Stock Code: 2399

Biostar Microtech Int’l Corp.

2022 Annual Report
(Translation)

Annual Report Website: https://mops.twse.com.tw
Company Website: https:// www.biostar.com.tw
Publication Date: May 8, 2023

1. Name, Title and Contact Information for Company's Spokesperson

Name : Chung-Tzu Cheng Tel. : 886(2) 2218-0150

Title : Assistant Vice President E-mail : jones@biostar.com.tw

Name, Title and Contact Information for Company's Deputy Spokesperson

Name : Shu-Ching Lai Tel. : 886(2) 2218-0150

Title : Manager E-mail : vivian@biostar.com.tw

2. Address and Telephone Number of Company's Headquarters and Plant

Add : 2F, No.108-2, Min Chuan Road, Hsin Tien Dist., New Taipei City, Taiwan, R.O.C.

Tel : 886(2) 2218-0150

3. Common Share Transfer Agent and Registrar

Name : Grand Fortune Securities Co.,Ltd

Add : 6F, No. 6, Section 1, Chung Hsiao West Road, Taipei City, Taiwan, R.O.C.

Website: https://www.gfortune.com.tw

Tel. : 886(2) 2371-1658

4. Information of the Certified Public Accountants for the Latest Financial Repot

CPA Firm: Deloitte & Touche

Name of CPA: Ching-Cheng Yang and Alice Fang

Add : 20F, No. 100, Songren Rd., Xinyi Dist., Taipei City , Taipei City, Taiwan, R.O.C.

Website: http://www.deloitte.com.tw

Tel: 886(2)2725-9988

5. Overseas Trade Places for Listed Negotiable Securities

None

6. Corporate Website

https: //www.biostar.com.tw

Biostar Microtech Int'l Corp.
2022 Annual Report
Contents

I. Letter to Shareholders

Dear Shareholders,

Due to the global pandemic and the global inflation caused by the Russo-Ukrainian War, consumer malaise occurred, which led to a decline in the overall desktop PC market. The number of motherboards shipped by Biostar Microtech Int'l Corp. (hereinafter referred to as "the Company") was 940 thousand in 2022 with a decrease of 6% compared to the year 2021. The consolidated operating income in 2022 was NT$ 2.2 billion with a decrease of 19% compared to the year 2021. The consolidated gross profit margin was reduced from 19% in 2021 to 12%. The net profit after tax in 2022 was NT$ 12.85 million.

Currently the desktop PC market is weakening and unavoidably it will result in some minor recession in 2023. Especially in the recent years, the cost of labor, materials, electricity, and others continue to increase, as well as the costs of excess inventory of PC components continue to rise. These facts delay the consumers' demands. Moreover, under the turbulence of global geopolitical situations and economic inflation, the consumer market is still declining.

Fortunately the pandemic has slowed down as well as commercial activities resume and the policies for domestic demand are introduced by the governments of different countries in order to boost the economy. Furthermore, Biostar has been devoted to energy-related industry for the past 3 years and it is hoped for increasing Biostar's revenue and profit by joining in the trend of electric cars. This goal will be achieved with Biostar teaming up with a well known partner to complete the Charging Station project

The Company would like to thank all the shareholders. We wish everyone good health and all the best.

Chairman, Ming-Yi Wang

1. Business Result of 2022

(1) Implementation results of the Business Plan

Unit: NT$ Thousands

Parent Company Only Financial Statement	2022	2021	Differences%
Operating revenue	2,222,219	2,742,073	-19
Operating costs	1,974,855	2,277,092	-13
Gross profit	247,364	464,981	-47
Operating expenses	227,816	267,696	-15
Operating income (loss)	19,548	197,285	-90
Non-operating revenue and expenses	(2,479)	202,800	-101
Profit (loss) before tax	17,069	400,085	-96
Income tax expense (or benefit)	4,218	38,410	-89
Net income (loss)	12,851	361,675	-96

Unit: NT$ Thousands

Consolidated Financial Statement	2022	2021	Differences%
Operating revenue	2,236,385	2,774,796	-19
Operating costs	1,967,765	2,254,663	-13
Gross profit	268,620	520,133	-48
Operating expenses	267,088	303,419	-12
Operating income (loss)	1,532	216,714	-99
Non-operating revenue and expenses	14,675	190,127	-92
Profit (loss) before tax	16,207	406,841	-96
Income tax expense (or benefit)	3,356	45,166	-93
Net income (loss)	12,851	361,675	-96

(2) Budget Implementation: The Company has not compiled financial forecasts, therefore not applicable.

(3) Analysis of Receipts and Expenditures

Unit: NT$ Thousands

Parent Company Only Financial Statement	2022	2021	Differences
Cash inflows (outflows) from operating activities	(57,205)	121,779	(178,984)
Cash inflows (outflows) from investing activities	375,009	43,653	331,356
Cash inflows (outflows) from financing activities	(213,650)	(71,239)	(142,411)
Net increase (decrease) in cash and cash equivalents	104,154	94,193	9,961

Unit: NT$ Thousands

Consolidated Financial Statement	2022	2021	Differences
Cash inflows (outflows) from operating activities	(80,758)	91,523	(172,281)
Cash inflows (outflows) from investing activities	375,424	43,707	331,717
Cash inflows (outflows) from financing activities	(215,164)	(71,960)	(143,204)
Effects of exchange rate change on cash	15,743	(13,851)	29,594
Net increase (decrease) in cash and cash equivalents	92,245	49,419	42,826

(4) Analysis of Profitability

Parent Company Only Financial Statement	2022	2021
Return on Assets (%)	0.39	11.08
Return on Equity (%)	0.55	15.79
Pre-tax income to capital (%)	0.96	22.46
Net income to sales (%)	0.58	13.19
Earnings per share (NT$)	0.07	2.03

Consolidated Financial Statement	2022	2021
Return on Assets (%)	0.42	11.85
Return on Equity (%)	0.55	15.79
Pre-tax income to capital (%)	0.91	22.84
Net income to sales (%)	0.57	13.03
Earnings per share (NT$)	0.07	2.03

(5) Overview of Research and Development

Computer Motherboard

1. Launched the Intel 700 series LGA1700-based Intel motherboard and supported the 12th generation Alder lake CPU and 13th generation Raptor lake CPU.
2. Launched the new AMD 600 series AM5-based motherboard and supported the latest generation Ryzen 7000 CPU.
3. Launched the latest generation of Power Design that can detect the temperatures of MOS and CPU while simultaneously adjusting the power consumption and performance according to the need of the users, providing gaming users and creators with more intelligent applications.
4. R&D continued on the SOC series motherboard products which are specialized in commercial and compact system applications.

Industrial PC

1. Several host computers with the Intel Elkhartlake/ Alder lake-S CPU systems have been launched, where the different types can be used in commercial, quasi-industrial, industrial applications, and other scenarios accordingly.
2. Launched versatile applications supporting the Intel 6th/7th /8th/9th cores to be used in industrial automation production lines.
3. Launched Intel Alderlake-P SOC high-performance motherboard to be applied in the client’s POS.

VGA and SSD

1. Launched the M800 series, the next-generation PCI-E 4.0 high-performance

NVME solid-state drive with MaxIO1602 as the controller, which improves high transmission efficiency with data read speeds exceeding 5000MB/s, perfect for home and business uses.

2. Launched RX 7900XTX and RX7900XT 3D, advanced graphics cards with AMD NAVI31 as the core base, which makes them the top choice for gamers.

2. Summary of 2023 Business Plan

(1) Business Policy

1. The products shall be shifted towards business uses and applications, expanding the sales demographic while placing equal emphasis on quality and quantity.
2. Ensure designs that are tailored to the actual needs and usage methods for the convenience of system manufacturers and PC builders.
3. Continue to focus R&D on product stability and application.
4. Continue to prioritize quality and speed in after-sales service. Customers always come first.
5. Increase the product models using Alder Lake N/Raptorlake, including 3.5 SBC/Thin Mini ITX motherboard and corresponding system hosts.
6. Expand the Company’s participation in applied computer exhibitions to attract more customers from different application fields.

(2) Sales Volume Forecast and the basis thereof: The Company is not required to disclose its financial forecast.

(3) Important Production and Sales Policies

Computer Motherboard

1. Perform strategic procurement by purchasing enough at once to avoid material shortages.
2. Prepare special materials for the strategic product models, with a target delivery time of six weeks to always respond to market demand to meet customer needs.
3. Reduce the hidden costs of inventory models, continuously reduce the low-end product models, and maximize the concentration of orders for specifications.
4. In terms of business, the Company will be maintaining existing customers by supporting them to emphasize both sales quality and quantity, while also attracting new customers by offering product features unique from competitors.

Industrial PC

1. Perform strategic procurement to reduce costs and maintain competitiveness.
2. Reduce inventory to avoid price loss.
3. Review suppliers and find suitable and cooperative ones.

VGA and SSD

1. GPU demand went slow in 2022, but the market demand has stabilized since the first quarter of 2023, especially with NVIDIA demand being the best. However, some GPU supply sources are still unavailable, so strategic material preparation is adopted in response. The demand for AMD graphics cards is relatively slow, and we continue to provide cost-effective products to stimulate end-user demand.
2. The SSD market still shows oversupply and price decline. In 2023, the dynamic

stocking sales method will be adopted in response to the rapid market changes.

3. Future Development Strategy of the Company

(1) The demand for motherboards is based on stable supply and demand and a niche while extending the time for product generations to meet the demand for affordable computers in the developing market.

(2) Strengthen the convenience of motherboard usage and material commonality, and keep up with the new generation specifications, from hardware to software, to enhance product competitiveness.

(3) Diversification of operations, investment in application specifications and trends, and opening up a diversified company product line.

(4) Industrial PCs often participate in international industrial application exhibitions, increasing the products and breadth of their applications.

(5) Continuously increasing the promotion of the NVIDIA Display Card product line and closely cooperating with AMD to launch up-to-date high-performance game Display Card.

4. The Effect of External Competition, the Legal Environment, and the Overall Business Environment

The shipment volume of the desktop PC market in 2023 was still in recession compared with that in 2022. In terms of supply, many upstream manufacturers began to confirm orders before mass production after the semiconductor inventory was too high in 2022. In terms of the market, the global epidemic and the global inflation caused by the Russo-Ukrainian War depressed the consumer market and caused the overall desktop market recession. In addition, in the past five years, semiconductors' share of PC-related parts and components supply has declined a lot, labor, materials, electricity, and other costs have continued to increase, and the cost of many components has continued to rise, further delaying the demand for replacement.

There is no obvious need to update the operating system (WINDOWS 10-11), and the replacement trend is not obvious. The changes throughout the year show that PC will significantly increase the average sales unit price, and the overall quantity is still in decline.

Regarding the international political and economic situation, the US sanctions against China have caused a geopolitical reshuffle and even have information security concerns about products made in China. Some countries have begun de-sinicizing electronic products, increasing communication difficulties in product sales.

II. Company Overview

1. Date of Incorporation: 29th of August, 1990

2. Company History Timeline:

1990 – Was founded in August with paid-in capital of NT$ 50 million and is proficient in the production of Computer Motherboard.

1991– Seasoned its equity offering with NT$ 50 million in September and with total paid-in capital of NT$ 100 million

1994 – Invested USD 700,000 to found the subsidiary GARNET INTERNATIONAL CORP. in February.

1996 – Transferred to common stock from Capital Surplus with NT$ 60 million, with a total paid-in capital of NT$160 million. In December.

1997 – Acquired the factory on the 7th Floor of No.108-1 and the 3rd Floor of No. 108-2, Minquan Rd., Xindian, in March and April, respectively.

The company transferred to common stock from Capital Surplus with NT$ 80 million and seasoned equity offering with NT$ 80 million and with the increase of total paid-in capital of NT$ 320 million from NT$ 160 million in July.

1998 – Transferred to common stock from Capital Surplus and Employee Bonuses with NT$ 133.5 million and with the increase of total paid-in capital of NT$ 453.5 million from NT$ 320 million in June.

The company became available on the Over-the-Counter Market in December.

1999 – Seasoned its equity offering with NT$ 150 million in June, and the total paid-in capital increased from NT$ 453.5 million to NT$ 603.5 million.

Acquired the factory on the 3rd floor, No. 12, Lane 270, Section 3, Beishen Road, Shenkeng Township, and 2 production lines of SMT in July.

Acquired ISO-9001 certification by BSI, UK, in August.

Transferred to common stock from Capital Surplus and Employee Bonuses with NT$ 104.56 million and with the increase of total paid-in capital of NT$ 708.06 million from NT$ 603.5 million in September.

Has been listed on the Taiwan Stock Exchange since December.

2000 – Transferred to common stock from Capital Surplus and Employee Bonuses with NT$ 151.94 million and with the increase of total paid-in capital of NT$ 860 million from NT$ 708.06 million in September.

2003 – Transferred to common stock from Capital Surplus and Employee Bonuses with NT$ 111.2 million and with the increase of total paid-in capital of NT$ 971.2 million from NT$ 860 million in September.

2004 – Transferred to common stock from Capital Surplus and Employee Bonuses with NT$ 119.8 million and with the increase of total paid-in capital of NT$

1.191 billion from NT$ 971.2 million in September.

2005 – Invested USD 3,000,000 to establish a subsidiary, BIOSTAR MICROTECH(U.S.A)CORP., in the United States of America to be in charge of the sales business in the America Region in June.

2006 – Issued private placement with NT$ 450 million in March; the paid-in capital increased to 1.541 billion.

2006 – Transferred to common stock from Capital Surplus and Employee Bonuses with NT$ 71 million and with the increase of total paid-in capital of NT$ 1.612 billion from NT$ 1.541 billion in September.

2007 – Transferred to common stock from Capital Surplus and Employee Bonuses with NT$ 61 million, with an increase of total paid-in capital of NT$ 1.673 billion from NT$ 1.612 billion in August.

2008 – Invested EUR 1,000,000 to establish a subsidiary, BIOSTAR MICROTECH EUROPE HOLDING B.V., in the Netherlands to be in charge of the investment holdings in the European Region, and the subsidiary in the Netherlands reinvest EUR 1,000,000 to establish BIOSTAR MICROTECH NETHERLANDS B.V. which in charge of the sales business in European Region in April.

2008 – Increased capital for the subsidiary GARNET INTERNATIONAL CORP. with USD 4,000,000 in April.

2008 – Transferred to common stock from Capital Surplus and Employee Bonuses with NT$ 108 million and with the increase of total paid-in capital of NT$ 1.781 billion from NT$ 1.673 billion in August.

2010 – Increased the capital with EUR 1,000,000 to the subsidiary in the Netherlands, BIOSTAR MICROTECH EUROPE HOLDING B.V., in October, and the capital reduction of EUR 1,000,000 soon after to cover up the loss.

2011 – Increased the capital of its subsidiary GARNET INTERNATIONAL CORP. with USD 4,000,000 in October.

2015 – Invested USD 1,500,000 to establish the subsidiary of BVI, BIOTEQ GLOBAL ENTERPRISES LIMITED, in October, to be in charge of the sales business in the Mainland China Region.

2017 – Invested RMB 91,800,000 to acquire 51% of the share of Silver Connection Co., Ltd. in November, indirectly holding 100% of the shares of Dongguan Sino-1 Electrical Contacts Alloy Co. Ltd, and the company stepped into the electrical contact industry.

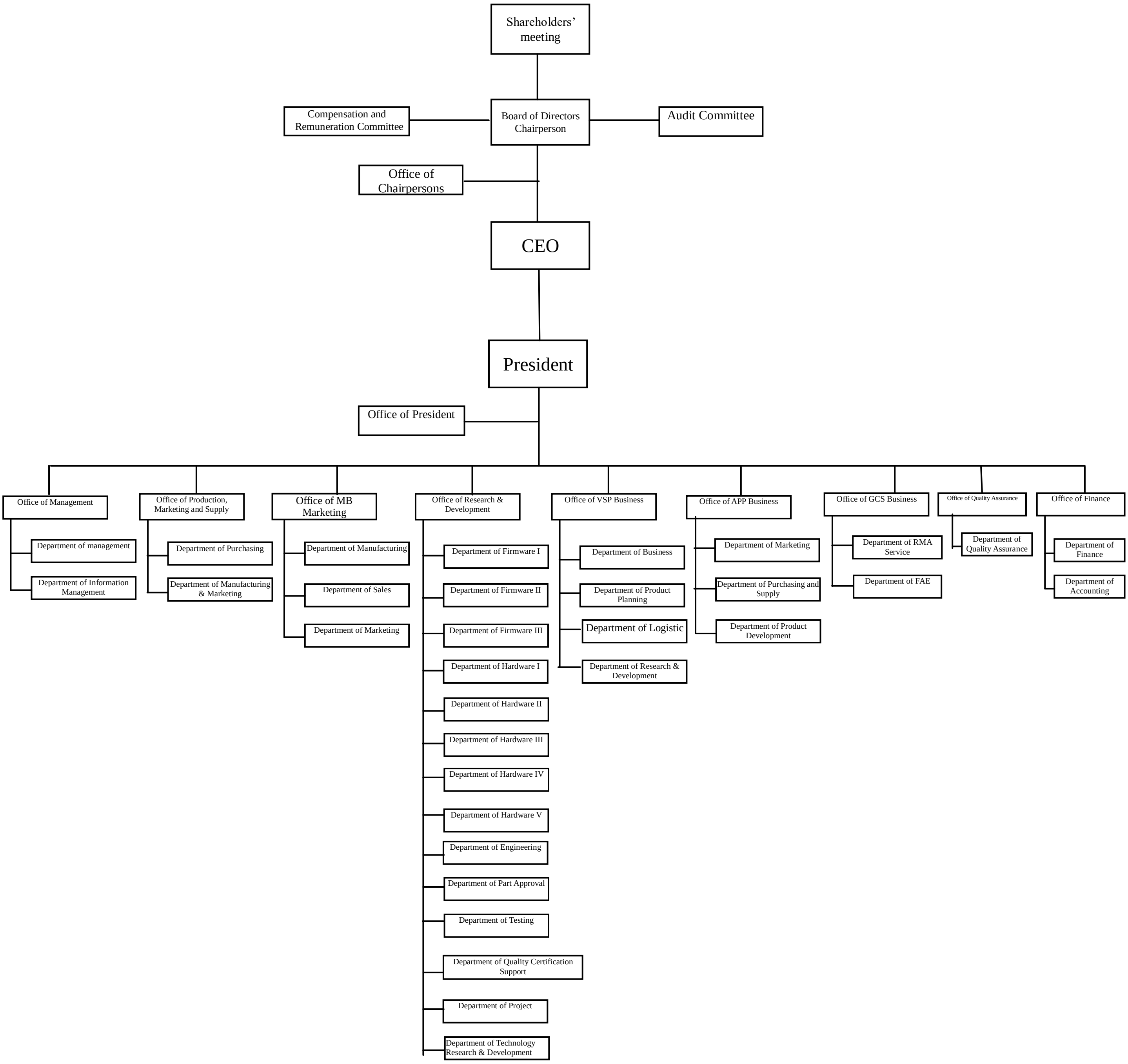
The subsidiary BIOTEQ GLOBAL ENTERPRISES LIMITED was completed with liquidation in November.

2020 – Disposed of 51% of Silver Connection Co., Ltd. shares in April.

III. Corporate Governance

1. Organizational Structure

(1) Organizational Chart



(2) Corporate Functions

1. Office of Chairperson
   (1) Enactment of annual management goals and strategies.
   (2) Preparation, planning, and evaluation of the investment plans.
   (3) Handling internal control, audit, and other matters.
2. Office of President
   (1) Overall control of the Company's development and management.
   (2) Handling the Company's management plans and annual management guidelines.
   (3) Handling of the Future Product Technology and Market Trends.
3. Office of Management
   (1) Establishment and implementation of human resources planning and management system of human resources.
   (2) Establishment and implementation of administrative and general affairs systems.
   (3) Establishment and implementation of ERP system, integrating the company's computerized management operation.
4. Office of Production, Marketing, and Supply
   (1) Management of the product manufacturing plans and execution.
   (2) In charge of the planning and implementing the procedures required for manufacturing, including manufacturing management and purchasing.
   (3) Enactment and implementation of systems of outsourcing, materials controlling plans, and others.
5. Office of MB Marketing
   (1) Promotion of the new product development and development of the new clients.
   (2) Enactment of sales plan and promotion of the coordination of manufacturing and sales.
   (3) Execution of sales, collection management, analysis, and statistics.
   (4) Pre- and post-sales client Service.
   (5) Collection and analysis of business information
6. Office of Research and Development
   (1) Product research, design, and development.
   (2) Technical support of software and hardware in the new product development.
   (3) Quality testing in the development stage of new products.
7. Office of VSP Business
   (1) Product promotion of VGA and solid-state disk (SSD).
   (2) Enactment of VGA and SSD sales plan and promotion of sales coordination.
8. Office of APP Business
   (1) Promotion of APP products and development of new clients.
   (2) Enactment of App sales plan and promotion of sales coordination.
9. Office of GCS Business
   (1) In charge of RMA services to global clients.
   (2) In charge of technical support and services to global clients.
10. Office of Quality Assurance
   (1) Reporting and correcting product exceptions; providing temporary and permanent measures.
   (2) In charge of quality control.
   (3) Enactment of quality control process and improvement plan.
11. Office of Finance
   (1) Financial planning, management of funds, and fund flow management.
   (2) Accounting and settlement; establishing and implementing the tax system.

2. Directors, Supervisors, President, Vice Presidents, Assistant Vice Presidents, Chiefs of all the Company's Divisions and Branch

(1) Information on Directors

23rd of April, 2023

Title	Nationality/Place of Registration	Name	Gender Age	Date Elected	Term of Office	Date of First Elected	Shareholding when elected		Current Shareholding		Spouse & Minor Shareholding		Shareholding by Nominee Arrangement		Major Educational Background and Experience	Other Position Concurrently Held at the Company and Other Companies	Executives, Directors, or Supervisors who Are Spouses or within the Two Degrees of Kinship			Remarks
							Number of Shares	Shareholding Ratio	Number of Shares	Shareholding Ratio	Number of Shares	Shareholding Ratio	Number of Shares	Shareholding Ratio			Title	Name	Relationship	
Chairperson	R.O.C.	Ming-Yi Wang	Male 61~70	29th of July, 2021	3 Years	29th of August, 1990	6,997,958	3.93%	6,997,958	3.93%	1,359,516	0.76%	–	–	EMBA, National Central University	Chairperson of Yi Li Co., Ltd.	Director	Ming-Cheng Wang	Brothers	–
Director	R.O.C.	Ming-Cheng Wang	Male 61~70	29th of July, 2021	3 Years	29th of August, 1990	6,409,433	3.60%	6,409,433	3.60%	923,162	0.52%	–	–	Department of Electrical Engineering, Tungnan Junior College of Technology	CEO of Biostar Microtech Int'l Corp, Director of Yi Li Co., Ltd.	Chairperson	Ming-Yi Wang	Brothers	–
Director	R.O.C.	Wen-Shone Shiau	Male 61~70	29th of July, 2021	3 Years	29th of July, 2021	–	–	–	–	–	–	–	–	Master of Science in Control Engineering, National Chiao Tung University	Chairperson of BE Epitaxy Semiconductor Technology Co., Ltd.	–	–	–	–
Director	R.O.C.	Tsung-Hui Tsai	Male 61~70	29th of July, 2021	3 Years	29th of July, 2021	10,464	0.01%	5,464	–	–	–	–	–	Master of Graduate School, University of Leeds	CTO of Tai Kao Fu CO., Ltd.	–	–	–	–
Independent Directors	R.O.C.	Tsun-Kuo Wang	Male 61~70	29th of July, 2021	3 Years	18th of June, 2015	–	–	–	–	–	–	–	–	Ph.D. of University of Rochester	Professor of Department of Information Management, National Central University	–	–	–	–
Independent Directors	R.O.C.	Wen-Hsiung Chan	Male 51~60	29th of July, 2021	3 Years	18th of June, 2015	–	–	–	–	–	–	–	–	MBA in International Business, National Taiwan University	Chairperson of eChem Solutions Corp.	–	–	–	–

Independent Directors	R.O.C.	Pao-Chin Chuang	Female 51~60	29th of July, 2021	3 Years	29th of July, 2021	–	–	–	–	–	–	–	–	Department of International Trade, Takming College	Supervisor of Ou Qi Investment Co., Ltd.	–	–	–	–

Information on Directors

23rd of April, 2023

Criteria / Name	Professional Qualification and Experience (Note 1)	Independence Status	Concurrent Independent Director Position at Other Public Companies
Chairperson Ming-Yi Wang	With more than five years of working experience in business, legal affairs, finance, accounting, or other professional fields related to corporate operations. Concurrently served as the Chairperson of Biostar Microtech Int’l Corp.	-	-
Director Ming-Cheng Wang	With more than five years of working experience in business, legal affairs, finance, accounting, or other professional fields related to corporate operations. Concurrently served as the CEO of Biostar Microtech Int’l Corp.	-	-
Director Wen-Shone Shiau	With more than five years of working experience in business, legal affairs, finance, accounting, or other professional fields related to corporate operations. Concurrently served as the Chairperson of BE Epitaxy Semiconductor Technology Co., Ltd.	-	-
Director Tsung-Hui Tsai	With more than five years of working experience in business, legal affairs, finance, accounting, or other professional fields related to corporate operations. Concurrently served as the CTO of Tai Kao Fu CO., Ltd.	-	-
Independent Director Tsun-Kuo Wang	With more than five years of working experience in business, legal affairs, finance, accounting, or other professional fields related to corporate operations. Concurrently served as the Professor of the Department of Information Management, National Central University	Please refer to Note. 2	-
Independent Director Wen-Hsiung Chan	With more than five years of working experience in business, legal affairs, finance, accounting, or other professional fields related to corporate operations. Concurrently served as the Chairperson of eChem Solutions Corp.	Please refer to Note. 2	2
Independent Director Pao-Chin Chuang	With more than five years of working experience in business, legal affairs, finance, accounting, or other professional fields related to corporate operations. Concurrently served as Supervisor of Ou Qi Investment Co., Ltd.	Please refer to Note. 2	-

Note 1: None of the situations specified in any paragraphs of Article 30 of the Company Act.

Note 2： 1. Not as the Government Agency, Juristic Person, and its Representatives as provided in Article 27 of the Company Act.

2. Not Concurrently served as an Independent Director of More Than Three Other Public Companies.

3. None of the Following Conditions of the following during the Two Years Before Being Elected or During the Term of Office:

(1) An Employee of the Company or any of its Affiliates.

(2) A Director or Supervisor of the Company or any Affiliates.

(3) A natural-person shareholder who holds shares, together with those held by the person's spouse, minor children, or held by the person under others' names, in an aggregate of one percent or more of the total number of issued shares of the company or ranking in the top 10 in holdings.

(4) A spouse, relative within the second degree of kinship, or lineal relative within the third degree of kinship of a managerial officer under subparagraph 1 or any of the persons in the preceding two subparagraphs.

(5) A director, supervisor, or employee of a corporate shareholder that directly holds five percent or more of the total number of issued shares of the company, or that ranks among the top five in shareholdings, or that designates

its representative to serve as a director or supervisor of the company under Article 27, paragraph 1 or 2 of the Company Act.

(6) If a majority of the company's director seats or voting shares and those of any other company are controlled by the same person: a director, supervisor, or employee of another company.

(7) If the chairperson, general manager, or person holding an equivalent position of the company and a person in any of those positions at another company or institution are the same person or are spouses: a director (or governor), supervisor, or employee of that other company or institution.

(8) A director, supervisor, officer, or shareholder holding five percent or more of the shares of a specified company or institution that has a financial or business relationship with the company.

(9) A professional individual who, or an owner, partner, director, supervisor, or officer of a sole proprietorship, partnership, company, or institution that provides auditing services to the company or any affiliate of the company or that provides commercial, legal, financial, accounting or related services to the company or any affiliate of the company for which the provider in the past 2 years has received cumulative compensation exceeding NT$500,000, or a spouse thereof; provided, this restriction does not apply to a member of the remuneration committee, public tender offer review committee, or special committee for merger/consolidation and acquisition, which exercises powers pursuant to the Act or the Business Mergers and Acquisitions Act or related laws or regulations.

Implementation and the Diversification Policy to the Board of Directors.

Title	Chairperson	Director	Director	Director	Independent Director	Independent Director	Independent Director
Name	Ming-Yi Wang	Ming-Cheng Wang	Wen-Shone Shiau	Tsung-Hui Tsai	Tsun-Kuo Wang	Wen-Hsiung Chan	Pao-Chin Chuang
Gender	Male	Male	Male	Male	Male	Male	女
Nationality	R.O.C	R.O.C	R.O.C	R.O.C	R.O.C	R.O.C	R.O.C
Concurrently served as the Company's employees	V	V					
Professional Knowledge and Talent							
Industrial	V	V	V	V	V	V	V
Technology	V	V	V	V	V	V	V
Finance/Accounting					V	V	V
Marketing	V	V	V	V	V	V	V
Abilities and Experience							
	V	V	V	V	V	V	V
Accounting and Financial Analysis					V	V	V
Operational Management	V	V	V	V	V	V	V
Risk/Crisis Management	V	V	V	V	V	V	V
Industrial Knowledge	V	V	V	V	V	V	V
Global Market Perspective	V	V	V	V	V	V	V
Leadership	V	V	V	V	V	V	V
Strategic Decision-Making	V	V	V	V	V	V	V

(2) Information of the President, Vice President, and Assistant Vice President

23rd of April, 2023

Title	Nationality	Name	Gender	Date Elected	Shareholding		Spouse & Minor Shareholding		Shareholding by Nominee Arrangement		Major Educational Background and Experience	Other Position Concurrently Held at the Company and Other Companies	Executives, Directors, or Supervisors who Are Spouses or within the Two Degrees of Kinship			Remarks
					Number of Shares	Shareholding Ratio	Number of Shares	Shareholding Ratio	Number of Shares	Shareholding Ratio			Title	Name	Relationship	
CEO	R.O.C.	Ming-Cheng Wang	Male	17th of August, 2020	6,409,433	3.60%	923,162	0.52%	–	–	Department of Electrical Engineering, Tungnan Junior College of Technology	Directors of Yi Li Co., Ltd.	–	–	–	–
President	R.O.C.	Tsong Woei Lee	Male	17th of August, 2020	–	–	–	–	–	–	Department of Electrical and Company Engineering, Tamkang University	–	–	–	–	–
Vice President	R.O.C.	Kun-Te Lin	Male	1st of February, 2016	–	–	–	–	–	–	Graduate School of Agricultural Economics, National Taiwan University	–	–	–	–	–
Vice President	R.O.C.	Ching-Chao Tseng	Male	25th of July, 2005	–	–	–	–	–	–	Eastern Michigan University Computer & Math	–	–	–	–	–
Vice President	R.O.C.	Chi-Chang Hsu	Male	1st of July, 2014	292	–	45,325	0.03%	–	–	Department of Electronic Engineering, Chin-Yi Institute of Technology	–	–	–	–	–
Assistant Vice President	R.O.C.	Sheng-Chi Lin	Male	4th of August, 2016	609	–	–	–	–	–	Department of Engineering, National Taipei University of Technology	–	–	–	–	–
Assistant Vice President	R.O.C.	Wei-Pin Li	Male	15th of June, 2018	–	–	–	–	–	–	Department of English, Tamkang University	–	–	–	–	–
Assistant Vice President	R.O.C.	Ching-Hung Chen	Male	7th of February, 2022	–	–	–	–	–	–	Department of Japanese Language and Culture, Fu Jen Catholic University	–	–	–	–	–
Assistant Vice President	R.O.C.	Chung-Tzu Cheng	Male	1st of February, 2017	–	–	–	–	–	–	Department of Accounting, Tamkang University	–	–	–	–	–

3.Remunerations to Directors, Supervisors, Presidents, and Vice Presidents

(1) Remuneration to Directors and Independent Directors

31st of December, 2022; Unit: NT$ Thousand; Thousands of Shares

Title	Name	Remuneration								Total Remuneration (A+B+C+D) to Net Income (%)	
		Base Compensation(A)		Severance Pay(B)		Bonus to Directors(C)		Allowances (D)			
		The Company	All Companies within the Consolidated Financial Statement	The Company	All Companies within the Consolidated Financial Statement	The Company	All Companies within the Consolidated Financial Statement	The Company	All Companies within the Consolidated Financial Statement	The Company	All Companies within the Consolidated Financial Statement
Chairperson	Ming-Yi Wang	4,005	4,005	(6)	(6)	57	57	60	60	4,116(32.03%)	4,116(32.03%)
Director	Ming-Cheng Wang	240	240	-	-	57	57	60	60	357(2.78%)	357(2.78%)
Director	Wen-Shone Shiau	240	240	-	-	57	57	50	50	347(2.70%)	347(2.70%)
Director	Tsung-Hui Tsai	240	240	-	-	57	57	50	50	347(2.70%)	347(2.70%)
Independent Director	Tsun-Kuo Wang	240	240	-	-	57	57	60	60	357(2.78%)	357(2.78%)
Independent Director	Wen-Hsiung Chan	240	240	-	-	57	57	50	50	347(2.70%)	347(2.70%)
Independent Director	Pao-Chin Chuang	240	240	-	-	57	57	50	50	347(2.70%)	347(2.70%)

Title	Name	Relevant Remuneration Received by Directors Who Are Also Employees								Ratio of Total Compensation (A+B+C+D+E+F+G) to Net Income (%)		Compensation Paid to Directors from an invested Company or Parent Company Other than the Company's Subsidiary
		Salary, Bonuses, and Allowance (E)		Severance Pay (F)		Employee Compensation (G)						
		The Company	All Companies within the Consolidated Financial Statement	The Company	All Companies within the Consolidated Financial Statement	The Company		All Companies within the Consolidated Financial Statement		The Company	All Companies within the Consolidated Financial Statement	
						Cash	Stock	Cash	Stock			
Chairperson	Ming-Yi Wang	-	-	-	-	-	-	-	-	4,116(32.03%)	4,116(32.03%)	-
Director	Ming-Cheng Wang	3,555	3,555	(6)	(6)	-	-	-	-	3,906(30.39%)	3,906(30.39%)	-
Director	Wen-Shone Shiau	-	-	-	-	-	-	-	-	347(2.70%)	347(2.70%)	-
Director	Tsung-Hui Tsai	-	-	-	-	-	-	-	-	347(2.70%)	347(2.70%)	-
Independent Director	Tsun-Kuo Wang	-	-	-	-	-	-	-	-	357(2.78%)	357(2.78%)	-
Independent Director	Wen-Hsiung Chan	-	-	-	-	-	-	-	-	347(2.70%)	347(2.70%)	-
Independent Director	Pao-Chin Chuang	-	-	-	-	-	-	-	-	347(2.70%)	347(2.70%)	-

(2) Remuneration of the President and Vice President

31st of December, 2022;Unit: NT$ Thousand ;Thousands of Shares

Title	Name	Salary (A)		Severance Pay(B)		Bonuses & Allowance Paid ©		Amount of Employee Remuneration (D)				Total Remuneration (A+B+C+D) to Net Income (%)		Compensation Paid to Directors from an invested Company or Parent Company Other than the Company's Subsidiary
		The Company	All Companies within the Consolidated Financial Statement	The Company	All Companies within the Consolidated Financial Statement	The Company	All Companies within the Consolidated Financial Statement	The Company		All Companies within the Consolidated Financial Statement		The Company	All Companies within the Consolidated Financial Statement	
								Cash	Stock	Cash	Stock			
CEO	Ming-Cheng Wang	15,860	15,860	315	315	-	-	-	-	-	-	16,175 (125.87%)	16,175 (125.87%)	-
President	Tsong Woei Lee													
Vice President	Kun-Te Lin													
Vice President	Ching-Chao Tseng													
Vice President	Chi-Chang Hsu													

Noted : The Amount of Employee Compensation as the proposed amount for distribution.

Remuneration Range for Presidents and Vice Presidents

Range of Remuneration Paid to President and Vice President	Name of Presidents and Vice Presidents	
	The Company	All Companies within the Consolidated Financial Statement
Under NT$ 1,000,000	-	-
1,000,000（Included）～2,000,000（Excluded）	-	-
2,000,000（Included）～3,500,000（Excluded）	Kun-Te Lin, Ching-Chao Tseng, Chi-Chang Hsu	Kun-Te Lin, Ching-Chao Tseng, Chi-Chang Hsu
3,500,000（Included）～5,000,000（Excluded）	Ming-Cheng Wang, Tsong Woei Lee	Ming-Cheng Wang, Tsong Woei Lee
5,000,000（Included）～10,000,000（Excluded）	-	-
10,000,000（Included）～15,000,000（Excluded）	-	-
15,000,000（Included）～30,000,000（Excluded）	-	-
30,000,000（Included）～50,000,000（Excluded）	-	-
50,000,000（Included）～100,000,000（Excluded）	-	-
100,000,000 and Above	-	-
Total	5	5

Employee Compensation of the Managerial Officer

31st of December, 2022;Unit: NT$ Thousand

	Title	Name	Employee Compensation – in Stock	Employee Compensation – in Cash	Total	The ratio of Total Amount to Net Income (%)
Managerial Officers	Chairperson	Ming-Yi Wang	—	-	-	-
	CEO	Ming-Cheng Wang				
	President	Tsong Woei Lee				
	Vice President	Kun-Te Lin				
	Vice President	Ching-Chao Tseng				
	Vice President	Chi-Chang Hsu				
	Assistant Vice President	Sheng-Chi Lin				
	Assistant Vice President	Wei-Pin Li				
	Assistant Vice President	Ching-Hung Chen				
	Assistant Vice President	Chung-Tzu Cheng				

Noted: The Amount of Employee Compensation received by managerial officers as the proposed amount for distribution

(3) Compensation to the Top Five Managerial Officers of the TWSE/TPEx Listed Companies

31st of December, 2022;Unit: NT$ Thousand

Title	Name	Salary (A)		Severance Pay(B)		Bonuses & Allowance Paid ©		Amount of Employee Compensation (D)				Total Compensation (A+B+C+D) to Net Income (%)		Compensation Paid to Directors from an invested Company or Parent Company Other than the Company's Subsidiary
		The Company	All Companies within the Consolidated Financial Statement	The Company	All Companies within the Consolidated Financial Statement	The Company	All Companies within the Consolidated Financial Statement	The Company		All Companies within the Consolidated Financial Statement		The Company	All Companies within the Consolidated Financial Statement	
								Cash	Stock	Cash	Stock			
CEO	Ming-Ch	3,555	3,555	(6)	(6)	-	-	-	-	-	-	3,549(27.62%)	3,549(27.62%)	-
President	Tsong	4,864	4,864	108	108	-	-	-	-	-	-	4,972(38.69%)	4,972(38.69%)	-
Vice President	Kun-Te Lin	2,478	2,478	108	108	-	-	-	-	-	-	2,586(20.12%)	2,586(20.12%)	-
Vice President	Ching-Chao Tseng	2,354	2,354	108	108	-	-	-	-	-	-	2,462(19.16%)	2,462(19.16%)	-
Vice President	Chi-Chang Hsu	2,609	2,609	(3)	(3)	-	-	-	-	-	-	2,606(20.28%)	2,606(20.28%)	-

(4) Separately compare and describe total remuneration, as a percentage of net income stated in the parent company only financial reports or individual financial reports, as paid by this company and by each other company included in the consolidated financial statements during the past two (2) fiscal years to directors, supervisors, general managers, and assistant general managers, and analyze and describe remuneration policies, standards, and packages, the procedure for determining remuneration, and its linkage to operating performance and future risk exposure

The total amount of compensation and remuneration of the directors, supervisors, president, and vice presidents paid by the company and the companies in the consolidated financial statement accounts for 174.25% and 10.59% in 2022 and 2021, respectively in the Net Income of the Parent Company Only Financial Statement. The directors' and supervisors' remuneration consists of transportation allowance, directors' and supervisors' compensation and remuneration. The Transportation Allowance considers the standard within the industry. It is paid in accordance with the Board of Directors and shareholders' meeting attendance by the directors and supervisors. The compensation and the remuneration of the directors and supervisors were handled in accordance with Article 24 of the Articles of Incorporation of the Company. Suppose the company makes a profit within the fiscal year. In that case, the Board of Directors will distribute not more than 3% as the compensation and remuneration of the directors and supervisors, and the distribution for the directors and supervisors' compensation and remuneration shall be proposed and reported to the Shareholders' Meeting. The Compensation is approved by the Board of Directors and determined by the participation in the company's operation, the value of contribution and referring to the standard within the industry. The compensation to the president and vice president consists of salary, bonuses, employee compensation and others, and approved by proposals to the Compensation and Remuneration Committee by the position, responsibilities carried out and referring to the standard of similar positions within the industry.

4. Corporate Governance Status

(1) Operation of the Board of Directors

The Number of Board Meetings Held in the Most Recent Fiscal Year was 5, and the Attendance by the Directors and Supervisors was as Follows:

Title	Name	Actual Attendance in Person	By Proxy	Attendance Rate in Person (%)	Remarks
Chairperson	Ming-Yi Wang	5	0	100%	Re-elected on 29th of July, 2021
Director	Ming-Cheng Wang	5	0	100%	Re-elected on 29th of July, 2021
Director	Wen-Shone Shiau	5	0	100%	Newly elected on 29th of July, 2021
Director	Tsung-Hui Tsai	5	0	100%	Newly elected on 29th of July, 2021
Independent Director	Tsun-Kuo Wang	5	0	100%	Re-elected on 29th of July, 2021
Independent Director	Wen-Hsiung Chan	4	1	80%	Re-elected on 29th of July, 2021
Independent Director	Pao-Chin Chuang	5	0	100%	Newly elected on 29th of July, 2021

Other Information Required to be Disclosed:

1. If any of the Following Circumstances Exists, Specify the Board Meeting Date, Meeting Session Number, Contents of the Motion(s), the Opinions of All the Independent Directors, and the Measures Taken by the Company based on the Opinions of the Independent Directors:
   (1) Any Matter under Article 14-3 of the Securities and Exchange Act: Not Applicable (The company established Audit Committee).
   (2) In Addition to the Matters Referred to above, any Dissenting or Qualified Opinion of an Independent Director that is on Record or Stated in Writing concerning Any Board Resolution: No Such Condition.
2. The Status of Implementation or Recusal of Directors concerning Any Motions with which they may have a Conflict of Interest: Specify the Director's Name, the Content of the Motion, the Cause for Recusal, and Whether and How the Director Voted. Please Refer to Page 28.
3. Implementation of Evaluations of the Board of Directors

Evaluation Cycle	Evaluation Period	Scope of Evaluation	Method of Evaluation	Evaluation Content
Once per Year	1st of January, 2022 to 31st of December, 2022	Evaluating the Performance of the Board of Directors	Internal Evaluation of the Board	1. Participation in the Operation of the Company. 2. Improvement of the Quality of the Board of Directors' Decision Making. 3. Composition and Structure of the Board of Directors. 4. Election and Continuing Education of the Directors. 5. Internal Control.
Once per Year	1st of January, 2022 to 31st of December, 2022	Evaluating the Performance of the Board Members (on Themselves or Peers)	Self-Evaluation by the Board Members of Themselves or Peers	1. Alignment of the Goals and Missions of the Company. 2. Awareness of the Duties of a Director. 3. Participation in the Operation of the Company. 4. Management of Internal Relationships and Communication. 5. The Director's Professionalism and Continuing Education. 6. Internal Control.
Once per Year	1st of January, 2022 to 31st of December, 2022	Evaluating the Performance of Functional Committees	Internal Evaluation by the Functional Committee Members	1. Participation in the Operation of the Company. 2. Awareness of the Duties of the Functional Committee. 3. Improvement of Quality of Decisions made by the Functional Committee. 4. Makeup of the Functional Committee and Election of its Members. 5. Internal Control.

The Board of Directors has passed the Self-Evaluation and Peer-Evaluation on the Board of Directors. The scope of evaluation includes the Board of Directors, Board Members and Functional Committees. The evaluation result has proposed to the Board of Directors on 24th of March 2023. The evaluation results show that each director was appropriate, and the Board of Directors, audit committees and Compensation and Remuneration Committee were functioning effectively.

4. Evaluation of Targets for Strengthening the Board's Functions During the Current and Immediately Preceding Fiscal Years: The Company has established the Audit Committee to comply with the Competent Authority.

(2) The Implementation of Evaluation on the Board of Directors and Each Functional Committee

The Board of Directors has passed the self-evaluation or peer evaluation on the Board of Directors.

(3) The State of Operations of the Audit Committee or the State of Participation in Board Meetings by the Supervisors

1 The main function of the audit committee is to supervise the following matters:

(1) Fair presentation of the financial reports of the Company.

(2) The appointment (and dismissal), independence, and performance of certified public accountants of the Company.

(3) The effective implementation of the Company’s internal control system.

(4) Compliance with relevant laws and regulations by the Company.

(5) Management of the existing or potential risks of the Company.

2. The Main Matters to be considered by the Audit Committee:

(1) The Adoption or Amendments to the Internal Control System.

(2) Assessment of the Effectiveness of the Internal Control System.

(3) The Adoption or Amendment of the Procedures for Handling Financial or Business Activities of a material nature, such as Acquisition or Disposal of Assets, Derivatives Trading, Loaning of Funds to Others, and Endorsements or Guarantees for Others.

(4) Matters in which a Director is an Interested Party.

(5) Asset Transactions or Derivatives Trading of a Material Nature.

(6) Loans of Funds, Endorsements, or Provision of Guarantees of a Material Nature.

(7) The Offering, Issuance, or Private Placement of Equity-Type Securities.

(8) The Appointment or Dismissal of a Certified Public Accountant or their Compensation.

(9) The Appointment or Dismissal of a Financial, Accounting, or Internal Audit Officer.

(10) Annual Financial Reports Signed or Sealed by Chairperson, Managerial Officers and Accounting Supervisors.

(11) Other Material Matters as May Be Required by the Company or Competent Authority.

3. The Number of Audit Committee Meetings Held in the Most Recent Fiscal Year was 4, and the Attendance by the Independent Directors was as follows:

Title	Name	Actual Attendance in Person	By Proxy	Attendance Rate in Person(%)	Remarks
Convener	Tsun-Kuo Wang	4	0	100%	Newly elected on 29th of July, 2021
Committee Member	Wen-Hsiung Chan	4	0	100%	Newly elected on 29th of July, 2021
Committee Member	Pao-Chin Chuang	4	0	100%	Newly elected on 29th of July, 2021

Other Information Required to be Disclosed:

1. If any of the following circumstances exists, specify the audit committee date, meeting session number, content of the motion(s), the content of any dissenting or qualified or significant recommendation of the independent directors, the outcomes of audit committee resolutions, and the measures taken by the Company based on the opinions of the audit committee.

(1) Any Matter under Article 14-5 of the Securities and Exchange Act:

Meeting Session Number Date of the Meeting	Content of the Motion(s)	Matters Under Article 14-5 of the Securities and Exchange Act	Content of Any Dissenting or Qualified or Significant Recommendation of the Independent Directors	Outcomes of Audit Committee Resolutions	Measures taken by the Company based on the Opinions of the Audit Committee
First Meeting in 2022 24th of March, 2022	(1) Adoption of the 2021 Financial Statements (2) Report on the Handling Condition of Common Stock from Private Placement (3) Preparation of Statement of Internal Control System	V V V	None	Approved by All Attending Independent Directors from the Audit Committee without Dissent.	Approved by All Attending Directors without Dissent
Second Meeting in 2022 09th of May, 2022	(1) Adoption of the 2021 Business Report (2) Adoption of 2022 First Quarter Consolidated Financial Statement (3) 2021 Earnings Distribution (4) Amendment on the Procedures of Acquisition and Disposal of Assets	V V V V			
Third Meeting in 2022 04th of August, 2022	(1) Adoption of 2022 Second Quarter Consolidated Financial Statement	V			
Fourth Meeting in 2022 09th of November, 2022	(1) Adoption of 2022 Third Quarter Consolidated Financial Statement (2) Amendment on the Rules of Procedures for Board of Directors Meetings. (3) Establishment 2023 Audit Plan	V V V			

(2) In Addition to the Matters Referred to Above, Any Matter that was not Approved by the Audit Committee but was Approved by a Two-Thirds or Greater Majority Resolution of the Board of Directors: None.

2. Implementation of Recusals of Independent Directors concerning Any Motions with which they May Have a Conflict of Interest: Specify the Independent Director's Name, the Content of the Motion, the Cause for Recusal, and Whether and How the Independent Director Voted: None.

3. Communication Between the Independent Directors and the Chief Internal Audit Officer, and the CPAs that serve as External Auditors (including any Significant Matters Communicated About with Respect to the State of the Company's Finances and Business and the Method(s) and Outcomes of the Communication:

(1) Communication Channels Between the Independent Directors and the Chief Internal Audit Officer

1. Provide an Audit Report of the previous month at the end of each month, and propose the improvement tracking report to each member in each quarter for review, per the implementation of the annual plan. If there are any concerns, sufficient communication via phone calls and emails will be made timely.
2. Separate Conferences with Independent Director will be conducted at least once per year, and until the most recent meeting, there are no extraordinary conditions.
3. May communicate and contact independent directors via phone calls, emails, text messages or face-to-face directly when necessary during normal time. The communication condition is good.

(2) Communication Between the Independent Directors and the Chief Internal Audit Officer in 2022 as follows:

Date	Nature of Meetings	Content of Communication	Result of Communication
4th of August, 2022	Audit Committee	Implementation of Audit Report Conducted and Communication	No Opinions
		Defeats in the internal control and improvements on the irregularities matter.	

(3) Communication Matters and Methods Between CPAs and Independent Directors

1. CPAs will explain and discuss with independent directors the audit matters to the financial statements, key audit items and audit results in the current year's financial statements. The communication condition is good.
2. CPAs may contact independent directors via phone calls, video conferences, emails, and text messages when necessary and if there is a timely concern, in addition to the audit committees' meetings and other meetings.

(4) Summary of several times of communication between the CPAs and the Independent Directors in 2022:

Date	Nature of Meetings	Content of Communication	Result of Communication
19th of January, 2022	Corporate Governance Meeting - Independent Director and CPAs Only	Topic: Communication prior to the 2021 audit, key audit matters and adoption of the latest amended laws and regulations.	No Opinions
24th of March, 2022	Audit Committee	Topic: 2021 Consolidated and Parent Company-Only Financial Statements Audit Matters	No Opinions
24th of March, 2022	Corporate Governance Meeting - Independent Director and CPAs	Topic: 2021 Consolidated and Parent Company-Only Financial Statements Audit Matters	No Opinions

	Only		
09th of May, 2022	Audit Committee	Topic: 2022 First Quarter Consolidated and Parent Company Only Financial Statements Audit Matters	No Opinions
04th of August, 2022	Audit Committee	Topic: 2022 Second Quarter Consolidated and Parent Company Only Financial Statements Audit Matters	No Opinions
09th of November, 2022	Audit Committee	Topic: 2022 Third Quarter Consolidated and Parent Company Only Financial Statements Audit Matters	No Opinions

(4) Implementation Status and Deviations from the Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies and Reasons

Evaluation item	Implementation			Deviations from the Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies and the reasons
	Yes	No	Summary Description	
1. Has the Company established and disclosed its Corporate Governance Best-Practice Principles based on the Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies?	V		The company established the Corporate Governance Best-Practice Principles and disclosed them in its investor's section on the website.	No Difference
2. Shareholding Structure and Shareholders' Rights (1) Does the Company have Internal Operation Procedures for handling shareholders' suggestions, concerns, disputes and litigation matters? If yes, have these procedures been implemented accordingly? (2) Does the Company know the identity of its major shareholders and the parties with ultimate control of the major shareholders? (3) Has the Company built and implemented a risk management system and a firewall between the Company and its affiliates? (4) Has the Company established internal rules prohibiting insider trading of securities based on undisclosed information?	V V V V		Relevant Matters Handled by the Company's Spokesperson. In charge of the professional stock affairs agency, and with a dedicated person to handle relevant matters to grasp the major shareholders' actual control of the company. The company has implemented risk control measures in accordance with relevant regulations and an internal control system for transactions among the affiliated companies. The company prevented insider trading in accordance with the Procedures for Handling Material Inside Information and Insider Trading Prevention Management and Internal control mechanism.	No Difference No Difference No Difference No Difference
3. Composition and responsibilities of the Board of Directors (1) Have a diversity policy and specific management objectives been adopted for the board, and have they been fully implemented? (2) Has the Company voluntarily established other functional committees in addition to the remuneration committee and the audit committee? (3) Has the Company established rules and methodology for evaluating the performance of its Board of Directors, implementing the performance evaluations on an annual basis, and submitting the results of performance evaluations to the Board of Directors and using them as a reference in determining salary/compensation for individual directors and their nomination and additional office terms? (4) Does the Company regularly evaluate its external auditors' independence?	V V V	 V	The company has established the policy of diversification of board members in the Corporate Governance Best-Practice Principles. The company elects directors based on their industrial and professional backgrounds, fields of work, practical experience and other knowledge, skills and literacy to perform their duties, benefit the overall development and operation of the company, and implement the actual management goal of less than one-third of the director who concurrently served as managerial officers. Please refer to pages 10 to 12 of this annual report. Currently, the company established a compensation and remuneration committee and Audit Committee. Other functional committees will be established based on future needs. The company has established the Rules for Performance Evaluation of the Board of Directors, with annually conducted performance evaluation regularly and proposed to the Board of Directors. The evaluation method includes internal self-evaluation and self-evaluation by the individual board members. The evaluation result of the Board of Directors' performance evaluation has reported to the Board of Directors on the 24th of March, 2023. It will be used as the reference for continuously enhancing the functioning of the Board of Directors. The company evaluates the Independency and Appropriacy of the CPAs regularly every year, evaluates the Audit Quality Indicators (AQI), Independence indicators including the non-related party between the CPAs and the company and the Board of Directors. CPAs rotate regularly and obtain the Statement of Independence issued by the CPAs. The company has checked that there are no other financial benefits and business relations with the CPAs except the audit and taxation fees. The CPAs' family members do not conflict with the requirement of independence. The Board of Directors approved the independence and the appropriacy of the CPAs on the 11th of January, 2023.	No Difference The Company will establish based on the actual needs of the future. No Difference No Difference
4. Does the TWSE/TPEx listed company have in place an adequate number of qualified corporate governance officers, and has it appointed a chief corporate governance officer with responsible corporate governance practices (including but not limited to providing information necessary for directors and supervisors to perform their duties, aiding directors and supervisors in complying with laws and regulations, organizing board meetings and annual general meetings of shareholders as required by law, and compiling minutes of board meetings and annual general meetings)?	V		The company has not yet established an officer for Corporate Governance, and the spokesperson is in charge of corporate governance-related matters of the company, including documents for execution, handling matters related to board meetings and shareholders' meetings, preparation of meeting agendas and others. The company's registration and change of registration were in charge of the Finance Department, and Legal Affairs reviewed all the registration documents.	No Difference

Evaluation item	Implementation			Deviations from the Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies and the reasons
	Yes	No	Summary Description	
5. Has the Company established channels for communicating with its stakeholders (including but not limited to shareholders, employees, customers, suppliers, etc.) and created a stakeholders' section on its company website? Does the Company appropriately respond to stakeholders' questions and concerns on important corporate social responsibility issues?	V		The company communicated with the stakeholders through the spokesperson and established the stakeholder's section on the company's website.	No Difference
6. Has the Company appointed a professional shareholder services agent to handle matters related to its shareholder meetings?	V		The company has appointed a professional stock affairs agency to handle matters of shareholders' meetings.	No Difference
7. Information Disclosure (1) Has the Company established a corporate website to disclose information regarding its financials, business, and corporate governance status? (2) Does the Company use other information disclosure channels (e.g., maintaining an English-language website, designating staff to handle information collection and disclosure, appointing spokespersons, webcasting investors conference etc.)? (3) Does the company publish and report its annual financial report within two months after the end of the fiscal year and publish and report its financial reports for the first, second, and third quarters as well as its operating statements for each month before the specified deadlines?	V V	 V	The company has disclosed the financial business and corporate governance information on the investor sections of the company's website The company established the spokesperson system to charge for collecting and disclosing the company's information and inputting the material information to the Market Observation Post System per the laws and regulations. Announcements and declared annual financial statements had not been made within two months after the end of each fiscal year. They announced and declared each month's first, second, and third-quarter financial statements and operational overview before the required period. The company announced the annual financial statement, quarterly financial statement and monthly operational overview within the required period.	No Difference No Difference The company handling within the period according to the relevant regulations
8. Has the Company disclosed other information to facilitate a better understanding of its corporate governance practices (including but not limited to employee rights, employee wellness, investor relations, supplier relations, rights of stakeholders, directors' and supervisors' continuing education, the implementation of risk management policies and risk evaluation standards, the implementation of customer relations policies, and purchasing liability insurance for directors and supervisors)?	V		The company has conducted the employees' rights and benefits, employees caring, relationship with the investors, relationship with the vendors, rights of stakeholders and others per the internal control system and governing regulations of the company, and performed the business social responsibilities per laws and regulations. The directors and supervisors had the relevant professional knowledge, attended relevant educational training irregularly, and were insured with directors' and supervisors' liability insurance to protect them against the potential legal responsibility they may cause when performing their duties.	No Difference
9. Please describe improvements that have already been made based on the Corporate Governance Evaluation results released for the most recent fiscal year by the Corporate Governance Centre, Taiwan Stock Exchange, and specify the priority enhancement objectives and measures planned for any matters still awaiting improvement. (If the Company was not included among the companies evaluated for the given recent year, this item does not need to be completed.): The company has handled and taken measures based on the corporate governance evaluation result according to the Internal Corporate Governance Best-Practice Principles.				

(5) The Composition, Duties and Functioning of the Compensation and Remuneration Committee

Information on the Members of the Compensation and Remuneration Committee

23rd of April, 2023

Capacity	Qualifications / Name	Professional Qualifications and Experience	Independence Conditions	Number of other public companies at which the person concurrently serves as a remuneration committee member
Independent Director	Tsun-Kuo Wang	The Compensation and Remuneration Committee consists of All of the Independent Directors. Please refer to pages 10 to 12 for the professional qualifications and experience of the committee members.	All the Members have qualified for the following conditions: 1. Fulfil the relevant requirement provided by Regulations Governing the Appointment and Exercise of Powers by the Remuneration Committee of a Company whose stock is listed on the TWSE/TPEx (Note) announced by the Financial Supervisory Commission, Republic of China(Taiwan) based on the Article 14-6 of the Securities and Exchange Act. 2. The independent director, their spouse, and relatives within the second degree of kinship do not hold the company's shares in their own or nominee accounts. 3. The independent director has not provided business, legal, financial, accounting, or other services to the Company over the past two years and obtaining compensation from services provided.	0
Independent Director	Wen-Hsiung Chan			0
Independent Director	Pao-Chin Chuang			0

Note: During the two years before being elected or during the term of office, a committee member has not been any of the following:
(1)An employee of the company or any of its affiliates.
(2)A director or supervisor of the company or any of its affiliates.
(3)A natural-person shareholder who holds shares, together with those held by the person's spouse, minor children, or held by the person under others' names, in an aggregate of one percent or more of the total number of issued shares of the company or ranking in the top 10 in holdings.
(4)A spouse, relative within the second degree of kinship, or lineal relative within the third degree of kinship of a managerial officer under subparagraph 1 or any of the persons in the preceding two subparagraphs.
(5)A director, supervisor, or employee of a corporate shareholder that directly holds five percent or more of the total number of issued shares of the company, or that ranks among the top five in shareholdings, or that designates its representative to serve as a director or supervisor of the company under Article 27, paragraph 1 or 2 of the Company Act.

(6)If a majority of the company's director seats or voting shares and those of any other company are controlled by the same person: a director, supervisor, or employee of that other company.
(7)If the chairperson, general manager, or person holding an equivalent position of the company and a person in any of those positions at another company or institution are the same person or are spouses: a director (or governor), supervisor, or employee of that other company or institution.
(8)A director, supervisor, officer, or shareholder holding five percent or more of the shares of a specified company or institution that has a financial or business relationship with the company.
(9)A professional individual who, or an owner, partner, director, supervisor, or officer of a sole proprietorship, partnership, company, or institution that provides auditing services to the company or any affiliate of the company or that provides commercial, legal, financial, accounting or related services to the company or any affiliate of the company for which the provider in the past 2 years has received cumulative compensation exceeding NT$500,000, or a spouse thereof; provided, this restriction does not apply to a member of the remuneration committee, public tender offer review committee, or special committee for merger/consolidation and acquisition, which exercises powers pursuant to the Act or the Business Mergers and Acquisitions Act or related laws or regulations.

Operation of the Compensation and Remuneration Committee

1. The Company's Compensation and Remuneration Committee consists of 3 members.
2. The current members' term is from the 29th of July 2021 to the 30th of July 2025. The number of Compensation and Remuneration Committees held in the most recent fiscal year was 4. The attendance by the members was as follows:

Title	Name	Actual Attendance in Person	By Proxy	Attendance Rate in Person(%)	Remarks
Convener	Tsun-Kuo Wang	4	0	100%	Re-elected on 29th of July, 2021
Member	Wen-Hsiung Chan	4	0	100%	Re-elected on 29th of July, 2021
Member	Pao-Chin Chuang	4	0	100%	Re-elected on 29th of July, 2021

Other Information Required to be Disclosed:

1. Four Meetings were convened by the Compensation and Remuneration Committee on the 19th of January, 24th of March, 9th of May and 4th of August. The discussion items include Bonuses and Salary of the Managerial Officers; Total Amount of Employees, Directors and Supervisors' Compensation and Distribution; Compensation and Remuneration of Directors (including Independent Directors).
   The above matters were reviewed and approved by the Compensation and Remuneration Committee
2. If the Board of Directors does not accept or amend any recommendation of the Compensation and Remuneration Committee, specify the board meeting date, meeting session number, content of the recommendation(s), the outcome of the resolution(s) of the Board of Directors, and the measures taken by the Company concerning the opinions given by of the Compensation and Remuneration Committee: None.
3. Concerning any matter for resolution by the Compensation and Remuneration Committee, if there is any dissenting or qualified opinion of a committee member that is on record or stated in writing, specify the Compensation and Remuneration Committee meeting date, meeting session number, content of the motion, the opinions of all members, and the measures taken by the Company concerning the members' opinion: None

(6) Implementation Status and Deviations from the Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies and the Reasons

Item	Implementation Status			Deviations from the Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies and the Reasons
	Yes	No	Summary Description	
1. Has the Company established a governance framework for promoting sustainable development and an exclusively (or concurrently) dedicated unit to promote sustainable development? Has the Board of Directors authorized senior management to handle related matters under the supervision of the board?	V		Sustainable development is promoted by the Office of Management and irregularly reported to the chairperson or the Board of Directors on the handling conditions.	No Difference
2. Does the company conduct risk assessments of environmental, social and corporate governance (ESG) issues related to the company's operations per the materiality principle and formulate relevant risk management policies or strategies?	V		The company has established Sustainable Development Best Practice Principles.	No Difference
3. Environmental Issues (1) Has the Company set an environmental management system designed to industry characteristics? (2) Does the Company endeavor to use energy more efficiently and to use renewable materials with low environmental impact? (3) Has the Company evaluated the potential risks and opportunities posed by climate change for its business now and in the future and adopted relevant measures to address them?	 V V V		The Company conducted the environmental management per the Waste Disposal Act, Management Rules of Energy Saving and Carbon Reduction and others. The Company promotes waste sorting and recycling of reusable resources. The company appointed a	 No Difference No Difference No Difference

Item	Implementation Status			Deviations from the Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies and the Reasons
	Yes	No	Summary Description	
(4) Did the company collect data for the past two years on greenhouse gas emissions, the volume of water consumption, and the total weight of waste and establish policies for greenhouse gas reduction, reduction of water consumption, or management of other wastes?		V	professional waste disposal agency to sort the waste and is responsible for recycling and reducing the environmental impact. The Company obtained the ISO14001 Environmental Management System certification, which integrates environmental management systems with other management systems and aims to assist the company's goals of balancing environmental performance and economic development. The Company conducted the environmental management per the Waste Disposal Act, Management Rules of Energy Saving and Carbon Reduction and others.	The company did not conduct the relevant statistics
4. Social Issues (1) Has the company formulated relevant management policies and procedures per relevant laws and regulations and international human rights conventions?	V		The company established relevant management policies per Labor Standard Acts and other Labor Laws and Regulations.	No Difference
(2) Has the Company established and implemented reasonable employee welfare measures (including salary/compensation, leave, and other benefits), and are business performance or results appropriately reflected in employee salary/compensation?	V		The Company established various rules for employees' welfare and regularly evaluated the performance of employees, and awarded salaries and compensation accordingly.	No Difference
(3) Does the Company provide employees with a safe and healthy working environment and implement regular safety and health education for employees?	V		The Company provides a good working environment to our employees and regularly conducts Health and Safety Training Education	No Difference
(4) Has the Company established effective employee career development training programs?	V		The Company held various educational training for our employees.	No Difference
(5) Does the company comply with the relevant laws and international standards regarding customer health and safety, customer privacy, and marketing and labeling products and services, and implement consumer protection and grievance policies?	V		The company implemented marketing and labeling according to the laws, regulations and international standards.	No Difference
(6) Has the company formulated supplier management policies requiring suppliers to comply with relevant regulations on environmental protection, occupational safety and health, or labor rights, and what is their implementation?	V		The Company evaluated the vendors per the Company's Internal Control Regulation and purchased according to the Company's Internal Control Regulation.	No Difference
5. Does the company refer to international reporting standards or guidelines when preparing its sustainability report and other reports disclosing non-financial information? Does the company obtain third-party assurance or certification for the reports above?	V		The Company discloses the Sustainable Development Best Practice Principles on the company's website, Market Observation Post Systems and other channels.	No Difference
6. If the Company has adopted its own sustainable development best practice principles based on the Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies, please describe any deviation from the principles in the Company's operations: The Company established the Sustainable Development Best Practice Principles per the Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies.				
7. Other important information to facilitate a better understanding of the company's promotion of sustainable development: The company conducted environmental protection, community participation, contribution to society, society service, social charity, consumer rights and benefits, human rights, safety and health and other Social Responsibilities per the company's internal control system and management rules, and performing the Corporate Social Responsibilities required in according to the relevant laws and regulations.				

(7) Implementation Status and Deviations from the Ethical Corporate Management Best Practice Principles for TWSE/TPEx Listed Companies and the Reasons

Evaluation item	Implementation			Deviations from the Ethical Corporate Management Best Practice Principles for TWSE/TPEx Listed Companies and the Reasons
	Yes	No	Summary description	
1. Establishment of ethical corporate management policies and programs				
(1) Does the company have an ethical corporate management policy approved by its Board of Directors, bylaws and publicly available documents addressing its corporate conduct and ethics policy and measures, and commitment regarding implementation of such policy from the Board of Directors and the top management team?	V		The Company established the Ethical Corporate Management Practice Principles	No Difference
(2) Whether the company has established an assessment mechanism for the risk of unethical conduct; regularly analyses and evaluates, within a business context, the business activities with a higher risk of unethical conduct; has formulated a program to prevent unethical conduct with a scope no less than the activities prescribed in Article 7, paragraph 2 of the Ethical Corporate Management Best Practice Principles for TWSE/TPE Listed Companies?	V		The Company prevented unethical conduct by formulating internal regulations and relevant laws and Regulations.	No Difference
(3) Does the company clearly set the operating procedures, behavior guidelines, and punishment and appeal system for violations in the unethical conduct prevention program, implement it, and regularly review and revise the plan?	V		The management took prevention measures towards operating activities with higher unethical behavior risks in daily management.	No Difference
2. Ethical Management Practice				
(1) Does the company assess the ethics records of those it has business relationships with and include ethical conduct-related clauses in the business contracts?	V		The agreement signed by the Company contains ethical conduct clause to ensure fair and transparent business activities.	No Difference
(2) Has the company set up a dedicated unit to promote ethical corporate management under the Board of Directors, and does it regularly (at least once a year) report to the Board of Directors on its ethical corporate management policy and program to prevent unethical conduct and monitor their implementation?	V		The company promotes Ethical Corporate Management through the Office of Management, and the Board of Directors supervises the promotion.	No Difference
(3) Has the company established policies to prevent conflict of interests, provided appropriate communication and complaint channels, and properly implemented such policies?	V		If there is a conflict of interest, the party shall recuse themselves to prevent conflict of interest. If the items in the Board of Directors' meeting conflict with interest, the party shall not participate in the discussion, excuse themselves from the venue, and not vote based on the recusal principle.	No Difference
(4) Does the company have effective accounting and internal control systems in place to enforce ethical corporate management? Does the internal audit unit follow the results of unethical conduct risk assessments and devise audit plans to audit compliance with the systems to prevent unethical conduct or hire outside accountants to perform the audits?	V		The company established the accounting and internal control system according to the Securities and Exchange Act, Company Act, Business Entity Accounting Act, and Regulations Governing the Preparation of Financial Reports by the TWSE/TPEx Public Listed Companies and the actual business condition of the company. Internal Audit Personnel regularly audit the implementation of the internal control system and report the compliance condition to the supervisors and Board of Directors.	No Difference
(5) Does the company regularly provide internal and external ethical corporate management training programs?	V		The company held ethical corporate management educational training regularly	No Difference
3. Implementation of Complaint Procedures				
(1) Has the company established specific whistle-blowing and reward procedures, set up conveniently accessible channels, and appointed appropriate personnel specifically responsible for handling complaints received from whistle-blowers?	V		The Company has implemented this in accordance with the Work Rules.	No Difference

Evaluation item	Implementation			Deviations from the Ethical Corporate Management Best Practice Principles for TWSE/TPEx Listed Companies and the Reasons
	Yes	No	Summary description	
(2) Has the company established standard operation procedures for investigating the complaints received, follow-up measures taken after investigation, and mechanisms ensuring such complaints are handled confidentially? (3) Has the company adopted proper measures to protect whistle- blowers from retaliation for filing complaints?	V V		The Company has established this in the Work Rules. The Company has implemented this in accordance with the Work Rules.	No Difference No Difference
4. Strengthening Information Disclosure Does the company disclose its ethical corporate management policies and the results of their implementation on its website and the Market Observation Post System (MOPS)?	V		The Company has disclosed the Ethical Corporate Management Best Practice Principles on the Company's Website and Market Observation Post System	No Difference
5. If the company has adopted its own ethical corporate management best practice principles based on the Ethical Corporate Management Best Practice Principles for TWSE/TPEx Listed Companies, please describe any deviations between the principles and their implementation: The Company established the Ethical Corporate Management Best Practice Principles according to the Ethical Corporate Management Best Practice Principles for TWSE/TPEx Listed Companies.				
6. Other important information to facilitate a better understanding of the operation status of the company's ethical corporate management policies (e.g., reviewing and amending its ethical corporate management best practice principles): None.				

(8) If the Company has adopted Corporate Governance Best-Practice Principles or Related Bylaws, it shall disclose how these are to be searched: Please refer to the Investors Section of the Company's Website, the website for search as http://www.biostar.com.tw/app/en/about/investor.php#b
and the Corporate Governance Section of the Market Observation Post System, the website for search as http://mops.twse.com.tw/mops/web/t100sb04_1.

(9) Any Other Material Information that Would Afford a Better Understanding of the Status of the Company's Implementation of Corporate Governance: None.

(10) General Conditions of Implementation of Internal Control System:

1. Statement of Internal Control System

BIOSTAR MICROTECH INT'L CORP.
Statement of Internal Control System

Date: 24th of March, 2023

Based on the findings of a self-assessment, BIOSTAR MICROTECH INT'L CORP. states the following concerning its internal control system during the period from January 1, 2021, to December 31, 2021:

1. The Company is fully aware that establishing, operating, and maintaining an internal control system are the responsibilities of its Board of Directors and management. The Company has established such a system aimed at providing reasonable assurance regarding the achievement of objectives in the following categories: (1) effectiveness and efficiency of operations (including profitability, performance, and safeguarding of assets), (2) reliability, timeliness, and transparency of reporting in compliance with the relevant specifications, and (3) compliance with applicable laws and regulations.
2. All internal control system has inherent limitations. No matter how carefully designed, an effective internal control system can only provide reasonable assurance regarding achieving the abovementioned objectives. Moreover, the effectiveness of an internal control system may be subject to changes in the environment or circumstances. Nevertheless, the Company's internal control system contains self-monitoring mechanisms, and the Company takes corrective actions whenever a deficiency is identified, or an enhancement becomes necessary.
3. The Company evaluates its internal control system's design and operating effectiveness based on the criteria provided in the Regulations Governing the Establishment of Internal Control Systems by Public Companies (hereinafter referred to as the "Regulations") of the Republic of China. The Regulations identify five components of internal control based on the process of management control: (1) control environment, (2) risk assessment, (3) control activities, (4) information and communication, and (5) monitoring, with each component containing several further elements. Please refer to the Regulations for additional details.
4. The Company has evaluated its internal control system's design and operating effectiveness according to the criteria above.
5. Based on the results of the evaluation mentioned in the preceding paragraph, the Company believes that during the period from 1st of January 2022 to 31st of December 2022, the design and operation of its internal control system have reasonably achieved the objectives mentioned in Item 1 above, including the monitoring of operational effectiveness and efficiency, as well as the reliability, timeliness, and transparency of reporting in compliance with relevant specifications, and compliance with applicable laws and regulations.
6. This Statement is a public document that constitutes an integral part of the Company's Annual Report for the period from 1st of January 2022 to 31st of December 2022 and the Company Prospectus. Any falsehood, concealment, or other

illegality in the content made public will entail legal liability under Articles 20, 32, 171, and 174 of the Securities and Exchange Act.

7. The Board approved this Statement of Directors at the meeting held on 24th of March, 2022, and all content contained in this Statement was affirmed by the 7 Board members present at the meeting.

BIOSTAR MICROTECH INT’L CORP.

Chairperson: Ming-Yi Wang
Signed and Sealed

President: Tsong Woei Lee
Signed and Sealed

2. If CPA was Engaged in conducting a Special Audit of the Internal Control System, Provide its Audit Report: None.

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

(12) Material Resolutions of a Shareholders' Meeting or a Board of Directors' Meeting During the Most Recent Fiscal Year or the Current Fiscal Year Up to the Date of Publication of the Annual Report.

Date of Meeting	Major Resolutions in the Shareholders' Meeting	Implementation
23rd of June, 2022	(1) Adoption of 2021 Financial Report (2) Adoption of 2021 Earnings Distribution (3) Approved the amendment of Procedures of the Acquisition and Disposal of Assets.	The Proposal Approved as Proposed。 Cash Dividend with NT$ 1.2 per share, the ex-dividend date as 24th of August, 2022 and the date of distributing cash dividend as 15th of September, 2022. The Company has announced on the company's website that handling is per the Amended Handling Procedures.

Date of Meeting	Meeting Sessions	Major Resolutions in the Shareholders' Meeting	Independent Director Comments
19th of January, 2022	First Meeting of 2022	(1) Approved the Bonuses of Managerial Officers (Note 1) (2) Approved the Compensation of the Managerial Officers (3) Approved the 2022 Business Plan	Approved as Proposed
24th of March, 2022	Second Meeting of 2022	(1) Approved the directors, supervisors and employee compensation and remuneration of 2021. (2) Approved the 2021 annual financial statement (3) Report on the handling of common stock from private placement (4) Approved the establishment of the related matters of 2022 shareholders' regular meetings (5) Preparation of 2021 Statement of Internal Control System (6) Approved the application of a credit line to the bank	Approved as Proposed
9th of May, 2022	Third Meeting of 2022	(1) Approved 2021 Business Report (2) Approved the 2021 First Quarter Consolidated Financial Statement (3) Approved the Proposal of 2021 Earning Distribution (4) Amendment on the Procedure of Acquisition and Disposal of Assets (5) Approved the Compensation of Advanced Managerial Officers	Approved as Proposed
4th of August, 2022	Fourth Meeting of 2022	(1) Approved the 2022 Second Quarter Consolidated Financial Statement (2) Approved the 2021 Compensation of the Employee (Note 1) (3) Approved the Compensation and Remuneration of the Company's Directors (including Independent Directors) (Note 2)	Approved as Proposed
9th of November, 2022	Fifth Meeting of 2022	(1) Approved the 2022 Third Quarter Consolidated Financial Statement (2) Amendment on the Rules of Procedure for Board of Directors Meeting (3) Enactment on the 2023 Annual Audit Plan	Approved as Proposed
11th of January, 2023	First Meeting of 2023	(1) Approved the bonuses of the Managerial Officers (Note 1) (2) Approved the 2023 Business Plan (3) Amendment on the Procedures for Handling Material Inside Information and Prevention of Insider Trading. (4) Regular Evaluation of CPAs' Independence and Appropriacy (5) Internal Adjustment and Replacement of CPAs from Deloitte & Touche Accounting Firm	Approved as Proposed
24th of March, 2023	Second Meeting of 2023	(1) Approved the 2022 Directors, Employee Compensation and Remuneration (2) Approved the 2022 Financial Statement and Business Report (3) Preparation on the Proposal of 2022 Earnings Distribution (4) Preparation on the establishment of relevant matters of the 2023 annual regular shareholders' meeting (5) Preparation of 2022 Statement of Internal Control System (6) Approved the application of a credit line to the bank	Approved as Proposed
8th of May, 2023	Third Meeting of 2023	(1) Approved the 2023 First Quarter Consolidated Financial Statement (2) Appointment of the new corporate governance officer	Approved as Proposed

Note 1: Chairperson Ming-Yi Wang and Director Ming-Cheng Wang, with a conflict of interest in this case, have recused themselves as required by law. The remaining attending directors have agreed and approved it.

Note 2: All directors, including independent directors, have conflicts of interest in this case. After discussing the recusal of directors with conflicts of interest, the remaining attending directors have agreed and approved it.

(13) During the Most Recent Fiscal Year or the Current Fiscal Year Up to the Date of Publication of the Annual Report, a Director or Supervisor has Expressed a Dissenting Opinion concerning a Material Resolution Passed by the Board of Directors, and said Dissenting Opinion had been Recorded or Prepared as a Written Declaration, Disclose the Principal Content thereof: None.

(14) A Summary of Resignations and Dismissals, During the Most Recent Fiscal Year or the Current Fiscal Year Up to the Date of Publication of the Annual Report of the Company's Chairperson, President, Chief Accounting Officer, Chief Financial Officer, Chief Internal Auditor, Chief Corporate Governance Officer, and Chief Research and Development Officer: None.

5. Information on CPA Professional Fees

(1) Amounts of Audit Fees and Non-Audit Fees Paid to the Attesting CPAs and to the Accounting Firm to which they belong and to any Affiliated Enterprises as well as the Details of Non-Audit Service

Audit Fee

Unit of Amount: NT$ Thousand

Accounting Firm	Name of CPA	Period Covered by CPA's Audit	Audit Fee	Non-Audit Fee	Total	Remarks
Deloitte & Touche	Ching-Cheng Yang	2022.1.1~2022.12.31	3,000	70	3,070	Non-Audit – Fare, Typing and Printing Fees of Financial Statements and others.
	Alice Fang	2022.1.1~2022.12.31				

(2) In the Event of a Change in Accounting Firm Where the Audit Fees Paid for the Fiscal Year in Which Such Change Took Place are Lower Than Those for the Previous Fiscal Year, the Number of Audit Fees Before and After Said Change and The Reasons Should Be Disclosed: None.

(3) In the Event Where Audit Fes Paid for the Current Fiscal Year are Lower Than Those of the Previous Fiscal Year by More Than 10 Percent, Reductions in the Number of Audit Fees, Reduction Percentage, and Reason(s) Should be Disclosed: None.

6. Replacement of CPA: None.

7. In the Event Where the Corporate Chairperson, General Manager, or Any Managerial Officer in Charge of Finance or Accounting Matters Has in the Most Recent Year Held a Position at the Accounting Firm of its Certified Public Accountant or an Affiliated Enterprise of Said Accounting Firm, the Name and Position of the Person, and the Period During Which the Position was Held, Should be Disclosed: None.

8. Changes in Shareholding of Directors, Managerial Officers and Major Shareholders and Information of Stock Transfer or Stock Pledge

Title	Name	The year 2022		As of 23rd of April of the current Year	
		Holding Increase (Decrease)	Pledged Holding Increase (Decrease)	Holding Increase (Decrease)	Pledged Holding Increase (Decrease)
Chairperson	Ming-Yi Wang	–	–	–	–
Director	Ming-Cheng Wang (Note 1)	–	–	–	–
Director	Wen-Shone Shiau	–	–	–	–
Director	Tsung-Hui Tsai	–	–	–	–
Independent Director	Tsun-Kuo Wang	–	–	–	–
Independent Director	Wen-Hsiung Chan	–	–	–	–
Independent Director	Pao-Chin Chuang	–	–	–	–
Managerial Officers	Tsong Woei Lee	–	–	–	–
Managerial Officers	Kun-Te Lin	–	–	–	–
Managerial Officers	Ching-Chao Tseng	–	–	–	–
Managerial Officers	Chi-Chang Hsu	–	–	–	–
Managerial Officers	Sheng-Chi Lin	–	–	–	–
Managerial Officers	Wei-Pin Li	–	–	–	–
Managerial Officers	Ching-Hung Chen	–	–	–	–
Managerial Officers	Chung-Tzu Cheng	–	–	–	–

Note 1: Concurrent served as CEO

Note 2: Information of the Counterpart and its Relationship of Transfer of Equity Interests and/or Pledge of or change in Equity Interest: None.

9. Information Disclosing the Spouse, Kinship within the Second Degree, and Relationship between any of the Top Ten Shareholders:

23rd of April, 2023

Name	Shareholding		Spouse & Minor Shareholding		Shareholding by Nominee Arrangement		Name and Relationship Between the Company's Top Ten Shareholders, or Spouses or Relatives Within Two Degrees of Kinship		Remarks
	Number of Shares	Shareholding Ratio	Number of Shares	Shareholding Ratio	Number of Shares	Shareholding Ratio	Name	Relationship	
Yi Li Co., Ltd.	8,447,596	4.74%	-	-	-	-	Ming-Yi Wang Ming-Cheng Wang	Chairperson of Yi Li Co., Ltd. President of Yi Li Co., Ltd.	
Representatives: Ming-Yi Wang	6,997,958	3.93%	1,359,516	0.76%	-	-	Ming-Cheng Wang Yueh-Jui Chen	Relatives Within Two Degrees of Kinship Spouse	
Ming-Yi Wang	6,997,958	3.93%	1,359,516	0.76%	-	-	Ming-Cheng Wang Yueh-Jui Chen	Relatives Within Two Degrees of Kinship Spouse	
Ming-Cheng Wang	6,409,433	3.60%	923,162	0.52%	-	-	Ming-Yi Wang Wang, Chun-Yi	Relatives Within Two Degrees of Kinship Relatives Within Two Degrees of Kinship	
Chun-Yi Wang	2,487,996	1.40%	-	-	-	-	Ming-Cheng Wang	Relatives Within Two Degrees of Kinship	
SPDR Portfolio Emerging Markets ETF Managed by Standard Chartered Bank	2,277,384	1.28%	-	-	-	-	-	-	
Chen, Chin-Hsiang	1,500,000	0.84%	-	-	-	-	-	-	
Yueh-Jui Chen	1,359,516	0.76%	-	-	-	-	Ming-Yi Wang	Spouse	
Barclays Capital Securities Trusted Custody by Citibank Taiwan Ltd.	1,187,000	0.67%	-	-	-	-	-	-	
Yi-Hsin Wang	992,072	0.56%	-	-	-	-	Ming-Cheng Wang	Relatives Within Two Degrees of Kinship	
Yi-Yun Wang	934,859	0.52%	-	-	-	-	Ming-Cheng Wang	Relatives Within Two Degrees of Kinship	

10. The total number of shares and total equity stake held in any single enterprise by the company, its directors and supervisors, managerial officers, and any companies controlled either directly or indirectly by the company

Total Ownership of Shares in Investee Enterprises

31st of March, 2023;Unit: Shares;%

Investee Enterprise (Note)	Investment by the Company		Investment by the Directors, Supervisors, Managerial Officers and Directly and Indirectly Controlled Entities of the Company		Total Investment	
	Shares	Shareholding Ratio	Shares	Shareholding Ratio	Shares	Shareholding Ratio
GARNET INTERNATIONAL CORPORATION	10,700,000	100.00%	—	—	10,700,000	100.00%

BIOSTAR MICROTECH (U.S.A.) CORP.	3,000,000	100.00%	—	—	3,000,000	100.00%
BIOSTAR MICROTECH EUROPE HOLDING B.V.	10	100.00%	—	—	10	100.00%
IMMENSE WEALTH INTERNATIONAL LIMITED	1,000,000	100.00%	—	—	1,000,000	100.00%

Note: This refers to investee enterprises where the Company makes long-term investments using the equity method.

IV. Fund Raising

1. Capital and Shares

Month/Year	Par Value (NT$)	Authorized Capital		Paid-In Capital		Remarks		
		Shares (Thousands of Shares)	Amount (NT$ Thousand)	Shares (Thousands of Shares)	Amount (NT$ Thousand)	Source of Capital	Property Other than Cash is Paid by Subscribers	Others
08/1990	10	5,000	50,000	5,000	50,000	Establishment	—	—
09/1991	10	19,000	190,000	10,000	100,000	Seasoned Equity Offering NT$ 50,000 Thousand	Capital Contributions by Claims NT$ 37,000 Thousand	—
12/1995	10	19,000	190,000	16,000	160,000	Transferred to Common Stock from Capital Surplus NT$ 60,000 Thousand	—	—
07/1997	10	32,000	320,000	24,000	240,000	Transferred to Common Stock from Capital Surplus NT$80,000 Thousand	—	
07/1997	20	32,000	320,000	32,000	320,000	Seasoned Equity Offering NT$ 80,000 Thousand	—	Note 1
06/1998	10	80,000	800,000	45,350	453,500	Transferred to Common Stock from Capital Surplus NT$ 128,000 Thousand Transferred to Common Stock from Employee Bonuses NT$ 5,500 Thousand	—	Note 2
06/1999	40	80,000	800,000	60,350	603,500	Seasoned Equity Offering NT$ 150,000 Thousand	—	Note 3
09/1999	10	80,000	800,000	70,806	708,060	Transferred to Common Stock from Capital Surplus NT$ 96,560 Thousand Transferred to Common Stock from Employee Bonuses NT$ 8,000 Thousand	—	Note 4
09/1999	10	160,000	1,600,000	86,000	860,000	Transferred to Common Stock from Capital Surplus NT$ 141,612 Thousand Transferred to Common Stock from Employee Bonuses NT$ 10,328 Thousand	—	Note 5
07/2001	10	170,000	1,700,000	86,000	860,000	—	—	—
09/2003	10	170,000	1,700,000	97,120	971,200	Transferred to Common Stock from Capital Surplus NT$ 103,200 Thousand Transferred to Common Stock from Employee Bonuses NT$ 8,000 Thousand	—	Note 6
09/2004	10	170,000	1,700,000	109,100	1,091,000	Transferred to Common Stock from Capital Surplus 97,120 Thousand Transferred to Common Stock from Employee Bonuses NT$ 22,680 Thousand	—	Note 7
03/2005	9	170,000	1,700,000	154,100	1,541,000	Common Stock from Private Placement NT$ 450,000 Thousand Private Placement Price per Share NT$ 9	—	Note 8
09/2006	10	220,000	2,200,000	161,200	1,612,000	Transferred to Common Stock from Capital Surplus NT$ 61,640 Thousand Transferred to Common Stock from Employee Bonuses NT$ 9,360 Thousand	—	Note 9

08/2007	10	220,000	2,200,000	167,300	1,673,000	Transferred to Common Stock from Capital Surplus NT$ 32,240 Thousand Transferred to Common Stock from Employee Bonuses NT$ 28,760 Thousand	–	Note 10
09/2008	10	220,000	2,200,000	178,100	1,781,000	Transferred to Common Stock from Capital Surplus NT$ 66,920 Thousand Transferred to Common Stock from Employee Bonuses NT$ 41,080 Thousand	–	Note 11

Note 1: Approved By Tai Tsai Cheng (Yi) No. 35626 Letter issued in 1997 on 7th of May, 1997.
Note 2: Approved By Tai Tsai Cheng (Yi) No. 36006 Letter issued in 1998 on 29th of April, 1998.
Note 3: Approved By Tai Tsai Cheng (Yi) No. 110185 Letter issued in 1999 on 2nd of March, 1999.
Note 4: Approved By Tai Tsai Cheng (Yi) No. 70639 Letter issued in 1999 on 30th of July, 1999.
Note 5: Approved By Tai Tsai Cheng (Yi) No. 59913 Letter issued in 2000 on 11th of July, 2000.
Note 6: Approved By Tai Tsai Cheng Yi Tzu No. 0920131359 Letter issued on 14th of July, 2003.
Note 7: Approved By Chin Kuan Cheng Yi Tzu No. 0930132016 Letter issued on 19th of July, 2004.
Note 8: Approved By Ching Shou Shang Tzu No. 09501046850 Letter issued on 20th of March, 2006.
Note 9: Approved By Chin Kuan Cheng Yi Tzu No. 0950129524 Letter issued on 10th of July, 2006.
Note 10: Approved By Chin Kuan Cheng Yi Tzu No. 0960035314 Letter issued on 10th of July, 2007.
Note 11: Approved By Chin Kuan Cheng Yi Tzu No. 0970036198 Letter issued on 17th of July, 2008.

Unit: Shares; 23th of April, 2023

Share Type	Authorized Capital			Remarks
	Issued Shares	Unissued Shares	Total Shares	
Common Stock Inscribed	178,100,000	121,900,000	300,000,000	–

Note: The shares of the company as listed shares.

2. Shareholder Structure

23rd of April, 2023

Shareholders / Quantity	Government Agencies	Financial Institutions	Other Juristic Persons	Individuals	Foreign Institutions and Foreigners	Total
Number of Shareholders	1	1	149	39,030	50	39,231
Number of Shares	32	4,853	9,094,901	162,458,292	6,541,922	178,100,000
Ratio of Shareholding	-	-	5.11%	91.22%	3.67%	100.00%

3. Diffusion of Ownership

23rd of April, 2023

Shareholding Levels	Number of Shareholders	Number of Shares	The ratio of Shareholding %
1 to 999	15,688	577,926	0.32
1,000 to 5,000	18,300	39,526,214	22.19
5,001 to 10,000	2,914	24,004,881	13.48
10,001 to 15,000	714	9,312,162	5.23
15,001 to 20,000	601	11,318,423	6.36
20,001 to 30,000	395	10,318,920	5.79
30,001 to 40,000	169	6,162,892	3.46
40,001 to 50,000	143	6,832,834	3.84
50,001 to 100,000	200	14,393,142	8.08
100,001 to 200,000	55	7,573,935	4.25
200,001 to 400,000	30	8,337,936	4.68
400,001 to 600,000	8	3,920,784	2.20
600,001 to 800,000	2	1,402,975	0.79
800,001 to1,000,000	4	3,750,093	2.11
1,000,001 and above	8	30,666,883	17.22
Total	39,231	178,100,000	100.00

4. List of Major Shareholders

23rd of April, 2023

Shares / Major Shareholders	Number of Shares	Ratio of Shareholding
Yi Li Co., Ltd.	8,447,596	4.74%
Ming-Yi Wang	6,997,958	3.93%
Ming-Cheng Wang	6,409,433	3.60%
Chun-Yi Wang	2,487,996	1.40%
SPDR Portfolio Emerging Markets ETF Managed by Standard Chartered Bank	1,853,384	1.04%
Chin-Hsiang Chen	1,500,000	0.84%
Yueh-Jui Chen	1,359,516	0.76%
Barclays Capital Securities Trusted Custody by Citibank Taiwan Ltd.	1,187,000	0.67%
Yi-Hsin Wang	992,072	0.56%
Yi-Yun Wang	934,859	0.52%

5. Provide Share Price for the Past 2 Fiscal Years, Together With the Company's Net Worth per Share, Earning per Share, Dividends per Share, and Related Information

Unit: Shares; NT$

Items \ Years			The year 2021	The year 2022	Current year as of 31st of March
Market Price per Share	Highest Market Price		42.00	25.35	17.50
	Lowest Market Price		13.20	11.15	13.45
	Average Market Price		24.35	16.78	15.58
Net Worth Per Share	Before Distribution		13.65	12.62	12.77
	After Distribution (Note 1)		—	—	—
Earnings per Share	Weighted Average Shares		178,100,000	178,100,000	178,100,000
	Earnings Per Share	Before Adjustment	2.03	0.07	0.15
		After Adjustment (Note 2)	2.03	—	—
Dividends per Share	Cash Dividends		1.20	—	—
	Stock Dividends	Dividends from Retained Earnings	—	—	—
		Dividends from Capital Surplus	—	—	—
	Accumulated Undistributed Dividends		—	—	—
Return on Investment	Price/Earnings Ratio (Note 3)		11.42	241.29	—
	Price/Dividend Ratio (Note 4)		19.33	—	—
	Cash Dividend Yield Rate % (Note 5)		5.17	—	—

Note 1: The columns are filled according to the resolutions of shareholders' meeting made in the following year
Note 2: Those requiring retroactive adjustment due to stock grants and other conditions.
Note 3: Price/Earnings Ratio = Average Market Price of a Share in the Current year/ Earning Per Share.
Note 4: Price/Dividend Ratio = Average market price of a share in the current year/cash dividend per share.
Note 5: Cash dividend yield = Cash dividend per share/average market price of a share in the current year.

6. Company's Dividend Policy and Implementation

(1) The Company's Policy on Dividends

According to the company's articles of incorporation, if there is any surplus in the company's annual accounts, taxes shall be paid per the law. After making up for accumulated losses, an additional 10% shall be set aside as the statutory surplus reserve. However, when the statutory surplus reserve has reached the paid-in capital of the company, it may not be set aside, and the rest shall be set aside or converted into a special surplus reserve per laws and regulations; If there is still a balance and accumulated undistributed surplus, the Board of Directors shall draft a surplus distribution proposal and submit it to the shareholders' meeting for resolution on distributing dividends and bonuses to shareholders.

The industrial environment in which our company operates is a stable and growing information industry. In order to support the company's long-term business development, future funding needs, and long-term financial planning, as well as meet shareholders' demand for cash inflows, our company mainly distributes cash dividends, which may be matched with some stock dividends. The cash above dividend distribution ratio is 50% to 100% of the total dividend distribution. The distribution ratio of stock dividends is from 0% to 50% of the total amount of dividends distributed.

(2) The Proposed Dividend Distribution of this Shareholders' Meeting

The undistributed earnings at the beginning of the period as NT$ 104,066,995, and added the recognized remeasurements of defined benefit plans in retailed earnings of NT$ 8,331,939, added the Annual Net Income NT$ 12,850,866, deducted the Legal Reserve of NT$ 2,118,281 per the Company Act and the Company's Articles of Incorporation and the reversal of Special Reserve recognized per the laws and regulations as NT$ 8,560,940, the annual distributable earnings as NT$ 131,692,459. Considering the company's business development and the need for funds, the above-mentioned distributable earnings may propose to retain all and not for distribution.

(3) Material Change in Dividend Policy is Expected: None.

7. Effect upon Business Performance and Earnings per Share of any Stock Dividend Distribution proposed or adopted at the most recent Shareholders' Meeting

The company has not planned the stock dividend proposal in this shareholders' meeting.

8. Compensation of Employees, Directors, and Supervisors

(1) The Percentages or Ranges concerning Employee, Director, and Supervisor Profit-Sharing Compensation, as outlined in the Company's Articles of Incorporation.

If the company is gaining profit within the year shall allocate 5 to 15 percent as the employee's compensation and determined in the form of stock or cash dividend by the resolution of the Board of Directors and the qualified requirement, including the employees of subsidiaries of the company meeting a certain specific requirement. The amount mentioned above of profit may allocate not more than 3% as the remuneration of the directors and supervisors. Compensation and Remuneration of the Employees, the directors and the supervisors shall propose to the shareholders' meeting.

If the company has accumulated loss, it shall retain the amount to cover up the loss. It shall allocate the compensation and remuneration of the employees, directors and supervisors per the abovementioned percentage.

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

1. The basis for estimating the amount of employee, director, and supervisor profit-sharing compensation: The company estimates the amount of employee, director, and supervisor profit-sharing compensation based on the Company's Articles of Incorporation. The Board of Directors approved the amount for allocating Employee Compensation as NT$ 2,495,486 and Directors' Remuneration as NT$ 399,277. The aforementioned amount was allocated in

cash. ：

2. The basis for calculating the number of shares to be distributed as employee profit-sharing compensation: Not Applicable.
3. the accounting treatment of the discrepancy, if any, between the actual distributed amount and the estimated figure, for the current period: Treated as the Changes in Accounting Estimates and will adjust in the following year.

(3) Information on any approval by the Board of Directors of distribution of profit-sharing compensation:

1. The amount of any employee profit-sharing compensation and director and supervisor profit-sharing compensation distributed in cash or stocks. If there is any discrepancy between that amount and the estimated figure for the fiscal year these expenses are recognized, the discrepancy, its cause, and the status of treatment shall be disclosed: The Board of Directors of the company approved the allocation of employee compensation and director remuneration, listed as NT$ 2,495,486 and NT$ 399,277 respectively on 24th of March, 2023. The above allocation amounts are in cash and do not differ from those recognized in the 2022 Financial Statements.
2. The amount of any employee profit-sharing compensation distributed in stocks and the size of that amount as a percentage of the sum of the after-tax net income stated in the parent company only financial reports or individual financial reports for the current period and total employee profit-sharing compensation: Not Applicable.

(4) The actual distribution of employee, director, and supervisor profit-sharing compensation for the previous fiscal year (with an indication of the number of shares, monetary amount, and the stock price of the shares distributed), and, if there is any discrepancy between the actual distribution and the recognized employee, director, or supervisor profit-sharing compensation, additionally the discrepancy, cause, and how it is treated.

The Board of Directors approved the distribution of employee and directors' compensation and remuneration on the 24th of Match, 2022. The recognized employee compensation was NT$ 58,491,862, the directors' remuneration was NT$ 9,358,697, and the aforementioned distribution was made in cash, with no difference to the amount recognized on the 2021 Financial Statement.

9. Status of the Company Repurchasing its Own Shares: None.

10. Information on Corporate Bonds: None.

11. Information on Preferred Stock: None.

12. Information on Global Depository Receipts: None.

13. Information on Employee Stock Options: None.

14. New Shares Issuance in Connection with Mergers and Acquisitions: None.

15. New Shares Issuance in Connection with Mergers and Acquisitions: None.

16. Implementation of Capital Utilization Plans: None.

V. Operational Overview

1. A Description of the Business

(1) Scope of Business

1. Main Content and Proportion of the Operating Business.

The Company's main business scope includes development, design, research and development, manufacturing and sales of the computer's motherboard, Industrial PC, Display Card, Solid-State Disk and other peripheral software and hardware. The consolidated operating income mainly contributed by the computer motherboard in 2022 and consists of 62% (Please refer to the table below)

Unit: NT$ Thousand

Item	Amount	Percentage
Computer Motherboard	1,375,754	62%
Display Card	274,459	12%
Solid-State Disk	88,265	4%
Industrial PC	178,877	8%
Other	319,030	14%
Total	2,236,385	100%

2. Current Products and Service Items of the Company

(1) Motherboard of Personal Computers

(2) Industrial PC

(3) Display Card

(4) Solid-State Disk

3. Planning on the development of new products and services

(1) Motherboard that meets the requirements of mainstream middle-sized installers.

(2) Motherboard of SI Applicable Series

(3) Motherboard of Mobile on Desktop.

(4) Motherboard and system of Alder Lake-N SBC.

(5) Motherboard and system of Raptor Lake-P SBC.

(6) Motherboard of Raptor Lake-S ATX.

(7) Continuously introducing RX7000 series advanced Display Card under the structure of AMD NAVI30 series.

(2) Industrial Overview

1. Industrial Overview and Development

Computer Motherboard

With the easing of the COVID-19 pandemic, most overseas markets have shown signs of recovery in 2022. However, the motherboard industry still experienced a year-on-year decline in overall quantity due to upstream supply issues.

Looking ahead to the year 2023, there are challenges posed by global geopolitical uncertainties, inflationary pressures, and market inventory factors. The consumer market is expected to continue declining. However, as the pandemic subsides, increased business activities and the implementation of expansionary domestic demand policies by governments around the world are anticipated to boost the demand for office and commercial purposes.

Industrial PC

As industrial computers are increasingly specialized and there is a growing demand for compact sizes, the company gradually shifts resources toward developing 3.5-inch single-board computers (SBCs) and even 2.5-inch SBCs. These smaller SBCs are expected to be effectively implemented in various application fields by integrating system development.

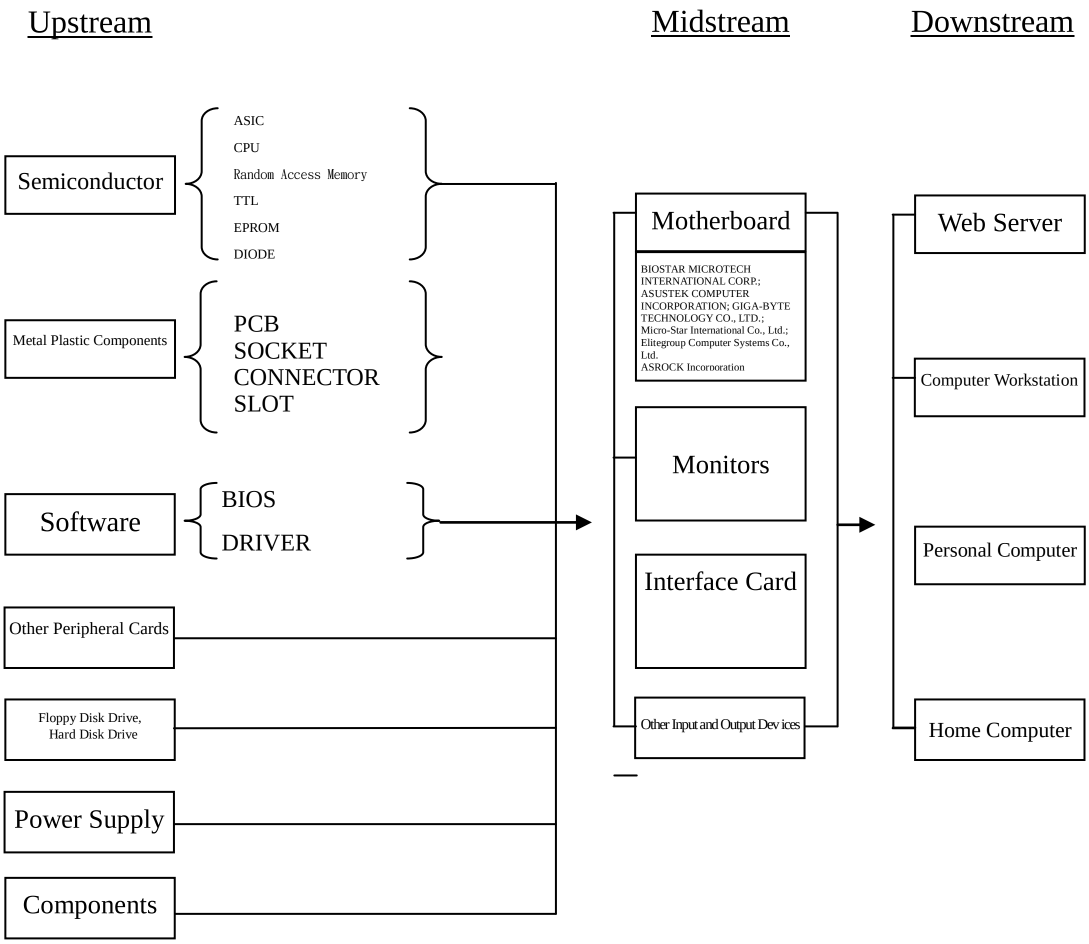
Solid-State Disk

With NAND Flash supply outpacing demand, prices have continued to decline. SSDs, serving as primary storage units, have significantly increased storage capacity requirements across various sectors, including data centers, servers, 5G applications, cloud computing, and AI operations. In order to offer higher capacity at a more cost-effective price, SSDs have been adopting a larger proportion of QLC (Quad-Level Cell) Flash, gradually replacing TLC (Triple-Level Cell) as the mainstream market choice.

Display Card

Due to the overall decline in the PC market demand in 2022, the demand for GPUs has also been affected negatively. Both NVIDIA and AMD, the two major suppliers of graphics cards, are planning to release their next-generation products, the RTX 40 series and RX 7000 series, respectively, in 2023. They hope to stimulate the market and increase demand by offering higher-performance graphics cards. They are also eager to generate more buying interest following the launch of these subsequent products.

2. The Links Between the Upstream, Midstream, and Downstream Segments of the Industry Supply Chain



3. Development Trends and Competition for the Company’s Products

Computer Motherboard

In 2022, AMD introduced the new AM5 platform, accompanied by the more core-rich 7000 series CPUs in terms of hardware platforms. The performance of these CPUs has improved further in terms of power consumption and core count. Additionally, when paired with the X670E/B650E/B650 series chipsets, the overall motherboard specifications have significantly increased. However, demand still surpassing supply has created a certain level of attractiveness in the market. AMD is expected to make further gains in the market this year. On the other hand, Intel continued with the LGA1700 socket and launched the new 13th-generation Raptor Lake CPUs. These CPUs are expected to continue to have sales opportunities. Overall, the PC market has injected new vitality and brought about some noteworthy sales topics.

Industrial PC

The application of industrial computers is also becoming increasingly specialized. However, limited R&D capacity and the challenges posed by producing small quantities of diverse products have led to a shift toward system integration. Meeting customer demands from a system integration perspective has become a trend. Additionally, providing quick and efficient services is crucial in adding value to products. System integration and service speed improvements are key factors for successfully gaining market traction.

Solid-State Disk

Due to the insufficient momentum in NAND Flash supply from module manufacturers, the demand and sales of products such as SSDs and memory cards in the retail market have weakened. The impact of original equipment manufacturers (OEMs) reducing production gradually became evident in the first quarter of 2023. However, with the high inventory levels of NAND Flash wafers, the market is still adopting a low-price sales strategy in the short term. Mainstream capacity wafer products have already reached or fallen below the cash cost range for various suppliers. In some bulk purchasing transactions, products are sold at a loss to clear inventory. With the overall supply beginning to be constrained, OEMs are reluctant to continue enduring losses. The contract prices for NAND Flash wafers in 2023 are estimated to decelerate significantly, resulting in a slower downward trend in SSD prices.

Display Card

Since 2022, there has been a sharp decline in sales of personal computers and standalone graphics cards. This has resulted in an oversupply situation for graphics chips. However, from the demand perspective, the industry's demand for gaming consoles, augmented reality (AR), and virtual reality (VR) continue to increase. Additionally, in the North American gaming market, major technology developers are investing in online gaming, further driving the growth of the GPU market. In the second half of 2023, the demand for graphics cards in gaming consoles is expected to stabilize.

(3) An overview of the company's technologies and its research and development work

1. Research and Development Expenditures

Unit: NT$ Thousand

Item \ Year	The year 2022	As of 31st of March, 2023 of the Current Year
Research and Development Expenditures	71,880	18,309
Research and Development Expenditures to the Net Operating Income	3.21	2.65

2. Technologies and/or Products Successfully Developed

Please refer to I Letter to Shareholders, 1. 2022 Operating Result, (5) Research and Development Conditions.

3. Future Development and Research Plan and the Expected Research and Development Expenditures

The annual R&D expenditure for the upcoming year is expected to be maintained at around 3% of the revenue. Future R&D plans will continue to focus on computer motherboards, industrial computers, graphics cards, and solid-state drives, in line with customer and market demands. For representative R&D projects, please refer to the Risk Assessment under VII Overview of the Company's Financial Status.

(4) The Company's Long- and Short-Term Business Development Plans.

Product Line	Short-Term Business Development Plan	Long-Term Business Development Plan
Computer Motherboard	1. High Performance and High Specification Motherboards 2. Diversified MODT Motherboard	1. Multitype PC Application Products 2. SOC Motherboard
Industrial PC	1.x86 Applied Board 2.x86 bare bone。	1. Non-x86 low-power motherboard 2. Linux Base Applied unit
Solid-State Disk and Display Card	1. Introduced SSD PCIE 5.0 Products 2. Continuous introduction of AMD RX7000 series gaming Display Card by VGA	1. Development of various Regular-Temperature /Wide-Temperature SSD 2. Expanding channels of gaming Display Card and expanding the market share of AMD Display Card

2. An Analysis of the Market as well as the Production and Marketing Situation

(1) Market Analysis

1. Regions of Main Products Sales

Unit: NT$ Thousand

Amount\Year Region	The year 2021	The year 2022
	Amount	Amount
Asia Pacific	2,072,344	1,638,140
America	311,464	311,464
Europe	390,988	286,781
Total	2,774,796	2,236,385

2. Market Shares

As a company engaged in the development, design, research and development, manufacturing, and sales of computer motherboards, it is difficult to accurately rank the company's position and market share among competitors due to the lack of complete market share data. In 2022, the company shipped 940,000 motherboards, representing a decrease of 6% compared to the previous year (2021).

3. Future Supply, Demand and Growth of the Market

(1) Computer Motherboard Market

A. Future Demand

Looking ahead to 2022, cost control and sales strategies will determine success or failure in the market demand.

B. Future Supply

The continued growth of EV, 5G, and AIoT applications significantly impact semiconductor capacity to the extent that it marginalizes the PC industry. PC costs are anticipated to continue to rise, and supply will remain a significant challenge.

(2) Industrial PC Market

A. Future Demand

The development of smart cities and Industry 4.0 is progressing rapidly. IoT (Internet of Things) and AIoT (Artificial Intelligence of Things) have become the focus of attention from various stakeholders. Major companies continuously invest resources to reduce the reliance on human labor through AIoT/IoT devices.

.

B. Future Supply

Despite the fierce competition in the industry, industrial computers still face the challenge of producing small quantities of diverse products. However, there are still plenty of opportunities in the market, especially from a system integration perspective. Constant expansion of research and development investments is necessary to meet customer demands and keep up with market trends to avoid being phased out.

(3) Display Card Market

A. Future Demand

The global demand for graphics chips in personal computers and gaming consoles has decreased recently. Furthermore, the performance of mainstream mid-range and low-end GPUs has seen little improvement, as their performance does not surpass that of integrated GPUs. This has had a ripple effect on the overall demand for graphics cards. While high-end graphics cards are expected to drive sales in 2023, the situation for low-priced GPUs remains concerning.

B. Future Supply

Due to the decline in demand for personal computers and standalone graphics cards, coupled with the collapse of cryptocurrency mining, GPU inventory is gradually becoming abundant in 2023. This has led to a price reduction. However, with the launch of new products by AMD and NVIDIA, the prices of high-end graphics cards seem to rise continuously, indicating that they will maintain their high-price status.

(4) Solid-State Disk Market

A. Future Demand

As most suppliers have started reducing production, the price competition for NAND Flash in 2023 is expected to be controlled after the manufacturers initiate production cuts. In particular, as NAND Flash wafers approach cash cost, the price decline will be the first to be controlled. Overall, the sharp price decline experienced in the second half of 2022 has prompted suppliers to actively reduce production, anticipating an early end to the downward price cycle for NAND Flash and an expected increase in market demand for SSDs.

B. Future Supply

However, in 2023, the demand for laptops, servers, client SSDs, and enterprise applications remains weak, and the growth of demand bits continues to slow down, with the full benefits of production cuts yet to be fully realized. The market is still oversupplied. The 176-layer 512GB SSD remains the mainstream supply product. However, the performance improvements of QLC SSDs exacerbate the price decline for 512GB drives, and with more suppliers launching high-level QLC products, the price of 512GB drives is expected to continue to decline. However, the price control strategy implemented by some manufacturers through production cuts has proven effective, leading to a controlled decline in SSD prices.

4. Competition Niche

(1) 37 years of experience in the research and development of motherboard hardware
(2) Familiar with the manipulation of products in the PC Market
(3) Grasping the channels of the motherboard and the clients' practices.

5. Positive and Negative Factors for Future Development and the Company's Response to Such Factors.

Item	Positive Factors	Negative Factors
The motherboard market is mature and continues to shrink	■ Stable Supply of INTEL CPU and Chips ■ AMD's research and development focus has returned to the desktop market, continuously promoting new products, which is expected to increase AMD's market share.	■ The product has a long lifecycle, which prolongs the replacement time. ■ Brands are not as good as competitors and must continue investing in brand management to boost brand value. ■ PC components are no longer an important supply target for the semiconductor industry.
Motherboard for Industrial PC	■ x86 is still the Mainstream of PC Market. ■ Integration of Systems.	■ The Arm ecosystem is gradually maturing. ■ Lack of software application experience.
Display	■ The stimulus of AMD/NVIDIA	■ The market demand is slowing

Card	introducing new specified products.	down, affecting GPU sales.
Solid-State Disk	■ QLC technology is becoming more mature, and the demand for large capacity Solid-State Disks is increasing.	■ NAND Flash is still in oversupply.

Response Measures:

(1) Strengthen the integration of solution-based products on the Etailer platform and directly serve potential customers.

(2) Invest in more trade exhibition activities to improve the visibility of products and brands.

(3) Optimize product quality and improve fast and immediate post-sales service.

(4) Continuously deepen user experience for different applications in different fields and create different customer experiences.

(2) Important Functions and Manufacturing Process of Main Products

1. Important Functions of Main Products

(1) Personal Computer Motherboard is the essential component in the personal computer system.

(2) personal desktop computers are essential for document processing, spreadsheets, multimedia, the internet, online games, esports and video creation.

(3) Motherboard of POS(Point of Sales) as the core component of the POS Computer system, which may be used as a Kiosk, Smart Retailing and other fields.

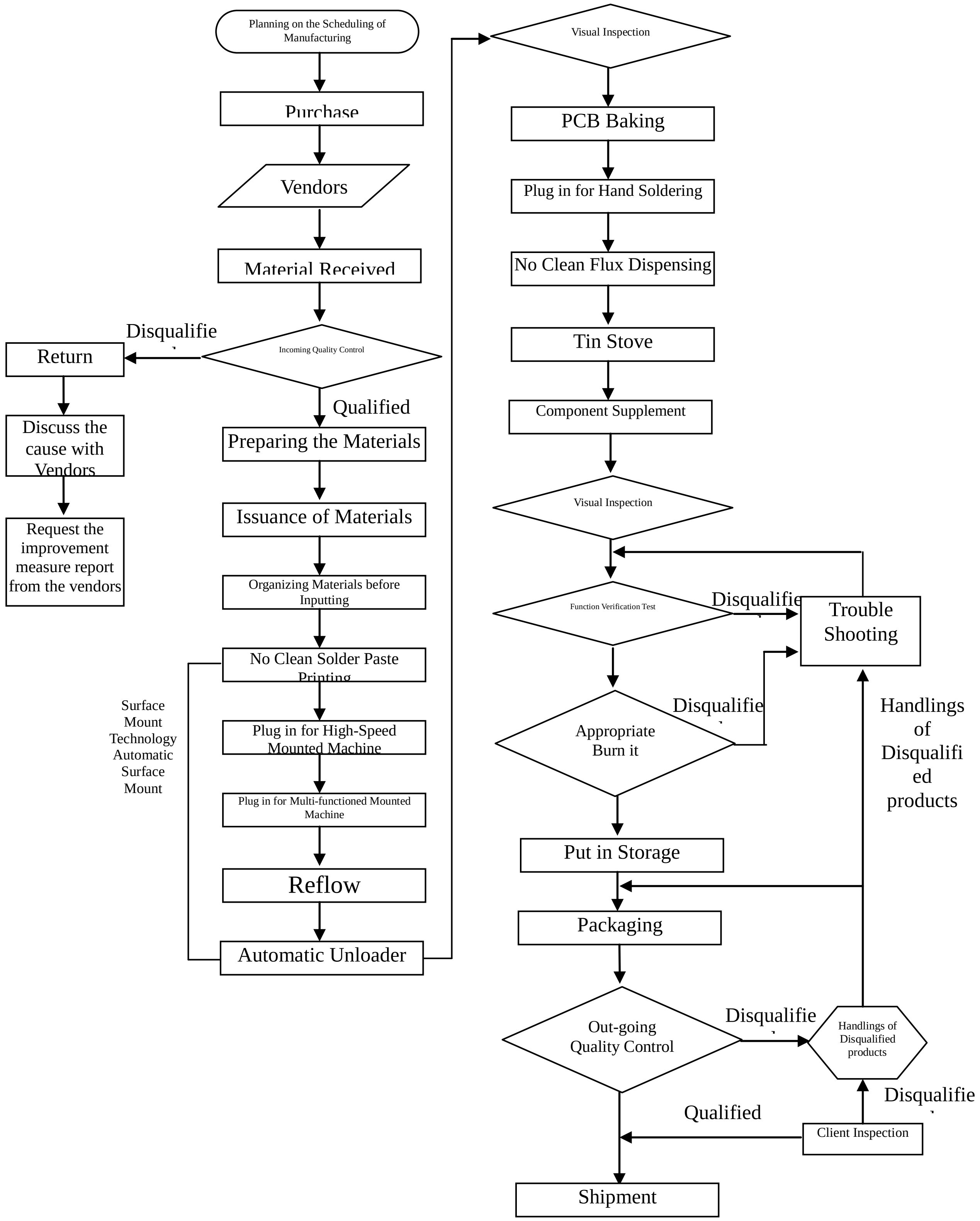
(4) Industrial PC motherboards were mainly used in semiconductor production equipment, large printer embedded systems, Small Cell base station units and other special systems

(5) Display Cards as essential devices for 3D Computer Graphics, Drawings, Online Games and Esports.

(6) Solid-State Disk as the main storage device component in the personal computer system.

2. Manufacturing Process of Main Products

The Manufacturing process of the Motherboard



(3) Supply Condition of Main Raw Materials

Name of Raw Material	Vendors of Raw Materials
Chips	World Peace Industrial Group; AMD
Printed Circuit Board	GLOBAL BRANDS MANUFACTURE LTD.; Trustech Electronics Co., Ltd.
CPU Socket	LOTES CO., LTD; SUPERCON TECHNOLOGY CO., LTD.
PWM	TECHMOSA INTERNATIONAL INC., FRONTEK TECHNOLOGY CORPORATION
Polymer	APAQ TECHNOLOGY CO., LTD
Capacitor, Resistor	YAGEO CORPORATION

Most of the major raw material suppliers are well-established domestic and international manufacturers with good quality and reputations. They have had long-standing relationships with our company, and we have a stable cooperation with them. The supply of major raw materials is abundant, and there is no shortage of production sources.

(4) List of Major Suppliers and Clients in the Most Recent 2 Years

Information on Major Vendors for the Most Recent 2 Years

Unit: NT$ Thousand

Year	The year 2021		The year 2022		As of the 31st of March, 2023 of the Current Fiscal Year		Relationship with the Issuer
Name of Vendors	Amount	Percentage of Annual Net Purchase %	Amount	Percentage of Annual Net Purchase %	Amount	Percentage of Net Purchases Up to the Preceding Quarter of the Current Fiscal Year %	
W.P.I.C.L	548,872	23	375,487	22	108,844	20	None
T.S	308,344	13	168,831	10	98,668	19	None
Other	1,579,766	64	1,135,608	68	328,639	61	None
Net Purchase	2,436,982	100	1,679,926	100	536,151	100	

Information on Major Clients for the Most Recent 2 Fiscal Years

Unit: NT$ Thousand

Year	The year 2021		The year 2022		As of the 31st of March, 2023 of the Current Fiscal Year		Relationship with the Issuer
Name of Clients	Amount	Percentage of Annual Net Sales (%)	Amount	Percentage of Annual Net Sales (%)	Amount	Percentage of Net Sales Up to the Preceding Quarter of the Current Fiscal Year %	
SHENZHEN JIAXIN JIUWEI TECHNOLOGY DEVELOPMENT CO.,LTD.	-	-	93,776	4	81,778	12	None
REGAL JOY INTERNATIONAL LIMITED	366,035	13	184,863	8	2,332	-	None
Others	2,408,761	87	1,957,746	88	606,081	88	None
Net Sales	2,774,796	100	2,236,385	100	690,191	100	

Note: REGAL JOY INTERNATIONAL LIMITED's sales decline can be attributed to a shift in its regional distribution partners, particularly towards JIAH SHIN ENTERPRISE CO., LTD.

(5) Production Volume and Value in the Most Recent 2 Fiscal Years

Unit: Each; NT$ Thousand

Year	The year 2021			The year 2022		
Production Volume and Value Main Products	Capacity	Production Volume	Production Value	Capacity	Production Volume	Production Value
Motherboard	Note	1,027,960	1,219,618	Note	955,280	1,262,003
Industrial PC	Note	77,152	164,905	Note	64,165	143,536
Display Card	Note	154,003	511,773	Note	94,389	331,963
Solid-State Disk	Note	422,412	259,429	Note	122,485	63,778
Other		-	25,406		-	96,298
Total		1,681,527	2,181,131		1,236,319	1,897,578

Note: Our company's production is outsourced to manufacturing facilities in China.

(6) Sales Volume and Value in the Most Recent 2 Fiscal Years

Unit: Each; NT$ Thousand

Year	The year 2021				The year 2022			
Sales Volume and Value	Domestic Sales		Overseas Sales		Domestic Sales		Overseas Sales	
Main Products	Volume	Value	Volume	Value	Volume	Value	Volume	Value
Motherboard	7,958	35,379	1,001,289	1,505,036	3,768	14,991	943,506	1,360,763
Industrial PC	36,036	102,259	44,785	118,086	23,826	70,145	36,976	108,732
Display Card	14	57	148,655	550,632	17	347	85,275	274,112
Solid-State Disk	3,094	1,313	393,885	259,617	1,419	578	155,723	87,687
Other	—	117,023	—	85,394	—	98,739	—	220,291
Total	47,102	256,031	1,588,614	2,518,765	29,030	184,800	1,221,480	2,051,585

3. The Number of Employees Employed for the 2 Most Recent Fiscal Years, and during the Current Fiscal Year up to the Date of Publication of the Annual Report

31st of March, 2023

Year		The year 2021	The year 2022	As of 31st of March, 2023 of the current year
Number of Employees	Direct Employees	0	0	0
	Indirect Employees	147	139	143
	Total	147	139	143
Average Age		43.39	45.47	45.14
Average Years of Service		11.73	13.24	12.57
Percentage of Distribution on the Educational Background of the Employees (%)	PhD	0.00	0.72	0.70
	Master's Degree	12.93	12.23	13.29
	University/College	80.95	80.58	80.42
	High School	5.44	5.76	4.90
	High School and Below	0.68	0.72	0.70

4. Disbursements for Environmental Protection

Any losses suffered by the company in the most recent fiscal year and up to the annual report publication date due to environmental pollution incidents, an estimate of possible expenses that could be incurred currently and in the future, and measures being or to be taken: None

5. Labor Relations

(1) The Employee Welfare Measures

Our company complies with legal requirements by allocating employee welfare funds and establishing an Employee Welfare Committee approved by the competent authority to handle various employee welfare matters. The operational rules and regulations related to these matters are formulated per relevant laws and regulations and are outlined in the Charter of the Employee Welfare Committee for compliance. The current key welfare measures are as follows:

(i) The company provided, in accordance with the law: National Health Insurance, Labor Insurance, Contribution of Pension, Contribution of Wage Arrears Payment Fund.

(ii) The company provided, in addition: Bonuses for Major Holidays, Performance Bonuses, Subsidy for Marriage, Childbirth and Funeral, and Subsidy for Overseas or Domestic Travel.

(iii) Planning by the Employee Welfare Committee: Gifts for the Major Holidays, Wedding and Funeral Arrangements Subsidy, Employee Birthdays and Organization of various travel.

(2) Advanced Courses and Educational Training of Employees

The company proposes training plans for professional personnel improvement, operational process improvement, and various training by various units. It arranges internal training instructors or outsourced training to enable employees to self-enhance their academic abilities every year.

(3) Pension System

The Implementation of the Labor Pension Act since the 1st of July, 2005 and the employees from the 1st of July of the year may choose to adopt the relevant regulations on the pension system from the Labor Standard Act or retain the years of service by adopting the pension system of the Labor Pension Act. Employees from the 1st of July 2005 onwards only adopted the pension system set by the Labor Pension Act.

The company established the Procedures of Employee Retirement per the Labor Pension Act and is considered a Defined Contribution Plan. The company distributed 6% of the employees' salary to the dedicated personal account in the Labor Insurance Bureau from the 1st of July, 2005.

The company established Procedures for Employee Retirement per Labor Standard Act and considered as Defined Contribution Plan. Employees with less than 15 years (including) can receive two bases for each full year of service and one for each additional year of service exceeding 15 years. The maximum total number of bases is 45.

(4) Status of Labor-Management Agreements and Measures for Preserving Employee Rights and Interests

The company held Labor-Management Agreements regularly to listen to the employee's opinions and established Procedures of Management and Protection of Personal Information and Disciplinary Procedures to protect the employees' rights and interests.

(5) List any losses suffered by the company in the most recent fiscal year and up to the annual report publication date due to labor, and disclose an estimate of possible expenses that could be incurred currently and in the future and measures being or to be taken: None.

6. Cyber Security Management

(1) Describe the Cyber Security Risk Management Framework, Cyber Security Policies, Concrete Management Programmes, and Investments in Resources for Cyber Security Management.

1. Cyber Security Risk Management Framework:

Cyber Security Risk Management Framework is in charge of the head and members of the Department of Information Management, responsible for establishing Cyber Security Policies, implementing the Cyber Security Management and the Handling of Emergency Response.

2. Cyber Security Policies:
   (i) Regular Check of the Cyber Security to ensure the normal functioning of the Firewall, Antivirus Software, Data Backup and each of all the operational servers.
   (ii) Protect the confidentiality and integrity of sensitive information and communication systems, and avoid unauthorized access and tampering.
   (iii) Establishment of emergency response and recovery procedures for information security incidents, implement various business continuous plans, report and emergency response operations.
3. Concrete Management Programmes and Investments in Resources for Cyber Security Management
   (i) The internet data entering and exiting the company shall go through the Advanced Network Defense System (ANDS) and the Second-Generation 7th Layer Internet Packet Filtring Firewall to block any possible invasions.
   (ii) Emails entering our company must be filtered through the email filtering channel before release, and externally exchanged emails will be automatically backed up and retained.
   (iii) All the computers installed the antivirus software to block Malicious files or files containing viruses automatically.
   (iv) Regular backups of important business resource systems and related operational systems are conducted, and disaster recovery drills are conducted annually according to the business's continuous plan.

(2) List any losses suffered by the company in the most recent fiscal year and up to the annual report publication date due to significant cyber security incidents, the possible impacts, and measures being or to be taken. If a reasonable estimate cannot be made, an explanation of the facts of why it cannot be made shall be provided: None.

7. Important Contracts

Nature of Contracts	Counterparty	Beginning and End Dates of Contract	Major Content	Restrictive Clauses
Authorization	Advanced Micro Devices, Inc.	Since 26th August 1999	Technical Authorization	Technology may not be Transferred and Disclosed
Authorization	Microsoft Licensing, GP	Since 5th of January, 2004	Software Authorization	May Not be Transferred without Written Consent

VI. Overview of the Company's Financial Status

1. Condensed Balance Sheets and Statements of Comprehensive Income for the Past 5 Fiscal Years

(1) Condensed Balance Sheets

1. Condensed Balance Sheets (Consolidated)

Unit: NT$ Thousand

Item \ Year		Financial Information for the Past Five Years					Financial Information as of 31st of March, 2023 of the current year
		The year 2018	The year 2019	The year 2020	The year 2021	The year 2022	
Current Assets		2,021,038	2,070,543	2,354,857	2,744,806	2,246,531	2,244,194
Property, Plant and Equipment		245,489	238,767	135,933	132,947	132,065	131,419
Intangible Assets		171,024	171,024	-	-	-	-
Other Assets		593,626	634,826	317,487	418,066	431,150	455,513
Total Assets		3,031,177	3,115,160	2,808,277	3,295,819	2,809,746	2,831,126
Current Liabilities	Before Distribution	673,278	767,775	623,782	830,639	524,958	525,018
	After Distribution	673,278	767,775	695,022	1,044,359	(Note 3)	(Note 3)
Non-current Liabilities		73,853	45,219	35,063	33,777	37,361	32,272
Total Liabilities	Before Distribution	747,131	812,994	658,845	864,416	562,319	557,290
	After Distribution	747,131	812,994	730,085	1,078,136	(Note 3)	(Note 3)
Equity Attributable to Owners of Parent		1,990,239	2,000,139	2,149,432	2,431,403	2,247,427	2,273,836
Share Capital		1,781,000	1,781,000	1,781,000	1,781,000	1,781,000	1,781,000
Capital Surplus		91,712	91,712	91,712	66,778	66,778	66,778
Retained Earnings	Before Distribution	125,084	133,884	279,991	596,560	265,837	430,259
	After Distribution	125,084	133,884	233,685	382,840	(Note 3)	(Note 3)
Other Equity		(7,557)	(6,457)	(3,271)	(12,935)	(4,374)	(4,201)
Treasury Stock		-	-	-	-	-	-
Non-controlling Interest		293,807	302,027	-	-	-	-
Total Equity	Before Distribution	2,284,046	2,302,166	2,149,432	2,431,403	2,247,427	2,273,836
	After Distribution	2,284,046	2,302,166	2,078,192	2,217,683	(Note 3)	(Note 3)

Note 1: CPAs have audited and attested all of the Financial Information of every year(quarter) stated above.

Note 2: The Company has prepared the Parent Company Only Financial Statement separately. Therefore the company has prepared the Parent Company Only Condensed Balance Sheet of the Most Recent Five Years as follows:

Note 3: Finalised with the resolution of the shareholders' Meeting.

2. Condensed Balance Sheets (Parent Company Only)

Unit: NT$ Thousand

Item \ Year		Financial Information for the Past Five Years				
		The year 2018	The year 2019	The year 2020	The year 2021	The year 2022
Current Assets		1,432,197	1,407,360	2,250,017	2,653,896	2,178,058
Property, Plant and Equipment		152,882	142,672	135,587	132,628	131,750
Intangible Assets		-	-	-	-	-
Other Assets		1,018,762	1,128,702	622,375	735,376	769,478
Total Assets		2,603,841	2,678,734	3,007,979	3,521,900	3,079,286
Current Liabilities	Before Distribution	541,045	635,611	823,974	1,056,720	796,613
	After Distribution	541,045	635,611	895,214	1,270,440	(Note 2)
Non-current Liabilities		72,557	42,984	34,573	33,777	35,246
Total Liabilities	Before Distribution	613,602	678,595	858,547	1,090,497	831,859
	After Distribution	613,602	678,595	929,787	1,304,217	(Note 2)
Equity Attributable to Owners of Parent		1,990,239	2,000,139	2,149,432	2,431,403	2,247,427
Share Capital		1,781,000	1,781,000	1,781,000	1,781,000	1,781,000
Capital Surplus		91,712	91,712	91,712	66,778	66,778
Retained Earnings	Before Distribution	125,084	133,884	279,991	596,560	404,023
	After Distribution	125,084	133,884	233,685	382,840	(Note 2)
Other Equity		(7,557)	(6,457)	(3,271)	(12,935)	(4,374)
Treasury Stock		-	-	-	-	-
Non-controlling Interest		-	-	-	-	-
Total Equity	Before Distribution	1,990,239	2,000,139	2,149,432	2,431,403	2,247,427
	After Distribution	1,990,239	2,000,139	2,078,192	2,217,683	(Note 2)

Note 1: CPAs have audited and attested all of the Financial Information of every year stated above.
Note 2: Finalised after the approval of the Shareholders' Meeting.

(2) Condensed Statement of Comprehensive Income

1. Condensed Statements of Comprehensive Income (Consolidated)

Unit: NT$ Thousand

Item \ Year	Financial Information for the Past Five Years					Financial Information as of 31st of March, 2023 of the current year
	The year 2018	The year 2019	The year 2020	The year 2021	The year 2022	
Turnover	3,040,055	2,279,734	2,104,572	2,774,796	2,236,385	690,191
Gross Profit	289,419	255,602	253,407	520,133	268,620	66,869
Operating Profit (Loss)	(64,376)	(78,592)	(26,917)	216,714	1,532	1,510
Non-Operating Income and Expenses	(134,802)	144,856	208,511	190,127	14,675	26,277
Profit (Loss) Before Tax	(199,178)	66,264	181,594	406,841	16,207	27,787
Income from Operations of Continued Segments – After Tax	(190,496)	45,873	141,328	361,675	12,851	26,236
Income from Discontinued Operations	-	-	4,272	-	-	-
Net Income (Loss)	(190,496)	45,873	145,600	361,675	12,851	26,236
Other Comprehensive Income (Income/Loss After Taxes)	(11,916)	(8,193)	2,543	(8,464)	16,893	173
Total Comprehensive Gain(Loss) for the Year	(202,412)	37,680	148,143	353,211	29,744	26,409
Net Income Attributable to Shareholders of the Parent	(243,252)	7,420	142,691	361,675	12,851	26,236
Net Income Attributable to Non-Controlling Interest	52,756	38,453	2,909	-	-	-
Comprehensive Income Attributable to Shareholders of the Parent	(253,202)	9,900	149,293	353,211	29,744	26,409
Comprehensive Income Attributable to Non-Controlling Interest	50,790	27,780	(1,150)	-	-	-
Earnings (Loss) Per Share	(1.37)	0.04	0.80	2.03	0.07	0.15

Note 1: CPAs have audited and attested all of the Financial Information of every year(quarter) stated above.

Note 2: The Company has prepared the Parent Company Only Financial Statement separately. Therefore the company has prepared the Parent Company Only Condensed Statement of Comprehensive Income of the Most Recent Five Years as follows:

2. Condensed Statement of Comprehensive Income (Parent Company Only)

Unit: NT$ Thousand

Item \ Year	Financial Information for the Past Five Years				
	The year 2018	The year 2019	The year 2020	The year 2021	The year 2022
Turnover	2,502,711	1,656,894	2,094,783	2,742,073	2,222,219
Gross Profit	75,251	73,054	178,820	464,981	247,364
Operating Profit (Loss)	(161,876)	(141,043)	(62,045)	197,285	19,548
Non-Operating Income and Expenses	(107,658)	160,063	243,657	202,800	(2,479)
Profit (Loss) Before Tax	(269,534)	19,020	181,612	400,085	17,069
Income from Operations of Continued Segments – After Tax	(243,252)	7,420	142,691	361,675	12,851
Income from Discontinued Operations	-	-	-	-	-
Net Income (Loss)	(243,252)	7,420	142,691	361,675	12,851
Other Comprehensive Income (Income/Loss After Taxes)	(9,950)	2,480	6,602	(8,464)	16,893
Total Comprehensive Gain(Loss) for the Year	(253,202)	9,900	149,293	353,211	29,744
Net Income Attributable to Shareholders of the Parent	(243,252)	7,420	142,691	361,675	12,851
Net Income Attributable to Non-Controlling Interest	-	-	-	-	-
Comprehensive Income Attributable to Shareholders of the Parent	(253,202)	9,900	149,293	353,211	29,744
Comprehensive Income Attributable to Non-Controlling Interest	-	-	-	-	-
Earnings (Loss) Per Share	(1.37)	0.04	0.80	2.03	0.07

Note : CPAs have audited and attested all of the Financial Information of every year(quarter) stated above.

(4) Auditor and Auditors' Opinions of the Most Recent Five Years

Year	Name of CPA	Audit Opinion
2018	Chih-Yuan Chen; Ching-Cheng Yang	Unqualified Opinions and Other Matters
2019	Chih-Yuan Chen; Ching-Cheng Yang	Unqualified Opinions and Other Matters
2020	Chih-Yuan Chen; Ching-Cheng Yang	Unqualified Opinions and Other Matters
2021	Ching-Cheng Yang; Alice Fang	Unqualified Opinions and Other Matters
2022	Ching-Cheng Yang; Alice Fang	Unqualified Opinions and Other Matters
2023 First Quarter	Alice Fang; Shih-Chieh Chou	Qualified Conclusion Review Report

2. Financial Analyses for the Past 5 Fiscal Years

(1) Consolidated Financial Analysis

Item (Note 2) \ Years (Note 1)		Financial Analysis of the Most Recent Five Years					Financial Information as of 31st of March, 2023 of the current year
		The year 2018	The year 2019	The year 2020	The year 2021	The year 2022	
Financial Structure (%)	Debt Ratio	24.65	26.10	23.46	26.23	20.01	19.68
	The ratio of Long-Term Capital to Property, Plant and Equipment	960.49	983.13	1,607.04	1,854.26	1,730.05	1,754.78
Solvency (%)	Current Ratio	300.18	269.68	377.51	330.45	427.94	427.45
	Quick Ratio	139.30	174.53	265.95	195.87	226.13	231.49
	Interest Earned Ratio (Times)	-302.16	42.21	453.85	8,137.82	130.66	974.22
Operating Performance	Account Receivable Turnover(Times)	6.71	6.32	7.94	19.21	17.24	17.60
	Average Collection Period	54	58	46	19	21	21
	Inventory Turnover(Times)	2.63	2.37	2.74	2.53	1.82	1.43
	Accounts Payable Turnover(Times)	5.10	4.99	4.80	4.67	4.50	2.42
	Average Days in Sales	139	154	133	144	201	151
	Property, Plant, and Equipment Turnover(Times)	12.38	9.55	15.48	20.87	16.93	21.01
	Total Assets Turnover(Times)	1.00	0.73	0.75	0.84	0.80	0.98
Profitability	Return on Total Assets(%)	-5.64	1.53	4.93	11.85	0.42	3.72
	Return on Stockholders' Equity(%)	-7.75	2.00	6.54	15.79	0.55	1.16
	Pre-Tax Income to Paid-In Capital(%)	-11.18	3.72	10.02	22.84	0.91	5.90
	Profit Ratio(%)	-6.27	2.01	6.92	13.03	0.57	3.80
	Earnings Per Share(NT$)	-1.37	0.04	0.80	2.03	0.07	0.15
Cash Flow	Cash Flow Ratio(%)	-12.57	42.67	-14.91	11.02	-15.38	-9.59
	Cash Flow Adequacy Ratio(%)	0.95	110.31	21.11	2.96	12.28	22.02
	Cash Reinvestment Ratio(%)	-7.47	11.09	-3.85	0.75	-11.79	-2.00
Leverage	Operating Leverage	-0.38	0.50	0.36	1.04	5.33	2.03
	Financial Leverage	0.99	0.98	0.99	1.00	1.09	1.02

Analysis of Financial Ratios Differences Exceeding 20% in the Most Recent Two Years:
1. Decrease in Debt Ratio, Mainly Due to the Decreased in Total Assets less than the Decreased in Total Liabilities.
2. Increase in Current Ratio, Mainly Due to the Decreased in Current Assets more than Decreased in Current Liabilities.
3. Decrease in Interest Earned Ratio (Times), Mainly Due to the Decrease in Pre-Tax Income. Compared to the previous period.
4. Decrease in Inventory Turnover, Mainly Due to the increase in Average Inventory.
5. Increase in Average Days in Sales, Mainly Due to the increase in Average Inventory.
6. Decrease in Return on Total Assets, Mainly Due to the Decrease in Pre-Tax Income. Compared to the previous period.
7. Decrease in Return on Stockholders' Equity, Mainly Due to the Decrease in Pre-Tax Income. Compared to the previous period.
8. Decrease in Pre-Tax Income to Paid-In Capital, Mainly Due to the Decrease in Pre-Tax Income. Compared to the previous period.
9. Decrease in Profit Ratio, Mainly Due to Decrease in Net Income. Compared to the previous period.
10. Decrease in Earnings Per Share, Mainly Due to Decrease in Net Income. Compared to the previous period.
11. Decrease in Cash Flow Ratio, Mainly due to the Net Cash Flow From Operating Activities. as net cash outflow.
12. Increase in Cash Flow Adequacy Ratio, Mainly due to the increase in Net Cash Flow From Operating Activities within the most recent five years and decrease in inventory increase.
13. Decrease in Cash Reinvestment Ratio, Mainly Due to the Net Cash Flow From Operating Activities as net cash outflow.
14. Increase in Operating Leverage, Mainly Due to the Decrease in Turnover.

Note 1: CPAs have audited and attested all of the Financial Information of every year(quarter) stated above.

Note 2: The Calculations of the Above Financial Ratios are Based on the Formulas provided in Noted 2 of the following table.

(2) Parent Company Only Financial Analysis

Analysis Item (Note 2) / Year (Note 1)		Financial Analysis of the Most Recent Five Years				
		The year 2018	The year 2019	The year 2020	The year 2021	The year 2022
Financial Structure (%)	Debt Ratio	23.57	25.33	28.54	30.96	27.01
	The ratio of Long-Term Capital to Property, Plant and Equipment	1,349.27	1,432.04	1,610.78	1,858.72	1,732.58
Solvency (%)	Current Ratio	264.71	221.42	273.07	251.14	273.41
	Quick Ratio	119.73	147.64	204.04	161.78	169.27
	Interest Earned Ratio (Times)	-715.85	16.29	476.42	10,259.59	854.45
Operating Performance	Account Receivable Turnover(Times)	6.88	6.19	7.98	9.79	7.57
	Average Collection Period	53	59	46	37	48
	Inventory Turnover(Times)	3.08	2.60	3.81	3.05	2.24
	Accounts Payable Turnover(Times)	5.75	4.76	4.80	4.84	4.55
	Average Days in Sales	119	140	96	120	163
	Property, Plant, and Equipment Turnover(Times)	16.37	11.61	15.45	20.67	16.87
	Total Assets Turnover(Times)	0.96	0.62	0.70	0.78	0.72
Profitability	Return on Total Assets(%)	-8,04	0.32	5.03	11.08	0.39
	Return on Stockholders' Equity(%)	-11.12	0.37	6.88	15.79	0.55
	Pre-Tax Income to Paid-In Capital(%)	-15.13	1.07	10.20	22.46	0.96
	Profit Ratio(%)	-9.72	0.45	6.81	13.19	0.58
	Earnings Per Share(NT$)	-1.37	0.04	0.80	2.03	0.07
Cash Flow	Cash Flow Ratio(%)	-66.65	36.19	3.75	11.52	-7.18
	Cash Flow Adequacy Ratio(%)	-11.83	135.42	5.73	-8.11	-3.65
	Cash Reinvestment Ratio(%)	-22.82	10.56	1.33	1.94	-11.33
Leverage	Operating Leverage	0.89	0.92	0.84	1.03	1.24
	Financial Leverage	1.00	0.99	0.99	1.00	1.00

Analysis of Financial Ratios Differences Exceeding 20% in the Most Recent Two Years: 1. Decreased in Interest Earned Ratio (Times), Mainly Due to the Decrease in Pre-Tax Income. Compared to the previous period.
2. Decrease in Account Receivable Turnover, Mainly due to the decrease in Net Sales.
3. Increase in Average Collection Period, Mainly due to the decrease in Net Sales.
4. Decrease in Inventory Turnover, Mainly Due to the Increase in Average Inventory.
5. Increase in Average Days in Sales, Mainly Due to the Increase in Average Inventory.
6. Decrease in Return on Total Assets, Mainly Due to the Decrease in Pre-Tax Income. Compared to the previous period.
7. Decrease in Return on Stockholders' Equity, Mainly Due to the Decrease in Net Income. Compared to the previous period
8. Decrease in Pre-Tax Income to Paid-In Capital, Mainly Due to the Decrease in Pre-Tax Income. Compared to the previous period.
9. Decrease in Profit Ratio, Mainly Due to the Decrease in Net Income. Compared to the previous period
10. Decrease in Earnings Per Share, Mainly Due to the Decrease in Net Income. Compared to the previous period
11. Decreased in Cash Flow Ratio, Mainly Due to the Net Cash Flow From Operating Activities as net cash outflow.
12. Decrease in Cash Flow Adequacy Ratio, Mainly Due to the decrease in net operating cash outflow within the most recent five years.
13. Decrease in Cash Reinvestment Ratio, Mainly Due to the Net Cash Flow From Operating Activities as net cash outflow.

Note 1: CPAs have audited and attested all of the Financial Information of every year(quarter) stated above.

Note 2: The Calculations of the Above Financial Ratios are Based on the Following Formulas:

1. Financial Structure
   (1) Debt Ratio＝Total Liabilities／Total Assets
   (2) Ratio of Long-Term Capital to Property, Plant and Equipment＝（Total Equity＋Non-Current Liabilities）／ Net Property, Plant and Equipment
2. Solvency
   (1) Current Ratio＝Current Assets／Current Liabilities。
   (2) Quick Ratio＝（Current Assets－Inventory－Prepaid Expenses）／Current Liabilities。
   (3)Interest Earned Ratio (Times)＝ Net Income Before Tax and Interest Expenses ／ Interest Expense
3. Operating Performance
   (1) Accounts Receivable Turnover (Including Account Receivable and the Notes Receivable from Operating) ＝ Net Sales ／ Average Account Receivable Balance (Including Account Receivable and the Operating Notes Receivable)
   (2) Average Collection Period＝365／Account Receivable Turnover。
   (3) Inventory Turnover＝Cost of Goods Sold／Average Inventory
   (4) Accounts Payable Turnover (including Account Payable and Operating Notes Payable)＝Cost of Goods Sold／Average Account Payable Balance (including Account Payable and Operating Notes Payable)
   (5) Average Days in Sales＝365／Inventory Turnover。
   (6) Property, Plant, and Equipment Turnover＝Net Sales／Average Net Property, Plant and Equipment
   (7) Total Assets Turnover＝Net Sales／Average Total Assets
4. Profitability
   (1) Return on Total Assets＝〔Net Income After Tax＋Interest Expense×(１－Interest Rate)〕／Average Total Assets
   (2) Return on Stockholders' Equity＝Net Income After Tax／Average Stockholders' Equity
   (3) Profit Ratio＝Net Income／Net Sales
   (4) Earnings Per Share＝（Net Income Attributable to Shareholders of the Parent－Preferred Stock Dividends）／Weighted Average Number of Stocks Outstanding。(Note 3)
5. Cash Flow
   (1) Cash Flow Ratio＝Net Cash Flow From Operating Activities／Current Liabilities。
   (2) Net Cash Flow Adequacy Ratio＝ Net Cash Flow From Operating Activities of the Most Recent Five Years／ Sum of Capital Expenditure, Inventory Addition, and Cash Dividends of the Most Recent Five Years
   (3) Cash Reinvestment Ratio＝(Net Cash Flow From Operating Activities－Cash Dividend)／(Gross Property, Plant and Equipment＋Long-Term Investment＋Other Non-Current Assets＋Working Capital)。(Note 4)
6. Leverage
   (1) Operating Leverage＝(Operating Turnover－Variable Costs and Expense) ／ Operating Income (Note 5)。
   (2) Financial Leverage＝Operating Income ／ (Operating Income－Interest Expenses)。

Note 3 Special attention should be paid to the following when calculating earnings per share by the above equation:

1 The weighted average quantity of outstanding common shares shall be taken as the standard, not the number of outstanding shares at the end of the year.
2. consider the circulation periods when calculating the weighted average quantity of outstanding shares if there is any cash capital increase or treasury stock transaction.
3. If there is any capitalization of retained earnings or capital surplus, the annual and semi-annual earnings per share of past years shall be retrospectively adjusted pro rata to the

size of the capital increase without considering the issuance period of the capital increase.

4. If the preferred shares are non-convertible cumulative preferred shares, the dividend for the fiscal year (whether it has been distributed or not) shall be deducted from the net income after tax or added to the net loss after tax. If the preferred shares are non-cumulative, the dividend shall be deducted from the net income after tax if there is net income after tax, and no adjustment is required in case there is a loss.

Note 4 Special attention shall be paid to the following when making the calculations for cash flow analysis:

1. Net cash flow from operating activities refers to the net cash inflow from operating activities in the cash flow statement.
2. Capital expenditures refer to the annual cash outflow used in capital investment.
3. Increase in inventory is counted only when the balance at the end of the period is greater than the balance at the beginning of the period. If the inventory has decreased at the end of the year, it is counted as zero.
4. Cash dividends include common and preferred stock cash dividends.
5. Gross property, plant and equipment refers to the total property, plant and equipment without deduction of accumulated depreciation.

Note 5 The issuer shall categorize the operating costs and expenses into fixed and variable per their properties. If the categorization is subject to estimation or subjective judgment, attention shall be paid to ensure it is done rationally and consistently.

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

To the 2023 Shareholders’ Annual Regular Meeting of Microtech Int’l Corp.:

The Board of Directors has prepared the Company’s 2022 Business Report, Financial Statements, and proposal for earning distribution. The Certified Public Accountants Ching-Cheng Yang and Alice Fang from the CPA firm of Deloitte & Touche were retained to audit the Company’s Financial Statements and have issued an audit report relating to the Financial Statements. The Business Report, Financial Statements, and proposal for earning distribution have been reviewed and determined to be correct and accurate by the Audit Committee members of Biostar Microtech Int’l Corp. according to Article 14-4 of the Securities and Exchange Act and Article 219 of the Company Law, we hereby submit this report.

Chairman of the Audit Committee:
Wen-Hsiung Chan
March 24, 2023

4. Financial Statement for the Most Recent Fiscal Year

DECLARATION OF CONSOLIDATION OF FINANCIAL STATEMENTS OF AFFILIATES

The entities required to be included in the combined financial statements of Biostar Microtech Int'L 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 Standard 10, “Consolidated Financial Statements.” In addition, the information required to be disclosed in the combined financial statements is included in the consolidated financial statements. Consequently, Biostar Microtech Int'L Corp. and subsidiaries do not prepare a separate set of combined financial statements.

Very truly yours,

BIOSTAR MICROTECH INT'L CORP.

By

____

MING-YI WANG
Chairman

March 24, 2023

INDEPENDENT AUDITORS' REPORT

The Board of Directors and Shareholders
Biostar Microtech Int'L Corp. and Subsidiaries

Opinion

We have audited the accompanying financial statements of Biostar Microtech Int'L Corp. (the "Company") and subsidiaries (collectively referred to as the "Group"), which comprise the consolidated balance sheets as of December 31, 2022 and 2021 and the consolidated statements of comprehensive income, changes in equity and cash flows for the years then ended, and the notes to the consolidated financial statements, including a summary of significant accounting policies (collectively referred to as the "consolidated financial statements").

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

Basis for Opinion

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

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 for the year ended December 31, 2022. 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.

Key audit matters of the Group's consolidated financial statements for the year ended December 31, 2022 are stated as follows:

<u>Estimation Uncertainty on Write-down of Inventories</u>

The Group is primarily engaged in sales of computer motherboards, industrial computer and other computer peripheral products. The industrial characteristic and frequent releases of products resulting in the slow-moving (unmarketable) and obsolescence. The estimation of inventories net realisable value involved management uncertainty. The actual result might differ from the estimates. The estimation uncertainty on write-down of inventories is critical to financial statements as of December 31, 2022. Therefore, it was identified as a key audit matter. Please refer to Notes 4, 5 and 11 to the consolidated financial statements for detailed information related to the estimation uncertainty on write-down of inventories' accounting policies, estimation uncertainty and disclosures.

Our main audit procedures we performed to address the above key audit matter were as follows:

1. We obtained an understanding of the Group's inventories evaluation policies and the design of internal controls related to inventories evaluation and tested the operating effectiveness of such control.

2. We selected the sales and purchase documentation and tested the book value of inventories to check whether they were measured at lower of cost and net realisable value.

3. We tested and recalculated the data used by the management to calculate the allowance for inventory impairment losses and we compared the amount of the allowance for inventory impairment losses recognized by Biostar Microtech Int'L Corp. Afterwards, we confirmed the scrap inventory and whether it was listed in accordance with the inventory policy of the Group.

4. We observed the annual inventory count, and observed whether there were sluggish or obsolete inventories.

Other Matter

We did not audit the financial statements of Biostar Microtech (U.S.A.) Corp. and Biostar Microtech Europe Holding B.V., a subsidiary included in the consolidated financial statements of the Group, but such statements were audited by other auditors. Our opinion, insofar as it relates to the amounts included for Biostar Microtech (U.S.A.) Corp. and Biostar Microtech Europe Holding B.V., is based solely on the report of other auditors. The total assets of Biostar Microtech (U.S.A.) Corp. and Biostar Microtech Europe Holding B.V. constituted NT$280,229 thousand and NT$239,658 thousand, which constituted 9.97% and 7.27% of total assets as of December 31, 2022 and 2021, respectively; and total revenue constituted NT$598,245 thousand and NT$702,452 thousand, which constituted 26.75% and 25.32% of the total comprehensive income for the years ended December 31, 2022 and 2021, respectively.

We have also audited the parent company only financial statements of Biostar Microtech Int'L Corp. as of and for the years ended December 31, 2022 and 2021, on which we have issued an unmodified opinion with other matter paragraph.

Responsibilities of Management and Those Charged with Governance for the 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 for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the 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, including members of the audit committee, are responsible for overseeing the Group's financial reporting process.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the 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 financial statements.

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

1. Identify and assess the risks of material misstatement of the 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 financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the 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 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 entities or business activities within the Group to express an opinion on the financial statements. We are responsible for the direction, supervision, and performance of the 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 for the year ended December 31, 2022 and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare 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 audits resulting in this independent auditors' report are Ching-Cheng Yang and Han-Ni Fang.

Deloitte & Touche
Taipei, Taiwan
Republic of China

March 24, 2023

Notice to Readers

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

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

BIOSTAR MICROTECH INT'L CORP. AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEETS
DECEMBER 31, 2022 AND 2021
(In Thousands of New Taiwan Dollars)

	2022		2021	
ASSETS	**Amount**	**%**	**Amount**	**%**
CURRENT ASSETS				
Cash and cash equivalents (Note 6)	$ 747,831	27	$ 652,586	20
Financial assets at fair value through profit or loss - current (Note 7)	219,536	8	716,276	22
Financial assets at fair value through other comprehensive income - current (Note 8)	205,657	7	159,459	5
Financial assets at amortized cost - current (Note 9)	30,323	1	30,302	1
Trade receivables, net (Notes 10 and 22)	115,030	4	136,678	4
Other receivables (Note 10)	13,475	1	17,878	-
Current tax assets (Note 24)	4,873	-	319	-
Inventories, net (Notes 5 and 11)	902,426	32	1,020,547	31
Other current assets (Notes 16 and 29)	7,380	-	10,761	-
Total current assets	2,246,531	80	2,744,806	83
NON-CURRENT ASSETS				
Financial assets at fair value through profit or loss - non-current (Note 7)	172,615	6	172,343	6
Property, plant and equipment (Notes 13 and 29)	132,065	5	132,947	4
Right of use asset (Note 14)	3,611	-	-	-
Investment properties, net (Notes 15 and 29)	197,799	7	199,805	6
Deferred tax assets (Note 24)	40,294	1	38,693	1
Other non-current assets (Notes 16 and 20)	16,831	1	7,225	-
Total non-current assets	563,215	20	551,013	17
TOTAL	$ 2,809,746	100	$ 3,295,819	100
LIABILITIES AND EQUITY				
CURRENT LIABILITIES				
Notes payable (Note 17)	$ 2,631	-	$ 3,219	-
Trade payables (Note 17)	343,106	12	525,282	16
Other payables (Note 18)	115,838	4	156,123	5
Current tax liabilities (Note 24)	16,782	1	49,370	1
Provision - current (Note 19)	30,000	1	70,000	2
Lease liabilities - current (Note 14)	1,663	-	-	-
Other current liabilities (Note 18)	14,938	1	26,645	1
Total current liabilities	524,958	19	830,639	25
NON-CURRENT LIABILITIES				
Provisions - non-current (Note 19)	20,000	1	30,000	1
Deferred tax liabilities (Note 24)	11,971	-	511	-
Lease liabilities - non-current (Note 14)	2,054	-	-	-
Other non-current liabilities (Notes 18 and 20)	3,336	-	3,266	-
Total non-current liabilities	37,361	1	33,777	1
Total liabilities	562,319	20	864,416	26
EQUITY (Note 21)				
Share capital				
Ordinary Shares	1,781,000	64	1,781,000	54
Capital surplus	66,778	2	66,778	2
Retained earnings	404,023	14	596,560	18
Other equity	(4,374)	-	(12,935)	-
Total equity	2,247,427	80	2,431,403	74
TOTAL	$ 2,809,746	100	$ 3,295,819	100

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

(With Deloitte & Touche auditors' report dated March 24, 2023)

BIOSTAR MICROTECH INT'L CORP. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021
(In Thousands of New Taiwan Dollars, Except Earnings (Loss) Per Share)

	2022		2021	
	Amount	**%**	**Amount**	**%**
OPERATING REVENUE (Note 22)	$ 2,236,385	100	$ 2,774,796	100
OPERATING COSTS (Notes 11 and 23)	1,967,765	88	2,254,663	81
GROSS PROFIT	268,620	12	520,133	19
OPERATING EXPENSES (Notes 10 and 23)				
Selling and marketing expenses	138,210	6	149,246	5
General and administrative expenses	55,800	3	80,794	3
Research and development expenses	71,880	3	98,070	4
Expected credit loss (gain)	1,198	-	(24,691)	(1)
Total operating expenses	267,088	12	303,419	11
PROFIT FROM OPERATIONS	1,532	-	216,714	8
NON-OPERATING INCOME AND EXPENSES				
Interest income (Note 23)	14,476	-	8,775	-
Other income (Note 23)	40,158	2	40,355	2
Other gains and losses (Notes 23 and 30)	(39,834)	(2)	141,047	5
Finance costs (Note 23)	(125)	-	(50)	-
Total non-operating income and expenses	14,675	-	190,127	7
PROFIT BEFORE INCOME TAX	16,207	-	406,841	15
INCOME TAX EXPENSE (Note 24)	3,356	-	45,166	2
NET PROFIT FOR THE YEAR	12,851	-	361,675	13
OTHER COMPREHENSIVE INCOME (LOSS) (Notes 20, 21 and 24)				
Items that will not be reclassified subsequently to profit or loss:				
Remeasurement of defined benefit plans	10,415	-	1,500	-
Income tax related to items that will not be reclassified subsequently to profit or loss	(2,083)	-	(300)	-
	8,332	-	1,200	-

(Continued)

BIOSTAR MICROTECH INT'L CORP. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021
(In Thousands of New Taiwan Dollars, Except Earnings (Loss) Per Share)

	2022		2021	
	Amount	**%**	**Amount**	**%**
Items that may be reclassified subsequently to profit or loss:				
Exchange differences on translation of the financial statements of foreign operations	$ 36,731	2	$ (9,227)	-
Unrealized gain (loss) on investments in debt instruments at fair value through other comprehensive income	(20,824)	(1)	(2,282)	-
Income tax related to items that may be reclassified subsequently to profit or loss	(7,346)	-	1,845	-
	8,561	1	(9,664)	-
Other comprehensive income (loss) for the period, net of income tax	16,893	1	(8,464)	-
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	$ 29,744	1	$ 353,211	13
EARNINGS PER SHARE (Note 25)				
Basic	$ 0.07		$ 2.03	
Diluted	$ 0.07		$ 2.01	

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

(With Deloitte & Touche auditors' report dated March 24, 2023) (Concluded)

BIOSTAR MICROTECH INT'L CORP. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021
(In Thousands of New Taiwan Dollars)

	Ordinary Shares			Retained Earnings				Other Equity			
	Shares (In Thousands)	Amount	Capital Surplus	Legal Reserve	Special Reserve	Unappropriated Earnings (Accumulated Deficits)	Total	Exchange Differences on Translating the Financial Statements of Foreign Operations	Unrealized Valuation Gain (Loss) on Financial Assets at Fair Value Through Other Comprehensive Income	Total	Total Equity
BALANCE AT JANUARY 1, 2021	178,100	$ 1,781,000	$ 91,712	$ 224,663	$ 6,457	$ 48,871	$ 279,991	$ (12,750)	$ 9,479	$ (3,271)	$ 2,149,432
Appropriation of 2020 earnings											
Legal reserve	-	-	-	4,887	-	(4,887)	-	-	-	-	-
Cash dividends distributed by the Company	-	-	(24,934)	-	-	(46,306)	(46,306)	-	-	-	(71,240)
Special reserve reversed	-	-	-	-	(3,186)	3,186	-	-	-	-	-
	-	-	(24,934)	4,887	(3,186)	(48,007)	(46,306)	-	-	-	(71,240)
Net profit (loss) for the year ended December 31, 2021	-	-	-	-	-	361,675	361,675	-	-	-	361,675
Other comprehensive income (loss) for the year ended December 31, 2021, net of income tax	-	-	-	-	-	1,200	1,200	(7,382)	(2,282)	(9,664)	(8,464)
Total comprehensive income (loss) for the year ended December 31, 2021	-	-	-	-	-	362,875	362,875	(7,382)	(2,282)	(9,664)	353,211
BALANCE AT DECEMBER 31, 2021	178,100	1,781,000	66,778	229,550	3,271	363,739	596,560	(20,132)	7,197	(12,935)	2,431,403
Appropriation of 2021 earnings											
Legal reserve	-	-	-	36,287	-	(36,287)	-	-	-	-	-
Special reserve	-	-	-	-	9,664	(9,664)	-	-	-	-	-
Cash dividends distributed by the Company	-	-	-	-	-	(213,720)	(213,720)	-	-	-	(213,720)
	-	-	-	36,287	9,664	(259,671)	(213,720)	-	-	-	(213,720)
Net profit (loss) for the year ended December 31, 2022	-	-	-	-	-	12,851	12,851	-	-	-	12,851
Other comprehensive income (loss) for the year ended December 31, 2022, net of income tax	-	-	-	-	-	8,332	8,332	29,385	(20,824)	8,561	16,893
Total comprehensive income (loss) for the year ended December 31, 2022	-	-	-	-	-	21,183	21,183	29,385	(20,824)	8,561	29,744
BALANCE AT DECEMBER 31, 2022	178,100	$ 1,781,000	$ 66,778	$ 265,837	$ 12,935	$ 125,251	$ 404,023	$ 9,253	$ (13,627)	$ (4,374)	$ 2,247,427

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

(With Deloitte & Touche auditors' report dated March 24, 2023)

BIOSTAR MICROTECH INT'L CORP. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021
(In Thousands of New Taiwan Dollars)

	2022	2021
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before income tax	$ 16,207	$ 406,841
Adjustments for:		
Depreciation expense	6,635	7,983
Expected credit loss recognized (reversed) on trade receivables	1,198	(24,691)
Net loss (gain) on fair value changes of financial assets and liabilities at fair value through profit or loss	83,932	(156,013)
Finance costs	125	50
Interest income	(14,476)	(8,775)
Dividend income	(14,717)	(12,839)
Loss on disposal of property, plant, and equipment	-	116
Net loss on disposal of financial assets	6,715	1,761
Write-down of inventories	60,413	39,548
Unrealized net loss (gain) on foreign currency exchange	(9,315)	29,471
Loss on change of lease	-	108
Changes in operating assets and liabilities		
Notes receivable	-	4,619
Trade receivables	23,930	9,419
Other receivables	5,032	65,256
Inventories	79,552	(443,165)
Other current assets	3,381	16,779
Other operating assets	(5,040)	1,248
Notes payable	(588)	12
Trade payables	(184,821)	91,927
Other payables	(42,226)	51,423
Provisions	(50,000)	-
Other current liabilities	(11,707)	16,036
Net defined benefit liabilities	5,005	(4,355)
Cash generated from/(used in) operations	(40,765)	92,759
Interest paid	(125)	(50)
Income taxes returned (paid)	(39,868)	(1,186)
Net cash generated from/(used in) operating activities	(80,758)	91,523
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of financial assets at fair value through other comprehensive income	(118,860)	(11,350)
Proceeds from sale of financial assets at fair value through other comprehensive income	51,747	8,003
Disposal of financial assets at amortized cost	-	868
Purchase of financial assets at fair value through profit or loss	(307,882)	(1,001,755)
Proceeds from sale of financial assets at fair value through profit or loss	723,109	1,027,557
Payments for property, plant and equipment	(2,098)	(2,307)
Disposal of property, plant and equipment	-	32

(Continued)

BIOSTAR MICROTECH INT'L CORP. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021
(In Thousands of New Taiwan Dollars)

	2022	2021
Decrease in refundable deposits	$ 844	$ 1,039
Interest received	13,847	8,781
Dividends received	14,717	12,839
Net cash generated from investing activities	375,424	43,707
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from guarantee deposits received	70	1
Dividends paid to owners of the Company	(213,720)	(71,240)
Repayment for lease liability principle	(1,514)	(721)
Net cash used in financing activities	(215,164)	(71,960)
EFFECTS OF EXCHANGE RATE CHANGES ON THE BALANCE OF CASH HELD IN FOREIGN CURRENCIES	15,743	(13,851)
NET INCREASE IN CASH AND CASH EQUIVALENTS	95,245	49,419
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR	652,586	603,167
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	$ 747,831	$ 652,586

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

(With Deloitte & Touche auditors' report dated March 24, 2023) (Concluded)

(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

1. GENERAL INFORMATION

Biostar Microtech Int'L Corp. (the "Group") was incorporated as a group limited by shares under the provisions of the Company Law of the Republic of China (ROC) in June 1986 and has been listed on the Taiwan Stock Exchange since March 20, 2001. The Group is dedicated to the design, development, manufacture and marketing of a broad range of networking solutions.

The financial statements are presented in the Group's functional currency, the New Taiwan dollar.

2. APPROVAL OF FINANCIAL STATEMENTS

The financial statements were approved by the Group's board of directors on March 24, 2023.

3. APPLICATION OF NEW, AMENDED AND REVISED STANDARDS AND INTERPRETATIONS

a. Initial application of the amendments to the International Financial Reporting Standards (IFRS), International Accounting Standards (IAS), IFRIC Interpretations (IFRIC), and SIC Interpretations (SIC) (collectively, the "IFRSs") endorsed and issued into effect by the Financial Supervisory Commission (FSC)

The initial application of the IFRSs endorsed and issued into effect by the FSC did not have material impact on the Group's accounting policies.

b. The IFRSs endorsed by the FSC for application starting from 2023

New, Amended and Revised Standards and Interpretations	Effective Date Announced by IASB
Amendments to IAS 1 "Disclosure of Accounting Policies"	January 1, 2023 (Note 1)
Amendments to IAS 8 "Definition of Accounting Estimates"	January 1, 2023 (Note 2)
Amendments to IAS 12 "Deferred Tax related to Assets and Liabilities arising from a Single Transaction"	January 1, 2023 (Note 3)

Note 1: The amendments will be applied prospectively for annual reporting periods beginning on or after January 1, 2023.

Note 2: The amendments will be applicable to changes in accounting estimates and changes in accounting policies that occur on or after the beginning of the annual reporting period beginning on or after January 1, 2023.

Note 3: Except for deferred taxes that were recognized on January 1, 2022 for temporary differences associated with leases and decommissioning obligations, the amendments were applied prospectively to transactions that occur on or after January 1, 2022.

As of the date the financial statements were authorized for issue, the Group is continuously assessing the possible impact that the application of other standards and interpretations will have on the Group's financial position and financial performance and will disclose the relevant impact when the assessment is completed.

c. New IFRSs in issue but not yet endorsed and issued into effect by the FSC

New IFRSs	**Effective Date Announced by IASB (Note 1)**
Amendments to IFRS 10 and IAS 28 "Sale or Contribution of Assets between an Investor and its Associate or Joint Venture"	To be determined by IASB
Amendments to IFRS 16 "Leases Liability in a Sale and Leaseback"	January 1, 2024 (Note 2)
IFRS 17 "Insurance Contracts"	January 1, 2023
Amendments to IFRS 17	January 1, 2023
Amendments to IFRS 17 "Initial Application of IFRS 9 and IFRS 17 - Comparative Information"	January 1, 2023
Amendments to IAS 1 "Classification of Liabilities as Current or Non-current"	January 1, 2024
Amendments to IAS 1 "Non-current Liabilities with Covenants"	January 1, 2024

Note 1: Unless stated otherwise, the above New IFRSs are effective for annual reporting periods beginning on or after their respective effective dates.

Note 2: A seller-lessee shall apply the Amendments to IFRS 16 retrospectively to sale and leaseback transactions entered into after the date of initial application of IFRS 16.

As of the date the financial statements were authorized for issue, the Group is continuously assessing the possible impact that the application of other standards and interpretations will have on the Group's financial position and financial performance and will disclose the relevant impact when the assessment is completed.

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

a. Statement of compliance

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

b. Basis of preparation

The consolidated financial statements have been prepared on the historical cost basis except for financial instruments which are measured at fair value, biological assets excluding bearer plants which are measured at fair value less costs to sell, and net defined benefit liabilities which are measured at the present value of the defined benefit obligation less the fair value of plan assets.

The fair value measurements, which are grouped into Levels 1 to 3 based on the degree to which the fair value measurement inputs are observable and based on the significance of the inputs to the fair value measurement in its entirety, are described as follows:

1) Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities;

2) Level 2 inputs are inputs other than quoted prices included within Level 1 that are observable for an

asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices); and

3) Level 3 inputs are unobservable inputs for an asset or liability.

When preparing these parent company only financial statements, the Group used the equity method to account for its investments in subsidiaries. In order for the amounts of the net profit for the year, other comprehensive income for the year and total equity in the parent company only financial statements to be the same with the amounts attributable to the owners of the Group in its financial statements, adjustments arising from the differences in accounting treatments between the parent company only basis and basis were made to investments accounted for using the equity method, the share of profit or loss of subsidiaries, the share of other comprehensive income of subsidiaries, and the related equity items, as appropriate, in these parent company only financial statements.

c. Classification of current and non-current assets and liabilities

Current assets include:

1) Assets held primarily for the purpose of trading;

2) Assets expected to be realized within 12 months after the reporting period; and

3) Cash unless the asset is restricted from being exchanged or used to settle a liability for at least 12 months after the reporting period.

Current liabilities include:

1) Liabilities held primarily for the purpose of trading;

2) Liabilities due to be settled within 12 months after the reporting period; and

3) Liabilities for which the Group does not have an unconditional right to defer settlement for at least 12 months after the reporting period.

Assets and liabilities that are not classified as current are classified as non-current.

d. Foreign currencies

In preparing the Group’s financial statements, transactions in currencies other than the Group’s functional currency (i.e., foreign currencies) are recognized at the rates of exchange prevailing at the dates of the transactions.

At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Exchange differences on monetary items arising from settlement or translation are recognized in profit or loss in the period in which they arise.

Non-monetary items denominated in foreign currencies that are measured at fair value are retranslated at the rates prevailing at the date when the fair value is determined. Exchange differences arising from the retranslation of non-monetary items are included in profit or loss for the period except for exchange differences arising from the retranslation of non-monetary items in respect of which gains and losses are recognized directly in other comprehensive income; in which case, the exchange differences are also recognized directly in other comprehensive income.

Non-monetary items denominated in a foreign currency that are measured at historical cost in a foreign currency are translated using the exchange rate at the date of the transaction.

For the purposes of presenting the financial statements, the assets and liabilities of the Group and its foreign operations (including of the subsidiaries in other countries or those that use currencies that are different from the Group) are translated into New Taiwan dollars using the exchange rates prevailing at the end of each reporting period. Income and expense items are translated at the average exchange rates for the period. Exchange differences arising are recognized in other comprehensive income.

e. Inventories

Inventories consist of raw materials, work-in-process and finished goods and are stated at the lower of cost or net realizable value. Inventory write-downs are made by item, except where it may be appropriate to group similar or related items. The net realizable value is the estimated selling price of inventories less all estimated costs of completion and costs necessary to make the sale. Inventories are recorded at weighted-average cost and stated at lower of cost or net realizable value on the balance sheet date.

f. Investments in subsidiaries

The Group uses the equity method to account for its investments in subsidiaries.

Subsidiaries are the entities controlled by the Group.

Under the equity method, an investment in a subsidiary is initially recognized at cost and adjusted thereafter to recognize the Group’s share of the profit or loss and other comprehensive income of the subsidiary. The Group also recognizes the changes in the Group’s share of equity of subsidiaries.

Changes in the Group’s ownership interest in a subsidiary that do not result in the Group losing control of the subsidiary are accounted for as equity transactions. The Group recognizes directly in equity any difference between the carrying amount of the investment and the fair value of the consideration paid or received.

When the Group’s share of loss of a subsidiary exceeds its interest in that subsidiary (which includes any carrying amount of the investment accounted for using the equity method and long-term interests that, in substance, form part of the Group’s net investment in the subsidiary), the Group continues recognizing its share of further loss, if any.

Any excess of the cost of acquisition over the Group’s share of the net fair value of the identifiable assets and liabilities of a subsidiary that constitutes a business at the date of acquisition is recognized as goodwill, which is included within the carrying amount of the investment and is not amortized. Any excess of the Group’s share of the net fair value of the identifiable assets and liabilities of a subsidiary that constitutes a business over the cost of acquisition is recognized immediately in profit or loss.

The Group assesses its investment for any impairment by comparing the carrying amount with the estimated recoverable amount as assessed based on the investee’s financial statements as a whole. Impairment loss is recognized when the carrying amount exceeds the recoverable amount. If the recoverable amount of the investment subsequently increases, the Group recognizes a reversal of the impairment loss; the adjusted post-reversal carrying amount should not exceed the carrying amount that would have been recognized (net of amortization or depreciation) had no impairment loss been recognized in prior years. An impairment loss recognized on goodwill cannot be reversed in a subsequent period.

When the Group loses control of a subsidiary, it recognizes the investment retained in the former subsidiary at its fair value at the date when control is lost. The difference between the fair value of the retained investment plus any consideration received and the carrying amount of the previous investment at the date when control is lost is recognized as a gain or loss in profit or loss. Besides this, the Group accounts for all amounts previously recognized in other comprehensive income in relation to that subsidiary on the same basis as would be required had the Group directly disposed of the related assets or liabilities.

Profit or loss resulting from downstream transactions is eliminated in full only in the parent company only financial statements. Profit and loss resulting from upstream transactions and transactions between subsidiaries is recognized only in the parent company only financial statements and only to the extent of interests in the subsidiaries that are not related to the Group.

g. Property, plant and equipment

Property, plant and equipment are initially measured at cost and subsequently measured at cost less accumulated depreciation and accumulated impairment loss.

The depreciation of property, plant and equipment is recognized using the straight-line method. Each significant part is depreciated separately. The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in the estimate accounted for on a prospective basis.

On derecognition of an item of property, plant and equipment, the difference between the sales proceeds and the carrying amount of the asset is recognized in profit or loss.

h. Investment properties

Investment properties are properties held to earn rental or for capital appreciation.

Investment properties are initially measured at cost, including transaction costs. Subsequent to initial recognition, investment properties are measured at cost less accumulated depreciation and accumulated impairment loss. Depreciation is recognized using the straight-line method.

On derecognition of an investment property, the difference between the net disposal proceeds and the carrying amount of the asset is included in current profit or loss.

i. Impairment of property, plant and equipment and investment properties

At the end of each reporting period, the Group reviews the carrying amounts of its property, plant and equipment, right-of-use asset, investment properties and intangible assets, to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss. When it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs. Corporate assets are allocated to the individual cash-generating units on a reasonable and consistent basis of allocation.

The recoverable amount is the higher of fair value less costs to sell and value in use. If the recoverable amount of an asset or cash-generating unit is estimated to be less than its carrying amount, the carrying amount of the asset or cash-generating unit is reduced to its recoverable amount, with the resulting impairment loss recognized in profit or loss.

When an impairment loss is subsequently reversed, the carrying amount of the corresponding asset or cash-generating unit is increased to the revised estimate of its recoverable amount, but only to the extent of the carrying amount that would have been determined had no impairment loss been recognized on the asset or cash-generating unit in prior years. A reversal of an impairment loss is recognized in profit or loss.

j. Financial instruments

Financial assets and financial liabilities are recognized when the Group becomes a party to the contractual provisions of the instruments.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issuance of financial assets and financial liabilities (other than financial assets and financial liabilities at FVTPL) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at FVTPL are recognized immediately in profit or loss.

1) Financial assets

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

a) Measurement categories

Financial assets are classified into the following categories: Financial assets at FVTPL, financial assets at amortized cost and investments in equity instruments at FVTOCI.

i. Financial assets at FVTPL

Financial assets are classified as at FVTPL when such financial assets are mandatorily classified or designated as at FVTPL. Financial assets mandatorily classified as at FVTPL include investments in equity instruments which are not designated as at FVTOCI and debt instruments that do not meet the amortized cost criteria or the FVTOCI criteria.

Financial assets at FVTPL are subsequently measured at fair value, and any remeasurement gains or losses not on such financial assets are recognized in any dividends or interest earned.

ii. Financial assets at amortized cost

Financial assets that meet the following conditions are subsequently measured at amortized cost:

i) The financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows; and

ii) The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Subsequent to initial recognition, financial assets at amortized cost, including cash and cash equivalents, trade notes receivables at amortized cost, accounts receivable, other receivable and investments in debt instruments, are measured at amortized cost, which equals the gross carrying amount determined using the effective interest method less any impairment loss. Exchange differences are recognized in profit or loss.

Interest income is calculated by applying the effective interest rate to the gross carrying amount of such a financial asset, except for:

i) Purchased or originated credit-impaired financial assets, for which interest income is calculated by applying the credit-adjusted effective interest rate to the amortized cost of such financial assets; and

ii) Financial asset that is not credit impaired on purchase or origination but has subsequently become credit impaired, for which interest income is calculated by applying the effective interest rate to the amortized cost of such financial assets in subsequent reporting periods.

Cash equivalents include time deposits with original maturities within 3 months from the date of acquisition, which are highly liquid, readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value. These cash equivalents are held for the purpose of meeting short-term cash commitments.

iii. Investments in debt instruments at FVTOCI

Debt instruments that meet the following conditions are subsequently measured at FVTOCI:

i) The debt instrument is held within a business model whose objective is achieved by both the collecting of contractual cash flows and the selling of such financial assets; and

ii) The contractual terms of the debt instrument give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Investments in debt instruments at FVTOCI are subsequently measured at fair value. Changes in the carrying amounts of these debt instruments relating to changes in foreign currency exchange rates, interest income calculated using the effective interest method and impairment losses or reversals are recognized in profit or loss. Other changes in the carrying amount of these debt instruments are recognized in other comprehensive income and will be reclassified to profit or loss when the investment is disposed of.

b) Impairment of financial assets

The Group recognizes a loss allowance for expected credit losses on financial assets at amortized cost (including trade receivables), investments in debt instruments at fair value through other comprehensive income, lease receivable and contract assets.

The Group always recognizes lifetime expected credit losses (ECLs) for trade receivables. For all other financial instruments, the Group recognizes lifetime ECLs when there has been a significant increase in credit risk since initial recognition. If, on the other hand, the credit risk on a financial instrument has not increased significantly since initial recognition, the Group measures the loss allowance for that financial instrument at an amount equal to 12-month ECLs.

The impairment loss of all financial assets is recognized in profit or loss by a reduction in their carrying amounts through a loss allowance account, except for investments in debt instruments that are measured at FVTOCI, for which the loss allowance is recognized in other comprehensive income and the carrying amounts of such financial assets are not reduced.

c) Derecognition of financial assets

The Group derecognizes a financial asset only when the contractual rights to the cash flows from the asset expire or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party.

On derecognition of a financial asset at amortized cost in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognized in profit or loss. On derecognition of an investment in a debt instrument at FVTOCI, the difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss which had been recognized in other comprehensive income is recognized in profit or loss. However, on derecognition of an investment in an equity instrument at FVTOCI, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognized in profit or loss, and the cumulative gain or loss which had been recognized in other comprehensive income is transferred directly to retained earnings, without recycling through profit or loss.

2) Financial liabilities

a) Subsequent measurement

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

b) Derecognition of financial liabilities

The difference between the carrying amount of a financial liability derecognized and the consideration paid, is recognized in profit or loss.

k. Provisions

Provisions are measured at the best estimate of the discounted cash flows of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation.

1) Onerous contracts

Onerous contracts are those in which the Group's unavoidable costs of meeting the contractual obligations exceed the economic benefits expected to be received from the contract. The present obligations arising under onerous contracts are recognized and measured as provisions.

2) Warranties

Provisions for the expected cost of warranty obligations to assure that products comply with agreed-upon specifications are recognized on the date of sale of the relevant products at the best estimate by the management of the Group of the expenditures required to settle the Group's obligations.

l. Revenue recognition

The Group identifies contracts with customers, allocates the transaction price to the performance obligations and recognizes revenue when performance obligations are satisfied.

1) Revenue from the sale of goods

Revenue from the sale of goods comes from sales of electronic equipment. Group are recognized as revenues and trade receivables when control of the merchandise is transferred to the customer.

The Group does not recognize sales revenue on materials delivered to subcontractors because this delivery does not involve a transfer of control of materials ownership.

2) Revenue from the rendering of services

Revenue from the rendering of services is recognized when information verification service is rendered.

m. Leases

At the inception of a contract, the Group assesses whether the contract is, or contains, a lease.

1) The Group as lessor

Leases are classified as finance leases whenever the terms of a lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

Lease payments (less any lease incentives payable) from operating leases are recognized as income on a straight-line basis over the terms of the relevant leases. Initial direct costs incurred in obtaining operating leases are added to the carrying amounts of the underlying assets and recognized as expenses on a straight-line basis over the lease terms.

When a lease includes both land and building elements, the Group assesses the classification of each element separately as a finance or an operating lease based on the assessment as to whether substantially all the risks and rewards incidental to ownership of each element have been transferred to the lessee. The lease payments are allocated to the land and the building elements in proportion to the relative fair values of the leasehold interests in the land element and building element of the lease at the inception of the contract. If the allocation of the lease payments can be made reliably, each element is accounted for separately in accordance with its lease classification. When the lease payments cannot be allocated reliably to the land and building elements, the entire lease is generally classified as a finance lease unless it is clear that both elements are operating leases; in which case, the entire lease is classified as an operating lease.

2) The Group as lessee

The Group recognizes right-of-use assets and lease liabilities for all leases at the commencement date of a lease, except for short-term leases and low-value asset leases accounted for by applying a recognition exemption where lease payments are recognized as expenses on a straight-line basis over the lease terms.

Right-of-use assets are initially measured at cost, which comprises the initial measurement of lease liabilities adjusted for lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs needed to restore the underlying assets, and less any lease incentives received. Right-of-use assets are subsequently measured at cost less accumulated depreciation and impairment losses and adjusted for any remeasurement of the lease liabilities. Right-of-use assets are presented on a separate line in the balance sheets.

Right-of-use assets are depreciated using the straight-line method from the commencement dates to the earlier of the end of the useful lives of the right-of-use assets or the end of the lease terms. However, if leases transfer ownership of the underlying assets to the Group by the end of the lease terms or if the costs of right-of-use assets reflect that the Group will exercise a purchase option, the Group depreciates the right-of-use assets from the commencement dates to the end of the useful lives of the underlying assets.

Lease liabilities are initially measured at the present value of the lease payments, which comprise fixed payments, in-substance fixed payments, variable lease payments which depend on an index or a rate, residual value guarantees, the exercise price of a purchase option if the Group is reasonably certain to exercise that option, and payments of penalties for terminating a lease if the lease term reflects such termination, less any lease incentives receivable. The lease payments are discounted using the interest rate implicit in a lease, if that rate can be readily determined. If that rate cannot be readily determined, the Group uses the lessee's incremental borrowing rate.

Subsequently, lease liabilities are measured at amortized cost using the effective interest method, with interest expense recognized over the lease terms. When there is a change in a lease term, a change in the amounts expected to be payable under a residual value guarantee, a change in the assessment of an option to purchase an underlying asset, or a change in future lease payments resulting from a change in an index or a rate used to determine those payments, the Group remeasures the lease liabilities with a corresponding adjustment to the right-of-use assets. However, if the carrying amount of the right-of-use assets is reduced to zero, any remaining amount of the remeasurement is recognized in profit or loss. Lease liabilities are presented on a separate line in the balance sheets.

Variable lease payments that do not depend on an index or a rate are recognized as expenses in the periods in which they are incurred.

n. Employee benefits

1) Short-term employee benefits

Liabilities recognized in respect of short-term employee benefits are measured at the undiscounted amount of the benefits expected to be paid in exchange for the related service.

2) Retirement benefits

Payments to defined contribution retirement benefit plans are recognized as an expense when employees have rendered services entitling them to the contributions.

Defined benefit costs (including service cost, net interest and remeasurement) under defined benefit retirement benefit plans are determined using the projected unit credit method. Service cost (including current service cost) is recognized as employee benefits expense in the period they occurs. Remeasurement, comprising actuarial gains and losses and the return on plan assets (excluding interest), is recognized in other comprehensive income in the period in which it occurs. Remeasurement recognized in other comprehensive income is reflected immediately in retained earnings and will not be reclassified to profit or loss.

Net defined benefit liabilities (assets) represents the actual deficit (surplus) in the Group's defined benefit plan. Any surplus resulting from this calculation is limited to the present value of any refunds from the plans or reductions in future contributions to the plans.

o. Taxation

Income tax expense represents the sum of the tax currently payable and deferred tax.

1) Current tax

Income tax payable (recoverable) is based on taxable profit (loss) for the year determined according to the applicable tax laws of tax jurisdiction.

According to the Income Tax Law in the ROC, an additional tax on unappropriated earnings is provided for in the year the shareholders approve to retain earnings.

Adjustments of prior years' tax liabilities are added to or deducted from the current year's tax provision.

2) Deferred tax

Deferred tax is recognized on temporary differences between the carrying amounts of assets and liabilities and the corresponding tax bases used in the computation of taxable profit.

Deferred tax liabilities are generally recognized for all taxable temporary differences. Deferred tax assets are generally recognized for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilized.

Deferred tax liabilities are recognized for taxable temporary differences associated with investments in subsidiaries and affiliates, except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax assets arising from deductible temporary differences associated with such investments and interests are recognized only to the extent that it is probable that there will be sufficient taxable profits against which to utilize the benefits of the temporary differences and such temporary differences are expected to reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the assets to be recovered. A previously unrecognized deferred tax asset is also reviewed at the end of each reporting period and recognized to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liabilities are settled or the assets are realized, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period. The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

3) Current and deferred taxes

Current and deferred taxes are recognized in profit or loss, except when they relate to items that are recognized in other comprehensive income or directly in equity; in which case, the current and deferred taxes are also recognized in other comprehensive income or directly in equity, respectively. Where current tax or deferred tax arises from the initial accounting for the acquisition of a subsidiary, the tax effect is included in the accounting for the investments in a subsidiary.

5. CRITICAL ACCOUNTING JUDGMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of the Group's accounting policies, management is required to make judgments, estimations and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised if the revisions affect only that period or in the period of the revisions and future periods if the revisions affect both current and future periods.

Key Sources of Estimation Uncertainty

Write-down of inventories

The net realizable value of inventories is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale. The estimation of net realizable value is based on current market conditions and historical experience in the sale of product of a similar nature. Changes in market conditions may have a material impact on the estimation of the net realizable value.

6. CASH AND CASH EQUIVALENTS

	December 31	
	2022	2021
Cash on hand	$ 319	$ 643
Checking accounts and demand deposits	353,063	249,263
Cash equivalents (investments with original maturities of 3 months or less)		
Time deposits	394,449	402,680
	$ 747,831	$ 652,586

The market rate intervals of cash in the bank at the end of the reporting periods were as follows:

	December 31	
	2022	2021
Demand deposits	0.001%-4.00%	0.001%-0.4%

7. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	December 31	
	2022	2021
Financial assets at FVTPL - current		
Financial assets mandatorily classified as at FVTPL		
Non-derivative financial assets		
Mutual funds	$ 126,995	$ 399,291
Preference shares	18,661	23,380
Domestic listed shares	73,880	251,540
Overseas listed shares	-	42,065
	$ 219,536	$ 716,276

(Continued)

	December 31	
	2022	2021
Financial assets at FVTPL - non-current		
Financial assets mandatorily classified as at FVTPL		
Non-derivative financial assets		
Domestic unlisted shares	$ 111,210	$ 113,770
Domestic unlisted preference shares	61,405	58,573
	$ 172,615	$ 172,343

(Concluded)

8. FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

Investments in Debt Instruments at FVTOCI

	December 31	
	2022	2021
Current		
Foreign investments		
Bonds	$ 205,657	$ 159,459

The Group adopted a policy of only investing only in debt instruments that are rated the equivalent of investment grade or higher and have low credit risk for the purpose of impairment assessment. The credit rating information is supplied by independent rating agencies. The Group's exposure and the external credit ratings are continuously monitored. The Group reviews changes in bond yields and other publicly available information and makes an assessment whether there has been a significant increase in credit risk since the last period to the reporting date.

9. FINANCIAL ASSETS AT AMORTIZED COST

	December 31	
	2022	2021
Current		
Time deposits with original maturities of more than 3 months	$ 30,323	$ 30,302

The ranges of interest rates for time deposits with original maturities of more than 3 months were approximately 0.785%-1.75% and 0.41%-1.75% per annum as of December 31, 2022 and 2021, respectively.

10. TRADE RECEIVABLES AND OTHER RECEIVABLES

	December 31 2022	December 31 2021
Trade receivables		
At amortized cost		
Gross carrying amount	$ 119,493	$ 139,912
Less: Allowance for impairment loss	(4,463)	(3,234)
	$ 115,030	$ 136,678
Other receivables		
Other receivables	$ 12,762	$ 14,547
Interest receivables	673	44
Others	40	7,638
Less: Allowance for impairment loss	-	(4,351)
	$ 13,475	$ 17,878

a. Trade receivables

The average credit period of sales of goods is 30-180 days. The Group measures the loss allowance for trade receivables at an amount equal to lifetime ECLs. The expected credit losses on trade receivables are estimated using a provision matrix by reference to the past default experience of the customer, the customer's current financial position, economic condition of the industry in which the customer operates, as well as the GDP forecasts and industry outlook. As the Group's historical credit loss experience does not show significantly different loss patterns for different customer segments, the provision for loss allowance based on past due status is not further distinguished according to the Group's different customer base.

The Group writes off a trade receivable when there is information indicating that the debtor is in severe financial difficulty and there is no realistic prospect of recovery. For trade receivables that have been written off, the Group continues to engage in enforcement activity to attempt to recover the receivables due. Where recoveries are made, these are recognized in profit or loss.

The following table details the loss allowance of trade receivables based on the Group's provision matrix.

December 31, 2022

	Not Past Due	1 to 30 Days	91 to 180 Days	Over 180 Days	Total
Expected credit loss rate	0.17%	27.03%	33.58%	100%	
Gross carrying amount	$ 103,958	$ 14,932	$ 539	$ 64	$ 119,493
Loss allowance (Lifetime ECLs)	(182)	(4,036)	(181)	(64)	(4,463)
Amortized cost	$ 103,776	$ 10,896	$ 358	$ -	$ 115,030

December 31, 2021

	Not Past Due	1 to 90 Days	91 to 180 Days	Over 180 Days	Total
Expected credit loss rate	2.38%	0.52%	-	100%	
Gross carrying amount	$ 115,264	$ 24,284	$ -	$ 364	$ 139,912
Loss allowance (Lifetime ECLs)	(2,743)	(127)	-	(364)	(3,234)
Amortized cost	$ 112,521	$ 24,157	$ -	$ -	$ 136,678

The movements of the loss allowance of trade receivables were as follows:

	For the Year Ended December 31	
	2022	2021
Balance at January 1	$ 3,234	$ 33,346
Add: Net remeasurement of loss allowance	1,198	-
Less: Amounts written off	-	(1,062)
Less: Net remeasurement of loss allowance	-	(29,042)
Foreign exchange translation gains and losses	31	(8)
Balance at December 31	$ 4,463	$ 3,234

b. Other receivables

The Group measures the loss allowance for other receivables at an amount equal to actual credit losses of customers; therefore, there is no uncertain recovery in addition to the amount as follows.

The movements of the loss allowance of other receivables were as follows:

	For the Year Ended December 31	
	2022	2021
Balance at January 1	$ 4,351	$ -
Add: Net remeasurement of loss allowance	-	4,351
Less: Amounts written off	(4,351)	-
Balance at December 31	$ -	$ 4,351

11. INVENTORIES

	December 31	
	2022	2021
Raw materials	$ 324,030	$ 538,410
Work-in-process	61,514	58,796
Finished goods	306,499	234,327
Merchandise	160,479	118,905
Packing Materials	49,904	70,109
	$ 902,426	$ 1,020,547

For the years ended December 31, 2022 and 2021, the cost of goods sold related to inventories amounted to $1,960,189 thousand and $2,149,790 thousand, respectively, which included the write-down of inventories $60,413 thousand and $39,548 thousand, respectively.

12. SUBSIDIARIES

Subsidiaries included in consolidated financial statements.

Investor	Investee	Main Business	Proportion of Ownership December 2022	Proportion of Ownership December 2021	Remark
The Group	Garnet International Corp.	Manufacture and Sale of Mainboard, Industrial Computers, and Display Card	100%	100%	
The Group	Biostar Microtech (U.S.A.) Corp.	Sale of Mainboard, Industrial Computers, and Display Card	100%	100%	
The Group	Biostar Microtech Europe Holding B.V.	Investment Business	100%	100%	
The Group	Immense Wealth International Limited	Investment Business	100%	100%	
Garnet International Corp.	Dong Guan Biomax Technology Co., Ltd.	Electronic Technology Consulting Services	100%	100%	
Biostar Microtech Europe Holding B.V.	Biostar Microtech Netherlands B.V.	Sale of Mainboard, Industrial Computers, and Display Card	100%	100%	
Immense Wealth International Limited	Hong Ren Yi Medical Equipment (Dongguan) Co., Ltd.	Manufacture and Sale of Medical Supplies and Equipments	100%	100%	

13. PROPERTY, PLANT AND EQUIPMENT

	Freehold Land	Buildings	Machinery and Equipment	Transportation Equipment	Other Equipment	Total
Cost						
Balance at January 1, 2021	$ 97,344	$ 131,768	$ 24,251	$ 770	$ 112,954	$ 367,087
Additions	-	1,276	27	-	1,004	2,307
Disposals	-	-	(4,949)	-	(731)	(5,680)
Net exchange difference	-	(1,283)	(505)	(22)	(913)	(2,723)
Balance at December 31, 2021	$ 97,344	$ 131,761	$ 18,824	$ 748	$ 112,314	$ 360,991
Accumulated depreciation						
Balance at January 1, 2021	$ -	$ 96,706	$ 23,588	$ 770	$ 110,090	$ 231,154
Depreciation expense	-	2,413	533	-	2,191	5,137
Disposals	-	-	(4,811)	-	(721)	(5,532)
Net exchange difference	-	(1,280)	(503)	(22)	(910)	(2,715)
Balance at December 31, 2021	$ -	$ 97,839	$ 18,807	$ 748	$ 110,650	$ 228,044
Carrying amount at December 31, 2021	$ 97,344	$ 33,922	$ 17	$ -	$ 1,664	$ 132,947

(Continued)

	Freehold Land	Buildings	Machinery and Equipment	Transportation Equipment	Other Equipment	Total
Cost						
Balance at January 1, 2022	$ 97,344	$ 131,761	$ 18,824	$ 748	$ 112,314	$ 360,991
Additions	-	490	-	-	1,608	2,098
Disposals	-	(3,772)	(1,435)	-	(23,637)	(28,844)
Net exchange difference	-	4,913	1,833	82	3,433	10,261
Balance at December 31, 2022	$ 97,344	$ 133,392	$ 19,222	$ 830	$ 93,718	$ 344,506
Accumulated depreciation						
Balance at January 1, 2022	$ -	$ 97,839	$ 18,807	$ 748	$ 110,650	$ 228,044
Depreciation expense	-	1,935	19	-	1,057	3,011
Disposals	-	(3,772)	(1,435)	-	(23,637)	(28,844)
Net exchange difference	-	4,897	1,831	82	3,420	10,230
Balance at December 31, 2022	$ -	$ 100,899	$ 19,222	$ 830	$ 91,490	$ 212,441
Carrying amount at December 31, 2022	$ 97,344	$ 32,493	$ -	$ -	$ 2,228	$ 132,065

(Concluded)

No impairment assessment was performed for the year ended December 31, 2022 and 2021 as there was no indication of impairment.

The above items of property, plant and equipment are depreciated on a straight-line basis over their estimated useful lives as follows:

Building	
Main buildings	20-55 years
Air-conditioning units	3-8 years
Machinery and equipment	2-10 years
Transportation equipment	5 years
Other equipment	2-10 years

Property, plant and equipment pledged as collateral for bank borrowings are set out in Note 29.

14. LEASE ARRANGEMENTS

a. Right-of-use assets

	December 31	
	2022	2021
Carrying amounts		
Buildings	$ 3,611	$ -

	For the Year Ended December 31	
	2022	2021
Additions to right-of-use assets	$ 5,122	$ -
Depreciation charge for right-of-use assets		
Buildings	$ 1,618	$ 839

b. Lease liabilities

	December 31	
	2022	2021
Carrying amounts		
Current	$ 1,663	$ -
Non-current	$ 2,054	$ -

Range of discount rate for lease liabilities was as follows:

	December 31	
	2022	2021
Building	2.37%	-

c. Other lease information

Lease arrangements under operating leases for leasing out the investment properties are set out in Note 15.

	For the Year Ended December 31	
	2022	2021
Expenses relating to short-term leases	$ 3,466	$ 8,411
Total cash outflow for leases	$ (5,085)	$ (9,143)

The Group's leases of building qualify as short-term asset leases. The Group has elected to apply the recognition exemption and thus, did not recognize right-of-use assets and lease liabilities for these leases.

15. INVESTMENT PROPERTIES

	Land	Buildings	Total
Cost			
Balance at January 1, 2021	$ 142,300	$ 104,069	$ 246,369
Addition	-	-	-
Balance at December 31, 2021	$ 142,300	$ 104,069	$ 246,369
Accumulated depreciation and impairment			
Balance at January 1, 2021	$ -	$ 44,557	$ 44,557
Depreciation expense	-	2,007	2,007
Balance at December 31, 2021	$ -	$ 46,564	$ 46,564
Carrying amount at December 31, 2021	$ 142,300	$ 57,505	$ 199,805

(Continued)

	Land	Buildings	Total
Cost			
Balance at January 1, 2022	$ 142,300	$ 104,069	$ 246,369
Addition	-	-	-
Balance at December 31, 2022	$ 142,300	$ 104,069	$ 246,369
Accumulated depreciation and impairment			
Balance at January 1, 2022	$ -	$ 46,564	$ 46,564
Depreciation expense	-	2,006	2,006
Balance at December 31, 2022	$ -	$ 48,570	$ 48,570
Carrying amount at December 31, 2022	$ 142,300	$ 55,499	$ 197,799

(Concluded)

The investment properties are depreciated using the straight-line method over their estimated useful lives as follows:

Buildings	
Main buildings	55 years
Air-conditioning units	3-8 years
Other equipment	3-8 years

The market for comparable properties is inactive and alternative reliable measurements of fair value are not available; therefore, the Group determined that the fair value of the investment property is not reliably measurable.

The investment properties are leased out for 1 year. The lessees do not have bargain purchase options to acquire the investment properties at the expiry of the lease periods.

The maturity analysis of lease payments receivable under operating leases of investment properties was as follows:

	December 31	
	2022	2021
Year 1	$ 9,483	$ 9,381

All of the Group’s investment properties are proprietary owned. The investment properties pledged as collateral for bank borrowings are set out in Note 29.

16. OTHER ASSETS

	December 31	
	2022	2021
Current		
Prepayments	$ 6,468	$ 8,283
Others	912	2,478
	$ 7,380	$ 10,761
Non-current		
Refundable deposits	$ 711	$ 1,555
Net defined benefit assets (Note 20)	11,076	5,666
Others	5,044	4
	$ 16,831	$ 7,225

17. NOTES PAYABLE AND TRADE PAYABLES

	December 31	
	2022	2021
Notes payable		
Operating	$ 2,631	$ 3,219
Trade payables		
Operating	$ 343,106	$ 525,282

The average credit period on purchases of raw materials was 30-120 days. The Group has financial risk management policies in place to ensure that all payables are paid within the pre-agreed credit terms.

18. OTHER LIABILITIES

	December 31	
	2022	2021
Current		
Other payables		
Payables for salaries and bonuses	$ 46,205	$ 105,560
Payables for processing fee	69,633	50,563
	$ 115,838	$ 156,123

(Continued)

	December 31	
	2022	2021
Other liabilities		
Advance receipts	$ 12,741	$ 20,169
Receipts under custody	1,276	1,188
Others	921	5,288
	$ 14,938	$ 26,645
Non-current		
Guarantee deposits	$ 3,336	$ 3,266

(Concluded)

19. PROVISIONS

	December 31	
	2022	2021
Current		
Warranties	$ 30,000	$ 70,000
Non-current		
Warranties	$ 20,000	$ 30,000

The provision for warranty claims represents the present value of management's best estimate of the future outflow of economic benefits that will be required under the Group's obligations for warranties under contracts for the sale of goods. The estimate has been made on the basis of historical warranty trends.

20. RETIREMENT BENEFIT PLANS

a. Defined contribution plans

The Group adopted a pension plan under the Labor Pension Act (LPA), which is a state-managed defined contribution plan. Under the LPA, the Group makes monthly contributions to employees' individual pension accounts at 6% of monthly salaries and wages.

b. Defined benefit plans

The defined benefit plan adopted by the Group in accordance with the Labor Standards Act is operated by the government of the ROC. Pension benefits are calculated on the basis of the length of service and average monthly salaries of the 6 months before retirement. The Group contribute amounts equal to 4% of total monthly salaries and wages to a pension fund administered by the pension fund monitoring committee. Pension contributions are deposited in the Bank of Taiwan in the committee's name. Before the end of each year, the Group assesses the balance in the pension fund. If the amount of the balance in the pension fund is inadequate to pay retirement benefits for employees who conform to retirement requirements in the next year, the Group is required to fund the difference in one appropriation that should be made before the end of March of the next year. The pension fund is managed by the Bureau of Labor Funds, Ministry of Labor (the "Bureau"); the Group has no right to influence the investment policy and strategy.

The amounts included in the balance sheets in respect of the Group's defined benefit plans were as follows:

	December 31	
	2022	2021
Present value of defined benefit obligation	$ 88,843	$ 86,601
Fair value of plan assets	(99,919)	(92,267)
Net defined benefit (assets) liability	$ (11,076)	$ (5,666)

Movements in net defined benefit liability (assets) were as follows:

	Present Value of the Defined Benefit Obligation	Fair Value of the Plan Assets	Net Defined Benefit Liabilities
Balance at January 1, 2021	$ 86,588	$ (86,399)	$ 189
Service cost			
Current service cost	-	-	-
Net interest expense (income)	433	(443)	(10)
Recognized in profit or loss	433	(443)	(10)
Remeasurement			
Return on plan assets (excluding amounts included in net interest)	-	(1,080)	(1,080)
Actuarial (gain) loss			
Changes in demographic assumptions	1,889	-	1,889
Changes in financial assumptions	(852)	-	(852)
Experience adjustments	(1,457)	-	(1,457)
Recognized in other comprehensive income	(420)	(1,080)	(1,500)
Contributions from the employer	-	(4,345)	(4,345)
Balance at December 31, 2021	$ 86,601	$ (92,267)	$ (5,666)
Balance at January 1, 2022	$ 86,601	$ (92,267)	$ (5,666)
Service cost			
Past service cost	5,041	-	5,041
Net interest expense (income)	541	(577)	(36)
Recognized in profit or loss	5,582	(577)	5,005
Remeasurement			
Return on plan assets (excluding amounts included in net interest)	-	(7,075)	(7,075)
Actuarial (gain) loss			
Changes in financial assumptions	(4,278)	-	(4,278)
Experience adjustments	938	-	938
Recognized in other comprehensive income	(3,340)	(7,075)	(10,415)
Contributions from the employer	-	-	-
Balance at December 31, 2022	$ 88,843	$ (99,919)	$ (11,076)

Through the defined benefit plans under the Labor Standards Act, the Group is exposed to the following risks:

1) Investment risk: The plan assets are invested in domestic and foreign equity and debt securities, bank deposits, etc. The investment is conducted at the discretion of the Bureau or under the mandated management. However, in accordance with relevant regulations, the return generated by plan assets should not be below the interest rate for a 2-year time deposit with local banks.

2) Interest risk: A decrease in the government bond interest rate will increase the present value of the defined benefit obligation; however, this will be partially offset by an increase in the return on the plan's debt investments.

3) Salary risk: The present value of the defined benefit obligation is calculated using the future salaries of plan participants. As such, an increase in the salaries of the plan participants will increase the present value of the defined benefit obligation.

The actuarial valuations of the present value of the defined benefit obligation were carried out by qualified actuaries. The significant assumptions used for the purposes of the actuarial valuations were as follows:

	December 31	
	2022	**2021**
Discount rate(s)	1.25%	0.63%
Expected rate(s) of salary increase	2.50%	2.50%

If possible reasonable change in each of the significant actuarial assumptions will occur and all other assumptions will remain constant, the present value of the defined benefit obligation would increase (decrease) as follows:

	December 31	
	2022	**2021**
Discount rate		
0.25% increase	$ (1,618)	$ (1,695)
0.25% decrease	$ 1,670	$ 1,752
Expected rate of salary increase		
0.25% increase	$ 1,623	$ 1,693
0.25% decrease	$ (1,581)	$ (1,647)

The above sensitivity analysis may not be representative of the actual changes in the present value of the defined benefit obligation as it is unlikely that changes in assumptions will occur in isolation of one another as some of the assumptions may be correlated.

	December 31	
	2022	**2021**
Expected contributions to the plan for the next year	$ -	$ -
Average duration of the defined benefit obligation	7.4 years	7.9 years

21. EQUITY

a. Share capital

Ordinary shares

	December 31	
	2022	2021
Shares authorized (in thousands of shares)	220,000	220,000
Shares authorized	$ 2,200,000	$ 2,200,000
Shares issued and fully paid (in thousands of shares)	178,100	178,100
Shares issued	$ 1,781,000	$ 1,781,000

A holder of issued common shares with par value of NT$10 per share is entitled to vote and to receive dividends.

b. Capital surplus

The capital surplus generated from the excess of the issuance price over the par value of capital stock (including the stock issued for new capital), may be used to offset a deficit; in addition, when the Group has no deficit, such capital surplus may be distributed as cash dividends or stock dividends up to a certain percentage of the Group's paid-in capital.

c. Retained earnings and dividends policy

Under the dividends policy as set forth in the Articles, where the Group made a profit in a fiscal year, the profit shall be first utilized for paying taxes, offsetting losses of previous years, setting aside as legal reserve 10% of the remaining profit, setting aside or reversing a special reserve in accordance with the laws and regulations, and then any remaining profit together with any undistributed retained earnings shall be used by the Group's board of directors as the basis for proposing a distribution plan, which should be resolved in the shareholders' meeting for the distribution of dividends and bonuses to shareholders. For the policies on the distribution of compensation of employees and remuneration of directors and supervisors after the amendment, refer to compensation of employees and remuneration of directors and supervisors in Note 23 (h).

The Group is in a steadily growing information industry. In order to meet the Group's long-term business development, future capital needs, long-term financial planning and shareholders' needs for cash inflows, the issuance of cash dividends takes precedence over the payment of share dividends. The aforementioned distribution ratio of cash dividends and share dividends are 50% to 100% and 0% to 50% of the total dividend, respectively.

An appropriation of earnings to the legal reserve shall be made until the legal reserve equals the Group's paid-in capital. The legal reserve may be used to offset deficit. If the Group has no deficit and the legal reserve has exceeded 25% of the Group's paid-in capital, the excess may be transferred to capital or distributed in cash.

When a special reserve is appropriated for cumulative net debit balance reserves from prior period, [the special reserve is only appropriated from the prior unappropriated earnings.

The appropriations of earnings for 2021 and 2020, which were approved in the shareholders' meeting on June 23, 2022 and July 29, 2021, respectively, were as follows:

	Appropriation of Earnings For the Year Ended December 31	
	2021	2020
Legal reserve	$ 36,287	$ 4,887
Special reserve	$ 9,664	$ -
Reversal of special reserve	$ -	$ 3,186
Cash dividends	$ 213,720	$ 46,306
Cash dividends per share (NT$)	$ 1.20	$ 0.26

The Group's shareholders also resolved in the shareholders' meeting on July 29, 2021 to issue cash dividends of $24,934 thousand from the capital surplus.

d. Special reserve

	For the Year Ended December 31	
	2022	2021
Balance at January 1	$ 3,271	$ 6,457
Appropriations in respect of		
Debits to other equity items	9,664	-
Reversals:		
Reversal of the debits to other equity items	-	(3,186)
Balance at December 31	$ 12,935	$ 3,271

On the first-time adoption of IFRSs, the Group appropriated for a special reserve of $2,493 thousand, the same amount as the exchange differences on translating the financial statements of foreign operations transferred to retained earnings.

If a proportionate share of the special reserve appropriated on the first-time adoption of IFRSs relates to exchange differences on translating the financial statements of foreign operations (including the subsidiaries of the Group) will be reversed on the Group's disposal of foreign operations; on the Group's loss of significant influence, however, the entire special reserve will be reversed. Additional special reserve should be appropriated for the amount equal to the difference between net debit balance reserves and the special reserve appropriated on the first-time adoption of IFRSs. Any special reserve appropriated may be reversed to the extent that the net debit balance reverses and is thereafter distributed.

e. Other equity items

1) Exchange differences on the translation of the financial statements of foreign operations

	For the Year Ended December 31	
	2022	2021
Balance at January 1	$ (20,132)	$ (12,750)
Recognized for the year		
Exchange differences on the translation of the financial statements of foreign operations	29,385	(7,382)
Balance at December 31	$ 9,253	$ (20,132)

The exchange differences arising on translation of foreign operation's net assets from its functional currency to the Group's presentation currency are recognized directly in exchange differences on the translation of the financial statements of foreign operations under other comprehensive income.

2) Unrealized valuation gain/(loss) on financial assets at FVTOCI

	For the Year Ended December 31	
	2022	**2021**
Balance at January 1	$ 7,197	$ 9,479
Recognized for the year		
Unrealized gain/(loss) - debt instruments		
Net remeasurement of loss allowance	(27,539)	(4,043)
Reclassification adjustments		
Disposal of investments in debt instruments	6,715	1,761
Balance at December 31	$ (13,627)	$ 7,197

22. REVENUE

	For the Year Ended December 31	
	2022	**2021**
Revenue from contracts with customers		
Revenue from the sale of goods	$ 2,235,929	$ 2,774,070
Other operating income	456	726
	$ 2,236,385	$ 2,774,796

a. Contract balances

	December 31, 2022	**December 31, 2021**	**January 1, 2021**
Trade receivables (Note 10)	$ 119,493	$ 139,912	$ 144,381

b. Contract explanation: Note 32

23. NET (LOSS) PROFIT

a. Interest income

	For the Year Ended December 31	
	2022	**2021**
Bank deposits	$ 5,207	$ 726
Investments in financial assets at FVTOCI	9,269	8,049
	$ 14,476	$ 8,775

b. Other income

	For the Year Ended December 31	
	2022	2021
Rental income		
Investment properties	$ 12,270	$ 11,522
Dividends	14,717	12,839
Others	13,171	15,994
	$ 40,158	$ 40,355

c. Other gains and losses

	For the Year Ended December 31	
	2022	2021
Fair value changes of financial assets and financial liabilities		
Financial assets mandatorily classified as at FVTPL	$ (83,932)	$ 156,013
Net foreign exchange gains/(losses)	53,911	(6,119)
Gain/(loss) on disposal of financial assets		
Investments in debt instruments at FVTOCI	(6,715)	(1,761)
Net loss on disposal of property, plant, and equipments	-	(116)
Others	(3,098)	(6,970)
	$ (39,834)	$ 141,047

d. Finance cost

	For the Year Ended December 31	
	2022	2021
Interest on bank loans	$ -	$ 20
Interest on lease liabilities	105	11
Other interest expense	20	19
	$ 125	$ 50

e. Impairment losses recognized (reversed)

	For the Year Ended December 31	
	2022	2021
Inventories (included in operating costs)	$ (60,413)	$ (39,548)
Trade receivables	$ (1,198)	$ 29,042
Other receivables	$ -	$ (4,351)

f. Depreciation

	For the Year Ended December 31	
	2022	2021
Property, plant, and equipments	$ 3,011	$ 5,137
Investment properties	2,006	2,007
Right-of-use assets	1,618	839
	$ 6,635	$ 7,983
An analysis of depreciation by function		
Operating costs	$ 338	$ 1,138
Operating expenses	4,291	4,838
Other expenses	2,006	2,007
	$ 6,635	$ 7,983

g. Operating expenses directly related to investment properties

	For the Year Ended December 31	
	2022	2021
Direct operating expenses of investment properties generating rental income	$ 2,818	$ 2,768

h. Employee benefits expense

	For the Year Ended December 31	
	2022	2021
Post-employment benefits		
Defined contribution plans	$ 6,007	$ 5,830
Defined benefit plans (see Note 20)	5,005	(10)
	11,012	5,820
Other employee benefits	175,086	271,568
Total employee benefits expense	$ 186,098	$ 277,388
An analysis of employee benefits expense by function		
Operating costs	$ 17,654	$ 48,919
Operating expenses	168,444	228,469
	$ 186,098	$ 277,388

i. Compensation of employees and remuneration of directors and supervisors

According to the Group's Articles, the Group accrues compensation of employees and remuneration of directors and supervisors at the rates 5%-15% and no higher than 3%, respectively, of net profit before income tax, compensation of employees, and remuneration of directors and supervisors.

The compensation of employees and the remuneration of directors and supervisors for the years ended December 31, 2022 and 2021, which were approved by the Group's board of directors on March 24, 2023 and March 24, 2022, respectively, are as follows:

Accrual rate

	For the Year Ended December 31	
	2022	**2021**
Compensation of employees	12.5%	12.5%
Remuneration of directors and supervisors	2.0%	2.0%

Amount

	For the Year Ended December 31	
	2022	**2021**
	Cash	**Cash**
Compensation of employees	$ 2,495	$ 58,492
Remuneration of directors and supervisors	399	9,359

If there is a change in the amounts after the annual financial statements are authorized for issue, the differences are recorded as a change in the accounting estimate.

There is no difference between the actual amounts of compensation of employees and remuneration of directors and supervisors paid and the amounts recognized in the financial statements for the years ended December 31, 2021 and 2020.

Information on the compensation of employees and remuneration of directors and supervisors resolved by the Group's board of directors for 2022 and 2021 is available at the Market Observation Post System website of the Taiwan Stock Exchange.

j. Gains or losses on foreign currency exchange

	For the Year Ended December 31	
	2022	**2021**
Foreign exchange gains	$ 112,232	$ 44,160
Foreign exchange losses	(58,321)	(50,279)
Net Gains (Losses)	$ 53,911	$ (6,119)

24. INCOME TAXES

a. Income tax recognized in profit or loss

Major components of income tax expense are as follows:

	For the Year Ended December 31	
	2022	**2021**
Current tax		
In respect of the current year	$ 23,293	$ 53,473
Income tax on unappropriated earnings	5,160	43
Adjustments for prior year	(25,729)	-
	2,724	53,516
Deferred tax		
In respect of the current year	632	(8,350)
Income tax expense recognized in profit or loss	$ 3,356	$ 45,166

A reconciliation of accounting profit and income tax expense is as follows:

	For the Year Ended December 31	
	2022	**2021**
Profit before tax	$ 16,027	$ 406,841
Income tax expense calculated at the statutory rate	$ (781)	$ 91,200
Nondeductible expenses in determining taxable income	140	132
Tax-exempt income	20,121	(38,685)
Unrecognized deductible temporary differences	4,445	(7,438)
Income tax on unappropriated earnings	5,160	(43)
Adjustments for prior years' tax	(25,729)	-
Income tax expense recognized in profit or loss	$ 3,356	$ 45,166

b. Income tax recognized in other comprehensive income

	For the Year Ended December 31	
	2022	**2021**
Deferred tax		
In respect of the current year		
Translation of foreign operations	$ 7,346	$ (1,845)
Remeasurement of defined benefit plans	2,083	300
Total income tax recognized in other comprehensive income	$ 9,429	$ (1,545)

c. Current tax assets and liabilities

	December 31	
	2022	**2021**
Current tax assets		
Tax refund receivable	$ 4,873	$ 319
Current tax liabilities		
Income tax payable	$ 16,782	$ 49,370

d. Deferred tax assets and liabilities

The movements of deferred tax liabilities are as follows:

For the year ended December 31, 2022

	Opening Balance	**Recognized in Profit or Loss**	**Recognized in Other Comprehen-sive Income**	**Exchange Differences**	**Closing Balance**
Deferred Tax Assets					
Temporary differences					
Unrealized write down of inventories	$ 17,360	$ 10,483	$ -	$ 126	$ 27,969
Unrealized provision	10,000	(5,000)	-	-	5,000
Impairment loss	384	(240)	-	10	154
Unrealized gross profit on associates and joint ventures	5,971	(199)	-	-	5,772
Defined benefit obligations	16	1,082	(1,098)	-	-
Unrealized loss on foreign currency exchange	4,214	(3,123)	-	-	1,091
Others	748	(507)	-	67	308
	$ 38,693	$ 2,496	$ (1,098)	$ 203	$ 40,294
Deferred Tax Liabilities					
Temporary differences					
Defined benefit obligations	$ -	$ -	$ 985	$ -	$ 985
Exchange differences on translating the financial statements of foreign operations	511	-	7,346	-	7,857
Others	-	3,128	-	1	3,129
	$ 511	$ 3,128	$ 8,331	$ 1	$ 11,971

For the year ended December 31, 2021

	Opening Balance	Recognized in Profit or Loss	Recognized in Other Comprehen-sive Income	Exchange Differences	Closing Balance
Deferred Tax Assets					
Temporary differences					
Unrealized write down of inventories	$ 13,586	$ 3,856	$ -	$ (82)	$ 17,360
Unrealized provision	10,000	-	-	-	10,000
Impairment loss	708	(322)	-	(2)	384
Unrealized gross profit on associates and joint ventures	2,897	3,074	-	-	5,971
Defined benefit obligations	283	33	(300)	-	16
Unrealized loss on foreign currency exchange	1,800	2,414	-	-	4,214
Others	228	532	-	(12)	748
	$ 29,502	$ 9,587	$ (300)	$ (96)	$ 38,693
Deferred Tax Liabilities					
Temporary differences					
Exchange differences on translating the financial statements of foreign operations	$ 1,119	$ 1,237	$ (1,845)	$ -	$ 511

e. Deductible temporary differences and unused loss carryforwards for which no deferred tax assets have been recognized in the balance sheets

	December 31	
	2022	2021
Loss carryforwards		
Expiry in 2026	$ -	$ 8,166
Expiry in 2028	-	25,718
Expiry in 2029	-	172,995
Expiry in 2030	-	538
	-	207,417
Deductible temporary differences		
Unrealized loss on investment	149,420	135,750
Impairment loss on financial asset	44,870	44,870
Unrealized provision	25,000	50,000
	219,290	230,620
	$ 219,290	$ 438,037

f. Income tax assessments

As of December 31, 2020, the tax returns have been assessed by the tax authorities.

25. EARNINGS PER SHARE

Unit: NT$ Per Share

	For the Year Ended December 31	
	2022	**2021**
Basic earnings per share	$ 0.07	$ 2.03
Diluted earnings per share	$ 0.07	$ 2.01

Weighted average number of basic earnings per share (in thousands of shares)

	For the Year Ended December 31	
	2022	**2021**
Weighted average number of ordinary shares used in the computation of basic earnings per share	178,100	178,100
Effect of potentially dilutive ordinary shares		
Compensation of employees	831	2,250
Weighted average number of ordinary shares used in the computation of diluted earnings per share	178,931	180,350

The Group may settle the compensation of employees in cash or shares; therefore, the Group assumes that the entire amount of the compensation will be settled in shares, and the resulting potential shares are included in the weighted average number of shares outstanding used in the computation of diluted earnings per share, as the effect is dilutive. Such dilutive effect of the potential shares is included in the computation of diluted earnings per share until the number of shares to be distributed to employees is resolved in the following year.

26. CAPITAL MANAGEMENT

The Group manages its capital to ensure that entities in the Group will be able to continue as going concerns while maximizing the return to stakeholders through the optimization of the debt and equity balance.

The Group is not subject to any externally imposed capital requirements.

27. FINANCIAL INSTRUMENTS

a. Fair value of financial instruments that are not measured at fair value

   Management of the Group believes the carrying amounts of financial assets and financial liabilities recognized in the financial statements approximate their fair values or their fair value cannot be reliably measured.

b. Fair value of financial instruments that are measured at fair value on a recurring basis

1) Fair value hierarchy

December 31, 2022

	Level 1	Level 2	Level 3	Total
Financial assets at FVTPL				
Mutual fund	$ 126,995	$ -	$ -	$ 126,995
Preference shares	18,661	-	61,405	80,066
Common shares	73,880	-	111,210	185,090
	$ 219,536	$ -	$ 172,615	$ 392,151
Financial assets at FVTOCI				
Investment in debt instrument				
Bonds	$ 205,657	$ -	$ -	$ 205,657

December 31, 2021

	Level 1	Level 2	Level 3	Total
Financial assets at FVTPL				
Mutual fund	$ 399,291	$ -	$ -	$ 399,291
Preference shares	23,380	-	58,573	81,953
Common shares	293,605	-	113,770	407,375
	$ 716,276	$ -	$ 172,343	$ 888,619
Financial assets at FVTOCI				
Investment in debt instrument				
Bonds	$ 159,459	$ -	$ -	$ 159,459

2) Reconciliation of Level 3 fair value measurements of financial instruments

December 31, 2022

Financial Assets	Financial Assets at FVTPL Equity Instruments
Balance at January 1, 2022	$ 172,343
Recognized in profit or loss (included in other gains and losses)	2,072
Disposal	(1,800)
Balance at December 31, 2022	$ 172,615
Changes in unrealized gains or losses related to assets held in the end of year and are recognized in profit or losses	$ 2,072

December 31, 2021

Financial Assets	Financial Assets at FVTPL Equity Instruments
Balance at January 1, 2021	$ 80,636
Recognized in profit or loss (included in other gains and losses)	(8,253)
Purchase	99,960
Balance at December 31, 2021	$ 172,343
Changes in unrealized gains or losses related to assets held in the end of year and are recognized in profit or losses	$ (8,253)

3) Valuation techniques and inputs applied for Level 3 fair value measurement

The valuation techniques of domestic unlisted shares are mainly applicable for valuation model.

c. Categories of financial instruments

	December 31	
	2022	**2021**
Financial assets		
FVTPL		
Mandatorily classified as at FVTPL	$ 392,151	$ 888,619
Financial assets at amortized cost (1)	907,370	838,999
Financial assets at FVTOCI		
Investment in debt instrument	205,657	159,459
Financial liabilities		
Amortized cost (2)	464,911	687,890

1) The balances included financial assets at amortized cost, which comprise cash, trade receivables, other receivables, financial assets at amortized cost, and refundable deposits.

2) The balances include financial liabilities measured at amortized cost, which comprise notes payable, trade payables, other payables, and guarantee deposits.

d. Financial risk management objectives and policies

The Group's major financial instruments include equity and debt instrument investments, trade receivables, trade payables, and borrowings. The Group's corporate treasury function provides services to the business, coordinates access to domestic and international financial markets, and monitors and manages the financial risks relating to the operations of the Group through internal risk reports which analyze exposures by degree and magnitude of risks. These risks include market risk (including currency risk and interest rate risk), credit risk and liquidity risk.

1) Market risk

The Group's activities exposed it primarily to the financial risks of changes in foreign currency exchange rates(a) and interest rates(b).

a) Foreign currency risk

The carrying amounts of the Group's foreign currency denominated monetary assets and monetary liabilities at the end of the reporting period are set out in Note 30.

<u>Sensitivity analysis</u>

The Group was mainly exposed to the USD and RMB.

The following table details the Group's sensitivity to a 5% increase and decrease in the functional currency against the relevant foreign currencies. 5% is the sensitivity rate used when reporting foreign currency risk internally to key management personnel and represents management's assessment of the reasonably possible change in foreign exchange rates. A negative number below indicates a decrease in pre-tax profit and other equity when the New Taiwan dollar or other functional currency weakens by 5% against the relevant foreign currency. Conversely, a positive number indicates a decrease in pre-tax profit when the functional currency weakens by 5% against the relevant foreign currency.

	Currency USD Impact		**Currency RMB Impact**	
	For the Year Ended December 31		**For the Year Ended December 31**	
	2022	**2021**	**2022**	**2021**
Profit or loss	$ 3,158	$ 15,077	$ 2,269	$ 63

b) Interest rate risk

The carrying amounts of the Group's financial assets and financial liabilities with exposure to interest rates at the end of the reporting period were as follows:

	December 31	
	2022	**2021**
Fair value interest rate risk		
Financial assets	$ 630,429	$ 592,442
Cash flow interest rate risk		
Financial assets	332,953	218,522

Sensitivity analysis

The sensitivity analysis below was determined based on the Group's exposure to interest rates for non-derivative instruments at the end of the reporting period. For floating rate assets, the analysis was prepared assuming the amount of the assets outstanding at the end of the reporting period was outstanding for the whole year. A 25 base point increase or decrease is used when reporting interest rate risk internally to key management personnel and represents management's assessment of the reasonably possible change in interest rates.

If interest rates had been 25 base point higher/lower and all other variables were held constant, the Group's pre-tax loss and profit for the years ended December 31, 2022 and 2021 would have increased/decreased by $832 thousand and $546 thousand, respectively.

The Group's sensitivity to interest rates increased during the current period mainly due to the increase in floating rate demand deposits.

c) Other price risk

The Group was exposed to equity price risk through its investments in equity securities, mutual funds, and bonds. Equity investments are held for strategic rather than for trading purposes; the Group does not actively trade these investments. The Group's management manage risk by holding portfolio of different investment.

Sensitivity analysis

The sensitivity analysis below was determined based on the exposure to equity price risks at the end of the year.

If equity prices had been 5% higher/lower, pre-tax profit for the years ended December 31, 2022 and 2021 would have increased/decreased by $19,608 thousand and $44,431 thousand, respectively, other comprehensive income for the year ended December 31, 2022 and 2021 would have increased/decreased by $10,283 thousand and $7,973 thousand, respectively, as a result of the changes in fair value of financial assets at FVTOCI.

2) Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in a financial loss to the Group. As at the end of the reporting period, the Group's maximum exposure to credit risk which will cause a financial loss to the Group due to failure of counterparties to discharge an obligation could be the carrying amount of the respective recognized financial assets as stated in the consolidated balance sheet.

The Group adopted a policy of only dealing with creditworthy counterparties and obtaining sufficient collateral and factoring of trade receivables, where appropriate, as a means of mitigating the risk of financial loss from defaults.

Accounts receivables are addressed to wide range of clients and are dispersed across different industries and geographies. The Group continuously evaluates the collateral and financial position obtained by customers receivable.

3) Liquidity risk

The Group manages liquidity risk by monitoring and maintaining a level of cash deemed adequate to finance the Group's operations and mitigate the effects of fluctuations in cash flows. In addition, management monitors the utilization of bank borrowings and ensures compliance with loan covenants.

The Group relies on bank borrowings as a significant source of liquidity. As of December 31, 2022 and 2021, the Group had available unutilized bank loan facilities set out in below.

Financing facilities

	December 31	
	2022	2021
Bank overdraft facilities		
Amount used	$ -	$ -
Amount unused	500,000	500,000
	$ 500,000	$ 500,000

28. TRANSACTIONS WITH RELATED PARTIES

Balances and transaction between the Group and its subsidiaries, which are related parties of the Group, have been eliminated on consolidation and are not disclosed in this note.

Remuneration of key management personnel

The total remuneration of directors and other key management in 2022 and 2021 personnel are as follows:

	For the Year Ended December 31	
	2022	2021
Short-term employee benefits	$ 30,940	$ 48,709

The remuneration of directors and other key management personnel, as determined by the remuneration committee, was based on the performance of individuals and on market trends.

29. ASSETS PLEDGED AS COLLATERAL OR FOR SECURITY

The following assets were provided as collateral for bank borrowings of property:

	December 31	
	2022	2021
Pledged deposits (included in other current assets)	$ -	$ 148
Land and buildings (included in Property, plant and equipment)	23,297	23,340
Land and buildings (included in investment property)	197,799	199,805
	$ 221,096	$ 223,293

30. SIGNIFICANT ASSETS AND LIABILITIES DENOMINATED IN FOREIGN CURRENCIES

The significant assets and liabilities denominated in foreign currencies other than functional currencies of the entities in the Group and the exchange rates between foreign currencies and respective functional currencies were as follows:

December 31, 2022

	Foreign Currency	Exchange Rate	Carrying Amount
Financial assets			
Monetary items			
USD	$ 14,933	30.710 (USD:NTD)	$ 458,585
USD	120	6.965 (USD:RMB)	3,691
RMB	10,736	4.408 (RMB:NTD)	47,325
			$ 509,601
Non-monetary items			
Financial assets at fair value through profit of loss			
USD	4,743	30.710 (USD:NTD)	$ 145,656
Financial assets at fair value through other comprehensive income			
USD	6,697	30.710 (USD:NTD)	205,657
			$ 351,313
Financial liabilities			
Monetary items			
USD	12,996	30.710 (USD:NTD)	$ 399,122
RMB	440	4.408 (RMB:NTD)	1,939
			$ 401,061

December 31, 2021

	Foreign Currency	Exchange Rate	Carrying Amount
Financial assets			
Monetary items			
USD	$ 29,323	27.680 (USD:NTD)	$ 811,660
USD	122	6.376 (USD:RMB)	3,373
RMB	292	4.344 (RMB:NTD)	1,267
			$ 816,300
Non-monetary items			
Financial assets at fair value through profit of loss			
USD	6,927	27.680 (USD:NTD)	$ 191,751
Financial assets at fair value through other comprehensive income			
USD	5,761	27.680 (USD:NTD)	159,459
			$ 351,210
Financial liabilities			
Monetary items			
USD	18,551	27.680 (USD:NTD)	$ 513,494

The significant realized and unrealized foreign exchange gains (losses) were as follows:

	For the Year Ended December 31			
	2022		2021	
Functional Currency	Exchange Rate	Net Foreign Exchange Loss	Exchange Rate	Net Foreign Exchange Loss
NTD	1 (NTD:NTD)	$ 53,512	1 (NTD:NTD)	$ (5,369)
USD	29.805 (USD:NTD)	(70)	28.009 (USD:NTD)	(577)
RMB	4.422 (RMB:NTD)	469	4.342 (RMB:NTD)	(173)
		$ 53,911		$ (6,119)

31. SEPARATELY DISCLOSED ITEMS

a. Information about significant transactions:

1) Financing provided to others (None).

2) Endorsements/guarantees provided (None).

3) Marketable securities held (excluding investment in subsidiaries, associates and jointly controlled entities) (Table 1).

4) Marketable securities acquired or disposed of at costs or prices of at least NT$300 million or 20% of the paid-in capital (None).

5) Acquisition of individual real estate at costs of at least NT$300 million or 20% of the paid-in capital (None).

6) Disposal of individual real estate at prices of at least NT$300 million or 20% of the paid-in capital (None).

7) Total purchases from or sales to related parties amounting to at least NT$100 million or 20% of the paid-in capital (Table 2).

8) Receivables from related parties amounting to at least NT$100 million or 20% of the paid-in capital (Table 3).

9) Trading in derivative instruments (None).

10) Others: Intercompany relationships and significant intercompany transactions (Table 4).

b. Information on reinvestments (Table 5).

c. Information on investment in mainland China:

1) Information on any investee company in mainland China, showing the name, principal business activities, paid-in capital, method of investment, inward and outward remittance of funds, ownership percentage, net income of investees, investment income or loss, carrying amount of the investment at the end of the period, repatriations of investment income, and limit on the amount of investment in the mainland China area (Table 6).

2) Any of the following significant transactions with investee companies in mainland China, either directly or indirectly through a third party, and their prices, payment terms, and unrealized gains or losses: (None)

a) The amount and percentage of purchases and the balance and percentage of the related payables at the end of the period.

b) The amount and percentage of sales and the balance and percentage of the related receivables at the end of the period.

c) The amount of property transactions and the amount of the resultant gains or losses.

d) The balance of negotiable instrument endorsements or guarantees or pledges of collateral at the end of the period and the purposes.

e) The highest balance, the end of period balance, the interest rate range, and total current period interest with respect to the financing of funds.

f) Other transactions that have a material effect on the profit or loss for the period or on the financial position, such as the rendering or receiving of services.

d. Information of major shareholders: List all shareholders with ownership of 5% or greater showing the name of the shareholder, the number of shares owned, and percentage of ownership of each shareholder (Table 7).

32. SEGMENT INFORMATION

Information reported to the chief operating decision maker for the purpose of resource allocation and assessment of segment performance focuses on types of corporation. Specifically, the Group's reportable segments were as follows:

- Asia-Pacific Operating Segment: manufacture of computer mainboard, industrial computers and display cards, and sale of electronic products in the Asia-Pacific area.
- America Sales Segment: sale of electronic products in the Americas
- Europe Sales Segment: sale of electronic products in Europe

a. Segment revenues and results

The following is an analysis of the Group's revenue and result from continuing operations from reportable segment.

	Segment revenues		Segment profit (loss)	
	For the year ended December 31		For the year ended December 31	
	2022	2021	2022	2021
Asia-Pacific operating segment	$ 1,638,140	$ 2,072,344	$ 20,318	$ 173,431
America sales segment	311,464	311,464	(11,448)	15,926
Europe sales segment	286,781	390,988	(7,338)	27,357
Total of continuing operations	$ 2,236,385	$ 2,774,796	1,532	216,714
Interest revenues			14,476	8,775
Other income			40,158	40,355
Other profit or losses			(39,834)	141,047
Finance costs			(125)	(50)
Income before tax			$ 16,207	$ 406,841

The above segment revenues are from sales to external clients. The intercompany transactions of 2022 and 2021 are eliminated. Segment profit represents the profit before tax earned by each segment without allocation of interest income, other income, other gains or losses, finance costs and income tax expense. This is the measure reported to the chief operating decision maker for the purpose of resource allocation and assessment of segment performance.

b. Segment assets and liabilities

	For the year ended December 31	
	2022	**2021**
Segment assets		
Asia-Pacific operating segment	$ 2,529,517	$ 3,056,161
America sales segment	173,936	141,596
Europe sales segment	106,293	98,062
Total segment assets	$ 2,809,746	$ 3,295,819
Segment liabilities		
Asia-Pacific operating segment	$ 552,671	$ 849,021
America sales segment	7,029	8,002
Europe sales segment	2,619	7,393
Total segment liabilities	$ 562,319	$ 864,416

c. Information about major customers

Single customers contributing 10% or more to the Group's revenue in 2022 and 2021 were as follows:

	For the year ended December 31	
	2022	**2021**
Customer A	$ 184,863	$ 366,035

TABLE 1

BIOSTAR MICROTECH INT'L CORP. AND SUBSIDIARIES

MARKETABLE SECURITIES HELD
FOR THE YEAR ENDED DECEMBER 31, 2022
(In Thousands of New Taiwan Dollars)

Holding Company Name	Type and Name of Marketable Securities	Relationship with the Holding Company	Financial Statement Account	December 31, 2022				Note
				Shares	Carrying Amount	Percentage of Ownership (%)	Market Value or Net Asset Value	
Biostar Microtech Int'L Corp.	Bonds							
	AMXLMM 5 3/8 04/04/32 -REGS- 5/8% 04 Apr 2032	None	Financial assets at fair value through other comprehensive income - current	300	$ 8,315	-	$ 8,315	
	ARGENTUM NETHERLANDS B.V. FRN 5 3/4% 15 Aug 2050	None	Financial assets at fair value through other comprehensive income - current	400	11,639	-	11,639	
	BARCLAYS 5.2% 12 May 2026	None	Financial assets at fair value through other comprehensive income - current	300	8,963	-	8,963	
	C 4.14 05/24/25 FRN 4,14 % 24 May 2025	None	Financial assets at fair value through other comprehensive income - current	300	9,034	-	9,034	
	COMMERZBANK AG REG-S 8 1/8% 19 Sep 2023	None	Financial assets at fair value through other comprehensive income - current	300	9,285	-	9,285	
	HSBC 5.21 08/11/28 FRN 5.21 % 11 Aug 2028	None	Financial assets at fair value through other comprehensive income - current	300	8,902	-	8,902	
	HYSAN 4.1 PERP FRN 4.1% 03 Mar 2169	None	Financial assets at fair value through other comprehensive income - current	300	7,909	-	7,909	
	JPM 3.9 07/15/25 3.9 % 15 Jul 2025	None	Financial assets at fair value through other comprehensive income - current	300	9,004	-	9,004	
	MQGAU 1.201 10/14/25 FRN -REGS- 1.201% 14 Oct 2025	None	Financial assets at fair value through other comprehensive income - current	300	8,459	-	8,459	
	MS 3.62 04/17/25 FRN 3,62 % 17 Apr 2025	None	Financial assets at fair value through other comprehensive income - current	300	8,993	-	8,993	
	MUFG 2.193 02/25/25 2,193% 25 Feb 2025	None	Financial assets at fair value through other comprehensive income - current	300	8,629	-	8,629	
	NSANY 4.81 09/17/30 -REGS- 4.81% 17 Sep 2030	None	Financial assets at fair value through other comprehensive income - current	700	18,295	-	18,295	
	ORACLE CORP 2.95 % 15 May 2025	None	Financial assets at fair value through other comprehensive income - current	300	8,748	-	8,748	
	QBE INSURANCE GROUP 6 3/4% 02 Dec 2044	None	Financial assets at fair value through other comprehensive income - current	400	11,974	-	11,974	
	SCGAU 5 1/8 09/24/2080 FRN -REGS- 5 1/8% 24 Sep 2080	None	Financial assets at fair value through other comprehensive income - current	500	12,867	-	12,867	
	SOCGEN 6.221 06/15/33 FRN -REGS- 6.221% 15 Jun 2033	None	Financial assets at fair value through other comprehensive income - current	300	8,650	-	8,650	
	STANLN 3.785 05/21/25 FRN -REGS- 3,785% 21 May 2025	None	Financial assets at fair value through other comprehensive income - current	300	8,894	-	8,894	
	STANLN 3.971 03/30/26 FRN -REGS- 3.971% 30 Mar 2026	None	Financial assets at fair value through other comprehensive income - current	300	8,806	-	8,806	
	T-MOBILE USA INC 4 3/4% 01 Feb 2028	None	Financial assets at fair value through other comprehensive income - current	300	8,957	-	8,957	
	TRPCN 5 7/8 08/15/2076 FRN -16-A- 5 7/8% 15 Aug 2076	None	Financial assets at fair value through other comprehensive income - current	350	10,217	-	10,217	
	VOD 4 1/8 06/04/2081 FRN 4 1/8% 04 Jun 2081	None	Financial assets at fair value through other comprehensive income - current	400	9,117	-	9,117	
					$ 205,657		$ 205,657	

(Continued)

Holding Company Name	Type and Name of Marketable Securities	Relationship with the Holding Company	Financial Statement Account	December 31, 2022				Note
				Shares	Carrying Amount	Percentage of Ownership (%)	Market Value or Net Asset Value	
	Mutual funds							
	BLACKROCK ASIA TIGER BD USD DIS A3	None	Financial assets at fair value through profit or loss - current	40	$ 11,821	-	$ 11,821	
	BLACKROCK CHINA BOND USD HDG DIS A6	None	Financial assets at fair value through profit or loss - current	49	12,341	-	12,341	
	JPM GLB BOND OPPS FD USD DIST C MTH	None	Financial assets at fair value through profit or loss - current	5	14,601	-	14,601	
	JPM GLB HI YLD USD BD FD DIST -C-	None	Financial assets at fair value through profit or loss - current	6	15,668	-	15,668	
	JPM INCOME USD DIV C	None	Financial assets at fair value through profit or loss - current	5	13,388	-	13,388	
	MZNCH ENHANCEDYIELD ST USDHDGACC R	None	Financial assets at fair value through profit or loss - current	4	16,238	-	16,238	
	PIMCO GLBL IG CREDIT USD ACC INV	None	Financial assets at fair value through profit or loss - current	22	13,598	-	13,598	
	PIMCO INCOME FUND USD ACC INV	None	Financial assets at fair value through profit or loss - current	41	16,029	-	16,029	
	PIMCO INCOME FUND USD INC INV	None	Financial assets at fair value through profit or loss - current	47	13,311	-	13,311	
					$ 126,995		$ 126,995	
	Preference shares							
	ATHENE HOLDING LTD PFD PERP FRN A	None	Financial assets at fair value through profit or loss - current	15	$ 9,881	-	$ 9,881	
	AEGON FUNDING CORP II PFD	None	Financial assets at fair value through profit or loss - current	15	8,780	-	8,780	
					$ 18,661		$ 18,661	
	Domestic listed shares							
	United Microelectronics Corporation	None	Financial assets at fair value through profit or loss - current	1,000	$ 40,700	-	$ 40,700	
	Arcadyan Technology Corporation	None	Financial assets at fair value through profit or loss - current	200	19,140	-	19,140	
	K. S. Terminals Inc.	None	Financial assets at fair value through profit or loss - current	200	14,040	-	14,040	
					$ 73,880		$ 73,880	
	Domestic unlisted shares							
	Gunitech Corp.	None	Financial assets at fair value through profit or loss - non-current	1,250	$ 11,250	12.50	$ 11,250	
	Phansco Co., Ltd.	None	Financial assets at fair value through profit or loss - non-current	1,250	-	13.82	-	
	Ostar Meditech Corp.	None	Financial assets at fair value through profit or loss - non-current	660	-	10.59	-	
	AMIC TECHNOLOGY CORPORATION	None	Financial assets at fair value through profit or loss - non-current	79	-	-	-	
	HODAD ELECTRONIC CO., LTD.	None	Financial assets at fair value through profit or loss - non-current	309	-	1.93	-	
	GenkiTek Technology Co., Ltd.	None	Financial assets at fair value through profit or loss - non-current	500	-	15.63	-	
	BE Epitaxy Semiconductor Technology Co., Ltd.	None	Financial assets at fair value through profit or loss - non-current	19,978	99,960	16.65	99,960	
					$ 111,210		$ 111,210	
	Domestic unlisted preference shares							
	Element III Venture Capital Co., Ltd.	None	Financial assets at fair value through profit or loss - non-current	2,820	$ 28,701	5.39	$ 28,701	
	Element IV Venture Capital Co., Ltd.	None	Financial assets at fair value through profit or loss - non-current	3,000	32,704	11.45	32,704	
					$ 61,405		$ 61,405	

(Concluded)

TABLE 2

BIOSTAR MICROTECH INT'L CORP. AND SUBSIDIARIES

TOTAL PURCHASES FROM OR SALES TO RELATED PARTIES AMOUNTING TO AT LEAST $100 MILLION OR 20% OF THE PAID-IN CAPITAL
FOR THE YEAR ENDED DECEMBER 31, 2022
(In Thousands of New Taiwan Dollars)

Buyer	Related Party	Relationship	Transaction Detail				Abnormal Transaction		Notes/Accounts Receivable (Payable)		Note
			Purchase/ Sale	Amount	% of Total	Payment Terms	Unit Price	Payment Terms	Ending Balance	% to Total	
Biostar Microtech Int'L Corp.	Biostar Microtech (U.S.A.) Corp.	Subsidiary	Sales	$ 313,392	14.33	About 120 days	Normal	Normal	$ 170,384	55.83	
	Biostar Microtech Netherlands B.V.	Subsidiary	Sales	271,366	12.21	About 120 days	Normal	Normal	56,290	18.44	

Note: The transactions between the Company and investee companies have already been eliminated in the preparation of the consolidated financial statements.

TABLE 3

BIOSTAR MICROTECH INT'L CORP. AND SUBSIDIARIES

RECEIVABLES FROM RELATED PARTIES AMOUNTING TO AT LEAST NT$100 MILLION OR 20% OF THE PAID-IN CAPITAL
DECEMBER 31, 2022
(In Thousands of New Taiwan Dollars)

Company Name	Related Party	Relationship	Ending Balance	Turnover Rate	Overdue		Amounts Received in Subsequent Period	Allowance for Impairment Loss
					Amount	Action Taken		
Garnet International Corp.	Biostar Microtech Int'L Corp.	Parent	$ 263,400	-	$ -	-	$ -	$ -
Biostar Microtech Int'L Corp.	Biostar Microtech (U.S.A.) Corp.	Subsidiary	170,384	-	-	-	43,156	-

Note: All transactions listed in the table have been eliminated in the preparation of the consolidated statements.

BIOSTAR MICROTECH INT'L CORP. AND SUBSIDIARIES

INTERCOMPANY RELATIONSHIPS AND SIGNIFICANT TRANSACTIONS
DECEMBER 31, 2022
(In Thousands of New Taiwan Dollars)

No. (Note 1)	Investee Company	Counterparty	Relationship (Note 2)	Transaction Details			
				Financial Statement Accounts	Amount	Payment Terms	% to Total Sales or Assets (Note 3)
0	Biostar Microtech Int'L Corp.	Garnet International Corp.	1	Processing costs	$ 10,750	Under arm's length terms	1
		Garnet International Corp.	1	Other payables - related parties	263,400	Under arm's length terms	9
		Biostar Microtech (U.S.A.) Corp.	1	Sales	318,392	Under arm's length terms	14
		Biostar Microtech (U.S.A.) Corp.	1	Account receivables - related parties	170,384	Under arm's length terms	6
		Biostar Microtech Netherlands B.V.	1	Sales	271,366	Under arm's length terms	12
		Biostar Microtech Netherlands B.V.	1	Account receivables - related parties	56,290	Under arm's length terms	2

Note 1: Companies are identified by number, as follows:

a. "0" represents the parent company.
b. Subsidiaries are numbered sequentially starting from "1".

Note 2: The flow of transactions is as follows:

a. 1 - from the parent company to the subsidiary.
b. 2 - from the subsidiary to the parent company.
c. 3 - between subsidiaries.

Note 3: Percentage of consolidated operating revenues or consolidated total assets: If the account is in the balance sheet, it was calculated by dividing the ending balance by the consolidated total assets; if the account is in the income statement, it was calculated by dividing the interim cumulative balance by the consolidated operating revenue.

Note 4: All transactions listed in the table have been eliminated in the preparation of the consolidated statements.

TABLE 5

BIOSTAR MICROTECH INT'L CORP. AND SUBSIDIARIES

INFORMATION ON INVESTEES
FOR THE YEAR ENDED DECEMBER 31, 2022
(In Thousands of New Taiwan Dollars)

Investor Company	Investee Company	Location	Main Businesses and Products	Original Investment Amount		As of December 31, 2022			Net Income (Loss) of the Investee	Share of Profit (Loss)	Note
				December 31, 2022	December 31, 2021	Shares	%	Carrying Amount			
Biostar Microtech Int'L Corp.	Garnet International Corp.	British Virgin Islands	Manufacture and sale of mainboard, industrial computers, and display card	$ 327,523 (US$ 10,700)	$ 327,523 (US$ 10,700)	10,700	100	$ 285,177	$ 2,963	$ 2,963	Subsidiary
	Biostar Microtech (U.S.A.) Corp.	USA	Manufacture and sale of mainboard, industrial computers, and display card	93,990 (US$ 3,000)	93,990 (US$ 3,000)	3,000	100	2,260	(10,985)	(13,088)	Subsidiary
	Biostar Microtech Europe Holding B.V.	Netherlands	Investment business	47,270 (EUR 1,000)	47,270 (EUR 1,000)	10	100	46,992	(5,713)	(2,610)	Subsidiary
	Immense Wealth International Limited.	Samoa	Investment business	20,659 (US$ 700)	20,659 (US$ 700)	1,000	100	9,799	65	65	Subsidiary
Biostar Microtech Europe Holding B.V.	Biostar Microtech Netherlands B.V.	Netherlands	Manufacture and sale of mainboard, industrial computers, and display card	47,270 (EUR 1,000)	47,270 (EUR 1,000)	10	100	59,945 (US$ 1,952)	(5,702) (US$ -191)	(5,702) (US$ -191)	Sub-subsidiary

Note: The share of profit or loss among investee companies and the net worth between investor and investee companies under the equity method are all eliminated at the time the consolidated financial statements are prepared.

TABLE 6

BIOSTAR MICROTECH INT'L CORP. AND SUBSIDIARIES

INFORMATION ON INVESTMENTS IN MAINLAND CHINA
FOR THE YEAR ENDED DECEMBER 31, 2022
(In Thousands of New Taiwan Dollars)

1. The name of investee company, main business and products, paid-in capital, investment method, remittance of funds, shareholding ratio, investment gain (loss), carrying amount, and repatriation of investment income of mainland China.

Investee Company	Main Businesses and Products	Paid-in Capital	Method of Investment	Accumulated Outward Remittance for Investment from Taiwan as of January 1, 2022	Remittance of Funds		Accumulated Outward Remittance for Investment from Taiwan as of December 31, 2022	Net Income (Loss) of the Investee (Note 1)	% Ownership of Direct or Indirect Investment	Investment Profut (Loss)	Carrying Amount as of December 31, 2022	Accumulated Repatriation of Investment Income as of December 31, 2022
					Outward	Inward						
Dong Guan Biomax Technology Co., Ltd.	Electronic technology consulting services	US$ 125 (RMB 764)	Indirect investment in mainland China through companies registered in a third region. (Notes 2 and 3)	$ -	$ -	$ -	$ -	$ (249) (RMB -56)	100	$ (249) (RMB -56)	$ 3,019 (RMB 685)	$ -
Hong Ren Ren Yi Medical Equipment (Dongguan) Co., Ltd.	Manufacture and sale of medical supplies and equipments	RMB 4,500	Indirect investment in mainland China through companies registered in a third region. (Note 4)	20,043 (RMB 4,500)	-	-	20,043 (RMB 4,500)	(214) (RMB -48)	100	(214) (RMB -48)	(6,198) (RMB -1,406)	-

2.

Accumulated Outward Remittance for Investment in Mainland China as of December 31, 2021	Investment Amounts Authorized by Investment Commission, MOEA	Upper Limit on the Amount of Investment Stipulated by Investment Commission, MOEA
US$655 (RMB4,500) NT$20,043	US$780 (RMB5,264) NT$23,954 (Note 5)	60% of net equity is $1,348,456 (Note 6)

Note 1: Calculated based on the financial statement audited by the accountant in the same period and shareholding percentage.

Note 2: Investment capital are from the investment in the third region, not remitted from Taiwan.

Note 3: The investment company in the third region is Garnet International Corp.

Note 4: The investment company in the third region is Immense Wealth International Limited.

Note 5: The investment amount approved by the Investment Review Committee of the Ministry of Economic Affairs is converted from the exchange rate of NT$30.71 to US$1 on December 31, 2022.

Note 6: Calculated according to the third point of the Ministry of Economic Affairs' review principles for investment and technical cooperation in the mainland, the higher one between the company's net income and the combined net income is used.

TABLE 7

BIOSTAR MICROTECH INT'L CORP. AND SUBSIDIARIES

INFORMATION OF MAJOR SHAREHOLDERS
DECEMBER 31, 2022

Name of Major Shareholder	Shares	
	Number of Shares	Percentage of Ownership (%)
Note 3	-	-

Note 1: The information of major shareholders presented in this table is provided by the Taiwan Depository & Clearing Corporation based on the number of ordinary shares and preferred shares held by shareholders with ownership of 5% or greater, that have been issued without physical registration (including treasury shares) by the Company as of the last business day of the current quarter. The share capital in the consolidated financial statements may differ from the actual number of shares that have been issued without physical registration because of different basis in preparation.

Note 2: If a shareholder delivers the shareholdings to the trust, the above information will be disclosed by the individual trustor who opened the trust account. For shareholders who declare insider shareholdings with ownership greater than 10% in accordance with the Securities and Exchange Act, the shareholdings include shares held by shareholders and those delivered to the trust over which shareholders have the right to determine the use of trust property. For information relating to insider shareholding declaration, please refer to the Market Observation Post System.

Note 3: There is no shareholder that owns over 5% of shares on December 31, 2022.

5. A Parent Company Only Financial Statement for the Most Recent Fiscal Year certified by a CPA

INDEPENDENT AUDITORS' REPORT

The Board of Directors and Shareholders
Biostar Microtech Int'L Corp.

Opinion

We have audited the accompanying financial statements of Biostar Microtech Int'L Corp. (the "Company"), which comprise the balance sheets as of December 31, 2022 and 2021 and the statements of comprehensive income, changes in equity and cash flows for the years then ended, and the notes to the financial statements, including a summary of significant accounting policies (collectively referred to as the "financial statements").

In our opinion, based on our audits and the reports of other auditors (please refer to the other matter paragraph), the accompanying financial statements present fairly, in all material respects, the financial position of the Company as of December 31, 2022 and 2021, and its financial performance and its cash flows for the years then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers.

Basis for Opinion

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

Key Audit Matters

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

Key audit matters of the Company's financial statements for the year ended December 31, 2022 are stated as follows:

Estimation Uncertainty on Write-Down of Inventories

The Company is primarily engaged in sales of computer motherboards, industrial computer and other computer peripheral products. The industrial characteristic and frequent releases of products resulting in the slow-moving (unmarketable) and obsolescence. The estimation of inventories net realisable value involved management uncertainty. The actual result might differ from the estimates. The estimation uncertainty on write-down of inventories is critical to financial statements as of December 31, 2022. Therefore, it was identified as a key audit matter. Please refer to Notes 4, 5 and 11 to the financial statements for detailed information related to the estimation uncertainty on write-down of inventories' accounting policies, estimation uncertainty and disclosures.

Our main audit procedures we performed to address the above key audit matter were as follows:

1. We obtained an understanding of the Company's inventories evaluation policies and the design of internal controls related to inventories evaluation and tested the operating effectiveness of such control.

2. We selected the sales and purchase documentation and tested the book value of inventories to check whether they were measured at lower of cost and net realisable value.

3. We tested and recalculated the data used by the management to calculate the allowance for inventory impairment losses and we compared the amount of the allowance for inventory impairment losses recognized by Biostar Microtech Int'L Corp. Afterwards, we confirmed the scrap inventory and whether it was listed in accordance with the inventory policy of the Company.

4. We observed the annual inventory count, and observed whether there were sluggish or obsolete inventories.

Other Matter

As disclosed in first paragraph to financial statements, we did not audit the financial statements of Biostar Microtech (U.S.A.) Corp. and Biostar Microtech Europe Holding B.V. accounted for using the equity method included in the financial statements of the Company, but such statements were audited by other auditors. Our opinion, insofar as it relates to the investments and the share of profit (loss) of the investees accounted for using the equity method audited by other auditors, was based solely on the reports of the other auditors. The total investments in investees accounted for using the equity method were NT$49,252 thousand and NT$56,022 thousand, which constituted 1.60% and 1.59% of total assets as of December 31, 2022 and 2021, respectively; and the share of the other comprehensive income of the subsidiaries and associates accounted for using the equity method was NT$(15,698) thousand and NT$22,198 thousand, which constituted (52.78%) and 6.28% of the total comprehensive income for the years ended December 31, 2022 and 2021, respectively.

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

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Those charged with governance, including members of the audit committee, are responsible for overseeing the Company's financial reporting process.

Auditors' Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the 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 financial statements.

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

1. Identify and assess the risks of material misstatement of the 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 Company'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 Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.

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

6. Obtain sufficient and appropriate audit evidence regarding the financial information of entities or business activities within the Company to express an opinion on the financial statements. We are responsible for the direction, supervision, and performance of the 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 financial statements for the year ended December 31, 2022 and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare 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 audits resulting in this independent auditors' report are Ching-Cheng Yang and Han-Ni Fang.

Deloitte & Touche
Taipei, Taiwan
Republic of China

March 24, 2023

Notice to Readers

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

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

BIOSTAR MICROTECH INT'L CORP.

BALANCE SHEETS
DECEMBER 31, 2022 AND 2021
(In Thousands of New Taiwan Dollars)

	2022		2021	
ASSETS	**Amount**	**%**	**Amount**	**%**
CURRENT ASSETS				
Cash and cash equivalents (Note 6)	$ 703,149	23	$ 598,995	17
Financial assets at fair value through profit or loss - current (Note 7)	219,536	7	716,276	20
Financial assets at fair value through other comprehensive income - current (Note 8)	205,657	7	159,459	5
Financial assets at amortized cost - current (Note 9)	29,000	1	29,000	1
Trade receivables, net (Notes 10 and 22)	78,521	3	105,693	3
Trade receivables from related parties (Notes 10, 22 and 28)	226,674	7	169,137	5
Other receivables (Notes 10 and 28)	15,189	1	11,672	-
Current tax assets (Note 24)	2,866	-	319	-
Inventories, net (Notes 5 and 11)	692,043	22	857,706	24
Other current assets (Notes 16 and 29)	5,423	-	5,639	-
Total current assets	2,178,058	71	2,653,896	75
NON-CURRENT ASSETS				
Financial assets at fair value through profit or loss - non-current (Note 7)	172,615	6	172,343	5
Investments accounted for using the equity method (Note 12)	344,228	11	320,167	9
Property, plant and equipment (Notes 13 and 29)	131,750	4	132,628	4
Investment properties, net (Notes 15 and 29)	197,799	6	199,805	6
Deferred tax assets (Note 24)	38,359	1	36,811	1
Other non-current assets (Notes 16 and 20)	16,477	1	6,250	-
Total non-current assets	901,228	29	868,004	25
TOTAL	$ 3,079,286	100	$ 3,521,900	100
LIABILITIES AND EQUITY				
CURRENT LIABILITIES				
Notes payable (Note 17)	$ 2,631	-	$ 3,219	-
Trade payables (Notes 17 and 28)	358,991	12	503,631	14
Other payables (Notes 18 and 28)	374,338	12	409,371	12
Current tax liabilities (Note 24)	16,782	1	49,281	1
Provision - current (Note 19)	30,000	1	70,000	2
Other current liabilities (Note 18)	13,871	-	21,218	1
Total current liabilities	796,613	26	1,056,720	30
NON-CURRENT LIABILITIES				
Provisions - non-current (Note 19)	20,000	1	30,000	1
Deferred tax liabilities (Note 24)	11,910	-	511	-
Other non-current liabilities (Note 18)	3,336	-	3,266	-
Total non-current liabilities	35,246	1	33,777	1
Total liabilities	831,859	27	1,090,497	31
EQUITY (Note 21)				
Share capital				
Ordinary shares	1,781,000	58	1,781,000	50
Capital surplus	66,778	2	66,778	2
Retained earnings				
Legal reserve	265,837	9	229,550	7
Special reserve	12,935	-	3,271	-
Unappropriated earnings	125,251	4	363,739	10
Total retained earnings	404,023	13	596,560	17
Other equity	(4,374)	-	(12,935)	-
Total equity	2,247,427	73	2,431,403	69
TOTAL	$ 3,079,286	100	$ 3,521,900	100

The accompanying notes are an integral part of the financial statements.

(With Deloitte & Touche auditors' report dated March 24, 2023)

BIOSTAR MICROTECH INT'L CORP.

STATEMENTS OF COMPREHENSIVE INCOME
FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021
(In Thousands of New Taiwan Dollars, Except Earnings (Loss) Per Share)

	2022		2021	
	Amount	**%**	**Amount**	**%**
OPERATING REVENUE (Notes 22 and 28)	$ 2,222,219	100	$ 2,742,073	100
OPERATING COSTS (Notes 11, 23 and 28)	1,974,855	89	2,277,092	83
GROSS PROFIT	247,364	11	464,981	17
OPERATING EXPENSES (Notes 10, 23 and 28)				
Selling and marketing expenses	113,756	5	134,917	5
General and administrative expenses	43,248	2	62,220	2
Research and development expenses	69,812	4	96,168	4
Expected credit loss (gain)	1,000	-	(25,609)	(1)
Total operating expenses	227,816	11	267,696	10
PROFIT FROM OPERATIONS	19,548	-	197,285	7
NON-OPERATING INCOME AND EXPENSES				
Interest income (Note 23)	14,384	1	8,735	-
Other income (Notes 23 and 28)	36,026	2	34,630	1
Other gains and losses (Notes 23 and 30)	(40,199)	(2)	143,139	5
Finance costs	(20)	-	(39)	-
Share of profit of subsidiaries	(12,670)	(1)	16,335	1
Total non-operating income and expenses	(2,479)	-	202,800	7
PROFIT BEFORE INCOME TAX	17,069	-	400,085	14
INCOME TAX EXPENSE (Note 24)	4,218	-	38,410	1
NET PROFIT FOR THE YEAR	12,851	-	361,675	13
OTHER COMPREHENSIVE INCOME (LOSS) (Notes 20, 21 and 24)				
Items that will not be reclassified subsequently to profit or loss:				
Remeasurement of defined benefit plans	10,415	-	1,500	-
Income tax related to items that will not be reclassified subsequently to profit or loss	(2,083)	-	(300)	-
	8,332	-	1,200	-

(Continued)

BIOSTAR MICROTECH INT'L CORP.

STATEMENTS OF COMPREHENSIVE INCOME
FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021
(In Thousands of New Taiwan Dollars, Except Earnings (Loss) Per Share)

	2022		2021	
	Amount	**%**	**Amount**	**%**
Items that may be reclassified subsequently to profit or loss:				
Exchange differences on translation of the financial statements of foreign operations	$ 36,731	2	$ (9,227)	-
Unrealized gain (loss) on investments in debt instruments at fair value through other comprehensive income	(20,824)	(1)	(2,282)	-
Income tax related to items that may be reclassified subsequently to profit or loss	(7,346)	-	1,845	-
	8,561	1	(9,664)	-
Other comprehensive loss for the period, net of income tax	16,893	1	(8,464)	-
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	$ 29,744	1	$ 353,211	13
EARNINGS PER SHARE (Note 25)				
Basic	$ 0.07		$ 2.03	
Diluted	$ 0.07		$ 2.01	

The accompanying notes are an integral part of the financial statements.

(With Deloitte & Touche auditors' report dated March 24, 2023) (Concluded)

BIOSTAR MICROTECH INT'L CORP.

STATEMENTS OF CHANGES IN EQUITY
FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021
(In Thousands of New Taiwan Dollars)

			Retained Earnings				Other Equity			
	Ordinary Shares	Capital Surplus	Legal Reserve	Special Reserve	Unappropriated Earnings (Accumulated Deficits)	Total	Exchange Differences on Translating the Financial Statements of Foreign Operations	Unrealized Valuation Gain (Loss) on Financial Assets at Fair Value Through Other Comprehensive Income	Total	Total Equity
BALANCE AT JANUARY 1, 2021	$ 1,781,000	$ 91,712	$ 224,663	$ 6,457	$ 48,871	$ 279,991	$ (12,750)	$ 9,479	$ (3,271)	$ 2,149,432
Appropriation of 2020 earnings										
Legal reserve	-	-	4,887	-	(4,887)	-	-	-	-	-
Cash dividends distributed by the Company	-	(24,934)	-	-	(46,306)	(46,306)	-	-	-	(71,240)
Special reserve reversed	-	-	-	(3,186)	3,186	-	-	-	-	-
	-	(24,934)	4,887	(3,186)	(48,007)	(46,306)	-	-	-	(71,240)
Net profit for the year ended December 31, 2021	-	-	-	-	361,675	361,675	-	-	-	361,675
Other comprehensive income (loss) for the year ended December 31, 2021, net of income tax	-	-	-	-	1,200	1,200	(7,382)	(2,282)	(9,664)	(8,464)
Total comprehensive income (loss) for the year ended December 31, 2021	-	-	-	-	362,875	362,875	(7,382)	(2,282)	(9,664)	353,211
BALANCE AT DECEMBER 31, 2021	1,781,000	66,778	229,550	3,271	363,739	596,560	(20,132)	7,197	(12,935)	2,431,403
Appropriation of 2021 earnings										
Legal reserve	-	-	36,287	-	(36,287)	-	-	-	-	-
Special reserve	-	-	-	9,664	(9,664)	-	-	-	-	-
Cash dividends distributed by the Company	-	-	-	-	(213,720)	(213,720)	-	-	-	(213,720)
	-	-	36,287	9,664	(259,671)	(213,720)	-	-	-	(213,720)
Net profit for the year ended December 31, 2022	-	-	-	-	12,851	12,851	-	-	-	12,851
Other comprehensive income (loss) for the year ended December 31, 2022, net of income tax	-	-	-	-	8,332	8,332	29,385	(20,824)	8,561	16,893
Total comprehensive income (loss) for the year ended December 31, 2022	-	-	-	-	21,183	21,183	29,385	(20,824)	8,561	29,744
BALANCE AT DECEMBER 31, 2022	$ 1,781,000	$ 66,778	$ 265,837	$ 12,935	$ 125,251	$ 404,023	$ 9,253	$ (13,627)	$ (4,374)	$ 2,247,427

The accompanying notes are an integral part of the financial statements.

(With Deloitte & Touche auditors' report dated March 24, 2023)

BIOSTAR MICROTECH INT'L CORP.

STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021
(In Thousands of New Taiwan Dollars)

	2022	2021
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before income tax	$ 17,069	$ 400,085
Adjustments for:		
Depreciation expense	4,661	6,333
Expected credit loss recognized (reversed) on trade receivables	1,000	(25,609)
Net loss (gain) on fair value changes of financial assets and liabilities at fair value through profit or loss	83,932	(156,013)
Finance costs	20	39
Interest income	(14,384)	(8,735)
Dividend income	(14,717)	(12,839)
Share of the profit of subsidiaries	12,670	(16,335)
Net loss on disposal of financial assets	6,715	1,761
Write-down of inventories	51,073	34,267
Unrealized net loss (gain) on foreign currency exchange	(9,315)	29,471
Changes in operating assets and liabilities		
Notes receivable	-	4,619
Trade receivables	26,172	(6,703)
Trade receivables from related parties	(57,537)	6,446
Other receivables	(2,888)	60,416
Inventories	114,590	(387,331)
Other current assets	216	11,818
Other operating assets	(5,017)	296
Notes payable	(588)	12
Trade payables	(144,640)	73,589
Other payables	(35,033)	98,501
Provisions	(50,000)	-
Other current liabilities	(7,347)	11,363
Net defined benefit liabilities	5,005	(4,355)
Cash generated from/(used in) operations	(18,343)	121,096
Interest paid	(20)	(39)
Income taxes returned (paid)	(38,842)	722
Net cash generated from/(used in) operating activities	(57,205)	121,779
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of financial assets at fair value through other comprehensive income	(118,860)	(11,350)
Proceeds from sale of financial assets at fair value through other comprehensive income	51,747	8,003
Purchase of financial assets at fair value through profit or loss	(307,882)	(1,001,755)
Proceeds from sale of financial assets at fair value through profit or loss	723,109	1,027,557
Payments for property, plant and equipment	(1,777)	(1,367)

(Continued)

BIOSTAR MICROTECH INT'L CORP.

STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021
(In Thousands of New Taiwan Dollars)

	2022	2021
Decrease in refundable deposits	$ 200	$ 985
Interest received	13,755	8,741
Dividends received	14,717	12,839
Net cash generated from investing activities	375,009	43,653
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from guarantee deposits received	70	1
Dividends paid to owners of the Company	(213,720)	(71,240)
Net cash used in financing activities	(213,650)	(71,239)
NET INCREASE IN CASH AND CASH EQUIVALENTS	104,154	94,193
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR	598,995	504,802
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	$ 703,149	$ 598,995

The accompanying notes are an integral part of the financial statements.

(With Deloitte & Touche auditors' report dated March 24, 2023) (Concluded)

(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

1. GENERAL INFORMATION

Biostar Microtech Int'L Corp. (the "Company") was incorporated in the Republic of China (ROC) in August 1990 and commenced business in November 1990. The Company mainly manufactures and sells computer motherboards, industrial computer and other computer peripheral products.

The Company's shares have been listed on the Taipei Exchange (TPEx) mainboard since December 1998. In December 1999 the Company increased its share capital, which are listed on Taiwan Stock Exchange (TWSE).

The financial statements are presented in the Company's functional currency, the New Taiwan dollar.

2. APPROVAL OF FINANCIAL STATEMENTS

The financial statements were approved by the Company's board of directors on March 24, 2023.

3. APPLICATION OF NEW, AMENDED AND REVISED STANDARDS AND INTERPRETATIONS

a. Initial application of the amendments to the International Financial Reporting Standards (IFRS), International Accounting Standards (IAS), IFRIC Interpretations (IFRIC), and SIC Interpretations (SIC) (collectively, the "IFRSs") endorsed and issued into effect by the Financial Supervisory Commission (FSC)

   The initial application of the IFRSs endorsed and issued into effect by the FSC did not have material impact on the Company's accounting policies.

b. The IFRSs endorsed by the FSC for application starting from 2023

New, Amended and Revised Standards and Interpretations	Effective Date Announced by IASB
Amendments to IAS 1 "Disclosure of Accounting Policies"	January 1, 2023 (Note 1)
Amendments to IAS 8 "Definition of Accounting Estimates"	January 1, 2023 (Note 2)
Amendments to IAS 12 "Deferred Tax related to Assets and Liabilities arising from a Single Transaction"	January 1, 2023 (Note 3)

Note 1: The amendments will be applied prospectively for annual reporting periods beginning on or after January 1, 2023.

Note 2: The amendments will be applicable to changes in accounting estimates and changes in accounting policies that occur on or after the beginning of the annual reporting period beginning on or after January 1, 2023.

Note 3: Except for deferred taxes that were recognized on January 1, 2022 for temporary differences associated with leases and decommissioning obligations, the amendments were applied prospectively to transactions that occur on or after January 1, 2022.

As of the date the financial statements were authorized for issue, the Company has the application of other standards and interpretations will not have material impact on the Company's financial position and financial performance.

c. New IFRSs in issue but not yet endorsed and issued into effect by the FSC

New IFRSs	Effective Date Announced by IASB (Note 1)
Amendments to IFRS 10 and IAS 28 "Sale or Contribution of Assets between an Investor and its Associate or Joint Venture"	To be determined by IASB
Amendments to IFRS 16 "Leases Liability in a Sale and Leaseback"	January 1, 2024 (Note 2)
IFRS 17 "Insurance Contracts"	January 1, 2023
Amendments to IFRS 17	January 1, 2023
Amendments to IFRS 17 "Initial Application of IFRS 9 and IFRS 17 - Comparative Information"	January 1, 2023
Amendments to IAS 1 "Classification of Liabilities as Current or Non-current"	January 1, 2024
Amendments to IAS 1 "Non-current Liabilities with Covenants"	January 1, 2024

Note 1: Unless stated otherwise, the above New IFRSs are effective for annual reporting periods beginning on or after their respective effective dates.

Note 2: A seller-lessee shall apply the Amendments to IFRS 16 retrospectively to sale and leaseback transactions entered into after the date of initial application of IFRS 16.

As of the date the financial statements were authorized for issue, the Company is continuously assessing the possible impact that the application of other standards and interpretations will have on the Company's financial position and financial performance and will disclose the relevant impact when the assessment is completed.

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

a. Statement of compliance

The parent company only financial statements have been prepared in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers.

b. Basis of preparation

The parent company only financial statements have been prepared on the historical cost basis except for financial instruments which are measured at fair value and net defined benefit liabilities which are measured at the present value of the defined benefit obligation less the fair value of plan assets.

The fair value measurements, which are grouped into Levels 1 to 3 based on the degree to which the fair value measurement inputs are observable and based on the significance of the inputs to the fair value measurement in its entirety, are described as follows:

1) Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities;

2) Level 2 inputs are inputs other than quoted prices included within Level 1 that are observable for an asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices); and

3) Level 3 inputs are unobservable inputs for an asset or liability.

When preparing the Company's financial statements, the Company used the equity method to account for its investments in subsidiaries. In order for the amounts of the net profit for the year, other comprehensive income for the year and total equity in the parent company only financial statements to be the same with the amounts attributable to the owners of the Company in its financial statements, adjustments arising from the differences in accounting treatments between the parent company only basis and basis were made to investments accounted for using the equity method, the share of profit or loss of subsidiaries, the share of other comprehensive income of subsidiaries, and the related equity items, as appropriate, in the Company's financial statements.

c. Classification of current and non-current assets and liabilities

Current assets include:

1) Assets held primarily for the purpose of trading;

2) Assets expected to be realized within 12 months after the reporting period; and

3) Cash unless the asset is restricted from being exchanged or used to settle a liability for at least 12 months after the reporting period.

Current liabilities include:

1) Liabilities held primarily for the purpose of trading;

2) Liabilities due to be settled within 12 months after the reporting period; and

3) Liabilities for which the Company does not have an unconditional right to defer settlement for at least 12 months after the reporting period.

Assets and liabilities that are not classified as current are classified as non-current.

d. Foreign currencies

In preparing the Company's financial statements, transactions in currencies other than the Company's functional currency (i.e., foreign currencies) are recognized at the rates of exchange prevailing at the dates of the transactions.

At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Exchange differences on monetary items arising from settlement or translation are recognized in profit or loss in the period in which they arise.

Non-monetary items denominated in foreign currencies that are measured at fair value are retranslated at the rates prevailing at the date when the fair value is determined. Exchange differences arising from the retranslation of non-monetary items are included in profit or loss for the period except for exchange differences arising from the retranslation of non-monetary items in respect of which gains and losses are recognized directly in other comprehensive income; in which case, the exchange differences are also recognized directly in other comprehensive income.

Non-monetary items denominated in a foreign currency that are measured at historical cost in a foreign currency are translated using the exchange rate at the date of the transaction.

For the purposes of presenting the financial statements, the assets and liabilities of the Company and its foreign operations (including of the subsidiaries in other countries or those that use currencies that are different from the Company) are translated into New Taiwan dollars using the exchange rates prevailing at the end of each reporting period. Income and expense items are translated at the average exchange rates for the period. Exchange differences arising are recognized in other comprehensive income.

e. Inventories

Inventories consist of raw materials, work-in-process and finished goods and are stated at the lower of cost or net realizable value. Inventory write-downs are made by item, except where it may be appropriate to group similar or related items. The net realizable value is the estimated selling price of inventories less all estimated costs of completion and costs necessary to make the sale. Inventories are recorded at weighted-average cost and stated at lower of cost or net realizable value on the balance sheet date.

f. Investments in subsidiaries

The Company uses the equity method to account for its investments in subsidiaries.

Subsidiaries are the entities controlled by the Company.

Under the equity method, an investment in a subsidiary is initially recognized at cost and adjusted thereafter to recognize the Company’s share of the profit or loss and other comprehensive income of the subsidiary. The Company also recognizes the changes in the Company’s share of equity of subsidiaries.

Changes in the Company’s ownership interest in a subsidiary that do not result in the Company losing control of the subsidiary are accounted for as equity transactions. The Company recognizes directly in equity any difference between the carrying amount of the investment and the fair value of the consideration paid or received.

When the Company’s share of loss of a subsidiary exceeds its interest in that subsidiary (which includes any carrying amount of the investment accounted for using the equity method and long-term interests that, in substance, form part of the Company’s net investment in the subsidiary), the Company continues recognizing its share of further loss, if any.

Any excess of the cost of acquisition over the Company’s share of the net fair value of the identifiable assets and liabilities of a subsidiary that constitutes a business at the date of acquisition is recognized as goodwill, which is included within the carrying amount of the investment and is not amortized. Any excess of the Company’s share of the net fair value of the identifiable assets and liabilities of a subsidiary that constitutes a business over the cost of acquisition is recognized immediately in profit or loss.

The Company assesses its investment for any impairment by comparing the carrying amount with the estimated recoverable amount as assessed based on the investee’s financial statements as a whole. Impairment loss is recognized when the carrying amount exceeds the recoverable amount. If the recoverable amount of the investment subsequently increases, the Company recognizes a reversal of the impairment loss; the adjusted post-reversal carrying amount should not exceed the carrying amount that would have been recognized (net of amortization or depreciation) had no impairment loss been recognized in prior years. An impairment loss recognized on goodwill cannot be reversed in a subsequent period.

When the Company loses control of a subsidiary, it recognizes the investment retained in the former subsidiary at its fair value at the date when control is lost. The difference between the fair value of the retained investment plus any consideration received and the carrying amount of the previous investment at the date when control is lost is recognized as a gain or loss in profit or loss. Besides this, the Company accounts for all amounts previously recognized in other comprehensive income in relation to that subsidiary on the same basis as would be required had the Company directly disposed of the related assets or liabilities.

Profit or loss resulting from downstream transactions is eliminated in full only in the parent company only financial statements. Profit and loss resulting from upstream transactions and transactions between subsidiaries is recognized only in the parent company only financial statements and only to the extent of interests in the subsidiaries that are not related to the Company.

g. Property, plant and equipment

Property, plant and equipment are initially measured at cost and subsequently measured at cost less accumulated depreciation and accumulated impairment loss.

Except for freehold land which is not depreciated, the depreciation of property, plant and equipment is recognized using the straight-line method. Each significant part is depreciated separately. The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in the estimate accounted for on a prospective basis.

On derecognition of an item of property, plant and equipment, the difference between the sales proceeds and the carrying amount of the asset is recognized in profit or loss.

h. Investment properties

Investment properties are properties held to earn rental or for capital appreciation.

Investment properties are initially measured at cost, including transaction costs. Subsequent to initial recognition, investment properties are measured at cost less accumulated depreciation and accumulated impairment loss. Depreciation is recognized using the straight-line method.

On derecognition of an investment property, the difference between the net disposal proceeds and the carrying amount of the asset is included in current profit or loss.

i. Impairment of property, plant and equipment and investment properties

At the end of each reporting period, the Company reviews the carrying amounts of its property, plant and equipment, right-of-use asset, investment properties and intangible assets, to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss. When it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs. Corporate assets are allocated to the individual cash-generating units on a reasonable and consistent basis of allocation.

The recoverable amount is the higher of fair value less costs to sell and value in use. If the recoverable amount of an asset or cash-generating unit is estimated to be less than its carrying amount, the carrying amount of the asset or cash-generating unit is reduced to its recoverable amount, with the resulting impairment loss recognized in profit or loss.

When an impairment loss is subsequently reversed, the carrying amount of the corresponding asset or cash-generating unit is increased to the revised estimate of its recoverable amount, but only to the extent of the carrying amount that would have been determined had no impairment loss been recognized on the asset or cash-generating unit in prior years. A reversal of an impairment loss is recognized in profit or loss.

j. Financial instruments

Financial assets and financial liabilities are recognized when the Company becomes a party to the contractual provisions of the instruments.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issuance of financial assets and financial liabilities (other than financial assets and financial liabilities at FVTPL) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at FVTPL are recognized immediately in profit or loss.

1) Financial assets

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

a) Measurement categories

Financial assets are classified into the following categories: Financial assets at FVTPL, financial assets at amortized cost and investments in equity instruments at FVTOCI.

i. Financial assets at FVTPL

Financial assets are classified as at FVTPL when such financial assets are mandatorily classified or designated as at FVTPL. Financial assets mandatorily classified as at FVTPL include investments in equity instruments which are not designated as at FVTOCI and debt instruments that do not meet the amortized cost criteria or the FVTOCI criteria.

Financial assets at FVTPL are subsequently measured at fair value, and any dividends on such financial assets are recognized in other income; any remeasurement gains or losses on such financial assets are recognized in other gains or losses.

ii. Financial assets at amortized cost

Financial assets that meet the following conditions are subsequently measured at amortized cost:

i) The financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows; and

ii) The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Subsequent to initial recognition, financial assets at amortized cost, including cash and cash equivalents, trade receivables at amortized cost, other receivable and refundable deposits, are measured at amortized cost, which equals the gross carrying amount determined using the effective interest method less any impairment loss. Exchange differences are recognized in profit or loss.

Interest income is calculated by applying the effective interest rate to the gross carrying amount of such a financial asset, except for:

i) Purchased or originated credit-impaired financial assets, for which interest income is calculated by applying the credit-adjusted effective interest rate to the amortized cost of such financial assets; and

ii) Financial asset that is not credit impaired on purchase or origination but has subsequently become credit impaired, for which interest income is calculated by applying the effective interest rate to the amortized cost of such financial assets in subsequent reporting periods.

Cash equivalents include time deposits with original maturities within 3 months from the date of acquisition, which are highly liquid, readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value. These cash equivalents are held for the purpose of meeting short-term cash commitments.

iii. Investments in debt instruments at FVTOCI

Debt instruments that meet the following conditions are subsequently measured at FVTOCI:

i) The debt instrument is held within a business model whose objective is achieved by both the collecting of contractual cash flows and the selling of such financial assets; and

ii) The contractual terms of the debt instrument give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Investments in debt instruments at FVTOCI are subsequently measured at fair value. Changes in the carrying amounts of these debt instruments relating to changes in foreign currency exchange rates, interest income calculated using the effective interest method and impairment losses or reversals are recognized in profit or loss. Other changes in the carrying amount of these debt instruments are recognized in other comprehensive income and will be reclassified to profit or loss when the investment is disposed of.

b) Impairment of financial assets

The Company recognizes a loss allowance for expected credit losses on financial assets at amortized cost (including trade receivables), investments in debt instruments at fair value through other comprehensive income.

The Company always recognizes lifetime expected credit losses (ECLs) for trade receivables. For all other financial instruments, the Company recognizes lifetime ECLs when there has been a significant increase in credit risk since initial recognition. If, on the other hand, the credit risk on a financial instrument has not increased significantly since initial recognition, the Company measures the loss allowance for that financial instrument at an amount equal to 12-month ECLs.

The impairment loss of all financial assets is recognized in profit or loss by a reduction in their carrying amounts through a loss allowance account, except for investments in debt instruments that are measured at FVTOCI, for which the loss allowance is recognized in other comprehensive income and the carrying amounts of such financial assets are not reduced.

c) Derecognition of financial assets

The Company derecognizes a financial asset only when the contractual rights to the cash flows from the asset expire or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party.

On derecognition of a financial asset at amortized cost in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognized in profit or loss. On derecognition of an investment in a debt instrument at FVTOCI, the difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss which had been recognized in other comprehensive income is recognized in profit or loss. However, on derecognition of an investment in an equity instrument at FVTOCI, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognized in profit or loss, and the cumulative gain or loss which had been recognized in other comprehensive income is transferred directly to retained earnings, without recycling through profit or loss.

2) Financial liabilities

a) Subsequent measurement

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

b) Derecognition of financial liabilities

The difference between the carrying amount of a financial liability derecognized and the consideration paid, is recognized in profit or loss.

k. Provisions

Provisions are measured at the best estimate of the discounted cash flows of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation.

<u>Warranties</u>

Provisions for the expected cost of warranty obligations to assure that products comply with agreed-upon specifications are recognized on the date of sale of the relevant products at the best estimate by the management of the Company of the expenditures required to settle the Company's obligations.

l. Revenue recognition

The Company identifies contracts with customers, allocates the transaction price to the performance obligations and recognizes revenue when performance obligations are satisfied.

1) Revenue from the sale of goods

Revenue from the sale of goods comes from sales of electronic equipment. Company are recognized as revenues and trade receivables when control of the merchandise is transferred to the customer.

The Company does not recognize revenue on materials delivered to subcontractors because this delivery does not involve a transfer of control.

2) Revenue from the rendering of services

Revenue from the rendering of services is recognized when information verification service is rendered.

m. Leases

At the inception of a contract, the Company assesses whether the contract is, or contains, a lease.

1) The Company as lessor

Leases are classified as finance leases whenever the terms of a lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

Lease payments (less any lease incentives payable) from operating leases are recognized as income on a straight-line basis over the terms of the relevant leases. Initial direct costs incurred in obtaining operating leases are added to the carrying amounts of the underlying assets and recognized as expenses on a straight-line basis over the lease terms.

When a lease includes both land and building elements, the Company assesses the classification of each element separately as a finance or an operating lease based on the assessment as to whether substantially all the risks and rewards incidental to ownership of each element have been transferred to the lessee. The lease payments are allocated to the land and the building elements in proportion to the relative fair values of the leasehold interests in the land element and building element of the lease at the inception of the contract. If the allocation of the lease payments can be made reliably, each element is accounted for separately in accordance with its lease classification. When the lease payments cannot be allocated reliably to the land and building elements, the entire lease is generally classified as a finance lease unless it is clear that both elements are operating leases; in which case, the entire lease is classified as an operating lease.

2) The Company as lessee

The Company recognizes right-of-use assets and lease liabilities for all leases at the commencement date of a lease, except for short-term leases and low-value asset leases accounted for by applying a recognition exemption where lease payments are recognized as expenses on a straight-line basis over the lease terms.

n. Employee benefits

1) Short-term employee benefits

Liabilities recognized in respect of short-term employee benefits are measured at the undiscounted amount of the benefits expected to be paid in exchange for the related service.

2) Retirement benefits

Payments to defined contribution retirement benefit plans are recognized as an expense when employees have rendered services entitling them to the contributions.

Defined benefit costs (including service cost, net interest and remeasurement) under defined benefit retirement benefit plans are determined using the projected unit credit method. Service cost (including current service cost) is recognized as employee benefits expense in the period they occurs. Remeasurement, comprising actuarial gains and losses and the return on plan assets (excluding interest), is recognized in other comprehensive income in the period in which it occurs. Remeasurement recognized in other comprehensive income is reflected immediately in retained earnings and will not be reclassified to profit or loss.

Net defined benefit liabilities (assets) represents the actual deficit (surplus) in the Company's defined benefit plan. Any surplus resulting from this calculation is limited to the present value of any refunds from the plans or reductions in future contributions to the plans.

o. Taxation

Income tax expense represents the sum of the tax currently payable and deferred tax.

1) Current tax

Income tax payable (recoverable) is based on taxable profit (loss) for the year determined according to the applicable tax laws of tax jurisdiction.

According to the Income Tax Act in the ROC, an additional tax on unappropriated earnings is provided for in the year the shareholders approve to retain earnings.

Adjustments of prior years' tax liabilities are added to or deducted from the current year's tax provision.

2) Deferred tax

Deferred tax is recognized on temporary differences between the carrying amounts of assets and liabilities and the corresponding tax bases used in the computation of taxable profit.

Deferred tax liabilities are generally recognized for all taxable temporary differences. Deferred tax assets are generally recognized for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilized.

Deferred tax liabilities are recognized for taxable temporary differences associated with investments in subsidiaries and affiliates, except where the Company is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax assets arising from deductible temporary differences associated with such investments and interests are recognized only to the extent that it is probable that there will be sufficient taxable profits against which to utilize the benefits of the temporary differences and such temporary differences are expected to reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the assets to be recovered. A previously unrecognized deferred tax asset is also reviewed at the end of each reporting period and recognized to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liabilities are settled or the assets are realized, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period. The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Company expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

3) Current and deferred taxes

Current and deferred taxes are recognized in profit or loss, except when they relate to items that are recognized in other comprehensive income or directly in equity; in which case, the current and deferred taxes are also recognized in other comprehensive income or directly in equity, respectively. Where current tax or deferred tax arises from the initial accounting for the acquisition of a subsidiary, the tax effect is included in the accounting for the investments in a subsidiary.

5. CRITICAL ACCOUNTING JUDGMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of the Company's accounting policies, management is required to make judgments, estimations and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised if the revisions affect only that period or in the period of the revisions and future periods if the revisions affect both current and future periods.

Key Sources of Estimation Uncertainty

Write-down of inventories

The net realizable value of inventories is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale. The estimation of net realizable value is based on current market conditions and historical experience in the sale of product of a similar nature. Changes in market conditions may have a material impact on the estimation of the net realizable value.

6. CASH AND CASH EQUIVALENTS

	December 31	
	2022	**2021**
Cash on hand	$ 236	$ 303
Checking accounts and demand deposits	308,464	196,012
Cash equivalents (investments with original maturities of 3 months or less)		
Time deposits	394,449	402,680
	$ 703.149	$ 598,995

The market rate intervals of cash in the bank at the end of the year were as follows:

	December 31	
	2022	**2021**
Demand deposits	0.001%-0.4%	0.001%-0.4%

7. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	December 31	
	2022	2021
Financial assets at FVTPL - current		
Financial assets mandatorily classified as at FVTPL		
Non-derivative financial assets		
Mutual funds	$ 126,995	$ 399,291
Preference shares	18,661	23,380
Domestic listed shares	73,880	251,540
Overseas listed shares	-	42,065
	$ 219,536	$ 716,276
Financial assets at FVTPL - non-current		
Financial assets mandatorily classified as at FVTPL		
Non-derivative financial assets		
Domestic unlisted shares	$ 111,210	$ 113,770
Domestic unlisted preference shares	61,405	58,573
	$ 172,615	$ 172,343

8. FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

Investments in Debt Instruments at FVTOCI

	December 31	
	2022	2021
Current		
Foreign investments		
Government bonds	$ 205,657	$ 159,459

The Company adopted a policy of only investing only in debt instruments that are rated the equivalent of investment grade or higher and have low credit risk for the purpose of impairment assessment. The credit rating information is supplied by independent rating agencies. The Company's exposure and the external credit ratings are continuously monitored. The Company reviews changes in bond yields and other publicly available information and makes an assessment whether there has been a significant increase in credit risk since the last period to the reporting date.

9. FINANCIAL ASSETS AT AMORTIZED COST

	December 31	
	2022	2021
Current		
Time deposits with original maturities of more than 3 months	$ 29,000	$ 29,000

The ranges of interest rates for time deposits with original maturities of more than 3 months were approximately 0.785% and 0.41% per annum as of December 31, 2022 and 2021, respectively.

10. TRADE RECEIVABLES AND OTHER RECEIVABLES

	December 31	
	2022	**2021**
Trade receivables		
At amortized cost		
Gross carrying amount	$ 82,521	$ 108,693
Less: Allowance for impairment loss	(4,000)	(3,000)
	$ 78,521	$ 105,693
Trade receivables from related parties	$ 226,674	$ 169,137
Other receivables		
Discount receivable	$ 12,591	$ 14,465
Other receivables from related parties	1,925	1,514
Interest receivables	673	44
Less: Allowance for impairment loss	-	(4,351)
	$ 15,189	$ 11,672

a. Trade receivables

The average credit period of sales of goods is 30-180 days. The Company measures the loss allowance for trade receivables at an amount equal to lifetime ECLs. The expected credit losses on trade receivables are estimated using a provision matrix by reference to the past default experience of the customer, the customer's current financial position, economic condition of the industry in which the customer operates, as well as the GDP forecasts and industry outlook. As the Company's historical credit loss experience does not show significantly different loss patterns for different customer segments, the provision for loss allowance based on past due status is not further distinguished according to the Company's different customer base.

The Company writes off a trade receivable when there is information indicating that the debtor is in severe financial difficulty and there is no realistic prospect of recovery. For trade receivables that have been written off, the Company continues to engage in enforcement activity to attempt to recover the receivables due. Where recoveries are made, these are recognized in profit or loss.

The following table details the loss allowance of trade receivables (include trade receivables from related parties) based on the Company's provision matrix.

December 31, 2022

	Not Past Due	1 to 30 Days	91 to 180 Days	Over 180 Days	Total
Expected credit loss rate	0.01%	5.47%	-	100%	
Gross carrying amount	$ 237,495	$ 71,636	$ -	$ 64	$ 309,195
Loss allowance (Lifetime ECLs)	(15)	(3,921)	-	(64)	(4,000)
Amortized cost	$ 237,480	$ 67,715	$ -	$ -	$ 305,195

December 31, 2021

	Not Past Due	1 to 90 Days	91 to 180 Days	Over 180 Days	Total
Expected credit loss rate	1.02%	0.20%	-	100%	
Gross carrying amount	$ 254,198	$ 23,268	$ -	$ 364	$ 277,830
Loss allowance (Lifetime ECLs)	(2,589)	(47)	-	(364)	(3,000)
Amortized cost	$ 251,609	$ 23,221	$ -	$ -	$ 274,830

The movements of the loss allowance of trade receivables were as follows:

	For the Year Ended December 31	
	2022	2021
Balance at January 1	$ 3,000	$ 32,960
Add: Net remeasurement of loss allowance	1,000	-
Less: Net remeasurement of loss allowance	-	(29,960)
Balance at December 31	$ 4,000	$ 3,000

b. Other receivables

The Company measures the loss allowance for other receivables at an amount equal to actual credit losses of customers; therefore, there is no uncertain recovery in addition to the amount as follows.

The movements of the loss allowance of other receivables were as follows:

	For the Year Ended December 31	
	2022	2021
Balance at January 1	$ 4,351	$ -
Add: Net remeasurement of loss allowance	-	4,351
Less: Amounts written off	(4,351)	-
Balance at December 31	$ -	$ 4,351

11. INVENTORIES

	December 31	
	2022	2021
Raw materials	$ 324,030	$ 533,678
Work-in-process	61,514	58,796
Finished goods	306,499	265,232
	$ 692,043	$ 857,706

For the years ended December 31, 2022 and 2021, the cost of goods sold related to inventories amounted to $1,974,855 thousand and $2,277,092 thousand, respectively, which included the write-down of inventories $51,073 thousand and $34,267 thousand, respectively.

12. INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD

Investments in Subsidiaries

	December 31	
	2022	2021
Unlisted equity investments		
Garnet International Corp.	$ 285,177	$ 254,552
Biostar Microtech (U.S.A.) Corp.	2,260	12,723
Biostar Microtech Europe Holding B.V.	46,992	43,299
Immense Wealth International Limited	9,799	9,593
	$ 344,228	$ 320,167

At the end of the reporting period, the proportion of ownership and voting rights in subsidiaries held by the Company were as follows:

	Proportion of Ownership and Voting Rights	
	December 31	
	2022	2021
Garnet International Corp.	100.00%	100.00%
Biostar Microtech (U.S.A.) Corp.	100.00%	100.00%
Biostar Microtech Europe Holding B.V.	100.00%	100.00%
Immense Wealth International Limited	100.00%	100.00%

Refer to Note 31 for the details of the subsidiaries indirectly held by the Company.

13. PROPERTY, PLANT AND EQUIPMENT

	Freehold Land	Buildings	Machinery and Equipment	Other Equipment	Total
Cost					
Balance at January 1, 2021	$ 97,344	$ 86,458	$ 5,591	$ 80,293	$ 269,686
Additions	-	419	-	948	1,367
Disposals	-	-	(3,512)	(233)	(3,745)
Balance at December 31, 2021	$ 97,344	$ 86,877	$ 2,079	$ 81,008	$ 267,308
Accumulated depreciation					
Balance at January 1, 2021	$ -	$ 51,397	$ 5,164	$ 77,538	$ 134,099
Depreciation expense	-	1,770	427	2,129	4,326
Disposals	-	-	(3,512)	(233)	(3,745)
Balance at December 31, 2021	$ -	$ 53,167	$ 2,079	$ 79,434	$ 134,680
Carrying amount at December 31, 2021	$ 97,344	$ 33,710	$ -	$ 1,574	$ 132,628
Cost					
Balance at January 1, 2022	$ 97,344	$ 86,877	$ 2,079	$ 81,008	$ 267,308
Additions	-	490	-	1,287	1,777
Disposals	-	(3,772)	(1,435)	(23,631)	(28,838)
Balance at December 31, 2022	$ 97,344	$ 83,595	$ 644	$ 58,664	$ 240,247
Accumulated depreciation					
Balance at January 1, 2022	$ -	$ 53,167	$ 2,079	$ 79,434	$ 134,680
Depreciation expense	-	1,707	-	948	2,655
Disposals	-	(3,772)	(1,435)	(23,631)	(28,838)
Balance at December 31, 2022	$ -	$ 51,102	$ 644	$ 56,751	$ 108,497
Carrying amount at December 31, 2022	$ 97,344	$ 32,493	$ -	$ 1,913	$ 131,750

No impairment assessment was performed for the years ended December 31, 2022 and 2021 as there was no indication of impairment.

The above items of property, plant and equipment are depreciated on a straight-line basis over their estimated useful lives as follows:

Building	
Main buildings	28-55 years
Air-conditioning units	3-6 years
Machinery and equipment	3 years
Other equipment	2-4 years

Property, plant and equipment pledged as collateral for bank borrowings are set out in Note 29.

14. LEASE ARRANGEMENTS

	December 31	
	2022	2021
Expenses relating to short-term leases	$ 1,387	$ 1,387
Total cash outflow for leases	$ (1,387)	$ (1,387)

The Company's leases of building qualify as short-term asset leases. The Company has elected to apply the recognition exemption and thus, did not recognize right-of-use assets and lease liabilities for these leases.

15. INVESTMENT PROPERTIES

	Land	Buildings	Total
Cost			
Balance at January 1, 2021	$ 142,300	$ 104,069	$ 246,369
Addition	-	-	-
Balance at December 31, 2021	$ 142,300	$ 104,069	$ 246,369
Accumulated depreciation and impairment			
Balance at January 1, 2021	$ -	$ 44,557	$ 44,557
Depreciation expense	-	2,007	2,007
Balance at December 31, 2021	$ -	$ 46,564	$ 46,564
Carrying amount at December 31, 2021	$ 142,300	$ 57,505	$ 199,805
Cost			
Balance at January 1, 2022	$ 142,300	$ 104,069	$ 246,369
Addition	-	-	-
Balance at December 31, 2022	$ 142,300	$ 104,069	$ 246,369
Accumulated depreciation and impairment			
Balance at January 1, 2022	$ -	$ 46,564	$ 46,564
Depreciation expense	-	2,006	2,006
Balance at December 31, 2022	$ -	$ 48,570	$ 48,570
Carrying amount at December 31, 2022	$ 142,300	$ 55,499	$ 197,799

Investment properties are depreciated using the straight-line method over their estimated useful lives as follows:

Buildings	
Main buildings	55 years
Air-conditioning units	3-8 years
Other equipment	3-8 years

The market for comparable properties is inactive and alternative reliable measurements of fair value are not available; therefore, the Company determined that the fair value of the investment property is not reliably measurable.

The investment properties are leased out for 1 year. The lessees do not have bargain purchase options to acquire the investment properties at the expiry of the lease periods.

The maturity analysis of lease payments receivable under operating leases of investment properties was as follows:

	December 31	
	2022	2021
Year 1	$ 9,483	$ 9,381

All of the Company's investment properties are proprietary owned. The investment properties pledged as collateral for bank borrowings are set out in Note 29.

16. OTHER ASSETS

	December 31	
	2022	2021
Current		
Prepayments	$ 5,104	$ 5,247
Others	319	392
	$ 5,423	$ 5,639
Non-current		
Refundable deposits	$ 384	$ 584
Net defined benefit assets (Note 20)	11,076	5,666
Others	5,017	-
	$ 16,477	$ 6,250

17. NOTES PAYABLE AND TRADE PAYABLES

	December 31	
	2022	2021
Notes payable		
Operating	$ 2,631	$ 3,219
Trade payables		
Operating	$ 358,991	$ 503,631

The average credit period on purchases of raw materials was 30-120 days. The Company has financial risk management policies in place to ensure that all payables are paid within the pre-agreed credit terms.

18. OTHER LIABILITIES

	December 31	
	2022	2021
Current		
Other payables		
Payables for salaries and bonuses	$ 44,162	$ 100,883
Payables for processing fee	65,260	31,838
Others payables - related parties (Note 28)	264,916	276,650
	$ 374,338	$ 409,371
Other liabilities		
Advance receipts	$ 12,741	$ 20,169
Receipts under custody	1,130	1,049
	$ 13,871	$ 21,218
Non-current		
Guarantee deposits	$ 3,336	$ 3,266

19. PROVISIONS

	December 31	
	2022	2021
Current		
Warranties	$ 30,000	$ 70,000
Non-current		
Warranties	$ 20,000	$ 30,000

The provision for warranty claims represents the present value of management's best estimate of the future outflow of economic benefits that will be required under the Company's obligations for warranties under contracts for the sale of goods. The estimate has been made on the basis of historical warranty trends.

20. RETIREMENT BENEFIT PLANS

a. Defined contribution plans

The Company adopted a pension plan under the Labor Pension Act (LPA), which is a state-managed defined contribution plan. Under the LPA, the Company makes monthly contributions to employees' individual pension accounts at 6% of monthly salaries and wages.

b. Defined benefit plans

The defined benefit plan adopted by the Company in accordance with the Labor Standards Act is operated by the government of the ROC. Pension benefits are calculated on the basis of the length of service and average monthly salaries of the 6 months before retirement. The Company contribute amounts equal to 4% of total monthly salaries and wages to a pension fund administered by the pension fund monitoring committee. Pension contributions are deposited in the Bank of Taiwan in the committee’s name. Before the end of each year, the Company assesses the balance in the pension fund. If the amount of the balance in the pension fund is inadequate to pay retirement benefits for employees who conform to retirement requirements in the next year, the Company is required to fund the difference in one appropriation that should be made before the end of March of the next year. The pension fund is managed by the Bureau of Labor Funds, Ministry of Labor (the “Bureau”); the Company has no right to influence the investment policy and strategy.

The amounts included in the balance sheets in respect of the Company’s defined benefit plans were as follows:

	December 31	
	2022	2021
Present value of defined benefit obligation	$ 88,843	$ 86,601
Fair value of plan assets	(99,919)	(92,267)
Net defined benefit (assets) liability	$ (11,076)	$ (5,666)

Movements in net defined benefit liability (assets) were as follows:

	Present Value of the Defined Benefit Obligation	Fair Value of the Plan Assets	Net Defined Benefit Liabilities
Balance at January 1, 2021	$ 86,588	$ (86,399)	$ 189
Service cost			
Current service cost	-	-	-
Net interest expense (income)	433	(433)	(10)
Recognized in profit or loss	433	(433)	(10)
Remeasurement			
Return on plan assets (excluding amounts included in net interest)	-	(1,080)	(1,080)
Actuarial (gain) loss			
Changes in demographic assumptions	1,889	-	1,889
Changes in financial assumptions	(852)	-	(852)
Experience adjustments	(1,457)	-	(1,457)
Recognized in other comprehensive income	(420)	(1,080)	(1,500)
Contributions from the employer	-	(4,345)	(4,345)
Balance at December 31, 2021	$ 86,601	$ (92,267)	$ (5,666)

(Continued)

	Present Value of the Defined Benefit Obligation	Fair Value of the Plan Assets	Net Defined Benefit Liabilities
Balance at January 1, 2022	$ 86,601	$ (92,267)	$ (5,666)
Service cost			
Past service cost	5,041	-	5,041
Net interest expense (income)	541	(577)	(36)
Recognized in profit or loss	5,582	(577)	5,005
Remeasurement			
Return on plan assets (excluding amounts included in net interest)	-	(7,075)	(7,075)
Actuarial (gain) loss			
Changes in financial assumptions	(4,278)	-	(4,278)
Experience adjustments	938	-	938
Recognized in other comprehensive income	(3,340)	(7,075)	(10,415)
Contributions from the employer	-	-	-
Balance at December 31, 2022	$ 88,843	$ (99,919)	$ (11,076)

(Concluded)

Through the defined benefit plans under the Labor Standards Act, the Company is exposed to the following risks:

1) Investment risk: The plan assets are invested in domestic and foreign equity and debt securities, bank deposits, etc. The investment is conducted at the discretion of the Bureau or under the mandated management. However, in accordance with relevant regulations, the return generated by plan assets should not be below the interest rate for a 2-year time deposit with local banks.

2) Interest risk: A decrease in the government bond interest rate will increase the present value of the defined benefit obligation; however, this will be partially offset by an increase in the return on the plan's debt investments.

3) Salary risk: The present value of the defined benefit obligation is calculated using the future salaries of plan participants. As such, an increase in the salaries of the plan participants will increase the present value of the defined benefit obligation.

The actuarial valuations of the present value of the defined benefit obligation were carried out by qualified actuaries. The significant assumptions used for the purposes of the actuarial valuations were as follows:

	December 31	
	2022	2021
Discount rate(s)	1.25%	0.63%
Expected rate(s) of salary increase	2.50%	2.50%

If possible reasonable change in each of the significant actuarial assumptions will occur and all other assumptions will remain constant, the present value of the defined benefit obligation would increase (decrease) as follows:

	December 31	
	2022	2021
Discount rate		
0.25% increase	$ (1,618)	$ (1,695)
0.25% decrease	$ 1,670	$ 1,752
Expected rate of salary increase		
0.25% increase	$ 1,623	$ 1,693
0.25% decrease	$ (1,581)	$ (1,647)

The above sensitivity analysis may not be representative of the actual changes in the present value of the defined benefit obligation as it is unlikely that changes in assumptions will occur in isolation of one another as some of the assumptions may be correlated.

	December 31	
	2022	2021
Expected contributions to the plan for the next year	$ -	$ -
Average duration of the defined benefit obligation	7.4 years	7.9 years

21. EQUITY

a. Share capital

Ordinary shares

	December 31	
	2022	2021
Shares authorized (in thousands of shares)	220,000	220,000
Shares authorized	$ 2,200,000	$ 2,200,000
Shares issued and fully paid (in thousands of shares)	178,100	178,100
Shares issued	$ 1,781,000	$ 1,781,000

A holder of issued common shares with par value of NT$10 per share is entitled to vote and to receive dividends.

b. Capital surplus

The capital surplus generated from the excess of the issuance price over the par value of capital stock (including the stock issued for new capital), may be used to offset a deficit; in addition, when the Company has no deficit, such capital surplus may be distributed as cash dividends or stock dividends up to a certain percentage of the Company’s paid-in capital.

c. Retained earnings and dividends policy

Under the dividends policy as set forth in the Articles, where the Company made a profit in a fiscal year, the profit shall be first utilized for paying taxes, offsetting losses of previous years, setting aside as legal reserve 10% of the remaining profit, setting aside or reversing a special reserve in accordance with the laws and regulations, and then any remaining profit together with any undistributed retained earnings shall be used by the Company's board of directors as the basis for proposing a distribution plan, which should be resolved in the shareholders' meeting for the distribution of dividends and bonuses to shareholders. For the policies on the distribution of compensation of employees and remuneration of directors and supervisors after the amendment, refer to compensation of employees and remuneration of directors and supervisors in Note 23 (h).

The Company is in a steadily growing information industry. In order to meet the Company's long-term business development, future capital needs, long-term financial planning and shareholders' needs for cash inflows, the issuance of cash dividends takes precedence over the payment of share dividends. The aforementioned distribution ratio of cash dividends and share dividends are 50% to 100% and 0% to 50% of the total dividend, respectively.

An appropriation of earnings to the legal reserve shall be made until the legal reserve equals the Company's paid-in capital. The legal reserve may be used to offset deficit. If the Company has no deficit and the legal reserve has exceeded 25% of the Company's paid-in capital, the excess may be transferred to capital or distributed in cash.

When a special reserve is appropriated for cumulative net debit balance reserves from prior period, the special reserve is only appropriated from the prior unappropriated earnings.

The appropriations of earnings for 2021 and 2020, which were approved in the shareholders' meeting on June 23, 2022 and July 29, 2021, respectively, were as follows:

	Appropriation of Earnings For the Year Ended December 31 2021	2020
Legal reserve	$ 36,287	$ 4,887
Special reserve	$ 9,664	$ -
Reversal of special reserve	$ -	$ 3,186
Cash dividends	$ 213,720	$ 46,306
Cash dividends per share (NT$)	$ 1.20	$ 0.26

The Company's shareholders also resolved in the shareholders' meeting on July 29, 2021 to issue cash dividends of $24,934 thousand from the capital surplus.

d. Special reserve

	For the Year Ended December 31 2022	2021
Balance at January 1	$ 3,271	$ 6,457
Appropriations in respect of		
Debits to other equity items	9,664	-
Reversals:		
Reversal of the debits to other equity items	-	(3,186)
Balance at December 31	$ 12,935	$ 3,271

On the first-time adoption of IFRSs, the Company appropriated for a special reserve of $2,493 thousand, the same amount as the exchange differences on translating the financial statements of foreign operations transferred to retained earnings.

If a proportionate share of the special reserve appropriated on the first-time adoption of IFRSs relates to exchange differences on translating the financial statements of foreign operations (including the subsidiaries of the Company) will be reversed on the Company's disposal of foreign operations; on the Company's loss of significant influence, however, the entire special reserve will be reversed. Additional special reserve should be appropriated for the amount equal to the difference between net debit balance reserves and the special reserve appropriated on the first-time adoption of IFRSs. Any special reserve appropriated may be reversed to the extent that the net debit balance reverses and is thereafter distributed.

e. Other equity items

1) Exchange differences on the translation of the financial statements of foreign operations

	For the Year Ended December 31	
	2022	**2021**
Balance at January 1	$ (20,132)	$ (12,750)
Recognized for the year		
Exchange differences on the translation of the financial statements of foreign operations	29,385	(7,382)
Balance at December 31	$ 9,253	$ (20,132)

The exchange differences arising on translation of foreign operation's net assets from its functional currency to the Company's presentation currency are recognized directly in exchange differences on the translation of the financial statements of foreign operations under other comprehensive income.

2) Unrealized valuation gain/(loss) on financial assets at FVTOCI

	For the Year Ended December 31	
	2022	**2021**
Balance at January 1	$ 7,197	$ 9,479
Recognized for the year		
Unrealized gain/(loss) - debt instruments	(27,539)	(4,043)
Net remeasurement of loss allowance		
Reclassification adjustments		
Disposal of investments in debt instruments	6,715	1,761
Balance at December 31	$ (13,627)	$ 7,197

22. REVENUE

	For the Year Ended December 31	
	2022	**2021**
Revenue from the sale of goods	$ 2,222,219	$ 2,742,073

Contract balances

	December 31, 2022	December 31, 2021	January 1, 2021
Trade receivables (Note 10)	$ 309,195	$ 277,830	$ 277,573

23. NET (LOSS) PROFIT

a. Interest income

	For the Year Ended December 31	
	2022	2021
Bank deposits	$ 5,115	$ 686
Investments in financial assets at FVTOCI	9,269	8,049
	$ 14,384	$ 8,735

b. Other income

	For the Year Ended December 31	
	2022	2021
Rental income		
Investment properties	$ 12,270	$ 11,522
Dividends	14,717	12,839
Others	9,039	10,269
	$ 36,026	$ 34,630

c. Other gains and losses

	For the Year Ended December 31	
	2022	2021
Fair value changes of financial assets and financial liabilities		
Financial assets mandatorily classified as at FVTPL	$ (83,932)	$ 156,013
Net foreign exchange gains/(losses)	53,512	(5,369)
Gain/(loss) on disposal of financial assets		
Investments in debt instruments at FVTOCI	(6,715)	(1,761)
Others	(3,064)	(5,744)
	$ (40,199)	$ 143,139

d. Impairment losses recognized (reversed)

	For the Year Ended December 31	
	2022	2021
Inventories (included in operating costs)	$ (51,073)	$ (34,267)
Trade receivables	$ (1,000)	$ 29,960
Other receivables	$ -	$ (4,351)

e. Depreciation

	For the Year Ended December 31	
	2022	2021
An analysis of depreciation by function		
Operating costs	$ 13	$ 443
Operating expenses	2,642	3,883
Other expenses	2,006	2,007
	$ 4,661	$ 6,333

f. Operating expenses directly related to investment properties

	For the Year Ended December 31	
	2022	2021
Direct operating expenses of investment properties generating rental income	$ 2,818	$ 2,768

g. Employee benefits expense

	For the Year Ended December 31	
	2022	2021
Post-employment benefits		
Defined contribution plans	$ 6,007	$ 5,830
Defined benefit plans (see Note 20)	5,005	(10)
	11,012	5,820
Other employee benefits	152,955	218,325
Total employee benefits expense	$ 163,967	$ 224,145
An analysis of employee benefits expense by function		
Operating costs	$ 17,423	$ 23,514
Operating expenses	146,544	200,631
	$ 163,967	$ 224,145

h. Compensation of employees and remuneration of directors and supervisors

According to the Company's Articles, the Company accrues compensation of employees and remuneration of directors and supervisors at the rates 5%-15% and no higher than 5%, respectively, of net profit before income tax, compensation of employees, and remuneration of directors and supervisors.

The compensation of employees and the remuneration of directors and supervisors for the years ended December 31, 2022 and 2021, which were approved by the Company's board of directors on March 24, 2023 and March 24, 2022, respectively, are as follows:

Accrual rate

	For the Year Ended December 31	
	2022	**2021**
Compensation of employees	12.5%	12.5%
Remuneration of directors and supervisors	2.0%	2.0%

Amount

	For the Year Ended December 31	
	2022	**2021**
	Cash	**Cash**
Compensation of employees	$ 2,495	$ 58,492
Remuneration of directors and supervisors	399	9,359

If there is a change in the amounts after the annual financial statements are authorized for issue, the differences are recorded as a change in the accounting estimate.

There is no difference between the actual amounts of compensation of employees and remuneration of directors and supervisors paid and the amounts recognized in the financial statements for the years ended December 31, 2021 and 2020.

Information on the compensation of employees and remuneration of directors and supervisors resolved by the Company's board of directors for 2022 and 2021 is available at the Market Observation Post System website of the Taiwan Stock Exchange.

i. Gains or losses on foreign currency exchange

	For the Year Ended December 31	
	2022	**2021**
Foreign exchange gains	$ 104,549	$ 40,448
Foreign exchange losses	(51,037)	(45,817)
	$ 53,512	$ (5,369)

24. INCOME TAXES

a. Income tax recognized in profit or loss

Major components of income tax expense are as follows:

	For the Year Ended December 31	
	2022	2021
Current tax		
In respect of the current year	$ 22,627	$ 49,238
Income tax on unappropriated earnings	5,160	43
Adjustments for prior year	(25,729)	-
	3,796	49,281
Deferred tax		
In respect of the current year	422	(10,871)
Income tax expense recognized in profit or loss	$ 4,218	$ 38,410

A reconciliation of accounting profit and income tax expense is as follows:

	For the Year Ended December 31	
	2022	2021
Profit before tax	$ 17,069	$ 400,085
Income tax expense calculated at the statutory rate	$ 3,414	$ 80,017
Tax-exempt income	16,928	(34,126)
Income tax on unappropriated earnings	5,160	43
Unrecognized deductible temporary difference	4,445	(7,438)
Adjustments for prior years' tax	(25,729)	-
Income tax expense recognized in profit or loss	$ 4,218	$ 38,410

b. Income tax recognized in other comprehensive income

	For the Year Ended December 31	
	2022	2021
Deferred tax		
Effect of change in tax rate		
In respect of the current year		
Translation of foreign operations	$ 7,346	$ (1,845)
Remeasurement of defined benefit plans	2,083	300
Total income tax recognized in other comprehensive income	$ 9,429	$ (1,545)

c. Current tax assets and liabilities

	December 31	
	2022	2021
Current tax assets		
Tax refund receivable	$ 2,866	$ 319
Current tax liabilities		
Income tax payable	$ 16,782	$ 49,281

d. Deferred tax assets and liabilities

The movements of deferred tax liabilities are as follows:

For the year ended December 31, 2022

Deferred Tax Assets	Opening Balance	Recognized in Profit or Loss	Recognized in Other Comprehensive Income	Closing Balance
Temporary differences				
Unrealized write down of inventories	$ 16,281	$ 10,215	$ -	$ 26,496
Unrealized provision	10,000	(5,000)	-	5,000
Impairment loss	329	(329)	-	-
Unrealized gross profit on associates and joint ventures	5,971	(199)	-	5,772
Defined benefit obligations	16	1,082	(1,098)	-
Unrealized loss on foreign currency exchange	4,214	(3,123)	-	1,091
	$ 36,811	$ 2,646	$ (1,098)	$ 38,359

Deferred Tax Liabilities	Opening Balance	Recognized in Profit or Loss	Recognized in Other Comprehensive Income	Closing Balance
Temporary differences				
Defined benefit obligations	$ -	$ -	$ 985	$ 985
Exchange differences on translating the financial statements of foreign operations	511	-	7,346	7,857
Other	-	3,068	-	3,068
	$ 511	$ 3,068	$ 8,331	$ 11,910

For the year ended December 31, 2021

Deferred Tax Assets	Opening Balance	Recognized in Profit or Loss	Recognized in Other Comprehensive Income	Closing Balance
Temporary differences				
Unrealized write down of inventories	$ 9,428	$ 6,853	$ -	$ 16,281
Unrealized provision	10,000	-	-	10,000
Impairment loss	595	(266)	-	329
Unrealized gross profit on associates and joint ventures	2,897	3,074	-	5,971
Defined benefit obligations	283	33	(300)	16
Unrealized loss on foreign currency exchange	1,800	2,414	-	4,214
	$ 25,003	$ 12,108	$ (300)	$ 36,811

Deferred Tax Liabilities	Opening Balance	Recognized in Profit or Loss	Recognized in Other Comprehensive Income	Closing Balance
Temporary differences				
Exchange differences on translating the financial statements of foreign operations	$ 1,119	$ 1,237	$ (1,845)	$ 511

e. Deductible temporary differences and unused loss carryforwards for which no deferred tax assets have been recognized in the balance sheets

	December 31 2022	December 31 2021
Loss carryforwards		
Expiry in 2026	$ -	$ 8,166
Expiry in 2028	-	25,718
Expiry in 2029	-	172,995
Expiry in 2030	-	538
	-	207,417
Deductible temporary differences		
Unrealized loss on investment	149,420	135,750
Impairment loss on financial asset	44,870	44,870
Unrealized provision	25,000	50,000
	219,290	230,620
	$ 219,290	$ 438,037

f. Income tax assessments

As of December 31, 2020, the tax returns have been assessed by the tax authorities.

25. EARNINGS PER SHARE

Unit: NT$ Per Share

	For the Year Ended December 31	
	2022	**2021**
Basic earnings per share	$ 0.07	$ 2.03
Diluted earnings per share	$ 0.07	$ 2.01

	For the Year Ended December 31	
	2022	**2021**
Weighted average number of ordinary shares used in the computation of basic earnings per share	178,100	178,100
Effect of potentially dilutive ordinary shares		
Compensation of employees	831	2,250
Weighted average number of ordinary shares used in the computation of diluted earnings per share	178,931	180,350

The Company may settle the compensation of employees in cash or shares; therefore, the Company assumes that the entire amount of the compensation will be settled in shares, and the resulting potential shares are included in the weighted average number of shares outstanding used in the computation of diluted earnings per share, as the effect is dilutive. Such dilutive effect of the potential shares is included in the computation of diluted earnings per share until the number of shares to be distributed to employees is resolved in the following year.

26. CAPITAL MANAGEMENT

The Company manages its capital to ensure that entities in the Company will be able to continue as going concerns while maximizing the return to stakeholders through the optimization of the debt and equity balance.

The Company is not subject to any externally imposed capital requirements.

27. FINANCIAL INSTRUMENTS

a. Fair value of financial instruments that are not measured at fair value

Except for the following, management believes the carrying amounts of financial assets and financial liabilities recognized in the financial statements approximate their fair values.

b. Fair value of financial instruments that are measured at fair value on a recurring basis

1) Fair value hierarchy

December 31, 2022

	Level 1	Level 2	Level 3	Total
Financial assets at FVTPL				
Mutual fund	$ 126,995	$ -	$ -	$ 126,995
Preference shares	18,661	-	61,405	80,066
Domestic unlisted shares	73,880	-	111,210	185,090
	$ 219,536	$ -	$ 172,615	$ 392,151
Financial assets at FVTOCI				
Investment in debt instruments				
Bonds	$ 205,657	$ -	$ -	$ 205,657

December 31, 2021

	Level 1	Level 2	Level 3	Total
Financial assets at FVTPL				
Mutual fund	$ 399,291	$ -	$ -	$ 399,291
Preference shares	23,380	-	58,573	81,953
Domestic unlisted shares	293,605	-	113,770	407,375
	$ 716,276	$ -	$ 172,343	$ 888,619
Financial assets at FVTOCI				
Investment in debt instruments				
Bonds	$ 159,459	$ -	$ -	$ 159,459

There were no transfers between Levels 1 and 2 in the current and prior periods.

2) Reconciliation of Level 3 fair value measurements of financial instruments

December 31, 2022

	Financial Assets at FVTPL
Financial Assets	**Equity Instruments**
Balance at January 1, 2022	$ 172,343
Recognized in profit or loss (included in other gains and losses)	2,072
Sales	(1,800)
Balance at December 31, 2022	$ 172,615
Unrealized gain/(loss) for the current year included in profit or loss relating to assets held at the end of the year	$ 2,072

December 31, 2021

Financial Assets	Financial Assets at FVTPL Equity Instruments
Balance at January 1, 2021	$ 80,636
Recognized in profit or loss (included in other gains and losses)	(8,253)
Sales	99,960
Balance at December 31, 2021	$ 172,343
Unrealized gain/(loss) for the current year included in profit or loss relating to assets held at the end of the year	$ (8,253)

3) Valuation techniques and inputs applied for Level 3 fair value measurement

The fair values of unlisted equity securities - ROC were determined using the market approach.

c. Categories of financial instruments

	December 31	
	2022	2021
Financial assets		
FVTPL		
Mandatorily classified as at FVTPL	$ 392,151	$ 888,619
Financial assets at amortized cost (1)	1,052,917	915,081
Financial assets at FVTOCI		
Debt instruments	205,657	159,459
Financial liabilities		
Amortized cost (2)	739,296	919,487

1) The balances included financial assets at amortized cost, which comprise cash and cash equivalents, trade receivables, trade receivables from related parties, other receivables, financial assets at amortized cost, and refundable deposits.

2) The balances include financial liabilities measured at amortized cost, which comprise notes payable, trade payables, other payables, and guarantee deposits.

d. Financial risk management objectives and policies

The Company’s major financial instruments include equity investments, trade receivables, trade payables, and borrowings. The Company’s corporate treasury function provides services to the business, coordinates access to domestic and international financial markets, and monitors and manages the financial risks relating to the operations of the Company through internal risk reports which analyze exposures by degree and magnitude of risks. These risks include market risk (including currency risk, interest rate risk and other price risk), credit risk and liquidity risk.

1) Market risk

The Company's activities exposed it primarily to the financial risks of changes in foreign currency exchange rates (see (a) below) and interest rates (see (b) below).

a) Foreign currency risk

The carrying amounts of the Company's foreign currency denominated monetary assets and monetary liabilities at the end of the reporting period are set out in Note 30.

<u>Sensitivity analysis</u>

The Company was mainly exposed to the USD and RMB.

The following table details the Company's sensitivity to a 5% increase and decrease in the functional currency against the relevant foreign currencies. 5% is the sensitivity rate used when reporting foreign currency risk internally to key management personnel and represents management's assessment of the reasonably possible change in foreign exchange rates. The sensitivity analysis included only outstanding foreign currency denominated monetary items, and adjusts their translation at the end of the reporting period for a 5% change in foreign currency rates. A positive number indicates a decrease in pre-tax profit when the functional currency weakens by 5% against the relevant foreign currency.

	USD Impact For the Year Ended December 31		RMB Impact For the Year Ended December 31	
	2022	**2021**	**2022**	**2021**
Profit or loss	$ 324	$ 522	$ 2,269	$ 63
Equity	16,721	15,529	490	480

b) Interest rate risk

The carrying amounts of the Company's financial assets and financial liabilities with exposure to interest rates at the end of the reporting period were as follows:

	December 31	
	2022	**2021**
Fair value interest rate risk		
Financial assets	$ 629,106	$ 591,139
Cash flow interest rate risk		
Financial assets	305,519	192,744

<u>Sensitivity analysis</u>

The sensitivity analysis below was determined based on the Company's exposure to interest rates for non-derivative instruments at the end of the reporting period. For floating rate assets, the analysis was prepared assuming the amount of each assets outstanding at the end of the year was outstanding for the whole year. A 25 basis point increase or decrease is used when reporting interest rate risk internally to key management personnel and represents management's assessment of the reasonably possible change in interest rates.

If interest rates had been 25 basis point higher/lower and all other variables were held constant, the Company's pre-tax loss and profit for the years ended December 31, 2022 and 2021 would have increased/decreased by $764 thousand and $482 thousand, respectively.

The Company's sensitivity to interest rates increased during the current period mainly due to the increase in floating rate demand deposits.

c) Other price risk

The Company was exposed to equity price risk through its investments in bonds, stocks, and mutual funds. The Company manages this exposure by maintaining a portfolio of investments with different risks.

<u>Sensitivity analysis</u>

The sensitivity analysis below was determined based on the exposure to equity price risks at the end of the year.

If equity prices had been 5% higher/lower, pre-tax profit for the years ended December 31, 2022 and 2021 would have increased/decreased by $19,608 thousand and $44,431 thousand, respectively, other comprehensive income for the years ended December 31, 2022 and 2021 would have increased/decreased by $10,283 thousand and $7,973 thousand, respectively, as a result of the changes in fair value of financial assets at FVTOCI.

2) Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in a financial loss to the Company. As at the end of the reporting period, the Company's maximum exposure to credit risk which would cause a financial loss to the Company due to failure of the counterparties to discharge its obligation and due to the financial guarantees provided by the Company could be equal to the total of the following:

The carrying amount of the respective recognized financial assets as stated in the balance sheets; and

The Company adopted a policy of only dealing with creditworthy counterparties and obtaining sufficient collateral and factoring of trade receivables, where appropriate, as a means of mitigating the risk of financial loss from defaults.

In order to minimize credit risk, the management of the Company has delegated a team responsible for determining credit limits, credit approvals and other monitoring procedures to ensure that follow-up action is taken to recover overdue debts. In addition, the Company reviews the recoverable amount of each individual trade debt at the end of the reporting period to ensure that adequate allowances are made for irrecoverable amounts. In this regard, management believes the Company's credit risk was significantly reduced.

The Company transacts with a large number of unrelated customers; thus, no concentration of credit risk was observed.

3) Liquidity risk

The Company manages liquidity risk by monitoring and maintaining a level of cash deemed adequate to finance the Company's operations and mitigate the effects of fluctuations in cash flows. In addition, management monitors the utilization of bank borrowings and ensures compliance with loan covenants.

The Company relies on bank borrowings as a significant source of liquidity. As of December 31, 2022 and 2021, the Company had available unutilized short-term bank loan facilities set out in below.

Financing facilities

	December 31	
	2022	2021
Unsecured bank overdraft facilities		
Amount used	$ -	$ -
Amount unused	500,000	500,000
	$ 500,000	$ 500,000

28. TRANSACTIONS WITH RELATED PARTIES

Balances and transactions between the Company and its subsidiaries, which are related parties of the Company, have been eliminated on consolidation and are not disclosed in this noted.

Besides information disclosed elsewhere in the other notes, details of transactions between the Company and other related parties are disclosed below.

a. Related party name and category

Related Party Name	Related Party Category
Biostar Microtech (U.S.A.) Corp.	Subsidiary
Garnet International Corp.	Subsidiary
Immense Wealth International Limited.	Subsidiary
Biostar Microtech Netherlands BV	Sub-subsidiary
Dong Guan Bromax Technology Co., Ltd.	Sub-subsidiary

b. Sales of goods

		For the Year Ended December 31	
Line Item	Related Party Category	2022	2021
Sales	Sub-subsidiary		
	Biostar Microtech Netherlands BV	$ 271,366	$ 370,012
	Subsidiary		
	Biostar Microtech (U.S.A.) Corp.	318,392	343,017
	Other	23	3,705
		$ 589,781	$ 716,734

The terms of collection with the third parties, are 30-90 days; the terms of collection with the related parties are 90-180 days.

The sales prices and collection terms for transactions with related parties were not significantly difference from third parties.

c. Purchases of goods

Related Party Category	For the Year Ended December 31 2022	2021
Subsidiary	$ 4,015	$ 11,228

There was no significant difference between related parties and third parties regarding transaction terms of purchase prices and payment terms.

d. Receivables from related parties

Line Item	Related Party Category	December 31 2022	2021
Trade receivables from related parties	Subsidiary		
	Biostar Microtech (U.S.A.) Corp.	$ 170,384	$ 120,634
	Garnet International Corp.	-	160
		170,384	120,794
	Sub-subsidiary		
	Biostar Microtech Netherlands BV	56,290	48,343
		$ 226,674	$ 169,137
Other receivables	Other	$ 1,925	$ 1,514

The outstanding trade receivables from related parties are unsecured. For the years ended December 31, 2022 and 2021, no impairment losses were recognized for trade receivables from related parties.

e. Payables to related parties

Line Item	Related Party Category	December 31 2022	2021
Trade payables	Subsidiary	$ 16,192	$ 12,469
Other payables	Subsidiary		
	Garnet International Corp.	$ 263,400	$ 276,512
	Biostar Microtech (U.S.A.) Corp.	169	-
		263,569	276,512
	Sub-subsidiary		
	Biostar Microtech Netherlands BV	129	$ 138
	Dong Guan Bromax Technology Co., Ltd.	1,218	-
		1,347	138
		$ 264,916	$ 276,650

The outstanding payables to related parties are unsecured.

f. Other transactions with related parties

1) The Company received salaries from expatriate for its sub-subsidiary Biostar Microtech Netherlands BV. for the year ended December 31, 2022, the salary of $1,504 thousand was listed as other income.

2) The Company received salaries from expatriate for its subsidiary Garnet International Corp. and Immense Wealth International Limited., Ltd. for the year ended December 31, 2021, the salary of $4,644 thousand was listed as other income.

3) The Company entrusted products process service from its subsidiary Garnet International Corp. for the years ended December 31, 2022 and 2021, the amounts of products processing fee were $9,798 thousand and $129,635 thousand, respectively.

4) The Company entrusted products process service from its sub-subsidiary Dong Guan Bromax Technology Co., Ltd. for the year ended December 31, 2022, the amount of products processing fee was $13,979 thousand.

5) The Company entrusted producing samples of the computer mainboards' for its subsidiary Garnet International Corp. for the year ended December 31, 2021, the amount of service fee was $1,548 thousand; the other fee from product maintenance and other service for the years ended December 31, 2022 and 2021, were $952 thousand and $13,915 thousand, respectively.

g. Remuneration of key management personnel

	For the Year Ended December 31	
	2022	2021
Short-term employee benefits	$ 30,940	$ 48,709

The remuneration of directors and other key management personnel, as determined by the remuneration committee, was based on the performance of individuals and on market trends.

29. ASSETS PLEDGED AS COLLATERAL OR FOR SECURITY

The following assets were provided as collateral for bank borrowings of property:

	December 31	
	2022	2021
Pledged deposits (classified as other current assets)	$ -	$ 148
Land and building (classified as Property, plant and equipment)	23,297	23,440
Land and building (classified as investment properties)	197,799	199,805
	$ 221,096	$ 223,393

30. SIGNIFICANT ASSETS AND LIABILITIES DENOMINATED IN FOREIGN CURRENCIES

The Company’ significant financial assets and liabilities denominated in foreign currencies aggregated by the foreign currencies other than the functional currencies of the entities in the Company and the related exchange rates between the foreign currencies and the respective functional currencies were as follows:

December 31, 2022

	Foreign Currency	Exchange Rate	Carrying Amount
Financial assets			
Monetary items			
USD	$ 22,371	30.710 (USD:NTD)	$ 687,013
RMB	10,736	4.408 (RMB:NTD)	47,325
			$ 734,388
Non-monetary items			
Investments accounted for using the equity method			
USD	10,890	30.710 (USD:NTD)	$ 334,429
RMB	2,223	4.408 (RMB:NTD)	9,799
Financial assets at fair value through profit of loss			
USD	4,743	30.710 (USD:NTD)	145,656
Financial assets at fair value through other comprehensive income			
USD	6,697	30.710 (USD:NTD)	205,657
			$ 695,541
Financial liabilities			
Monetary items			
USD	$ 22,160	30.710 (USD:NTD)	$ 680,528
RMB	440	4.408 (RMB:NTD)	1,939
			$ 682,467

December 31, 2021

	Foreign Currency	Exchange Rate	Carrying Amount
Financial assets			
Monetary items			
USD	$ 29,378	27.680 (USD:NTD)	$ 813,174
RMB	292	4.344 (RMB:NTD)	1,267
			$ 814,441
Non-monetary items			
Investments accounted for using the equity method			
USD	11,220	27.680 (USD:NTD)	$ 310,574
RMB	2,208	4.344 (RMB:NTD)	9,593
Financial assets at fair value through profit of loss			
USD	6,927	27.680 (USD:NTD)	191,751
Financial assets at fair value through other comprehensive income			
USD	5,761	27.680 (USD:NTD)	159,459
			$ 671,377
Financial liabilities			
Monetary items			
USD	29,001	27.680 (USD:NTD)	$ 802,737

The significant realized and unrealized foreign exchange gains (losses) were as follows:

	For the Year Ended December 31			
	2022		2021	
Functional Currency	Exchange Rate	Net Foreign Exchange Loss	Exchange Rate	Net Foreign Exchange Loss
USD	29.805 (USD:NTD)	$ 53,929	28.009 (USD:NTD)	$ (5,360)
RMB	4.422 (RMB:NTD)	(417)	4.342 (RMB:NTD)	(9)
		$ 53,512		$ (5,369)

31. SEPARATELY DISCLOSED ITEMS

a. Information about significant transactions:

1) Financing provided to others (None).

2) Endorsements/guarantees provided (None).

3) Marketable securities held (excluding investment in subsidiaries, associates and jointly controlled entities) (Table 1).

4) Marketable securities acquired or disposed of at costs or prices of at least NT$300 million or 20% of the paid-in capital (None).

5) Acquisition of individual real estate at costs of at least NT$300 million or 20% of the paid-in capital (None).

6) Disposal of individual real estate at prices of at least NT$300 million or 20% of the paid-in capital (None).

7) Total purchases from or sales to related parties amounting to at least NT$100 million or 20% of the paid-in capital (Table 2).

8) Receivables from related parties amounting to at least NT$100 million or 20% of the paid-in capital (Table 3).

9) Trading in derivative instruments (None).

b. Information on investees (Table 4).

c. Information on investment in mainland China:

1) Information on any investee company in mainland China, showing the name, principal business activities, paid-in capital, method of investment, inward and outward remittance of funds, ownership percentage, net income of investees, investment income or loss, carrying amount of the investment at the end of the period, repatriations of investment income, and limit on the amount of investment in the mainland China area. (Table 5)

2) Any of the following significant transactions with investee companies in mainland China, either directly or indirectly through a third party, and their prices, payment terms, and unrealized gains or losses: (None)

a) The amount and percentage of purchases and the balance and percentage of the related payables at the end of the period.

b) The amount and percentage of sales and the balance and percentage of the related receivables at the end of the period.

c) The amount of property transactions and the amount of the resultant gains or losses.

d) The balance of negotiable instrument endorsements or guarantees or pledges of collateral at the end of the period and the purposes.

e) The highest balance, the end of period balance, the interest rate range, and total current period interest with respect to the financing of funds.

f) Other transactions that have a material effect on the profit or loss for the period or on the financial position, such as the rendering or receiving of services.

d. Information of major shareholders: List all shareholders with ownership of 5% or greater showing the name of the shareholder, the number of shares owned, and percentage of ownership of each shareholder (Table 6).

TABLE 1

BIOSTAR MICROTECH INT'L CORP.

MARKETABLE SECURITIES HELD
FOR THE YEAR ENDED DECEMBER 31, 2022
(In Thousands of New Taiwan Dollars)

Holding Company Name	Type and Name of Marketable Securities	Relationship with the Holding Company	Financial Statement Account	December 31, 2022				Note
				Shares	Carrying Amount	Percentage of Ownership (%)	Market Value or Net Asset Value	
Biostar Microtech Int'L Corp	Bonds							
	AMXLMM 5 3/8 04/04/32 - REGS - 5/8% 04 Apr 2032	None	Financial assets at fair value through other comprehensive income - current	300	$ 8,315	-	$ 8,315	
	ARGENTUM NETHERLANDS B.V. FRN 5 3/4% 15 August 2050	None	Financial assets at fair value through other comprehensive income - current	400	11,639	-	11,639	
	BARCLAYS 5.2% 12 May 2026	None	Financial assets at fair value through other comprehensive income - current	300	8,963	-	8,963	
	C 4.14 05/24/25 FRN 4, 14% 24 May 2025	None	Financial assets at fair value through other comprehensive income - current	300	9,034	-	9,034	
	COMMERZBANK AG REG-S 8 1/8% 19 September 2023	None	Financial assets at fair value through other comprehensive income - current	300	9,285	-	9,285	
	HSBC 5.21 08/11/28 FRN 5.21% 11 August 2028	None	Financial assets at fair value through other comprehensive income - current	300	8,902	-	8,902	
	HYSAN 4.1 PERP FRN 4.1% 03 March 2169	None	Financial assets at fair value through other comprehensive income - current	300	7,909	-	7,909	
	JPM 3.9 07/15/25 3.9% 15 July 2025	None	Financial assets at fair value through other comprehensive income - current	300	9,004	-	9,004	
	MQGAU 1.201 10/14/25 FRN - REGS - 1.201% 14 October 2025	None	Financial assets at fair value through other comprehensive income - current	300	8,459	-	8,459	
	MS 3.62 04/17/25 FRN 3,62% 17 April 2025	None	Financial assets at fair value through other comprehensive income - current	300	8,993	-	8,993	
	MUFG 2.193 02/25/25 2,193% 25 February 2025	None	Financial assets at fair value through other comprehensive income - current	300	8,629	-	8,629	
	NSANY 4.81 09/17/30 - REGS - 4.81% 17 September 2030	None	Financial assets at fair value through other comprehensive income - current	700	18,295	-	18,295	
	ORACLE CORP 2.95% 15 May 2025	None	Financial assets at fair value through other comprehensive income - current	300	8,748	-	8,748	
	QBE INSURANCE GROUP 6 3/4% 02 December 2044	None	Financial assets at fair value through other comprehensive income - current	400	11,974	-	11,974	
	SCGAU 5 1/8 09/24/2080 FRN - REGS - 5 1/8% 24 September 2080	None	Financial assets at fair value through other comprehensive income - current	500	12,867	-	12,867	
	SOCGEN 6.221 06/15/33 FRN - REGS - 6.221% 15 June 2033	None	Financial assets at fair value through other comprehensive income - current	300	8,650	-	8,650	
	STANLN 3.785 05/21/25 FRN - REGS - 3,785% 21 May 2025	None	Financial assets at fair value through other comprehensive income - current	300	8,894	-	8,894	
	STANLN 3.971 03/30/26 FRN - REGS - 3.971% 30 March 2026	None	Financial assets at fair value through other comprehensive income - current	300	8,806	-	8,806	
	T-MOBILE USA INC 4 3/4% 01 February 2028	None	Financial assets at fair value through other comprehensive income - current	300	8,957	-	8,957	
	TRPCN 5 7/8 08/15/2076 FRN - 16-A - 5 7/8% 15 August 2076	None	Financial assets at fair value through other comprehensive income - current	350	10,217	-	10,217	
	VOD 4 1/8 06/04/2081 FRN 4 1/8% 04 June 2081	None	Financial assets at fair value through other comprehensive income - current	400	9,117	-	9,117	
					$ 205,657		$ 205,657	
	Mutual Funds							
	BLACKROCK ASIA TIGER BD USD DIS A3	None	Financial assets at fair value through profit or loss - current	40	$ 11,821	-	$ 11,821	
	BLACKROCK CHINA BOND USD HDG DIS A6	None	Financial assets at fair value through profit or loss - current	49	12,341	-	12,341	
	JPM GLB BOND OPPS FD USD DIST C MTH	None	Financial assets at fair value through profit or loss - current	5	14,601	-	14,601	
	JPM GLB HI YLD USD BD FD DIST - C-	None	Financial assets at fair value through profit or loss - current	6	15,668	-	15,668	
	JPM INCOME USD DIV C	None	Financial assets at fair value through profit or loss - current	5	13,388	-	13,388	
	MZNCH ENHANCEDYIELD ST USDHDGACC R	None	Financial assets at fair value through profit or loss - current	4	16,238	-	16,238	
	PIMCO GLBL IG CREDIT USD ACC INV	None	Financial assets at fair value through profit or loss - current	22	13,598	-	13,598	
	PIMCO INCOME FUND USD ACC INV	None	Financial assets at fair value through profit or loss - current	41	16,029	-	16,029	
	PIMCO INCOME FUND USD INC INV	None	Financial assets at fair value through profit or loss - current	47	13,311	-	13,311	
					$ 126,995		$ 126,995	

(Continued)

Holding Company Name	Type and Name of Marketable Securities	Relationship with the Holding Company	Financial Statement Account	December 31, 2022				Note
				Shares	Carrying Amount	Percentage of Ownership (%)	Market Value or Net Asset Value	
	Preference Shares							
	ATHENE HOLDING LTD PFD PERP FRN A	None	Financial assets at fair value through profit or loss - current	15	$ 9,881	-	$ 9,881	
	AEGON FUNDING CORP II PFD	None	Financial assets at fair value through profit or loss - current	15	8,780	-	8,780	
					$ 18,661		$ 18,661	
	Domestic Listed Shares							
	United Microelectronics Corporation	None	Financial assets at fair value through profit or loss - current	1,000	$ 40,700	-	$ 40,700	
	Arcadyan Technology Corporation	None	Financial assets at fair value through profit or loss - current	200	19,140	-	19,140	
	K. S. Terminals Inc.	None	Financial assets at fair value through profit or loss - current	200	14,040	-	14,040	
					$ 73,880		$ 73,880	
	Domestic Unlisted Shares							
	Gunitech Corp.	None	Financial assets at fair value through profit or loss - non-current	1,250	$ 11,250	12.50	$ 11,250	
	Phansco Co., Ltd.	None	Financial assets at fair value through profit or loss - non-current	1,250	-	13.82	-	
	Ostar Meditech Corp.	None	Financial assets at fair value through profit or loss - non-current	660	-	10.59	-	
	AMIC TECHNOLOGY CORPORATION	None	Financial assets at fair value through profit or loss - non-current	79	-	-	-	
	HODAD ELECTRONIC CO., LTD.	None	Financial assets at fair value through profit or loss - non-current	309	-	1.93	-	
	GenkiTek Technology Co., Ltd.	None	Financial assets at fair value through profit or loss - non-current	500	-	15.63	-	
	BE Epitaxy Semiconductor Technology Co., Ltd.	None	Financial assets at fair value through profit or loss - non-current	19,978	99,960	16.65	99,960	
					$ 111,210		$ 111,210	
	Domestic Unlisted Preference Shares							
	Element III Venture Capital Co., Ltd.	None	Financial assets at fair value through profit or loss - non-current	2,820	$ 28,701	5.39	$ 28,701	
	Element IV Venture Capital Co., Ltd.	None	Financial assets at fair value through profit or loss - non-current	3,000	32,704	11.45	32,704	
					$ 61,405		$ 61,405	

(Concluded)

TABLE 2

BIOSTAR MICROTECH INT'L CORP.

TOTAL PURCHASES FROM OR SALES TO RELATED PARTIES AMOUNTING TO AT LEAST $100 MILLION OR 20% OF THE PAID-IN CAPITAL
FOR THE YEAR ENDED DECEMBER 31, 2022
(In Thousands of New Taiwan Dollars)

Buyer	Related Party	Relationship	Transaction Detail				Abnormal Transaction		Notes/Accounts Receivable (Payable)		Note
			Purchase/ Sale	Amount	% of Total	Payment Terms	Unit Price	Payment Terms	Ending Balance	% to Total	
Biostar Microtech Int'L Corp.	Biostar Microtech (U.S.A.) Corp.	Subsidiary	Sales	$ 318,392	14.33	About 120 days	Normal	Normal	$ 170,384	55.83	
	Biostar Microtech Netherlands B.V.	Subsidiary	Sales	271,366	12.21	About 120 days	Normal	Normal	56,290	18.44	

TABLE 3

BIOSTAR MICROTECH INT'L CORP.

RECEIVABLES FROM RELATED PARTIES AMOUNTING TO AT LEAST NT$100 MILLION OR 20% OF THE PAID-IN CAPITAL
DECEMBER 31, 2022
(In Thousands of New Taiwan Dollars)

Company Name	Related Party	Relationship	Ending Balance	Turnover Rate	Overdue		Amounts Received in Subsequent Period	Allowance for Impairment Loss
					Amount	Action Taken		
Garnet International Corp.	Biostar Microtech Int'L Corp.	Parent	$ 263,400	-	$ -	-	$ -	$ -
Biostar Microtech Int'L Corp.	Biostar Microtech (U.S.A.) Corp.	Subsidiary	170,384	-	-	-	43,156	-

BIOSTAR MICROTECH INT'L CORP.

INFORMATION ON INVESTEES
FOR THE YEAR ENDED DECEMBER 31, 2022
(In Thousands of New Taiwan Dollars)

Investor Company	Investee Company	Location	Main Businesses and Products	Original Investment Amount		As of December 31, 2022			Net Income (Loss) of the Investee	Share of Profit (Loss)	Note
				December 31, 2022	December 31, 2021	Shares	%	Carrying Amount			
Biostar Microtech Int'L Corp.	Garnet International Corp.	British Virgin Islands	Manufacture and Sale of Mainboard, Industrial Computers, and Display Card	$ 327,523 (US$ 10,700)	$ 327,523 (US$ 10,700)	10,700	100	$ 285,177	$ 2,963	$ 2,963	Subsidiary
	Biostar Microtech (U.S.A.) Corp.	USA	Manufacture and Sale of Mainboard, Industrial Computers, and Display Card	93,990 (US$ 3,000)	93,990 (US$ 3,000)	3,000	100	2,260	(10,985)	(13,088)	Subsidiary
	Biostar Microtech Europe Holding B.V.	Netherlands	Investment Business	47,270 (EUR 1,000)	47,270 (EUR 1,000)	10	100	46,992	(5,713)	(2,610)	Subsidiary
	Immense Wealth International Limited.	Samoa	Investment Business	20,659 (US$ 700)	20,659 (US$ 700)	1,000	100	9,799	65	65	Subsidiary
Biostar Microtech Europe Holding B.V.	Biostar Microtech Netherlands B.V.	Netherlands	Manufacture and Sale of Mainboard, Industrial Computers, and Display Card	47,270 (EUR 1,000)	47,270 (EUR 1,000)	10	100	59,945 (US$ 1,952)	(5,702) (US$ -191)	(5,702) (US$ -191)	Sub-subsidiary

BIOSTAR MICROTECH INT’L CORP.

INFORMATION ON INVESTMENTS IN MAINLAND CHINA
FOR THE YEAR ENDED DECEMBER 31, 2022
(In Thousands of New Taiwan Dollars)

1. The name of investee company, main business and products, paid-in capital, investment method, remittance of funds, shareholding ratio, investment gain (loss), carrying amount, and repatriation of investment income of mainland China.

Investee Company	Main Businesses and Products	1. ai d-i n Ca pit al	Method of Investment	Accumulated Outward Remittance for Investment from Taiwan as of January 1, 2022	Remittance of Funds		Accumulated Outward Remittance for Investment from Taiwan as of December 31, 2022	Net Income (Loss) of the Investee (Note 1)	% Ownership of Direct or Indirect Investment	Investment Profit (Loss)	Carrying Amount as of December 31, 2022	Accumulated Repatriation of Investment Income as of December 31, 2022
					Outward	Inward						
Dong Guan Biomax Technology Co., Ltd.	Electronic Technology Consulting Services	US$ 125 (RMB 764)	Indirect investment in mainland China through companies registered in a third region. (Notes 2 and 3)	$ -	$ -	$ -	$ -	$ (249) (RMB -56)	100	$ (249) (RMB -56)	$ 3,019 (RMB 56)	$ -
Hong Ren Yi Medical Equipment (Dongguan) Co., Ltd.	Manufacture and Sale of Medical Supplies and Equipments	RMB 4,500	Indirect investment in mainland China through companies registered in a third region. (Note 4)	20,043 (RMB 4,500)	-	-	20,043 (RMB 4,500)	(214) (RMB -48)	100	(214) (RMB -48)	(6,198) (RMB -1,406)	-

2.

Accumulated Outward Remittance for Investment in Mainland China as of December 31, 2021	Investment Amounts Authorized by Investment Commission, MOEA	Upper Limit on the Amount of Investment Stipulated by Investment Commission, MOEA
US$655 (RMB4,500) $20,043	US$780 (RMB5,264) $23,954 (Note 5)	60% of net equity is $1,348,456 (Note 6)

Note 1: Calculated based on the financial statement audited by the accountant in the same period and shareholding percentage.

Note 2: Investment capital are from the investment in the third region, not remitted from Taiwan.

Note 3: The investment company in the third region is Garnet International Corp.

Note 4: The investment company in the third region is Immense Wealth International Limited.

Note 5: The investment amount approved by the Investment Review Committee of the Ministry of Economic Affairs is converted from the exchange rate of NT$30.71 to US$1 on December 31, 2022.

Note 6: Calculated according to the third point of the Ministry of Economic Affairs’ review principles for investment and technical cooperation in the mainland, the higher one between the company’s net income and the combined net income is used.

TABLE 6

BIOSTAR MICROTECH INT'L CORP.

INFORMATION OF MAJOR SHAREHOLDERS
DECEMBER 31, 2022

Name of Major Shareholder	Shares	
	Number of Shares	Percentage of Ownership (%)
Note 3	-	-

Note 1: The information of major shareholders presented in this table is provided by the Taiwan Depository & Clearing Corporation based on the number of ordinary shares and preferred shares held by shareholders with ownership of 5% or greater, that have been issued without physical registration (including treasury shares) by the Company as of the last business day of the current quarter. The share capital in the consolidated financial statements may differ from the actual number of shares that have been issued without physical registration because of different basis in preparation.

Note 2: If a shareholder delivers the shareholdings to the trust, the above information will be disclosed by the individual trustor who opened the trust account. For shareholders who declare insider shareholdings with ownership greater than 10% in accordance with the Securities and Exchange Act, the shareholdings include shares held by shareholders and those delivered to the trust over which shareholders have the right to determine the use of trust property. For information relating to insider shareholding declaration, please refer to the Market Observation Post System.

Note 3: There is no shareholder that owns over 5% of shares on December 31, 2022.

6. If the Company or its Affiliates have experienced Financial Difficulties in the Most Recent Fiscal Year or during the Current Fiscal Year up to the Date of Publication of the Annual Report, the Annual Report shall Explain how said Difficulties will affect the Company’s Financial Situation: None.

VII. Review and Analysis of the Company's Financial Position and Financial Performance, and Shall Assess its Risks

1. Financial Position

(1) Analysis of Financial Position – Consolidated

Unit: NT$ Thousand

Year / Item	The year 2022	The year 2021	Difference	
			Amount	%
Current Assets	2,246,531	2,744,806	(498,275)	-18
Property, Plant and Equipment	132,065	132,947	(882)	-1
Intangible Assets	-	-	-	-
Other Assets	431,150	418,066	13,084	3
Total Assets	2,809,746	3,295,819	(486,073)	-15
Current Liabilities	524,958	830,639	(305,681)	-37
Non-current Liabilities	37,361	33,777	3,584	11
Total Liabilities	562,319	864,416	(302,097)	-35
Common Stock Capital	1,781,000	1,781,000	-	-
Capital Surplus	66,778	66,778	-	-
Retained Earnings	404,023	596,560	(192,537)	-32
Other Equity	(4,374)	(12,935)	8,561	-66
Total Equity Attributable to Owners of Parent	2,247,427	2,431,403	(183,976)	-8

Analysis of Differences Over 20% and the amount of Difference exceeds NT$ 10,000 Thousand, as follows:

1. Decrease in Current Liability and Total Liability, Mainly due to the Decreased in Inventory and Relatively Decreased in Account Payable.
2. Decreased in Retained Earnings, Mainly due to the Earning Distribution Greater than the Profit.

(5) Analysis of Financial Position – Parent Company Only

Unit: NT$ Thousand

Year / Item	The year 2022	The year 2021	Difference	
			Amount	%
Current Assets	2,178,058	2,653,896	(475,838)	-18
Investments Accounted for Using Equity Method	344,228	320,167	24,061	8
Property, Plant and Equipment	131,750	132,628	(878)	-1
Other Assets	425,250	415,209	10,041	2
Total Assets	3,079,286	3,521,900	(442,614)	-13
Current Liabilities	796,613	1,056,720	(260,107)	-25
Non-current Liabilities	35,246	33,777	1,469	4
Total Liabilities	831,859	1,090,497	(258,638)	-24
Common Stock Capital	1,781,000	1,781,000	-	-
Capital Surplus	66,778	66,778	-	-
Retained Earnings	404,023	596,560	(192,537)	-32
Other Equity	(4,374)	(12,935)	8,561	-66
Total Equity Attributable to Owners of Parent	2,247,427	2,431,403	(183,976)	-8

Analysis of Differences Over 20% and the amount of Difference exceeds NT$ 10,000 Thousand, as follows:

1. Decrease in Current Liability and Total Liability, Mainly due to the Decreased in Inventory and Relatively Decreased in Account Payable
2. Decreased in Retained Earnings, Mainly due to the Earning Distribution Greater than the Profit.

2. Financial Performance

(1) Financial Performance – Consolidate

Unit: NT$ Thousand

Item \ Year	The year 2022	The year 2021	Difference Amount	Difference Percentage %
Turnover	2,236,385	2,774,796	(538,411)	-19
Cost of Turnover	1,967,765	2,254,663	(286,898)	-13
Gross Profit	268,620	520,133	(251,513)	-48
Operating Expenses	267,088	303,419	(36,331)	-12
Operating Income (Loss)	1,532	216,714	(215,182)	-99
Non-Operating Income and Expenses	14,675	190,127	(175,452)	-92
Profit (loss) from continuing operations before tax	16,207	406,841	(390,634)	-96
Income Tax Expenses (Benefits)	3,356	45,166	(41,810)	-93
Profit (Loss) From Continuing Operations.	12,851	361,675	(348,824)	-96
Profit (loss) from Discontinued Operations	-	-	-	-
Net Income (Loss) Attributable to Shareholders of the Parent	12,851	361,675	(348,824)	-96
Net Income (Loss) Attributable to Non-Controlling Equity	-	-	-	-
Other Comprehensive Income (Loss)	16,893	(8,464)	25,357	-300
Total Comprehensive Income (Loss)	29,744	353,211	(323,467)	-92

Analysis of Differences Over 20% and the amount of Difference exceeds NT$ 10,000 Thousand, as follows:

1. Decrease in Gross Profit, Mainly Due to the decline in Performance affected by the economic cycle and Decrease in Gross Margin.
2. Decrease in Net Operating Income, Mainly Due to the decline in Turnover and Gross Margin
3. Decrease in Non-Operating Income and Expenses, Mainly Due to the Decrease in Gains on Financial Assets
4. Decrease in Income from Continuing Operations Before and After Tax, Mainly Due to the decrease in Net Operating Income。
5. Decrease in Net Income (Loss) Attributable to Shareholders of the Parent, Mainly Due to the Decrease in Net Income.
6. Decrease in Income Tax Expenses (Benefits), Mainly Due to the decrease in Income Before Tax
7. Increase in Other Comprehensive Income, Mainly Due to the Exchange Rate Fluctuation and Valuation of Financial Instruments
8. Decrease in Total Comprehensive Income, Mainly Due to the decrease in Net Income

(2) Financial Performance Analysis – Parent Company Only

Unit: NT$ Thousand

Item \ Year	The year 2022	The year 2021	Difference Amount	Difference Percentage %
Turnover	2,222,219	2,742,073	(519,854)	-19
Cost of Turnover	1,974,855	2,277,092	(302,237)	-13
Gross Profit	247,364	464,981	(217,617)	-47
Operating Expenses	227,816	267,696	(39,880)	-15
Operating Income (Loss)	19,548	197,285	(177,737)	-90
Non-Operating Income and Expenses	(2,479)	202,800	(205,279)	-101
Income (Loss) Before Tax	17,069	400,085	(383,016)	-96
Income Tax Expenses (Benefits)	4,218	38,410	(34,192)	-89
Net Income (Loss)	12,851	361,675	(348,824)	-96
Other Comprehensive Income (Loss)	16,893	(8,464)	25,357	-300
Total Comprehensive Income (Loss)	29,744	353,211	(323,467)	-92

Analysis of Differences Over 20% and the amount of Difference exceeds NT$ 10,000 Thousand, as follows:

1. Decrease in Gross Profit, Mainly Due to the decline in Performance affected by the economic cycle and Decrease in Gross Margin. 2. Decrease in Net Operating Income, Mainly Due to the decline in Turnover and Gross Margin 3. Decrease in Non-Operating Income and Expenses, Mainly Due to the Decrease in Gains on Financial Assets 4. Decrease in Income Before and After Tax, Mainly Due to the decrease in Net Operating Income。 5. Decrease in Income Tax Expenses (Benefits), Mainly Due to the decrease in Income Before Tax 4. Increase in Other Comprehensive Income, Mainly Due to the Exchange Rate Fluctuation and Valuation of Financial Instruments 5. Decrease in Total Comprehensive Income, Mainly Due to the decrease in Net Income

(3) For the Estimated Number of Sales and its basis for 2022, please refer to the following:

I. Letter to Shareholders: (2) Summary of the Business Plan for 2021;

V. Operational Overview: (5) An Analysis of the Market as well as the Production and Marketing Situation.

(4) Describe the Effect upon the Company's Financial Operations as well as Measures to be Taken in Response.

Looking ahead to 2023, amidst turbulent international circumstances and inflationary economic factors, the consumer market is expected to decline further. However, as the pandemic subsides, government investments and business activities are anticipated to improve, leading to a potential surge in demand for office equipment upgrades.

3. Cash Flow

(1) Cash Flow Analysis for the Current Year:

Year / Item	The year 2022	The year 2021	Percentage of Increase(Decrease) %
Cash Flow Ratio%	-15.38	11.02	-240
Cash Flow Adequacy Ratio%	12.28	2.96	315
Cash Reinvestment Ratio%	-11.79	0.75	1,672
Explanation of the Changes in Percentage of Increase (Decrease): 1. Decrease in Cash Flow Ratio, Mainly Due to the Net Cash Flow From Operating Activities as net cash outflow. 2. Increase in Cash Flow Adequacy Ratio, Mainly Due to the increase in Net Cash Flow From Operating Activities within the Most Recent Five Years and decrease in Inventory Increase. 3. Decrease in Cash Reinvestment Ratio, Mainly Due to the Net Cash Flow From Operating Activities as net cash outflow.			

(2) Improvement Plan for Insufficient Liquidity: No Such Condition of Insufficient Liquidity.

(3) Cash Flow Analysis for the Coming Year:

Unit: NT$ Thousand

Cash Balance 31st of December, 2022 (1)	Estimated Net Cash Flow From Annual Operating Activities (2)	Estimated Annual Cash Outflow in 2023 (3)	Estimated Cash Surplus (Insufficient) Amount (1)+(2)-(3)	Expected Remedies for Insufficient Cash	
				Investment Plan	Investment Plan
747,831	98,206	(56,576)	789,461	-	-

4. Effect upon Financial Operations of Any Major Capital Expenditures during the Most Recent Fiscal Year

No Major Capital Expenditures of the Company in 2022

5. Describe the Company's Reinvestment Policy for the Most Recent Fiscal Year, the Main Reasons for the Profits/Losses Generated thereby, the Plan for Improving Reinvestment Profitability, and Investment Plans for the Coming Year

Unit: NT$ Thousand

Explanation / Item	Recorded Amount at the end of 2022	Reinvestment Policy	Amount of Investment Profit/Losses recognized under the equity method	Plan for Improving Reinvestment Profitability	Investment Plans for the Coming Year
Garnet International Corp.	285,177	Processing of the Motherboards, Industrial PCs and Display Card	Profit 2,963	—	—
Biostar Microtech (U.S.A.) Corp.	2,260	In charge of the sales business in the American Region	Loss 10,985	Cut Back on spending to reduce the cost	—
Biostar Microtech Europe Holding B.V.	46,992	In charge of the investment holding of the European Region	Loss 5,713	Cut Back on spending to reduce the cost	—
Immense Wealth International Limited.	9,799	Investment Holding of Medical Supplies and Devices Businesses	Profit 65	—	—

6. Risk Assessment

(1) The Effect Upon the Company's Profits (losses) of Interest and Exchange Rate Fluctuations and Changes in the Inflation Rate and Response Measures to be Taken in the Future:

The fluctuation in the interest rate of US Dollars and New Taiwan Dollars is not huge, and the inflation is not obvious and not impacting the company's profit or loss as of the most recent year and as of the date of publication of this annual report.

The Company's exchange gains (losses) in the first quarter of 2022 and 2023 were NT$ 53,911 Thousand and NT$ (1,571) Thousand, respectively, accounting for 2.41% and 0.23% of the respective period's operating income. The company has taken response measures towards exchange rate fluctuation by natural hedging. The company will pay in US Dollars when purchasing and maintaining a certain level of US Dollars net position held to reduce the impact of exchange rate fluctuations.

(2) The company's policy regarding high-risk investments, highly leveraged investments, loans to other parties, endorsements, guarantees, and derivatives transactions; the main reasons for the profits/losses generated thereby; and response measures to be taken in the future:

The company didn’t involve high-risk and highly leveraged investments within the most recent fiscal year and as of this annual report's publication date. With regard to the loans to other parties, endorsement, guarantees and derivatives transactions were conducted per the Operational Procedures for Loaning Funds to Others, Operational Procedures for Endorsements/ Guarantees, Procedures for the Acquisition or Disposal of Assets and other regulations to ensure the greatest equity of the company and the shareholders.

(3) Research and development work to be carried out in the future, and further expenditures expected for research and development work:

1. Future Research and Development Plan

(i) Computer Motherboard

A. Development of Intel 14th Gen CPU + Raptor Lake - Refresh Platform.

B. Development of the Latest Generation of AMD APU + A620 Platform.

C. Development of SOC Motherboards.

(ii) Industrial PC

A. Motherboard of Alder Lake-N SOC/ Raptor Lake-S/ Mother Board of Raptor Lake-P CPU.

B. Mother Board of Alder Lake-N SOC/ Raptor Lake-S/ Raptor Lake-P CPU System Unit.

(iii) Display Card and Solid-State Disk

A. Development of PCI-E Gen5 SSD

B. Development of the latest generation AMD & NVIDIA Display Card

2. Further Expenditures Expected for Research and Development Work:

The company expected to maintain the spending on the expenditures for Research and Development work as 3% of the Turnover in 2023.

(4) The effect on the company's financial operations of important policies adopted and changes in the legal environment at home and abroad, and measures to be taken in response:

The company pays attention to the changes in the legal environment and the important policies adopted domestically or overseas and evaluates the impacts on the company. There is no significant adverse effect on the company due to the changes in the legal environment and the policies adopted domestically or overseas within the most recent fiscal year and as of the date of the publication of this annual report.

(5) The effect on the company's financial operations of developments in science and technology (including cyber security risks) as well as industrial change and measures to be taken in response:

The company is constantly attentive to changes in the industry and related technologies. We assess and research the potential impact on our company's future development and financial operations and devise corresponding measures as needed. We also have dedicated personnel evaluating information security risks and implementing preventive measures such as firewalls and antivirus software. In the most recent fiscal year and until the printing date of the annual report, no significant technological changes (including information security risks) or industry shifts would significantly impact our company's financial operations.

(6) The effect on the company's crisis management of changes in the company's corporate image and measures to be taken in response: None.
(7) Expected benefits and possible risks associated with any merger and acquisitions and mitigation measures to be taken: None.
(8) Expected benefits and possible risks associated with any plant expansion and mitigation measures to be taken: None.
(9) Risks associated with any consolidation of sales or purchasing operations and mitigation measures to be taken:

The company's largest supplier consists of 22% of the Net Purchase, and the largest clients of the Company consist of 8% of Net Sales in 2022. Therefore no such condition of overly concentrated.

(10) The effect upon and risk to the company in the event a major quantity of shares belonging to a director, supervisor, or shareholder holding greater than a 10 percent stake in the Company has been transferred or has otherwise changed hands, and mitigation measures to be taken: None.
(11) The effect upon and risk to the Company associated with any change in governance personnel or top management and mitigation measures to be taken: None.
(12) Litigious and non-litigious matters: None.
(13) Other important risks and mitigation measures to be taken: None.

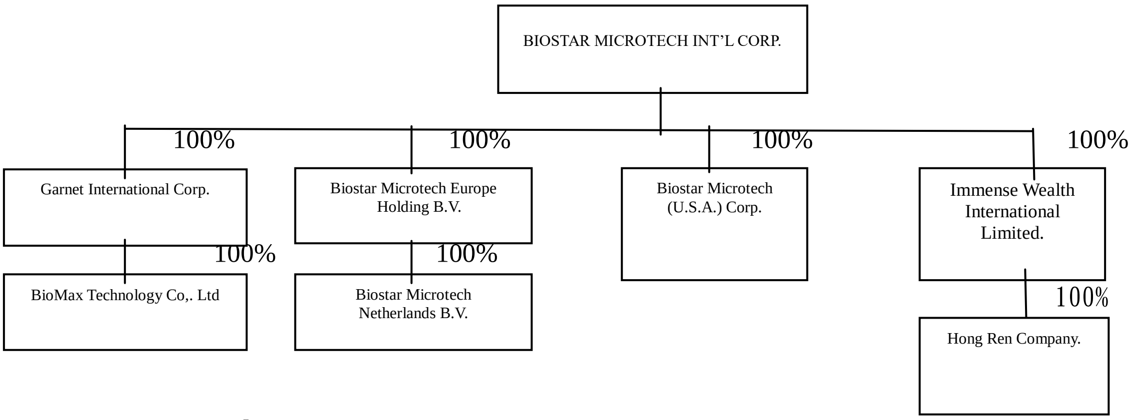
7. Other Important Matters: None.

VIII. Affiliates Information and Other Special Items

1. Information Related to the Company's Affiliates

(1) Affiliated Companies Chart:

1.Controlling Companies and Affiliated Companies:



2. Mutual Investment Companies: None.

3. Among Affiliated Companies: None.

(2) Basic Information of Affiliated Companies

Unit: NT$ Thousand /USD Thousand/EUR Thousand/RMB Thousand

Company Name	Date of Establishment	Address	Paid-in capital	Principal Business Activities
Controlling Company：				
BIOSTAR MICROTECH INT'L CORP.)	29th of August, 1990	2F., No. 108-2, Minquan Road, Xindian District, New Taipei City	NT$ 1,781,000	Manufacturing and Sales of the Motherboards, Industrial PCs and Display Card
Affiliated Companies				
Garnet International Corp.	4th of February, 1994	OMAR HODGE BUILDING, WICKHAMS CAY 1, P.O.BOX 362, ROAD TOWN, TORTOLA, BRITISH VIRGIN ISLANDS	USD 10,700	Processing, Manufacturing and Trading Business of the Motherboards, Industrial PCs and Display Card
Biostar Microtech (U.S.A.) Corp.	17th of March, 2005	18551-18553 EAST GALE AVENUE, CITY OF INDUSTRY, CA 91748, U.S.A.	USD 3,000	Trading Business of the Motherboards, Industrial PCs and Display Card
Biostar Microtech Europe Holding B.V.	14th of April, 1998	ARCHIMEDESWEG 2A 5928 PP VENLO, NETHERLANDS	EUR 1,000	Investment
Biostar Microtech Netherlands B.V.	21st of April, 2008	ARCHIMEDESWEG 2A 5928 PP VENLO, NETHERLANDS	EUR 1,000	Trading Business of the Motherboards, Industrial PCs and Display Card
BioMax Technology Co,. Ltd	24th of December, 2013	6th 7th Floor, Yi Fong Business Building No. 284 Wushahuan Road, Chang'an Town, Dongguan, Guangdong	USD 125 (RMB 764)	Technical Consulting Services
Immense Wealth International Limited	20th of September, 2017	Portcullis Chambers P.O.Box 1225 Apia SAMOA	RMB 4,587	Investment
Hong Ren Company.	15th of December, 2017	1 Taoyuan Road, Songshan Lake High-tech Industrial Park, Dongguan, Guangdong	RMB 4,500	Manufacturing and Trading of Medical Supplies and Devices

(3) Information of shareholders in common for companies presumed to have a relationship of control and subordination: None.

(4) Description of Business Operated by the Affiliates Overall

The business operated by the Affiliates mainly on the manufacturing, processing, and trading business of computer motherboards, Industrial PC and

Display cards.

For each affiliate's main business and manufacturing items and details, please refer to the aforementioned “2. Basic Information of Affiliated Companies”.

(5) Directors, Supervisors, and Presidents of Affiliated Companies

23rd of April, 2023;Unit: Shares

Company Name	Title	Name or Representatives:	Shareholding	
			Number of Shares	Shareholding Ratio%
Controlling Company：				
BIOSTAR MICROTECH	Chairperson	Ming-Yi Wang	6,997,958	3.93
INT'L CORP.)	Director	Ming-Cheng Wang	6,409,433	3.60
	Director	Wen-Shone Shiau	-	-
	Director	Tsung-Hui Tsai	10,464	0.01
	Director	Tsun-Kuo Wang	-	-
	Director	Wen-Hsiung Chan	-	-
	Director	Pao-Chin Chuang	-	-
	President	Tsong Woei Lee	-	-
Affiliated Companies				
Garnet International Corp.	Chairperson	BIOSTAR MICROTECH INT'L CORP.)	10,700,000	100.00
		Representatives: Ming-Yi Wang	-	-
	Director	BIOSTAR MICROTECH INT'L CORP.)	-	-
		Representatives: Ming-Cheng Wang	-	-
Biostar Microtech (U.S.A.)	President	Ming-Yi Wang	-	-
Corp.	Chairperson	BIOSTAR MICROTECH INT'L CORP.)	3,000,000	100.00
		Representatives: Ming-Cheng Wang	-	-
	Director	BIOSTAR MICROTECH INT'L CORP.)	-	-
		Representatives: Ming-Yi Wang	-	-
Biostar Microtech Europe	President	Ming-Cheng Wang	-	-
Holding B.V.	Chairperson	BIOSTAR MICROTECH INT'L CORP.)	10	100.000
		Representatives: Ming-Cheng Wang	-	-
	Director	BIOSTAR MICROTECH INT'L CORP.)	-	-
		Representatives: Ming-Yi Wang	-	-
Biostar Microtech	President	Ming-Cheng Wang	-	-
Netherlands B.V.	Chairperson	BIOSTAR MICROTECH EUROPE	10	100.00
		HOLDING B.V.	-	-
	Director	Representatives: Ming-Cheng Wang	-	-
		BIOSTAR MICROTECH EUROPE	-	-
BioMax Technology Co,. Ltd	President	HOLDING B.V.	-	-
Immense Wealth	Representative of	Representatives: Ming-Yi Wang	-	100.00
International Limited	Juristic Person	Ming-Cheng Wang	-	-
Hong Ren Company.		GARNET INTERNATIONAL CORP.	500,000	100.00
	Director	Representatives: Mei-Tai Liu		
		BIOSTAR MICROTECH INT'L CORP.)	-	100.00
	Representative of	Representatives: Ming-Yi Wang		
	Juristic Person	Immense Wealth International Limited		
		Representatives: Sheng-Yuan Li		

(6) Affiliated Company Business Overview

Unit: NT$ Thousand /USD Thousand/EUR Thousand/RMB Thousand

Company Name	Capital	Total Assets	Total Liabilities	Net Worth	Operating Turnover	Operating Income (Loss)	Profit (Loss)	Earnings (Losses) Per Share (NT$) (After Tax)
Controlling Company: BIOSTAR MICROTECH INT'L CORP.)	1,781,000	3,079,286	831,859	2,247,427	2,222,219	19,548	12,851	0.07
Affiliated Companies								
Garnet International Corp.	USD 10,700	USD 9,292	USD 6	USD 9,286	USD 486	USD 19	USD 99	USD 0.01
Biostar Microtech (U.S.A.) Corp.	USD 3,000	USD 6,425	USD 5,817	USD 608	USD 10,516	(USD 384)	(USD 369)	(USD 0.12)
Biostar Microtech Europe Holding B.V.	EUR 1,000	USD 1,952	USD 17	USD 1,935	USD -	USD -	(USD 192)	(USD 19,169.20)
Biostar Microtech Netherlands B.V.	EUR 1,000	USD 3,866	USD 1,914	USD 1,952	USD 9,622	(USD 246)	(USD 191)	(USD 19,130.34)
BioMax Technology Co,. Ltd	USD 125 (RMB 764)	RMB 1,059	RMB 375	RMB 684	RMB 3,490	(RMB 115)	(RMB 56)	(RMB 0.04)
Immense Wealth International Limited	RMB 4,587	RMB 2,243	RMB 20	RMB 2,223	RMB -	(RMB 13)	RMB 15	RMB 0.02
Hong Ren Company.	RMB 4,500	RMB 1,406	RMB -	RMB 1,406	RMB -	(RMB 52)	(RMB 48)	(RMB 0.01)

2. 2022 Consolidated Financial Statements of Affiliates

The Company has included the companies required to be included in the consolidated financial statements of affiliates in 2022 (from 1st of January 2022 to 31st of December 2022) all the same as companies required to be included in the consolidated financial statements of parent and subsidiary companies as provided in International Financial Reporting Standard 10, and the relevant information that has all been disclosed in the Consolidated Financial States of Parent and Subsidiary Companies, may not be required to prepare separate Consolidated Financial statements of Affiliates per the Criteria Governing Preparation of Affiliation Report, Consolidated Business Reports and Consolidated Financial Statements of Affiliated Enterprises.

3. 2022 Affiliation Report

(1) The Relationship Between the Subordinate Company and the Controlling Company

Unit: Shares;%

Name of the Controlling Company	Reasons for the Control	Details of Shareholding and Pledge			Directors, Supervisors or Managerial Officers appointed to the subordinate Company by the Controlling Company.	
		Number of Shares	Ratio	Number of Shares on Pledged	Title	Name
Yi Li Co., Ltd.	The chairperson of the controlling company is identical to the Company's Chairperson, and the President of the Controlling Company is identical to the Company's Director.	8,447,596	4.74%	-	-	-

(2) Purchase or Sale of Goods Between the Subordinate Company and the Controlling Company: None.

(3) Property Transactions Between the Subordinate and Controlling Company: None.
(4) Financing Between the Subordinate Company and the Controlling Company: None.
(5) Asset Leasing Between the Subordinate and Controlling Company: None.
(6) Other Special Stipulations Between the Subordinate and Controlling Company: None.
(7) Endorsements and Guarantees Between the Subordinate and Controlling Company: None.

2. Private Placement of Securities during the Most Recent Fiscal Year or the Current Fiscal Year up to the Date of Publication of the Annual Report: None.

3. Holding or Disposal of Shares in the Company by the Company's Subsidiaries during the Most Recent Fiscal Year or the Current Fiscal Year up to the Date of Publication of the Annual Report: None.

4. Other Matters that Require Additional Description: None.

IX. Any of the Situation Listed in Subparagraph 2, Paragraph 3, Article 36 of the Securities and Exchange Act, which might materially affect Shareholders' Equity or the Price of the Company's Securities, has occurred during the Most Recent Fiscal Year or the Current Fiscal Year up to the Date of Publication of the Annual Report, such Situations shall be listed one by one: None.

Biostar Microtech Int’l Corp.

Chairman, Ming-Yi Wang