7,141	5,632	12,773
Pension	2,968	2,750	5,718	2,678	2,480	5,158
Others	6,408	6,308	12,716	5,764	5,720	11,484
Depreciation	37,780	10,635	48,415	34,517	7,925	42,442
Amortization	-	14	14	-	24	24

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(13) Other disclosures:

(a) Information on significant transactions:

The following is the information on significant transactions required by the "Regulations Governing the Preparation of Financial Reports by Securities Issuers" for the Group for the year ended December 31, 2022:

(i) Loans to other parties: None

(ii) Guarantees and endorsements for other parties: None

(iii) Securities held as of December 31, 2022 (excluding investment in subsidiaries, associates and joint ventures):

(In Thousands of New Taiwan Dollars)

Name of holder	Category and name of security	Relationship with company	Account title	Ending balance Shares/Units (thousands)	Carrying value	Percentage of ownership (%)	Fair value	Highest Percentage of ownership (%)	Note
	Domestic public quoted equity:							- %	
The Company	Hua Nan Financial Holdings Co., Ltd.	N	Current financial assets at FVOCI	4,483,272	100,650	0.03 %	100,650	- %	
〃	First Financial Holding Company	N	Current financial assets at FVOCI	510,000	13,515	0.01 %	13,515	- %	
〃	Taishin Financial Holding Co., Ltd.	〃	〃	5,247,500	79,237	0.04 %	79,237	- %	
〃	Yuanta Financial Holding Co., Ltd.	〃	〃	288,400	6,258	0.01 %	6,258	- %	
〃	Chang Hwa Commercial Bank Co., Ltd.	〃	Current financial assets measured at FVTPL	7,049,080	120,892	0.07 %	120,892	- %	
〃	Hong Tai Electric Industrial Co., Ltd.	〃	〃	426,000	6,922	0.13 %	6,922	- %	
	Shares in domestic unlisted entities:							- %	
〃	Shares in Lianfa Metal Enterprise Co., Ltd.	The Company is the entity's corporate director	Non-current financial assets at FVOCI	8,732,200	76,145	17.46 %	76,145	- %	
〃	Shares in United Electric Industry Co., Ltd.	〃	〃	5,299,739	62,961	6.91 %	62,961	- %	
〃	Shares in Qualibond Technology Co., Ltd.	〃	〃	983,430	22,943	7.02 %	22,943	- %	
〃	Shares in Caleb Pharmaceuticals, Inc.	N	〃	77,251	1,381	0.22 %	1,381	- %	
〃	Shares in Taiwan Calcom International Computer Graphic Co., Ltd.	〃	〃	810,954	-	1.56 %	-	- %	
Da Huo Investment Co., Ltd.	Hong Tai Electric Industrial Co., Ltd.	〃	Current financial assets measured at FVTPL	640,000	10,400	0.20 %	10,400	- %	

(iv) Individual securities acquired or disposed of with accumulated amount exceeding the lower of TWD$300 million or 20% of the capital stock: None

(v) Acquisition of individual real estate with amount exceeding the lower of TWD$300 million or 20% of the capital stock: None

(vi) Disposal of individual real estate with amount exceeding the lower of TWD$300 million or 20% of the capital stock: None

(vii) Related-party transactions for purchases and sales with amounts exceeding the lower of TWD$100 million or 20% of the capital stock:

(In Thousands of New Taiwan Dollars)

Name of company	Related party	Nature of relationship	Transaction details Purchase/ Sale	Amount	Percentage of total purchases/sales	Payment terms	Transactions with terms different from others Unit price	Payment terms	Notes/Accounts receivable (payable) Ending balance	Percentage of total notes/accounts receivable (payable)	Note
The Company	Lianfa Metal Enterprise Co., Ltd.	The Company is the entity's corporate director	Purchases	829,550	22.59%	O/A 30 days	-		(63,150)	(30.41)%	

(Continued)

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(viii) Receivables from related parties with amounts exceeding the lower of TWD$100 million or 20% of the capital stock: None

(ix) Trading in derivative instruments:

Please refer to note 6(b) for details.

(x) Business relationships and significant intercompany transactions: None

(b) Information on investees:

The following is the information on investees for the years ended December 31, 2022 (excluding information on investees in Mainland China):

Name of investor	Name of investee	Location	Main businesses and products	Original investment amount		Balance as of December 31, 2022			Highest Percentage of wnership	Net income (losses) of investee	Share of profits/losses of investee	Note
				December 31, 2022	December 31, 2021	Shares (thousands)	Percentage of wnership	Carrying value				
Dah San Electric Wire & Cable Corp.	Da Huo Investment Co., Ltd.	Yunlin, Taiwan	Method of	20,000	20,000	2,000	100.00 %	13,345	- %	(3,507)	(3,507)	Subsidiary
Dah San Electric Wire & Cable Corp.	Xin Yi Construction Co., Ltd.	Taichung, Taiwan	Construction	20,000	20,000	2,000	100.00 %	26,460	- %	(3,888)	(3,916)	Subsidiary (Note 2)

Note 1: The above-mentioned transactions have been eliminated in the consolidated financial statements.

Note 2: The difference represents realized interest, adjustments under IFRS 16, and adjustments for deferred credit items.

(c) Information on investment in mainland China: None

(d) Major shareholders:

Shareholding / Shareholder's Name	Shares	Percentage
Bin Yan lnvestment Co., Ltd.	16,829,256	11.30 %
Kunda Investment Co., Ltd	16,765,130	11.26 %
Songlin Investment Co., Ltd	12,154,984	8.16 %
Wen-Bin, Su	11,862,245	7.96 %
Dan Jin lnvestment Co., Ltd.	10,605,942	7.12 %
Wen-Kuan, Su	8,681,038	5.83 %
Wen-Zong, Su	7,600,579	5.10 %

Note: (1) The table above shows major shareholders owning more than 5% shares in the Company, with delivered uncertificated/scripless ordinary shares and preference shares combined (including treasury shares) according to calculation made by Taiwan Depository & Clearing Corporation (TDCC) on each quarter's last business date. As a result of different calculation basis, there may be inconsistency between share capital stated in the financial statements and the scripless shares that have actually been delivered.

(2) If the above-mentioned shares have been entrusted, the numbers of shares are disclosed separately according to the sub-accounts opened by the trustees for the trustors. In accordance with the Securities and Exchange Act, significant shareholders reported insider holdings of more than 10% in the Company's total shares, including individual holdings plus entrusted shares whose use was at discretion of the owners. For information on the reported insider holdings, please refer to the website of Public Information Observatory.

Dah San Electric Wire & Cable Corp. and subsidiaries
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(14) Segment information:

(a) General information

The Group has 4 reportable segments:

The Electrical Wire and Cable Segment, the Jointing Engineering Segment, the Construction Segment, and other segments. The Electrical Wire and Cable Segment sells and manufactures all kinds of electrical wires and cables. The Jointing Engineering Segment engages in both design and installation of various electronic and telecommunications engineering projects. The Construction Segment develops, leases and sells residential and commercial buildings. Other segments engage in investment and merchandise trading.

The Group uses the profit from the continuing operations before tax that the chief operating decision maker reviews as the basis to make a performance evaluation. The operating segment accounting policies are similar to those described in note 4

The measures of assets and liabilities of both the parent company and subsidiaries were not provided to operating decision makers.

The reportable amount is similar to that in the report used by the chief operating decision maker.

(b) Information about reportable segments' profit and loss, assets, and liabilities and their measurement and reconciliations

The Group uses the internal management report that the chief operating decision maker reviews as the basis to determine resource allocation and make a performance evaluation. The internal management report includes profit before taxation, but not including any extraordinary activity and foreign exchange gain or losses because taxation, extraordinary activity, and foreign exchange gain or losses are managed on a group basis, and hence they are not able to be allocated to each reportable segment. In addition, not all reportable segments include depreciation and amortization of significant non cash items. The reportable amount is similar to that in the report used by the chief operating decision maker.

The operating segment accounting policies are similar to those described in note (4) "significant accounting policies" except for the recognition and measurement of pension cost, which is on a cash basis.

The Group treated intersegment sales and transfers as third party transactions. They are measured at market price.

The Group's operating segment information and reconciliations were as follows:

For the years ended December 31, 2022	Electric wire and cable segment	Engineering segment	Construction segment	Other Departments	Adjustment and Elimination	Total
Revenue						
Revenue from external customers	$ 3,945,115	95,180	-	392,508	-	4,432,803
Intersegment revenues	-	781	-	348	(1,129)	-
Total revenue	**$ 3,945,115**	**95,961**	**-**	**392,856**	**(1,129)**	**4,432,803**
Reportable segment profit or loss	**$ 498,607**	**16,443**	**-**	**15,498**	**7,416**	**537,964**

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For the years ended December 31, 2021		Electric wire and cable segment	Engineering segment	Construction segment	Other Departments	Adjustment and Elimination	Total
Revenue							
Revenue from external customers	$	3,041,578	41,131	643,800	798,059	-	4,524,568
Intersegment revenues		-	-	100	348	(448)	-
Total revenue	**$**	**3,041,578**	**41,131**	**643,900**	**798,407**	**(448)**	**4,524,568**
Reportable segment profit or loss	**$**	**330,302**	**6,399**	**113,514**	**24,434**	**41,677**	**516,326**

(c) Product and service information

Revenue from external customers of the Group was as follows:

Product and Services		For the years ended December 31, 2022	2021
Electric wires and cables	$	3,945,115	3,041,578
Copper plates		189,232	587,103
Construction revenue		-	643,800
Other		298,456	252,087
Total	**$**	**4,432,803**	**4,524,568**

(d) Geographic information

In presenting information on the basis of geography, the revenue is based on the geographical location of customers and non current assets are based on the geographical location of the assets.

Geographic information		For the years ended December 31, 2022	2021
Revenue from external revenue:			
Taiwan	$	4,262,452	4,362,585
Japan		132,778	132,516
Other		37,573	29,467
Total	**$**	**4,432,803**	**4,524,568**

Geographic information		December 31, 2022	December 31, 2021
Non current assets:			
Taiwan	**$**	**1,698,102**	**1,608,354**

Non-current assets include real estate, plant and equipment, right-of-use assets, intangible assets, investment property, and guarantee deposits paid, excluding non-current assets such as financial assets at FVOCI, net defined benefit asset, and deferred tax assets.

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(e) Major customers

	For the years ended December 31,	
	2022	2021
A Company (revenue)	$ 1,508,423	971,071