

Stock Code:3011



Ji-Haw Industrial, Co., Ltd.

2022 Annual Report

Market Observation Post System: <http://mops.twse.com.tw/mops/web/index>
Website of annual report disclosure: <http://www.jh.com.tw>

Printed on June 5 , 2023

I. Spokesperson name, title, contact number, and email:

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Title of Spokesperson: Financial supervisor / Accounting supervisor
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II. Addresses and telephone numbers of headquarters, branches, plants:

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Tel: (02) 2918-9189 (Representative No.)

Branch -- None

Plant -- Address: No.53, Baoxing Rd., Xindian Dist., New Taipei City 23145
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III. Name, address, website and telephone number of stock transfer agency:

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Website: <http://www.taishinbank.com.tw/>
Tel: (02) 2504-8125 (Representative No.)

IV.4. Name of CPA certifying the latest annual financial statement and name, address, website and telephone number of the accounting firm:

Name of CPAs: Huang Yao Lin, Chou Shih Chieh
CPA firm: Deloitte Taiwan
Address: 20F, No. 100, Songren Rd, Xinyi Dist, Taipei City, 11073
Website: <http://www.deloitte.com.tw>
Tel: (02) 2725-9988 (Representative No.)

V. Name of any exchanges where the Company's securities are traded offshore, and the method by which to access information on said offshore securities

None

VI. Company website: <http://www.jh.com.tw>

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One Report to the Shareholders

Dear Shareholders, Ladies and Gentlemen,

Looking back at 2022, the global economic and political changes are ever-changing, and the global economy has gone through a year of changes under the epidemic and the U.S.-China trade confrontation, experiencing the global spread of pneumonia in Wuhan and the closure of the city, the U.S.-China trade war for world dominance, the impact of the Soviet-Ukrainian war, and many other uncertain factors interfere, resulting in the slowdown of economic growth to a precipitous fall. According to the research data of Gartner or IDC, the global demand for personal computers will decline significantly in 2022, and the industry uncertainties will greatly change the operating environment of the computer industry. The U.S.-China trade confrontation requires suppliers to move away from production in China, and the pandemic has prevented such exodus, which in turn affects the production and growth of component-related industries. Meanwhile, the confrontation between the U.S. and China has involved cross-strait politics. Under the influence of cross-strait politics, the war with the Soviet Union and Ukraine has caused the increase of raw materials to continuously increase the cost of manpower and materials in the manufacturing industry. The eradication of the pandemic made it more difficult to obtain direct manpower.

Taiwan's industries are under attack, and the main products are facing the trend of low prices and high specifications. The profit margins are greatly eroded. How to break away from the traditional manufacturing industry and move to a business model that combines technology integration and services to create additional value is believed to be the key to future success.. In the face of rapid changes in the external market and industrial environment, Ji-Haw can only maintain the speed of change in the market, customers, products, process technology, and management if it follows the trend more diligently, continues to improve technology and management, and strengthens the transformation in the market, customers, products, process technology, and management, to achieve steady growth and achieve business goals.

According to IDC's forecast, the major driving forces that will affect Taiwan's ICT market in the future are autonomous vehicles, 5G mobile networks, industrial automation 4.0, edge computing, and social network Internet of Things. In particular, the diversification of production locations outside China has become an inevitable way to go. Under the market trend mentioned above, it penetrates into the application scenarios of the consumer industry, automotive products, and medical industries. In the future, the Ji-Haw product line will also integrate the technologies of other vendors to provide the overall technical services required by customers.

In the next few years, it is inevitable to follow the trends of the world. Cord assemblies will gradually mature and become unified into UHF. It will bring infinite possibilities for the application of technology and consumer life. In the future, Jinhao will actively combine partners with different industrial backgrounds to develop related products and services, and fulfill its corporate responsibility for the optimization of living and life quality.

Although the external environment is not optimistic, the competitive pressure is still sufficient to remind us of the inadequacy of our operations. Today, we are confident that our professional technology, rapid response, and continuous improvement of management capabilities will continue the past value and create higher investment returns.

I. 2022 Business results

(I) Business plan implementation results and budget execution

1. Operating income: Net operating income for 2022 totaled NT\$1,497,478 thousand, a decrease of NT\$77,269 thousand from net of NT\$1,574,747 thousand for 2021.
2. Net loss after tax: Net loss after tax for 2022 totaled NT\$13,486 thousand, a decrease of NT\$80,415 thousand from net loss after tax of NT\$66,929 in 2021.

The achievement rate for the 2022 budget execution rate is in line with expectations.

(II) Analysis of income, expenditures, and profitability

Unit: NT\$ thousand

Item	2022	2021
Net cash inflow (outflow) from operating activities	112,079	(165,179)
Net cash inflow (outflow) from investing activities	79,838	209,338
Net cash inflow (outflow) from financing activities	(180,309)	134,539
Return on assets	(0.92)	3.26
Return on equity	(1.33)	6.8
Net yield	(0.9)	4.25
Earnings per share (NT\$)	(0.12)	0.59

(III) Research and development

Major R&D results for the year and up to the publication date of the annual report:

1. Modular production improvement and enhancement for Type C, HDMI 2.1 and USB 4.1 transmission cable assemblies
2. Introduced production and modular production of special wire assemblies for electric vehicles
3. Development of the transmission cable assembly for the ultra-soft elastic wire assembly completed.
4. Continuous development of autonomous vehicle sensing cable assemblies
5. Electronic small products - adapters for various interfaces, automotive panels...
6. Improvement and improvement of UHF and high conductivity wire Rods. Adding functions and reducing costs can increase profits.

II. Summary of the 2023 Business Plan

(I) Business policy

1. Operations: Strengthen management information systems and improve business management information integration efficiency; reinforce talent recruitment and training; enhance global operations management; and refine cost and expense control.
2. Products: PC/NB/tablet PC/monitors/servers and connection cables for peripheral equipment; connection cables for online gaming consoles; connection cables for LCD TVs and LCD screens; connection cables for communications/office equipment/network systems; active components for optical communication products; automotive connection cable sets; automotive circuit assembly generation and automotive cable sets; production and sales of eco-friendly equipment and components; and eco-friendly material introduction.
3. Customer relations management; customer development in new markets: energy/medical/biotech/automotive/industrial/household appliances/office equipment/cloud center markets.
4. R&D: Continue to develop on-trend and niche products; combine external R&D resources to quickly develop various application products; process automatic equipment

development and introduction; and build a pre-product development quality control process (APQC).

5. Production: Strengthen production capabilities and supply chain in different areas and use the IE approach to improve production efficiency and reasonableness; improve production and marketing mechanisms to balance the use of production capacity; continue to promote high precision products for automatic production and inspection processes; strengthen the application capability of information tools by remotely monitoring and improving efficiency and yield; and management of externally purchased/OEM supply chains.

(II) Expected sales and their basis

The Company's main business is the manufacturing and sales of computers, their peripheral products and communications products. The launch of electronic products was based on the Company's past experience with customers and the actual operation and order-taking status of 2023Q1, while taking into account the increasingly optimistic global economic situation and recovery of computer products. Estimated sales of major products for 2023 are as follows:

Unit: Thousand pcs

	2022 actual number	2023 estimated number
Connection cables	83,352	75,016
Others	0	0
Total	83,352	75,016

(III) Important production and marketing policies

1. Marketing strategy

- (1) Make a proactive approach to take part in business exhibitions and seminars both at home and overseas to improve product visibility and increase the possibility to work with peers in the industry.
- (2) Develop channel sales ability in niche markets
- (3) Actively develop customers in other product areas to balance the sales disparity between slow and peak seasons.
- (4) Focus on profit management by making good use of existing production capacity to avoid inventory backlog.

2. Production policy

- (1) Enhance the management capabilities of external resources: Screen and counsel appropriate suppliers, effectively control the timeliness and quality yield of the supply chain and reduce material turnover in transit.
- (2) Strengthen production capacity forecasting and control capability: Improve the accuracy of production capacity forecasting and balance internal and external production capacity.
- (3) Reinforce material management capability: Use the management information system to improve the timeliness of materials, while reducing material inventory backlog, material inventory level warning and immediate handling.
- (4) Process equipment precision and automation improvement: Continuously improve production equipment and jigs to increase production quality and performance.

III. The Company's future development strategy

With many years of experience in the connector cable industry, Ji-Haw has a strong R&D foundation and production management capability. The development strategy for the future will be further extended following this foundation:

1. Enhance the product and service quality with the Company's 30 years of R&D foundation through the international well-known brands of approved suppliers and the laboratory in China with national certification.
2. Make good use of product R&D capabilities and production bases; integrate collaboration opportunities with different industries to extend the business from parts and components to components/systems, and from peripherals to markets with growth potential including cloud center products/medical biotechnology/networking/industrial control/medical/energy/auto-drive trip system markets.
3. Cultivate strategic customers and proactively build partnerships with other international manufacturers through development, design and customization in terms of production upon orders; expand business opportunities by quickly responding to customers' time to market and time to volume.

IV. The impact of the external competitive environment, the regulatory environment and the overall business environment

Under the impact of COVID-19 and US-China Trade War, together with China's policy to adjust domestic and foreign demand and industrial structure, the growth momentum of China's economy has shifted from export sales to domestic demand. This has increased labor costs in the manufacturing industry, making it more difficult to acquire direct labor. At the same time, with local procurement the main focus of many policies, the future competitive pressure from peers in China and Southeast Asia will become the main factor for impact. However, as policies fully support automotive electronics, environmental protection and energy conservation fields, the Company will strive to enter the relevant fields and develop new products that are on par with market trends. Based on this, the Company is to shift from a manufacturing-oriented strategy to a technology integrated and service-oriented strategy. In doing this, we should be able to effectively strengthen future competitiveness, while opening up extensive and long-term marketing opportunities.

Ji-Haw Industrial, Co., Ltd.

Chairman: Lin Wen-Hwang

Company Officer: Wu Chia-Shin

Chief Accounting Officer: Judy Chu

Two Company Profile

I. Date of establishment

Date of establishment: January 11, 1983

II. Organization and operations

Year	Significant Events
72	Ji-Haw Industrial Company was established in Section 3, Muxin Road, Taipei, with a capital of NT\$2,100,000.
74	Reorganized and changed its name to Ji-Haw Industrial, Co., Ltd.
75	* Due to plant expansion, the capital was increased to NT\$15,000,000. * Relocated to the self-purchased plant in the same year
78	Capital increased by NT\$15,000,000 in cash, increasing the Company's paid-in capital to NT\$30,000,000.
79	Capital increased by NT\$30,000,000 in cash, bringing the Company's paid-in capital to NT\$60,000,000.
84	* Invested in Ji-Haw (Shanghai) Co., Ltd. * Invested in Ji-Haw America Inc.
86	* Capital increased by NT\$116,950,000 in cash, bringing the Company's paid-in capital to NT\$176,950,000. * Invested in J.B.T and J.H.T.
87	* Capital increased by NT\$22,050,000 in cash, bringing the Company's paid-in capital to NT\$199,000,000. * Public offering of shares in October * To increase capital, NT\$14,925,000 was transferred from earnings, NT\$19,900,000 was transferred from capital reserve, and by cash of NT\$31,250,000, increasing capital to NT\$258,825,000.
88	* To increase capital, NT\$103,530,000 was transferred from earnings and NT\$5,626,630 was transferred from employee bonus, increasing capital to NT\$367,981,630. * Invested in Ji-Haw Electronics (Kunshan) Co., Ltd. * Invested in research and development of flat flexible cable (FFC) products.
89	* To increase capital, NT\$110,394,490 was transferred from earnings and NT\$9,071,100 was transferred from employee bonus, increasing capital to NT\$487,447,220.
90	* To increase capital, NT\$73,117,080 was transferred from earnings, NT\$10,322,410 was transferred from employee bonus, and NT\$48,744,720 was transferred from capital reserve, increasing capital to NT\$619,631,430. * Invested USD 900,000 in Ji-Haw Electronics (Kunshan) Co., Ltd. * Invested USD 3 million in Ji-Haw Precision Ceramics (Kunshan) Co., Ltd.
91	* To increase capital, NT\$41,515,300 was transferred from earnings, NT\$5,860,980 was transferred from employee bonus, and NT\$20,447,830 was transferred from capital reserve, increasing capital to NT\$687,455,540. * Shares were approved to be listed on TWSE from TPEX by the FSC (July 22, 2002). * Established the global operations headquarters. * Issued NT\$359,000 thousand of convertible bonds.
92	* To increase capital, NT\$60,077,970 was transferred from earnings and NT\$12,114,060 was transferred from employee bonus, increasing capital to NT\$818,441,840. * Moved into its global operations headquarters in the same year. * The investee Ji-Haw Precision Ceramics (Kunshan) Co., Ltd. changed its name to Ji-Haw Opto-Electrical (Kunshan) Co., Ltd.
93	* Implemented treasury stock. * To increase capital, NT\$57,173,880 was transferred from earnings, and NT\$16,143,210 was transferred from employee bonus. * Cancelled treasury stock of NT\$43,240,000. * Invested USD 2.9 million in Ji-Haw Opto-Electrical (Kunshan) Co., Ltd. * Applied for conversion of corporate bonds into 17,194,409 shares of common stock. * Convertible corporate bonds were fully converted to common stock.
94	* To increase capital, NT\$3,061,380 was transferred from earnings, NT\$3,313,500 was transferred from employee bonus, and NT\$58,166,390 was transferred from capital reserve, increasing capital to

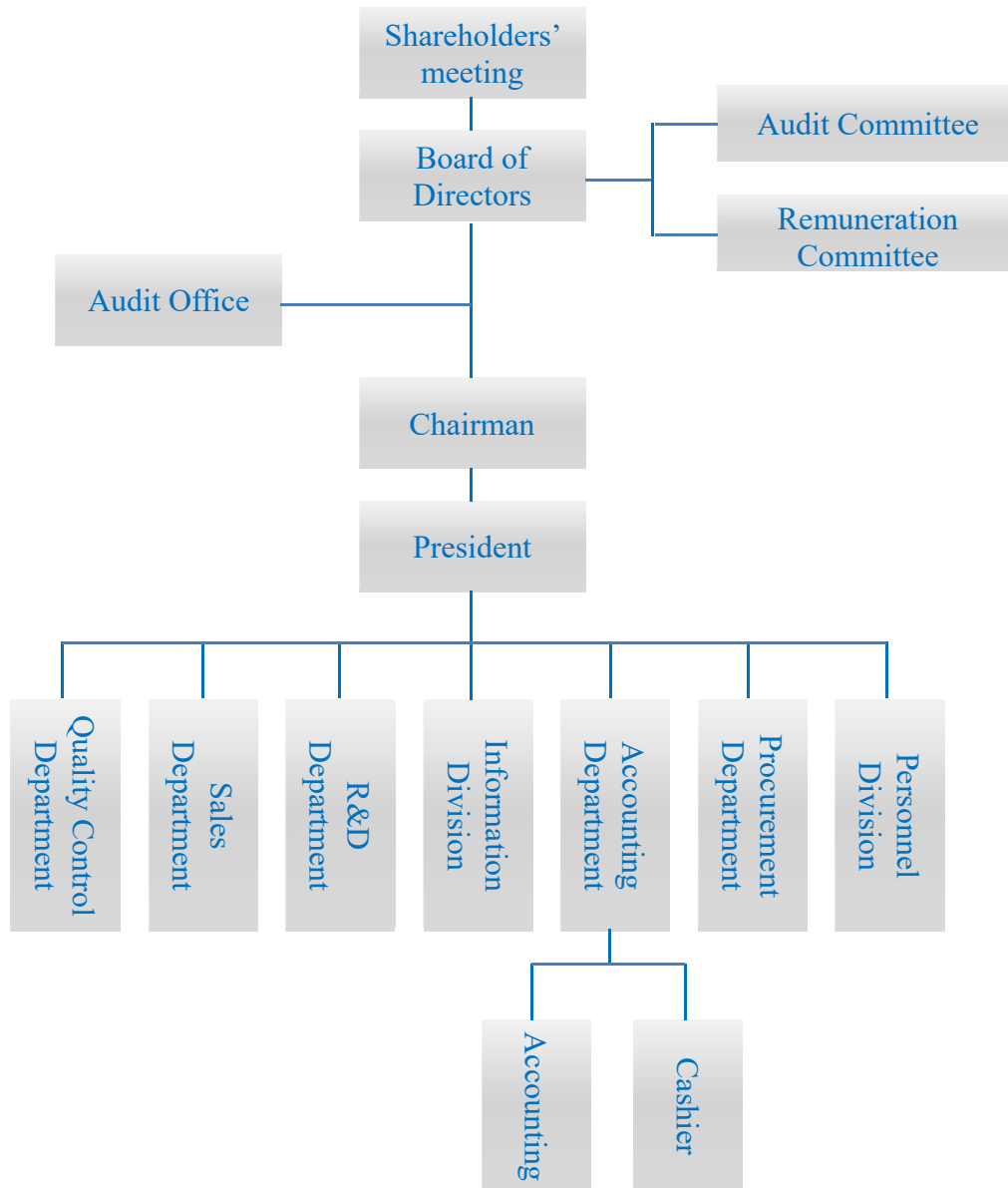
Year	Significant Events
	NT\$1,085,004,290. * Invested USD 4.6 million in Ji-Haw Opto-Electrical (Kunshan) Co., Ltd.
95	* To increase capital, NT\$54,250,210 was transferred from earnings and NT\$15,317,700 was transferred from employee bonus, and treasury stock of NT\$18,000,000 was canceled, with capital totaling NT\$1,136,572,200. * Ji-Haw (Shanghai) Co., Ltd. was dissolved and liquidated in November.
96	* To increase capital, NT\$45,462,880 was transferred from earnings and NT\$9,627,430 was transferred from employee bonus, with capital totaling NT\$1,191,662,510. * Invested USD 1 million in Ji-Haw Opto-Electrical (Anhui) Co., Ltd.
97	Treasury stock of NT\$32,540,000 was canceled, with capital totaling NT\$1,159,122,510.
98	* Treasury stock of NT\$31,930,000 was canceled, with capital totaling NT\$1,127,192,510. * Invested USD 1 million in Ji-Haw Opto-Electrical (Anhui) Co., Ltd.
99	* Reduced investment in establishment of subsidiary Ji-Haw Opto-Electrical (Anhui) Co., Ltd. * Re-elected directors and supervisors. * Set up www.gpower99.com.tw to establish channels and value of its own brand.
100	* Invested USD 1 million in Ji-Haw Opto-Electrical (Anhui) Co., Ltd. * JHA suspended operations.
101	Completed the implementation of the adoption of IFRSs and prepared IFRSs financial statements.
102	* Raised shares to increase capital of S Square System Limited by investing NT\$3 million, integrating 3D printing cross-industry partnership. * Re-elected directors and supervisors.
103	* JHB suspended operations. * Established subsidiary Just Health Biotech Co., Ltd. to engage in retail and wholesale operations of medical devices and Chinese and Western medicines. * Raised shares to increase capital of Liwang Technology Co., Ltd. by investing NT\$5 million, for cross-industry cooperation. * Raised shares to increase capital of Soyo Link Energy Co., Ltd. by investing NT\$6 million, for cross-industry cooperation.
104	* Reduced investment in establishment of subsidiary Ji-Haw Electronics (Kunshan) Co., Ltd.
105	* Invested in overseas subsidiary Ji-Haw Investment Co., Ltd. (J.H.I.) * Re-elected directors and supervisors.
106	* JBT invested USD 3 million in Ji-Haw Opto-Electrical (Kunshan) Co., Ltd. * Increased capital of J.H.I. by USD 100,000 in cash.
107	* Just Health Biotech Co., Ltd. was dissolved and liquidated in November. * Invested USD 2.9 million in Ji-Haw Opto-Electrical (Kunshan) Co., Ltd. * Reduced investment in establishment of subsidiary Ji-Haw Electronics (Kunshan) Co., Ltd.
108	* Re-elected directors and supervisors. * Liquidated subsidiary JH America, Inc.
109	* A subsidiary in China announced to delay the resumption of work during the Spring Festival (due to COVID-19). * Change in the Company's supervisors.
110	* Overseas subsidiary Ji-Haw Electronics (Kunshan) Co., Ltd. announced the disposal of real estate. * Disposed of equity sales and interests of subsidiary Ji-Haw Opto-Electrical (Anhui) Co., Ltd. (J.H.E.)
111	* Re-elected all directors. * Established the Audit Committee.

ThreeCorporate Governance Report

I. Organizational system

(I) The Company's Organizational Structure:

Ji-Haw Industrial, Co., Ltd.
Organizational Chart



1. Set up a company officer.
2. Title of company officer: President.
3. The appointment and dismissal of the company officer are approved by the Board of Directors.
4. Scope of duties of the company officer: Establish operations strategies and targets; oversees the execution and coordination of the operations of the entire company and overseas subsidiaries; and command and monitor the normal operations of the organizational functions of all departments.

(II) Tasks of Principal Divisions

Audit Office:	Plan the Company's internal audits. Compile written information on the internal control system and help in its implementation and revision. Implementation of internal audits and regularly audit reports.
Quality Control Department:	Control the quality of materials and finished products. Quality control system establishment and maintenance.
Sales Department:	Business marketing and market research. Form marketing strategies. Implement sales plans. Customer consultation services.
R&D Department:	Review, implementation and evaluation of research projects. Help product units in improving quality and production capacity. Develop and introduce new products in line with the Company's operational objectives. Mold development and process improvement. Product structure development and improvement.
Information Division:	Ensure company-wide information handling is quickly completed. Company computer software and network maintenance. Program writing and maintenance.
Accounting Department:	Responsible for planning and executing the Company's accounting and budget operations. Planning and executing tax operations. Promoting and implementing financial policies. Fund raising and adjustment.
Procurement Division:	Raw material price inquiry, price comparison, procurement, and delivery control. Develop new suppliers.
General Affairs Division:	General affairs.
Personnel Division:	Human resources management. Employee wage and bonus planning. Employee education and training planning. Employee attendance management.

II. Information on the Company's directors, president, vice president, assistant general manager, and supervisors of the Company's divisions and branch units

(I) Information on directors

May 1, 2023

Title (Note 1)	Nationality or Place of Registration	Name	Sex and age (Note 2)	Date of Election (Appointment)	Term of office	Date of First Election (Note 3)	Shareholding when elected		Current Shareholding		Current Shareholding of Spouses and Minor Children		Shareholding in the Name of Others		Principal Work Experience and Academic Qualifications (Note 4)	Position(s) Held Concurrently in the Company/in Any Other Company	Other Supervisors, Directors or Supervisors Who Are Spouses, or Relatives Within the Second Degree of Kinship			Remarks (Note 5)
							No. of shares	Shareholding ratio	No. of shares	Shareholding ratio	No. of shares	Shareholding ratio	No. of shares	Shareholding ratio			Title	Name	Relationship	
Chairman	Taiwan	Lin Wen-Hwang	Male 61-70	June 20, 2022	3 years	79.09.30	5,852,901	5.19	3,261,901	2.89	290,335	0.26	-	-	Education: Graduated from Fuxing Science and Technology College Experience: Quality Control Team Leader of Pan-International Industrial Corporation	Chairman of Ji-Haw Industrial, Co., Ltd. Director of Ji-Haw Electronics (Kunshan) Co., Ltd. Director of Ji-Haw Opto-Electrical (Kunshan) Co., Ltd.	Director	Lin Da-Sen	Father and son	None
Director	Taiwan	Lin Da-Sen	Male 31-40	June 20, 2022	3 years	108.06.14	1,675,000	1.49	0	0	Not applicable	0.00	Not applicable	-	Education: Graduated from UBC Sauder School of Business, Canada Experience: Procurement Department of Delta Greentech (China) Co., Ltd. Management Division of Outsourcing Relations of Acer Inc.	Chairman of JBT President of Ji-Haw Investment Co., Ltd. Special Assistant to the Chairman of Ji-Haw Industrial, Co., Ltd.	Chairman	Lin Wen-Hwang	Father and son	None
Director	Taiwan	Wu Chia-Shin	Male 61-70	June 20, 2022	3 years	96.06.13	2,198,515	1.95	515	0	Not applicable	0.00	Not applicable	-	Education: Graduated from Feng Chia University Experience: Machine Engineer at Angya Company Machine Engineer of Pan-International Industrial Corporation	President of Ji-Haw Industrial, Co., Ltd. Director of Ji-Haw Electronics (Kunshan) Co., Ltd.	None	None	None	None

Director	Taiwan	Chen Po-Shou	Male 61-70	June 20, 2022	3 years	79.09.30	2,513,741	2.23	2,270,741	2.01	Not applicable	0.00	Not applicable	-	Education: Graduated from Jui-Fang Industrial High School Experience: Team Leader of International Wire and Cable Company Controller of Taichin Company Sales Specialist of Guozhu Electronics Co.	Director and management consultant of Ji-Haw Electronics (Kunshan) Co., Ltd. Director and management consultant of Ji-Haw Opto-Electrical (Kunshan) Co., Ltd.	None	None	None	None
Independent Director	Taiwan	Yeh Chi-Nan	Male 41-50	June 20, 2022		111.06.20	0	0	0	0	0	0	-	-	Education: Yuan Ze University Experience: Chief of Finance Division of Kunshan Chang Maohang Automobile Parts Co., Ltd. Financial Manager of Ji-Haw Opto-Electrical (Kunshan) Co., Ltd.	Financial Manager of Kunshan Tong Yin Industrial Electric Manufacturing Co., Ltd. Financial Manager of Kunshan Renhao Consulting Co., Ltd./Financial Manager of Kunshan Yinghong Mingwen Precision Material Co., Ltd.	None	None	None	None
Independent Director	Taiwan	E Hsin-Chuan	Male 51-60	June 20, 2022		111.06.20	0	0	0	0	0	0	-	-	Education: Taipei City University of Science and Technology Experience: President of Shih-Lien Chemical Co., Ltd.	Special Assistant to the Chairman, Chia Yang Asset Management Co., Ltd.	None	None	None	None
Independent Director	Taiwan	Wang Wei-Chi	Female 41-50	June 20, 2022	3 years	107.06.14	0	0	0	0	192,999	0.17	-	-	Education: Fu Jen Catholic University Experience: Marketing Director of Shanghai Renputi Beauty Technology Co., Ltd. Marketing Director of Shanghai Baojian Technology Co., Ltd.	President of Yijiyun Electronic Trading Co., Ltd. of Kunshan Development Zone	None	None	None	None

※Directors Lin Da Sen and Chen Po-Shou resigned on April 7, 2023, and Wu Chia-Shin resigned on April 11, 2023.

Note 1: The name of the corporate shareholder and its representatives shall be listed separately (in case of a representative of the corporate shareholder, the name of the corporate shareholder shall be indicated), and the information shall be completed in Table 1 below.

Note 2: Please state the actual age, which may be expressed in intervals, such as 41-50 years old or 51-60 years old.

Note 3: Fill in the time when first serving as a director or supervisor of the Company. If there is any interruption, it should be explained in a note.

Note 4: Experience related to the current position. If the person has worked for the Company's CPA firm or affiliates in the aforementioned period, please specify the title of the position and the duties performed.

Note 5: Where the chairman and the president or person of an equivalent post (the highest level company officer) of a Company are the same person, spouses, or relatives within the first degree of kinship, an explanation shall be given of the reason, reasonableness, necessity thereof, and the measures adopted in response thereto (for example: method of increasing the number of independent directors with a majority of the directors not serving as an employee or company officer).

(II) Information disclosure of professional qualification of directors as well as the independence of independent directors:

Criteria Name	Title	Professional qualifications and experience (Note 1)	Independence	Number of other public companies in which the individual is concurrently serving as an independent director
Lin Wen-Hwang	Chairman	The Company's founder is committed to the research of cable-related industries, and currently serving as the Chairman of the Company and a number of subsidiaries.	Not applicable	0
Wu Chia-Shin	Director	The Company's current President has experience in professional leadership, marketing, operations management and strategic planning.		0
Lin Da-Sen	Director	The President of Ji-Haw Investment Co., Ltd. has professional investment capabilities.		0
Chen Po-Shou	Director	Former President of a subsidiary in Kunshan and is currently passing down his extensive experience as a consultant.		0
Yeh Chi-Nan	Independent director	Extensive financial experience as the financial officer of several companies.	All independent directors have met the following criteria and the signed statement of independence has been obtained: 1. In line with the provisions of Article 14-2 of the Securities and Exchange Act and the Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies promulgated by the FSC. 2. I, my spouse, and relatives within the second degree of kinships are not serving as a director, supervisor or employee of the Company or other affiliates. 3. I did not receive remuneration from the Company or its affiliates for providing commercial, legal, financial and accounting services in the past two years.	0
E Hsin-Chuan	Independent director	Experience in professional leadership, marketing, operations management and strategic planning as the senior supervisor of several companies.		0
Wang Wei-Chi	Independent director	Currently serving as the President of Yijiayun Electronic Trading Co., Ltd. of Kunshan Development Zone, with extensive experience in industrial marketing.		0

Note 1: For professional qualification and experience of directors, please see Three. Corporate Governance Report\II. Information on the Company's directors, president, vice president, assistant general manager, and supervisors of the Company's divisions and branch units\I) Information on directors P14.

(III) Diversity and independence of the Board:

(1) Diversity of the Board:

The Company's policy is based on the policy of diversity and to strengthen corporate governance, while promoting the development of Board composition and sound structure. The nomination of the director candidates is carried out in accordance with the Articles of Incorporation under the candidate nomination system. The academic and experience qualifications, professional backgrounds, integrity or relevant professional qualifications of each candidate are evaluated. After the candidates are approved by the Board of Directors, they are submitted to the shareholders' meeting for election. It is advisable that directors concurrently serving as company officers not exceed one-third of the total number of the board members, and that an appropriate policy on diversity based on the company's business operations, operating dynamics, and development needs be formulated and include, without being limited to, the following:

1. Basic requirements and values: Gender, age, nationality, and culture.
2. Professional knowledge and skills: Ability to make operational judgments, ability to perform accounting and financial analysis, ability to conduct management administration, ability to conduct crisis management, knowledge of the industry, an international market perspective, ability to lead, and ability to make policy decisions.

The Company's current Board of Directors are composed of 7 directors (including three independent directors). The specific management objectives and achievement of the policy of diversity with respect to the composition of the Board are as follows:

Management objectives	Achievement
It is advisable that directors concurrently serving as company officers not exceed one-third of the total number of the board members	Achieved
The independent directors have not served more than 3 terms	Achieved
At least one member in the Board is female	Achieved

3. Professional knowledge and independence of the directors:

May 1, 2022

May 1, 2022

Criteria	Name (Note 1)	Title	Nationality	An employee	Terms of service of the independent director			Professional knowledge and skills						Professional backgrounds				Remarks
					Under 3 years	3-9 years	More than 9 Years	Ability to make operational judgments	Ability to conduct management administration	Ability to lead	Ability to conduct crisis management	Product knowledge	An international market perspective	Technology industry	Financial investment	Financial accounting	Technical research	Number of other public companies in which the individual is concurrently serving as an independent director
	Lin Wen-Hwang	Director	Republic of China	✓				✓	✓	✓	✓	✓	✓	✓		✓	None	
	Lin Da-Sen			✓				✓	✓	✓	✓	✓	✓	✓	✓		✓	None
	Wu Chia-Shin			✓				✓	✓	✓	✓	✓	✓	✓	✓		✓	None
	Chen Po-Shou							✓	✓	✓	✓	✓	✓		✓		✓	None
	Yeh Chi-Nan	Independent director			✓			✓	✓	✓	✓	✓			✓			None
	E Hsin-Chuan				✓			✓	✓	✓	✓							None
	Wang Wei-Chi				✓	✓		✓	✓	✓	✓	✓	✓	✓				None

(IV) Information on the Company's president, vice president, assistant general manager, and supervisors of the Company's divisions and branch units:

May 1, 2023

Title	Nationality	Name	Gender	Date of Election (Appointment)	Shareholding		Shareholding of Spouses and Minor Children		Shareholding in the Name of Others		Principal Work Experience and Academic	Position(s) Held Concurrently in the Company/in Any Other Company	Company Officers Who Are Spouses or Relatives Within the Second Degree of Kinship			Remarks (Note 3)
					No. of shares	Shareholding ratio	No. of shares	Shareholding ratio	No. of shares	Shareholding ratio			Title	Name	Relationship	
President	Taiwan	Wu Chia-Shin	Male	2006.09.01	515	0.00	52,708	0.05	0	0	Education: Graduated from Feng Chia University Experience: Machine Engineer at Angya Company Machine Engineer of Pan-International Industrial Corporation	Director of Ji-Haw Electronics (Kunshan) Co., Ltd.	None	None	None	None
Vice President	Taiwan	Simon Wu	Male	2010.03.01	0	0.00	0	0.00	0	0	Education: Graduated from China Science and Technology College Experience: Vice President of Ji-Haw Opto-Electrical (Kunshan) Co., Ltd.	None	None	None	None	None
Financial Department Supervisor, Accounting Department Supervisor	Taiwan	Judy Chu	Female	1996.07.01	65,220	0.06	1,106	0.00	0	0	Education: Graduated from Chihlee College Experience: Accounting Specialist of Junlong Industrial Co., Ltd.	None	None	None	None	None

Note 1: Information of the president, vice president, assistant vice general manager, and the chiefs of all company divisions and branch units, as well as the positions equivalent to the president, vice president, assistant vice general manager, regardless of their job titles, shall also be disclosed.

Note 2: Experience related to the current position. If the person has worked for the Company's CPA firm or affiliates in the aforementioned period, please specify the title of the position and the duties performed.

Note 3: Where the chairman and the president or person of an equivalent post (the highest level company officer) of a company are the same person, spouses, or relatives within the first degree of kinship, an explanation shall be given of the reason, reasonableness, necessity thereof, and the measures adopted in response thereto (for example: method of increasing the number of independent directors with a majority of the directors not serving as an employee or company officer).

III. Remuneration paid during the most recent fiscal year to directors, supervisors, president, and vice president:

(I) Remuneration to general directors and independent directors:

Unit: NT\$ thousand

Title	Name	Remuneration to directors								The sum of A, B, C and D as a percentage of net loss after tax (Note 10)		Remuneration received as company part-time employee								Sum of A, B, C, D, E, F and G as a percentage of net loss after tax (Note 10)		Remuneration received from investors other than subsidiaries or parent company
		Remuneration (A) (Note 2)		Severance pay and pension (B)		Remuneration to directors (C) (Note 3)		Operational expenses (D) (Note 4)				Salaries, bonuses and special allowances (E) (Note 5)		Severance pay/retirement allowance (F)		Remuneration to employees (G) (Note 6)						
		The Company	All companies included in the financial report (Note 7)	The Company	All companies included in the financial report (Note 7)	The Company	All companies included in the financial report (Note 7)	The Company	All companies included in the financial report (Note 7)	The Company	All companies included in the financial report (Note 7)	The Company	All companies included in the financial report (Note 7)	The Company	All companies included in the financial report (Note 7)	The Company		All companies included in the Financial Report (Note 7)		The Company	All companies included in the financial report	
Amount in cash	Amount in stock															Amount in cash	Amount in stock					
Chairman	Lin Wen-Hwang	0	0	0	0	0	0	0	0	0	0	1,760	1,760	98	98	0	0	0	0	1,858 13.78 %	1,858 13.78%	None
Director	Lin Da-Sen	0	0	0	0	0	0	0	0	0	0	1,254	1,254	67	67	0	0	0	0	1,321 9.80%	1,321 9.80%	None
Director	Wu Chia-Shin	0	0	0	0	0	0	0	0	0	0	1,557	1,557	81	81	0	0	0	0	1,638 12.15 %	1,638 12.15%	None
Director	Chen Po-Shou	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0.00%	0.00%	None
Independent director	Yeh Chi-Nan	0	0	0	0	0	0	105	105	105 0.78%	105 0.78%	0	0	0	0	0	0	0	0	105 0.78%	105 0.78%	None
Independent director	E Hsin-Chuan	0	0	0	0	0	0	105	105	105 0.78%	105 0.78%	0	0	0	0	0	0	0	0	105 0.78%	105 0.78%	None
Independent director	Wang Wei-Chi	0	0	0	0	0	0	180	180	180 1.33%	180 1.33%	0	0	0	0	0	0	0	0	180 1.33%	180 1.33%	None

Please provide in detail the policy, system, standards and structure of remuneration to independent directors, and describe the relevance to the amount of remuneration according to the responsibilities, risks, time invested and other factors:

The Company's remuneration payment policy for directors and supervisors is stipulated in the Articles of Incorporation. Remuneration to the president and vice president is handled according to the Company's Labor and Wage Cycle Rules According to Articles of Incorporation, the Company shall set aside 1% to 3% of the annual profit, if any, as remuneration to directors and supervisors. However, earning shall first be used to make up for accumulated losses. The performance evaluation and remuneration to directors, supervisors and company officers shall be based on the usual standards of the industry, while taking into account the reasonableness of the linkage to the individuals performance, performance evaluation results and the Company's operating performance and future risks.

In addition to the disclosure in the table above, in the most recent fiscal year, remuneration received by directors (e.g., serving as a consultant for a non-employee of the parent company/companies in the financial statements/investment businesses): None

* The content of the remuneration disclosed in this table is different from the income concept of the income tax law, so the purpose of this table is for information disclosure and not for taxation.

Note 2: Refers to the remuneration of directors in the most recent year (including directors' salary, job bonus, severance payment, various bonuses, incentives, etc.).

Note 3: This is the amount of directors' remuneration approved by the Board of Directors in the most recent year.

Note 4: Refers to a director's relevant business execution expenses in the most recent year (including transportation fees, special expenses, various allowances, dormitory, vehicle allocation, etc.). When providing housing, cars and other means of transportation or exclusive personal expenses, the nature and cost of the assets provided, the actual or fair market price rent, fuel and other payments should be disclosed. In addition, if there is a driver, please note the relevant remuneration paid by the Company to the driver, but it will not be included in the remuneration.

Note 5: Refers to the salary, job bonus, severance payment, various bonuses, incentive payments, transportation fees, special expenses, various allowances, dormitory, vehicle allocation and other in-kind provisions received by directors who also serve as employees (including also serving as a president and vice president, other company officers and employee) in the most recent fiscal year. When providing housing, cars and other means of transportation or exclusive personal expenses, the nature and cost of the assets provided, the actual or fair market price rent, fuel and other payments should be disclosed. In addition, if there is a driver, please note the relevant remuneration paid by the Company to the driver, but it will not be included in the remuneration. Also, salary expenses recognized in accordance with IFRS 2 "shares-based payment", including obtaining employee stock options, restricting employee rights, new shares, and participating in capital injection subscription shares, should also be included in remuneration.

Note 6: Refers to those who have received employee remuneration (including stocks and cash) for concurrent directors (including concurrently serving as president and vice president, other company officers and employees) in the most recent year. The amount of employee remuneration approved by the Board of Directors in the most recent year shall be disclosed. If it is not possible to estimate, the proposed distribution amount for this year shall be calculated based on the actual distribution amount last year, and the attached Table 1-3 shall be filled in.

Note 7: The total amount of remuneration paid to the directors of the Company by all companies (including the Company) in the consolidated report should be disclosed.

Note 8: The Company pays the total amount of remuneration to each director, and reveals the name of the director in the attribution level.

Note 9: The total amount of remuneration paid to each director of the Company by all companies (including the Company) in the consolidated report should be disclosed, and the names of the directors should be disclosed in the attribution level.

Note 10: Profit after tax refers to the profit after tax on the parent company only or individual financial reports.

Note 11: a. This column should clearly indicate the amount of relevant remuneration received by the directors of the Company from the subsidiary company or the parent company. (If there is none, please fill in “None”).

b. If the directors of the Company receive relevant remuneration from the out-of-subsidary investment business or the parent company, they shall transfer the remuneration received by the Company directors to the out-of-subsidary investment business or the parent company. Incorporate this into column I of the remuneration grading table and change the name of the column to “Parent Company and All Reinvested Enterprises”.

c. Remuneration refers to the remuneration, remuneration (including remuneration of employees, directors and supervisors) and business execution expenses received by the directors of the Company as directors, supervisors or company officers of non-subsidary investment enterprises or parent company remuneration.

(II) Remuneration to the president and vice president:

Unit: NT\$ thousand

Title	Name	Salary (A) (Note 2)		Severance pay and pension (B)		Salaries, bonuses and special allowances (C) (Note 3)		Remuneration to employees (D) (Note 4)				Total sum of A, B, C and D and its proportion to net loss after tax (%) (Note 8)		Remuneration received from investees other than subsidiaries or parent company (Note 9)
		The Company	All companies included in the financial report (Note 5)	The Company	All companies included in the financial report (Note 5)	The Company	All companies included in the financial report (Note 5)	The Company		All companies included in the financial report (Note 5)		The Company	All companies included in the financial report (Note 5)	
								Amount in cash	Amount in stock	Amount in cash	Amount in stock			
President	Wu Chia-Shin	1,371	1,371	81	81	186	186	0	0	0	0	1,638 12.15%	1,638 12.15%	None
Vice President	Simon Wu	1,994	1,994	117	117	416	416	0	0	0	0	2,527 18.74%	2,527 18.74%	None

* The content of the remuneration disclosed in this table is different from the income concept of the income tax law, so the purpose of this table is for information disclosure and not for taxation.

Remuneration Scale Table

Scale of remuneration to each president and vice president of the company	Name of president and vice president	
	This company	All companies listed in the financial report
Less than 1,000,000 yuan	-	-
1,000,000 yuan (inclusive) ~ 2,000,000 yuan (not inclusive)	Wu Chia-Shin / Simon Wu	Wu Chia-Shin / Simon Wu
2,000,000 yuan (inclusive) ~ 3,500,000 yuan (not inclusive)	-	-
3,500,000 yuan (inclusive) ~ 5,000,000 yuan (not inclusive)	-	-
5,000,000 yuan (inclusive) ~ 10,000,000 yuan (not inclusive)	-	-
10,000,000 yuan (inclusive) ~ 15,000,000 yuan (not inclusive)	-	-
15,000,000 yuan (inclusive) ~ 30,000,000 yuan (not inclusive)	-	-
30,000,000 yuan (inclusive) ~ 50,000,000 yuan (not inclusive)	-	-
50,000,000 yuan (inclusive) ~ 100,000,000 yuan (not inclusive)	-	-
100,000,000 yuan and above	-	-
Total	2 people	2 people

Note 1: Names of the president and vice president shall be separately presented, while the amounts are presented in aggregate sums. If a director is also the president or vice president, fill in this table and the above table (1-1), (1-2-1) and (1-2-2).

Note 2: Refers to the salary, job bonus and severance payment for president and vice president.

Note 3: Refers to various bonuses, incentive payments, transportation fees, special expenses, various allowances, dormitory, vehicle allocation and other in-kind provisions and other remuneration received by president and vice president in the most recent fiscal year. When providing housing, cars and other means of transportation or exclusive personal expenses, the nature and cost of the assets provided, the actual or fair market price rent, fuel and other payments should be disclosed. In addition, if there is a driver, please note the relevant remuneration paid by the Company to the driver, but it will not be included in the remuneration. Also, salary expenses recognized in accordance with IFRS 2 “shares-based payment”, including obtaining employee stock options, restricting employee rights, new shares, and participating in capital injection subscription shares, should also be included in remuneration.

Note 4: The amount of employee remuneration (including stocks and cash) approved by the Board of Directors for distribution to the president and vice president in the most recent year. If it is not possible to estimate, the proposed distribution amount for this year shall be calculated based on the actual distribution amount last year, and the attached Table 1-3 shall be filled in.

Note 5: The total amount of remuneration paid by all companies (including the Company) to the president and vice president of the Company in the consolidated report should be disclosed.

Note 6: The Company pays the total amount of remuneration to each president and vice president, and reveals the names of the president and vice president in the attribution level.

Note 7: The total amount of remuneration paid to each president and vice president of the Company by all companies (including the Company)

in the consolidated report shall be disclosed, and the names of the president and vice president shall be disclosed in the attribution level.

Note 8: Profit after tax refers to the profit after tax on the parent company only or individual financial reports.

Note 9: a. This column should clearly state the amount of relevant remuneration received by the president or vice president of the Company from the subsidiary company or the parent company (if none, please fill in “none”).

b. If the president or vice president of the Company receive relevant remuneration from the subsidiary company or the parent company, the president and vice president of the Company shall transfer the remuneration received from the subsidiary company or the parent company. Incorporate this into column E of the remuneration scale table and change the column name to “Parent Company and All Reinvested Businesses”.

c. Remuneration refers to the when the president or vice president of the Company serves as a director, supervisor, or company officer of reinvested businesses or parent companies, etc. other than a subsidiary and in that position receives remuneration or rewards (including remuneration for employees, directors and supervisors) and payments related to business execution expenses.

(IV) Top 5 executives with the highest remuneration in the TWSE-listed company (names and remuneration method are disclosed separately) (Note 1):

Unit: NT\$ thousand

Title	Name	Salary (A) (Note 2)		Severance pay and pension (B)		Salaries, bonuses and special allowances (C) (Note 3)		Remuneration to employees (D) (Note 4)				Total sum of A, B, C and D and its proportion to net loss after tax (%) (Note 6)		Remuneration received from investees other than subsidiaries or parent company (Note 7)
		The Company	All companies included in the financial report (Note 5)	The Company	All companies included in the financial report (Note 5)	The Company	All companies included in the financial report (Note 5)	The Company		All companies included in the financial report (Note 5)		The Company	All companies included in the financial report	
								Amount in cash	Amount in stock	Amount in cash	Amount in stock			
Vice President	Simon Wu	1,994	1,994	117	117	416	416	0	0	0	0	2,527 18.74%	2,527 18.74%	None
Agency Sales Director	Dennis Liu	1,478	1,478	87	87	222	222	0	0	0	0	1,787 13.25%	1,787 13.25%	None
Special Assistant to the President	Jess Lin	1,418	1,418	84	84	216	216	0	0	0	0	1,718 12.74%	1,718 12.74%	None
President	Wu Chia-Shin	1,371	1,371	81	81	186	186	0	0	0	0	1,638 12.15%	1,638 12.15%	None
Director	Robert Chen	1,232	1,232	73	73	186	186					1,491 11.06%	1,491 11.06%	None

Note 1: The "top 5 executives with the highest remuneration" refer to company officers of the Company. The criteria for the determination of company officer are in accordance with the scope of "company officer" as stipulated in the Order Letter Tai-Cai-Zheng(3) 0920001301 dated March 27, 2003 issued by the former Securities and Futures Commission, Ministry of Finance. The determination for the calculation of the "top 5 executives with the highest remuneration" is based on the total amount of salaries, pensions, bonuses and special allowances received by the company officers from all companies included in the consolidated financial statements, as well as the amount of remuneration to employees (the total of A+B+C+D), and then ranked by the highest paid executives). If a director is also a supervisors listed above, he/she should fill in this table and the table (1-1) above.

Note 2: Refers to the salary, job bonus and severance payment for top 5 executives with the highest remuneration in the last year.

Note 3: Refers to various bonuses, incentive payments, transportation fees, special expenses, various allowances, dormitory, vehicle allocation and other in-kind provisions and other remuneration received by top 5 executives with the highest remuneration in the most recent fiscal year. When providing housing, cars and other means of transportation or exclusive personal expenses, the nature and cost of the assets provided, the actual or fair market price rent, fuel and other payments should be disclosed. In addition, if there is a driver, please note the relevant remuneration paid by the Company to the driver, but it will not be included in the remuneration. Also, salary expenses recognized in accordance with IFRS 2 "shares-based payment", including obtaining employee stock options, restricting employee rights, new shares, and participating in capital injection subscription shares, should also be included in remuneration.

Note 4: The amount of employee remuneration (including stocks and cash) approved by the Board of Directors for distribution to the top 5 executives with the highest remuneration in the most recent year. If it is not possible to estimate, the proposed distribution amount for this year shall be calculated based on the actual distribution amount last year, and the attached Table 1-3 shall be filled in.

Note 5: The total amount of remuneration paid by all companies (including the Company) to the top 5 executives with the highest remuneration of the Company in the consolidated report should be disclosed.

Note 6: Profit after tax refers to the profit after tax on the parent company only or individual financial reports.

Note 7: a. This column should clearly state the amount of relevant remuneration received by the top 5 executives with the highest remuneration of the Company from the subsidiary company or the parent company (if none, please fill in "none").

b. Remuneration refers to the when top 5 executives with the highest remuneration of the Company serves as a director, supervisor, or company officer of reinvested businesses or parent companies, etc. other than a subsidiary and in that position receives remuneration or rewards (including remuneration for employees, directors and supervisors) and payments related to business execution expenses.

* The content of the remuneration disclosed in this table is different from the income concept of the income tax law, so the purpose of this table is for information disclosure and not for taxation.

(V) Names of company officers who receive employee remuneration and distribution status:

March 29, 2023

	Title	Name	Amount in stock	Amount in cash	Total	Total and its proportion to net loss after tax (%)
Company officers	President	Wu Chia-Shin	0	0	0	0
	Vice President	Simon Wu				
	Financial supervisor Accounting supervisor	Judy Chu				

Note: As the Company suffered a net loss before tax for this period, no remuneration is to be distributed to

employees in 2022.

(VI) Analysis of the total remuneration paid to the directors, supervisors, president and vice president of the Company in the last two years by the Company and all companies in the consolidated financial statements as a percentage of the net profit after tax of parent company only financial reports or individual financial reports; and explain the payment remuneration policies, standards and combinations, procedures for determining remuneration, and their correlation with business performance and future risks.

Unit: NT\$ thousand

Identity \ Year	2021		2022	
	Total remuneration	Total and its proportion to net income after tax	Total remuneration	Total and its proportion to net loss after tax
Director	5,566	8.32%	6,103	45.26%
Supervisor	180	0.27%	75	0.56%
President and vice president	4,915	7.34%	5,619	41.66%

The Company's remuneration payment policy for directors and supervisors is stipulated in the Articles of Incorporation. Remuneration to the president and vice president is handled according to the Company's Labor and Wage Cycle Rules

IV. State of operation of corporate governance:

(I) State of the Board of Directors:

In 2022, the Board of Directors had 10 meetings (A); the attendance of the directors and supervisors is as follows:

Title	Name	Number of actual attendance (B)	Attendance by proxy	Actual attendance rate (%)	Remarks
Chairman	Lin Wen-Hwang	10	0	100	Re-elected on June 20, 2022
Director	Lin Da-Sen	10	0	100	Re-elected on June 20, 2022
Director	Robert Chen	4	0	100	Resigned after re-election on June 20, 2022; required to attend 4 times in 2022
Director	Wu Chia-Shin	10	0	100	Re-elected on June 20, 2022
Director	Liu Yu-Hao	0	4	0	Resigned after re-election on June 20, 2022; required to attend 4 times in 2022
Director	Chen Po-Shou	10	0	100	Re-elected on June 20, 2022
Independent director	Yang Whai-Chi	4	0	100	Resigned after re-election on June 20, 2022; required to attend 4 times in 2022
Independent director	Yeh Chi-Nan	6	0	100	Newly elected on June 20, 2022; required to attend 6 times in 2022
Independent director	E Hsin-Chuan	6	0	100	Newly re-elected on June 20, 2022; required to attend 6 times in 2022
Independent director	Wang Wei-Chi	10	0	100	Re-elected on June 20, 2022
Supervisor	Donald Yu	4	0	100	Resigned after re-election on June 20, 2022; required to attend 4 times in 2022

Other information required:

- I. For Board of Directors meetings that meet any of the following descriptions, state the date, session, the discussed agenda, independent directors' opinions and how the company has responded to such opinions:
- (I) Matters listed in Article 14-3 of the Securities and Exchange Act: **None of the matters were met.**
- (II) Except for the preceding matters, any matter resolved by the Board of Directors with an independent director expressing an objection or reservation that has been included in records or stated in writing: **None.**
- II. Recusal of the directors from motions involving their interest, specify the names of the directors, the content of the motions, the reason for recusal, and the participation in voting:
It did not occur.
- III. A TWSE/TPEX listed company shall disclose the information on the evaluation cycle, evaluation period, evaluation scope, evaluation method and evaluation content of the Board's self (or peer) evaluation:
Implementation of evaluation of the Board of Directors.

Evaluation cycle	Evaluation period	Evaluation scope	Evaluation method	Evaluation content
Performed at least once a year	January 1 - December 31, 2022	Including the Board of Directors Individual Board members Each functional committee.	Internal self-evaluation of the Board, self-evaluation of the Board members, peer evaluation and appointment of external professional institutions (performed every 3 years)	Internal self-evaluation of the performance of the Board of Directors as whole covers the following five major aspects: 1. Participation in the operation of the Company 2. Improvement of quality of decisions made by the Board of Directors 3. Composition and structure of the Board of Directors 4. Election and continuing education of the directors 5. Internal control and risk management The measurement for the performance of the Board members covers the following six major aspects: 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. Internal relationship management and communication 5. The director's professionalism and continuing education 6. Internal control; The performance evaluation of each functional committee covers the following five major aspects: 1. Participation in the operation of the Company 2. Awareness of the duties of the functional committee 3. Quality of the functional committee' decision making 4. Composition and structure of the functional committee 5. Internal control.

(I) To implement corporate governance and enhance the functions of directors and supervisors in the

Board, performance objectives have been clearly defined to improve operational efficiency. We have also formulated the “Regulations for the Board and Supervisor Performance Evaluation” for the Remuneration Committee to evaluate the remuneration policy.

1. “Self-evaluation of the Board members”: Board members fill in a “Self-Evaluation Questionnaire for Board Members” at mid-year or after the end of a fiscal year.
2. “Evaluation of the Meeting Affairs Unit”: An appraisal is conducted according to various evaluation indicators of the year by the Remuneration Committee at mid-year or after the end of a fiscal year. The weighting of the evaluation indicators may be adjusted according to the actual operational needs.

(II) The effectiveness of the operation of the Board of Directors and Supervisors and the key performance indicators (KPIs) for the Company as a whole and directors and supervisors are evaluated using a balanced scorecard:

1. Vision, strategy and role - acknowledgement and mastery of the vision and strategy and role of the Board of Directors and Supervisors. Are they are aware of the corporate vision, strategy, their own role and are they practicing them appropriately.
2. The process of the operation of the Board of Directors and Supervisors - such as the efficiency and quality of the decision-making process of the directors and supervisors. In practice, the quality of the process of the operation of the Board of Directors and Supervisors can be evaluated through on-site observation by external consultants.
3. The cooperation and interaction with other departments within the organization - effectively interacting and cooperating with other department help obtain real information and support required for decision making. Therefore, this can be one of the indicators to measure the effectiveness of the Board of Directors and Supervisors.
4. Interaction between directors and supervisors - it is important to the efficiency of decision making that the interaction between directors and supervisor is sound and that they trust each other. This is also one of the indicators to measure the effectiveness of the Board of Directors and Supervisors.

(III) Evaluation results: The performance evaluation of the Board of Directors and functional committees as well as the self-performance evaluation of the Board members during the evaluation period all reached the target, with the overall operation scored Excellent. The evaluation results were graded on a weighted average score scale of 1 - strongly disagree, 2 - disagree, 3 - agree and 4 - strongly agree.

The average value of the evaluation results for the performance evaluation of Company’s 2022 Board of Directors and functional committees as well as the self-performance evaluation of the Board members was 4 - strongly agree, meeting the criteria of the Company’s Performance Evaluation Rules.

IV. Objectives (e.g., forming an audit committee, improving information transparency) to enhance Board functions during the most recent fiscal year and evaluation of the implementation.

- (I) The Board meeting held on August 1, 2018 approved to formulate its “Ethical Corporate Management Best-Practice Principles”.
- (II) The Board meeting held on June 24, 2019 approved to formulate its “Standards for Handling Director Requests”.
- (III) To enhance information transparency to protect the rights and interests of shareholders, information on corporate governance and important resolutions of the Board of Directors is disclosed on the company website under the shareholders section.
- (IV) The Company takes out liability insurance for all directors and is reported as required.
- (V) Further education courses are provided and corporate governance courses arranged for Board members to enhance their capabilities and knowledge.

(II) State of the Audit Committee or participation of supervisors in the operation of the Board of Directors:

1. State of the Audit Committee:

In 2022, the Audit Committee had 3 meetings (A); the attendance of the independent directors is as follows:

Title	Name	Number of actual attendance (B)	Actual attendance rate (%) (B/A) (Note)	Remarks
Independent director	Yeh Chi-Nan	3	100	None
Independent director	E Hsin-Chuan	3	100	None
Independent director	Wang Wei-Chi	3	100	None

Other information required:

I. In the event of any of the following in the operation of the Audit Committee, the date and period of the Audit Committee meeting, the content of the proposal, the content of the dissenting opinion, qualified opinion or significant recommendation of the independent directors, the result of the Audit Committee's resolution and the Company's response to the Audit Committee's opinions should be stated.

(I) Matters listed in Article 14-5 of the Securities and Exchange Act:

Date	Period	Content of the proposal	Content of the dissenting opinion, qualified opinion or significant recommendation of the independent directors	Result of the Audit Committee's resolution	The Company's response to the Audit Committee's opinions
August 3, 2022	The 1st meeting of the 1st session	1. Report on "Organization Rules of Audit Committee" 2. Election of the convener of the first Audit Committee 3. 2022 Q2 Financial Statements 4. Internal rotation of CPAs	None	Passed without objection	Submitted to the Board of Directors
November 3, 2022	The 2nd meeting of the 1st session	1. 3Q Financial Statements 2. First-ranking pledge of collateral to the bank 3. Report on the financial report self-preparation capability 4. "Revision of the Regulations Governing the Preparation of Financial Statements" 5. Internal audit report	None	Passed without objection	Submitted to the Board of Directors
December 26, 2022	The 3rd meeting of the 1st session	1. 2023 Internal Audit Plan 2. Utilization of short-term bank borrowings 3. Partially amended "Procedures for Internal Material Handling" 4. Internal audit report	None	Passed without objection	Submitted to the Board of Directors

(II) Except for the matters mentioned above, any matters that have not been approved by the Audit Committee but have been resolved by a two-thirds majority of all Directors: **None**.

2. Participation of supervisors in the operation of the Board of Directors:

In 2022, the Board of Directors had 7 meetings (A); the attendance is as follows:

Title	Name	Number of actual attendance (B)	Actual attendance rate (%) (B/A) (Note)	Remarks
Supervisor	Donald Yu	7	100	None
Supervisor	Chen Po-Shou	7	100	None

Other information required:

I. Composition and duties of supervisors:

- (I) Communication between supervisors and company employees and shareholders (e.g., communication channels, methods):

The Company's supervisors have smooth communication with the company employees and shareholders.

- (II) Communication between supervisors and chief internal auditor and accountants (e.g., matters, methods and results of communication on the Company's financial and business status):

1. The Company's supervisors and independent directors have good communication with the chief internal auditor. There are no suggestions.

An audit report and deficiency tracking report are submitted at the end of each month for review. A report will be made on the implementation status of the Company's internal audits and internal controls. A meeting is convened at any time in the event of a major irregularity.

Summary of main communication matters:

Date	Communication matters	Communication results
March 3, 2022	2021 Q4 internal audit operation implementation report	No objection.
March 29, 2022	2021 "Declaration of Internal Control System"	Submitted to the Board of Directors for approval, and announced and reported to the competent authority as scheduled.
April 19, 2022	2022 1Q internal audit operation implementation report	No objection.

2. The Company's supervisors and independent directors have good communication with the accountants. There are no suggestions.

In addition to holding at least 2 meetings on corporate governance each year, communication and discussion with accountants are performed by telephone or in writing when necessary.

The accountants make a report on the results of the audit or review of the financial statements and on any or material adjustments on the financial statements or whether legal revision has an impact on the accounts. A meeting is convened at any time in the event of a major irregularity.

Summary of main communication matters:

Date	Communication matters	Communication results
March 3, 2022	Assess the independence and suitability of the appointed accountant Scope and methods of audit Group audit Type of audit opinion issued - Audit report with unqualified opinion Obvious risk Summary of Key Audit Matters and Audit Conclusions	Approved the annual financial report, submitted to the Board of Directors for approval, and announced and reported to the competent authority as scheduled. Relevant and detailed.
December 26, 2022	Responsibilities of Governing Body and Auditors Scope and methods of audit Group audit Significant risk remote audit strategy CPA Firm's Audit Quality Index (AQI) Declaration of Independence, On-site training service for directors and supervisors	Assess the independence and suitability of the CPAs to be appointed next year based on the audit quality indicators of the CPA firm.

- II. If the supervisors present at the Board meeting expressed their opinions, the date, session, topic discussed and the resolution of the board meeting and handling of the company of such opinions shall be specified: **None**

(III) State of corporate governance operations and any difference from the Ethical Corporate Management Best-Practice Principles for TWSE/TPEx Listed Companies and the reasons for such difference:

Evaluation Item	The State			Difference from the Ethical Corporate Management Best-Practice Principles for TWSE/TPEx Listed Companies and the reasons for such difference
	Yes	No	Summary	
I. Has the company established and disclosed its Corporate Governance Best-Practice Principles in accordance with the Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies?	V		The Company's Ethical Corporate Management Best-Practice Principles, approved by the Board meeting held on August 1, 2018, have been formulated and disclosed in accordance with the "Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies". The Company has formulated its Ethical Corporate Management Best-Practice Principles, Code of Ethical Conduct, Ethical Corporate Management Best-Practice Principles and various applicable regulations. For related statements, please refer to P73~P75 of the annual report and company website/Investors/Company Regulations: http://www.jh.com.tw/shareholder-stipulate.php .	In line with the Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies
II. Equity structure and shareholders' equity (I) Has the company formulated internal procedures regulated to handle shareholders' proposals, doubts, disputes, and litigation matters and have the procedures been implemented accordingly? (II) Does the Company possess a list of the Company's major shareholders and a list of the ultimate controllers of its major shareholders? (III) Has the company established and implemented the risk control and firewall mechanisms between the affiliates? (IV) Has the company set up internal regulations to prohibit internal personnel from utilizing the undisclosed information to trade securities?	V		(I) As a means to ensure the rights and interests of shareholders, we have set up dedicated personnel to handle suggestions, doubts, disputes, and litigation matters of shareholders. There is a spokesperson and deputy spokesperson in place to handle company problems, and general stock affairs are the responsibility of the stock affairs unit. (II) Major shareholders notify the Company at the beginning of each month of any increase, decrease or pledge of their shareholdings in the previous month. The Company compiles the shareholdings of all shareholders, which are reported and disclosed on the Market Observation Post System (MOPS) in accordance with the regulations. (III) Pursuant to relevant laws and regulations, we have established and implemented "Procedures for Transactions of Specific Companies, Group Companies and Related Parties". Responsibilities and authority with respect to personnel, assets and financial management shall be clarified and risk assessment and appropriate firewalls established. (IV) To ensure fair trading of marketable securities, we have formulated Ethical Corporate Management Best-Practice Principles, Code of Ethical Conduct, and Procedures for Handling Material Inside Information to prevent insider trading and its promotion is being reinforced.	In line with the Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies

III. Composition and duties of the Board of Directors (I) Has the board formulated a diversity policy and specific management objectives, and have they been implemented? (II) Apart from the remuneration committee and audit committee, has the company voluntarily established other functional committees? (III) Has the Company established Regulations Governing the Board Performance Evaluation and its evaluation methods, and does the company conduct a performance evaluation each year, submit the performance evaluation results to the board of directors and use them as reference in determining remuneration for individual directors, and nomination for reappointment? (IV) Does the company regularly assess the independence of its CPAs?	V	(I) To strive for the application and development of diverse professionalism, the Board of Directors is elected by taking into consideration the professional capabilities of the directors. We have also formulated “Rules for Election of Directors and Supervisors” and “Ethical Corporate Management Best-Practice Principles”, which are disclosed on the Company’s website and MOPS. Within the Company’s Board of Directors and Supervisors, there is one female member; 4 directors of Lin Wen-Hwang, Lin Da Sen, Wu Chia-Shin, Chen Po-Shou have the ability to lead, make operational judgments, conduct management administration, conduct crisis management, and have knowledge of the industry. Independent directors Yeh, Chi-Nan, E, Hsin-Chuan, and Wei Chi Wang have the ability of administrative management, with knowledge of the industry and an international market perspective; and Chen Po-Shou and Wei Chi Wang have the ability to perform accounting and financial analysis, make operational judgments and ability to conduct management administration. (II) We have set up a Remuneration Committee; other functional committees will be established depending on actual needs. (III) We have established Regulations Governing the Board Performance Evaluation and its evaluation methods. The performance evaluation is conducted each year by the Remuneration Committee using this evaluation form. The weighting of the evaluation indicators may be adjusted depending on actual operational needs. According to Article 19 of the Articles of Incorporation, no more than 3% of the annual profit shall be set aside as remuneration to directors and supervisors for the year. In addition, reasonable remuneration is paid after taking into account the Company’s operating results and the contribution of the directors and supervisors to the Company’s performance. The policy for the remuneration to the president and vice president is subject to the Company’s	In line with the Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies
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		“Salary Management Regulations” as well as the salary level of the position of peers. Remuneration is paid by considering the responsibility and authority of such position in the Company and their contribution to the Company’s operational objectives. The evaluation for the procedures of establishing remuneration is based on the Company’s “Procedures for the Performance Evaluation of Directors and Company Officers”. Reasonable remuneration is paid by taking into consideration the Company’s overall operating performance, the industry’s future management risks, and development trends, coupled with the individual’s performance achievement rate and their contribution to the Company’s performance. Relevant performance assessment and the reasonableness of remuneration is reviewed by the Remuneration Committee and the Board of Directors. Moreover, the remuneration system is reviewed according to the actual management situation and related laws in order to strike a balance between the Company’s sustainability and risk control. The Remuneration Committee compiles “Statistics for the Self-Evaluation Questionnaire” according to the “Self-Evaluation Questionnaire for Board Members” collected by the Remuneration Committee at mid-year or after the end of a fiscal year. Targeting specific evaluation indicator records, the average scores are weighted by the Committee. The remuneration system and performance evaluation of directors and supervisors are measured based on their performance and any changes affecting the remuneration system or performance evaluation are reported to the Board of Directors. The evaluation results were graded on a weighted average score scale of 1 - strongly disagree, 2 - disagree, 3 - agree and 4 - strongly agree. The average value for 2022 was 4 - strongly agree (IV) We assess the Independence of the appointed accountants on a regular basis each year. The Board of Directors regularly assesses the independence, suitability and professionalism of the certified public accountants (CPAs). In doing so, we ensure that, in addition to fees of certification of tax cases, the CPAs have no other financial interests	In line with the Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies
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			or business relationships with the Company. As the Board of Directors discusses the independence and appointment of CPAs, the personal history (past and current cases) of the CPA will also be reviewed and their independence statement ensured for the Board of Directors to evaluate their suitability.	
IV. Has the Company designated an appropriate number of personnel that specialize in corporate governance affairs (including but not limited to providing directors/supervisors with the information needed and assist directors and supervisors in complying with the laws and regulations to perform their duties, convention of board meetings and shareholders' meetings, preparation of board meeting and shareholders' meeting minutes, etc.)?	V		The Company's personnel in charge of stock affairs and audits are currently overseeing related affairs. The necessity and feasibility of setting up a governance team is pending evaluation.	In line with the Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies
V. Has the Company established channels for communication with the stakeholders (including but not limited to shareholders, employees, customers, and suppliers), and set up a section for stakeholders on the official website of the company with a proper response to the concerns of the stakeholders on issues related to corporate social responsibility?	V		1. The Company has a spokesperson and deputy spokesperson in place acting as a communication channel for stakeholders. 2. There is a section/contact on the Company's website dedicated to stakeholders for communication and response. We also have a dedicated complaint hotline for immediate response.	In line with the Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies
VI. Does the Company engage a professional stock transfer agency to handle affairs related to shareholders' meetings?	V		The Company engages a professional stock transfer agency - Stock Agency Department of Taishin Securities to handling affairs related to shareholders' meetings	In line with the Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies
VII. Information disclosure (I) Does the Company have a website set up where its financial business, and corporate governance information is disclosed? (II) Has the Company adopted other information disclosure methods (e.g., establishing an English website, designating a responsible person for collecting and disclosing information of the Company, substantiating the spokesman system, and upload the	V		(I) The Company's website is maintained by dedicated personnel and information changes are updated at all times. Information on corporate governance and financial operations is disclosed the Company's website at: http://www.jh.com.tw/shareholder-earnings.php . (II) We have set up an English website and appointed dedicated personnel to be responsible for company information collection and disclosure: financial information and business information is disclosed on the MOPS on a regular	In line with the Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies

procedure of investors conference on its website, etc.)? (III) Has the Company published and reported its annual financial report within two months after the end of a fiscal year, and published and reported its financial reports for the first, second, and third quarters, as well as its operating status for each month before the specified deadline?		basis and from time to time. A spokesperson system has been implemented: Financial and accounting supervisor - Judy Chu is the spokesperson and Director of the Public Relations Office - Denny Hu is the deputy spokesperson. The audio file and presentation materials (in both Chinese and English) of the process of the investors conference are available on the Company's website under Investors. Not only is information associated with the investors conference disclosed on the Company's website under Investors, it is also uploaded on the MOPS in accordance with the requirements of TWSE. (III) The Company announces and reports at the end of a fiscal year. The financial report for 2022 was completed on March 17, 2023. The financial report for Q1, Q2 and Q3 and operating status for each month were published and reported before the prescribed deadline. The above can be found on both the MOPS and the Company's website for shareholders and stakeholders.	
VIII. Is there any important information (including but not limited to employee rights and benefits, employee care, investor relations, supplier relations, stakeholder rights, the continuing education of the directors and supervisors, implementation of risk management policy and risk measurement criteria, the pursuit of customer policy, and the purchase of liability insurance for the company's directors and supervisors) that is helpful in understanding the corporate governance operation of the company?	V	1. For employee rights and benefits and employee care, please see p.82 to p83 of the annual report. 2. Investor relations: We have a spokesperson system in place. Investors with questions are able to get information through the Company's spokesperson. 3. Supplier relations: We adopt a periodic evaluation policy for suppliers and perform measurements on product delivery, quality and price, and select the best suppliers by elimination. In terms of payment concerns of the suppliers, we strictly abide by the negotiated payment schedule. 4. Stakeholder rights: All directors of the Company uphold the principle of high self-discipline and do not participate in voting if there is an interest involved in the motion at a Board meeting. 5. Further education of directors and supervisors: We encourage the directors and supervisors to participate in further education with a positive attitude. Further education of directors and supervisors has been disclosed on the MOPS. 6. Implementation of the risk management policy and risk measurement standards: We	In line with the Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies

			have various internal control systems, which are strictly audited each month by the internal auditor. Deficiencies found during an audit must be corrected within a prescribed time to meet the Company's system. Procurement and business vendors and customers are strictly selected in order to operate our business with honesty and fairness. 7. Implementation of the customer policy: We adopt a progressive trading and credit relaxation principle for all customers. In addition, we regularly track the collection of accounts receivable and exchange information with peers to strive for customers' dynamics. 8. Liability insurance for the company's directors and supervisors: The insurance period is January 1, 2023 to January 1, 2024. The total amount of insurance is USD1 million.	
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(IV) If the Company has a remuneration committee, the composition and operation shall be disclosed:

1. Information of Remuneration Committee members

Criteria Name	Title	Professional qualifications and experience (Note 1)	Independence	Number of other public companies in which the individual is concurrently serving as an independent director
E Hsin-Chuan	Convener - Independent Director	Convener of the 4th Remuneration Committee With work experience in business, finance, accounting, industrial marketing and operations management required for the Company's business. Does not meet any of the matters set forth in Article 30 of the Company Act.	All independent directors have met the following criteria and the signed statement of independence has been obtained: 1. In line with the provisions of Article 14-2 of the Securities and Exchange Act and the Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies promulgated by the FSC.	None
Wang Wei-Chi	Independent director	With work experience in business, finance, accounting, industrial marketing and operations management required for the Company's business. Does not meet any of the matters set forth in Article 30 of the Company Act.	2. I, my spouse, and relatives within the second degree of kinships are not serving as a director, supervisor or employee of the Company or other affiliates. 3. I did not receive remuneration	None

Emmy Chen	Others	With work experience in business, finance, accounting, industrial marketing and operations management required for the Company's business. Does not meet any of the matters set forth in Article 30 of the Company Act.	from the Company or its affiliates for providing commercial, legal, financial and accounting services in the past two years. 4. A natural-person shareholder who holds shares, together with those held by the person's spouse, 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.	None
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Note 1: For professional qualification and experience of directors, please see Three. Corporate Governance Report\II. Information on the Company's directors, president, supervisor, vice president, assistant general manager, and supervisors of the Company's divisions and branch units\I Information on directors and supervisors

Identity (Note 1)	Criteria	Meet the following professional qualification requirements, together with at least five years of work experience			Independence criteria (Note 2)										Number of other public companies in which the individual is concurrently serving as a Remuneration Committee member	Remarks (Note 3)
		Lecturer or above in commerce, law, finance, accounting or subjects required by the business of the Company in public or private colleges or universities	Judge, public prosecutor, attorney-at-law, certified public accountant, or other professional or technical specialists who has passed a national examination and been awarded a certificate in a profession necessary for the business of the company	Required work experience in commerce, law, finance, accounting or other fields required by the business of the company	1	2	3	4	5	6	7	8	9	10		
Independent director	E Hsin-Chuan			✓	✓		✓	✓	✓	✓	✓	✓	✓	✓	None	None
Independent director	Wang Wei-Chi			✓	✓		✓	✓	✓	✓	✓	✓	✓	✓	None	None
Others	Emmy Chen			✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	None	None

Note 1: For "Identity", please fill in director, independent director or other.

Note 2: A "✓" is placed in the box if the member met the following conditions during his/her term of office and two years prior to the date elected.

- (1) Not an employee of the company or any of its affiliates.
- (2) Not a director or supervisor of the company or any of its affiliates (this restriction does not apply to independent directors appointed in accordance with the Act or the laws and regulations of the local country by, and concurrently serving as such at the company and its parent or subsidiary or a subsidiary of the same parent).
- (3) Not 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) Not a spouse, relative within the second degree of kinship, or lineal relative within the third degree of kinship, of a company officer under (1) or any of the persons in (2) or (3).
- (5) Not 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 (this restriction does not apply to independent directors appointed in accordance with the Act or the laws and regulations of the local country by, and concurrently serving as such at, the company and its parent or subsidiary or a subsidiary of the same parent).
- (6) Not a director, supervisor, or employee of another company if a majority of the company's director seats or

voting shares and those of any other company are controlled by the same person (this restriction does not apply to independent directors appointed in accordance with the Act or the laws and regulations of the local country by, and concurrently serving as such at, the company and its parent or subsidiary or a subsidiary of the same parent).

- (7) Not a director, supervisor or employee of another company or institution in which the chairman, president or personnel with equivalent position are the same person or have spouse relationship (the same does not apply, however, in cases where the person is an independent director of the Company, its parent company, any subsidiary, or a subsidiary of the same parent company, as appointed in accordance with the Act or with the laws of the country of the parent or subsidiary).
- (8) Not a director, supervisor, company officer or shareholder holding more than 5% of the shares of a specific company or institution in a business or financial relationship with the Company (the same does not apply, however, in cases the specific company or institution holds more than 20% but less than 50% of the Company's total issued shares, and the person is an independent directors appointed in accordance with the Act or the laws and regulations of the local country by, and concurrently serving as such at, the company and its parent or subsidiary or a subsidiary of the same parent).
- (9) A professional individual, or an owner, partner, director, supervisor, or company 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 most recent two fiscal years has received cumulative compensation exceeding NT\$500,000, or a spouse thereof; provided. However, this restriction does not apply to a member of the Compensation Committee, Public Tender Offer Review Committee, or Special Committee for merger/consolidation and acquisition, who exercises powers pursuant to the Act or to the Business Mergers and Acquisitions Act or related laws or regulations.
- (10) Does not meet any of the matters set forth in Article 30 of the Company Act.

Note 3: The Remuneration Committee shall exercise the care of a good administrator to faithfully perform the following duties

- (1) Establishing and periodically reviewing the performance assessment standards, annual and long-term performance goals, and the policies, systems, standards, and structure for the remuneration of the directors, supervisors, and company officers of the Company, and disclose the contents of the performance assessment standards in the annual report.
- (2) Periodically assessing the degree to which performance goals for the directors, supervisors, and company officers of the Company have been achieved, setting the types and amounts of their individual remuneration based on the results of the reviews conducted in accordance with the performance evaluation standards. The annual report shall disclose the results of the individual performance evaluations of the directors, supervisors and company officer and the connection between and reasonableness of the contents and amounts of their individual remuneration and performance evaluation results, and making a report at a shareholders' meeting.

For the Remuneration Committee Charter, please visit the Company's website.

2. Information on the status of the Remuneration Committee

(1) There are 3 members in the Remuneration Committee.

(2) The term of office for the members: June 20, 2022 to June 19, 2025. In the most recent year, the Remuneration Committee had 3 meetings (A); the qualifications and attendance of the members are as follows:

Title	Name	Number of actual attendance (B)	Attendance by proxy	Actual attendance rate (%) (B/A) (Note)	Remarks
Convener	Yang Whai-Chi	1	0	100	Resigned on 2022.6.20
Convener	E Hsin-Chuan	2	0	100	Appointed on 2022.6.20
Member	Wang Wei-Chi	3	0	100	Re-appointed
Member	Emmy Chen	3	0	100	Re-appointed

The meeting dates, discussion topics, and resolution results of the Remuneration Committee in the recent year (2022) are as follows:

Date	Period	Content of the proposal	Resolution results	The Company's response to the Remuneration Committee's opinions
March 3, 2022	The 8th meeting of the 4th session	1. Performance evaluation of directors, supervisors and managers (including the chief auditor) and Functional Committee members	Passed without objection	Submitted to the Board of Directors
August 3, 2022	The 1st meeting of the 5th session	1. Performance evaluation of the Company's directors, supervisors and managers	Passed without objection	Submitted to the Board of Directors

Other information required:

- I. If the board of directors declines to adopt or modify a recommendation from the remuneration committee, the date, session, topic discussed and the resolution of the board meeting and handling of the resolution of the remuneration committee shall be specified (if the remuneration package approved by the Board is better than the recommendation made by the committee, please specify the discrepancy and its reason): **None.**
- II. As to the resolution of the remuneration committee, if a member expresses any objection or reservation, either by a recorded statement or in writing, the date, session and topic discussed of the committee meeting, all members' opinions and handling of members' opinions shall be specified: **None.**

(V) Implementation of sustainable development and discrepancies with the Code of Practice on Sustainable Development for TWSE/TPEX Listed Companies and the reasons therefor

Promotion items	Implementation status			Difference from the Corporate Sustainability Best-Practice Principles for TWSE/TPEX Listed Companies, and the reasons for such difference
	Yes	No	Summary	
I. Has the Company established a governance structure to promote sustainable development and set up a full-time (part-time) unit to promote sustainable development, which is delegated by the Board of Directors to senior management, and is supervised by the Board of Directors?		V	The Company has not established a governance structure to promote sustainable development and has set up a full-time unit to promote sustainable development, with relevant departments handling relevant matters in accordance with their responsibilities.	A full-time unit to promote sustainable development will be established in the future, depending on actual needs.
II. Has the Company conducted risk assessments of environmental, social and corporate governance issues pertaining to company operation in accordance with the materiality principle and established the relevant risk management policy or strategy? (Note 3)		V	We have formulated our own “Corporate Social Responsibility Best-Practice Principles” and fulfill our corporate social responsibility, while promoting the balance and sustainability of the economy, society and the environment. For related statements, please refer to p.73-p.75 of the annual report. In terms of economic, environmental and social issues arising from operations, the Company prevents and controls possible risks in the process of business management. According to the materiality principle, the Company also conducts a risk assessment on environmental, social and corporate governance issues associated with the Company’s operation. The results of a risk assessment will be used as a reference for the Company’s risk management and operations strategy. The Company shall comply with environmental-related laws and regulations and applicable international standards to adequately protect the natural environment. Moreover, the Company shall be committed to achieving the objective of environmental sustainability when carrying out business activities and internal management. An environmental management system is established according to the characteristics of the industry, including the following items: 1. Collect and evaluate adequate and timely information on the impact of operating activities on the natural environment 2. Establish measurable objectives for environmental sustainability and regularly review the sustainability and relevance of the development of the goals. 3. Formulate measures including concrete plans or action plans and periodically review their effectiveness.	No significant differences
III. Environmental issues (I) Does the Company have an	V		The Company strictly implements the “Electronics Industry Citizenship Coalition” (EICC). To	No significant

Promotion items	Implementation status			Difference from the Corporate Sustainability Best-Practice Principles for TWSE/TPEx Listed Companies, and the reasons for such difference
	Yes	No	Summary	
appropriate environmental management system established in accordance with its industrial characteristics? (II) Is the Company committed to enhancing the utilization efficiency of resources and using renewable materials that have low impact on the environment? (III) Does the Company assess the present and future potential risk and opportunities of climate change and adopt countermeasures related to climate issues? (IV) Has the Company has prepared statistics on greenhouse gas emissions, water consumption and total volume of waste for the past two years, and formulated policies for to save energy saving and reduce carbon, greenhouse gas, water use, or other waste management?			implement environmental management, we attained ISO14001 certificate in December 2009 and continue to promote environmental improvement-related programs. In the office, we implement waste classification and recycling, and the lights are switched off during lunch break to save energy and reduce carbon emissions. In terms of greenhouse gas emission reduction, we have achieved localized production by joining hands with our customers to build strong production bases. Through the crossover model of vertical integration and horizontal development, we have significantly reduced the long-distance transportation chain of materials and products. Essentially, shortening carbon footprint is our first step towards emission reduction. At the same time, we have installed LED energy-saving lighting facilities in the main production base in Kunshan. We began from replacing basic hardware facilities such as eliminating the use high energy-consuming mercury lamps. Not only does this mean we no longer use high energy-consuming products, we at the same time stop the use of highly polluting mercury. As for emission reduction, the Company encourages its direct employees to use battery cars for transportation and they can charge their cars free of charge at the electric charging bays. By promoting/encouraging and providing incentives for free charging, we hope that more direct employees will reduce the use of fossil fuels and practice GHG emission reduction. For pledges of related information, please see p.82 of the annual report.	difference
IV. Social issues (I) Does the Company have the relevant management policies and procedures stipulated in accordance with the applicable laws and regulations and international conventions on human rights? (II) Has the Company established and implemented reasonable measures for employee benefits (including: remuneration, holidays and other benefits) that appropriately reflects the business performance or	V		(I) We have formulated personnel management rules. Employee recruitment, appointment, related welfare and retirement all meet applicable domestic labor laws and regulations and we respect international human rights conventions. (II) The Company's employee welfare measures: 1. We provide labor and health insurance, implement an employee profit-sharing system and take out group insurance for our expatriates. 2. We have set up an Employee Welfare Committee and allocate 1% of the capital at the time of establishment, 0.05% of the monthly sales revenue and 40% of the revenue from sale of scrap as the employee welfare fund for recreation, leisure, birthday celebrations and gifts on festivals.	No significant differences

Promotion items	Implementation status			Difference from the Corporate Sustainability Best-Practice Principles for TWSE/TPEx Listed Companies, and the reasons for such difference																						
	Yes	No	Summary																							
achievements in the employee remuneration? (III) Has the Company provided employees with a safe and healthy work environment and regularly provided safety and health education to employees? (IV) Has the Company established an effective career development training program for its employees? (V) Does the Company comply with laws and international standards with respect to customer health, safety and privacy, marketing and labeling in all products and services offered, and have the company implemented consumer protection policies and complaint procedures? (VI) Has the Company implemented a supplier management policy that regulates suppliers' conduct with respect to environmental protection, occupational safety and health or work rights/human rights issues, and does the company track suppliers' performance on a regular basis?			3. We implement a responsible work system with flexible working hours (except for the Manufacturing Department). 4. We provide annual overseas travels. 5. We offer hospitalization compensation, wedding gifts, funeral allowances (including dependents), bonuses on 3 major festivals (Labor Day, Mid-Autumn Festival, Dragon Boat Festival), and year-end bonuses. 6. We provide vehicles or subsidize vehicle and motorcycle fuel according to position and duties. 7. We provide employees with free parking bays. 8. Other benefits. To prevent sexual harassment in the employment market and to uphold gender equality and human dignity, we have established measures to prevent and punish sexual harassment in the workplace and set up an authority and responsibility unit in the Company to establish a complaint mechanism. <table><tr><th>Gender Equality Indicator</th><th>Percentage %</th><th>2023 goals</th></tr><tr><td>Female % of total employees</td><td>29.41</td><td>35</td></tr><tr><td>Female % of all supervisors</td><td>22.2</td><td>30</td></tr><tr><td>Female % of senior supervisors</td><td>13.3</td><td>20</td></tr></table> <table><tr><th>Remuneration equality indicators</th><th>Difference %</th></tr><tr><td>Average salary gap between male and female</td><td>0.7</td></tr><tr><td>Median salary gap between male and female</td><td>1.2</td></tr><tr><td>Average variable bonus gap between male and female</td><td>0.2</td></tr><tr><td>Median variable bonus gap between male and female</td><td>0.1</td></tr></table> (III) All office premises of J.H. are smoke-free. We perform a fire-safety inspection each year according to the government's fire safety-related regulations. To provide employees with a safe and health work place, employees receive a regular health examination and health education. (IV) All employee training, safety and health comply with the law and regulations and continuous improvement. We provide diverse and cross-departmental communication channels in the Company. 1. We regularly perform appraisals on our	Gender Equality Indicator	Percentage %	2023 goals	Female % of total employees	29.41	35	Female % of all supervisors	22.2	30	Female % of senior supervisors	13.3	20	Remuneration equality indicators	Difference %	Average salary gap between male and female	0.7	Median salary gap between male and female	1.2	Average variable bonus gap between male and female	0.2	Median variable bonus gap between male and female	0.1	
Gender Equality Indicator	Percentage %	2023 goals																								
Female % of total employees	29.41	35																								
Female % of all supervisors	22.2	30																								
Female % of senior supervisors	13.3	20																								
Remuneration equality indicators	Difference %																									
Average salary gap between male and female	0.7																									
Median salary gap between male and female	1.2																									
Average variable bonus gap between male and female	0.2																									
Median variable bonus gap between male and female	0.1																									

Promotion items	Implementation status			Difference from the Corporate Sustainability Best-Practice Principles for TWSE/TPEX Listed Companies, and the reasons for such difference
	Yes	No	Summary	
			employees and the results are reflected on their year-end bonus. 2. We inform our employees of operational changes that may result in material impact on them via email. (V) The Company's products have passed ISO9002 and many other safety certifications. We also screen suppliers on a regular basis to ensure product quality and protect social welfare. (VI) We have signed the following with our suppliers: 1. Confirmation of social responsibility of suppliers. 2. Environmental protection agreement, and we establish standards for various harmful substances while strictly complying with RoH, REACH and other environmental protection standards to fully prevent all types of harmful substances from entering the production chain. 3. Declaration of not using harmful substances, declaration of not using halogen-containing materials, pledge of not using conflict minerals. The Company has established an occupational safety management system: 1. The Company has attained OHSAS18001 certificate since 2016. 2. The Company has formulated a safety and health management policy to pursue zero injuries, zero occupational diseases, and zero accidents, creating the best work environment for all employees. Since 2018, there have been no injuries, occupational diseases and zero accidents, achieving the target. 3. Industrial safety: A disaster prevention center has been established at the headquarters in Xindian to immediate inform each plant of any safety information on typhoons, earthquakes or serious epidemics. We also set up a task force to provide immediate disaster prevention information, and conduct response training on response personnel to strengthen the Group's disaster prevention system. 4. Fire system management: Ensure that the safety software and hardware and management mechanism are in place. Problems must be addressed immediately in order to effectively reduce the risk of fire in each plant, including evacuation maps, notification of fire authorities, annual firefighting drills.	

Promotion items	Implementation status			Difference from the Corporate Sustainability Best-Practice Principles for TWSE/TPEX Listed Companies, and the reasons for such difference
	Yes	No	Summary	
			5. Occupational safety education and training: 2 fire organization drills and training on the use of building lift equipment are performed each year. The topics of firefighting activities include: Firefighting knowledge education and promotion, contents of prevention program, and fire prevention measures. The Company has 10 seed members and all employees of the Company participate in the drills. Safety audits were performed in the plants and deficiencies were corrected.	
V. Has the company prepared a corporate sustainability report or a report on non-financial information with reference to internationally accepted standards or guidelines? Are these reports supported by the assurance or opinion of a third-party verification entity?		V	The Company has not yet prepared a CSR report. The preparation of a CSR report is under evaluation and the report shall adopt internationally accepted standards or guidelines to disclose the promotion of CSR. The report is advised to be supported by the assurance or opinion of a third-party verification entity to increase the reliability of information to be served as a direction and goal for future improvement.	Based on future needs.
VI. If the Company has formulated its own Corporate Sustainability Report in accordance with the “Corporate Sustainability Report for TWSE/TPEX Listed Companies”, please describe the differences between its operation and the Principles: The Company has formulated its Code of Conduct and Corporate Social Responsibility Best-Practice Principles in accordance with the “Corporate Social Responsibility Best-Practice Principles for TWSE/TPEX Listed Companies” there are no differences in the contents.				
VII. Other important information to help understand the sustainability report: For other information on the Company’s CSR, please see the CSR section on the Company’s website (http://www.jh.com.tw/csr.php) and CSR statement on p73 to p.75 of the annual report.				

(VI) State of ethical corporate management and any difference from the Ethical Corporate Management Best-Practice Principles for TWSE/TPEX Listed Companies and reasons thereof:

Evaluation Item	The State (Note)			Difference from the Ethical Corporate Management Best-Practice Principles for TWSE/TPEX Listed Companies and reasons thereof
	Yes	No	Summary	
I. Establishment of the ethical corporate management policy and action plans (I) Has the Company established an ethical corporate management policy approved by the board of directors? Does the policy clearly specify in its rules and external documents the ethical corporate management policies, and the commitment of the board of directors and the senior management to proactively implement the management policy? (II) Has the Company established a risk assessment mechanism against unethical acts, analyzed and assessed business activities within their business scope regularly that are at a higher risk of being involved in unethical acts, and established prevention programs covering at least the preventive measures specified in Paragraph 2, Article 7 “Ethical Corporate Management Best-Practice Principles for TWSE/TPEX Listed Companies”? (III) Has the company clearly provided the operating procedures, conduct guidelines, disciplines for violations and a grievance system in its program to prevent unethical acts and have these been implemented, and has the formally disclosed program been regularly reviewed and amended?	V		The Company’s Board meeting held on March 26, 2015 approved its “Ethical Corporate Management Best-Practice Principles”. The Principles clearly stipulate that all suppliers must sign and abide by the Principles and not to accept gifts or receive kickbacks. In the event of a violation, the Company will terminate the partnership. The Company also implements a disciplinary and grievance system to strive for the most reasonable quotation, the best quality and the best service. The Company’s disciplinary regulations for violating ethical corporate management regulations and its grievance system are announced on its internet site, as well as to disclose information, policies, prevention plans and consequences of violation of an unethical conduct. The internal auditors regularly audit the compliance of the system of the preceding paragraph and any irregularities will be reported to the Board of Directors. The internal auditors promotes the concepts of the Company’s ethical corporate management. The Company’s email for filing grievances:lijenny@jh.com.tw provides employees a smooth grievance channel.	No significant differences
II. Implementation of ethical corporate management (I) Has the Company evaluated the integrity of all counterparties it has business relationships with? Are there any integrity clauses in the agreements entered into with business partners? (II) Has the Company set up a dedicated unit to promote ethical corporate management under the board of directors, and has such unit reported to the Board of Directors its execution in terms of ethical management policy and preventive programs against unethical conducts	V		We have established the “Ethical Corporate Management Best-Practice Principles”. The Principles clearly stipulate that all suppliers must sign and abide by the Principles and not to accept gifts or receive kickbacks. In the event of a violation, the Company will terminate the partnership. The Company also implements a disciplinary and grievance system to strive for the most reasonable quotation, the best quality and the best service. The Company’s email for filing grievances:lijenny@jh.com.tw provides employees a smooth grievance channel. To improve the management of ethical corporate management, a dedicated unit has	No significant differences

Evaluation Item	The State (Note)			Difference from the Ethical Corporate Management Best-Practice Principles for TWSE/TPEx Listed Companies and reasons thereof
	Yes	No	Summary	
and the supervision status on a regular basis (at least once a year)? (III) Has the Company formulated a policy that prevents conflicts of interest and a channel that facilitates the reporting of conflicts of interests? (IV) Has the Company established an effective accounting system and internal control system in order to implement ethical management, and proposed relevant audit plans according to the assessment results of the risks of unethical conducts, and reviewed the compliance of the prevention of unethical conducts, or entrusted an accountant to carry out the review? (V) Does the Company organize internal or external training on a regular basis to maintain ethical management?			been set up under the Board of Directors. The unit is responsible for the formulation of the ethical corporate management policy and prevention plans while also supervising their implementation. The unit is mainly responsible for the following matters and reports to the Board of Directors on a regular basis: 1. Assist in incorporating integrity and ethical values into the Company's management strategy and formulate fraud prevention measures in line with the law and systems to ensure corporate ethical management. 2. Formulate programs to prevent unethical acts and establish work-related standard operating procedures and conduct guidelines in each program. 3. Plan internal organization, establish duties and operating activities with higher risk of unethical acts, while establishing a mutual supervision mechanism. 4. Promote and coordinate the integrity policy promotion training. 5. Plan a reporting system to ensure the effectiveness of implementation. 6. Assist the Board of Directors and management in checking and evaluating whether the prevention measures established for ethical management are effectively implemented; compile a report on the compliance of the relevant business processes.	
III. State of operations of the Company's reporting system (I) Has the Company set up a specific reporting and incentive system, and established a channel to facilitate grievances and assigned dedicated personnel to receive grievances? (II) Has the Company implemented any standard operating procedures and/or subsequent measures after carrying out an investigation or confidentiality measures for handling grievances filed? (III) Has the Company taken appropriate measures to protect the whistleblower from improper treatment as a result of whistleblowing?		V	We have adopted a disciplinary and grievance system for violations. There is also a confidential system in place to receive reports and grievances at all times. The Company's email for filing grievances: lijenny@jh.com.tw provides employees a smooth grievance channel. The Company has established a clear and effective reward and disciplinary system that integrates the ethical corporate management policy, employee performance appraisals and the human resources policy. The Company has set up dedicated personnel and unit that receive complaints. If a major violation is found after investigation or if there is a risk of major damage to the Company, a report shall be compiled immediately with independent directors and	No significant differences

Evaluation Item	The State (Note)			Difference from the Ethical Corporate Management Best-Practice Principles for TWSE/TPEx Listed Companies and reasons thereof
	Yes	No	Summary	
			supervisors notified in writing. The Company's disciplinary regulations for violating ethical corporate management regulations and its grievance system are announced on its internet site, as well as to disclose information, policies, prevention plans and consequences of violation of an unethical conduct. The Company protects the identity of the whistleblower from improper treatment as a result of whistleblowing	
IV. Information Disclosure Strengthening Has the company disclosed the content of its Ethical Corporate Management Best-Practice Principles and the results of implementation on its official website and MOPS?	V		They are disclosed in the annual report and the Company's website at http://www.jh.com.tw	No significant differences
V. If the company has formulated its own Ethical Corporate Management Best-Practice Principles in accordance with the "Ethical Corporate Management Best-Practice Principles for TWSE/TPEx Listed Companies", please describe the differences between its operation and the Principles: None.				
VI. Any other important information that may help understanding the performance of ethical corporate management better: (e.g., review of an amendment to its Ethical Corporate Management Best-Practice Principles): We have formulated the Ethical Corporate Management Best-Practice Principles and we educate, train and review at meetings.				

(VII) If the Company has adopted corporate governance best-practice principles or related bylaws, disclose how these are to be searched:

These have been disclosed on the Company's website at <http://www.jh.com.tw>.

(VIII) Other significant information that will provide a better understanding of the state of the company's implementation of corporate governance may also be disclosed:

- In order to establish a good internal material information handling and disclosure mechanism to prevent improper leakage of information, while ensuring the consistency and accuracy of the information disclosed to the outside world, we have established the "Procedures for Handling Material Inside Information" for the compliance of insiders.**
- The Company has 3 independent directors.**

(IX) The following matters shall be disclosed for the implementation of an internal control system:

1. Statement of Internal Control System

Ji-Haw Industrial, Co., Ltd.
Statement of Internal Control System

Date: March 17, 2022

The Company declares the following concerning its internal control system during the fiscal year 2022, based on the findings of a self-assessment:

- I. The Company acknowledges that the establishment, implementation and maintenance of the internal control system are the responsibilities of the Board of Directors and Company Officer of the Company. As such, the Company has established the aforementioned system. Its objectives are to provide reasonable assurance for the effectiveness and efficiency of its operations (including profitability, performance, and the guarantee of assets safety, etc.), reliable, timely and transparent reporting, and conformity to applicable rules, regulations, and laws.
- II. The internal control system has its inherent limitations. Regardless of how exhaustive the design is, an effective internal control system can only provide reasonable assurance for the achievement of the aforementioned three objectives. Further, due to changes in the environment or circumstances, the effectiveness of the internal control system may vary accordingly. Nevertheless, the Company's internal control system has set up a self-supervision mechanism. Once a deficiency has been identified, the Company will take immediate remedial actions.
- III. In accordance with the determining criteria for the effectiveness of the internal control system prescribed in the "Regulations Governing the Establishment of Internal Control Systems by Public Companies" (hereafter the "Regulations"), the Company evaluated the effectiveness of the design and execution for its internal control system. The determining criteria of the internal control system prescribed in the "Regulations" are based on the process of management control, dividing the internal control system into five composite factors: 1. Control of the environment, 2. Risk evaluation, 3. Control of operations, 4. Information and communication, and 5. Supervision. The composition of each element includes several items. Please refer to the "Regulations" for the aforesaid items.
- IV. The Company has adopted the aforementioned determining criteria of the internal control system to evaluate the effectiveness of design and execution for its own internal control system.
- V. Based on the evaluation result of the preceding paragraph, the Company believes that its internal control system (including the supervision and management of its subsidiaries) as of December 31, 2022, including understanding the achievement for the objectives of effectiveness and efficiency of its operations, reliability, timeliness and transparency of its reporting and compliance with the applicable law and regulations, was effective in design and execution, and can be reasonably assured of the achievement of the aforementioned objectives.
- VI. This Statement will serve as the main content of the Company's annual report and prospectus and will be made available to the public. If the aforesaid public content has any illegal events including falseness or concealment etc., it shall be liable to the legal liabilities stipulated in Article 20, 32, 171, and 174 of the Securities and Exchange Act.
- VII. This Statement was approved by the Board of Directors on March 17, 2023. Among the 7 attending directors, no-one expressed dissenting opinions and all agreed to the contents of this statement.

Ji-Haw Industrial, Co., Ltd.

Chairman: Signature/Seal of Lin Wen Hwang

President: Signature/Seal of Wu Chia-Shin

2. CPA audit report, where a CPA was engaged to carry out a special audit of the internal control system: **None**.

(X) 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 in the most recent fiscal year or during the current fiscal year up to the date of publication 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**.

(XI) In the most recent fiscal year or during the current fiscal year up to the date of publication of the annual report, important resolutions adopted at the shareholders' meeting or board of directors meeting:

1. Shareholders' meeting

Date of meeting	Important resolutions	Status of implementation
Regular Shareholders' Meeting on June 20, 2022	1. Passed the Motion for the 2021 Business Report and Financial Statements.	Passed as proposed after voting.
	2. Passed Motion for the 2021 Loss Appropriation Table.	Passed as proposed after voting, and no dividends were distributed.
	3. Motion for the amendments to some clauses of the "Articles of Incorporation"	The motion was passed as proposed after voting, which was approved by Letter of the Ministry of Economic Affairs, Jing-Shou-Xhang-Zi No.11101125310 dated July 25, 2022, and announced to the Company's website.
	4. Motion for the amendments to some clauses of the "Procedures for the Acquisition and Disposal of Assets"	Passed as proposed after voting.
	5. Motion for the amendments to some clauses of the "Procedures for Loaning of Funds to Others"	Passed as proposed after voting.
	6. Motion for the amendments to some clauses of the "Regulations Governing Endorsement and Guarantee"	Passed as proposed after voting.
	7. Motion for the amendments to some clauses of the "Rules of Procedure for Shareholders' Meetings"	Passed as proposed after voting.
	8. Motion for the amendments to some clauses of the "Regulations Governing the Election of Directors and Supervisors"	Passed as proposed after voting.

2. Board of Directors

Date of meeting	Important resolutions	Status of implementation
The first meeting of 2022 on March 3, 2022	Reports: 1. Internal Audit Operations Report. Ratifications: 1. The Company's 2021 business report and financial statements. Discussions: 1. Performance evaluation of the Company's directors, supervisors and managers.	The motion was unanimously approved by all directors attending the meeting without objections, and referred to the Supervisor for checking and then proposed for recognition at a regular shareholders' meeting.
The 2nd meeting of 2022 on March 29, 2022	Discussions: 1. Statement of Results of Self-Assessment of Internal Control System. 2. Discussion about 2021 employee remuneration, directors'/supervisors' remuneration distribution .	Passed as proposed without objection, proposed to the shareholders' meeting for discussion, and announced on the MOPS on March 31, 2022.

	3. Discussion about 2021 loss appropriation table 4. Motion for the amendments to some clauses of the "Articles of Incorporation". 5. Motion for the formulation of "Organization Rules of Audit Committee" 6. Motion for the amendments to some clauses of the "Procedures for the Acquisition and Disposal of Assets" 7. Motion for the amendments to some clauses of the "Procedures for Loaning of Funds to Others" 8. Motion for the amendments to some clauses of the "Regulations Governing Endorsement and Guarantee" 9. Motion for the amendments to some clauses of the "Rules of Procedure for Shareholders' Meetings" 10. Motion for the amendments to some clauses of the "Rules of Procedure for Board of Directors" 11. Motion for the amendments to some clauses of the "Corporate Governance Best Practice Principles" 12. Motion for the amendments to some clauses of the "Regulations Governing the Election of Directors and Supervisors" 13. Full re-election of directors 14. Removal of restrictions on competing business activities by new directors 15. Matters relating to the convening of the 2022 General Shareholders' Meeting of the Company.	
The 3rd meeting of 2022 on April 19, 2022	Reports: 1. Internal Audit Operations Report. Ratifications: 1. Update of the nomination list for the re-election of directors 2. Removal of restrictions on competing business activities by new directors according to the updated list	The proposal was unanimously approved by all directors attending the meeting without objections.
The 4th meeting of 2022 on May 6, 2022	Reports: 1. 2022 1Q Consolidated Financial Statements 2. Internal Audit Operations Report. Discussions: 1. Motion for qualification review of directors (including independent directors)	The proposal was unanimously approved by all directors attending the meeting without objections.
The 5th meeting of 2022 on June 20, 2022	Discussions: 1. Election of Chairman	The proposal was unanimously approved by all directors attending the meeting without objections.
The 6th meeting of 2022 on June 28, 2022	Reports: 1. Internal Audit Operations Report. Discussions: 1. Discussion about the closing of subsidiary, Ji-Haw Electronics (Kunshan) Co., Ltd. (J.H.K)) 2. Discussion about the planning of greenhouse gas inventory	The proposal was unanimously approved by all directors attending the meeting without objections.
The 7th meeting of 2022 on July 8, 2022	Reports: 1. Internal Audit Operations Report. Discussions: 1. Discussion about the appointment of the 5th Remuneration Committee members	The proposal was unanimously approved by all directors attending the meeting without objections.

The 8th meeting of 2022 on August 3, 2022	Reports: 1. 2022 2Q Consolidated Financial Statements 2. Internal rotation of accountants 3. Report on the financial report self-preparation capability	The financial statement CPAs will be rotated from Huang Yao Lin and Fang Han-Ni to Huang Yao Lin and Chou Shih Chieh.
The 9th meeting of 2022 on November 3, 2022	Reports: 1. Internal Audit Operations Report. 2. Implementation of Greenhouse Gas Inventory Planning and Verification of Sustainable Development (ESG) Discussions: 1. 2022 3Q Consolidated Financial Statements 2. Creation of a first-ranking pledge on real estate 3. Report on the financial report self-preparation capability 4. Motion for the amendments to "Regulations Governing the Preparation of Financial Statements"	The proposal was unanimously approved by all directors attending the meeting without objections.
The 10th meeting of 2022 on December 26, 2022	Reports: 1. Internal Audit Operations Report. Discussions: 1. Discussion about the 2023 Internal Audit Plan 2. Discussion about the application of the Company's short-term borrowings from Mega International Commercial Bank. 3. Performance evaluation of the Company's directors, supervisors and managers. 4. Discussion about the Company's plan to insure the "Liability Insurance for Directors, Supervisors and Key Employees." 5. Motion for the amendments to some clauses of the "Procedures for Handling Material Internal Handling"	The proposal was unanimously approved by all directors attending the meeting without objections.
The 1st meeting of 2023 on March 17, 2023	Reports: 1. Internal Audit Operations Report. 2. Implementation of Greenhouse Gas Inventory Planning and Verification of Sustainable Development (ESG) Discussions: 1. The Company's 2022 business report and financial statements 2. Change in the contractual amount of the Company's short-term borrowings from Mega International Commercial Bank 3. Report on the financial report self-preparation capability 4. Appointment of CPAs for 2023 and their independence assessment and service fees 5. To establish the pre-clearance policy for the provision of non-confirmation services by the Company's CPA firm and the provision of non-confirmation services by the accounting firm for the year.	The proposal was unanimously approved by all directors attending the meeting without objections. The proposal was submitted to the general shareholders' meeting for approval after the audit report was issued by the CPAs and the Audit Committee. Approval for the certification of financial statements for the year ended December 31, 2023. Plan to reappoint Deloitte & Touche, CPA, Huang Yao Lin and Chou Shih Chieh.
The 2nd meeting of 2023 on March 29, 2023	Discussions: 1. Statement of Results of Self-Assessment of Internal Control System 2. Discussion about 2022 employee remuneration, directors'/supervisors' remuneration distribution.	Passed as proposed without objection, proposed to the shareholders' meeting for discussion, and announced on the MOPS on March 31, 2023.

	3. Discussion about 2022 loss appropriation table 4. Motion for the amendments to some clauses of the "Articles of Incorporation" 5. Motion for the amendments to some clauses of the "Rules of Procedure for Shareholders' Meetings" 6. Matters relating to the convening of the 20223 General Shareholders' Meeting of the Company	
The 3rd meeting of 2023 on April 12, 2023	Discussions: 1. By-election of Directors 2. Amendment to the matters relating to the convening of the 20223 General Shareholders' Meeting of the Compan	The motion was unanimously approved by all directors attending the meeting without objections, and re-election of directors was made. An announcement was made on the MOPS website on April 14, 2023.
The 4th meeting of 2023 on May 8, 2023	Reports: 1. Internal Audit Operations Report. Discussions: 1. Motion for the amendments to some clauses of the "Articles of Incorporation" 2. Motion for candidates for nomination as directors (including independent directors) 3. Removal of restrictions on competing business activities by new directors and their representatives 4. Approval for raising capital by cash by private placement 5. Motion for amendment to the Agenda of the 2023 Annual General Shareholders' Meeting of the Company	Passed as proposed without objection, proposed to the shareholders' meeting for discussion, and announced on the MOPS on May 8, 2023.
The 5th meeting of 2023 on May 12, 2023	Reports: 1. Internal Audit Operations Report. 2. Implementation of Greenhouse Gas Inventory Planning and Verification of Sustainable Development (ESG) Discussions: 1. 2023 1Q Consolidated Financial Statements. 2. Report on the financial report self-preparation capability	The proposal was unanimously approved by all directors attending the meeting without objections.

(XII) In the most recent fiscal year or during the current fiscal year up to the date of publication of the annual report, a director or supervisor has expressed a dissenting opinion with respect to an important resolution passed by the board of directors, and said dissenting opinion has been recorded or prepared as a written declaration, disclose the principal content thereof:

(XIII) A summary of resignation in the most recent fiscal year or during the current fiscal year up to the date of publication of the annual report, of the company's chairman, president, head of accounting, head of finance, chief internal auditor, head of corporate governance, and chief R&D officer: **None**.

V. Information on the professional fees of the attesting CPAs:

(I) Professional fees of the attesting CPAs

Amount unit: NT\$

Certified Public Accountant Firm Name	Name of CPAs	CPA's audit period	Audit fee	Non-audit fee	Total	Remarks
Deloitte Taiwan Accounting Firm	Huang Yao-Lin	January 1, 2022 - June 30, 2022	2,800	0	2,800	None
	Fang Han-Ni					
	Huang Yao-Lin	July 1, 2022 - December 31, 2022				
	Chou Shih Chieh					

Note: Where the company has changed the CPAs or the accounting firm, please indicate the audit period separately, and explain the reason for the replacement in the Remarks field and disclose the audit and non-audit profession fees and other information. Non-audit fees should be separately listed.

(II) For non-audit fees paid to CPAs, accounting firms, and affiliates thereof that amount to more than 1/4 of the audit fees, the disclosure should be made regarding the amount of audit and non-audit fees, and the service content of audit and non-audit fees: **The Company's audit fees for 2022 were NT\$0 as no audit service was used.**

(III) Audit fee for the change of accounting firms paid in the year is less than the previous year, the decreased amount, percentage and reason of the audit fee shall be disclosed: **None.**

(IV) Over 10% decrease in audit fee on a year-to-year basis, the decreased amount, percentage and reason of the audit fee shall be disclosed: **None.**

VI. Information on replacement of certified public accountants: Please refer to p.88.

VII. Where the company's chairman, president, or any company 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 at an affiliated enterprise of such accounting firm, the name and position of the person, and the period during which the position was held, shall be disclosed: None.

VIII. Any transfer of equity interests and/or pledge of or change in equity interests by a director, supervisor, company officer, or shareholder with a stake of more than 10 percent in the most recent fiscal year or during the current fiscal year up to the date of publication of the annual report. Where the counterparty in any such transfer or pledge of equity interests is a related party, disclose the counter-party's name, its relationship between that party and the company as well as the company's directors, supervisors, company officers, and ten-percent shareholders, and the number of shares transferred or pledged.

(I) Change in equity interests by a director, supervisor, company officer, or major shareholder:

Title (Note 1)	Name	2022		As of May 1, 2023	
		Increase (decrease) in shareholding	Increase (decrease) in pledged shares	Increase (decrease) in shareholding	Increase (decrease) in pledged shares
Chairman	Lin Wen-Hwang	0	0	(2,591,000)	0
Director	Chen Po-Shou	(9,000)	2,00,000	Not applicable	Not applicable
Director	Wu Chia-Shin	0	0	Not applicable	Not applicable
Director	Lin Da-Sen	0	0	Not applicable	Not applicable
President	Wu Chia-Shin	0	0	(2,198,000)	0
Vice President	Simon Wu	0	0	0	0
Independent director	Yeh Chi-Nan	0	0	0	0
Independent director	E Hsin-Chuan	0	0	0	0
Independent director	Wang Wei-Chi	0	0	0	0
Head of Finance Department	Judy Chu	(197,000)	0	(120,000)	0
Head of Accounting Department	Judy Chu	(197,000)	0	(120,000)	0

Note 1: Shareholders holding 10% or more of the total shares of the Company should be indicated as major shareholders and listed separately.

Note 2: The following table should be completed if the counter-parties to the equity transfer or equity pledge are related parties.

(II) Information on equity transfer: **None.**

(III) Information on equity pledge: **None.**

IX. Relationship information, if among the company's 10 largest shareholders any one is a related party or a relative within the second degree of kinship of another.

Unit: Shares; March 31, 2023

Name (Note 1)	Number of shares held		Shareholding of Spouses and Minor Children		Total number of shares held in the name of others		NAMES AND RELATIONSHIPS BETWEEN THE TOP TEN SHAREHOLDERS INCLUDING SPOUSES, SECOND DEGREE OF KINSHIP OF ANOTHER UNDER THE STATEMENT OF FINANCIAL ACCOUNTING STANDARDS NO. 6. (NOTE 3)		Remarks
	No. of shares	Shareholding ratio	No. of shares	Shareholding ratio	No. of shares	Shareholding ratio	Name	Relationship	
Hou Chia Chang	5,290,000	4.69%	0	0.00%	0	0.00%	None	None	None
Lin Wen-Hwang	3,261,901	2.89%	290,335	0.26%	0	0.00%	None	None	None
Yuan Sheng Investment International Co., Ltd.	2,500,000	2.22%	0	0.00%	0	0.00%	None	None	None
HSBC (Taiwan) Commercial Bank is entrusted with the custody of the investment account of Morgan Stanley International Limited	1,951,000	1.73%	0	0.00%	0	0.00%	None	None	None
Su Chun Chung	1,700,000	1.51%	0	0.00%	0	0.00%	None	None	None
Cho Hui-Wen	1,660,000	1.47%	0	0.00%	0	0.00%	None	None	None
Chang Bao Ming	1,405,000	1.25%	0	0.00%	0	0.00%	None	None	None
Vibrant Biotechnology Co., Ltd.	1,200,000	1.06%	0	0.00%	0	0.00%	None	None	None
Chang Shi Yin	1,123,000	1.00%	0	0.00%	0	0.00%	None	None	None
Chan Yi Hsuan	1,100,000	0.98%	0	0.00%	0	0.00%	None	None	None

Note 1: List the top 10 shareholders. If they are corporate shareholders, list the names of the corporate shareholders and their representatives separately.

Note 2: The calculation of the percentage of shareholding refers to the calculation of the percentage of shareholding in the name of the shareholder themselves, spouse, minor children or of another party.

Note 3: The aforementioned shareholders for disclosure shall include corporate shareholders and natural persons, with the relationships between the shareholders disclosed as required by the Criteria for the Compilation of Financial Statements by Securities Issuers.

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

Unit: Shares; March 31, 2023

Investment business (Note)	The Company's investment		Investment by directors, company officers and any companies controlled either directly or indirectly by the company		Comprehensive investment	
	No. of shares	Shareholding ratio	No. of shares	Shareholding ratio	No. of shares	Shareholding ratio
J.B.T Industrial Co., Ltd. (J.B.T)	18,600,000	100%	0	0	18,600,000	100%
Ji-Haw Electronics (Kunshan) Co., Ltd. (J.H.K)	Note 1	100%	0	0	Note 1	100%
Ji-Haw Opto-Electrical (Kunshan) Co., Ltd. (J.H.P)	Note 1	40.48%	Note	59.52%	Note 1	100%
Ji-Haw Investment Co., Ltd. (J.H.I.)	300,000	100%	0	0	Note 1	100%

Note: Long-term investment accounted for using the equity method.

Note 1: No shares as it is a limited company.

Four Capital Raising Activities

I. Company capital and shares

(I) Source of capital stock (in the most recent year)

Unit: NT\$ thousand/shares

Year/month	Issue price	Authorized share capital		Paid-up capital		Remarks				
		No. of shares	Amount	No. of shares	Amount	Source of share capital			Offset by any property other than cash	Others
						Treasury stock.	Earnings	Total		
September 2006	10	135,000,000	1,350,000	113,657,220	1,136,572	(18,000)	69,568	51,568	None	Note 1
August 2007	10	135,000,000	1,350,000	119,166,251	1,191,662	-	55,090	55,090	None	Note 2
October 2008	10	135,000,000	1,350,000	115,912,251	1,159,122	(32,540)	-	(32,540)	None	Note 3
July 2009	10	135,000,000	1,350,000	112,719,251	1,127,193	(31,930)	-	(31,930)	None	Note 4
May 2023	10	135,000,000	1,350,000	112,719,251	1,127,193	-	-	-	None	None

Note 1. Capital increase of NT\$69,567,910 and cancellation of treasury stock of NT\$18,000,000 were approved by Jing-Shou-Xhang-Zi No.09501205050

Note 2. Capital increase of NT\$55,090,310 was approved by Jing-Shou-Xhang-Zi No.09601205030

Note 3. Treasury stock of NT\$32,540,000 was approved by Jing-Shou-Xhang-Zi No.09701250140

Note 4. Treasury stock of NT\$31,930,000 was approved by Jing-Shou-Xhang-Zi No.09801159490

Type of shares	Authorized share capital			Remarks
	Outstanding shares (Note)	Unissued shares	Total	
Common shares	112,719,251 shares	22,280,749 shares	135,000,000 shares	None

Note 1: Issued shares are shares of listed companies.

2. Shelf registration method information: None.

(II) Shareholder structure

May 1, 2023

Shareholder structure Amount	Government agency	Financial institution	Other legal entities	Individual	Foreign institutions and foreigners	Total
Number of people	0	5	127	17,274	26	17,432
Number of shares held	0	235,162	6,010,498	102,245,997	4,227,594	112,719,251
Shareholding ratio	0.00%	0.21%	5.33%	90.71%	3.75%	100.00%

Note: All companies listing for the first time on TWSE/TPEx are required to disclose Chinese investors' holding interests. A Chinese investor refers to an individual, corporation, organization, or institution of Mainland origin, or any company owned by the above party in a foreign location, as defined in Article 3 of the "Regulations Governing Mainland Residents' Investment in Taiwan".

(III) Dispersion of equity ownership

Unit: shares; May 1, 2023

Shareholding classification	Number of shareholders	Number of shares held	Shareholding ratio
1 - 999	10,845	451,559	0.40%
1,000 - 5,000	4,517	9,862,462	8.75%
5,001 - 10,000	865	6,968,970	6.18%
10,001 - 15,000	323	4,185,795	3.71%
15,001 - 20,000	234	4,460,086	3.96%
20,001 - 30,000	183	4,812,300	4.27%
30,001 - 40,000	109	3,955,590	3.51%
40,001 - 50,000	77	3,616,323	3.21%
50,001 - 100,000	127	9,431,123	8.37%
100,001 - 200,000	65	9,167,316	8.13%
200,001 - 400,000	43	12,284,840	10.90%
400,001 - 600,000	19	9,601,951	8.52%
600,001 - 800,000	6	4,230,000	3.75%
800,001 - 1,000,000	7	6,372,923	5.65%
Over 1,000,001	12	23,318,013	20.69%
Total	17,432	112,719,251	100.00%

(IV) List of major shareholders

Unit: shares; May 1, 2023

Name of The Major Shareholder	Shares	Number of shares held	Shareholding ratio
Hou Chia Chang		5,290,000	4.69%
Lin Wen-Hwang		3,261,901	2.89%
Yuan Sheng Investment International Co., Ltd.		2,500,000	2.22%
HSBC (Taiwan) Commercial Bank is entrusted with the custody of the investment account of Morgan Stanley International Limited		1,951,000	1.73%
Su Chun Chung		1,700,000	1.51%
Cho Hui-Wen		1,660,000	1.47%
Chang Bao Ming		1,405,000	1.25%
Vibrant Biotechnology Co., Ltd.		1,200,000	1.06%
Chang Shi Yin		1,123,000	1.00%
Chan Yi Hsuan		1,100,000	0.98%

(V) Information about market price, net worth, earnings, dividends and related information per share for the past two years

Unit: NT\$

Item	Year	2021	2022	Current year up to March 31, 2023 (Note 8)
Market price per share (Note 1)	Highest	13.75	24.30	25.05
	Lowest	6.25	9.68	19.95
	Average	9.12	16.45	22.4
Net value per share (Note 2)	Before distribution	8.96	9.05	8.79
	After distribution	-	-	-
Earnings per share	Weighted average number of shares	112,719	112,719	112,719

	Earnings per share (Note 3)	0.59	(0.12)	(0.29)
Dividend per share	Cash dividends	0.00	0.00	0.00
	Stock grants			
	Stock dividends from retained earnings	-	-	-
	Stock dividends from capital surplus	-	-	-
	Accumulated unpaid dividends (Note 4)	-	-	-
Return on investment analysis	P/E ratio (Note 5)	-	-	-
	P/D ratio (Note 6)	-	-	-
	Cash dividend yield (Note 7)	-	-	-

*** Up to the date of publication of the annual report, the motion for 2022 loss appropriation has not yet been approved by the shareholders' meeting.**

Note 1: The table lists the highest and lowest market price of common stocks for each year, and the annual average market price was calculated in accordance with the annual trading value and volume of each year.

Note 2: Please fill in the number of shares issued at the end of the year and the distribution according to the resolution by the shareholders' meeting the following year.

Note 3: If there is a retroactive adjustment from distribution of bonus shares, the pre-adjustment and adjusted surplus per share shall be listed.

Note 4: Dividends that have not been issued in the current year are accrued to the issuer of the annual surplus; the accumulated undistributed dividends of the current year should be disclosed separately.

Note 5: P/E ratio = Average closing price per share in current year/earnings per share.

Note 6: P/D ratio = Average closing price per share in current year/cash dividend per share.

Note 7: Cash dividend yield = Cash dividend per share/average closing price per share in current year.

Note 8: The information of net worth per share and earnings per share shall be based on the most recent quarter numbers audited by CPAs up to the date of publication of the annual report; the remaining columns shall be filled in the information of the current year's information up to the date of publication of the annual report.

(VI) The Company's dividend policy and implementation status

1. Dividend policy in the Articles of Incorporation:

The Company shall set aside 3% to 12% of the annual profit, if any, as remuneration to employees and 1% to 3% of the annual profit, if any, as remuneration to directors and supervisors. However, earning shall first be used to make up for accumulated losses.

Remuneration to employees distributed in shares or cash must be employees of control or subordinate companies who meet certain criteria. The criteria are authorized to the Board of Directors for determination.

If there is a profit for the year, the Company shall first pay taxes and cover previous losses, then 10% of the net profit after tax shall be set aside as legal reserve, except for when the accumulated legal reserve has reached the Company's total paid-in capital. Special reserve may be set aside or reversed as required by the Company's operating needs or the law or regulations. Any balance thereof still available shall, the Board of Directors shall allocate 10% to 100% of the undistributed earnings and prepare an earnings distribution proposal to be submitted to the shareholders' meeting for ratification.

The cash dividends may not be less than 30% of the total dividends; however, if the cash dividends are less than NT\$0.1 per share, dividends may be distributed in the form of

shares. The rates for earnings distribution are adjusted by resolution of the shareholders meeting depending on the actual profit of the year, capital budget and the Company's state of capital.

When the said earnings distribution is made in the form of cash dividends, the Board of Directors is authorized to reach resolution and to report to the shareholders' meeting.

2. Proposed distribution of dividends at the shareholders' meeting: No dividends were distributed as losses were to be made up in **2022**.

(VII) The effect of the current bonus shares on the operating performance, EPS and return on shareholder's investment proposed at the shareholders' meeting:

No dividends were distributed as the losses in 2022 were to be made up.

(VIII) Remuneration to employees, directors, and supervisors:

1. The percentages or ranges with respect to employee, director and supervisor remuneration, as set forth in the Company's Articles of Incorporation:

The Company shall set aside 3% to 12% of the annual profit, if any, as remuneration to employees and 1% to 3% of the annual profit, if any, as remuneration to directors and supervisors. However, earning shall first be used to make up for accumulated losses. Remuneration to employees distributed in shares or cash must be employees of control or subordinate companies who meet certain criteria. The criteria are authorized to the Board of Directors for determination.

2. The basis for estimating the amount of employee, director, supervisor remuneration, for calculating the number of shares to be distributed as employee remuneration, and the accounting treatment of the discrepancy, if any, between the actual distributed amount and the estimated figure, for the current period: **Not applicable**.

3. Remuneration passed by the Board meeting:

- (1) Amount of employee remuneration and director and supervisor remuneration distributed by cash or stocks:

***No remuneration was to be distributed to employees, directors or supervisor as the Company's loss before tax for this period was to make up.**

- (2) The amount of any employee remuneration distributed in stocks, and that amount as a percentage of the sum of the after-tax net income stated in the parent company only or individual financial report for the current period and total employee remuneration: **Not applicable**.

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

The Company suffered losses before tax in 2022 and did not distribute employee bonus and director and supervisor remuneration, same as the resolution adopted at the Board of Directors meeting held on March 17, 2023.

(IX) Status of the company repurchasing its own shares: **None**.

II. Status of corporate bonds: None.

III. Preferred shares: None.

IV. Global depository receipts: None.

V. Employee share subscription warrants: None.

VI. Restrictions on the rights of employees about new shares

VII. Issuance of new shares in connection with mergers or acquisitions or with acquisitions of shares of other companies: None.

VIII. Implementation of the company's capital allocation plans: None.

FiveAn Overview of Operations

I. Description of the business

(I) Scope of business

1. Main contents of the business

01. B202010 Mining of Non-metallic.
02. C801110 Fertilizer manufacturing.
03. C802070 Agro-pesticide manufacturing.
04. C802100 Cosmetics manufacturing.
05. C802990 Other chemical products manufacturing.
06. C901010 Ceramic and ceramic products manufacturing.
07. CC01020 Electric wires and cables manufacturing.
08. CC01080 Electronics components manufacturing.
09. CC01110 Computer and peripheral equipment manufacturing.
10. CC01990 Other electrical engineering and electronic machinery equipment manufacturing.
11. F106030 Wholesale of molds.
12. F107050 Wholesale of fertilizer.
13. F108011 Wholesale of traditional Chinese medicine.
14. F108021 Wholesale of western pharmaceutical.
15. F108031 Wholesale of medical devices.
16. F108040 Wholesale of cosmetics.
17. F199990 Other wholesale trade.
18. F207050 Retail sale of manure.
19. F208040 Retail sale of cosmetics.
20. F299990 Retail sale of other products.
21. F119010 Wholesale of electronic materials.
22. F206030 Retail sale of molds.
23. F219010 Retail sale of electronic materials.
24. F401010 International trade.
25. I199990 Other consultancy.
26. IG01010 Biotechnology services.
27. IZ99990 Other industrial and commercial services.
28. ZZ99999 All business activities that are not prohibited or restricted by law, except those that are subject to special approval. .

2. Business weighting:

Product	Weighting (%)
Connectors & cables	99.06
Other electronic component sets	0.94

3. The Company's current products:

- A. Wire and cable processing and manufacturing of wire and circuit boards.
- B. Precision electronic sockets, connectors and related components.
- C. Molds, injection molding, stamping parts and other electronic parts for electronic components.
- D. Various cable assemblies for signal transmission and various cables.
- E. Fiber optic collars, patch cords, fiber optic PLC splitters, fiber optic arrays, and optoelectronic conversion modules.
- F. Application of automotive wire and cable assemblies, automotive sensor wire assemblies, and other wire and cable assemblies.
- G. Soft cable and very fine coaxial cable for NB/TV/monitor.
- H. E-commerce and channel logistics business.

4. New products under development:

Ji-Haw's future product development will focus on high frequency, high speed and high precision connectivity products. Ji-Haw will focus on connectors and assembled components, and we will also gradually develop technology solutions required for each process, bringing infinite possibilities for future technology and consumer life applications.

With the introduction of new 3C high-frequency products, Type-C is now the mainstream of the market. As laptops become thinner and lighter, the number of slot ports is reduced, so type-C is needed for fast data transfer, audio and video output, and even better power support. Ji-Haw products will be designed to be lightweight, short and feature-combined, while taking into account design approaches that are more suitable for mass production, assembly and low cost.

The connectors are used in a wide range of applications, including automotive, computer, communications, industrial, military aerospace, transportation and medical industries. In terms of industry applications, automotive electronics is currently the largest application area for connector products, accounting for 22% of the total, and its production value will likely be several times that of computer products in the future. Ji-Haw will collaborate with well-known foreign main system suppliers to develop and gradually introduce them into various parking lots and vehicle types, and the volume is expected.

(II) An Overview of Industry

1. Current status and development of the industry:

From the second half of 2022 onwards, due to the weakening of the economy as a result of inflation and interest rate rises, sales of the consumer electronics industry have declined. The situation in many parts and components industries, which are highly linked to the sales of consumer electronics, was greatly affected by the decline in demand as the related products entered an inventory adjustment period. In response, connector manufacturers are aggressively pursuing new applications such as automotive, networking, industrial, server and energy to reduce the impact of declining demand for PC products such as laptops, tablets and desktops. Looking ahead to 2023, the connector industry, although traditional, will always be in demand, especially in recent years as global applications for servers, electric vehicles and industrial controls continue to expand. Electric vehicles have been an important area of investment for connector manufacturers in recent years, and are also one of the long-term drivers for Taiwan's connector industry. As the supply chain for automotive applications has a higher threshold and longer production cycle, automotive applications have been one of the main drivers of steady revenue growth in the connector industry in recent years.

Global device shipments

Device Type	2022	2022	2023	2023
	Shipments	Growth (%)	Shipments	Growth (%)
PC	287,159	-16.0	267,676	-6.8
Tablet	136,938	-12.0	132,963	-2.9
Mobile Phone	1,395,247	-11.0	1,339,505	-4.0
Total Devices	1,819,344	-11.9	1,740,143	-4.4

The PC segment includes desk-based, notebooks, ultramobile premium and Chromebooks. Tablets include all Android and iOS.

Source: Gartner (January 2023)

International research and advisory firm Gartner predicts that global equipment shipments will fall by 4% this year

According to Gartner's latest forecast, the total number of devices (PCs, tablets and mobile phones) shipped worldwide will be 1.7 billion units in 2023, down 4.4% after an 11.9% decline in 2022.

"The sluggish economic market will continue to dampen demand for equipment throughout 2023," said Ranjit Atwal, senior research director at Gartner. End-user spending on devices is expected to decline by 5.1% in 2023. The worst of the epidemic has just passed and business confidence has only just started to recover, so there is now a clear lack of confidence in most regions. We expect that it will be difficult to see the easing of the inflation trend and the trough of the recession until the fourth quarter of 2023. However, we are less pessimistic about the economic outlook for 2023, as the recessionary trend affecting the equipment market will ease during the year, ultimately increasing consumer and business spending.

PC inventory levels will return to normal in the second half of 2023.

In 2023, PC will continue to be the market with the most serious decline in shipments of all equipment markets. PC shipments are expected to decline by 6.8% in 2023, following a 16% decline in 2022.

PC vendors will reduce inventory levels throughout 2023, with Gartner analysts predicting a return to normal PC inventory levels in the second half of 2023, following a significant increase in 2022. "The increase in inventory levels was due to manufacturers overestimating market demand at the time, but then consumer confidence collapsed and demand plummeted," Atwal said.

While many business PCs can be upgraded to the Windows 10 operating system (OS) in 2022, many consumers and businesses are not doing so. Gartner predicts that over 25% of commercial PCs will be upgraded to Windows 11 by the end of 2023. However, Windows 11 will still not be able to bring sales up to the levels seen between 2020 and 2022. In addition, Gartner predicts that the PC and tablet replacement cycle for consumers and businesses will extend by more than 9 months by the end of 2023, as high inflation and the impending recession reduce discretionary spending and budgets.

The replacement cycle for mobile phones will also be extended by 2030

Gartner predicts global smartphone shipments to decline by 4% to 1.230 billion units in 2023, down from 1.280 billion in 2022.

"Consumers have been holding onto their cellphones for longer than expected, ranging from six to nine months, and are switching from fixed to flexible contracts without meaningful new technology," said Atwal. In addition, vendors are passing on the increased cost of components due to inflation to users, which is further dampening demand. End-user spending on mobile phones is expected to decline by 3.8% in 2023.

全球前五大 PC 出貨消長（單位：千台）

Global PC supplier shipments in 2022 Q4

Top 5 Companies, Worldwide Traditional PC Shipments, Market Share, and Year-Over-Year Growth, Q4 2022 (Preliminary results, shipments are in millions of units)					
Company	4Q22 Shipments	4Q22 Market Share	4Q21 Shipments	4Q21 Market Share	4Q22/4Q21 Growth
1. Lenovo	15.5	23.0%	21.6	23.1%	-28.5%
2. HP Inc.	13.2	19.6%	18.6	19.9%	-29.0%
3. Dell Technologies	10.8	16.1%	17.2	18.4%	-37.2%
4. Apple	7.5	11.2%	7.7	8.2%	-2.1%
5. ASUS	4.8	7.2%	6.1	6.5%	-20.9%
Others	15.4	22.9%	22.3	23.9%	-31.0%
Total	67.2	100.0%	93.5	100.0%	-28.1%

Source: IDC Quarterly Personal Computing Device Tracker, January 10, 2023

Global PC supplier shipments in 2022

Top 5 Companies, Worldwide Traditional PC Shipments, Market Share, and Year-Over-Year Growth, 2022 (Preliminary results, shipments are in millions of units)					
Company	2022 Shipments	2022 Market Share	2021 Shipments	2021 Market Share	2022/2021 Growth
1. Lenovo	68.0	23.3%	81.8	23.4%	-16.9%
2. HP Inc.	55.3	18.9%	74.0	21.1%	-25.3%
3. Dell Technologies	49.8	17.0%	59.3	16.9%	-16.1%
4. Apple	28.6	9.8%	27.9	8.0%	2.5%
5. ASUS	20.6	7.0%	21.8	6.2%	-5.7%
Others	70.1	24.0%	85.2	24.3%	-17.8%
Total	292.3	100.0%	350.1	100.0%	-16.5%

Source: IDC Quarterly Personal Computing Device Tracker, January 10, 2023

The global PC market suffered a major headwind in the second half of last year, with the peak season failing and the fourth quarter falling to a full-year low. According to both Canalys and IDC, the global PC market will continue to correct until the end of this year and is not expected to see a recovery until next year (2024).

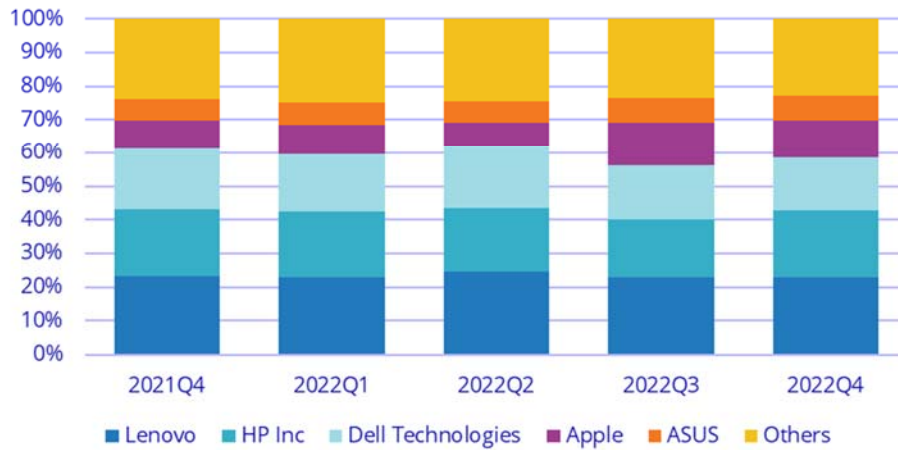
Preliminary statistics on global PC product shipments including desktops, notebooks, and work stations released by research institutions in the two markets showed that the decline in the year-on-year decrease of more than 28% in the same quarter dragged down the overall PC shipment in a single quarter. fell below the 7-character figure, to over 65-67 million units, and dropped by 16% year-on-year to around 290 million units, which is still higher than the pre-pandemic level.

According to the 2022 survey conducted by Canalys and IDC, global PC shipments cooled by a rare quarterly decline last year, which also officially announced the end of the epidemic benefits since the second quarter of 2020. It is the consensus of the industry that the market will not see recovery until the end of the year to 2024.

In the fourth quarter of last year, the market did not deviate from the original expectation. As the president continued to decline, consumption momentum was sluggish, and corporate spending was also curtailed, the overall PC market failed to drive buying back during the traditional peak season, and single-season shipments fell to the epidemic. The trough since the outbreak.



Worldwide Top 5 PC Companies, 2022Q4 Unit Market Share



Source: IDC 2023

According to Canalys and IDC statistics, apart from Apple, which ranked fourth in terms of market share, only a single-digit year-on-year decline, the top three brands, including Lenovo, Hewlett-Packard, and Dell, all experienced about 30% of shipments in the last quarter. The year-on-year declines have fallen sharply. In particular, because Dell benefited from the commercial market demand in the fourth quarter of the previous year and increased the base period for shipments, the decline exceeded 37%, and there were only 10 million units shipped in a single quarter.

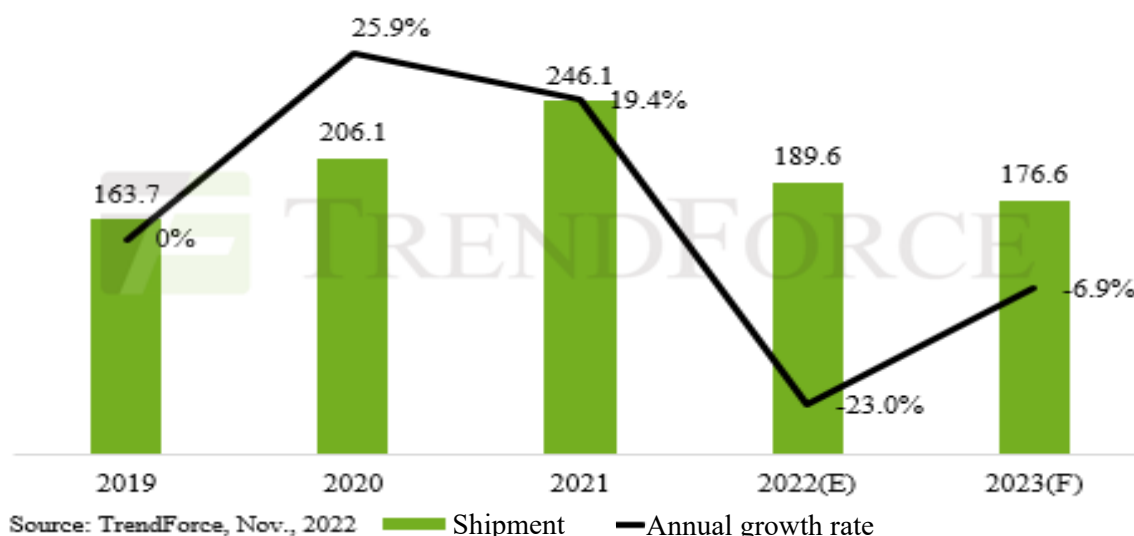
Asus, which held the fifth place in the market, shipped less than 5 million units in a single quarter, a decline of 20% year-on-year, and the decline was slower than that of the overall market.

In terms of shipment performance of the whole year, among the top three brand manufacturers, Lenovo and Dell, the third place in the market, had shipped about 68.1 million and 49.8 million units, respectively, with a year-on-year decrease of 16~17%. 2nd-ranked Hewlett-Packard declined by as much as 25%, with shipments dropping to about 55 million units. In addition, the decline in ASUS was only mid-single digit, and the shipment for the whole year stayed at 20 million units.

According to the research, the total shipment of the overall PC market is expected to continue to decline in 2023. However, the market is optimistic about the return to positive growth in 2024. After the economic downturn, it is expected that the deferred demand for education and enterprises will return and increase. The discontinuation of Windows 10 updates and support services will lead to a new wave of device replacements, which in turn promotes market recovery.

Global notebook computer shipments and growth rate changes

Figure. 2019-2023 Global Notebook Shipment Forecast (Unit: Million Units)



Inventory is still to be cleared, global shipment of notebook computers in 2023 is estimated to be only 176 million units

According to TrendForce, global shipments of laptops in the fourth quarter of 2022 are likely to decline to 42.90 million units, representing a quarterly decline of 7.2% and a yearly decline of 32.3%, both lower than the same period before the pandemic. Due to the impact of the war in Ukraine and high inflation, the shipment of the notebook market in 2022 was revised down again to 189 million units, a year-on-year decrease of 23%, and the shipment ratio in the first and second half was 53:47, which was the first time in the past decade.

At present, the structural supply-demand imbalance in the notebook market remains unresolved. Therefore, this year's shipments have shown a downward trend quarter by quarter. TrendForce believes that when the inventory pressure gradually returns to a healthy level, the Chromebook in the second quarter of next year may be the first product to receive recovery in demand, and the traditional cyclical growth momentum is expected to return to the market. Shipment will be 14.44 million units compared to 2022. It recovered slightly to 16.20 million units.

The consumer and commercial laptop markets will continue to be under pressure. Although the demand for the former has been adjusted for five seasons, the peak season is expected to play a key role. Coupled with the introduction of new CPUs, it is expected that the shipment of consumer notebooks will return to the traditional market in the second half of 2023. Although the demand for notebooks is in peak season, there is no escape from the recession for the whole year; the demand for commercial notebooks is even worse than the decline in consumer notebooks.

Although the dividend effect of the pandemic is gradually weakening, resulting in a slight weakening of the growth of the high-end notebook market in 2022, TrendForce still observes that e-sports and creative notebooks are still the golden rooster. In the face of the gradual decline in global notebook shipments, the high-margin market segments stand out. Major notebook manufacturers, Intel, Nvidia and other processor brands are all competing to enhance consumers' experience with high specifications and customization. At the same time, it stimulates the potential demand in the market and becomes a growing category of notebook computers.

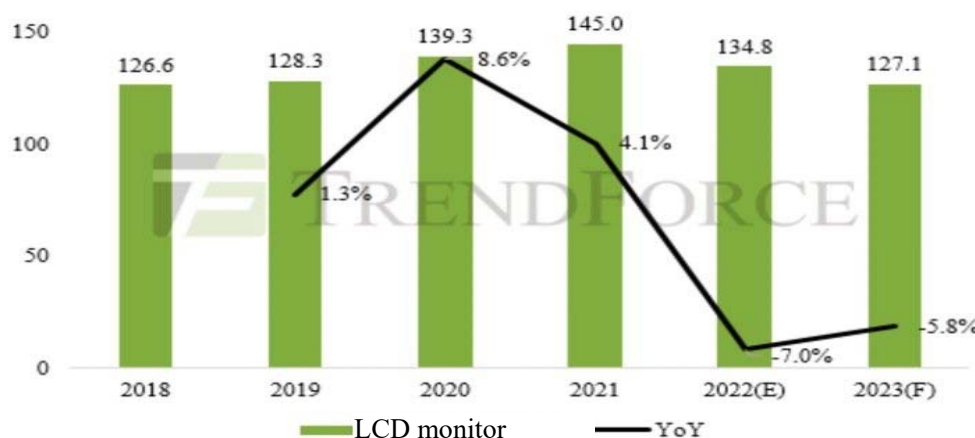
However, inflationary pressure and geopolitics are still uncertain factors in the macro environment, and the shipment scale of the consumer electronics market still needs to be closely monitored for changes in the market. Not only that, given the fact that China is still adopting a hard-line zero-clearing policy after the 20th National Congress and the wrestling between the United States and China, supply chain strategies are also the focus of major manufacturers.

According to TrendForce's observation, due to the cumbersome and huge industrial cluster for laptop components, only the major US manufacturers are actively promoting production layout in Vietnam. Even though the de-sinochemical industry chain reorganization has been sprouting for a long time, it still needs to be promoted by brands and ODMs in the short term.

The global economy continues to face headwinds. The International Monetary Fund (IMF) forecasts that the economic growth rate in 2023 will be about 2.7%, down by 0.5 percentage points from this year. This is the most severe economic winter in 20 years. Overall, TrendForce estimates that the global laptop market will show no sign of recovery for the time being in 2023. Even if the yearly decline in shipments narrows to 6.9%, there will still be only 176 million units.

Global LCD monitor shipment forecast

Figure 1. 2018-2023 Global LCD Monitor Shipment Forecast (Unit: Million Units)



Source: TrendForce, Jan., 2023

According to research released by TrendForce, the LCD monitor shipment in 2022 is expected to be 135 million units, a year-on-year decrease of 7%. Considering the withdrawal of demand bonus driven by the pandemic and the uncertain global political and economic situation, the LCD monitor shipment in 2023 is estimated to be about 127 million units, with an annual decrease of about 5.8% and return to the pre-pandemic level.

According to TrendForce, the overall LCD monitor shipment performance in the first half of 2022 was quite stable. However, in the second half of the year, due to the reduction of corporate budgets, business demand has slowed significantly. Inflation and the effect of rising interest rates in the consumer market continue to expand, resulting in a significant reduction in demand for consumer electronics.

Deferral of commercial orders to support HP LCD monitor shipments returning to second place in 2022

According to TrendForce, the overall LCD monitor market shipment was stable in the first half of 2022, despite the fact that the war between Russia and Ukraine exacerbated the inflation rate since the second quarter, and the budget for consumer electronics was obviously crowded out by consumer goods, resulting in a freezing demand for LCD monitors. However, as business orders for Europe and the US in 2021 have not been fully digested, some of them have been postponed until 2022 to support the overall demand for LCD monitors, and HP has returned to the second place in terms of shipments.

Consumer brands plan to expand shipments in 2023; commercial brands are conservative

Looking at the shipment targets set by the top ten LCD monitor brands in 2023, the total shipment volume will increase by about 1% year-on-year. Due to the significant contraction in the demand for new commercial orders in Europe and the US in 2023, the shipment targets of Dell and HP in 2023 have both decreased by 11.4% and 3.1%, respectively. The shipment target of the Chinese commercial brand Lenovo is expected to be almost the same as that in 2022.

In contrast, consumer brands have set their shipment targets to grow significantly compared to 2022 due to the poor performance of most businesses in 2022. However, as the market scale is likely to continue to shrink in 2023, there may be difficulties if shipments are to grow. difficulty.

TrendForce believes that under the expectation of continued economic headwinds, it may become more important to increase specifications to maintain profitability than to expand shipment size, such as the deployment of high-end OLED monitor products, or the active plan to upgrade the existing 60Hz or 75Hz products to 100Hz by the two major brands, Dell and Acer, both of which are ways to increase product specifications to maintain profitability.

Table 2. Shipment target (YoY) of the top ten LCD monitor brands in 2023

Brand	YoY
Dell	-11.4%
HP	-3.1%
AOC/Philips	12.7%
Samsung	7.5%
Lenovo	0.0%
LGE	0.0%
Acer	19.4%
ASUS	7.6%
Viewsonic	0.0%
BenQ	6.5%

Source: TrendForce, Jan., 2023

Global smartphone sales

2022 Q4 global smartphone shipments, market share, and annual growth rate

Top 5 Companies, Worldwide Smartphone Shipments, Market Share, and Year-Over-Year Growth, Q4 2022 (Preliminary results, shipments in millions of units)					
Company	4Q22 Shipment Volumes*	4Q22 Market Share*	4Q21 Shipment Volumes	4Q21 Market Share	Year-Over-Year Change*
1. Apple	72.3	24.1%	85.0	23.1%	-14.9%
2. Samsung	58.2	19.4%	69.0	18.8%	-15.6%
3. Xiaomi	33.2	11.0%	45.0	12.2%	-26.3%
4. OPPO	25.3	8.4%	30.1	8.2%	-15.9%
5. vivo	22.9	7.6%	28.3	7.7%	-18.9%
Others	88.3	29.4%	110.2	30.0%	-19.8%
Total	300.3	100.0%	367.6	100.0%	-18.3%

Source: IDC Worldwide Quarterly Mobile Phone Tracker, January 25, 2023

Global smartphone shipments, market share, and annual growth rate in 2022

Top 5 Companies, Worldwide Smartphone Shipments, Market Share, and Year-Over-Year Growth, CY2022 (Preliminary results, shipments in millions of units)					
Company	2022 Shipment Volumes*	2022 Market Share*	2021 Shipment Volumes	2021 Market Share	Year-Over-Year Change*
Samsung	260.9	21.6%	272.1	20.0%	-4.1%
Apple	226.4	18.8%	235.8	17.3%	-4.0%
Xiaomi	153.1	12.7%	191.0	14.0%	-19.8%
OPPO	103.3	8.6%	133.6	9.8%	-22.7%
vivo	99.0	8.2%	128.3	9.4%	-22.8%
Others	362.7	30.1%	399.1	29.3%	-9.1%
Total	1205.5	100.0%	1359.8	100.0%	-11.3%

Source: IDC Worldwide Quarterly Mobile Phone Tracker, January 25, 2023

According to IDC statistics, due to the weak macro economy and weak consumer demand, global smartphone shipments declined significantly during the holiday shopping season in Q4 2022. According to the report, mobile phone manufacturers shipped 300.3 million smart phone units from October to December, a year-on-year decrease of 18.3%, which was the largest single-quarter decline in history.

According to IDC, total smartphone shipments for the whole year of 2022 were 1.21 billion units, the lowest annual total shipment since 2013, "due to the significant decline in consumer demand, inflation, and economic uncertainty."

Nabila Popal, Research Director, said, "We have never seen a holiday shopping season with shipments lower than the previous quarter. However, weak demand and high inventory caused suppliers to drastically reduce shipments. " "The forecast for a 2.8% recovery in 2023 was severely tested by the downbeat data in the last quarter of last year, and the forecast may be significantly revised downward at any time."

Apple continues to maintain its status as the world's largest smartphone manufacturer. According to IDC, the US technology giant shipped 72.3 million iPhones in the fourth quarter, down 14.9% year-on-year. Apple's market share reached 24.1%. Although Apple launched its latest iPhone 14 series ahead of the critical holiday season, sales still declined. The COVID-19 pandemic and employee protests at the world's largest iPhone manufacturing plant in Zhengzhou, China, left Apple facing a series of supply chain issues in the December quarter.

The shipment of the second largest smartphone vendor, Samsung, dropped by 15.6% year-on-year to 58.20 million units. Samsung did not release the latest flagship smart phone in Q4, but will hold an event on February 1, when it may showcase its new equipment.

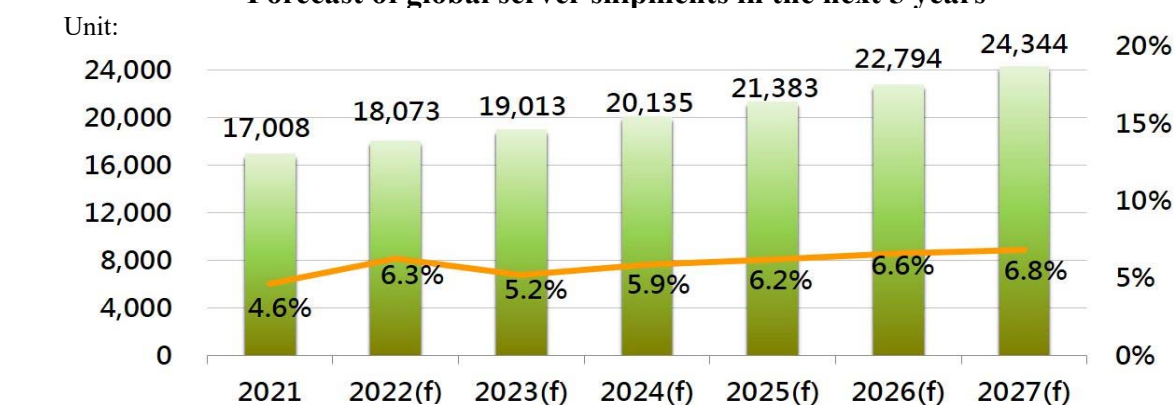
The third-ranked Chinese electronics manufacturer, Xiaomi, shipped 33.20 million units in the fourth quarter, down 26.3% year-on-year. Xiaomi's decline was the largest among the top five smart phone manufacturers; the other two were Chinese smart phone manufacturers Oppo and Vivo.

Anthony Scarsella, Research Director, said: "With mobile phone shipments declining by more than 11% in 2022, 2023 will be a cautious year as suppliers will reconsider the mix of equipment sales. Distributors will think twice before taking on excess inventory."

Changes and forecast of global server shipments

From 2022 to 2027, the CAGR of global server shipments is expected to reach 6.1%.

Forecast of global server shipments in the next 5 years



Note: The shipment calculation in this report is based on the number of motherboards.

DIGITIMES 3

Benefited from the aggressive construction of data center infrastructure by large cloud operators in North America, the market survey forecasts that the global server shipment will grow by another 5.2% to exceed 19 million units next year. production, which is also expected to drive part of the demand for replacement.

In the next five years, the main driving force for the growth of global server shipments will still come from large public cloud companies. Analyst Gong Ming Te of DIGITIMES Research forecasts that the global server shipments will stabilize at 5-7% from 2022 to 2027. %, and the compound annual growth rate (CAGR) was 6.1%.

DIGITIMES Research estimates that the total global server shipments in recent years will reach new heights every year until 2017. After exceeding 17 million units last year, this year will increase by 6.3%, reaching more than 18 million units. more than 20 million units a year.

The orders for new platform servers originally expected to be shipped in the fourth quarter of this year have caused Intel and Advanced Micro Devices to delay mass production due to technical problems. However, as the next generation of CPUs or AI-accelerated chipsets become available, there will still be an upsurge in the purchase or replacement of cloud data centers and enterprise customer servers.

In addition, as the global 5G data center infrastructure is gradually being built, which will drive the development of telecom servers at the core and the edge, the O-RAN Alliance is also actively promoting the adoption of commercial open-source equipment (COTS) as the edge RAN equipment. From next year, it will also gradually drive the growth in shipments of marginal white-brand telecommunication server products.

The market survey points out that, in order to meet the needs for external cloud services, or their own audio and video streaming platforms, e-commerce, and various online services, large cloud suppliers will continue to expand the data center infrastructure around the world. This is one of the most important drivers of growth in global server shipments.

At the same time, as corporate users in various application fields have to process increasingly huge amounts of data on the cloud and edge, the demand for HPC and AI servers will increase.

(III) An overview of the Company's technologies

1. R&D expense of the most recent 2 years

Unit: NT\$ thousand; %

Item \ Year	2021	2022
R&D expenses	51,273	50,610
Operating income	1,574,747	1,497,478
R&D expenses as a percentage of operating income	3.26	3.38

2. Newly developed technologies or products:

(1) New product development, yield improvement, OEM production and shipment

A. Semi-automatic mass production and shipment of high-frequency bandwidth cables such as Type C and USB 4.1

The doubling of the CPU speed of electronic products also means the doubling of the data transmission speed from device to device and module to module. The improvement of panel technology also brings more video bandwidth requirements, and conventional wire is inevitably unsupportable. Under the requirements of the European Union, the charging and transmission connector and cable assembly for handheld devices have become the standard. Under the leadership of Apple/Intel and the USB Association, Type C and USB 4.1 cables are set to become the standard for electronics-related products. However, the high current, high bandwidth, low loss and low return specifications are a challenge for manufacturers in the connectivity industry. With the cable technology accumulated over the years and a high level of mutual trust and cooperation with mainstream customers, we have successfully developed the cable required for the USB 4.1 specification; Type C has also been certified by the Association for its simpler and cheaper product design after several revisions. Due to the pandemic, automation has become the main goal of production. After the improvement of production technology, the automatic production of the main production section has been preliminarily completed to further improve the quality and throughput, and achieve the due production yield, and officially enter the era of mass production and use.

B. Vehicle control wire assembly and transmission wire assembly for edge computing applications

Electric vehicles and autonomous driving are the hottest topics recently, which also represent the trend and direction of the future automotive industry. Under this requirement, the transmission and reliability of edge computing data are very important. Overcome the psychological stress of tougher road conditions while enjoying automatic driving. New large manufacturers of automatic vehicle development and production are relatively new, and thus they change suppliers. The new supply chain has increased infinite opportunities. However, due to the vibrations that may be encountered, climate change, and the electrical connection method has a certain technical threshold. Cloud and edge computing will be the heart of future commerce, and the stability of its cable will be the main requirement. Ji-Haw participated in the customer's design and provided a cable set that effectively overcame and provided stable electrical signal transmission, which was successfully verified by the customer and launched in mass production.

It will be one of the trends to experience the advancement of technology in the process of continuous verification and practice, including multimedia, positioning, safety, and health care. Ji-Haw will actively participate in the early design of customers, extend our experience in the electronics industry, and jointly develop electronic products that are integrated in outdoor sports. Currently, we have used our control wiring assembly for several vehicle models and the number of vehicle

types will be increased gradually.

C. Automation, robots, production automation 4.0 wire rod group

In the world's industrial trend of lack of labor and automation, the wire and cord assembly used in it has requirements such as abrasion resistance, temperature resistance, oil resistance, weather resistance, electromagnetic resistance... These have different requirements depending on the conditions of use, and multiple small production runs are already underway.

D. TypeC adapters for doglegs and applications with a wide range of interface connectors - active cable assemblies, constantly updated and improved

In the future, the TypeC universal interface connector will unify the interface connectors of most equipment products. Moreover, due to the miniaturization, the product only has this TypeC connector. The adapter dog cable must be used to connect with other peripherals or equipment. Ji-Haw has developed this series of products under continuous efforts, and has also cooperated with foreign IC design manufacturers to develop and prepare to enter the market. So far, we have cooperated with brand customers to develop a variety of adaptors). This product needs to constantly modify the firmware and upgrade the corresponding upgrade and modification with the improvement of software and hardware. and related application products.

E. Electronic assemblies and small finished products) - spare parts for electronic products, spare parts for edge source computing and the Internet of Things

Ji-Haw expects that electronic products for the Internet of Things (IoT) will gradually evolve to become more popular, including the monitoring of electrical appliances, which will be the first to change the way people live, consume and entertain themselves, and therefore partly collaborate with external technology teams to develop them and partly develop their own small products that can support these devices. The strategic intent of building its own brand is highly attractive. The brand channel will be the profit guarantee for the electronics industry and will bring sustainable life to the future technology and consumer products.

(2) Process and product improvement

A. Enhancing the application of IT tools for real-time improvement of efficiency, safety, and yield

The foundation of management is the timeliness and accuracy of information. The 2020 pandemic has changed the world. People cannot move and can only rely on information tools to convey the information. The information management system is the central nervous system of the company. It is responsible for the collection, integration, and analysis of production, sales, and inventory related information. It can avoid misleading intentional or error Judgment of the level of management. After two years of continuous review and refinement, we have been able to analyze various information in terms of efficiency, yield, timeliness, wastage, and cost in real time to quickly respond to internal and external changes and issue management instructions. We can also execute timely allocation of labor to overseas factories. the effect of support. We can provide customers with credible delivery guarantees, which is beneficial and convenient for both parties. This is also a strong guarantee for our management and service management.

B. Using ERP to improve the efficiency and rationality of the process - material production, sales and inventory

Under the pressure of competition in the electronics manufacturing industry, the pressure of constant price reduction every year will inevitably affect corporate profits. In order to maintain the target profit margin and utilize our resources effectively, we have used IE techniques such as computerized data management and TOC Constraint Theory to review and revise our bottleneck items, balance the time

difference action bottleneck of the entire production line, and promote the automation and semi-automation of the process, and meet the JIT requirements of the world's first-class manufacturers. At the same time, through the analysis of production and sales, we improve the inventory of finished products and reduce the error in feeding to improve the efficiency and reduce the pressure from the rapid changes in customer demand.

C. Speedy and cheap introduction of reasonable automated and semi-automatic modules into production

Due to the lack of manpower due to the impact of the epidemic (broken link at the very first meter), the closure and the immobility have made semi-automation a phased goal. The ability of personnel and processes is gradually improved from semi-automatic to fully automated. The key to future success is to avoid quality discrepancies caused by human work and to effectively improve product accuracy. Ji-Haw has introduced modularization through continuous mould modification and high precision automatic inspection and reading equipment to effectively improve product yields and efficiency, starting with semi-automatic operation. In the future, we will continue to develop process automation equipment to guide the entire process to automated production.

D. Introduced and updated the high-frequency wire rod testing equipment and put the production equipment into mass production.

Due to breakthroughs in display technology, transmission cables are also moving towards high transmission speed, low return, low crosstalk and low impedance technical specifications. In line with the development and testing of our customers' wire products, Ji-Haw has invested in high-frequency testing equipment for TypeC/HDMI/USB/electro-optical hybrid cables to verify the high-frequency characteristics of the cables at the preliminary stage, so that design and process problems can be eliminated accurately. The production equipment was successfully tested and modified before new machines were purchased for mass production.

3. Future R&D plans and expected R&D expenses:

(1) Future R&D plans:

A. Research and development of automotive wiring harness

The automotive wiring harness is a critical component in the automotive system. A high degree of intelligence is one of the future trends of automotive wiring harnesses. More smart components and sensors need to be added to realize the intelligent control of the automotive system. In the future, it is necessary to integrate more electronic components and sensors with different functions, such as audio, navigation, on-board cameras, and multimedia entertainment, to meet different automotive needs. Based on the above points, we are carrying out a series of R&D work on the following wire sets commonly used in automobiles to meet this trend and demand. We are carrying out a series of R&D work to meet this trend and demand

- Battery cable: The power cable from the vehicle battery to the vehicle system. It is used to supply the power required by the entire system.
- Starter cable: Transmit the power from the battery to the engine starter to start the engine.
- Charging cable: Used to transmit the power generated by the generator back to the vehicle battery for charging.
- Lighting cable: Used to supply the power required for the vehicle lighting system, including headlamps, rear lamps, direction lamps, and brake lamps.
- Air conditioning cable: Used to control the air conditioning system of the vehicle, including the air conditioning compressor, fan, and temperature controller.

- Fuel transmission line: Used to transmit the fuel to the fuel system of the engine, including the fuel pump, fuel injector, and fuel pressure regulator.
- Brake cable: Used to control the vehicle's brake system, including the brake pedal and the brake device.
- Transmission cable: Used to control the transmission and transmission system of the vehicle, including the transmission and transmission.
- System monitoring cable: Used to monitor the state and failure of the vehicle system, including failure indicator lights and monitoring instruments.

B. Research and development of high-frequency cables

The transmission cable in the consumer electronic product refers to the wire used to transmit the signal or the power between different components. In order to ensure the user experience and product stability, the transmission line needs to comply with the relevant association specifications to ensure that it meets the standards and has stable performance. We are undertaking a range of research and development work on the latest Consumer Electronic Transmission Line Association specifications below to meet this trend and demand.

- USB4 is the latest USB specification that provides higher transmission rates and more functions, including functions such as transmission rate up to 40Gbps, support for multiple device connections, and support for higher power input and output. The USB4 standard transmission cable supports the USB Type-C connector and is compatible with Thunderbolt 3.
- HDMI 2.1 is the latest version of the HDMI standard used to connect high-definition displays and other audio-visual equipment. It supports higher transmission rates, higher resolutions, and higher color depth. The HDMI 2.1 standard transmission line supports the transmission rate of 48Gbps, and has a durable enclosure and anti-interference design to ensure high-quality video and audio transmission.
- DisplayPort 2.0 is the latest DisplayPort standard that provides higher transmission rate and higher resolution, and supports transmission rate up to 80Gbps and 16K resolution. The DisplayPort 2.0 standard transmission cable also supports the USB Type-C connector and features high reliability and durability.
- Thunderbolt 4 is the latest Thunderbolt standard that provides higher transmission rates and more functions, including functions such as transmission rate up to 40Gbps, support for multiple device connections, and support for higher power input and output. The Thunderbolt 4 standard transmission cable also supports the USB Type-C connector and is compatible with USB4.

(2) Estimated R&D expenses:

A. The Company expects to invest NT\$15 million in research and development of automotive wiring harness assembly products in 2023.

B. High-frequency , special wire and wire group research and development, the R&D expenditure is expected to be NT\$ 25 million in 2023.

(IV) Long-term and short-term business development plans

In response to the COVID-19 pandemic, trade wars, exchange rate fluctuations, industrial development trends, and changes in the domestic and foreign business environment, the Company has adopted various long-term and short-term plans to adjust the company's constitution and enhance overall competitiveness. The Company's long-term and short-term plans are summarized as follows:

1. Short-term development

(1) Product marketing

A. 2022 will be a year full of uncertainties for the information communication

electronics industry. In the first half of the year, it was still suffering from shortage of spare parts such as chips. However, the market economy turned for the worse in the third quarter, and the supply chain began to adjust the inventory. Under such circumstances, we will continue to regularly collect and analyze the market dynamics and sales performance of important customers in order to explore opportunities for new products and avoid inventory problems caused by wrong forecasts.

- B. Improve customer relationship management, deepen cooperation with existing customers, and seize opportunities to introduce new projects through collaborative development.
 - C. The gradual introduction of biotechnology products, establishment of retail/Internet channels, and acquisition of partners in the form of franchising/leasing to directly/indirectly develop the B to C business model.
 - D. We will increase the number of sales personnel in the new markets to avoid external environmental risks with a multi-dimensional customer portfolio.
 - E. Collect market trends and industry developments, and cooperate with the market-leading customer base to develop the next generation of products, such as active optical fiber (AOC, HDML...), SFP, embedded optical module (EOM), and semiconductor related products.
 - F. Focus on profit management by making good use of existing production capacity to avoid inventory backlog.
- (2) Production strategy
- A. In response to the US-China trade war, production in different regions has become an inevitable trend, and Southeast Asia has become the first choice. The Company will also increase production capacity in Thailand.
 - B. Strengthen external resource management and make full use of outsourced manufacturing and the processing resources of local strategic partners. Through screening and counseling of suitable suppliers, the Company effectively controls the timeliness of the supply chain and quality yield, and reduces material turnover in transit.
 - C. Strengthen the organization and process of production capacity forecasting, control capabilities, and overall operational research to reduce in-transit inventory costs and transportation costs.
 - D. Establish a professional engineering team to improve sample preparation operations and quality, and work closely with customers directly from the design stage to participate in customer product reviews in the early stage. For the improvement of IE operations and the introduction of process automation, the engineering station also promotes continuous project improvement from a professional height.
 - E. Use the management information system to improve the timeliness of materials, while reducing material inventory backlog, material inventory level warning and immediate handling.
 - F. Continuously improve production equipment and jigs to increase production quality and performance.
- (3) Research and development
- A. Pay attention to the changes in the connection industry specifications and propose product plans, such as R&D of USB 4.1 type cables, R&D of e-DP, Type C cables and optical fiber cable modules, and R&D of solar energy bridging/lap connection technology.
 - B. Integrate external R&D cooperation resources to jointly develop customers in new fields, such as medical biotechnology, environmental recycling, solar energy industry, automotive electronics, and 3D applications.
 - C. Continue to pay attention to changes in environmental protection regulations, and grasp the evolution trend of environmental protection materials and processes, and

- introduce production processes in a timely manner.
- D. Continue to pay attention to the safety regulations and mainstream product trends in new product markets (energy industry/industrial application/automotive electronics/medical industry), and plan the development and introduction in a timely manner for business promotion.
- E. Introduce the material processing technology of medical/agricultural biotechnology and enter the market with fine processing technology.
- (4) Business management
 - A. Strengthen the management information system to integrate management in terms of efficiency, yield, timeliness, cost, and expense to improve the overall effectiveness of operational management information.
 - B. Strengthen talent recruitment and actively recruit outstanding professional management personnel to improve the quality of the Company's personnel. Local factories are promoting localization and reducing Taiwan's personnel to be stationed overseas to reduce expenses and strengthen the loyalty of overseas employees.
- 2. Long-term development
 - (1) Product marketing
 - A. Pay attention to trends in the automotive industry, industrial applications, energy industry, and communications markets, and work with customers to develop high-precision, high-speed optical communication products that meet the requirements of cloud computing centers. Meanwhile, pay attention to the application scenarios of optical communication products in the consumer electronics industry, automotive products, and medical industries.
 - B. Cooperate with customer logistics management chain by setting up tax-free, bonded warehouses and even small-scale reprocessing plants in customers' regions to shorten the delivery time to major customers.
 - C. Actively participate in exhibitions, seminars and other activities to integrate external resources to jointly promote relevant business opportunities, including medical biotechnology, solar energy, 3D, environmental recycling and other related market fields.
 - D. Expand product lines in the energy industry and electric vehicles, and promote customers in related fields to broaden product opportunities.
 - (2) Production policy
 - A. Planning to establish offices around the world to serve customers nearby.
 - B. Plan the introduction of PCBA SMT/DIP process, and combine the production and assembly capabilities of mechanical parts to strive for future business opportunities in assembly and maintenance.
 - C. Continue to pay attention to the evolution of automated processes, improve the existing manual-consuming processes, and win orders for products with high technology threshold with the precision processing advantage of automated processes.
 - D. Evaluate the introduction of environmentally friendly recycling and biotechnology production equipment.
 - (3) R&D strategy
 - A. Planning the development of optical communication, semi-conductor active component products and process technology to broaden the possibilities of optical communication products in the future.
 - B. For the high-speed, low-consumption, and low-feedback future cable assembly products, the Company plans to introduce high-precision drawn stranded wire equipment and production processes to meet the demand for mass production of Thunderbolt and Type C cables in the future.
 - C. Evaluate the development of derivatives related to 3D printing, including soft AR and VR software applications, and continue to observe 3D technology trends to make 3D

applications closer to the consumer market.

D. Jointly develop health and wellness biotech products with external resources.

(4) Business management

A. Strengthen the data collection and analysis capabilities of new markets and new business opportunities, and establish a project management team to collaborate with external resources to evaluate, introduce and manage related cooperation opportunities.

B. Enhance the functions of the operation and management system, so that the operation information can be transmitted to the management in a more timely and effective manner, and improve the efficiency of process operation through electronic operation of procedures and forms.

C. Combine the development and negotiation of outsourced resources to transfer the invalid equipment in the factory.

(V) Corporate Social Responsibility Statement

At Ji-Haw, we do our utmost to fulfill our corporate social responsibilities, while appropriately reviewing the situation. We welcome anyone who agrees with our philosophy to join us. More importantly, we adhere to the spirit of corporate social governance, correct injustice, and retain our integrity.

While we pursue profit to fulfill our commitment to our shareholders, we at the same time utilize our strengths to work together with stakeholders, such as employees, customers, partners and the public for sustainability. Our remarkable and stable employees are our largest assets. Ji-Haw will provide a safer and more comfortable workplace and an all-inclusive welfare system for our employees to contribute their expertise freely.

In terms of employee management, we strictly implement the “Electronics Industry Citizenship Coalition” (EICC). As a supplier to the world’s major wire and cable companies, we keep a close relationship with all customers to strive to meet or exceed their standards. At Ji-Haw, we have implemented a number of employee physical and mental care programs, including employee annual health examination, domestic and overseas trips, social gatherings, and pension contributions. We also provide internal and external training, which our employees can participate in freely.

2022 is expected to be a year of challenges. The uncertainties and challenges brought by the current China–United States trade war and COVID-19 and the increased uncertainties of the ongoing Russia-Ukraine War have been transformed into nutrients for Ji-Haw to grow stronger. ° The Company’s norm of business centers on management to effectively internalize the concept of management. With most of our time and focus used on customer relations, we are able to drive the growth.

1. Ji-Haw’s corporate social responsibility commitment:

A. Environmental policy: Environmental protection is our ceaseless goal.

B. Health and safety policy: All employee training, safety and health, compliance with the law and continuous improvement.

C. Integrity and profit sharing.

D. Innovation and high efficiency.

E. Energy conservation, carbon reduction, water saving, recovery, and reuse.

F. Employee care welfare and elimination of exploitation of career planning.

G. Social feedback.



Go green
without end



Compliance
training for
all employees



Integrity and
profit sharing



Innovation
and high
efficiency

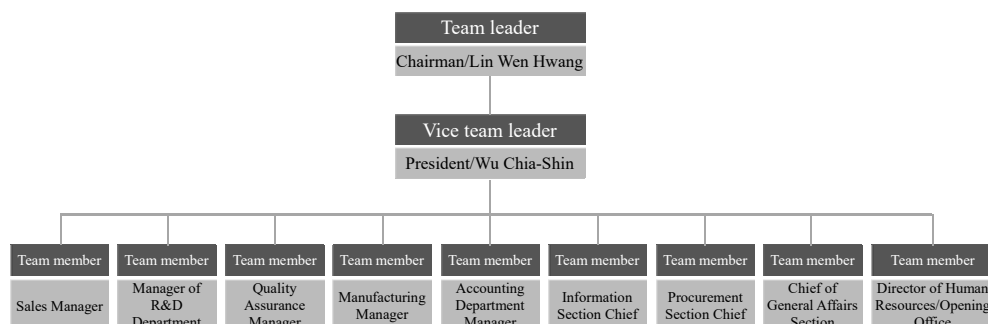


Energy
conservation,
carbon
reduction,
environmental
protection,
and recycling

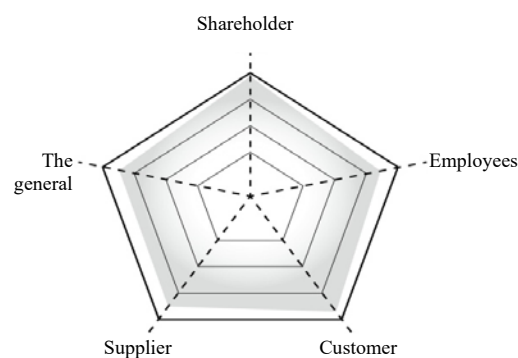


Employee
care career
planning

2. JH CSR Team: The Company has set up a JH CSR Team, led by the Company's chairman Lin Wen-Hwang who sets important promotion targets. The Company's president Wu Chia-Shin serves as the deputy leader who is reasonable for the promotion progress of each issue. The head of each department serves as the team members to participate in actual promotions to further ensure that customers and suppliers are aware and understand the progress of each promotion on CSR issues of Ji-Haw. The implementation status of each issue is also reported.



3. Stakeholder identification: The Company identifies important stakeholders by taking into account the following principles and rule of thumb. The Company is responsible for certain groups or individuals with respect to legal, financial and operational decisions. Groups or individuals affected by the impact of the Company's operations. Groups or individuals that may have an impact on the Company's operating performance. Based on the analysis of the above principles, Ji-Haw believes that the main stakeholders to be given priority to are: shareholders, employees, customers, suppliers, and the public.



4. Communication outlets: Ji-Haw collects concerns and issues of different stakeholders and delivers them to each relevant unit for quick analysis and understanding. In terms of external changes or regulatory amendments, the Company can also initiate actions plans through different units. This is to ensure the achievement of relevant work as well as maintaining smooth channels. Moreover, the management team regularly submits feedback of relevant information to be served as a basis for the Company to continue to improve or make plans.

A. Communication channels between shareholders and Ji-Haw:

- a. We hold a shareholders' meeting each year.
- b. We have set up a section on the official website (<http://www.jh.com.tw>) dedicated to shareholders to disclose various information, news, financial information. We also have an investor relations hotline for shareholders.
- c. We hold an investor conference in accordance with the regulations of the Securities and Futures Bureau to provide information on market trends, industry trends and trends associated with the entire electronics industry.

B. Communication channels between employees and Ji-Haw: We provide diverse and cross-departmental communication channels in the Company.

C. Communication channels between customers and Ji-Haw:

- a. With respect to customers, we have a dedicated manager to provide services. At the same time, we also collect and consult the opinions and satisfaction feedback from customers in terms of the products and services we provide via frequent visits.
- b. From time to time, the Company's senior management, such as the chairman, president, or special assistant, visits customers alongside the business manager. In doing so, we facilitate direct dialogues between the customers and the Company.

- D. Communication channels between suppliers and Ji-Haw:
- A supplier partner meeting is held from time to time inviting all suppliers. In addition to the Procurement Department, we also assign senior executives at the vice president level or above to attend the meeting. This meeting focuses on exchanging views with suppliers
 - Senior executives at the president level or above occasionally visit major suppliers to form partnerships. A strategic alliance is set up according to each professional area to share benefits.
- E. Communication channels between the public and Ji-Haw:
- We proactively exchange views and information with various industrial and commercial organizations and leaders in society, including the Taiwan Electronic Connection Association, Taiwan Electrical and Electronic Manufacturers' Association.
 - We have a Chinese and English website (<http://www.jh.com.tw>) set up to truthfully disclose information to the public. Contact information of each plant is also available on website for wide communication.
5. Occupational safety and health management system OHSAS
- The Company has attained OHSAS18001 certificate since 2016.
 - The Company has formulated a safety and health management policy to pursue zero injuries, zero occupational diseases, and zero accidents, creating the best work environment for all employees. Since 2018, there have been no injuries, occupational diseases and zero accidents, achieving the target.
 - Industrial safety: A disaster prevention center has been established at the headquarters in Xindian to immediately inform each plant of any safety information on typhoons, earthquakes or serious epidemics. We also set up a task force to provide immediate disaster prevention information, and conduct response training on response personnel to strengthen the Group's disaster prevention system.
 - Fire system management: Ensure that the safety software and hardware and management mechanism are in place. Problems must be addressed immediately in order to effectively reduce the risk of fire in each plant, including evacuation maps, notification of fire authorities, annual firefighting drills.
 - Occupational safety education and training: 2 fire organization drills and training on the use of building lift equipment are performed each year. The topics of firefighting activities include: Firefighting knowledge education and promotion, contents of prevention program, and fire prevention measures. The Company has 10 seed members and all employees of the Company participate in the drills. Safety audits were performed in the plants and deficiencies were corrected.

II. Market as well as the production and marketing situation

(I) Market analysis

1. Sales areas of the Company's main products:

Unit: NT\$ thousand; %

Sales area		2021		2022	
		Sales amount	%	Sales amount	%
Overseas sales	Asia	1,545,145	57.21	1,467,230	97.98
	Americas	1,960	0.12	4,496	0.30
	Europe	1,588	0.10	1,665	0.11
Subtotal		1,548,693	98.12	1,473,391	98.39
Domestic sales		26,054	1.65	24,087	1.61
Total		1,574,747	100.00	1,497,478	100.00

2. Market share:

Due to the fact that there are no specific market statistics for electronic cables and connectors, only the total market value of the cable industry and the approximate share of the major competitors are analyzed, as follows:

Industry	Major manufacturers and competitors in the same industry
Power cords	Ji-Haw, Linetek Electronic, Wonderful Wire, I-Sheng Electric Wire & Cable, Well Shin Technology, Space Shuttle Hi-Tech, Sunf Pu Technology, Longwell
FFC	Ji-Haw, P-Two Industries, TennRich, Hongfu, Hanquan
Electronic transmission line	Ji-Haw, Cheng Uei Precision Industry, Pan-International Industrial, Wanshih Electronic, Sinbon, Advanced-Connectek, Space Shuttle Hi-Tech, High-tek, Hotron Precision Electronic Industrial

The total value of the global bundle of wire market is approximately USD60 billion, with the Company's market share accounting for approximately 0.1 - 0.2% of the total value. This shows that the Company has a lot of room for improvement.

3. Demand and supply conditions for the market in the future and the market's growth potential:

As the cables produced by the Company are mainly used in computers and peripherals, communication equipment, information appliances and automotive related products, the development of their downstream industries will drive the growth of the demand for cables. The future demand for the industries that use our cables is as follows:

- (1) With the introduction of new 3C high-frequency products, Type-C has become the mainstream in the market. As laptops are slim and light, with fewer slots and connectors, and the global lifestyle has changed due to the pandemic, remote video conferencing and work from home will become the norm in the future. It is estimated that notebook computers and tablets will drive a new wave of demand and greatly increase the penetration rate of the new generation of Type-C. Because it can transmit more data faster, it can be applied more widely. In addition to the speed of data transmission, in addition to the audio and video signal output, the power support is further improved.
- (2) In recent years it has continued to expand with global applications in the areas of servers, electric vehicles and industrial controls. Electric vehicles have been an important area of investment for connector manufacturers in recent years, and are also one of the long-term drivers. As the supply chain for automotive applications has a higher threshold and longer production cycle, automotive applications have been one of the main drivers of steady revenue growth in the connector industry in recent years.

4. The company's competitive niche:

- (1) In terms of research and development innovation

Our R&D team has more 10 years of experience in cables. Most members of the team have been with the Company for over 5 years and have a high understanding of external markets and specification changes. By adopting a JDVM and JDSM models, we assist our customers to jointly develop high precision wire sets with high technical thresholds. Over the course of the past decade, we have designed more than 10,000 products for customers, covering the development and manufacturing of network cables, HDMI 2.1 high-speed transmission cables, USB 2.0/3.0/4.0, and TYPE C cables, remarkable R&D achievements. With a strong base of technology, we have extended our strategy to the optical communication, 3D, and energy industries. Through joint development and proposals with external resources, we strive for relevant business opportunities in the market. In doing so, we have successfully adjusted our directions towards business and market operations to differentiate ourselves from the competitions by raising the technological threshold.

- (2) With respect to production and manufacturing

As product technology advancement is very important to cable manufacturers, the Company's R&D team spares no efforts when it comes to the design production process, process streamlining, and automation testing. In doing so, not only the quality of the products can be enhanced, the purpose of reducing production costs is also achieved. A lot of effort has gone into the control and design of our engineering. The production bases overseas are also well-developed, in particular the production equipment, such as: extrusion machines, bunching machines, single winding machines, layer winding machines, braiding machines, wire cutting machines, winding machines, rewinders, wire stripping machines, forming machines, stripping machines, terminal machines, automatic soldering machines, semi-automatic assembly lines. Our other advanced testing machines are all of the latest models designed and improved by ourselves before being manufactured by major domestic manufacturers. This shows we have outstanding production technology.

(3) With respect to business sales

Thanks to the confidence of our long-term customers, the Company has gradually shifted from OEM to ODM/JDM business models. Except for our customers, our products cannot be used by others without design modifications. This means that if there are no quality concerns, such customers will change suppliers to avoid wasting money, manpower and time invested in the product. As we possess the characteristics of fast development schedules, high cooperation of supplier needs, outstanding product quality, flexible delivery location, and excellent information management, the reliability and loyalty of the customers are high, and this is the Company's business niche. Through joint development with external partners, we will better utilize existing technology strengths and manufacturing resources to quickly enter niche markets in the future.

5. Positive and negative factors for future development and the company's response to such factors:

(1) Positive factors

- A. The demand for automotive wiring harnesses and connectors is also increasing
Growing demand for electric vehicles (EVs) as vehicles are equipped with advanced safety features is a major factor driving the market growth. In addition, due to the increasing functions of on-board sensors and infotainment systems, the global demand for automotive wiring harnesses and connectors is also increasing.
- B. Quality recognized by the world's major manufacturers
As the Company and its subsidiaries have been gaining recognition for their OEM quality from the world's major manufacturers, it will be beneficial to meet the increasing stringent quality requirements.
- C. Investment in future mainstream industries
The optical communication and semiconductor products drive the dynamics of major markets, such as the automotive industry, industrial applications, energy industry, communication market, mobility, big data, and social network. Moreover, the 3D, AI edge computing, Industrial 4.0, energy, and biotechnology markets all have a promising outlook.
- D. Implement global transportation to reduce production and sales costs
Considering the global situation and the integration of production and sales division of labor, the Company has established a production base in Kunshan and Zhangpu, China, and a production base in Thailand, and cooperates with several manufacturers in southern China. In the future, a new service base will be established in Vietnam to reduce production costs, improve supply efficiency, and further improve market competitiveness.
- E. High integration of internal and external production resources
The Company specializes in the production of connection wires, and vertically integrates multiple links from plastic pellets, wire manufacturing, mold production,

and plastic injection. At the same time, we also have high control over outsourced resources, which can effectively and external capacity in order to balance the changes in the off-peak season.

- F. Management of information platform to effectively grasp management information
Through information management, information can be immediately and effectively transmitted to the responsible supervisors for analysis and management. In doing this, issues can be addressed immediately with efficiency differentiation improved, and management efficiency increased.
 - G. Continuous improvement of production equipment and process
With years of experience in the industry, our R&D team independently designs production equipment to meet production needs. At the same time, we simplify the production process through in-depth research to improve product quality, save production costs, and maintain a high degree of production efficiency.
- (2) Negative factors
- A. Negative factors from the external environment
Affected by the weakened economy caused by rising inflation and rising interest rates, the sales of the consumer electronics industry declined significantly. Many component industries that are highly linked to the sales of consumer electronics have been greatly affected by the reduction in demand from the consumer electronics industry. This presents a serious challenge to these industries.
 - B. Future uncertainties in the PC/NB market
Due to the end of the epidemic, the PC/NB market declines due to demand for work from home and online classes. Major PC manufacturers are not optimistic towards 2032, further affecting the growth expectation of computer-related industries.
 - C. Impact of US-China trade issues
The impact of the US-China trade issue has gone beyond trade itself, and has also affected the operation of the supply chain and labor issues. From a supply chain perspective, companies must consider how to avoid the impact of tariffs and trade barriers on their products and raw materials, while also focusing on sustainability and greening their supply chains. The labor force issue is also an important factor that enterprises must consider. Automation and robotics technologies have become urgent solutions for businesses, and the source of new labor force is also an issue that requires in-depth study.
 - D. Rising wages and labor shortages in China
Under the influence of the epidemic in China, the Chinese government has strengthened the promotion of domestic demand policy, which has also caused China's economic growth momentum to shift from export sales to domestic demand. This transformation has brought new challenges to many enterprises in China, especially in the manufacturing industry. Due to the rising labor cost, it is difficult for enterprises to maintain production efficiency and cost advantages. In addition, due to the difficulty in acquiring direct manpower, enterprises are faced with the problem of labor shortage. These are important challenges for enterprises operating in mainland China.
 - E. Exchange rate fluctuations
Exchange rate fluctuations have a direct impact on the cost control of import and export enterprises, especially when the exchange rate fluctuates dramatically in the Sino-US trade war. Such fluctuations may affect the profitability, the cost of imported raw materials, the prices of exported products, and the purchasing power of enterprises, and pose a severe test to the operation and management of enterprises. Therefore, importers and exporters must strengthen risk management, keep track of exchange rate trends, and formulate corresponding strategies to deal with the impact of external uncertainties.

(3) Strategy for response

In response to the rapidly changing external environment, our company must continue to upgrade technology and management, and increase the speed of change in the market, customers, products, process technology, and management in order to maintain steady growth. We are also strengthening the operation and management information platform internally to improve the operating structure, and use external resources to adjust the manpower demand in the off-peak season. At the same time, we will accelerate the operation and business development of new external markets, such as 3D, AI, energy, biotechnology and other growth markets, to seize the next wave of industrial opportunities.

(II) Usage and manufacturing processes for the company's main products

1. Products: Cables required for all computers and automotive peripherals, including 4G and 5G cables used by general communication systems, game console cables required for home entertainment systems, cables required for home automation equipment, and cables for communication with automobiles. related connection cable.
2. Purpose: Application: Electronic signal transmission between computers and peripherals, consumer, communication products, home appliances, office equipment systems, and vehicles.
3. Production process: It mainly takes orders with the OEM/ODM/JDM model; we also design and produce according to the requirements of customers. To ensure product quality and meet customer requirements.

(III) Supply situation for the company's major raw materials

Major raw materials	Supply area	Supplier
CONNECTOR	Taiwan, China	Howtech Technology, Aces Electronic, Shunten International, Luntao
Copper wire	Taiwan, China	Sing Yang, Zhengdao, Mingxing, Space Shuttle Hi-Tech, Zhongju
FFC film	Taiwan, China	Guanghongda, Hongzhi
Plastic powder, PVC, raw materials	Taiwan, China	Formosa Plastics, Excel Components MFG

The main raw materials of the Company are: cables, copper wires, FFC film, and PVC powder. As we have been working together for many years, the development of the relationship is good with a stable source of supply.

(IV) A list of any suppliers and clients accounting for 10 percent or more of the company's total procurement (sales) amount in either of the 2 most recent fiscal years, the amounts bought from (sold to) each, the percentage of total procurement (sales) accounted for by each:

1. Information of major suppliers for the most recent 2 years:

Unit: NT\$ thousand; %

Item	2021				2022				2023 up to the previous quarter			
	Name	Amount	As a percentage to annual net procurement (%)	Relationship with the issuer	Name	Amount	As a percentage to annual net procurement (%)	Relationship with the issuer	Name	Amount	As a percentage to net procurement for the year up to the previous quarter (%)	Relationship with the issuer
1	GHDDZ	162,326	14.92	None	YYCXS	203,196	20.45	None	YYCXS	34,029	18.01	None
2	YYCXS	123,029	11.31	None	DGHC	118,007	11.88	None	GHDDZ	29,345	15.53	None
3	DGHC	119,371	10.97	None	GHDDZ	107,319	10.80	None	DGHC	19,963	10.56	None
	Others	683,206	62.8	None	Others	564,994	56.87	None	Others	105,633	55.90	None
	Net procurement	1,087,932	100.00	-	Net procurement	993,517	100.00	-	Net procurement	188,970	100.00	-

Note: A list of suppliers accounting for 10 percent or more of the company's total procurement amount and percentage of the 2 most recent fiscal years. However, if the name of the supplier is not to be disclosed as stipulated in the contract, or if the counterparty is an individual and not a related party, the name of the supplier may be coded.

2. Information of major procurement customers for the most recent 2 years:

Unit: NT\$ thousand; %

Item	2021				2022				2023 up to the previous quarter			
	Name	Amount	As a percentage to annual net sales (%)	Relationship with the issuer	Name	Amount	As a percentage to annual net sales (%)	Relationship with the issuer	Name	Amount	As a percentage to net sales for the year up to the previous quarter (%)	Relationship with the issuer
1	CH416	252,909	16.06	None	CH045	209,839	14.01	None	CH416	44622	16.60	None
2	CH045	210,181	13.35	None	CH416	203,978	13.62	None	CH145	36130	13.44	None
3				None	CH222	159,522	10.65	None	CH045	29444	10.95	None
	Others	1,111,657	70.59	None	Others	924,139	61.72	None	Others	158,593	59.01	None
	Net sales	1,574,747	100	-	Net sales	1,497,478	100	-	Net sales	268,789	100	-

Note: A list of customers accounting for 10 percent or more of the company's total sales amount and percentage of the 2 most recent fiscal years. However, if the name of the customer is not to be disclosed as stipulated in the contract, or if the counterparty is an individual and not a related party, the name of the customer may be coded.

(V) Production volume for the past 2 years

Unit: NT\$ thousand; thousand pcs

Production volume Main product	Year	2021			2022		
		Production capability	Production volume	Production value	Production capability	Production volume	Production value
Connection cables		0	141,217	1,472,146	0	77,441	1,053,288
Soft cables and other		0	70,743	161,428	0	44,909	99,990
Total		0	211,960	1,633,574	0	122,350	1,153,278

(VI) An indication of the volume/value of units sold for the most recent 2 years

Unit: NT\$ thousand; thousand pcs

Sales volume Main product	Year	2021				2022			
		Domestic sales		Overseas sales		Domestic sales		Overseas sales	
		Volume	Value	Volume	Value	Volume	Value	Volume	Value
Connection cables		43,903	2,206,055	16,104	2,170,048	32,973	933,718	9,064	384,892
Soft cables and other		32,057	315,666	16,187	398,569	33,122	148,186	14,995	66,942
Total		75,960	2,521,721	32,291	2,568,617	66,095	1,081,904	24,059	451,834

III. 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

March 31, 2023

Year		2021	2022	Up to March 31, 2023
Number of employees	General employees	268	183	192
	Production personnel	420	187	281
	Total	688	370	473
Average age		36	39	37
Average length of service		4.24	5.56	4.41
Education distribution ratio	Master	6	5	5
	College	143	114	128
	Senior high school	65	91	98
	Below junior high school	474	160	242

IV. Disbursements for environmental protection

In terms of product processes, there were no incidents of environmental pollution. In addition, as set forth by law and regulations, the Company is not required to obtain a permit for pollution control facilities or pollution discharge. Given this, the Company did not suffer any loss or penalty due to environmental pollution in the most recent fiscal year or during the current fiscal year up to the date of publication of the annual report. In response to the future demand for eco-friendly and non-toxic materials, the Company has established a taskforce and began to develop toxic-free wire plastic materials and non-halogenated materials. The equipment and materials for experiments are a major expense for environmental protection.

We have implemented ISO14001 environmental management system and OHSAS 18001 occupational safety management system in our main production base in Kunshan. For this, we have proposed countermeasures for implementation:

- (I) Supplier management: Ji-Haw has always regarded its suppliers as close partners. We believe wholeheartedly that suppliers are our major support and we can achieve a win-win situation by working together with them. Given this, we are willing to share our own experience and resources with all suppliers so that they can join in the Ji-Haw mutual benefit circle. By completing vertical integration of upstream and downstream companies, we aim to provide cutting-edge high quality and innovative high-tech products and services to the world's best customers. Moreover, with full cooperation of customers and suppliers, we will expand our products and services, achieving all-inclusive development. We believe that by benefitting our suppliers, we ultimately benefit the Company.

Therefore, we have been taking a proactive approach for suppliers to incorporate Ji-Haw's system to understand the culture of the Company in order to share success. This has always been our long-term effort. First of all, our partnership with suppliers is established based on the framework of equality and mutual trust. Given this, we sign the following with suppliers:

1. Confirmation of social responsibility of suppliers
 2. Environmental protection agreement, and we establish standards for various harmful substances while strictly complying with RoH, REACH and other environmental protection standards to fully prevent all types of harmful substances from entering the production chain.
- (II) Hazardous substance control: Since 2000, Ji-Haw has been working with customers around the world to promote the control of 8 heavy metals and banning of various hazardous substances. In recent years, we have gradually implemented various environmental standards, including RoHS and REACH and applied this to the upstream supply chain. We sign a declaration of non-use of hazardous substances and checklist of the implementation of banned substances with our partners. To do our bit for the environment, we fully eliminate all hazardous substances from entering our production system.
- (III) Recovery and reuse: In a labor-intensive industry, although it is difficult to recover and reuse various resources in the manufacturing process, we have not given up hope. For this, without compromising the value of the Company's products, we set an example. For internal documents, we use second draft paper for production records, operational instructions, engineering drawings, and QC reports. By doing this, recycling is carried out from within.
- (IV) GHG emission reduction: In terms of greenhouse gas emission reduction, we have achieved localized production by joining hands with our customers to build strong production bases. Through the crossover model of vertical integration and horizontal development, we have significantly reduced the long-distance transportation chain of materials and products. Essentially, reducing our carbon footprint is the first step towards emission reduction. At the same time, we have installed LED energy-saving lighting facilities in the main production base in Kunshan. We began from replacing basic hardware facilities such as eliminating the use high energy-consuming mercury lamps. Not only does this mean we no longer use high energy-consuming products, we at the same time stop the use of highly polluting mercury. As

for emission reduction, the Company encourages its direct employees to use battery cars for transportation and they can charge their cars free of charge at the electric charging bays. By promoting/encouraging and providing incentives for free charging, we hope that more direct employees will reduce the use of fossil fuels and practice GHG emission reduction.

- (V) Climate change risks and opportunities: At Ji-Haw, we keep a close eye on global climate trends and international response directions. Moreover, we incorporate climate change into our corporate sustainable development as one of the major issues and key risk items for continuous analysis and control. We propose climate change coordination and mitigation strategies while also promoting the reduction of carbon emissions and energy use. Meanwhile, we abide by the government's environmental laws and regulations, customer requirements as well as other applicable regulations.

Climate risks	Climate opportunities	Action plans
Unstable supply of water and electricity, impacting the production and increasing operating costs.	Improve the efficiency of water resources to reduce the impact of disasters on production.	With an annual per capita water consumption target reduction of 15L/person, water consumption is adjusted and water-saving devices installed to strengthen management and timely inspection.
Production is affected by typhoons, floods and droughts, resulting in financial losses and decreased revenue.	Enhance natural disaster resilience capabilities and strengthen climate resilient to reduce business interruptions and potential losses.	Establish a comprehensive water situation monitoring mechanism so that production is not affected due to water shortages or water outages. Emergency response training to reduce losses resulting from disasters.
Rising temperatures increase electricity use, thereby increasing costs and carbon emissions.	Promote low carbon/green production to save electricity use and costs.	Save power with a target of reducing electricity use by 10KWH/year The lights go off after people walk by. Equipment stays off during non-office hours.
GHG emissions, carbon reduction equipment installation	Promote energy saving efficiency by recycling and reuse to save costs	Implement a paperless office by using recycled paper to print unimportant documents

V. Labor relations

- (I) List any employee benefit plans, retirement system, and the status of labor-management agreements:

1. Employee benefit plans:

- (1) We provide labor and health insurance, implement an employee profit-sharing system and take out group insurance for our expatriates.
- (2) We have set up an Employee Welfare Committee and allocate 1% of the capital at the time of establishment, 0.05% of the monthly sales revenue and 40% of the revenue from sale of scrap as the employee welfare fund for recreation, leisure, birthday celebrations and gifts on festivals.
- (3) We implement a responsible work system with flexible working hours (except for the Manufacturing Department).
- (4) We provide annual overseas travels.
- (5) We offer hospitalization compensation, wedding gifts, funeral allowances (including dependents), bonuses on 3 major festivals (Labor Day, Mid-Autumn Festival, Dragon Boat Festival), and year-end bonuses.
- (6) We provide vehicles or subsidize vehicle and motorcycle fuel according to position and duties.
- (7) We provide employees with free parking bays.
- (8) Other benefits.

2. Employee further education and training:

The Company arranges education and training courses to encourage employees to continue

to learn while at work.

- (1) Supervisors provide education in meetings and interviews.
- (2) The Company provides its own education and training or participates in education and training organized by other units.
- (3) Take education and training courses of universities, colleges or graduate schools.
- (4) Participate in education and training organized by domestic training institutions.
- (5) Participate in observation and study in Taiwan.
- (6) Overseas training or study.

3. Retirement system and its implementation:

In accordance with the provisions stipulated in the Labor Standards Act, 5.8% of employees' monthly wages is set aside as pension reserve to be deposited in a special account at the Central Trust of China. We also contribute to employees' pension as required by the provisions stipulated in the Labor Standards Act. From July 1, 2005, the Company contributes 6% of the wages of the employees opting for the pension system of the Labor Pension Act to their personal pension account at the Bureau of Labor Insurance.

(II) List any losses suffered by the company in the most recent fiscal year and up to the annual report publication date due to labor disputes, and disclosing an estimate of possible expenses that could be incurred currently and in the future 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:

1. Losses suffered by the company in the most recent fiscal year and up to the annual report publication date due to labor disputes: **None**
2. An estimate of possible expenses that could be incurred currently and in the future and measures being or to be taken: **As the Company keeps a harmonious relationship with its employees, there should be no labor disputes.**

VI. Information security management:

- (I) The Company's information security risk management structure, information security policy, specific management plan and resources invested in information security management are as follows:

Risk item	Corresponding countermeasures
Information security management	The company is collecting relevant information from various sources and actively sending staff to participate in security training courses, and will formulate "Information Security Management Measures" and related operating rules in line with its own industrial development, business situation and relevant laws and regulations.
Personal data security maintenance	At present, the enterprise adopts the B2B model for operation, and there is no transaction with individual natural person customers, so the internal "management measures for personal data security maintenance" are discussed to strictly manage the use of internal data and security maintenance.
Security risk control measures Data backup	The company has set up its own computer room and carried out regular data backup on the second local device, and take remote backup simultaneously to store the backup data in the bank safe 2km away from the company.
Information service interruption	When the company's information system is damaged by man-made, non-man-made, natural disasters, etc., the disaster recovery plan can be quickly implemented to restore the system operation and reduce the loss caused by the operation interruption.
Other information security risks	The company has built an internal firewall and further signed a security protection blocking service contract with Chunghwa Telecom, thereby put into practice the security protection and interception from the source of the network so as to comprehensively reduce security risks.

(II) Losses suffered due to major security incidents in the most recent year and up to the date of publication of the annual report, possible influences and countermeasures: There were no incidents

endangering the Company's information security in 2022.

VII. Important contracts: None.

Six An Overview of the Company's Financial Status

I. Condensed balance sheets and statement of comprehensive income, names of CPAs and their audit opinions for the past 5 fiscal years

(I) Condensed Balance Sheet and Statement of Comprehensive Income - Consolidated Financial Information under IFRS

1. Condensed Balance Sheet (Consolidated)

Unit: NT\$ thousand

Item \ Year		Financial information for the past 5 fiscal years (Note 1)					Financial information for the year up to March 31, 2023 (Note 2)
		2018	2019	2020	2021	2022	
Current assets		1,307,274	1,120,778	1,195,751	1,505,927	1,155,439	1,141,727
Property, plants, and equipment		365,310	353,691	321,328	280,174	264,115	258,710
Intangible assets		0	0	0	0	0	0
Other assets		271,954	297,928	307,839	259,312	258,200	256,982
Total assets		1,944,538	1,772,397	1,824,918	2,045,413	2,045,413	1,657,419
Current liabilities	Before distribution	727,885	617,827	757,929	923,944	548,203	559,022
	After distribution	727,885	617,827	757,929	923,944	548,203	559,022
Non-current liabilities		65,064	105,295	107,591	111,179	109,578	107,460
Total liabilities	Before distribution	792,949	723,122	865,520	1,035,123	657,781	666,482
	After distribution	792,949	723,122	865,520	1,035,123	657,781	666,482
Equity attributable to owners of the parent company		1,151,589	1,049,275	959,398	1,010,290	1,019,973	990,937
Share capital		1,127,192	1,127,192	1,127,192	1,127,192	1,127,192	1,127,192
Capital surplus		226,697	226,697	226,697	226,697	226,697	226,697
Retained earnings	Before distribution	(133,427)	(218,232)	(307,969)	(241,316)	(252,744)	(285,805)
	After distribution	(133,427)	(218,232)	(307,969)	(241,316)	(252,744)	(285,805)
Other equity		(68,873)	(86,382)	(86,522)	(102,283)	(81,172)	(77,147)
Treasury stocks		0	0	0	0	0	0
Non-controlling interests		0	0	0	0	0	0
Total equity	Before distribution	1,151,589	1,049,275	959,398	1,010,290	1,019,973	990,937
	After distribution	1,151,589	1,049,275	959,398	1,010,290	1,019,973	990,937

Note 1: The financial information for the above years has been certified by the accountants.

Note 2: The financial information for 2023Q1 has been reviewed by the accountants.

2. Condensed Balance Sheet - (Parent Company Only)

Unit: NT\$ thousand

Item \ Year		Financial information for the past 5 fiscal years (Note)					Financial information for the year up to March 31, 2023
		2018	2019	2020	2021	2022	
Current assets		573,515	426,738	425,605	554,603	412,966	Not applicable
Property, plants, and equipment		118,963	126,126	119,861	114,430	108,738	
Intangible assets		0	0	0	0	0	
Other assets		79,653	77,191	75,261	74,103	73,056	
Total assets		1,792,115	1,543,718	1,479,691	1,658,290	1,458,605	
Current liabilities	Before distribution	528,676	443,139	480,612	592,436	381,352	
	After distribution	528,676	443,139	480,612	592,436	381,352	
Non-current liabilities		111,850	51,304	39,681	55,564	57,280	
Total liabilities	Before distribution	640,526	494,443	520,293	648,000	438,632	
	After distribution	640,526	494,443	520,293	648,000	438,632	
Equity attributable to owners of the parent company		1, 151,589	1,049,275	959,398	1,010,290	1,019,973	
Share capital		1,127,192	1,127,192	1,127,192	1,127,192	1,127,192	
Capital surplus		226,697	226,697	226,697	226,697	226,697	
Retained earnings	Before distribution	(133,427)	(218,232)	(307,969)	(241,316)	(252,744)	
	After distribution	(133,427)	(218,232)	(307,969)	(241,316)	(252,744)	
Other equity		(68,873)	(86,382)	(86,522)	(102,283)	(81,172)	
Treasury stocks		0	0	0	0	0	
Non-controlling interests		0	0	0	0	0	
Total equity	Before distribution	1,151,589	1,049,275	959,398	1,010,290	1,019,973	
	After distribution	1,151,589	1,049,275	959,398	1,010,290	1,019,973	

Note : The financial information for the above years has been certified by the accountants.

3. Condensed Statement of Comprehensive Income (Consolidated)

Unit: NT\$ thousand

Item \ Year	Financial information for the past 5 fiscal years (Note 1)					Financial information for the year up to March 31, 2023 (Note 2)
	2018	2019	2020	2021	2022	
Operating income	1,493,314	1,349,993	1,320,863	1,574,747	1,497,478	268,789
Gross profit	167,340	126,500	115,597	122,104	190,741	29,872
Operating profit and loss	(64,034)	(104,465)	(95,416)	(88,974)	(28,046)	(42,663)
Non-operating income and expenses	37,561	18,895	(5,486)	191,130	71,478	515
Profit (loss) before tax	(26,473)	(85,570)	(100,902)	102,156	43,432	(42,148)
Profit (loss) from continuing operations for the period	(26,473)	(85,570)	(100,902)	75,214	(13,486)	(42,148)
Loss from discontinued operations	0	0	0	(8,285)	0	0
Net income (loss) for the period	(33,314)	(87,984)	(90,140)	66,929	(13,486)	(33,061)
Other comprehensive income for the period (net after tax)	(9,789)	(14,330)	263	(16,037)	23,169	4,025
Net income attributable to owners of the parent company	(33,314)	(87,984)	(90,140)	66,929	(13,486)	(33,061)
Net income attributable to non-controlling interests	0	0	0	0	0	0
Total comprehensive income attributable to owners of the parent company	(43,103)	(102,314)	(89,877)	50,892	9,683	29,036
Total comprehensive income attributable to non-controlling interests	0	0	0	0	0	0
Earnings per share	(0.30)	(0.78)	(0.80)	0.59	(0.12)	(0.29)

Note 1: The financial information for the above years has been certified by the accountants.

Note 2: The financial information for 2023Q1 has been reviewed by the accountants.

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

Unit: NT\$ thousand

Item \ Year	Financial information for the past 5 fiscal years (Note 1)					Financial information for the year up to March 31, 2023
	2018	2019	2020	2021	2022	
Operating income	948,207	825,180	817,400	880,581	698,712	Not applicable
Gross profit	41,880	27,013	35,739	38,685	43,020	
Operating profit and loss	(67,094)	(79,540)	(53,947)	(48,633)	(48,446)	
Non-operating income and expenses	31,051	(10,800)	(46,149)	131,440	39,079	
Profit (loss) before tax	(36,043)	(90,340)	(100,096)	82,807	(9,367)	
Profit (loss) from continuing operations for the period	(36,043)	(90,340)	(100,096)	82,807	(9,367)	
Discontinuing operation losses	0	0	0	0	0	
Net income (loss) for the period	(33,314)	(87,984)	(90,140)	66,929	(13,486)	
Other comprehensive income for the period (net after tax)	(9,789)	(14,330)	263	(16,037)	23,169	
Net income attributable to owners of the parent company	(33,314)	(87,984)	(90,140)	66,929	(13,486)	
Net income attributable to non-controlling interests	0	0	0	0	0	
Total comprehensive income attributable to owners of the parent company	(43,103)	(102,314)	(89,877)	50,892	9,683	
Total comprehensive income attributable to non-controlling interests	0	0	0	0	0	
Earnings per share	(0.30)	(0.78)	(0.80)	0.59	(0.12)	

Note: 1. The financial information for the above years has been certified by the accountants.

(II) Information on the Condensed Balance Sheet and Statement of Comprehensive Income - Taiwan's Financial Accounting Standards: Not applicable

(III) The names and opinions of the attesting CPA for the past 5 fiscal years

1. The names and opinions of the attesting CPA for the past 5 fiscal years:

Year	Name of firm	CPA	Opinions
2018	Deloitte Taiwan	Chang Ching-Jen, Li Tung-Feng	Unqualified opinion (Note)
2019	Deloitte Taiwan	Chang Ching-Jen, Chen Chih-Yuan	Unqualified opinion (Note)
2020	Deloitte Taiwan	Chang Ching-Jen, Chen Chih-Yuan	Unqualified opinion (Note)
2021	Deloitte Taiwan	Huang Yao-Lin, Fan Han-Ni	Unqualified opinion (Note)
2022	Deloitte Taiwan	Huang Yao-Ling, Chou Shih-Chieh	Unqualified opinion (Note)

Note: Based on the audit results of the accountants and the audit report of other accountants, the consolidated financial statements were prepared in accordance with the Regulations Governing the Preparation of Financial Reports by Securities, International Financial Reporting Standards endorsed by the Financial Supervisory Commission, International Accounting Standards, and IFRSs, for 2017 to 2022, with unqualified opinions issued by the accountants for 2018 to 2022.

2. Description of replacement of accountants for the past 5 fiscal years:

The Company's original CPAs were Huang Yao-Lin and Fang Han-Ni of Deloitte Taiwan. Due to internal adjustment of the firm, the CPAs were changed to Huang Yao-Lin and Chou Shih-Chieh by resolution adopted at the Board meeting on 2022.8.3.

II. Financial analyses for the past 5 fiscal years

(I) Financial analysis - International Financial Reporting Standards (Consolidated)

Unit: NT\$ thousand

Analysis item (Note 3)		Financial analyses for the past 5 fiscal years					Current year up to March 31, 2023 (Note 2)
		2018	2019	2020	2021	2022	
Financial structure (%)	Ratio of liabilities to assets	40.78	40.80	47.43	50.61	39.21	40.21
	Ratio of long-term funds to real estate, plant, and equipment	315.24	296.66	298.57	360.59	386.19	383.03
Solvency (%)	Current ratio	179.60	181.41	157.77	162.99	210.77	204.24
	Quick ratio	128.25	128.41	106.50	123.78	150.27	142.94
	Times interest earned	(17.17)	(22.25)	(22.51)	(20.39)	(8.77)	39.21
Operating capabilities	Accounts receivable turnover ratio (times)	3.02	2.55	2.75	2.82	2.95	2.83
	Average collection days	120.86	143.13	132.72	129.43	123.72	128.97
	Inventory turnover (times)	4.08	3.68	3.75	4.24	3.88	2.92
	Accounts payable turnover ratio (times)	3.18	2.79	2.65	2.92	3.21	2.96
	Average sales days	89.46	99.18	97.33	86.08	94.07	125.00
	Property, plant and equipment turnover (times)	4.09	3.82	4.11	5.62	5.67	4.16
	Total asset turnover ratio (times)	0.77	0.76	0.72	0.77	0.89	0.65
Profitability (%)	Return on assets (%)	(1.72)	(4.58)	(4.82)	3.26	(0.92)	(8.14)
	Return on assets (%)	(2.84)	(8.00)	(8.98)	6.80	(1.33)	(13.15)
	Ratio of net income before tax to paid-in capital (%)	(2.35)	(7.59)	(8.95)	9.06	3.85	(3.74)
	Profit margin (%)	(2.23)	(6.52)	(6.82)	4.25	(0.90)	(12.30)
	Earnings per share (NT\$)	(0.30)	(0.78)	(0.80)	0.59	(0.12)	(0.29)
Cash flow (%)	Cash flow ratio (%)	(14.85)	4.30	1.44	(17.88)	20.44	(1.90)
	Cash flow adequacy ratio (%)	56.08	35.52	32.27	(129.92)	(61.61)	26.88
	Cash reinvestment ratio (%)	(5.39)	1.40	0.61	(9.01)	6.07	(0.58)
Leverage	Operating leverage	(0.24)	(0.51)	(0.52)	(0.61)	0.25	0.75
	Financial leverage	0.98	0.97	0.96	1.06	1.19	1.03
Reasons for changes of 20% in financial ratios over the past 2 fiscal years:							
1. The decrease in financial structure ratio and the increase in solvency ratio were mainly due to the decrease in current liabilities caused by the repayment bank in the current year.							
2. The increase in profitability ratio and the decrease in operating leverage were mainly due to the disposal of subsidiaries in 2021, resulting in an increase in net income before tax and after tax.							
3. The decrease in cash flow ratio is mainly due to the decrease in net changes in accounts receivable and payable in the current period, which resulted in an increase in net cash flow from operations.							

Note 1: The financial information for the above years has been certified by the accountants.

Note 2: The financial information for 2023Q1 has been reviewed by the accountants.

(II) Financial analysis - International Financial Reporting Standards (Parent Company Only)

Unit: NT\$ thousand

Year (Note)		Financial analyses for the past 5 fiscal years					2023 up to	
Item		2018	2019	2020	2021	2022	March 31	
Financial structure (%)	Ratio of liabilities to assets	35.74	32.03	35.16	39.08	30.07	Not applicable	
	Ratio of long-term funds to real estate, plant, and equipment	968.02	831.93	800.43	882.89	938.01		
Solvency (%)	Current ratio	108.48	96.30	88.55	93.61	108.29		
	Quick ratio	92.15	80.92	71.92	82.30	94.68		
	Times interest earned	(23.74)	(53.82)	(61.02)	39.20	(2.81)		
Operating capabilities	Accounts receivable turnover ratio (times)	3.19	2.72	2.93	2.72	2.57		
	Average collection days	114.53	134.44	124.47	134.19	142.02		
	Inventory turnover (times)	11.81	10.33	10.56	11.46	11.03		
	Accounts payable turnover ratio (times)	2.94	2.66	2.55	2.54	2.20		
	Average sales days	30.90	35.32	34.58	31.84	33.09		
	Property, plant and equipment turnover (times)	7.97	6.54	6.82	7.70	6.43		
	Total asset turnover ratio (times)	0.53	0.53	0.55	0.53	0.48		
Profitability	Return on assets (%)	(1.83)	(5.20)	(5.88)	4.38	(0.74)		
	Return on assets (%)	(2.84)	(8.00)	(8.98)	6.80	(1.33)		
	Ratio of net income before tax to paid-in capital (%)	(3.20)	(8.01)	(8.88)	7.35	(0.83)		
	Profit margin (%)	(3.51)	(10.66)	(11.03)	7.60	(1.93)		
	Earnings per share (NT\$)	(0.30)	(0.78)	(0.80)	0.59	(0.12)		
Cash flow	Cash flow ratio (%)	(23.70)	(7.26)	(10.33)	(14.11)	19.84		
	Cash flow adequacy ratio (%)	(343.17)	(427.33)	(450.11)	(749.59)	(349.59)		
	Cash reinvestment ratio (%)	(9.64)	(2.82)	(4.79)	(7.55)	6.75		
Leverage	Operating leverage	0.89	0.90	0.85	0.84	0.85		
	Financial leverage	0.89	0.98	0.97	0.96	0.95		
Reasons for changes of 20% in financial ratios over the past 2 fiscal years:								
1. The increase in profitability ratio is mainly due to the disposal of subsidiary in 2011, resulting in an increase in net income.								
2. The increase in cash flow related ratio was mainly due to the increase in cash dividends due to the JHK interest received.								

Note: The financial information for the above years has been certified by the accountants.

(III) Financial ratios are calculated as follows:

1. Financial structure
 - (1) Ratio of liabilities to assets = Total liabilities / total assets.
 - (2) Ratio of long-term funds 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 - prepayment) / current liabilities.
 - (3) Times interest earned = Net profit before income tax and interest expenses / interest expenses for the period.
3. Operating capabilities
 - (1) Receivables (including accounts receivable and notes receivable from operation) turnover ratio = Net sales / average of accounts receivable (including accounts receivable and notes receivable from operation) balance.
 - (2) Average collection days = 365 / accounts receivable turnover ratio.
 - (3) Inventory turnover = Cost of sales / average inventory.
 - (4) Payables (including accounts payable and notes payable from operation) turnover ratio = Cost of sales / average of accounts payable (including accounts payable and notes payable from operation) balance.
 - (5) Average sales days = 365 / inventory turnover.
 - (6) Property, plant and equipment turnover ratio = Net sales / average net property, plant and equipment.
 - (7) Total assets turnover ratio = Net sales / average total assets.
4. Profitability
 - (1) Return on assets = [Profit and loss after tax + interest expense $\times$ (1 - tax rate)] / average total assets.
 - (2) Return on equity = Profit and loss after tax / average total equity.
 - (3) Net profit margin = Profit and loss after tax / net sales.
 - (4) EPS = (Profit and loss attributable to owners of parent company - dividends from preferred shares) / weighted average number of outstanding shares. (Note 4)
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 for the past 5 fiscal years / (capital expenditure + increase in inventories + cash dividends).
 - (3) Cash reinvestment ratio = (Net cash flow from operating activities - cash dividends) / (gross of property, plant and equipment + long-term investment + other non-current assets + operating funds). (Note 5)
6. Leverage:
 - (1) Operating leverage = (Net operating revenue - variable operating costs and expenses of operations) / operating profit (Note 6).
 - (2) Financial leverage = Operating profit / (operating profit - interest expenses).

(IV) Financial analysis - Taiwan's Financial Accounting Standards: Not applicable.

III. Audit Committee's Review Report on the Financial Report of the Most Recent Fiscal Year

Ji-Haw Industrial, Co., Ltd. Audit Committee's Review Report

The Board of Directors has audited and certified the consolidated financial statements, the consolidated financial statements, the individual financial statements and the proposed loss appropriation for the year ended December 31, 2022. The consolidated financial statements and individual financial statements have been audited and completed by Deloitte Taiwan CPAs, CPA Huang Yao Lin, and Chou Shih Chieh, and a report thereon has been issued. We have audited the above-mentioned business reports, consolidated financial statements, individual financial statements and loss reversals and concluded that there are no inconsistencies. In accordance with Article 14-4 of the Securities and Exchange Act and Article 219 of the Company Act, issue a report and submit it for examination.

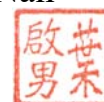
Sincerely,

2023 annual general meeting of Ji-Haw Industrial, Co., Ltd.

Ji-Haw Industrial, Co., Ltd.



Audit Committee Convener: Yeh Chi-Nan



March 17, 2023

IV. Financial report for the most recent fiscal year

Stock Code: 3011

Ji-Haw Industrial, Co., Ltd., and Subsidiaries

CONSOLIDATED FINANCIAL STATEMENTS
with Independent Auditors' Report
2022 and 2021

Address: No. 53, Baoxing Road, Xindian District, New Taipei City
Tel: (02)29189189

Representation Letter

The entities that are required to be included in the combined financial statements of the Company as of and for the year ended December 31, 2022 under the “Criteria Governing Preparation of Affiliation Reports, Consolidated Business Reports and Consolidated Financial Statements of Affiliated Enterprises” are the same as those included in the consolidated financial statements prepared in conformity with International Financial Reporting Standards No. 10. In addition, the information required to be disclosed in the combined financial statements is included in the consolidated financial statements. Consequently, the Company and its Subsidiaries do not prepare a separate set of combined financial statements.
Stated hereby

Company name: Ji-Haw Industrial, Co., Ltd.

Chairman: Lin Wen Hwang

March 17, 2023

Independent Auditor's Report

To Ji-Haw Industrial, Co., Ltd.:

Opinions

Ji-Haw Industrial, Co., Ltd. and subsidiaries have audited the consolidated balance sheets of How Industries, Inc. and subsidiaries as of December 31, 2022 and 2021, and the related consolidated statements of income, changes in equity, and cash flows for the years ended December 31, 2022 and 2021, and the related notes to the consolidated financial statements, which include a summary of significant accounting policies.

In our opinion, all material disclosures of the consolidated financial statements mentioned above have been prepared in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Firms, the International Financial Reporting Standards (IFRS), the International Accounting Standards (IAS), and interpretations thereof that have been endorsed and issued into effect by the Financial Supervisory Commission. Sufficiently presented the consolidated financial position of Ji-Haw Industrial, Co., Ltd. and its subsidiaries as of December 31, 2022 and 2021, and the consolidated financial performance and consolidated cash for the years then ended December 31, 2022 and 2021 traffic.

Basis of Audit Opinion

We conducted our audit in accordance with the Rules Governing Auditing and Attestation of Financial Statements by Certified Public Accountants and the Auditing Standards. 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 Ji-Haw Industrial, Co., Ltd. and its subsidiaries in accordance with the Certified Public Accountants Code of Professional Ethics in Republic of China ("the Code"), and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis of our opinion.

Key Audit Issues

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of Ji-Haw Industrial, Co., Ltd. and its subsidiaries 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 for the Group's consolidated financial statements for the year ended December 31, 2022 are stated as follows:

Recognition of sales revenue from distribution warehouse

One of the sales models adopted by Ji-Haw Industrial, Co., Ltd. and its subsidiaries is to deliver the goods to the distribution warehouse designated by the customer, and then the customer to pick up the goods directly from the warehouse. It is recognized when the product is transferred to the customer, that is, when the product is delivered to the buyer, the buyer has discretion over the sale channel and price, and the Company and its subsidiaries have no outstanding performance obligation that may affect the customer's acceptance of the product. The distribution warehouse is recognized as revenue. The logistics center monitors the shipment and usage of the distribution warehouse, and the control process is relatively complex. In addition, the sales amount of the

distribution warehouse in 2022 was significant. Therefore, the sales revenue of the distribution warehouse in 2022 was classified as the sales of the current year. If the revenue increases and the amount is significant, the occurrence of the sales revenue is recognized as a key audit matter and is audited accordingly. Refer to Note 4 and 22 to the consolidated financial statements for the accounting policies and disclosures related to operating revenue.

Our principal audit procedures conducted to address the aforementioned key audit matters included:

1. Understand and test the design and implementation effectiveness of main internal controls related to the recognition of sales revenue from distribution warehouse.
2. Select sufficient samples from the transaction details of customers from whom the sales revenue from the distribution warehouse has increased significantly, check the transaction vouchers, and confirm the remittance beneficiary and the payment collection process to confirm the existence of the sales transaction.
3. For the customers from whom the sales revenue from the distribution warehouse has increased significantly, send the confirmation letter for year-end account balances in accounts receivables and apply alternative procedures if responses to confirmation requests are not received in time, including the examination of transaction certificates and subsequent cash receipts.

Other Matters

Ji-Haw Industrial, Co., Ltd. has already prepared the parent company only financial statements for the years ended December 31, 2022 and 2021, for which we have issued an unqualified opinion.

Responsibilities of the Management and Governance Body to the Consolidated Financial Statements

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

In preparing the consolidated financial statements, management is responsible for assessing the ability of Ji-Haw Industrial, Co., Ltd. and its subsidiaries 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 Ji-Haw Industrial, Co., Ltd. and its subsidiaries or to cease operations, or has no realistic alternative but to do so.

The governing body of the Group (including the Audit Committee) is responsible for overseeing the financial reporting process of Ji-Haw Industrial, Co., Ltd. and its subsidiaries.

Responsibilities of the Auditor When Auditing Consolidated Financial Statements

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

We exercise professional judgment and skepticism during audits in accordance with the Auditing Standards. 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 internal control of Ji-Haw Industrial, Co., Ltd. and its subsidiaries.
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 ability of Ji-Haw Industrial, Co., Ltd. and its subsidiaries to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause Ji-Haw Industrial, Co., Ltd. and its subsidiaries to cease to continue as a going concern.
5. Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
6. Obtain sufficient and appropriate audit evidence regarding the financial information of the entities or business activities within Ji-Haw Industrial, Co., Ltd. and its subsidiaries to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

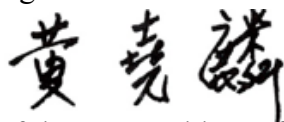
We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of Ji-Haw Industrial, Co., Ltd. and its subsidiaries for the year ended December 31, 2022 and are therefore the key audit matters. We describe these matters in the audit report, unless the law does not prohibit the public disclosure of a specific matter, or in rare circumstances, we decide not to communicate a specific matter in the audit report, as we can reasonably expect that the resulting The negative impact will outweigh the public interest promoted.

Deloitte Taiwan

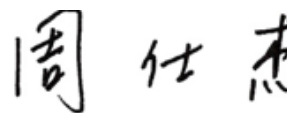
CPA Huang Yao Lin



Number of the approval letter from the
Financial Supervisory Commission
Jin-Guan-Zheng-Shen-Zi No.
1060004806



CPA Chou Shih Chieh



Number of the approval letter from the
Financial Supervisory Commission

Jin-Guan-Zheng-Shen-Zi No. 1110348898



March 17, 2023

Ji-Haw Industrial, Co., Ltd., and Subsidiaries
Consolidated Balance Sheets
December 31, 2022 and 2021

Unit: NT\$ thousand

Account	Assets	December 31, 2022		December 31, 2021	
		Amount	%	Amount	%
	Current assets				
1100	Cash and cash equivalents (Note 4 and 6)	\$ 397,756	24	\$ 382,631	19
1110	Current financial assets at fair value through profit or loss (notes 4 and 7)	1,265	-	437	-
1136	Current financial assets at amortized cost (notes 4 and 9)	26,795	2	87,845	4
1170	Notes and accounts receivable, net (Notes IV.X and XXII)	386,932	23	627,483	31
1210	Other receivables - related parties (note 26 and 29)	2,097	-	27,555	1
130X	Inventories (note 4 and 11)	324,255	19	349,301	17
1470	Other current assets (Notes XVII and XXIV)	<u>16,339</u>	<u>1</u>	<u>30,675</u>	<u>2</u>
11XX	Total current assets	<u>1,155,439</u>	<u>69</u>	<u>1,505,927</u>	<u>74</u>
	Non-current Assets				
1510	Non-current financial assets at fair value through profit or loss (notes 4 and 7)	336	-	1,061	-
1550	Investments accounted for using equity method (notes 4 and 13)	98,965	6	97,562	5
1600	Property, plant and equipment (notes 4, 14 and 30)	264,115	16	280,174	14
1755	Right-of-use assets (Notes IV and XV)	39,044	2	36,243	2
1760	Investment property (Notes IV, XVI and XXX)	86,927	5	87,063	4
1840	Deferred income tax assets (note 4 and 24)	28,927	2	31,873	1
1990	Other non-current assets (Note 17)	<u>4,001</u>	<u>-</u>	<u>5,510</u>	<u>-</u>
15XX	Total non-current assets	<u>522,315</u>	<u>31</u>	<u>539,486</u>	<u>26</u>
1XXX	Total assets	<u>\$ 1,677,754</u>	<u>100</u>	<u>\$ 2,045,413</u>	<u>100</u>
	LIABILITIES AND EQUITY				
	Current liabilities				
2100	Short-term borrowings (note 18 and 30)	\$ 100,000	6	\$ 279,345	13
2170	Notes and Accounts Payable	309,023	18	505,374	25
2200	Other payables (note 19)	41,760	3	54,436	3
2230	Current income tax liabilities (note 4 and 24)	8,944	1	43	-
2280	Current lease liabilities (note 4 and 15)	935	-	1,678	-
2300	Other current liabilities (note 29)	<u>87,541</u>	<u>5</u>	<u>83,068</u>	<u>4</u>
21XX	Total current liabilities	<u>548,203</u>	<u>33</u>	<u>923,944</u>	<u>45</u>
	Non-current liabilities				
2570	Deferred income tax liabilities (note 4 and 24)	54,895	3	50,032	3
2580	Non-current lease liabilities (note 4 and 15)	45,371	3	49,985	3
2640	Net defined benefit liabilities (note 4 and 20)	823	-	3,859	-
2645	Guarantee deposits	2,203	-	2,271	-
2670	Other non-current liabilities (note 4)	<u>6,286</u>	<u>-</u>	<u>5,032</u>	<u>-</u>
25XX	Total non-current liabilities	<u>109,578</u>	<u>6</u>	<u>111,179</u>	<u>6</u>
2XXX	Total liabilities	<u>657,781</u>	<u>39</u>	<u>1,035,123</u>	<u>51</u>
	EQUITY				
3100	Share capital – Ordinary shares	<u>1,127,192</u>	<u>67</u>	<u>1,127,192</u>	<u>55</u>
3200	Capital surplus	<u>226,697</u>	<u>14</u>	<u>226,697</u>	<u>11</u>
	Accumulated losses				
3310	Appropriated as legal capital reserve	23,586	1	23,586	1
3320	Special reserve	218,029	13	218,029	11
3350	Losses to be offset	(494,359)	(29)	(482,931)	(24)
3300	Total accumulated losses	(252,744)	(15)	(241,316)	(12)
3400	Other equity	(81,172)	(5)	(102,283)	(5)
3XXX	Total equity	<u>1,019,973</u>	<u>61</u>	<u>1,010,290</u>	<u>49</u>
	Total liabilities and equities	<u>\$ 1,677,754</u>	<u>100</u>	<u>\$ 2,045,413</u>	<u>100</u>

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

Chairman: Lin Wen-Hwang

Company Officer: Wu Chia-Shin

Accounting Supervisor: Judy Chu

Ji-Haw Industrial, Co., Ltd., and Subsidiaries
Consolidated Statements of Comprehensive Income
For the Periods January 1 to December 31, 2022 and 2021

		Unit: NT\$1,000, NTD for earnings (losses) in NT\$			
		2022		2021	
<u>Account</u>		<u>Amount</u>	<u>%</u>	<u>Amount</u>	<u>%</u>
4000	Operating revenue (note 4 and 22)	\$ 1,497,478	100	\$ 1,574,747	100
5000	Operating cost (Notes 11 and 23)	<u>1,306,737</u>	<u>87</u>	<u>1,452,643</u>	<u>92</u>
5950	Gross profit	<u>190,741</u>	<u>13</u>	<u>122,104</u>	<u>8</u>
	Operating expenses (Notes X, XX and XXIII)				
6100	Selling expenses	58,822	4	70,872	4
6200	Administrative expenses	113,840	8	94,256	6
6300	R&D expenses	50,610	3	51,273	3
6450	Reversal of Impairment loss of expected credit loss	(<u>4,485</u>)	<u>-</u>	(<u>5,323</u>)	<u>-</u>
6000	Total operating expenses	<u>218,787</u>	<u>15</u>	<u>211,078</u>	<u>13</u>
6900	Operating loss	(<u>28,046</u>)	(<u>2</u>)	(<u>88,974</u>)	(<u>5</u>)
	Non-operating income and expenses				
7100	Interest income (note 23 and 29)	2,933	-	1,942	-
7010	Other income (note 15 and 23)	17,279	1	19,835	1
7020	Other gains and losses (Notes XVI, XXIII, XXIX, and XXXI)	55,709	4	173,967	11
7050	Finance costs (note 23)	(4,447)	-	(4,775)	-
7060	Share of the profit of associates accounted for using equity method (note 4 and 13)	<u>4</u>	<u>-</u>	<u>161</u>	<u>-</u>
7000	Total non-operating income and expenses	<u>71,478</u>	<u>5</u>	<u>191,130</u>	<u>12</u>

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<u>Account</u>	<u>2022</u>		<u>2021</u>	
	<u>Amount</u>	<u>%</u>	<u>Amount</u>	<u>%</u>
7900 Net income before tax from continuing operations	\$ 43,432	3	\$ 102,156	7
7950 Income tax expenses (Notes IV and XXIV)	(<u>56,918</u>)	(<u>4</u>)	(<u>26,942</u>)	(<u>2</u>)
8000 Profit (loss) from continuing operations	(13,486)	(1)	75,214	5
8100 Losses from discontinued operations (Note XXVII)	<u>-</u>	<u>-</u>	(<u>8,285</u>)	(<u>1</u>)
8200 Net profit (loss)	(<u>13,486</u>)	(<u>1</u>)	<u>66,929</u>	<u>4</u>
Other comprehensive income				
Items that will not be reclassified subsequently to profit or loss:				
8311 Gains (losses) on remeasurement of defined benefit plans (note 4 and 20)	2,573	-	(345)	-
8349 Income tax related to components of items that will not be reclassified to profit or loss (note 4 and 24)	(<u>515</u>)	<u>-</u>	<u>69</u>	<u>-</u>
8310	<u>2,058</u>	<u>-</u>	(<u>276</u>)	<u>-</u>
Items that may be reclassified subsequently to profit or loss:				
8361 Exchange differences on translation of foreign operations (note 4)	<u>21,111</u>	<u>2</u>	(<u>15,761</u>)	(<u>1</u>)
8360				
8300 Other comprehensive income (after tax)	<u>23,169</u>	<u>2</u>	(<u>16,037</u>)	(<u>1</u>)
8500 Total comprehensive income for the year	<u>\$ 9,683</u>	<u>1</u>	<u>\$ 50,892</u>	<u>3</u>
Earnings (losses) per share (Note XXV)				
From continuing operations				
9710 Basic	(<u>\$ 0.12</u>)		<u>\$ 0.67</u>	
From continuing and discontinued operations				
9750 Basic	(<u>\$ 0.12</u>)		<u>\$ 0.59</u>	

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

Chairman: Lin Wen-Hwang

Company Officer: Wu Chia-Shin

Chief Accounting Officer: Judy Chu

Ji-Haw Industrial, Co., Ltd., and Subsidiaries
Consolidated Statements of Changes in Equity
For the Periods January 1 to December 31, 2022 and 2021

Unit: NT\$ thousand

Account		Common stock capital (Notes 4 and 21)	Capital surplus (note 21)	Accumulated losses (note 21)			Total	Other equity (note 4)			Total equity
				Appropriated as legal capital reserve	Special reserve	Losses to be offset		Exchange differences on translation of foreign operations	Unrealized gains (losses) from financial assets measured at fair value through other comprehensive income	Total	
A1	Balance at January 1, 2021	\$ 1,127,192	\$ 226,697	\$ 23,586	\$ 220,793	(\$ 552,348)	(\$ 307,969)	(\$ 72,522)	(\$ 14,000)	(\$ 86,522)	\$ 959,398
D1	Profit for the year ended December 31, 2021	-	-	-	-	66,929	66,929	-	-	-	66,929
D3	Other comprehensive income for the year ended December 31, 2021	-	-	-	-	(276)	(276)	(15,761)	-	(15,761)	(16,037)
D5	Comprehensive income (loss) for the year ended December 31, 2021	-	-	-	-	66,653	66,653	(15,761)	-	(15,761)	50,892
M3	Disposal of subsidiaries	-	-	-	(2,764)	2,764	-	-	-	-	-
Z1	Balance on December 31, 2021	1,127,192	226,697	23,586	218,029	(482,931)	(241,316)	(88,283)	(14,000)	(102,283)	1,010,290
D1	Net loss in 2022	-	-	-	-	(13,486)	(13,486)	-	-	-	(13,486)
D3	Other comprehensive income after tax in 2022	-	-	-	-	2,058	2,058	21,111	-	21,111	23,169
D5	Total comprehensive income of 2022	-	-	-	-	(11,428)	(11,428)	21,111	-	21,111	9,683
Z1	Balance as of December 31, 2022	\$ 1,127,192	\$ 226,697	\$ 23,586	\$ 218,029	(\$ 494,359)	(\$ 252,744)	(\$ 67,172)	(\$ 14,000)	(\$ 81,172)	\$ 1,019,973

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

Chairman: Lin Wen-Hwang

Company Officer: Wu Chia-Shin

Chief Accounting Officer: Judy Chu

Ji-Haw Industrial, Co., Ltd., and Subsidiaries
Consolidated Statements of Cash Flows
For the Periods January 1 to December 31, 2022 and 2021

<u>Account</u>	<u>2022</u>	Unit: NT\$ thousand <u>2021</u>
Cash flows from operating activities		
A00010 Profit Before Tax	\$ 43,432	\$ 102,156
A00020 Net loss before tax from discontinued operations	<u>-</u>	(<u>8,285</u>)
A10000 Net income before tax for the current year	43,432	93,871
A20010 Adjustments:		
A20100 Depreciation expense	35,171	34,734
A20300 Reversal of Impairment loss of expected credit loss	(4,485)	(5,323)
A20900 Finance costs	4,447	4,775
A21200 Interest income	(2,933)	(1,942)
A20400 Net loss on financial assets at fair value through profit or loss	1,021	1,596
A22300 Share of profit or loss of affiliates under the equity method	(4)	(161)
A22500 Gains from the disposal and scrap of property, plant, and equipment	(1,257)	(461)
A23100 Loss on disposal of subsidiaries	-	3,987
A22700 Gain on disposal of investment properties	-	(174,104)
A23700 Write-down (reversal) of inventories	(12,983)	13,432
A24100 Unrealized exchange loss	4,015	1,882
Changes in operating assets and liabilities		
A31150 Notes and Accounts Receivable	241,377	(150,098)
A31180 Refundable deposits	1,520	(1,848)
A31200 Inventories	26,948	(24,904)
A31240 Other current assets	14,287	25,437
A32150 Notes and Accounts Payable	(197,238)	14,639
A32180 Other payables	(12,676)	13,554
A32240 Net defined benefit liabilities	(463)	(567)
A32230 Other current liabilities	25,684	(9,071)
A32990 Other operating liabilities	<u>1,255</u>	(<u>25</u>)
A33000 Cash generated from operations	167,118	(160,597)
A33300 Interest paid	(4,447)	(4,775)
A33500 Income tax received (paid)	(<u>50,592</u>)	<u>193</u>
AAAA Net cash inflow (outflow) from operating activities	<u>112,079</u>	(<u>165,179</u>)

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<u>Account</u>		<u>2022</u>	<u>2021</u>
	Cash flows from investing activities		
B00040	Acquisition of financial assets at amortized cost	(\$ 836)	(\$ 929)
B00050	Proceeds from the disposal of financial assets at amortized cost	65,232	2
B00100	Acquisition of financial assets at fair value through profit or loss	(962)	(311)
B02300	Proceeds from the disposal of subsidiaries	25,489	21,900
B02700	Acquisition of property, plants, and equipment	(13,560)	(14,579)
B02800	Proceeds from disposal of property, plant and equipment	1,553	1,999
B05500	Proceeds from disposal of investment properties	-	198,901
B06700	Decrease (increase) of other non-current assets	(11)	413
B07500	Interest received	<u>2,933</u>	<u>1,942</u>
BBBB	Net cash flows from investing activities	<u>79,838</u>	<u>209,338</u>
	Cash flows from financing activities		
C00100	Increase (decrease) in short-term borrowings	(179,345)	139,345
C03000	Decrease in guarantee deposits	(68)	(3,714)
C04020	Repayment of principal of lease liabilities	(<u>896</u>)	(<u>1,092</u>)
CCCC	Net cash inflow (outflow) from financing activities	(<u>180,309</u>)	<u>134,539</u>
DDDD	Effect of exchange rate changes on cash and cash equivalents	<u>3,517</u>	(<u>8,378</u>)
EEEE	Net increase in cash and cash equivalents	15,125	170,320
E00100	Cash and cash equivalents at beginning of period	<u>382,631</u>	<u>212,311</u>
E00200	Cash and cash equivalents at end of period	<u>\$ 397,756</u>	<u>\$ 382,631</u>

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

Chairman: Lin Wen-Hwang

Company Officer: Wu Chia-Shin

Chief Accounting Officer: Judy Chu

Ji-Haw Industrial, Co., Ltd., and Subsidiaries
Notes to the Consolidated Financial Statements
For the Periods January 1 to December 31, 2022 and 2021
(expressed in thousands of New Taiwan Dollars unless otherwise specified)

I. Organization and operations

Ji-Haw Industrial, Co., Ltd., (the “Company”) was incorporated on January 11, 1983. The major business activities of the Company are the sale and manufacturing of precision electric ports and sockets, connectors, electric wires and cables, electronics components, and other industrial and commercial services. The Company’s common shares were listed on the Taiwan Stock Exchange (TWSE) in July 2002.

The consolidated financial statements are presented in the Company’s functional currency, the New Taiwan Dollars.

II. Approval date and procedures of the consolidated financial statements

The consolidated financial report has been approved by the Board of Directors on March 17, 2023.

III. New standards, amendments, and interpretations adopted

- (I) Initial application of the International Financial Reporting Standards (IFRS), International Accounting Standards (IAS), Interpretations of IFRS (IFRIC), and Interpretations of IAS (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 any material impact on the accounting policies of the Company and its subsidiaries (the “Group”).

- (II) The IFRSs endorsed by the FSC for application starting from 2023

New IFRSs	Effective Date Announced by the International Accounting Standards Board (IASB)
Amendments to IAS 1 “Disclosure of Accounting Policies”	January 1, 2023 (Note 1)
Amendments to IAS 8 “Definition of Accounting Estimates”	January 1, 2023 (Note 2)
Amendments to IAS 12 “Deferred Tax related to Assets and Liabilities arising from a Single Transaction”	January 1, 2023 (Note 3)

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

Note 2: The amendments are 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 will be recognized on January 1, 2022 for temporary differences associated with leases and decommissioning obligations, the amendments will be applied prospectively to transactions that occur on or after January 1, 2022.

As of the date of adoption of these consolidated financial statements, the amendments to the Consolidated Company's assessment of other standards and interpretations will not have a material impact on the financial position and financial performance.

(III) 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 Regarding "Lease 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 17 and IFRS 9 – Comparative Information”	January 1, 2023
Amendments to IAS 1 “Classification of Liabilities as Current or Non-current”	January 1, 2024
Amendments to IAS 1 “Non-current Liabilities with Contractual Clauses”	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: 16 days after the initial application of IFRS, the amendments to IFRS 16 should be applied retroactively for all sales and leaseback transactions signed.

As of the date the consolidated financial statements were reported to the board of directors for issue, the Group has been assessing the impact of the application of the abovementioned standards and interpretations on the financial position and financial performance. The results thereof will be disclosed when the Group completes its assessment.

IV. Summary of significant accounting policies

(I) Statement of compliance

The consolidated financial statements have been prepared in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and IFRSs as endorsed and issued into effect by the FSC.

(II) Basis of preparation

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

The fair value measurements are grouped into Levels 1 to 3 based on the degree to which the fair value measurement inputs are observable and the significance of the inputs to the fair value measurement in its entirety, which 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 the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
3. Level 3 inputs are unobservable inputs for the asset or liability.

(III) Classification of current and noncurrent assets and liabilities

Current assets include:

1. Assets held primarily for the purpose of trading;
2. Assets expected to be realized within twelve months after the reporting period; and

3. Cash and cash equivalents unless the asset is restricted from being used for an exchange or used to settle a liability for more than twelve months after the reporting period.

Current liabilities include:

1. Liabilities held primarily for the purpose of trading;
2. Liabilities expected to be settled within twelve months after the reporting period even if an agreement to refinance, or to reschedule payments, on a long-term basis is completed after the reporting period and before the consolidated financial statements are authorized for issue; and
3. Liabilities without an unconditional right to defer settlement for at least twelve months after the reporting period.

Assets and liabilities that are not classified as abovementioned are classified as noncurrent.

(IV) Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Company and the entities controlled by the Company (i.e. its subsidiaries). Income and expenses of subsidiaries acquired or disposed of during the period are included in the consolidated statement of comprehensive income from the effective date of acquisitions up to the effective dates of disposals, as appropriate. Adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with those used by the Group. All intra-group transactions, balances, income, and expenses are eliminated in full upon consolidation. Total comprehensive income of subsidiaries is attributed to the owners of the Company and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

Changes in the Company's ownership interests in subsidiaries that do not result in the Company losing control over the subsidiaries are accounted for as equity transactions. The carrying amounts of the Group's interests and the non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiaries. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognized directly in equity and attributed to the owners of the Company.

For details of subsidiaries, percentage of ownership, and business items, please refer to Note 12 and Tables 5 and 6.

(V) Foreign currencies

In preparing the financial statements of each individual consolidated entity, transactions in currencies other than the entity's functional currency (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 year in which they arise.

Non-monetary items measured at fair value that are denominated in foreign currencies are retranslated at the rates prevailing at the date when the fair value was determined. Exchange differences arising on the retranslation of non-monetary items are included in profit or loss for the year 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 that are measured at historical cost in a foreign currency are recognized at the rates of exchange prevailing at the dates of the transactions and are not retranslated.

For the purpose of presenting consolidated financial statements, the assets and liabilities of foreign operations are translated into the presentation currency - New Taiwan dollars at the exchange rates at the reporting date. The income and expenses of foreign operations are translated into the presentation currency at the average exchange rate. Exchange differences are recognized in other comprehensive income.

On the disposal of a foreign operation (i.e. a disposal of the Company and its subsidiaries' entire interest in a foreign operation, or a disposal involving loss of control over a subsidiary that includes a foreign operation, or a partial disposal of an associate that includes a foreign operation of which the retained interest becomes a financial asset), all of the exchange differences accumulated in equity in respect of that operation attributable to the owners of the Company are reclassified to profit or loss.

(VI) Inventories

Inventories consists of raw materials, work-in-process, and finished goods. Inventories 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. 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.

(VII) Investment in associates

An associate is an entity over which the Group and its subsidiaries have significant influence and that is not a subsidiary.

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

Under the equity method, an investment in an associate 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 associate. The Group also recognizes the changes in the proportionate share of equity of associates.

Any excess of the cost of acquisition over the Group's share of the net fair value of the identifiable assets and liabilities of an associate recognized 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 over the cost of acquisition, after reassessment, is recognized immediately in profit or loss.

When the Group subscribes for additional new shares of the associate at a percentage different from its existing ownership percentage, the resulting carrying amount of the investment differs from the amount of the Group's proportionate interest in the associate. The Group records such a difference as an adjustment to investments with the corresponding amount charged or credited to capital surplus - changes in the Company and its subsidiaries' share of equity of associates. If the Group's ownership interest is reduced due to non-subscription of the new shares of associate, the proportionate amount of the gains or losses previously recognized in other comprehensive income in relation to that associate is reclassified to profit or loss on the same basis as would be required if the investee had directly disposed of the related assets or liabilities. When the adjustment should be a deduction to capital surplus, but the capital surplus recognized from investments accounted for using equity method is insufficient, the shortage is deducted from retained earnings.

When the Group's share of losses of an associate equals or exceeds its interest in that associate (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 associate), the Group discontinues recognizing its share of further losses. Additional losses and liabilities are recognized only to the extent that the Group has incurred legal obligations, or constructive obligations, or made payments on behalf of that associate.

When impairment loss is evaluated, the entire carrying amount of the investment (including goodwill) is tested for impairment as a single asset by comparing its recoverable amount with its carrying amount. Any impairment loss recognized is not allocated to any assets, including goodwill, that compose the carrying amount. Any reversal of that impairment loss is recognized to the extent that the recoverable amount of the investment has subsequently increased.

When the Group transacts with its associates (upstream, downstream, and sidestream), profits and losses on these transactions are recognized in the consolidated financial statements only to the extent of interests in the associate that are not related to the Group.

(VIII) Property, plants, and equipment

Property, plant and equipment are stated at cost, less accumulated depreciation and accumulated impairment loss.

Depreciation is calculated on a straight-line basis over the estimated useful lives of each component of an item of property, plant and equipment. 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 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.

(IX) Investment properties

Investment properties are properties held to earn rentals and/or for capital appreciation.

Investment properties are measured initially 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 profit or loss.

(X) Impairment of property, plant and equipment, right-of-use assets, 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 assets, and investment properties 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. 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.

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. The impairment loss is recognized in profit or loss.

When an impairment loss subsequently is reversed, the carrying amount of the 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 for the asset or cash-generating unit (net of amortization and depreciation) had no impairment loss been recognized in prior years. A reversal of an impairment loss is recognized immediately in profit or loss.

(XI) Financial instruments

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

Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities not at fair value through profit or loss are added to 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 fair value through profit or loss 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.

(1) Measurement category

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

A. Financial Assets at Fair Value Through Profit or Loss

Financial asset at FVTPL is measured at FVTPL. Financial assets classified as at FVTPL include investments in equity instruments which are not designated as at FVTOCI.

Financial assets at FVTPL are subsequently measured at fair value, with any gains or losses arising on remeasurement recognized in profit or loss. The net gain or loss recognized in profit or loss does not incorporate any dividend or interest earned on the financial asset.

B. Financial assets at amortized cost

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

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

Financial assets at amortized cost, including cash and cash equivalents, notes and accounts receivable at amortized cost, other receivables, and refundable deposits, are measured at amortized cost, which equals to gross carrying amount determined by 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 a financial asset except for the following situations:

- a. The interest revenue of purchased or originated credit-impaired financial assets shall be calculated by applying the effective interest rate to the amortized cost of a financial asset.

- b. For those financial assets that are not purchased or originated credit-impaired financial assets but subsequently have become credit-impaired financial assets. The interest revenue shall be calculated by applying the effective interest rate to the amortized cost of the financial asset in subsequent reporting periods.

Financial assets become credit-impaired when the following events occur: the significant financial difficulty of the issuer or the borrower; a breach of contract; it is becoming probable that the borrower will enter bankruptcy or other financial reorganization; or the disappearance of an active market for that financial asset because of financial difficulties.

Cash equivalents include time deposits with original maturities within 3 months from the date of acquisition, high liquidity, 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.

C. Investments in equity instruments at FVTOCI

On initial recognition, the Group may make an irrevocable election to designate investments in equity instruments as at FVTOCI. Designation at FVTOCI is not permitted if the equity investment is held for trading or if it is contingent consideration recognized by an acquirer in a business combination.

Investments in equity instruments at FVTOCI are subsequently measured at fair value with gains and losses arising from changes in fair value recognized in other comprehensive income and accumulated in other equity. The cumulative gain or loss will not be reclassified to profit or loss on disposal of the equity investments, instead, they will be transferred to retained earnings.

Dividends on these investments in equity instruments are recognized in profit or loss when the Group's right to receive the dividends is established, unless the dividends clearly represent a recovery of part of the cost of the investment.

(2) Impairment of financial assets

At the end of each reporting period, the Group recognizes a loss allowance for expected credit losses on financial assets at amortized cost (including accounts receivable).

The Group always recognizes lifetime expected credit loss (ECL) for accounts receivable. For other financial assets, the Group recognizes lifetime ECL when there has been a significant increase in credit risk since initial recognition. If, on the other hand, the credit risk on the 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 ECL.

Expected credit losses reflect the weighted average of credit losses with the respective risks of a default occurring as the weights. The 12-month ECLs represent the expected credit losses arising from possible defaults of financial instruments within 12 months after the reporting date.

The expected credit loss over the period represents the amount of credit losses that the financial instrument is likely to incur due to any possible default event in the remaining lifetime.

For internal risk management purpose, the Group determines that the following situations indicate that a financial asset is in default (without taking into account any collateral held by the Company):

- A. Internal or external information shows that the debtor is unlikely to pay its creditors.
- B. When a financial asset is more than 90 days past due unless the Group has reasonable and corroborative information to support a more lagged default criterion.

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,

(3) 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 an equity instrument at FVTOCI in its entirety, the cumulative gain or loss is transferred directly to retained earnings, without recycling through profit or loss.

2. Equity instruments

Equity instruments issued by the Group are classified as equity in accordance with the substance of the contractual arrangements and the definitions of an equity instrument.

3. Financial liabilities

(1) Subsequent measurement

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

(2) Derecognition of financial liabilities

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

(XII) Revenue recognition

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

Revenue from sale of goods

Revenue comes from the sale of various electronic components. Sales revenue is recognized when the customer obtains the control of good, i.e. when the good is delivered to the buyer, the buyer has discretion in establishing the sales price and channel for the specified good and there is no unsatisfied performance obligation of the Group that may impact the recognition of revenue and accounts receivable at the customer's acceptance. Delivery occurs when the products have been shipped to the specific location, the risks of obsolescence and loss have been transferred to the customer, and either the customer has accepted the products in accordance with the sales contract or the Group has objective evidence that all criteria for acceptance have been satisfied.

For outward processing, the control of the ownership of the processed goods has not been transferred; therefore, revenue is not recognized during this process.

(XIII) 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.

The sublease shall be classified by reference to the right-of-use asset rather than by reference to the underlying asset. If the head lease is a short-term lease that the entity has accounted for applying a recognition exemption, the sublease shall be classified as an operating lease.

Under an operating lease, lease payment after the deduction of lease incentives is recognized as income on a straight-line basis over the lease term. 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 Group. The lease payments are allocated between 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 a 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 between 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 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 and 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 consolidated balance sheets except for those meeting the definition of investment properties. Please refer to the accounting policies of investment properties for the recognition and measurement of right-of-use assets meeting the definition of investment properties.

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.

Lease liabilities are initially measured at the present value of the lease payments (including fixed payments). 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. 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 consolidated balance sheets.

(XIV) 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 service entitling them to the contributions.

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

Net defined benefit liability represents the actual deficit in the Group's defined benefit plan. The net defined benefit assets shall not exceed the present value of refundable contributions from the plan or reduced contributions to the future.

(XV) Taxation

Income tax expenses represent the sum of the tax currently payable and deferred tax.

1. Current tax

The Group's income tax payable (recoverable) is based on taxable profit (loss) for the year determined according to the applicable tax laws of each 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 deductible temporary differences, while deferred tax assets are recognized 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 associates, 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 only recognized 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 they are expected to reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at each balance sheet date 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 asset to be recovered. A previously unrecognized deferred tax asset is also reviewed at each balance sheet date and recognized to the extent that it has become probable that future taxable profit will allow all or part of 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 liability is settled or the asset realized, based on tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date. 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 tax

Current and deferred tax 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 tax are also recognized in other comprehensive income or directly in equity respectively.

V. Significant accounting assumptions and judgments, and major sources of estimation uncertainty

In the application of the Group's accounting policies, management is required to make judgments, estimates and assumptions 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 management continues to monitor the accounting estimates and assumptions. The effect of a change in an accounting estimate shall be recognized prospectively by including it in profit or loss in the period of the change, if the change affects that period only, or in the period of the change and future periods, if the change affects both.

VI. Cash and cash equivalents

	<u>December 31, 2022</u>	<u>December 31, 2021</u>
Cash on hand	\$ 1,559	\$ 1,535
Checking accounts and demand deposits	319,032	168,088
Cash equivalents (investments with original maturities of less than 3 months)		
Time deposits	<u>77,165</u>	<u>213,008</u>
	<u>\$ 397,756</u>	<u>\$ 382,631</u>

The range of interest rate of bank deposits at the end of reporting date is as follows:

		<u>December 31, 2022</u>	<u>December 31, 2021</u>
	Demand deposits	0.0001% ~ 1.05%	0.001% ~ 0.35%
	Time deposits	0.25% ~ 1.25%	0.1% ~ 1.1%
VII.	<u>Financial instruments at fair value through profit or loss</u>		
		<u>December 31, 2022</u>	<u>December 31, 2021</u>
	<u>Financial assets – current</u>		
	Financial assets mandatorily classified as at FVTPL		
	Non-derivative financial assets		
	- Overseas (OTC) stock	<u>\$ 1,265</u>	<u>\$ 437</u>
	<u>Financial assets – non-current</u>		
	Financial assets mandatorily classified as at FVTPL		
	Non-derivative financial assets		
	- Foreign unlisted (OTC) stock	<u>\$ 336</u>	<u>\$ 1,061</u>
VIII.	<u>Financial Assets at Fair Value Through Other Comprehensive Income</u>		
	These investments in ordinary shares of Chunghwa Picture Tubes, Ltd., Soyo Link Energy Co., Ltd., Li Wang Technology Co., Ltd., and S SQUARE SYSTEM LTD., are held for medium to long-term strategic purposes. The management elected to designate these investments at FVTOCI as they believe that recognizing short-term fluctuations in these investments' fair value in profit or loss would not be consistent with the Group's strategy of holding these investments for long-term purposes.		
	The Group is unable to recover the investment costs as Chunghwa Picture Tubes, Ltd., Soyo Link Energy Co., Ltd., and Li Wang Technology Co., Ltd., have discontinued their operation and S SQUARE SYSTEM LTD., has been incurring losses for several years. Their fair value was assessed to be zero.		
IX.	<u>Financial assets at amortized cost</u>		
		<u>December 31, 2022</u>	<u>December 31, 2021</u>
	<u>Current</u>		
	Foreign investments		
	Time deposits with original maturities of more than 3 months	<u>\$ 26,795</u>	<u>\$ 87,845</u>
	As of December 31, 2022 and 2021, the range of interest rate of time deposits with original maturities of more than 3 months is 0.15% ~ 1.00% and 0.15% ~ 0.60%, respectively.		
X.	<u>Notes and accounts receivable</u>		
		<u>December 31, 2022</u>	<u>December 31, 2021</u>
	<u>Notes receivable</u>		
	Measured at amortized cost	<u>\$ 441</u>	<u>\$ 25</u>
	<u>Accounts receivable</u>		
	Measured at amortized cost		

Gross carrying amount	394,030	639,838
Less: allowance	(7,539)	(12,380)
	<u>386,491</u>	<u>627,458</u>
Notes and accounts receivable	<u>\$ 386,932</u>	<u>\$ 627,483</u>

Accounts receivable

The Group's average credit period for sales is 30 to 165 days, and the accounts receivable do not accrue interest. The rating of major customers is given by using public financial information that is readily available and historical transaction records. The Group's credit exposures and the credit ratings of its counterparties are continuously monitored and the aggregate value of transactions concluded is spread amongst approved counterparties. Credit exposure is controlled by counterparty credit limits that are reviewed and approved by the management annually.

In order to reduce the credit risk, the Group assigns a team responsible for the determination and approval of credit limits and takes other monitoring measures to ensure that proper actions have been taken to recover the overdue accounts receivable. Additionally, the Group reviews the recoverable amount of receivables one by one on the balance sheet date to ensure that proper allowances are recognized for unrecoverable receivables. Accordingly, the management of the Company believes that the Group's credit risk has been significantly reduced.

The Group applies the simplified approach to providing for expected credit losses prescribed by IFRS 9, which permits the use of lifetime expected loss provisions for all trade receivables. The expected credit losses on trade receivables are estimated considering the past default experience of the debtor and the debtor's current financial position. 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 accounts 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 activities 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:

December 31, 2022

	Current	1 to 30 days past due	31 to 60 days past due	61 to 90 days past due	More than 91 days past	Total
Expected credit loss rate	0.25%	1.01%	4.68%	0.00%	100.00%	
Gross carrying amount	\$ 371,323	\$ 12,753	\$ 3,655	\$ 1	\$ 6,298	\$ 394,030
Loss allowance (lifetime ECL)	(941)	(129)	(171)	-	(6,298)	(7,539)
Amortized cost	<u>\$ 370,382</u>	<u>\$ 12,624</u>	<u>\$ 3,484</u>	<u>\$ 1</u>	<u>\$ -</u>	<u>\$ 386,491</u>

December 31, 2021

	Current	1 to 30 days past due	31 to 60 days past due	61 to 90 days past due	More than 91 days past	Total
Expected credit loss rate	0.22%	1.63%	5.00%	50.00%	100.00%	
Gross carrying amount	\$ 618,375	\$ 7,221	\$ 2,778	\$ 1,370	\$ 10,094	\$ 639,838
Loss allowance (lifetime ECL)	(1,344)	(118)	(139)	(685)	(10,094)	(12,380)
Amortized cost	<u>\$ 617,031</u>	<u>\$ 7,103</u>	<u>\$ 2,639</u>	<u>\$ 685</u>	<u>\$ -</u>	<u>\$ 627,458</u>

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

	2022	2021
Balance, beginning of year	\$ 12,380	\$ 18,123
Less: Reversal	(4,485)	(5,323)
Less: Written off	(574)	(344)
Effect of foreign currency exchange difference	218	(76)
Balance, end of year	<u>\$ 7,539</u>	<u>\$ 12,380</u>

XI. Net inventory

	December 31, 2022	December 31, 2021
Finished goods	\$ 191,745	\$ 202,249
Work in process	37,035	70,497
Raw materials	<u>95,475</u>	<u>76,555</u>
	<u>\$ 324,255</u>	<u>\$ 349,301</u>

The nature of the cost of goods sold is as follows:

	2022	2021
Cost of inventories sold	\$ 1,319,720	\$ 1,439,211
Write-down (reversal) of inventories (1)	(12,983)	13,432
	<u>\$ 1,306,737</u>	<u>\$ 1,452,643</u>

- (1) The gain on recovery of inventories from price decline was due to the recovery of net realizable value.

XII. Subsidiaries

Subsidiaries included in the consolidated financial statements

Entities included in the consolidated financial statements were summarized as follows:

Investor	Name of subsidiary	Nature of business activities	Proportion of Ownership (%)		Remarks
			December 31, 2022	December 31, 2021	
Ji-Haw Industrial, Co., Ltd.	Ji-Haw Electronics (Kunshan) Co., Ltd. (J.H.K)	Manufacturing and trading of computer cables or plugs	100.00	100.00	Note 3
	J.B.T Industrial Co., Ltd. (J.B.T)	Manufacturing and trading of computer cables or plugs	100.00	100.00	-
	Ji-Haw Opto-Electrical (Kunshan) Co., Ltd. (J.H.P)	Manufacturing and trading of precision ceramics, precision molds, and computer cables and plugs	40.48	40.48	Note 1
	Ji-Haw Opto-Electrical (Anhui) Co., Ltd. (J.H.E.)	Manufacturing and trading of precision molds, precision opto-electrical connectors, optical converter and relevant components, various wireless aerials, and new electronic devices of computer peripherals	-	-	Note 2
JBT	Ji-Haw Investment Co., Ltd. (J.H.I.)	Investing in overseas financial products and stocks	100.00	100.00	-
	JHP	Manufacturing and trading of precision ceramics, precision molds, and computer cables and plugs	59.52	59.52	Note 1

Note 1: 40.48% held directly by the Company and 59.52% held directly by the 100% owned subsidiary, J.B.T.

Note 2: The Group signed the share transfer agreement on September 10, 2021 for the disposal of the 100% ownership in its subsidiary, J.H.E. The transaction has been concluded on December 29, 2021, on which the control of J.H.E was transferred to the acquirer.

Note 3: The Consolidated Company's Board of Directors resolved on June 28, 2022 to close the operation of its mainland subsidiary, J.H.K., which had not been completed by December 31, 2022.

XIII. Investments accounted for using equity method

Investment in associates

	<u>December 31, 2022</u>	<u>December 31, 2021</u>
<u>Individual non-significant associates</u>		
Chuzhou Ding Wang Investment and Development Limited (Chuzhou Ding Wang)	<u>\$ 98,965</u>	<u>\$ 97,562</u>

The proportion of the Group's ownership in the equity and voting rights of associates on the balance sheet date was as follows:

<u>Investee</u>	<u>December 31, 2022</u>	<u>December 31, 2021</u>
Chuzhou Ding Wang	39.00%	39.00%

Refer to Table 6 "Information on investment in mainland China" for the main business of the above associates.

Financial information about associates was as follows:

	<u>2022</u>	<u>2021</u>
The Group's share of Net profit and other comprehensive income for the year	<u>\$ 4</u>	<u>\$ 161</u>

XIV. Property, plants, and equipment

	<u>Land</u>	<u>Buildings</u>	<u>Machinery and equipment</u>	<u>Transportation Equipment</u>	<u>Other equipment</u>	<u>Total</u>
Cost						
Balance as of January 1, 2022	\$ 91,796	\$ 288,284	\$ 522,140	\$ 19,082	\$ 108,013	\$ 1,029,315
Additions	-	3,706	6,379	1,077	2,398	13,560
Disposals	-	-	(40,645)	(1,479)	(2,016)	(44,140)
Reclassified	-	(1,297)	-	-	-	(1,297)
Effects of foreign currency exchange differences	248	5,895	13,960	360	1,990	22,453
Balance as of December 31, 2022	<u>\$ 92,044</u>	<u>\$ 296,588</u>	<u>\$ 501,834</u>	<u>\$ 19,040</u>	<u>\$ 110,385</u>	<u>\$ 1,019,891</u>

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	Land	Buildings	Machinery and equipment	Transportation Equipment	Other equipment	Total
<u>Accumulated Depreciation</u>						
Balance as of January 1, 2022	\$ -	\$ 215,783	\$ 425,384	\$ 14,359	\$ 93,615	\$ 749,141
Depreciation expense	-	12,266	14,960	1,215	3,068	31,509
Disposals	-	-	(40,468)	(1,431)	(1,945)	(43,844)
Effects of foreign currency exchange differences	-	4,510	12,483	235	1,742	18,970
Balance as of December 31, 2022	<u>\$ -</u>	<u>\$ 232,559</u>	<u>\$ 412,359</u>	<u>\$ 14,378</u>	<u>\$ 96,480</u>	<u>\$ 755,776</u>
Net Balance as of December 31, 2022	<u>\$ 92,044</u>	<u>\$ 64,029</u>	<u>\$ 89,475</u>	<u>\$ 4,662</u>	<u>\$ 13,905</u>	<u>\$ 264,115</u>
<u>Cost</u>						
Balance at January 1, 2021	\$ 92,301	\$ 332,152	\$ 540,294	\$ 24,353	\$ 110,545	\$ 1,099,645
Additions	-	264	10,700	498	3,117	14,579
Disposals	-	-	(4,449)	(3,990)	(1,197)	(9,636)
Disposal of subsidiaries	-	(38,205)	(4,626)	(1,249)	(2,869)	(46,949)
Effects of foreign currency exchange differences	(505)	(5,927)	(19,779)	(530)	(1,583)	(28,324)
Balance on December 31, 2021	<u>\$ 91,796</u>	<u>\$ 288,284</u>	<u>\$ 522,140</u>	<u>\$ 19,082</u>	<u>\$ 108,013</u>	<u>\$ 1,029,315</u>
<u>Accumulated Depreciation</u>						
Balance at January 1, 2021	\$ -	\$ 225,914	\$ 438,516	\$ 18,481	\$ 95,406	\$ 778,317
Depreciation expense	-	13,285	12,981	897	3,224	30,387
Disposals	-	-	(3,420)	(3,509)	(1,169)	(8,098)
Disposal of subsidiaries	-	(18,602)	(4,056)	(1,124)	(2,383)	(26,165)
Effects of foreign currency exchange differences	-	(4,814)	(18,637)	(386)	(1,463)	(25,300)
Balance on December 31, 2021	<u>\$ -</u>	<u>\$ 215,783</u>	<u>\$ 425,384</u>	<u>\$ 14,359</u>	<u>\$ 93,615</u>	<u>\$ 749,141</u>
Carrying amount at December 31, 2021	<u>\$ 91,796</u>	<u>\$ 72,501</u>	<u>\$ 96,756</u>	<u>\$ 4,723</u>	<u>\$ 14,398</u>	<u>\$ 280,174</u>

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

Buildings	5-24 years
Machinery and equipment	1-20 years
Transportation Equipment	1-20 years
Other equipment	2-33 years

Depreciation is calculated over the estimated useful lives of 5 to 24 years for each material component of buildings which includes the main building, electrical and mechanical construction, and improvements.

Property, plant and equipment pledged as collateral for bank borrowings were set out in Note 30.

XV. Lease agreement

(I) Right-of-use assets

	December 31, 2022	December 31, 2021
Carrying amounts		
Land	<u>\$ 39,044</u>	<u>\$ 36,243</u>

	<u>2022</u>	<u>2021</u>
Depreciation charge for right-of-use assets		
Land	\$ <u>1,423</u>	\$ <u>1,553</u>
Revenue from sublease of right-of-use assets (recognized as other income)	(\$ <u>7,136</u>)	(\$ <u>9,094</u>)

The land leased by the Consolidated Company in Thailand and China is subleased under operating leases. Related right-of-use assets are reported as investment properties and set out in Note 16. Right-of-use assets disclosed above do not include those meeting the definition of investment properties.

(II) Lease liabilities

	<u>December 31, 2022</u>	<u>December 31, 2021</u>
Carrying amount		
Current	\$ <u>935</u>	\$ <u>1,678</u>
Non-current	\$ <u>45,371</u>	\$ <u>49,985</u>

Range of discount rates for lease liabilities was as follows:

	<u>December 31, 2022</u>	<u>December 31, 2021</u>
Land	4.46%	4.46%

(III) Other lease information

Lease arrangements under operating leases for the leasing out of property, plants, and equipment and investment properties are set out in Note 16.

	<u>2022</u>	<u>2021</u>
Total Cash Outflow From Leases	\$ <u>3,711</u>	\$ <u>3,548</u>

XVI. Investment properties

	<u>Land</u>	<u>Right-of-use assets</u>	<u>Buildings</u>	<u>Total</u>
<u>Cost</u>				
Balance as of January 1, 2022	\$ 60,240	\$ 18,670	\$ 49,624	\$ 128,534
From property, plant and equipment	-	-	1,297	1,297
Effects of foreign currency exchange differences	- =	738	1,324	2,062
Balance as of December 31, 2022	\$ <u>60,240</u>	\$ <u>19,408</u>	\$ <u>52,245</u>	\$ <u>131,893</u>

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	Land	Right-of-use assets	Buildings	Total
<u>Accumulated</u>				
<u>Depreciation</u>				
Balance as of January 1, 2022	\$ -	\$ 1,782	\$ 39,689	\$ 41,471
Depreciation expense	-	620	1,619	2,239
Effects of foreign currency exchange differences	-	155	1,101	1,256
Balance as of December 31, 2022	<u>\$ -</u>	<u>\$ 2,557</u>	<u>\$ 42,409</u>	<u>\$ 44,966</u>
Net Balance as of December 31, 2022	<u>\$ 60,240</u>	<u>\$ 16,851</u>	<u>\$ 9,836</u>	<u>\$ 86,927</u>
<u>Cost</u>				
Balance at January 1, 2021	\$ 60,240	\$ 38,659	\$ 151,490	\$ 250,389
Disposals	-	(16,474)	(98,766)	(115,240)
Effects of foreign currency exchange differences	-	(3,515)	(3,100)	(6,615)
Balance on December 31, 2021	<u>\$ 60,240</u>	<u>\$ 18,670</u>	<u>\$ 49,624</u>	<u>\$ 128,534</u>
<u>Accumulated</u>				
<u>Depreciation</u>				
Balance at January 1, 2021	\$ -	\$ 3,341	\$ 129,374	\$ 132,715
Depreciation expense	-	1,067	1,727	2,794
Disposals	-	(1,695)	(88,748)	(90,443)
Effects of foreign currency exchange differences	-	(931)	(2,664)	(3,595)
Balance on December 31, 2021	<u>\$ -</u>	<u>\$ 1,782</u>	<u>\$ 39,689</u>	<u>\$ 41,471</u>
Carrying amount at December 31, 2021	<u>\$ 60,240</u>	<u>\$ 16,888</u>	<u>\$ 9,935</u>	<u>\$ 87,063</u>

The land leased by the Consolidated Company in Thailand and China is subleased under operating leases and reported as right-of-use assets in investment properties.

The lease term of investment properties is 1 to 2 years with the option to extend. The rent will be adjusted based on market price when the lessee exercises the option to renew, which is included in the terms of all lease contracts. The lessee is not granted the bargain purchase option at the end of lease term.

Lease payments receivable under operating leases of investment properties in the future was as follows:

	<u>December 31, 2022</u>	<u>December 31, 2021</u>
Year 1	\$ 10,389	\$ 15,506
Year 2	<u>4,295</u>	<u>6,735</u>
	<u>\$ 14,684</u>	<u>\$ 22,241</u>

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

Right-of-use assets	30-50 years
Building	5-24 years

Depreciation is calculated over the estimated useful lives of 5 to 24 years for each material component of buildings which includes the main building, electrical and mechanical construction, and improvements.

The fair value of the Group's investment property situated in Taiwan has been initially valued by an independent valuer and measured with Level 3 input value by the management of the Group on each subsequent balance sheet date. The fair value of the Consolidated Company's investment properties is regularly evaluated based on the above-mentioned independent appraiser's valuation, taking into account the market evidence of real estate transaction prices in nearby areas. The fair value derived from the evaluation is as follows:

	<u>December 31, 2022</u>	<u>December 31, 2021</u>
Land and buildings held under freehold interests	<u>\$ 279,540</u>	<u>\$ 228,405</u>

In August 2021, with the resolution by the Board of Directors, the Group sold the use right of land and buildings located on Changjiang South Road, Kunshan City, Jiangsu considering the valuation from the appraisal report. The net sales price after the deduction of relevant necessary expenditure amounted to 198,901 thousand. Gain on the disposal amounted to 174,104 thousand and was recognized in non-operating income and expenses - other gains and losses.

As the investment property in Thailand is located on state-owned industrial land, there are no active transactions in the comparative market nor alternative reliable measurement of fair value. Therefore, the Group concluded that the fair value of the investment properties is not reliably measurable.

Refer to Note 30 for the carrying amount of the investment properties that had been pledged by the Group to secure borrowings.

All lease commitments with lease terms commencing after the balance sheet dates are as follows:

	<u>December 31, 2022</u>	<u>December 31, 2021</u>
Lease commitments for investment properties	<u>\$ 14,684</u>	<u>\$ 22,241</u>
XVII. <u>Other assets</u>		
	<u>December 31, 2022</u>	<u>December 31, 2021</u>
Prepayments	\$ 7,412	\$ 12,971
Excess VAT paid	5,635	15,333
Refundable deposits	3,336	4,856
Other receivables	2,857	1,991
Prepayments for equipment	665	654
Tax refund receivable (Note 24)	<u>435</u>	<u>380</u>
	<u>\$ 20,340</u>	<u>\$ 36,185</u>

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	<u>December 31, 2022</u>	<u>December 31, 2021</u>
Current	\$ 16,339	\$ 30,675
Non-current	<u>4,001</u>	<u>5,510</u>
	<u>\$ 20,340</u>	<u>\$ 36,185</u>
 XVIII. <u>Short-term borrowings</u>	 <u>December 31, 2022</u>	 <u>December 31, 2021</u>
Secured loans (Note 30)		
Bank borrowings (1)	\$ 100,000	\$ 235,000
Accounts receivable financing (2)	<u>-</u>	<u>44,345</u>
	<u>\$ 100,000</u>	<u>\$ 279,345</u>
1. The interest rates for bank loans were 2.24% and 1.17% per annum as of December 31, 2022 and 2021, respectively.		
2. The accounts receivable financing was secured by part of accounts receivables - related parties of the Group's subsidiary, J.H.P. The effective interest rate was 0.85% per annum as of December 31, 2022.		
 XIX. <u>Other payables</u>	 <u>December 31, 2022</u>	 <u>December 31, 2021</u>
Payables for expenses	\$ 24,284	\$ 26,066
Payables for salaries	16,582	17,460
Payables for taxes	<u>894</u>	<u>10,910</u>
	<u>\$ 41,760</u>	<u>\$ 54,436</u>
 XX. <u>Post-retirement benefit plan</u>		
(I) <u>Defined contribution plan</u>		
The Company of the Group adopted a pension plan under the Labor Pension Act (the "LPA"), a state-managed defined contribution plan. Under the LPA, the entity makes monthly contributions to employees' individual pension accounts at 6% of monthly salaries and wages.		
J.B.T, J.H.K, and J.H.P of the Group operate a defined contribution retirement benefit plan and are required to contribute a specified percentage of employees' payroll to the pension accounts, which are managed by local statutory insurance institutions. Upon retirement, employees will receive funds and relative yield from the special account.		
There was no employee retirement plan for J.H.I of the Group.		
(II) <u>Defined benefit plans</u>		
The defined benefit plan adopted by the Company of the Group in accordance with the Labor Standards Law is operated by the government. Pension benefits are calculated on the basis of the length of service and average monthly salaries of the 6 months before retirement. The Company contributes amounts equal to 5.8% 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 Company has no right to influence the investment policy and strategy.		

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

	<u>December 31, 2022</u>	<u>December 31, 2021</u>
Present value of defined benefit obligation	\$ 7,522	\$ 9,425
Fair value of plan assets	(<u>6,699</u>)	(<u>5,566</u>)
Net defined benefit liabilities	<u>\$ 823</u>	<u>\$ 3,859</u>

Movements in net defined benefit liabilities were as follows:

	<u>Present value of defined benefit obligation</u>	<u>Fair value of plan assets</u>	<u>Net defined benefit liabilities</u>
Balance at January 1, 2021	<u>\$ 16,549</u>	(<u>\$ 12,468</u>)	<u>\$ 4,081</u>
Current service cost	130	-	130
Net interest expense	61	-	61
Expected return on plan assets	<u>-</u>	(<u>47</u>)	(<u>47</u>)
Recognized in profit or loss	<u>191</u>	(<u>47</u>)	<u>144</u>
Remeasurement			
Actuarial profit or loss			
- changes in assumptions	(46)	(142)	(188)
Actuarial profit or loss			
- changes in experience	<u>533</u>	<u>-</u>	<u>533</u>
Recognized in other comprehensive income or loss	<u>487</u>	(<u>142</u>)	<u>345</u>
Contributions from the employer	<u>-</u>	(<u>711</u>)	(<u>711</u>)
Benefits paid	(<u>7,802</u>)	<u>7,802</u>	<u>-</u>
Balance on December 31, 2021	<u>\$ 9,425</u>	(<u>\$ 5,566</u>)	<u>\$ 3,859</u>
Balance as of January 1, 2022	<u>\$ 9,425</u>	(<u>\$ 5,566</u>)	<u>\$ 3,859</u>
Current service cost	75	-	75
Net interest expense	45	-	45
Expected return on plan assets	<u>-</u>	(<u>28</u>)	(<u>28</u>)
Recognized in profit or loss	<u>120</u>	(<u>28</u>)	<u>92</u>

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	Present value of defined benefit obligation	Fair value of plan assets	Net defined benefit liabilities
Remeasurement			
Actuarial profit or loss			
- changes in assumptions	(\$ 951)	(\$ 550)	(\$ 1,501)
Actuarial profit or loss			
- changes in experience	(1,072)	-	(1,072)
Recognized in other comprehensive income or loss	(2,023)	(550)	(2,573)
Contributions from the employer	-	(555)	(555)
Balance as of December 31, 2022	<u>\$ 7,522</u>	<u>(\$ 6,699)</u>	<u>\$ 823</u>

An analysis by function of the amounts recognized in profit or loss in respect to the defined benefit plans is as follows:

	2022	2021
Administrative expenses	<u>\$ 92</u>	<u>\$ 144</u>

Through the defined benefit plans under the Labor Standards Law, the Company is exposed to the following risks:

1. Investment risk: The plan assets are invested in domestic and foreign equity securities, debt securities, and bank deposits, etc. The investment is conducted at the discretion of the Bureau of Labor Funds, Ministry of Labor or under the mandated management. However, 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 corporate 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 by reference to the future salaries of plan participants. As such, an increase in the salary 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 principal assumptions used for the purposes of the actuarial valuations were as follows:

	December 31, 2022	December 31, 2021
Discount rate	1.694%	0.481%
Expected return on plan assets	1.694%	0.481%
Expected rate of salary increase	0.500%	0.500%

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:

	<u>December 31, 2022</u>	<u>December 31, 2021</u>
Discount rate		
0.25% increase	(\$ <u>186</u>)	(\$ <u>253</u>)
0.25% decrease	<u>\$ 192</u>	<u>\$ 262</u>
Expected rate of salary increase		
0.25% increase	<u>\$ 192</u>	<u>\$ 259</u>
0.25% decrease	(<u>\$ 187</u>)	(<u>\$ 251</u>)
Expected return on plan assets		
0.25% increase	(<u>\$ 1</u>)	(<u>\$ 1</u>)
0.25% decrease	<u>\$ 1</u>	<u>\$ 1</u>

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

	<u>December 31, 2022</u>	<u>December 31, 2021</u>
The expected contributions to the plan for the next year	<u>\$ 558</u>	<u>\$ 715</u>
The average duration of the defined benefit obligation	10.29 years	11.04 years

XXI. EQUITY

(I) Share capital – Ordinary shares

	<u>December 31, 2022</u>	<u>December 31, 2021</u>
Number of shares authorized (in thousands)	<u>135,000</u>	<u>135,000</u>
Amount of shares authorized	<u>\$ 1,350,000</u>	<u>\$ 1,350,000</u>
Number of shares issued and fully paid (in thousands)	<u>112,719</u>	<u>112,719</u>
Amount of shares issued	<u>\$ 1,127,192</u>	<u>\$ 1,127,192</u>

(II) Capital surplus

	<u>December 31, 2022</u>	<u>December 31, 2021</u>
<u>May be used to offset a deficit, distributed as cash dividends, or transferred to share capital</u>		
Additional paid-in capital	\$ 200,025	\$ 200,025
Treasury share transactions	25,915	25,915
Donated assets received	<u>757</u>	<u>757</u>
	<u>\$ 226,697</u>	<u>\$ 226,697</u>

The capital surplus could be used to offset a deficit and distribute as cash dividends or transfer to capital when the Company has no deficit (limited to a certain percentage of the Company's paid-in capital and once a year).

(III) Retained earnings and dividend policy

Under the dividend policy as set forth in the Articles of Incorporation, where the Company made profit in a fiscal year, the profit shall be first utilized for paying taxes, offsetting losses of previous years, setting aside 10% of the remaining profit as legal reserve, 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 set forth in the Articles of Incorporation, refer to "Compensation of employees and remuneration of directors and supervisors" in Note 23 (g).

The distribution of dividends could be done through transferring retained earnings to capital, transferring capital surplus to capital, or through cash dividends, wherein cash dividends may not be less than 10% of the shareholder bonuses. To keep necessary funds, the proportion of stock dividends is determined depending on the Company's needs for future expansion of the operating scale and capital budget, the balance of its earnings per share, and the condition of cash flows and operating earnings. The remaining can be distributed as cash dividends.

Appropriation of earnings to legal reserve could be made until the legal reserve equals the Company's paid-in capital. 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.

The deficit offsetting proposals for 2021 and 2020 were resolved by the shareholders in their general meetings on June 20, 2022 and July 26, 2021, respectively.

The deficit offsetting proposal for 2022 are subject to the resolution of the Board of Directors, and is expected to be resolved at the general shareholders' meeting to be held in June 2023.

XXII. Revenue

	<u>2022</u>	<u>2021</u>
Revenue from contracts with customers		
Revenue from sale of goods	<u>\$ 1,497,478</u>	<u>\$ 1,574,747</u>

(I) Contract balances

	<u>December 31, 2022</u>	<u>December 31, 2021</u>	<u>January 1, 2021</u>
Accounts receivable (note 10)	<u>\$ 394,030</u>	<u>\$ 639,838</u>	<u>\$ 505,173</u>

(II) Explanation on contracts with customers

Refer to note 33 for the disaggregation of revenue from contracts with customers.

XXIII. Net profit

(I) Interest income

	<u>2022</u>	<u>2021</u>
Bank deposits	<u>\$ 2,933</u>	<u>\$ 1,942</u>

(II) Other income

	<u>2022</u>	<u>2021</u>
Rental income	<u>\$ 17,279</u>	<u>\$ 19,835</u>

(III) Other gains and losses

	<u>2022</u>	<u>2021</u>
Foreign currency exchange gain (loss), net	\$ 52,556	(\$ 3,519)
Gain on Disposal of Property, Plants, and Equipment	1,257	416
Gain (loss) arising from financial assets and financial liabilities		
Financial assets mandatorily classified as at FVTPL	(1,021)	(1,596)
Gain on disposal of investment properties	-	174,104
Loss on disposal of subsidiaries	-	(3,987)
Others	<u>2,917</u>	<u>8,549</u>
	<u>\$ 55,709</u>	<u>\$ 173,967</u>

(IV) Finance costs

	<u>2022</u>	<u>2021</u>
Interest expense from bank borrowings	\$ 1,632	\$ 2,319
Interest expense from lease liabilities	<u>2,815</u>	<u>2,456</u>
	<u>\$ 4,447</u>	<u>\$ 4,775</u>

(V) Depreciation and amortization

	<u>2022</u>	<u>2021</u>
Property, plants, and equipment	\$ 31,509	\$ 30,387
Investment properties	2,239	2,794
Right-of-use assets	<u>1,423</u>	<u>1,553</u>
Total	<u>\$ 35,171</u>	<u>\$ 34,734</u>

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	<u>2022</u>	<u>2021</u>
Analysis of depreciation by function		
Operating costs	\$ 22,859	\$ 26,566
Operating expenses	10,073	5,374
Other gains and losses	<u>2,239</u>	<u>2,794</u>
	<u>\$ 35,171</u>	<u>\$ 34,734</u>
 (VI)Employee benefits		
	<u>2022</u>	<u>2021</u>
Retirement benefits		
Defined contribution plan	\$ 10,389	\$ 9,054
Defined benefit plans	92	144
Others	<u>217,368</u>	<u>209,129</u>
Total	<u>\$ 227,849</u>	<u>\$ 218,327</u>
 Analysis of employee benefits by function		
Operating costs	\$ 109,145	\$ 106,450
Operating expenses	<u>118,704</u>	<u>111,877</u>
	<u>\$ 227,849</u>	<u>\$ 218,327</u>

(VII)Compensation of employees and remuneration of directors and supervisors

According to the Articles of Incorporation, the Company shall distribute compensation of employees and remuneration of directors and supervisors at the rates of 3%~12% and 1%~3%, respectively, of the pre-tax profit prior to deducting compensation of employees and remuneration of directors and supervisors. However, the Company still has a deficit and therefore no compensation of employees and remuneration of directors and supervisors was appropriated.

If there is a change in the amounts after the annual financial statements are authorized for issue, the difference is recorded as a change in accounting estimates in the next following year.

The resolution that there would be no appropriations of compensation of employees and remuneration of directors and supervisors for 2021 and 210 had been approved by the shareholders' meetings on June 20, 2022 and July 26, 2021, respectively. There is no difference from the amounts recognized in the consolidated 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 is available at the Market Observation Post System website of Taiwan Stock Exchange.

(VIII) Foreign exchange gains/losses

	2022	2021
Total foreign exchange gain	\$ 116,634	\$ 54,189
Total foreign exchange loss	(64,078)	(57,708)
Net profit or loss	<u>\$ 52,556</u>	<u>(\$ 3,519)</u>

XXIV. Income tax of continuing operations

(I) Income tax recognized in profit or loss

The major components of tax expense were as follows:

	2022	2021
Current tax		
In respect of the current year	\$ 20,219	\$ 12,318
Adjustments for prior years	<u>28,909</u>	<u>-</u>
	<u>49,128</u>	<u>12,318</u>
Deferred tax		
In respect of the current year	6,962	14,485
Adjustments for prior years	<u>828</u>	<u>139</u>
	<u>7,790</u>	<u>14,624</u>
Income Tax Expenses		
Recognized in Profit or Loss	<u>\$ 56,918</u>	<u>\$ 26,942</u>

The reconciliation of accounting profit and income tax expense was as follows:

	2022	2021
Income tax expense calculated at the statutory rate	\$ 16,997	\$ 20,115
Non-deductible expenses in determining taxable income	(576)	(709)
Unrecognized loss carryforwards	10,760	7,397
Adjustments for prior years	<u>29,737</u>	<u>139</u>
Income Tax Expenses		
Recognized in Profit or Loss	<u>\$ 56,918</u>	<u>\$ 26,942</u>

The prevailing tax rate for subsidiaries in China is 25%. As J.H.P was granted the certificate of high-tech enterprise in 2019, the applicable tax rate was 15%. Tax in other jurisdictions is calculated based on its respective applicable tax rate.

(II) Income tax recognized in other comprehensive income

	2022	2021
Deferred tax		
In respect of the current year		
Re-measurement of defined benefit plans	(\$ 515)	\$ 69

(III) Current tax assets and liabilities

	December 31, 2022	December 31, 2021
Current income tax assets (included in other current assets)		
Tax refund receivable	<u>\$ 435</u>	<u>\$ 380</u>

Current Income Tax Liabilities

Income tax payable

\$ 8,944

\$ 43

(IV) Deferred tax assets and liabilities

The movements of deferred tax assets and deferred tax liabilities were as follows:

2022

	Balance, beginning of year	Recognized in profit or loss	Recognized in other comprehensiv e income or loss	Effects of Foreign Currency Exchange Differences	Balance, end of year
<u>Deferred tax assets</u>					
Allowance for write-down of inventories	\$ 21,862	(\$ 1,323)	\$ -	\$ 341	\$ 20,880
Defined benefit obligation	2,071	(93)	(515)	-	1,463
Impairment loss on Property, Plant and equipment	2,000	(2,042)	-	42	-
Allowance in excess of the deductible limit	1,861	(757)	-	34	1,138
Net unrealized foreign exchange loss	66	745	-	-	811
Unrealized impairment loss of financial assets	2,800	-	-	-	2,800
Others	1,213	543	-	79	1,835
	<u>\$ 31,873</u>	<u>(\$ 2,927)</u>	<u>(\$ 515)</u>	<u>\$ 496</u>	<u>\$ 28,927</u>
<u>Deferred tax liabilities</u>					
Share of the net profit of associates accounting for using equity method	<u>\$ 50,032</u>	<u>\$ 4,863</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 54,895</u>

2021

	Balance, beginning of year	Recognized in profit or loss	Recognized in other comprehensiv e income or loss	Effects of Foreign Currency Exchange Differences	Balance, end of year
<u>Deferred tax assets</u>					
Allowance for write-down of inventories	\$ 19,951	\$ 2,195	\$ -	(\$ 284)	\$ 21,862
Defined benefit obligation	2,115	(113)	69	-	2,071
Impairment loss on Property, Plant and equipment	2,009	-	-	(9)	2,000
Allowance in excess of the deductible limit	2,424	(553)	-	(10)	1,861
Net unrealized foreign exchange loss	-	400	-	(334)	66
Unrealized impairment loss of financial assets	2,800	-	-	-	2,800
Others	1,543	(528)	-	198	1,213
	<u>\$ 30,842</u>	<u>\$ 1,401</u>	<u>\$ 69</u>	<u>(\$ 439)</u>	<u>\$ 31,873</u>
<u>Deferred tax liabilities</u>					
Share of the net profit of associates accounting for using equity method	\$ 33,622	\$ 16,410	\$ -	\$ -	\$ 50,032
Net unrealized foreign exchange gain	385	(385)	-	-	-
	<u>\$ 34,007</u>	<u>\$ 16,025</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 50,032</u>

(V) Deductible temporary differences and unused loss carryforwards for which no deferred tax assets have been recognized in the consolidated balance sheets

	<u>December 31, 2022</u>	<u>December 31, 2021</u>
<u>Loss carryforwards</u>		
Expiry in 2021	\$ -	\$ 13,104
Expiry in 2022	-	-
Expiry in 2023	14,073	18,816
Expiry in 2024	46,971	56,512
Expiry in 2025	64,045	138,129
Expiry in 2026	53,454	89,187
Expiry in 2027	70,987	70,987
Expiry in 2029	85,725	67,882
Expiry in 2030	50,643	50,643
Expiry in 2031	79,357	79,357
Expiry in 2032	25,825	-
	<u>\$ 491,080</u>	<u>\$ 584,617</u>
<u>Deductible Temporary Differences</u>		
Allowance for inventory write-downs	\$ -	\$ 2,690
Loss allowance for trade receivables	-	101
	<u>\$ -</u>	<u>\$ 2,791</u>

(VI) Income tax assessments

The Company's business income tax returns up to 2020 have been approved by the tax collection authority.

The income tax return of J.H.K, J.H.P, and J.B.T has been filed within the time limit regulated by local tax authorities.

Since JHI was established in Samoa, there is no relevant income tax burden.

XXV. Earnings (losses) per share

The net profit (loss) and the weighted average number of ordinary shares outstanding used for the computation of earnings (losses) per share were as follows:

Net profit (loss)

	<u>2022</u>	<u>2021</u>
From continuing operations	(\$ 13,486)	\$ 75,214
From discontinued operations	-	(8,285)
From continuing and discontinued operations	<u>(\$ 13,486)</u>	<u>\$ 66,929</u>
		<u>Unit: Thousand shares</u>
	<u>2022</u>	<u>2021</u>
Weighted average common stock shares used to calculate basic earnings (loss) per share	<u>112,719</u>	<u>112,719</u>

XXVI. Disposal of subsidiaries

The Group signed an agreement to dispose of 100% of the shares of its subsidiary, J.H.E, on September 10, 2021. J.H.E was engaged in business such as the manufacturing and trading of precision molds and precision opto-electrical connectors. The disposal was completed on December 29, 2021, when the Group lost its control over J.H.E.

(I) Consideration received

	J.H.E
Cash and cash equivalents	(\$ 3,782)
Proceeds from disposal	<u>51,171</u>
Total consideration received	<u>\$ 47,389</u>
(II) Analysis of assets and liabilities on the date control was lost	
	J.H.E
Current assets	
Cash and cash equivalents	\$ 3,782
Accounts receivable, net	14,670
Other receivables	20
Inventories	297
Other current assets	717
Non-current Assets	
Property, plants, and equipment	20,784
Right-of-use assets	9,094
Current liabilities	
Other payables	(766)
Non-current liabilities	
Other non-current liabilities	(44)
Net assets disposed of	<u>\$ 48,554</u>
(III) Loss on disposal of subsidiaries	
	J.H.E
Consideration received	\$ 51,171
Net assets disposed of	(48,554)
Reclassification of other comprehensive income in respect of the subsidiary	(6,604)
Loss on disposal	<u>(\$ 3,987)</u>
(IV) Details of profit (loss) from discontinued operations	
	J.H.E
Operating income	\$ 23,102
Operating costs	(29,038)
Gross operating loss	(5,936)
Selling expenses	(34)
Administrative expenses	(3,471)
Net operating loss	(9,441)
Other income	1,155
Other gains and losses	<u>1</u>
Loss before tax	(8,285)
Current loss	(8,285)
Discontinuing operation losses	<u>(\$ 8,285)</u>
(V) Proceeds from the disposal of subsidiaries	
	J.H.E
Consideration received in cash and cash equivalents	\$ 51,171
Less: Balance of cash and cash equivalents disposed of	(3,782)

Less: Amount received in 2021	(21,900)
	<u>\$ 25,489</u>

XXVII. Capital management

In consideration of the industry characteristics and future developments, as well as external environmental factors, the Group plans its needs for future working capital, research and development expenses, and dividend payments, in order to ensure that entities in the Group will be able to continue as going concerns while maximizing shareholder value in the long run through maintaining optimal capital structure and the optimization of the debt and equity balance.

The Group's management reviews the capital structure on a regular basis. As part of this review, the management considers the cost of capital and the risks associated with each class of capital. Based on the management's recommendations, the Group expects to balance its capital structure through the payment of dividends, borrowings from financial institutions or the payment of old debt.

XXVIII. Financial instruments

(I) Fair value of financial instruments that are not measured at fair value

The Group believes the carrying amounts of financial assets and financial liabilities that are not measured at fair value approximated their fair values.

(II) 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
<u>Financial Assets at Fair Value</u>				
<u>Through Profit or Loss</u>				
Investments in equity instruments				
- Foreign listed securities	\$ 1,265	\$ -	\$ -	\$ 1,265
- Foreign unlisted securities	-	-	336	336
	<u>\$ 1,265</u>	<u>\$ -</u>	<u>\$ 336</u>	<u>\$ 1,601</u>

December 31, 2021

	Level 1	Level 2	Level 3	Total
<u>Financial Assets at Fair Value</u>				
<u>Through Profit or Loss</u>				
Investments in equity instruments				
- Foreign listed securities	\$ 437	\$ -	\$ -	\$ 437
- Foreign unlisted securities	-	-	1,061	1,061
	<u>\$ 437</u>	<u>\$ -</u>	<u>\$ 1,061</u>	<u>\$ 1,498</u>

There was no transfer between Level 1 and Level 2 for the years ended December 31, 2022 and 2021.

2. Reconciliation of Level 3 fair value measurements of financial instruments 2022

Financial assets	Equity instruments at fair value through profit or loss
Balance, beginning of year	\$ 1,061

Recognized in profit or loss (other gains and losses)	(816)
Effect of foreign currency exchange difference	<u>91</u>
Balance, end of year	<u>\$ 336</u>

2021

Financial assets	Equity instruments at fair value through profit or loss
Balance, beginning of year	\$ 2,646
Recognized in profit or loss (other gains and losses)	(1,529)
Effect of foreign currency exchange difference	(56)
Balance, end of year	<u>\$ 1,061</u>

3. Valuation techniques and inputs applied for the purpose of measuring Level 3 fair value measurement

For foreign unlisted shares, their fair values were measured under the asset-based approach

(III) Categories of financial instruments

	<u>December 31, 2022</u>	<u>December 31, 2021</u>
<u>Financial assets</u>		
FVTPL		
Financial assets mandatorily classified as at FVTPL	\$ 1,601	\$ 1,498
Financial assets at amortized cost (note 1)	819,773	1,132,361
<u>Financial liabilities</u>		
Measured at amortized cost (note 2)	411,226	796,993

Note 1: The balance includes cash and cash equivalents, financial assets measured at amortized cost, notes receivable and accounts receivables, other Financial assets measured at amortized cost such as refundable deposits (stated under other non-current assets).

Note 2: The balances include financial liabilities at amortized cost, which comprise short-term borrowings, notes and accounts payable, other payables, and guarantee deposits received.

(IV) Financial risk management objectives and policies

The Group's operating activities require the use of multiple financial instruments, including equity investments, accounts receivable, accounts payable, and bank borrowings. However, due to the aforementioned financial instruments and operating activities, the Group is exposed to risks such as credit risks, liquidity risks, and market risks.

To avoid the possible adverse impacts from the aforementioned financial risks on the Group, the Group has been dedicated to analyzing, identifying, and evaluating relevant financial risks. The financial risk management framework of the Group is

supervised by the Board of Directors. The accounting department establishes and follows financial risk management policies. Financial risk control procedures are regularly and irregularly reviewed by the internal auditors and related results are reported to the Board of Directors on a regular basis. The Group is committed to developing a disciplined and constructive control environment to reduce the potential adverse impact of the aforementioned risks on the Group.

1. Market risk

The Group'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).

There were no changes in the exposures of financial instruments to market risk and the management and measurement of such exposures.

(1) Foreign currency risk

The Group had foreign currency sales and purchases, which exposed the Group to foreign currency risk. Exchange rate exposures were managed by hedging which was not for the purpose of making profits. Foreign currency inflows and outflows resulted in natural hedging effects in the long run, and exchange rate changes had little impact on the Company's operations. Therefore, the Company only adjusted the cash reserves of foreign currency deposits and did not use accounts receivable/payable as derivative products for hedging. However, the hedging for exchange rate risk will be carried out through relevant commodities in a timely manner based on the exchange rate movement and the evaluation report of financial institutions.

The carrying amounts of the Group's monetary assets and monetary liabilities denominated in non-functional currencies as of the balance sheet date (including monetary items denominated in non-functional currencies that have been eliminated in the consolidated financial statements) are disclosed in Note 31.

Sensitivity Analysis

The Group is primarily affected by fluctuations in the U.S. dollar exchange rate.

The following schedule details the sensitivity analysis of the Group when the New Taiwan Dollar (functional currency) strengthens or weakens by 1% against the relevant foreign currencies. 1% is the sensitivity rate used when reporting foreign currency risk internally to key management personnel and represents management's assessment of the reasonably possible changes 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 1% change in foreign currency rates. A positive number below indicates an increase in pre-tax profit associated with the New Taiwan dollar strengthening by 1% against the relevant currency. For a 1% weakening of the New Taiwan dollar against the relevant currency, pre-tax profits would have decreased by the same amount.

	USD impact	
	2022	2021
Profit or loss	\$ 3,280	\$ 3,823

This was mainly due to the Group's bank deposits and receivables and payables denominated in U.S. dollars that were outstanding and not cash flow hedged at the balance sheet date.

(2) Interest rate risk

The carrying amounts of the Group's financial assets and financial liabilities exposed to interest rate risk as of the balance sheet date were as follows:

	<u>December 31, 2022</u>	<u>December 31, 2021</u>
<u>Fair value interest rate risk</u>		
Financial assets	\$ 103,960	\$ 317,458
Financial liabilities	46,306	51,663

Risk of cash flow changes due to interest rate

Financial assets	318,133	151,388
Financial liabilities	100,000	279,345

Sensitivity Analysis

The sensitivity analyses below have been determined on the basis of the exposure to interest rates for non-derivative instruments on balance sheet dates. For floating rate assets and liabilities, the analysis is prepared assuming the amount of the asset and liability outstanding on the balance sheet dates outstanding for the entire period. A 100 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 100 basis points higher/lower and all other variables were held constant, the Group's profit before tax for the years ended December 31, 2022 and 2021 would increase/decrease by NT\$2,181 thousand and NT\$1,280 thousand, respectively, which was mainly attributable to the Group's exposure to interest rates on its variable rate deposits and bank loans.

(3) Other price risk

The Group was exposed to equity price risk through its investments in domestic and foreign listed equity securities. The Group does not actively trade these investments. Relevant personnel have been assigned to the supervision of price risk and assessment of the timing of increasing the hedging.

As the amount of equity investment was not material, there was no significant price risk of changes in equity price.

2. Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Group. As of the balance sheet date, the Group's maximum exposure to credit risk resulting from the counterparty's default on its contractual obligations and the Group's provision of financial guarantee is the carrying amount of the financial assets on the consolidated balance sheets.

To mitigate the impact of credit risk, the Group considers the default risk by industries and countries of each customer, as well as the nature of the counterparty (capital scale, loan status, etc), based on which credit policies, payment terms, and trade terms were established by the accounting department. If necessary, a third-party risk assessment institution is engaged to assess its risk. Relevant terms are reviewed and audited by the audit office regularly.

Given that most of the major customers are well-known domestic listed (TWSE/TPEX) companies with normal transaction records, the default risks are quite low. The risk from new small customers is managed by only receiving advance payments or cash. After the transaction basis becomes stable, the credit limit is updated by referring to external information. Hence, there is a limited impact of credit risk on the Group. Furthermore, the Group has established a provision policy, set an allowance account, and presented in the statement to reflect the estimation of the potential loss resulting from the credit risk.

3. Liquidity risk

Liquidity risk refers to the risk that relevant obligations are not fulfilled due to the Group's failure to settle the financial liabilities in cash or other financial assets. The share capital and working capital of the Group is sufficient, therefore there is no liquidity risk from the inability to raise capital for fulfilling contractual obligations. Bank borrowing is an important source of liquidity for the Group. As of December 31, 2022 and 2021, the unused short-term bank loan facilities amounted to 320,000 thousand and 65,000 thousand, respectively.

Liquidity and interest rate risk tables for non-derivative financial liabilities

The analysis for the Group's remaining contractual maturities for its non-derivative financial liabilities with agreed repayment periods has been drawn up based on the undiscounted cash flows (including both the principal and estimated interests) of financial liabilities from the earliest date on which the Group can be required to pay. Specifically, bank loans with a repayment on demand clauses were included in the earliest time band regardless of the probability of the banks choosing to exercise their rights. The maturity dates for other non-derivative financial liabilities were based on the agreed repayment dates.

The undiscounted interest payment relating to borrowings with variable interest rates was extrapolated based on the yield curve as of the end of the reporting period.

December 31, 2022

	On Demand or Less than 1 Month	1-3 Months	3 Months to 1 Year	1-5 Years	More than 5 Years
<u>Non-derivative</u>					
<u>Financial Liabilities</u>					
Non-interest bearing liabilities	\$ 71,034	\$ 149,239	\$ 88,749	\$ 2,203	\$ -
Lease liabilities	-	-	3,596	14,384	71,920
Variable interest rate liabilities	-	-	100,111	-	-
	<u>\$ 71,034</u>	<u>\$ 149,239</u>	<u>\$ 192,456</u>	<u>\$ 16,587</u>	<u>\$ 71,920</u>

Further information on the analysis for contractual maturities for lease liabilities was as follows:

	Less than 1 Year	1-5 Years	5-10 Years	10-15 Years	15-20 Years	More than 20 Years
Lease liabilities	<u>\$ 3,596</u>	<u>\$ 14,384</u>	<u>\$ 17,980</u>	<u>\$ 17,980</u>	<u>\$ 17,980</u>	<u>\$ 17,980</u>

December 31, 2021

	On Demand or Less than 1 Month	1-3 Months	3 Months to 1 Year	1-5 Years	More than 5 Years
<u>Non-derivative Financial Liabilities</u>					
Non-interest bearing liabilities	\$ 113,544	\$ 229,207	\$ 172,626	\$ 2,271	\$ -
Lease liabilities	-	-	3,357	16,785	70,497
Variable interest rate liabilities	<u>109,514</u>	<u>15,314</u>	<u>155,121</u>	<u>-</u>	<u>-</u>
	<u>\$ 223,058</u>	<u>\$ 244,521</u>	<u>\$ 331,104</u>	<u>\$ 19,056</u>	<u>\$ 70,497</u>

Further information on the analysis for contractual maturities for lease liabilities was as follows:

	Less than 1 Year	1-5 Years	5-10 Years	10-15 Years	15-20 Years	More than 20 Years
Lease liabilities	<u>\$ 3,357</u>	<u>\$ 16,785</u>	<u>\$ 16,785</u>	<u>\$ 16,785</u>	<u>\$ 16,785</u>	<u>\$ 20,142</u>

The amounts included above for variable interest rate instruments for non-derivative financial liabilities were subject to change if changes in variable interest rates were to differ from those estimates of interest rates determined at the end of the reporting period.

XXIX. Related-party transactions

Transactions, balances, revenues, and expenses between the Company and its subsidiaries, which are related parties of the Company, have been eliminated on consolidation and are not disclosed in this note. In addition to those disclosed in other notes, details of transactions between the Group and other related parties were disclosed below:

(I) Related party name and category

<u>Related Party Name</u>	<u>Related Party Category</u>
Chuzhou Ding Wang	Associate
Unicomm Group Limited (U.G.L)	Substantive related party

(II) Receivables from related parties

<u>Account Item</u>	<u>Related Party Name</u>	<u>December 31, 2021</u>
Other receivables - related parties	U.G.L	<u>\$ 25,489</u>

(III) Disposal of other assets

<u>Related Party Name</u>	<u>Account Item</u>	<u>Proceeds from disposal</u>		<u>Loss on disposal</u>	
		<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>
U.G.L.	Disposal of subsidiaries	<u>\$ -</u>	<u>\$ 51,171</u>	<u>\$ -</u>	<u>(\$ 3,987)</u>

(IV) Loans to related parties

<u>Account Item</u>	<u>Related Party Name</u>	<u>December 31, 2022</u>	<u>December 31, 2021</u>
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Other receivables - Associate	\$ 2,097	\$ 2,066
related parties		

The interest rate of short-term loans to related parties was equal to the market rate. The loans provided by the Group to related parties are unsecured loans.

As of December 31, 2022 and 2021, aforementioned other receivables - related parties were all interests receivable.

(V) Others

Account Item	Related Party Name	December 31, 2022	December 31, 2021
Other current liabilities	Chuzhou Ding Wang	\$ 80,447	\$ 79,310

The resolution of capital reduction of Chuzhou Ding Wang by 78% has been passed by the shareholders' meeting in November 2020. The Group received a full refund of capital reduction in November 2020. As Chuzhou Ding Wang has not completed the relevant procedures for changes of registration, the refund received was recognized in other current liabilities.

(VI) Compensation to key management of the Group

	2022	2021
Short-term employee benefits	\$ 6,769	\$ 6,357
Retirement benefits	352	316
	\$ 7,121	\$ 6,673

The remuneration to directors and key management was determined by the remuneration committee based on individual performance and market.

XXX. Pledged assets

The following assets were provided as collateral for bank borrowings:

	December 31, 2022	December 31, 2021
Property, plants, and equipment, net	\$ 92,038	\$ 92,787
Investment properties, net	66,374	67,691
	\$ 158,412	\$ 160,478

The accounts receivable financing secured by Ji-Haw Industrial, Co., Ltd.'s accounts receivable to its subsidiary, J.H.P., was used to obtain bank borrowings. The said accounts receivables - related parties has been eliminated in the consolidated financial statements.

XXXI. Significant Assets and Liabilities Denominated in Foreign Currencies

The following information is aggregated by foreign currencies other than the functional currencies of the Group. The exchange rates disclosed refer to the rates at which the foreign currencies were converted into functional currencies. The significant assets and liabilities denominated in foreign currencies were as follows:

December 31, 2022

Financial assets	Foreign currencies	Exchange Rate	Carrying Amount
<u>Monetary Item</u>			
USD	\$ 10,969	30.71 (USD:NTD)	\$ 336,858
USD	11,195	6.9647 (USD:CNY)	343,798
USD	20	34.3474 (USD:THB)	614

Financial Liabilities

Monetary Item

USD	8,353	30.71 (USD:NTD)	256,521
USD	2,928	6.9647 (USD:CNY)	89,919
USD	223	34.3474 (USD:THB)	6,848

December 31, 2021

	Foreign currencies	Exchange Rate	Carrying Amount
<u>Financial assets</u>			
<u>Monetary Item</u>			
USD	\$ 16,234	27.68 (USD:NTD)	\$ 449,357
USD	14,756	6.3674 (USD:CNY)	408,446
USD	117	33.1616 (USD:THB)	3,239
<u>Financial Liabilities</u>			
<u>Monetary Item</u>			
USD	12,083	27.68 (USD:NTD)	334,457
USD	4,728	6.3674 (USD:CNY)	130,871
USD	485	33.1616 (USD:THB)	13,425

The Group was mainly subject to the foreign exchange risk of USD. The following information is summarized based on the entity holding foreign currencies and expressed in functional currency. The exchange rates disclosed are used to translate the functional currencies into the expressing currency. Foreign exchange gains and losses with material influence (including realized and unrealized) are as follows:

	2022		2021	
Functional currency	Functional currency to currency presented	Net exchange gains (losses)	Functional currency to currency presented	Net exchange gains (losses)
THB	0.86 (THB:NTD)	(\$ 501)	0.88 (THB:NTD)	\$ 1,545
NTD	1 (NTD: NTD)	11,933	1 (NTD: NTD)	209
CNY	4.43 (CNY: NTD)	41,124	4.34 (CNY: NTD)	(5,273)
		<u>\$ 52,556</u>		<u>(\$ 3,519)</u>

XXXII. Other Disclosures

(I) Information on significant transactions:

1. Financing provided to others. (None)
2. Endorsements/guarantees provided. (None)
3. Marketable securities held (excluding investments in subsidiaries and associates).
(Table 1)

4. Marketable securities acquired or disposed of at costs or prices 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. Other: The business relationship between the parent and the subsidiaries and significant transactions between them. (Table 4)

(II) Information on investees (Table 5)

(III) 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, 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)
 - (1) The amount and percentage of purchases and the balance and percentage of the related payables at the end of the period.
 - (2) The amount and percentage of sales and the balance and percentage of the related receivables at the end of the period.
 - (3) The amount of property transactions and the amount of the resultant gains or losses.
 - (4) The balance of negotiable instrument endorsements or guarantees or pledges of collateral at the end of the period and the purposes.
 - (5) The highest balance, the end of period balance, the interest rate range, and total current period interest with respect to financing of funds.
 - (6) 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 receipt of services.

(IV) 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)

XXXIII. Segment information

(I) Segment revenue and results

The following was an analysis of revenue and results of the continuing operation of the Group by the reporting segment.

	Segment Revenue		Segment Income (Loss)	
	2022	2021	2022	2021
Connection cables	\$ 1,481,451	\$ 1,419,366	\$ 96,302	(\$ 3,360)
Optical fiber				
	<u>16,027</u>	<u>155,381</u>	<u>3 (14,993)</u>	<u>3,319</u>

3
1
9

Operating Segment, net	<u>\$ 1,497,478</u>	<u>\$ 1,574,747</u>	81,309	(41)
Interest income			2,933	1,942
Other income			17,279	19,835
Other gains and losses			55,709	173,967
Finance costs			(4,447)	(4,775)
Share of profit or loss of affiliates under the equity method			4	161
Administrative expenses			(113,840)	(94,256)
Reversal of Impairment loss of expected credit loss			<u>4,485</u>	<u>5,323</u>
Net income before tax from continuing operations			<u>\$ 43,432</u>	<u>\$ 102,156</u>

The above revenue were generated through transactions with external customers. There were no inter-segment sales for the years ended December 31, 2022 and 2021.

Segment profit is the profit of each segment, excluding interest income, other income, other profits and losses, financial costs, share of profit or loss of affiliated companies using the equity method, administrative expenses, expected credit impairment reversal benefit and income tax expense. This is the measure reported to the Group's chief operating decision maker to allocate resources to each segment and evaluate its performance.

(II) Segment assets

The Group's measure of assets is not provided to the chief operating decision maker. Thus, measurement of assets is disclosed as zero.

(III) Revenue from major products and services

The following is an analysis of the Group's revenue from continuing operations from its major products and services.

	<u>2022</u>	<u>2021</u>
Connection cables	\$ 1,481,451	\$ 1,419,366
Optical fiber	<u>16,027</u>	<u>155,381</u>
	<u>\$ 1,497,478</u>	<u>\$ 1,574,747</u>

(IV) Geographical information

The Group operates in two principal geographical areas - Taiwan, China, and Thailand. The Group's revenue from continuing operations by location of operations is detailed below.

	<u>Revenue from External Customers</u>	
	<u>2022</u>	<u>2021</u>
Taiwan	\$ 694,370	\$ 878,479
China	722,184	646,521
Thailand	<u>80,924</u>	<u>49,747</u>
	<u>\$ 1,497,478</u>	<u>\$ 1,574,747</u>

(V) Information on major customers

582,030 thousand and 733,770 thousand of the consolidated income for the years ended December 31, 2022 and 2021, respectively were from the major customers of the Group.

Income from a single customer which exceeds ten percent of total income of the Group is as follows:

	<u>2022</u>	<u>2021</u>
Customer A	\$ 211,315	\$ 260,375
Customer B	207,262	259,190
Customer C	<u>163,453</u>	<u>214,205</u>
	<u>\$ 582,030</u>	<u>\$ 733,770</u>

Ji-Haw Industrial, Co., Ltd., and Subsidiaries
Marketable Securities Held
December 31, 2022

Table 1

Unit: thousands of New Taiwan Dollar unless otherwise specified

Holding Company Name	Marketable Securities Type and Name	Relationship with the issuer of securities	Financial Statement Account	End of the period				Remarks
				No. of shares	Carrying Amount	Shareholding ratio (%)	Fair value	
Ji-Haw Industrial, Co., Ltd.	<u>shares</u> Chunghwa Picture Tubes, Ltd.	-	Current financial assets at fair value through other comprehensive income	604	\$ -	-	\$	Note 2
	Soyo Link Energy Co., Ltd.	-	Non-current financial assets at fair value through other comprehensive income	300,000	-	7.14		Note 2
	Li Wang Technology Co., Ltd.	-	Non-current financial assets at fair value through other comprehensive income	185,185	-	6.90		Note 2
	S SQUARE SYSTEM LTD.	-	Non-current financial assets at fair value through other comprehensive income	747	-	3.19		Note 2
J.H.I	<u>shares</u> Vision Works Inc.	-	Non-current financial assets at fair value through profit or loss	190,000	336	19.00	336	Note 2
	ING Group N.V.	-	Current financial assets at fair value through profit or loss	3,000	1,121	-	1,121	Note 2
	TESLA MORTORS INC.	-	Current financial assets at fair value through profit or loss	30	113	-	113	Note 2
	BEYOND MEAT INC	-	Current financial assets at fair value through profit or loss	80	31	-	31	Note 2

Note 1: Marketable securities stated in this table refer to stocks within the scope of IFRS 9 "Financial Instruments".

Note 2: Not provided as collateral, pledged, or restricted in other ways.

Ji-Haw Industrial, Co., Ltd., and Subsidiaries
Total purchases from or sales to related parties amounting to at least NT\$100 million or 20% of the paid-in capital
2022

Table 2

Unit: thousands of New Taiwan Dollar unless otherwise specified

Buyer (Seller)	Related Party	Relationship	Transaction Details				Abnormal Transaction		Notes/Accounts Receivable (Payable)		Remarks
			Purchase (Sale)	Amount	Percentage to Total Sales (Purchases) (%)	Collection/Payment terms	Unit Price	Collection/Payment terms	Ending Balance	Percentage to Total Notes/Accounts Receivable (Payable) (%)	
Ji-Haw Industrial, Co., Ltd.	JHP	Subsidiaries	Processing expense	\$ 582,852	83	註 2	註 1	Note 2	(\$ 241,811)	93	-
JHP	Ji-Haw Industrial, Co., Ltd.	Parent	Processing revenue	(582,852)	45	註 2	註 1	Note 2	241,811	57	-

Note 1: Charged based on the difference between final sales price of the finished goods and raw material at markup.

Note 2: 150 days from the end of month after accounts receivable and payable netting.

Note 3: All transactions listed above have been eliminated in the consolidated financial statements.

Ji-Haw Industrial, Co., Ltd., and Subsidiaries
Receivables from related parties amounting to at least NT\$100 million or 20% of the paid-in capital
December 31, 2022

Table 3

Unit: thousands of New Taiwan Dollar unless otherwise specified

Company Name	Related Party	Relationship	Ending Balance	Turnover Rate	Overdue		Amount Received in Subsequent Period	Allowance for Impairment Loss
					Amount	Actions Taken		
JHP	Ji-Haw Industrial, Co., Ltd.	Parent	\$ 241,811	2.04	\$ -	-	Note 1	\$ -

Note 1: Netting of accounts receivable and payable.

Note 2: All transactions listed above have been eliminated in the consolidated financial statements.

Ji-Haw Industrial, Co., Ltd., and Subsidiaries
The business relationship between the parent and the subsidiaries and significant transactions between them
2022

Table 4

Unit: thousands of New Taiwan Dollar unless otherwise specified

No. (Note 1)	Investee Company	Counterparty	Relationship (Note2)	Transaction Details			
				Financial Statement Accounts	Amount	Payment Terms	Percentage to Total Sales or Assets (%) (Note 3)
0	Ji-Haw Industrial, Co., Ltd.	J.H.P	1	Processing expense	\$ 582,852	By contract terms	37%
		J.H.P	1	Accounts payable	241,811	150 days from the end of month	8%

Note 1: “0” stands for the parent company. Subsidiaries are numbered from “1”.

Note 2: “1” means from the parent company to a subsidiary.

Note 3: Regarding calculation of the percentage of transaction amount to the total consolidated revenue or assets, for assets and liabilities, amounts are shown as a percentage to consolidated total assets as of December 31, 2022, while revenues, costs, and expenses are shown as a percentage to consolidated total operating revenues for the year ended December 31, 2022.

Note 4: All transactions listed above have been eliminated in the consolidated financial statements.

Information on investees
2022

Table 5

Unit: thousands of New Taiwan Dollar unless otherwise specified

Investor	Investee	Location	Main business or production items	Initial investment amount		Balance as of December 31, 2022			Net profit (loss) of the investee for the year ended December 31, 2021	Investment income (loss) recognized by the Company for the year ended December 31, 2021 (Note 1)	Remarks
				Balance as at December 31, 2021	Balance as at December 31, 2020	No. of shares	Percentage of ownership (%)	Carrying Amount			
Ji-Haw Industrial, Co., Ltd.	J.B.T	227, M003, Laem Chabang Industrial Estate, Sukhumvit Road, Thungsukla, Sriracha, Chonburi 20230 Thailand Sertus Chambers, P.O. Box 603, Apia, Samoa.	Manufacturing and trading of computer cables or plugs	\$ 207,215	\$ 207,215	18,600,000	100.00	\$ 523,976	\$ 31,214	\$ 31,214	-
	J.H.I		Investing in overseas financial products and stocks	9,649	9,649	300,000	100.00	4,277	(944)	(944)	-

Note 1: The amounts are based on audited financial statements of the same period.

Note 2: Refer to Table 6 for information on investment in mainland China.

Note 3: Investment income, investment accounting for using equity method, and the net asset value of the investee showed on the table above have been eliminated from consolidation.

Ji-Haw Industrial, Co., Ltd., and Subsidiaries
Information on investment in mainland China
2022

Table 6

Unit: thousands of New Taiwan Dollar unless otherwise specified

Investee	Main business or production items	Paid-in capital	Method of Investment	Accumulated Outward Remittance for Investment from Taiwan as of January 1, 2021	Remittance of Funds		Accumulated Outward Remittance for Investment from Taiwan as of December 31, 2021	Profit or loss of investees (Note 1)	Percentage of Ownership of Direct or Indirect Investment	Investment income (loss) recognized by the Company for the year ended December 31, 2021 (Note 1)	Book value of investments at the end of the period (Note 1)	Accumulated Repatriation of Investment Income as of December 31, 2021	Remarks
					Outward	Inward							
J.H.K	Manufacturing and trading of computer cables or plugs	US\$100,000	Direct investment with 100% ownership	\$ 3,071 (US\$ 100,000)	\$ -	\$ 92,748	\$ 3,071 (US\$ 100,000)	(\$ 36,656)	100.00%	(\$ 36,656)	\$ 79,358	\$ 277,250	-
J.H.P	Manufacturing and trading of precision ceramics, precision molds, and computer cables and plugs	US\$12,600,000	40.48% held directly by the Company and 59.52% held directly by the 100% owned subsidiary, J.B.T.	294,816 (US\$9,600,000)	-	-	294,816 (US\$9,600,000)	65,998	100.00%	65,998	632,989	-	Note 3
Chuzhou Ding Wang	Investment development	CNY60,180,000	Held directly by the 100% owned subsidiary, J.H.P.	-	-	-	-	10	39.00%	4	98,965	-	-

Accumulated Outward Remittance for Investment in Mainland China as of December 31, 2021	Investment Amounts Authorized by Investment Commission, MOEA	Limit on the Amount of Investment Stipulated by Investment Commission, MOEA
\$ 297,887 (US\$9,700,000)	\$ 390,017 (US\$12,700,000)	\$ 611,983 (Note 4)

Note 1: The amounts are based on audited financial statements of the same period.

Note 2: Except for the investee's income and investment income recognized in the current period, which were calculated using the average exchange rates from January 1 to December 31, 2022, all others were calculated using the spot exchange rate at the end of December 2022.

Note 3: Among the recognized investment benefits of \$65,998 thousand, 26,714 thousand was recognized based on the shareholding ratio of 40.48% by the Company and the remaining 39,284 thousand was recognized based on the shareholding ratio of 59.52% by the 100% owned subsidiary, J.B.T.

Note 4: Calculated pursuant to Article 3 of "Principle of investment or Technical Cooperation in Mainland China", MOEA, which was the higher of the net worth of the entity or 60% of the consolidated net worth.

Note 5: Investment income, investment accounting for using equity method, and the net asset value of the investee showed on the table above have been eliminated in the preparation of the consolidated financial statements except for Chuzhou Ding Wang.

Ji-Haw Industrial, Co., Ltd.
Information on major shareholders
December 31, 2022

Table 7

Name of The Major Shareholder	Shares	
	Number of Shares Owned	Shareholding ratio
Lin Wen-Hwang	5,852,901	5.19%

Note: 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 preference 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 for 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 a different preparation basis.

V. A parent company only financial report audited and certified by a CPA for the most recent fiscal year

Stock Code: 3011

Ji-Haw Industrial, Co., Ltd.

STANDALONE FINANCIAL STATEMENTS
with Independent Auditors' Report
2022 and 2021

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Independent Auditor's Report

To Ji-Haw Industrial, Co., Ltd.:

Opinions

Ji-Haw Industrial, Co., Ltd. has audited the accompanying consolidated statements of income, changes in equity, and cash flows for the years ended December 31, 2022 and 2021, and the related notes to the consolidated financial statements (including the summary of significant accounting policies).

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of Ji-Haw Industrial, Co., Ltd. as of December 31, 2022 and 2021, in conformity with the Regulations Governing the Preparation of Financial Reports by Securities Firms. Stand-alone financial performance and standalone cash flows for the years then ended December 31, 2022 and 2021.

Basis of Audit Opinion

We conducted our audit in accordance with the Rules Governing Auditing and Attestation of Financial Statements by Certified Public Accountants and the Auditing Standards. 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 Ji-Haw Industrial, Co., Ltd. in accordance with the Certified Public Accountants Code of Professional Ethics in the Republic of China ("the Code"), and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis of our opinion.

Key Audit Issues

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the individual financial statements of Ji-Haw Industrial, Co., Ltd. in 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 for the financial statements of the Company for the year ended December 31, 2022 are stated as follows:

Recognition of sales revenue from distribution warehouse

One of the sales models of Ji-Haw Industrial, Co., Ltd. is to deliver the goods to the distribution warehouse designated by the customer, and the customer can pick up the goods directly from the warehouse. According to IFRS 15, goods are sold when the control of the product is transferred to the customer, i.e. when the product is delivered to the buyer. The buyer has discretion over the distribution and price of the product, and Ji-Haw Industrial, Co., Ltd. has no outstanding performance obligation, which may affect the revenue when the customer accepts the product. The management of warehouse shipments is monitored by the logistics center. The control process is relatively complex and the sales amount of the distribution warehouse in 2022 was

significant. Therefore, the sales revenue of the distribution warehouse in 2022 will be classified as those with significant increase in sales revenue in the current year, the sales revenue is recognized as a key audit matter and is audited accordingly. Refer to Note 4 and 17 to the financial statements for the accounting policies and disclosures related to operating revenue.

Our principal audit procedures conducted to address the aforementioned key audit matters included:

1. Understand and test the design and implementation effectiveness of main internal controls related to the recognition of sales revenue from distribution warehouse.
2. Select sufficient samples from the transaction details of customers from whom the sales revenue from the distribution warehouse has increased significantly, check the transaction vouchers, and confirm the remittance beneficiary and the payment collection process to confirm the existence of the sales transaction.
3. For the customers from whom the sales revenue from the distribution warehouse has increased significantly, send the confirmation letter for year-end account balances in accounts receivables and apply alternative procedures if responses to confirmation requests are not received in time, including the examination of transaction certificates and subsequent cash receipts.

Responsibilities of Management and Those charged with Governance for the Parent Company Only 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 parent company only financial statements, the management is responsible for assessing the ability of Ji-Haw Industrial, Co., Ltd. as a going concern, disclosing relevant matters, and using the going concern basis of accounting, unless the management intends to liquidate the Ji-Haw Industrial, Co., Ltd. or Suspension of business, or there is no other practical solution other than liquidation or suspension of business.

Those charged with governance (including the Audit Committee) are responsible for overseeing the financial reporting process of Ji-Haw Industrial, Co., Ltd.

Auditor's responsibilities for the audit of the parent-only 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 will always detect a material misstatement in the parent company only financial statements. 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.

We exercise professional judgment and skepticism during audits in accordance with the Auditing Standards. 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.

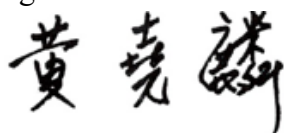
2. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control of Ji-Haw Industrial, Co., Ltd..
3. Evaluate the appropriateness 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 ability of Ji-Haw Industrial, Co., Ltd. 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 Ji-Haw Industrial, Co., Ltd. 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 the entities within Ji-Haw Industrial, Co., Ltd. to express an opinion on the financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

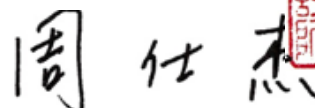
We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the individual financial statements of Ji-Haw Industrial, Co., Ltd. in 2022 and therefore are 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.

Deloitte Taiwan
CPA Huang Yao Lin




CPA Chou Shih Chieh




FSC approval reference number
Jin-Guan-Zheng-Shen-Zi No.
1060004806

FSC approval reference number
Jin-Guan-Zheng-Shen-Zi No. 1110348898

March 17, 2023

Ji-Haw Industrial, Co., Ltd.
Balance Sheets
December 31, 2021 and 2020

Unit: NT\$ thousand

Account	Assets	December 31, 2022		December 31, 2021	
		Amount	%	Amount	%
	Current assets				
1100	Cash (Note 4 and 6)	\$ 166,521	11	\$ 107,582	6
1170	Notes and accounts receivable, net (Notes IV, VIII and XVII)	192,762	13	350,080	21
1210	Other receivables - related parties (Note XXIV)	-	-	25,489	2
130X	Inventories (note 4 and 9)	51,889	4	67,055	4
1470	Other current assets (Notes IV and XIX)	1,794	-	4,397	-
11XX	Total current assets	<u>412,966</u>	<u>28</u>	<u>554,603</u>	<u>33</u>
	Non-current Assets				
1550	Investment under equity method (Notes IV, X, XXI and XXIV)	863,845	59	915,154	55
1600	Property, plant and equipment (notes 4, 11 and 25)	108,738	8	114,430	7
1760	Investment properties (notes 4, 12 and 25)	66,374	5	67,691	4
1840	Deferred income tax assets (note 4 and 19)	6,607	-	6,378	1
1990	Refundable deposits (note 4)	75	-	34	-
15XX	Total non-current assets	<u>1,045,639</u>	<u>72</u>	<u>1,103,687</u>	<u>67</u>
1XXX	Total assets	<u>\$ 1,458,605</u>	<u>100</u>	<u>\$ 1,658,290</u>	<u>100</u>
	LIABILITIES AND EQUITY				
	Current liabilities				
2100	Short-term borrowings (note 13 and 25)	\$ 100,000	7	\$ 235,000	14
2170	Notes and Accounts Payable	17,144	1	9,133	1
2180	Accounts payable - related parties (note 24)	242,380	17	328,528	20
2200	Other payables (note 14)	21,623	1	19,102	1
2300	Other current liabilities	205	-	673	-
21XX	Total current liabilities	<u>381,352</u>	<u>26</u>	<u>592,436</u>	<u>36</u>
	Non-current liabilities				
2570	Deferred income tax liabilities (note 4 and 19)	54,895	4	50,032	3
2640	Net defined benefit liabilities (note 4 and 15)	823	-	3,859	-
2670	Other non-current liabilities (note 4)	1,562	-	1,673	-
25XX	Total non-current liabilities	<u>57,280</u>	<u>4</u>	<u>55,564</u>	<u>3</u>
2XXX	Total liabilities	<u>438,632</u>	<u>30</u>	<u>648,000</u>	<u>39</u>
	EQUITY				
3100	Share capital – Ordinary shares	1,127,192	77	1,127,192	68
3200	Capital surplus	<u>226,697</u>	<u>16</u>	<u>226,697</u>	<u>14</u>
	Accumulated losses				
3310	Appropriated as legal capital reserve	23,586	2	23,586	1
3320	Special reserve	218,029	15	218,029	13
3350	Losses to be offset	(494,359)	(34)	(482,931)	(29)
3300	Total accumulated losses	<u>(252,744)</u>	<u>(17)</u>	<u>(241,316)</u>	<u>(15)</u>
3400	Other equity	(81,172)	(6)	(102,283)	(6)
3XXX	Total equity	<u>1,019,973</u>	<u>70</u>	<u>1,010,290</u>	<u>61</u>
	Total liabilities and equities	<u>\$ 1,458,605</u>	<u>100</u>	<u>\$ 1,658,290</u>	<u>100</u>

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

Chairman: Lin Wen-Hwang

Manager: Wu Chia-Hsin

Accounting Supervisor: Judy Chu

Unit: NT\$1,000, NTD for earnings (losses) in NT\$

(Continued next page)

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Account		2022		2021	
		Amount	%	Amount	%
7900	Profit (loss) before tax	(\$ 9,367)	(1)	\$ 82,807	10
7950	Income tax expenses (Notes IV and XIX)	(4,119)	(1)	(15,878)	(2)
8200	Net profit (loss)	(13,486)	(2)	66,929	8
	Other comprehensive income				
	Items that will not be reclassified subsequently to profit or loss:				
8311	Gains (losses) on remeasurements of defined benefit plans (note 4 and 15)	2,573	-	(345)	-
8349	Income tax related to components of items that will not be reclassified to profit or loss (note 4 and 19)	(515)	-	69	-
8310		2,058	-	(276)	-
	Items that may be reclassified subsequently to profit or loss:				
8361	Exchange differences on translation of foreign operations (note 4)	21,111	3	(15,761)	(2)
8360					
8300	Other comprehensive income (after tax)	23,169	3	(16,037)	(2)
8500	Total comprehensive income for the year	\$ 9,683	1	\$ 50,892	6
	Earnings (losses) per share (Note XX)				
9750	Basic	(\$ 0.12)		\$ 0.59	

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

Chairman: Lin Wen-Hwang

Company Officer: Wu Chia-Shin

Chief Accounting Officer: Judy Chu

Ji-Haw Industrial, Co., Ltd.
Statements of Changes in Equity
For the Periods January 1 to December 31, 2022 and 2021

Unit: thousands of New Taiwan Dollar unless otherwise specified

		Accumulated losses (note 16)						Other equity (note 4)			
								Exchange differences on translation of foreign operations	Unrealized gains (losses) from financial assets measured at fair value through other comprehensive income	Total	Total equity
Account		Common stock capital (Note 16)	Capital surplus (Note 16)	Appropriated as legal capital reserve	Special reserve	Losses to be offset	Total				
A1	Balance at January 1, 2021	\$ 1,127,192	\$ 226,697	\$ 23,586	\$ 220,793	(\$ 552,348)	(\$ 307,969)	(\$ 72,522)	(\$ 14,000)	(\$ 86,522)	\$ 959,398
D1	Profit for the year ended December 31, 2021	-	-	-	-	66,929	66,929	-	-	-	66,929
D3	Other comprehensive income for the year ended December 31, 2021	-	-	-	-	(276)	(276)	(15,761)	-	(15,761)	(16,037)
D5	Comprehensive income (loss) for the year ended December 31, 2021	-	-	-	-	66,653	66,653	(15,761)	-	(15,761)	50,892
M3	Disposal of subsidiaries	-	-	-	(2,764)	2,764	-	-	-	-	-
Z1	Balance on December 31, 2021	1,127,192	226,697	23,586	218,029	(482,931)	(241,316)	(88,283)	(14,000)	(102,283)	1,010,290
D1	Net loss in 2022	-	-	-	-	(13,486)	(13,486)	-	-	-	(13,486)
D3	Other comprehensive income after tax in 2022	-	-	-	-	2,058	2,058	21,111	-	21,111	23,169
D5	Total comprehensive income of 2022	-	-	-	-	(11,428)	(11,428)	21,111	-	21,111	9,683
Z1	Balance as of December 31, 2022	\$ 1,127,192	\$ 226,697	\$ 23,586	\$ 218,029	(\$ 494,359)	(\$ 252,744)	(\$ 67,172)	(\$ 14,000)	(\$ 81,172)	\$ 1,019,973

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

Chairman: Lin Wen-Hwang

Company Officer: Wu Chia-Shin

Chief Accounting Officer: Judy Chu

Ji-Haw Industrial, Co., Ltd.
Statements of Cash Flows
For the Periods January 1 to December 31, 2022 and 2021

Unit: NT\$ thousand

Account		2022	2021
	Cash flows from operating activities		
A00010	Profit (loss) before tax	(\$ 9,367)	\$ 82,807
A20010	Adjustments:		
A20100	Depreciation expense	7,338	7,633
A20300	Reversal of Impairment loss of expected credit loss	(28)	(2,936)
A20900	Finance costs	2,460	2,168
A21200	Interest income	(510)	(9)
A22300	Share of the profit of subsidiaries accounted for using equity method	(20,328)	(127,109)
A23700	Write-down of inventories	353	1,920
A29900	Loss on disposal of subsidiaries	-	3,987
A24100	Unrealized exchange loss	2,967	91
A30000	Changes in operating assets and liabilities		
A31150	Notes and Accounts Receivable	155,159	(48,346)
A31200	Inventories	14,813	10,954
A31240	Other current assets	2,603	1,845
A32150	Notes and Accounts Payable	(78,917)	10,872
A32180	Other payables	2,521	4,303
A32230	Other current liabilities	(468)	423
A32240	Net defined benefit liabilities	(463)	(567)
A33000	Cash generated from operations	78,133	(51,964)
A33300	Interest paid	(2,460)	(2,168)
AAAA	Net cash inflow (outflow) from operating activities	<u>75,673</u>	<u>(54,132)</u>
	Cash flows from investing activities		
B02300	Proceeds from the disposal of subsidiaries	25,489	21,900
B02700	Acquisition of property, plants, and equipment	(329)	(886)
B07200	Decrease (increase) of prepayments for equipment	(41)	58
B07500	Interest received	510	9
B07600	Collection of dividends from subsidiaries	<u>92,748</u>	<u>-</u>
BBBB	Net cash flows from investing activities	<u>118,377</u>	<u>21,081</u>

(Continued next page)

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Account		2022	2021
	Net cash flows from (used in) financing activities		
C00100	Increase (decrease) in short-term borrowings	(\$ 135,000)	\$ 95,000
C03000	Increase (decrease) in guarantee deposits received	(111)	80
CCCC	Net cash flows from (used in) financing activities	(135,111)	95,080
EEEE	Net increase in cash	58,939	62,029
E00100	Cash at the beginning of the year	107,582	45,553
E00200	Cash at the end of the year	\$ 166,521	\$ 107,582

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

Chairman: Lin Wen-Hwang

Company Officer: Wu Chia-Shin

Chief Accounting Officer:
Judy Chu

Ji-Haw Industrial, Co., Ltd.
Notes to the Financial Statements
For the Periods January 1 to December 31, 2022 and 2021
(expressed in thousands of New Taiwan Dollars unless otherwise specified)

I. Organization and operations

Ji-Haw Industrial, Co., Ltd., (the “Company”) was incorporated on January 11, 1983. The major business activities of the Company are the sale and manufacturing of precision electric ports and sockets, connectors, electric wires and cables, electronics components, and other industrial and commercial services. The Company’s common shares were listed on the Taiwan Stock Exchange (TWSE) in July 2002.

The financial statements are presented in the Company’s functional currency, the New Taiwan dollars.

II. Approval date and procedures of the consolidated financial statements

The parent company only financial statements were authorized for issue by the Board of Directors on March 17, 2023.

III. New standards, amendments, and interpretations adopted

- (I) Initial application of the International Financial Reporting Standards (IFRS), International Accounting Standards (IAS), Interpretations of IFRS (IFRIC), and Interpretations of IAS (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 any material impact on the accounting policies of the Company.

- (II) The IFRSs endorsed by the FSC for application starting from 2023

New IFRSs	Effective Date Announced by the International Accounting Standards Board (IASB)
Amendments to IAS 1 “Disclosure of Accounting Policies”	January 1, 2023 (Note 1)
Amendments to IAS 8 “Definition of Accounting Estimates”	January 1, 2023 (Note 2)
Amendments to IAS 12 “Deferred Tax related to Assets and Liabilities arising from a Single Transaction”	January 1, 2023 (Note 3)

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

Note 2: The amendments are 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 will be recognized on January 1, 2022 for temporary differences associated with leases and decommissioning obligations, the amendments will be applied prospectively to transactions that occur on or after January 1, 2022.

As of the date the standalone financial statements were reported to the board of directors for issue, the Company has been assessing the impact of the application of the abovementioned standards and interpretations on the financial position and financial performance. The results thereof will be disclosed when the Company completes its assessment.

(III) 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 Regarding "Lease 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 17 and IFRS 9 – Comparative Information”	January 1, 2023
Amendments to IAS 1 “Classification of Liabilities as Current or Non-current”	January 1, 2024
Amendments to IAS 1 “Non-current Liabilities with Contractual Clauses”	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: 16 days after the initial application of IFRS, the amendments to IFRS 16 should be applied retroactively for all sales and leaseback transactions signed.

As of the date the standalone financial statements were reported to the board of directors for issue, the Company has been assessing the impact of the application of the abovementioned standards and interpretations on the financial position and financial performance. The results thereof will be disclosed when the Company completes its assessment.

IV. Summary of significant accounting policies

(I) Statement of compliance

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

(II) Basis of preparation

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

The fair value measurements are grouped into Levels 1 to 3 based on the degree to which the fair value measurement inputs are observable and the significance of the inputs to the fair value measurement in its entirety, which 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 the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
3. Level 3 inputs are unobservable inputs for the asset or liability.

The subsidiaries are incorporated in the standalone financial statements under the equity method. To make net profit for the year, other comprehensive income and equity in the standalone financial statements equal to those attributed to owners of the Company on consolidated financial statements, the effect of the differences between basis of standalone and basis of consolidation are adjusted in the “investments

accounted for using equity method”, “the related share of the profit or loss of subsidiaries” and related equity.

(III) Classification of current and noncurrent assets and liabilities

Current assets include:

1. Assets held primarily for the purpose of trading;
2. Assets expected to be realized within twelve months after the reporting period; and
3. Cash unless the asset is restricted from being used for an exchange or used to settle a liability for more than twelve months after the reporting period.

Current liabilities include:

1. Liabilities held primarily for the purpose of trading;
2. Liabilities expected to be settled within twelve months after the reporting period even if an agreement to refinance, or to reschedule payments, on a long-term basis is completed after the reporting period and before the consolidated financial statements are authorized for issue; and
3. Liabilities without an unconditional right to defer settlement for at least twelve months after the reporting period.

Assets and liabilities that are not classified as abovementioned are classified as noncurrent.

(IV) Foreign currencies

In preparing the financial statements of the Company, transactions in currencies other than the Company’s functional currency (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 year in which they arise.

Non-monetary items measured at fair value that are denominated in foreign currencies are retranslated at the rates prevailing at the date when the fair value was determined. Exchange differences arising on the retranslation of non-monetary items are included in profit or loss for the year 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 that are measured at historical cost in a foreign currency are recognized at the rates of exchange prevailing at the dates of the transactions and are not retranslated.

For the purpose of presenting standalone financial statements, the assets and liabilities of foreign operations are translated into the presentation currency - New Taiwan dollars at the exchange rates at the reporting date. The income and expenses of foreign operations are translated into the presentation currency at the average exchange rate. Exchange differences are recognized in other comprehensive income.

On the disposal of a foreign operation (i.e. a disposal of the Company’s entire interest in a foreign operation, or a disposal involving loss of control over a subsidiary that includes a foreign operation, or a partial disposal of an associate that includes a foreign operation of which the retained interest becomes a financial asset), all of the exchange differences accumulated in equity in respect of that operation attributable to the owners of the Company are reclassified to profit or loss.

(V) Inventories

Inventories consist of raw materials and finished goods. Inventories 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. 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.

(VI)Subsidiary

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

A subsidiary is an entity that is controlled by the Company.

Under the equity method, an investment 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 share of other equity of subsidiaries.

When the Company's share of loss in a subsidiary equals or exceeds its interest in the subsidiary (including the carrying amount of the subsidiary under the equity method and other long-term interests that are substantially part of the Company's net investment in the subsidiary), the loss continues to be recognized in proportion to the Company's ownership.

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. 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), had no impairment loss been recognized in prior years.

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 previous investment at the date when control is lost is recognized as a gain or loss in profit or loss. Besides, 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 if the Company had directly disposed of the related assets or liabilities.

Unrealized profits or losses on downstream transactions with subsidiaries are eliminated in the standalone financial statements. Profits and losses on upstream and sidestream transactions with subsidiaries are recognized in standalone financial statements only to the extent of interests in the subsidiary that are not related to the Company.

(VII)Property, plants, and equipment

Property, plant and equipment are stated at cost, less accumulated depreciation and accumulated impairment loss.

Depreciation is calculated on a straight-line basis over the estimated useful lives of each component of an item of property, plant and equipment. 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 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.

(VIII) Investment properties

Investment properties are properties held to earn rentals and/or for capital appreciation.

Investment properties are measured initially 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 profit or loss.

(IX) 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 and investment properties 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. 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.

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. The impairment loss is recognized in profit or loss.

When an impairment loss subsequently is reversed, the carrying amount of the 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 for the asset or cash-generating unit (net of amortization and depreciation) had no impairment loss been recognized in prior years. A reversal of an impairment loss is recognized immediately in profit or loss.

(X) Financial instruments

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

Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities not at fair value through profit or loss are added to 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 fair value through profit or loss 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.

(1) Measurement category

Financial assets held by the Company are classified into the following categories: Financial assets at amortized cost and investments in equity instruments at FVTOCI.

A. Financial assets at amortized cost

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

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

- b. 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.

Financial assets at amortized cost, including cash, notes and accounts receivable at amortized cost, other receivables, and refundable deposits, are measured at amortized cost, which equals to gross carrying amount determined by 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 a financial asset except for the following situations:

- a. The interest revenue of purchased or originated credit-impaired financial assets shall be calculated by applying the effective interest rate to the amortized cost of a financial asset.
- b. For those financial assets that are not purchased or originated credit-impaired financial assets but subsequently have become credit-impaired financial assets. The interest revenue shall be calculated by applying the effective interest rate to the amortized cost of the financial asset in subsequent reporting periods.

Financial assets become credit-impaired when the following events occur: the significant financial difficulty of the issuer or the borrower; a breach of contract; it is becoming probable that the borrower will enter bankruptcy or other financial reorganization; or the disappearance of an active market for that financial asset because of financial difficulties.

B. Investments in equity instruments at FVTOCI

On initial recognition, the Company may make an irrevocable election to designate investments in equity instruments as at FVTOCI. Designation at FVTOCI is not permitted if the equity investment is held for trading or if it is contingent consideration recognized by an acquirer in a business combination.

Investments in equity instruments at FVTOCI are subsequently measured at fair value with gains and losses arising from changes in fair value recognized in other comprehensive income and accumulated in other equity. The cumulative gain or loss will not be reclassified to profit or loss on disposal of the equity investments, instead, they will be transferred to retained earnings.

Dividends on these investments in equity instruments are recognized in profit or loss when the Group's right to receive the dividends is established, unless the dividends clearly represent a recovery of part of the cost of the investment.

(2) Impairment of financial assets

At the end of each reporting period, the Company recognizes a loss allowance for expected credit losses on financial assets at amortized cost (including accounts receivable).

The Group always recognizes lifetime expected credit loss (ECL) for accounts receivable. For other financial assets, the Group recognizes lifetime ECL when there has been a significant increase in credit risk since initial recognition. If, on the other hand, the credit risk on the 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 ECL.

Expected credit losses reflect the weighted average of credit losses with the respective risks of a default occurring as the weights. 12-month ECL represents the portion of lifetime ECL that is expected to result from default events on a financial instrument that are possible within 12 months after the reporting date. In contrast, lifetime ECL represents the expected credit losses that will result from all possible default events over the expected life of a financial instrument.

For internal risk management purpose, the Company determines that the following situations indicate that a financial asset is in default (without taking into account any collateral held by the Company):

- A. Internal or external information shows that the debtor is unlikely to pay its creditors.
- B. When a financial asset is more than 90 days past due unless the Group has reasonable and corroborative information to support a more lagged default criterion.

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,

(3) 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 an equity instrument at FVTOCI in its entirety, the cumulative gain or loss is transferred directly to retained earnings, without recycling through profit or loss.

2. Equity instruments

Equity instruments issued by the Company are classified as equity in accordance with the substance of the contractual arrangements and the definitions of an equity instrument.

3. Financial liabilities

(1) Subsequent measurement

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

(2) Derecognition of financial liabilities

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

(XI) Revenue recognition

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

Revenue comes from the sale of various electronic components. Sales revenue is recognized when the customer obtains the control of good, i.e. when the good is delivered to the buyer, the buyer has discretion in establishing the sales price and

channel for the specified good and there is no unsatisfied performance obligation of the Company that may impact the recognition of revenue and accounts receivable at the customer's acceptance. Delivery occurs when the products have been shipped to the specific location, the risks of obsolescence and loss have been transferred to the customer, and either the customer has accepted the products in accordance with the sales contract or the Group has objective evidence that all criteria for acceptance have been satisfied.

For outward processing, the control of the ownership of the processed goods has not been transferred; therefore, revenue is not recognized during this process.

(XII) Leases

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

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.

Under an operating lease, lease payment after the deduction of lease incentives is recognized as income on a straight-line basis over the lease term. 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 Group. The lease payments are allocated between 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 a 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 between 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.

(XIII) 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 service entitling them to the contributions.

Defined benefit costs (including service cost, net interest, and remeasurement) under the defined benefit retirement benefit plans are determined using the projected unit credit method. Service cost (including current service cost) and net interest on the net defined benefit liability are recognized as employee benefits expense in the period they occur. 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 they occur. Remeasurement recognized in other comprehensive

income is reflected immediately in retained earnings and will not be reclassified to profit or loss.

Net defined benefit liability represents the actual deficit in the Group's defined benefit plan. The net defined benefit assets shall not exceed the present value of refundable contributions from the plan or reduced contributions to the future.

(XIV) Taxation

Income tax expenses represent the sum of the tax currently payable and deferred tax.

1. Current tax

The Company's income tax payable (recoverable) is based on taxable profit (loss) for the year determined according to the applicable tax laws.

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 deductible temporary differences, while deferred tax assets are recognized 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, 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 only recognized 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 they are expected to reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at each balance sheet date 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 asset to be recovered. A previously unrecognized deferred tax asset is also reviewed at each balance sheet date and recognized to the extent that it has become probable that future taxable profit will allow all or part of 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 liability is settled or the asset realized, based on tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date. 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 tax

Current and deferred tax 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 tax are also recognized in other comprehensive income or directly in equity respectively.

V. Significant accounting assumptions and judgments, and major sources of estimation uncertainty

In the application of the Company's accounting policies, management is required to make judgments, estimates and assumptions 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 management continues to monitor the accounting estimates and assumptions. The effect of a change in an accounting estimate shall be recognized prospectively by including it in profit or loss in the period of the change, if the change affects that period only, or in the period of the change and future periods, if the change affects both.

VI. Cash

	<u>December 31, 2022</u>	<u>December 31, 2021</u>
Cash on hand	\$ 1,055	\$ 1,100
Checking accounts and demand deposits	<u>165,466</u>	<u>106,482</u>
	<u>\$166,521</u>	<u>\$107,582</u>

The range of interest rate of bank deposits at the end of reporting date is as follows:

	<u>December 31, 2022</u>	<u>December 31, 2021</u>
Demand deposits	0.15%~1.05%	0.001%~0.03%

VII. Financial Assets at Fair Value Through Other Comprehensive Income

These investments in ordinary shares of Chunghwa Picture Tubes, Ltd., Soyo Link Energy Co., Ltd., Li Wang Technology Co., Ltd., and S SQUARE SYSTEM LTD. are held for medium to long-term strategic purposes. The management elected to designate these investments as at FVTOCI as they believe that recognizing short-term fluctuations in these investments' fair value in profit or loss would not be consistent with the Company's strategy of holding these investments for long-term purposes.

The Group is unable to recover the investment costs as Chunghwa Picture Tubes, Ltd., Soyo Link Energy Co., Ltd., and Li Wang Technology Co., Ltd., have discontinued their operation and S SQUARE SYSTEM LTD., has been incurring losses for several years. Their fair value was assessed to be zero.

VIII. Notes and accounts receivable

	<u>December 31, 2022</u>	<u>December 31, 2021</u>
<u>Notes receivable</u>		
Measured at amortized cost	\$ -	\$ 25
<u>Accounts receivable</u>		
Measured at amortized cost		
Gross carrying amount	192,808	350,129
Less: allowance	(<u>46</u>)	(<u>74</u>)
	<u>192,762</u>	<u>350,055</u>
Notes and accounts receivable	<u>\$192,762</u>	<u>\$350,080</u>

Accounts receivable

The Company's average credit period for sales is 30 to 135 days, and the accounts receivable do not accrue interest. The rating of major customers is given by using public financial information that is readily available and historical transaction records. The Company's credit exposures and the credit ratings of its counterparties are continuously monitored and the aggregate value of transactions concluded is spread amongst approved counterparties. Credit exposure is controlled by counterparty credit limits that are reviewed and approved by the management annually.

In order to reduce the credit risk, the Company assigns a team responsible for the determination and approval of credit limits and takes other monitoring measures to ensure that proper actions have been taken to recover the overdue accounts receivable. Additionally, the Company reviews the recoverable amount of receivables one by one on the balance sheet date to ensure that proper allowances are recognized for unrecoverable receivables. Accordingly, the management of the Company believes that the Company's credit risk has been significantly reduced.

The Company applies the simplified approach to providing for expected credit losses prescribed by IFRS 9, which permits the use of lifetime expected loss provision for all trade receivables. The expected credit losses on trade receivables are estimated considering the past default experience of the debtor and the debtor's current financial position. 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 accounts 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:

December 31, 2022

	Current	1 to 30 days past due	31 to 60 days past due	61 to 90 days past due	More than 91 days past	Total
Expected credit loss rate	0.02%	3.17%	-	-	-	
Gross carrying amount	\$ 192,745	\$ 63	\$ -	\$ -	\$ -	\$ 192,808
Loss allowance (lifetime ECL)	(44)	(2)	-	-	-	(46)
Amortized cost	<u>\$ 192,701</u>	<u>\$ 61</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 192,762</u>

December 31, 2021

	Current	1 to 30 days past due	31 to 60 days past due	61 to 90 days past due	More than 91 days past	Total
Expected credit loss rate	0.01%	3.51%	-	-	-	
Gross carrying amount	\$ 348,940	\$ 1,189	\$ -	\$ -	\$ -	\$ 350,129
Loss allowance (lifetime ECL)	(32)	(42)	-	-	-	(74)
Amortized cost	<u>\$ 348,908</u>	<u>\$ 1,147</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 350,055</u>

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

	2022	2021
Balance, beginning of year	\$ 74	\$ 3,010
Less: Reversal	(28)	(2,936)
Balance, end of year	<u>\$ 46</u>	<u>\$ 74</u>

IX. Net inventory

	December 31, 2022	December 31, 2021
Finished goods	\$ 51,586	\$ 65,443
Raw materials	<u>303</u>	<u>1,612</u>
	<u>\$ 51,889</u>	<u>\$ 67,055</u>

The nature of the cost of goods sold is as follows:

	<u>2022</u>	<u>2021</u>
Cost of inventories sold	\$ 655,339	\$ 839,976
Allowance for inventory write-downs	<u>353</u>	<u>1,920</u>
	<u>\$ 655,692</u>	<u>\$ 841,896</u>

X. Investments accounted for using equity method

Subsidiary

	<u>December 31, 2022</u>	<u>December 31, 2021</u>
<u>Name of subsidiary</u>		
J.B.T INDUSTRIAL CO., LTD.		
(J.B.T)	\$ 523,976	\$ 475,570
Ji-Haw Opto-Electrical (Kunshan) Co., Ltd. (J.H.P)	256,234	224,623
Ji-Haw Electronics (Kunshan) Co., Ltd. (J.H.K)	79,358	210,229
JI-HAW INVESTMENT CO., LTD. (J.H.I)	<u>4,277</u>	<u>4,732</u>
	<u>\$ 863,845</u>	<u>\$ 915,154</u>

The proportion of the Company's ownership in the equity and voting rights of subsidiaries on the balance sheet date was as follows:

	<u>December 31, 2022</u>	<u>December 31, 2021</u>
JBT	100.00%	100.00%
J.H.P (Note 1)	40.48%	40.48%
J.H.K (Note 2)	100.00%	100.00%
J.H.I	100.00%	100.00%
J.H.E (Note 3)	-	-

Note 1: 40.48% held directly by the Company and 59.52% held directly by the 100% owned subsidiary, J.B.T.

Note 2: The Consolidated Company's Board of Directors resolved on June 28, 2022 to close the operation of its mainland subsidiary, J.H.K., which is not expected to be completed as at December 31, 2022.

Note 3: The Group signed the share transfer agreement on September 10, 2021 for the disposal of the 100% ownership in its subsidiary, J.H.E. The transaction has been concluded on December 29, 2021, on which the control of J.H.E was transferred to the acquirer.

XI. Property, plants, and equipment

	Land	Buildings	Machinery and equipment	Transportation Equipment	Other equipment	Total
<u>Cost</u>						
Balance as of January 1, 2022	\$ 88,310	\$ 15,903	\$ 42,219	\$ 3,910	\$ 4,862	\$ 155,204
Additions	-	-	-	-	329	329
Disposals	-	-	(435)	-	(2,348)	(2,783)
Balance as of December 31, 2022	<u>\$ 88,310</u>	<u>\$ 15,903</u>	<u>\$ 41,784</u>	<u>\$ 3,910</u>	<u>\$ 2,843</u>	<u>\$ 152,750</u>
<u>Accumulated Depreciation</u>						
Balance as of January 1, 2022	\$ -	\$ 11,426	\$ 23,696	\$ 1,814	\$ 3,838	\$ 40,774
Depreciation expense	-	749	4,319	623	330	6,021
Disposals	-	-	(435)	-	(2,348)	(2,783)
Balance as of December 31, 2022	<u>\$ -</u>	<u>\$ 12,175</u>	<u>\$ 27,580</u>	<u>\$ 2,437</u>	<u>\$ 1,820</u>	<u>\$ 44,012</u>
Net Balance as of December 31, 2022	<u>\$ 88,310</u>	<u>\$ 3,728</u>	<u>\$ 14,204</u>	<u>\$ 1,473</u>	<u>\$ 1,023</u>	<u>\$ 108,738</u>
<u>Cost</u>						
Balance at January 1, 2021	\$ 88,310	\$ 15,903	\$ 43,228	\$ 3,910	\$ 4,633	\$ 155,984
Additions	-	-	378	-	508	886
Disposals	-	-	(1,387)	-	(279)	(1,666)
Balance on December 31, 2021	<u>\$ 88,310</u>	<u>\$ 15,903</u>	<u>\$ 42,219</u>	<u>\$ 3,910</u>	<u>\$ 4,862</u>	<u>\$ 155,204</u>
<u>Accumulated Depreciation</u>						
Balance at January 1, 2021	\$ -	\$ 10,677	\$ 20,551	\$ 1,163	\$ 3,732	\$ 36,123
Depreciation expense	-	749	4,532	651	385	6,317
Disposals	-	-	(1,387)	-	(279)	(1,666)
Balance on December 31, 2021	<u>\$ -</u>	<u>\$ 11,426</u>	<u>\$ 23,696</u>	<u>\$ 1,814</u>	<u>\$ 3,838</u>	<u>\$ 40,774</u>
Carrying amount at December 31, 2021	<u>\$ 88,310</u>	<u>\$ 4,477</u>	<u>\$ 18,523</u>	<u>\$ 2,096</u>	<u>\$ 1,024</u>	<u>\$ 114,430</u>

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

Buildings	5-24 years
Machinery and equipment	5-8 years
Transportation Equipment	5 years
Other equipment	2-5 years

Depreciation is calculated over the estimated useful lives of 5 to 24 years for each material component of buildings which includes the main building, electrical and mechanical construction, and improvements.

Please refer to Note 25 for the amount of property, plants, and equipment pledged for borrowings.

XII. Investment properties

	Land	Buildings	Total
<u>Cost</u>			
Balance at January 1 and December 31, 2022	<u>\$ 60,240</u>	<u>\$ 31,840</u>	<u>\$ 92,080</u>
<u>Accumulated Depreciation</u>			
Balance as of January 1, 2022	\$ -	\$ 24,389	\$ 24,389
Depreciation expense	-	<u>1,317</u>	<u>1,317</u>
Balance as of December 31, 2022	<u>\$ -</u>	<u>\$ 25,706</u>	<u>\$ 25,706</u>

Net Balance as of December 31, 2022	<u>\$ 60,240</u>	<u>\$ 6,134</u>	<u>\$ 66,374</u>
<u>Cost</u>			
Balance at January 1 and December 31, 2021	<u>\$ 60,240</u>	<u>\$ 31,840</u>	<u>\$ 92,080</u>
<u>Accumulated Depreciation</u>			
Balance at January 1, 2021	\$ -	\$ 23,073	\$ 23,073
Depreciation expense	<u>-</u>	<u>1,316</u>	<u>1,316</u>
Balance on December 31, 2021	<u>\$ -</u>	<u>\$ 24,389</u>	<u>\$ 24,389</u>
Carrying amount at December 31, 2021	<u>\$ 60,240</u>	<u>\$ 7,451</u>	<u>\$ 67,691</u>

The lease term of investment properties is 1 to 2 years with the option to extend. The rent will be adjusted based on market price when the lessee exercises the option to renew, which is included in the terms of all lease contracts. The lessee is not granted the bargain purchase option at the end of lease term.

Lease payments receivable under operating leases of investment properties in the future was as follows:

	<u>December 31, 2022</u>	<u>December 31, 2021</u>
Year 1	\$ 5,787	\$ 11,574
Year 2	<u>-</u>	<u>5,787</u>
	<u>\$ 5,787</u>	<u>\$ 17,361</u>

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

Buildings	5-24 years
-----------	------------

Depreciation is calculated over the estimated useful lives of 5 to 24 years for each material component of buildings which includes the main building, electrical and mechanical construction, and improvements.

The fair value of the investment property has been initially valued by an independent valuer and measured with Level 3 input value by the management of the Company on each subsequent balance sheet date. The fair value of the Company's investment properties is regularly evaluated based on the above-mentioned independent appraiser's valuation, taking into account the market evidence of real estate transaction prices in nearby areas. The fair value derived from the evaluation is as follows:

	<u>December 31, 2022</u>	<u>December 31, 2021</u>
Land and buildings held under freehold interests	<u>\$279,540</u>	<u>\$228,405</u>

Please refer to Note 25 for the amount of investment property pledged for borrowing.

All lease commitments with lease terms commencing after the balance sheet dates are as follows:

	<u>December 31, 2022</u>	<u>December 31, 2021</u>
Lease commitments for investment properties	<u>\$ 5,787</u>	<u>\$ 17,361</u>

XIII. Short-term borrowings

	<u>December 31, 2022</u>	<u>December 31, 2021</u>
Secured loans (Note 25)		
Bank borrowings	<u>\$100,000</u>	<u>\$235,000</u>

The interest rates for bank loans were 2.24% and 1.17% per annum as of December 31, 2022 and 2021, respectively.

XIV. Other payables

	<u>December 31, 2022</u>	<u>December 31, 2021</u>
Payables for expenses	\$ 14,270	\$ 11,919
Payables for salaries and bonuses	<u>7,353</u>	<u>7,183</u>
	<u>\$ 21,623</u>	<u>\$ 19,102</u>

XV. Post-retirement benefit plan

(I) Defined contribution plan

The Company adopted a pension plan under the Labor Pension Act (the "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.

(II) Defined benefit plans

The defined benefit plan adopted by the Company in accordance with the Labor Standards Law is operated by the government. Pension benefits are calculated on the basis of the length of service and average monthly salaries of the 6 months before retirement. The Company contributes amounts equal to 5.8% 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 Company has no right to influence the investment policy and strategy.

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

	<u>December 31, 2022</u>	<u>December 31, 2021</u>
Present value of defined benefit obligation	\$ 7,522	\$ 9,425
Fair value of plan assets	(<u>6,699</u>)	(<u>5,566</u>)
Net defined benefit liabilities	<u>\$ 823</u>	<u>\$ 3,859</u>

Movements in net defined benefit liabilities were as follows:

	<u>Present value of defined benefit obligation</u>	<u>Fair value of plan assets</u>	<u>Net defined benefit liabilities</u>
Balance at January 1, 2021	\$ 16,549	(\$ 12,468)	\$ 4,081
Current service cost	130	-	130
Net interest expense	61	-	61
Expected return on plan assets	-	(<u>47</u>)	(<u>47</u>)

Recognized in profit or loss	<u>191</u>	(<u>47</u>)	<u>144</u>
Remeasurement			
Actuarial profit or loss - changes in assumptions	(<u>46</u>)	(<u>142</u>)	(<u>188</u>)
Actuarial profit or loss - changes in experience	<u>533</u>	<u>-</u>	<u>533</u>
Recognized in other comprehensive income or loss	<u>487</u>	(<u>142</u>)	<u>345</u>
Contributions from the employer	<u>-</u>	(<u>711</u>)	(<u>711</u>)
Benefits paid	(<u>7,802</u>)	<u>7,802</u>	<u>-</u>
Balance on December 31, 2021	<u>\$ 9,425</u>	(<u>\$ 5,566</u>)	<u>\$ 3,859</u>

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	Present value of defined benefit obligation	Fair value of plan assets	Net defined benefit liabilities
Balance as of January 1, 2022	<u>\$ 9,425</u>	(<u>\$ 5,566</u>)	<u>\$ 3,859</u>
Current service cost	<u>75</u>	<u>-</u>	<u>75</u>
Net interest expense	<u>45</u>	<u>-</u>	<u>45</u>
Expected return on plan assets	<u>-</u>	(<u>28</u>)	(<u>28</u>)
Recognized in profit or loss	<u>120</u>	(<u>28</u>)	<u>92</u>
Remeasurement			
Actuarial profit or loss - changes in assumptions	(<u>951</u>)	(<u>550</u>)	(<u>1,501</u>)
Actuarial profit or loss - changes in experience	(<u>1,072</u>)	<u>-</u>	(<u>1,072</u>)
Recognized in other comprehensive income or loss	(<u>2,023</u>)	(<u>550</u>)	(<u>2,573</u>)
Contributions from the employer	<u>-</u>	(<u>555</u>)	(<u>555</u>)
Balance as of December 31, 2022	<u>\$ 7,522</u>	(<u>\$ 6,699</u>)	<u>\$ 823</u>

An analysis by function of the amounts recognized in profit or loss in respect to the defined benefit plans is as follows:

	<u>2022</u>	<u>2021</u>
Administrative expenses	<u>\$ 92</u>	<u>\$ 144</u>

Through the defined benefit plans under the Labor Standards Law, the Company is exposed to the following risks:

1. Investment risk: The plan assets are invested in domestic and foreign equity securities, debt securities, and bank deposits, etc. The investment is conducted at the discretion of the Bureau of Labor Funds, Ministry of Labor or under the mandated management. However, 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 corporate 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 by reference to the future salaries of plan participants. As such, an increase in the salary 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 principal assumptions used for the purposes of the actuarial valuations were as follows:

	<u>December 31, 2022</u>	<u>December 31, 2021</u>
Discount rate	1.694%	0.481%
Expected return on plan assets	1.694%	0.481%
Expected rate of salary increase	0.500%	0.500%

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:

	<u>December 31, 2022</u>	<u>December 31, 2021</u>
Discount rate		
0.25% increase	(\$ <u>186</u>)	(\$ <u>253</u>)
0.25% decrease	\$ <u>192</u>	\$ <u>262</u>
Expected rate of salary increase		
0.25% increase	\$ <u>192</u>	\$ <u>259</u>
0.25% decrease	(\$ <u>187</u>)	(\$ <u>251</u>)
Expected return on plan assets		
0.25% increase	(\$ <u>1</u>)	(\$ <u>1</u>)
0.25% decrease	\$ <u>1</u>	\$ <u>1</u>

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

	<u>December 31, 2022</u>	<u>December 31, 2021</u>
The expected contributions to the plan for the next year	\$ <u>558</u>	\$ <u>715</u>
The average duration of the defined benefit obligation	10.29 years	11.04 years

XVI. EQUITY

(I) Share capital – Ordinary shares

	<u>December 31, 2022</u>	<u>December 31, 2021</u>
Number of shares authorized (in thousands)	<u>135,000</u>	<u>135,000</u>
Amount of shares authorized	<u>\$ 1,350,000</u>	<u>\$ 1,350,000</u>
Number of shares issued and fully paid (in thousands)	<u>112,719</u>	<u>112,719</u>
Amount of shares issued	<u>\$ 1,127,192</u>	<u>\$ 1,127,192</u>

(II) Capital surplus

	<u>December 31, 2022</u>	<u>December 31, 2021</u>
<u>May be used to offset a deficit, distributed as cash dividends, or transferred to share capital</u>		
Additional paid-in capital	\$200,025	\$200,025
Treasury share transactions	25,915	25,915
Donated assets received	<u>757</u>	<u>757</u>
	<u>\$226,697</u>	<u>\$226,697</u>

The capital surplus could be used to offset a deficit and distribute as cash dividends or transfer to capital when the Company has no deficit (limited to a certain percentage of the Company's paid-in capital and once a year).

(III) Retained earnings and dividend policy

Under the dividend policy as set forth in the Articles of Incorporation, where the Company made profit in a fiscal year, the profit shall be first utilized for paying taxes, offsetting losses of previous years, setting aside 10% of the remaining profit as legal reserve, 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 set forth in the Articles of Incorporation, refer to "Compensation of employees and remuneration of directors and supervisors" in Note 18 (e).

The distribution of dividends could be done through transferring retained earnings to capital, transferring capital surplus to capital, or through cash dividends, wherein cash dividends may not be less than 10% of the shareholder bonuses. To keep necessary funds, the proportion of stock dividends is determined depending on the Company's needs for future expansion of the operating scale and capital budget, the balance of its earnings per share, and the condition of cash flows and operating earnings. The remaining can be distributed as cash dividends.

Appropriation of earnings to legal reserve could be made until the legal reserve equals the Company's paid-in capital. 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.

The deficit offsetting proposals for 2021 and 2020 were resolved by the shareholders in their general meetings on June 20, 2022 and July 26, 2021, respectively.

The deficit offsetting proposal for 2022 are subject to the resolution of the Board of Directors, and is expected to be resolved at the general shareholders' meeting to be held in June 2023.

XVII. Revenue

	<u>2022</u>	<u>2021</u>
Revenue from contracts with customers		
Revenue from sale of goods	<u>\$ 698,712</u>	<u>\$ 880,581</u>
(I) Contract balances		
	<u>December 31, 2022</u>	<u>December 31, 2021</u>
Accounts receivable (note 8)	<u>\$ 192,808</u>	<u>\$ 299,234</u>

(II) Disaggregation of revenue from contracts with customers
2022

	Reportable segment			
	Connection cables	Optical fiber	Materials	Total
<u>Category of products or services</u>				
Revenue from sale of goods	<u>\$ 691,382</u>	<u>\$ 2,988</u>	<u>\$ 4,342</u>	<u>\$ 698,712</u>

2021

	Reportable segment			
	Connection cables	Optical fiber	Materials	Total
<u>Category of products or services</u>				
Revenue from sale of goods	<u>\$ 836,282</u>	<u>\$ 42,197</u>	<u>\$ 2,102</u>	<u>\$ 880,581</u>

XVIII. Net profit

(I) Other income

	2022	2021
Rental income	<u>\$ 10,143</u>	<u>\$ 10,741</u>

(II) Other gains and losses

	2022	2021
Total foreign exchange gain	<u>\$ 11,933</u>	<u>\$ 209</u>
Loss on disposal of subsidiaries (Note 21 and 24)	-	(3,987)
Others	<u>(1,375)</u>	<u>(473)</u>
	<u>\$ 10,558</u>	<u>(\$ 4,251)</u>

(III) Depreciation expense

	2022	2021
Property, plants, and equipment	<u>\$ 6,021</u>	<u>\$ 6,317</u>
Investment properties	<u>1,317</u>	<u>1,316</u>
Total	<u>\$ 7,338</u>	<u>\$ 7,633</u>

Analysis of depreciation by
function

Operating expenses	<u>\$ 6,021</u>	<u>\$ 6,317</u>
Other gains and losses	<u>1,317</u>	<u>1,316</u>
	<u>\$ 7,338</u>	<u>\$ 7,633</u>

(IV) Employee benefits

	2022	2021
Retirement benefits		
Defined contribution plan	<u>\$ 2,210</u>	<u>\$ 2,049</u>
Defined benefit plans	<u>92</u>	<u>144</u>
Others	<u>58,000</u>	<u>55,240</u>

Total	<u>\$ 60,302</u>	<u>\$ 57,433</u>
Analysis of employee benefits by function		
Operating expenses	<u>\$ 60,302</u>	<u>\$ 57,433</u>

(V) Compensation of employees and remuneration of directors and supervisors

According to the Articles of Incorporation, the Company shall distribute compensation of employees and remuneration of directors and supervisors at the rates of 3%~12% and 1%~3%, respectively, of the pre-tax profit prior to deducting compensation of employees and remuneration of directors and supervisors. However, the Company still has a deficit and therefore no compensation of employees and remuneration of directors and supervisors was appropriated.

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

The resolution that there would be no appropriations of compensation of employees and remuneration of directors and supervisors for 2021 and 2020 had been approved by the shareholders' meetings on June 20, 2022 and July 26, 2021, respectively. There is no difference from the amounts recognized in the standalone 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 is available at the Market Observation Post System website of Taiwan Stock Exchange.

(VI) Foreign exchange gain

	<u>2022</u>	<u>2021</u>
Total foreign exchange gain	\$ 43,638	\$ 17,711
Total foreign exchange loss	(31,705)	(17,502)
Net gain	<u>\$ 11,933</u>	<u>\$ 209</u>

XIX. Taxation

(I) Income tax recognized in profit or loss

The major components of tax expense were as follows:

	<u>2022</u>	<u>2021</u>
Deferred tax		
In respect of the current year	\$ 3,291	\$ 15,739
Adjustments for prior years	<u>828</u>	<u>139</u>
Income Tax Expenses Recognized in Profit or Loss	<u>\$ 4,119</u>	<u>\$ 15,878</u>

The reconciliation of accounting profit and income tax expense was as follows:

	<u>2022</u>	<u>2021</u>
Income tax (benefit) expense calculated at the statutory rate	(\$ 1,874)	\$ 16,561
Deductible temporary differences not recognized	5,165	(822)
Adjustments for prior years	<u>828</u>	<u>139</u>
Income Tax Expenses Recognized in Profit or Loss	<u>\$ 4,119</u>	<u>\$ 15,878</u>

(II) Income tax recognized in other comprehensive income

	<u>2022</u>	<u>2021</u>
<u>Deferred tax</u>		
In respect of the current year		
Re-measurement of defined benefit plans	(\$ <u>515</u>)	\$ <u>69</u>

(III) Current tax assets

	<u>December 31, 2022</u>	<u>December 31, 2021</u>
<u>Current income tax assets</u>		
(included in other current assets)		
Tax refund receivable	\$ <u>49</u>	\$ <u>6</u>

(IV) Deferred tax assets and liabilities

The movements of deferred tax assets and deferred tax liabilities were as follows:

2022

	Balance, beginning of year	Recognized in profit or loss	Recognized in other comprehensive income or loss	Balance, end of year
<u>Deferred tax assets</u>				
Allowance for write-down of inventories	\$ 1,461	\$ 71	\$ -	\$ 1,532
Defined benefit obligation	2,071	(93)	(515)	1,463
Net unrealized foreign exchange loss	16	796	-	812
Unrealized impairment loss of financial assets	2,800	-	-	2,800
Allowance in excess of the deductible limit	<u>30</u>	(<u>30</u>)	<u>-</u>	<u>-</u>
	<u>\$ 6,378</u>	<u>\$ 744</u>	(<u>\$ 515</u>)	<u>\$ 6,607</u>
<u>Deferred tax liabilities</u>				
Share of the net profit of associates accounting for using equity method	<u>\$ 50,032</u>	<u>\$ 4,863</u>	<u>\$ -</u>	<u>\$ 54,895</u>

2021

	Balance, beginning of year	Recognized in profit or loss	Recognized in other comprehensive income or loss	Balance, end of year
<u>Deferred tax assets</u>				
Allowance for write-down of inventories	\$ 1,077	\$ 384	\$ -	\$ 1,461
Defined benefit obligation	2,115	(113)	69	2,071
Net unrealized foreign exchange loss	-	16	-	16
Unrealized impairment loss of financial assets	2,800	-	-	2,800

Allowance in excess of the deductible limit	<u>170</u>	(<u>140</u>)	<u>-</u>	<u>30</u>
	<u>\$ 6,162</u>	<u>\$ 147</u>	<u>\$ 69</u>	<u>\$ 6,378</u>

Deferred tax liabilities

Share of the net profit of associates accounting for using equity method	\$ 33,622	\$ 16,410	\$ -	\$ 50,032
Net unrealized foreign exchange gain	<u>385</u>	(<u>385</u>)	<u>-</u>	<u>-</u>
	<u>\$ 34,007</u>	<u>\$ 16,025</u>	<u>\$ -</u>	<u>\$ 50,032</u>

(V) Unused loss carryforwards for which no deferred tax assets have been recognized in the standalone balance sheets

	<u>December 31, 2022</u>	<u>December 31, 2021</u>
Loss carryforwards		
Expiry in 2021	\$ -	\$ 13,104
Expiry in 2023	14,073	14,073
Expiry in 2024	46,971	46,971
Expiry in 2025	64,045	64,045
Expiry in 2026	53,454	53,454

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	<u>December 31, 2022</u>	<u>December 31, 2021</u>
Expiry in 2027	\$ 70,987	\$ 70,987
Expiry in 2029	67,882	67,882
Expiry in 2030	50,643	50,643
Expiry in 2031	79,357	79,357
Expiry in 2032	<u>25,825</u>	<u>-</u>
	<u>\$ 473,237</u>	<u>\$ 460,516</u>

(VI) Income tax assessments

The Company's business income tax returns up to 2020 have been approved by the tax collection authority.

XX. Earnings (losses) per share

The net profit (loss) and the weighted average number of ordinary shares outstanding used for the computation of earnings (losses) per share were as follows:

	<u>2022</u>	<u>2021</u>
Net profit (loss)	(<u>\$ 13,486</u>)	<u>\$ 66,929</u>
		<u>Unit: Thousand shares</u>
	<u>2022</u>	<u>2021</u>
Weighted average common stock shares used to calculate basic earnings (loss) per share	<u>112,719</u>	<u>112,719</u>

XXI. Disposal of invested subsidiary

The Company signed an agreement to dispose of 100% of the shares of its subsidiary, J.H.E, on September 10, 2021. J.H.E was engaged in the manufacturing and trading of precision molds, precision opto-electrical connectors, optical converter and relevant components, various wireless aerials, and new electronic devices of computer peripherals. The disposal was completed on December 29, 2021, when the Company lost its control

over J.H.E. Refer to note 12, 23 and 26 of consolidated financial statements of 2022 for information on the disposal of J.H.E.

XXII. Capital management

In consideration of the industry characteristics and future developments, as well as external environmental factors, the Company plans its needs for future working capital, research and development expenses, and dividend payments, in order to ensure that entities in the Group will be able to continue as going concerns while maximizing shareholder value in the long run through maintaining optimal capital structure and the optimization of the debt and equity balance.

The Company's management reviews the capital structure on a regular basis. As part of this review, the management considers the cost of capital and the risks associated with each class of capital. Based on the management's recommendations, the Company expects to balance its capital structure through the payment of dividends, borrowings from financial institutions or the payment of old debt.

XXIII. Financial instruments

(I) Fair value of financial instruments that are not measured at fair value

The Company believes the carrying amounts of financial assets and financial liabilities that are not measured at fair value approximated their fair values.

(II) Fair value of financial instruments that are measured at fair value on a recurring basis

Fair value hierarchy

December 31, 2022

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
<u>Financial Assets at Fair Value</u>				
<u>Through Other Comprehensive</u>				
<u>Income</u>				
Investments in equity				
instruments				
Unlisted shares on				
domestic and foreign				
markets	\$ -	\$ -	\$ -	\$ -

December 31, 2021

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
<u>Financial Assets at Fair Value</u>				
<u>Through Other Comprehensive</u>				
<u>Income</u>				
Investments in equity				
instruments				
Unlisted shares on				
domestic and foreign				
markets	\$ -	\$ -	\$ -	\$ -

There was no transfer between Level 1 and Level 2 for the years ended December 31, 2022 and 2021.

(III) Categories of financial instruments

	<u>December 31, 2022</u>	<u>December 31, 2021</u>
<u>Financial assets</u>		
Financial assets at amortized		
cost (note 1)	\$359,398	\$484,190
<u>Financial liabilities</u>		
Measured at amortized cost		
(note 2)	375,356	574,334

Note 1: The balances included financial assets measured at amortized cost, which comprise cash, notes receivable, net accounts, other receivables (recorded under other current assets), and refundable deposits.

Note 2: The balances included financial liabilities measured at amortized cost, which comprise short-term borrowings, notes payable, accounts, accounts payable - related parties, other payables and guarantee deposits received.

(IV) Financial risk management objectives and policies

The Company's operating activities require the use of multiple financial instruments, including equity investments, accounts receivable, accounts payable, and bank borrowings. However, due to the aforementioned financial instruments and operating activities, the Company is exposed to risks such as credit risk, liquidity risk, and market risk.

To avoid the possible adverse impact by the aforementioned financial risks on the Company, the Company has been dedicated to analyzing, identifying, and evaluating relevant financial risks. The financial risk management framework of the Company is supervised by the Board of Directors. The accounting department establishes and follows financial risk management policies. Financial risk control procedures are regularly and irregularly reviewed by the internal auditors and related results are reported to the Board of Directors on a regular basis. The Company is committed to developing a disciplined and constructive control environment to reduce the potential adverse impact of the aforementioned risks on the Company.

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).

There were no changes in the exposures of financial instruments to market risk and the management and measurement of such exposures.

(1) Foreign currency risk

The Company had foreign currency sales and purchases, which exposed the Company to foreign currency risk. Exchange rate exposures were managed by hedging which was not for the purpose of making profits. Foreign currency inflows and outflows resulted in natural hedging effects in the long run, and exchange rate changes had little impact on the Company's operations. Therefore, the Company only adjusted the cash reserves of foreign currency deposits and did not use accounts receivable/payable as derivative products for hedging. However, the hedging for exchange rate risk will be carried out through relevant commodities in a timely manner based on the exchange rate movement and the evaluation report of financial institutions.

Refer to note 26 for the carrying amounts of monetary assets and liabilities denominated in non-functional currencies at the balance sheet dates.

Sensitivity Analysis

The Company is primarily affected by fluctuations in the U.S. dollar exchange rate.

The following schedule details the sensitivity analysis of the Company when the New Taiwan dollar (functional currency) strengthens or weakens by 1% against relevant foreign currencies. 1% 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 1% change in foreign currency rates. The positive numbers in the following table represent the amount by which the net profit before tax would be increased/the net loss before tax would be reduced when the New Taiwan Dollar depreciates by 1% against the relevant foreign currencies, and the effect on the net profit/net loss before tax when the New Taiwan Dollar appreciates by 1% against the relevant foreign currencies. It will be a negative number of the same amount.

	USD impact	
	2022	2021
Profit or loss	\$ 803	\$ 1,149

This was mainly due to the Company's bank deposits and receivables and payables denominated in U.S. dollars that were outstanding and not cash flow hedged at the balance sheet date.

(2) Interest rate risk

The carrying amounts of the Company's financial assets and financial liabilities exposed to interest rate risk as of the balance sheet date were as follows:

	<u>December 31, 2022</u>	<u>December 31, 2021</u>
<u>Risk of cash flow changes</u>		
<u>due to interest rate</u>		
Financial assets	\$164,570	\$106,390
Financial liabilities	100,000	235,000

Sensitivity Analysis

The sensitivity analyses below have been determined on the basis of the exposure to interest rates for non-derivative instruments on balance sheet dates. For floating rate assets and liabilities, the analysis is prepared assuming the amount of the asset and liability outstanding on the balance sheet dates outstanding for the entire period. A 100 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 100 basis points higher/lower and all other variables were held constant, the Company's profit/loss before tax for the years ended December 31, 2022 and 2021 would increase by \$645 thousand and decrease by \$1,286 thousand, respectively, which was mainly attributable to the Company's exposure to interest rates on its variable rate deposits and bank loans.

(3) Other price risk

The Company was exposed to equity price risk through its investments in domestic and foreign listed equity securities. The Company does not actively trade these investments. Relevant personnel has been assigned to the supervision of price risk and assessment of the timing of increasing the hedging.

As the amount of equity investment was not material, there was no significant price risk of changes in equity price.

2. Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Group. As of the balance sheet date, the Company's maximum exposure to credit risk resulting from the counterparty's default on its contractual obligations and the Company's provision of financial guarantee is the carrying amount of the financial assets on the standalone balance sheets.

To mitigate the impact of credit risk, the Company considers the default risk by industries and countries of each customer, as well as the nature of the counterparty (capital scale, loan status, etc.), based on which credit policies, payment terms and trade terms were established by the accounting department. If necessary, a third-party risk assessment institution was engaged to assess its risk. Relevant terms are reviewed and audited by the audit office regularly.

Given that most of the major customers are well-known domestic listed (TWSE/TPEX) companies with normal transaction records, the default risks is quite low. The risk from new small customers is managed by only receiving advance payments or cash. After the transaction basis becomes stable, the credit limit is updated by referring to external information. Hence, there is limited impact of the credit risk on the Company. Furthermore, the Company has established a provision policy, set allowance account, and presented in the statement to reflect the estimation of the potential loss resulted from the credit risk.

3. Liquidity risk

Liquidity risk refers to the risk that relevant obligations are not fulfilled due to the Company's failure to settle the financial liabilities by cash or other financial assets. The share capital and working capital of the Company is sufficient, therefore there is no liquidity risk from the inability to raise capital for fulfilling contractual obligations. Bank borrowing is an important source of liquidity for the Company. As of December 31, 2022 and 2021, the unused short-term bank loan facilities amounted to 320,000 thousand and 65,000 thousand, respectively.

Liquidity and interest rate risk tables for non-derivative financial liabilities

The analysis for the Company's remaining contractual maturities for its non-derivative financial liabilities with agreed repayment periods has been drawn up based on the undiscounted cash flows (including both the principal and estimated interests) of financial liabilities from the earliest date on which the Company can be required to pay. Specifically, bank loans with a repayment on demand clause were included in the earliest time band regardless of the probability of the banks choosing to exercise their rights. The maturity dates for other non-derivative financial liabilities were based on the agreed repayment dates.

The undiscounted interest payment relating to borrowings with variable interest rates was extrapolated based on the yield curve as of the end of the reporting period.

December 31, 2022

	On Demand or Less than 1 Month	1-3 Months	3 Months to 1 Year	1-5 Years
<u>Non-derivative</u> <u>Financial</u> <u>Liabilities</u>				
Non-interest bearing liabilities	\$ 104,422	\$ 81,013	\$ 74,089	\$ 1,562
Variable interest rate liabilities	-	-	100,111	-
	<u>\$ 104,422</u>	<u>\$ 81,013</u>	<u>\$ 174,200</u>	<u>\$ 1,562</u>

December 31, 2021

	On Demand or Less than 1 Month	1-3 Months	3 Months to 1 Year	1-5 Years
<u>Non-derivative</u> <u>Financial</u> <u>Liabilities</u>				
Non-interest bearing liabilities	\$ 56,358	\$ 137,128	\$ 144,175	\$ 1,673
Variable interest rate liabilities	65,197	15,314	155,121	-
	<u>\$ 121,555</u>	<u>\$ 152,442</u>	<u>\$ 299,296</u>	<u>\$ 1,673</u>

The amounts included above for variable interest rate instruments for non-derivative financial liabilities were subject to change if changes in variable interest rates were to differ from those estimates of interest rates determined at the end of the reporting period.

XXIV. Related-party transactions

In addition to those disclosed in other notes, details of transactions between the Company and other related parties were disclosed below:

(I) Related party name and category

<u>Related Party Name</u>	<u>Related Party Category</u>
J.B.T	Subsidiaries
J.H.P	Subsidiaries
Unicomm Group Limited (U.G.L.)	Substantive related party

(II) Operating income

<u>Account Item</u>	<u>Related Party Category</u>	<u>2022</u>	<u>2021</u>
Revenue from sale of goods	Subsidiaries	<u>\$ 4,342</u>	<u>\$ 2,102</u>

(III) Operating costs

<u>Account Item</u>	<u>Related Party Name</u>	<u>2022</u>	<u>2021</u>
Manufacturing expenses	J.H.P	<u>\$ 582,852</u>	<u>\$ 775,139</u>

(IV) Receivables from related parties

<u>Account Item</u>	<u>Related Party Name</u>	<u>December 31, 2022</u>	<u>December 31, 2021</u>
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Other receivables - related parties	U.G.L.	\$ _____	\$ <u>25,489</u>
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(V) Payables to related parties (excluding borrowings from related parties)

Account Item	Related Party Name/Category	December 31, 2022	December 31, 2021
Accounts payable - related parties	JHP	\$ 241,811	\$ 328,460
	Subsidiaries	<u>569</u>	<u>68</u>
		<u>\$ 242,380</u>	<u>\$ 328,528</u>

After the Company sells raw materials to its subsidiaries to make finished products, part of the Company repurchases through direct or triangle trade for resell to the Company's customers. The transaction of the sale of raw materials and the repurchase has been eliminated in the financial statements. The amount of raw materials sold by the Company in the price of the Company's purchase of finished goods from the subsidiaries has been offset against each other in the financial statements and is not deemed as purchases or sales; the remaining difference is stated as processing expenses (booked as manufacturing expenses).

The raw materials were sold by the Company to its subsidiaries at a cost plus price with a payment term of 150 days from the end of month.

The Company purchases finished products from its subsidiaries directly or through triangle trade at the price equaling the final sales price of the finished products. The resulting accounts payable generally offsets the accounts receivable from the sale of raw materials. The payment term is 150 days from the end of month.

(VI) Disposal of other assets

Related Party Name	Account Item	Proceeds from disposal		Loss on disposal	
		2022	2021	2022	2021
U.G.L.	Disposal of subsidiaries	\$ _____	\$ <u>51,171</u>	\$ _____	(\$ <u>3,987</u>)

(VII) Compensation to key management of the Group

	2022	2021
Short-term employee benefits	\$ 2,975	\$ 3,185
Retirement benefits	<u>154</u>	<u>154</u>
	<u>\$ 3,129</u>	<u>\$ 3,339</u>

The remuneration to directors and key management was determined by the remuneration committee based on individual performance and market.

XXV. Pledged assets

The following assets were provided as collateral for bank borrowings:

	December 31, 2022	December 31, 2021
Property, plants, and equipment, net	\$ 92,038	\$ 92,787
Investment properties, net	<u>66,374</u>	<u>67,691</u>
	<u>\$158,412</u>	<u>\$160,478</u>

XXVI. Significant Assets and Liabilities Denominated in Foreign Currencies

The following information was aggregated by the foreign currencies other than functional currencies of the Company and the exchange rates between foreign currencies and respective functional currencies were disclosed. The significant assets and liabilities denominated in foreign currencies were as follows:

December 31, 2022

	Foreign currencies	Exchange Rate	Carrying Amount
<u>Financial assets</u>			
<u>Monetary Item</u>			
USD	\$ 10,969	30.71 (USD:NTD)	\$ 336,844
<u>Non-monetary items</u>			
Investments accounted for using equity method			
USD	11,067	30.71 (USD:NTD)	339,869
THB	586,037	0.8941 (THB:NTD)	523,976
<u>Financial Liabilities</u>			
<u>Monetary Item</u>			
USD	8,353	30.71 (USD:NTD)	256,511
<u>December 31, 2021</u>			
	Foreign currencies	Exchange Rate	Carrying Amount
<u>Financial assets</u>			
<u>Monetary Item</u>			
USD	\$ 16,234	27.68 (USD:NTD)	\$ 449,359
<u>Non-monetary items</u>			
Investments accounted for using equity method			
USD	15,881	27.68 (USD:NTD)	439,584
THB	569,750	0.8347 (THB:NTD)	475,570
<u>Financial Liabilities</u>			
<u>Monetary Item</u>			
USD	12,083	27.68 (USD:NTD)	334,450

Foreign exchange gains and losses with material influence (including realized and unrealized) are as follows:

	2022	2021
Foreign currencies	Exchange Rate	Exchange Rate
USD	30.71 (USD:NTD)	28.01 (USD:NTD)
	Net exchange gains (losses)	Net exchange gains (losses)
	<u>\$11,933</u>	<u>\$ 209</u>

XXVII. Other Disclosures

(I) Information on significant transactions:

1. Financing provided to others. (None)
 2. Endorsements/guarantees provided. (None)
 3. Marketable securities held (excluding investments in subsidiaries and associates). (Table 1)
 4. Marketable securities acquired or disposed of at costs or prices 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)
- (II) Information on investees (Table 4)
- (III) 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, 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)
 - (1) The amount and percentage of purchases and the balance and percentage of the related payables at the end of the period.
 - (2) The amount and percentage of sales and the balance and percentage of the related receivables at the end of the period.
 - (3) The amount of property transactions and the amount of the resultant gains or losses.
 - (4) The balance of negotiable instrument endorsements or guarantees or pledges of collateral at the end of the period and the purposes.
 - (5) The highest balance, the end of period balance, the interest rate range, and total current period interest with respect to financing of funds.
 - (6) 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 receipt of services.
- (IV) 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)

Ji-Haw Industrial, Co., Ltd., and Subsidiaries
Marketable Securities Held
December 31, 2022

Table 1

Unit: thousands of New Taiwan Dollar unless otherwise specified

Holding Company Name	Marketable Securities Type and Name	Relationship with the issuer of securities	Financial Statement Account	End of the period				Remarks
				No. of shares	Carrying Amount	Shareholding ratio (%)	Fair value	
Ji-Haw Industrial, Co., Ltd.	<u>shares</u> Chunghwa Picture Tubes, Ltd.	-	Current financial assets at fair value through other comprehensive income	604	\$ -	-	\$ -	Note 2
	Soyo Link Energy Co., Ltd.	-	Non-current financial assets at fair value through other comprehensive income	300,000	-	7.14	-	Note 2
	Li Wang Technology Co., Ltd.	-	Non-current financial assets at fair value through other comprehensive income	185,185	-	6.90	-	Note 2
	S SQUARE SYSTEM LTD.	-	Non-current financial assets at fair value through other comprehensive income	747	-	3.19	-	Note 2
J.H.I	<u>shares</u> Vision Works Inc.	-	Non-current financial assets at fair value through profit or loss	190,000	336	19.00	336	Note 2
	ING Group N.V.	-	Current financial assets at fair value through profit or loss	3,000	1,121	-	1,121	Note 2
	TESLA MORTORS INC	-	Current financial assets at fair value through profit or loss	30	113	-	113	Note 2
	BEYOND MEAT INC	-	Current financial assets at fair value through profit or loss	80	31	-	31	Note 2

Note 1: Marketable securities stated in this table refer to stocks within the scope of IFRS 9 "Financial Instruments".

Note 2: Not provided as collateral, pledged, or restricted in other ways.

Ji-Haw Industrial, Co., Ltd., and Subsidiaries
Total purchases from or sales to related parties amounting to at least NT\$100 million or 20% of the paid-in capital
2022

Table 2

Unit: thousands of New Taiwan Dollar unless otherwise specified

Buyer (Seller)	Related Party	Relationship	Transaction Details				Abnormal Transaction		Notes/Accounts Receivable (Payable)		Remarks
			Purchase (Sale)	Amount	Percentage to Total Sales (Purchases) (%)	Collection/Payment terms	Unit Price	Collection/Payment terms	Ending Balance	Percentage to Total Notes/Accounts Receivable (Payable) (%)	
Ji-Haw Industrial, Co., Ltd.	J.H.P	Subsidiaries	Processing expense	\$ 582,852	83	Note 2	Note 1	Note 2	(\$ 241,811)	93	-
J.H.P	Ji-Haw Industrial, Co., Ltd.	Parent	Processing revenue	(582,852)	45	Note 2	Note 1	Note 2	241,811	57	-

Note 1: Charged based on the difference between final sales price of the finished goods and raw material at markup.

Note 2: 150 days from the end of month after accounts receivable and payable netting.

Ji-Haw Industrial, Co., Ltd., and Subsidiaries
Receivables from related parties amounting to at least NT\$100 million or 20% of the paid-in capital
December 31, 2022

Table 3

Unit: thousands of New Taiwan Dollar unless otherwise specified

Company Name	Related Party	Relationship	Ending Balance	Turnover Rate	Overdue		Amount Received in Subsequent Period	Allowance for Impairment Loss
					Amount	Actions Taken		
J.H.P	Ji-Haw Industrial, Co., Ltd.	Parent	\$241,811	2.04	\$ -	-	Note 1	\$ -

Note 1: Netting of accounts receivable and payable.

Ji-Haw Industrial, Co., Ltd., and Subsidiaries
Information on investees
2022

Table 4

Unit: thousands of New Taiwan Dollar unless otherwise specified

Investor	Investee	Location	Main business or production items	Initial investment amount		Balance as of December 31, 2022			Net profit (loss) of the investee for the year ended December 31, 2021	Investment income (loss) recognized by the Company for the year ended December 31, 2021 (Note 1)	Remarks
				Balance as at December 31, 2021	Balance as at December 31, 2020	No. of shares	Percentage of ownership (%)	Carrying Amount			
Ji-Haw Industrial, Co., Ltd.	J.B.T	227, M003, Laem Chabang Industrial Estate, Sukhumvit Road, Thungsukla, Sriracha, Chonburi 20230 Thailand	Manufacturing and trading of computer cables or plugs	\$ 207,215	\$ 207,215	18,600,000	100.00	\$ 523,976	\$ 31,214	\$ 31,214	-
	J.H.I	Sertus Chambers, P.O. Box 603, Apia, Samoa.	Investing in overseas financial products and stocks	9,649	9,649	300,000	100.00	4,277	(944)	(944)	-

Note 1: The amounts are based on audited financial statements of the same period.

Note 2: Refer to Table 5 for information on investment in mainland China.

Ji-Haw Industrial, Co., Ltd., and Subsidiaries
Information on investment in mainland China
2022

Table 5

Unit: thousands of New Taiwan Dollar
unless otherwise specified

Investee	Main business or production items	Paid-in capital	Method of Investment	Accumulated Outward Remittance for Investment from Taiwan as of January 1, 2021	Remittance of Funds		Accumulated Outward Remittance for Investment from Taiwan as of December 31, 2021	Profit or loss of investees (Note 1)	Percentage of Ownership of Direct or Indirect Investment	Investment income (loss) recognized by the Company for the year ended December 31, 2021 (Note 1)	Book value of investments at the end of the period (Note 1)	Accumulated Repatriation of Investment Income as of December 31, 2021	Remarks
					Outward	Inward							
J.H.K	Manufacturing and trading of computer cables or plugs	US\$100,000	Direct investment with 100% ownership	\$ 3,071 (US\$ 100,000)	\$ -	\$ 92,748	\$ 3,071 (US\$ 100,000)	(\$ 36,656)	100.00%	(\$ 36,656)	\$ 79,358	\$ 277,250	-
J.H.P	Manufacturing and trading of precision ceramics, precision molds, and computer cables and plugs	US\$12,600,000	40.48% held directly by the Company and 59.52% held directly by the 100% owned subsidiary, J.B.T.	294,816 (US\$9,600,000)	-	-	294,816 (US\$9,600,000)	65,998	100.00%	65,998	632,989	-	Note 3
Chuzhou Ding Wang	Investment development	CNY60,180,000	Held directly by the 100% owned subsidiary, J.H.P.	-	-	-	-	10	39.00%	4	98,965	-	-

Accumulated Outward Remittance for Investment in Mainland China as of December 31, 2021	Investment Amounts Authorized by Investment Commission, MOEA	Limit on the Amount of Investment Stipulated by Investment Commission, MOEA
\$ 297,887 (US\$9,700,000)	\$ 390,017 (US\$12,700,000)	\$ 611,983 (Note 4)

Note 1: The amounts are based on audited financial statements of the same period.

Note 2: Except for the investee's income and investment income recognized in the current period, which were calculated using the average exchange rates from January 1 to December 31, 2022, all others were calculated using the spot exchange rate at the end of December 2022.

Note 3: Among the recognized investment benefits of \$65,998 thousand, 26,714 thousand was recognized based on the shareholding ratio of 40.48% by the Company and the remaining 39,284 thousand was recognized based on the shareholding ratio of 59.52% by the 100% owned subsidiary, J.B.T.

Note 4: Calculated pursuant to Article 3 of "Principle of investment or Technical Cooperation in Mainland China", MOEA, which was the higher of the net worth of the entity or 60% of the consolidated net worth.

Ji-Haw Industrial, Co., Ltd.
Information on major shareholders
December 31, 2022

Table 6

Name of The Major Shareholder	Shares	
	Number of Shares Owned	Shareholding ratio
Lin Wen-Hwang	5,852,901	5.19%

Note: 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 preference 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 for the current quarter. The share capital in the standalone financial statements may differ from the actual number of shares that have been issued without physical registration because of different preparation basis.

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Ji-Haw Industrial, Co., Ltd.
Statement of cash and cash equivalents
December 31, 2022

Statement 1

Unit: thousands of New Taiwan Dollar
unless otherwise specified

Name	Amount
Cash	
Cash on hand (note 1)	\$ 1,055
Bank checking accounts	896
Demand deposits (note 2)	<u>164,570</u>
	<u>\$166,521</u>

Note 1: The details of foreign currencies in cash on hand were as follows: (expressed in dollars)

Currency	Amount in foreign currency	Exchange Rate
JPY	\$ 897	0.2809
USD	448	30.71
THB	6,364	1.648
CNY	171,149	4.4716
MYR	780	8.5936
HKD	31,599	4.3245
SGD	2,240	23.2164
HUF	20,700	0.1631
PHP	715	1.0749
DKK	136	5.5351
SEK	292	4.2329
DEM	26	15.9657
CZK	1,100	1.4855
IDR	7,100,000	0.0028

Note 2: Including US\$4,799 thousand translated at the rate of US\$1=NT\$30.71.

Ji-Haw Industrial, Co., Ltd.
Statement of accounts receivable
December 31, 2022

Statement 2

Unit: NT\$ thousand

Customer Name	Amount
CH416	\$ 80,049
CH045	32,110
CH199	13,433
TA835	14,006
CH382	9,700
Others (note)	<u>43,510</u>
Total	192,808
Less: allowance	<u>46</u>
Net	<u><u>\$192,762</u></u>

Note: The amount of individual customer included in others does not exceed 5% of the account balance.

Ji-Haw Industrial, Co., Ltd.
Statement of inventories
December 31, 2022

Statement 3

Unit: NT\$ thousand

Name	Amount	
	Cost	Market price (Note 1)
Raw materials	\$ 3,954	\$ 372
Finished goods	<u>55,593</u>	<u>55,347</u>
Total	59,547	<u>\$ 55,719</u>
Less: allowance (note 2)	<u>7,658</u>	
Net	<u>\$ 51,889</u>	

Note 1: The net realizable value

Note 2: The allowance for loss on decline in value of inventory and slow-moving inventory

Ji-Haw Industrial, Co., Ltd.
Statement of changes in investments accounted for using equity method
2022

Statement 4

Unit: thousands of New Taiwan Dollar,
unless otherwise specified

Name	Par value		Balance, beginning of year			Changes in the current period			Balance, end of year			Remarks
			No. of shares	Shareholding ratio (%)	Amount	Decrease	Investment losses (Note 1)	Exchange differences on translation of foreign operations	No. of shares	Shareholding ratio (%)	Amount	
Unlisted shares												
J.B.T	THB	10	18,600,000	100.00	\$475,570	\$ -	\$ 31,214	\$ 17,192	18,600,000	100.00	\$523,976	-
J.H.P			-	100.00	224,623	-	26,714	4,897	-	100.00	256,234	Note 3
J.H.K			-	100.00	210,229	(92,748)	(36,656)	(1,467)	-	100.00	79,358	Note 4
J.H.I	USD	1	300,000	100.00	<u>4,732</u>	<u>-</u>	<u>(944)</u>	<u>489</u>	300,000	100.00	<u>4,277</u>	-
					<u>\$915,154</u>	<u>(\$ 92,748)</u>	<u>\$ 20,328</u>	<u>\$ 21,111</u>			<u>\$863,845</u>	

Note 1: The amounts are based on audited financial statements for the year ended December 31, 2022.

Note 2: The long-term investment has not been provided as collateral or pledged for the current period.

Note 3: Among the recognized investment benefits of J.H.P of \$65,998 thousand, 26,714 thousand was recognized based on the shareholding ratio of 40.48% by the Company and the remaining 39,284 thousand was recognized based on the shareholding ratio of 59.52% through the 100% owned subsidiary, J.B.T.

Note 4: The decrease this year is due to the distribution of earnings to subsidiaries.

Ji-Haw Industrial, Co., Ltd.
Statement of short-term borrowings
December 31, 2022

Statement 5

Unit: NT\$ thousand

<u>Type and debtor</u>	<u>Contract period</u>	<u>Interest rate (%)</u>	<u>Amount</u>	<u>Loan Commitment</u>	<u>Collateral</u>
Mortgage loan					
Mega	111.10.19~112.04.21	2.24%	<u>\$ 100,000</u>	<u>\$ 420,000</u>	Property, plant and equipment and investment properties (at Baoxing Rd., Xindian Dist., New Taipei City)
International					
Commercial					
Bank					

Note: As of December 31, 2022, the unused short-term bank loan facilities amounted to 320,000 thousand.

Ji-Haw Industrial, Co., Ltd.
Statement of operating costs
2022

Statement 6

Unit: NT\$ thousand

Name	Amount
Cost of self-produced products x	
Raw materials, beginning of the year	\$ 6,715
Add: raw materials purchased	52,945
Less: raw materials, end of the year	3,954
Cost of raw materials sold	4,342
Recognized as expenses	<u>15</u>
Raw materials used	51,349
Manufacturing expenses	<u>587,867</u>
Manufacturing costs	639,216
Add: finished goods, beginning of the year	67,645
Less: finished goods, end of the year	55,593
Recognized as expenses	271
Write-down of inventories	<u>353</u>
Cost of self-produced products	651,350
Cost of goods sold	
Raw materials sold as goods	<u>4,342</u>
Operating costs	<u><u>\$ 655,692</u></u>

Ji-Haw Industrial, Co., Ltd.
Statement of operating expenses
2022

Statement 7

Unit: NT\$ thousand

Item	Selling expenses	Administrativ e expenses	R&D expenses	Total
Salary expenses	\$ 18,418	\$ 33,411	\$ 2,559	\$ 54,388
Depreciation expenses	4,226	1,441	1,671	7,338
Insurance expenses	3,194	2,644	313	6,151
Others (note)	<u>10,357</u>	<u>10,429</u>	<u>2,831</u>	<u>23,617</u>
Subtotal	<u>\$ 36,195</u>	<u>\$ 47,925</u>	<u>\$ 7,374</u>	91,494
Reversal of Impairment loss of expected credit loss				(<u>28</u>)
Total				<u>\$ 91,466</u>

Note: The amount of items included in others does not exceed 5% of the account balance.

Ji-Haw Industrial, Co., Ltd.
Statement of employee benefits and depreciation expenses by function
For the Years Ended December 31, 2022 and 2021

Statement 8

Unit: NT\$ thousand

	2022			2021		
	Classified as Operating Costs	Classified as Operating Expenses	Total	Classified as Operating Costs	Classified as Operating Expenses	Total
Employee benefits						
Salaries	\$ -	\$ 51,621	\$ 51,621	\$ -	\$ 48,942	\$ 48,942
Labor and health insurance	-	4,272	4,272	-	4,227	4,227
Pension	-	2,302	2,302	-	2,193	2,193
Remuneration to directors	-	465	465	-	360	360
Others	-	1,642	1,642	-	1,710	1,710
	<u>\$ -</u>	<u>\$ 60,302</u>	<u>\$ 60,302</u>	<u>\$ -</u>	<u>\$ 57,432</u>	<u>\$ 57,432</u>
Depreciation expense	<u>\$ -</u>	<u>\$ 7,338</u>	<u>\$ 7,338</u>	<u>\$ -</u>	<u>\$ 7,633</u>	<u>\$ 7,633</u>

Note 1: As of December 31, 2021 and 2020, the Company had 62 and 61 employees, respectively. Among them 2 directors did not serve concurrently as employees in 2021 and 2020, respectively. The calculation basis was the same as employee benefits.

Note 2: (1) Average employee benefits for the year ended December 31, 2021 was NT\$997 thousand. Average employee benefits for the year ended December 31, 2020 was NT\$967 thousand.

(2) Average salaries for the year ended December 31, 2021 was NT\$860 thousand. Average employee benefits for the year ended December 31, 2020 was NT\$830 thousand.

(3) Changes of adjustments of average salaries was 3.61%.

(4) Remuneration to supervisors for the year ended December 31, 2021 was NT\$ 180 thousand. Remuneration to supervisors for the year ended December 31, 2020 was NT\$ 180 thousand.

(5) Remuneration and Compensation policy (including directors, supervisors, the managements and employees):

Remuneration to directors and supervisors: remuneration is appropriated according to the Articles of Incorporation, regulated by the Remuneration Committee, resolved by the Board of Directors and distributed after passed by the shareholders' meeting.

Compensation to the management and employees: compensation standards are formulated based on their duties, education, professional skills. Salary adjustment and bonus distribution are made depending on the Company's operation, employees' performance, etc. The compensation to the management is resolved by the Remuneration Committee and passed by the Board of Directors.

VI. If the company or its affiliates 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.

Seven Review and Analysis of Financial Position and Financial Performance, and Assessment of Risks

I. Financial position

Unit: NT\$ thousand

Item \ Year	2022	2021	Increase (decrease) amount	Ratio of change (%)
Current assets	1,155,439	1,505,927	(350,488)	(23.27)
Long-term equity investment	99,299	97,562	1,737	1.78
Fixed assets	264,115	280,174	(16,059)	(5.73)
Other assets	119,855	124,446	(4,591)	(3.69)
Total assets	1,677,754	2,045,413	(367,659)	(17.97)
Current liabilities	548,203	923,944	(375,741)	(40.67)
Non-current liabilities	109,578	111,179	(1,601)	(1.44)
Total liabilities	657,781	1,035,123	(377,342)	(36.45)
Share capital	1,127,192	1,127,192	0	0.00
Capital surplus	226,697	226,697	0	0.00
Retained earnings	(252,744)	(241,316)	(11,428)	4.74
Total equity of shareholders	1,019,973	1,010,290	9,683	0.96
I. Analysis of ratio changes reaching 20 percent: 1. Decrease in current assets: Mainly due to the increase in cash repayment of bank loans. 2. Decrease in current liabilities and total liabilities: Mainly due to the repayment of bank loans. II. Impact of changes and future response plan: The above changes are related to normal operating activities and have no material impact on the Company, and there are no major anomalies in the overall performance of the Company, and there should be no need to formulate a response plan.				

II. Financial performance

Unit: NT\$ thousand

Item \ Year	2022	2021	Increase (decrease) amount	Ratio of change (%)
Net operating income	1,497,478	1,574,747	(77,269)	(4.91)
Operating costs	1,306,737	1,452,643	(145,906)	(10.04)
Gross profit	190,741	122,104	68,637	56.21
Operating expenses	218,787	211,078	7,709	3.65
Operating loss	(28,046)	(88,974)	60,928	68.48
Non-operating income and expenses	71,478	191,130	(119,652)	(62.60)
Profit (loss) before tax	43,432	102,156	(58,724)	(57.48)
Income tax expenses	(56,918)	(26,942)	(29,976)	(111.26)
Net profit (loss) for the year	(13,486)	66,929	(80,415)	(120.15)
Other comprehensive income of the	23,169	(16,037)	39,206	244.47
Total comprehensive income for the	9,683	50,892	(41,209)	(80.97)
I. Analysis of ratio changes reaching 20 percent: (1)The increase in current assets: This was mainly due to the increase in time deposits and accounts receivable. (2)The decrease in income tax expense was mainly due to tax income adjustment affected by losses before tax. (3)The decrease in other comprehensive income (net after tax): This was mainly due to the decrease in exchange losses on translation on financial statements of foreign operating institutions. II.Expected sales volume and its basis, the possible impact on the Company's future financial business and the response plan: The Company has not issued a financial forecast, so the expected sales volume and its basis are not applicable. The Company will continue to provide high-quality products and services to meet the needs of different customers, and is expected to maintain a certain growth momentum, so as to maintain a sound and stable financial structure.				

III. Cash flow

(I) Analysis of cash flow changes in the most recent fiscal year:

Item \ Year	2022	2021	Amount of change	Increase (decrease) amount (%)
Net cash flow from operating activities	112,079	(165,179)	277,258	(167.85)
Net cash flows from investing activities	79,838	209,338	(129,500)	(61.86)
Net cash flows from financing activities	(180,309)	134,539	(314,848)	(234.02)
Analysis of ratio changes reaching 20 percent: 1. The decrease in operating loss was mainly due to the increase in gross operating profit. 2. The decrease in the non-operating income and expenses, net loss before tax, net loss of this year, other comprehensive income and comprehensive income of this year was mainly due to the increase in gains from the disposal of investment property in 2021. 3. The decrease in cash flow from financing activities was mainly due to the decrease in short-term borrowings.				

(II) Corrective measures to be taken in response to illiquidity: Not applicable.

(III) Liquidity analysis for the coming year:

Opening cash balance (1)	Projected full-year net cash flows from operating activities (2)	Projected full-year cash outflows (3)	Projected cash surplus (shortfall) amount (1)+(2)-(3)	Remedies for projected cash shortfalls to maintain a comparable cash balance	
				Investment plan	Financing plan
397,756	100,000	200,000	297,756	None	None
1. Analysis of changes in cash flows for the coming year: (1) Operating activities: It is expected that a slow recovery will appear and the profit will be flat with before. (2) Investment activities: No significant changes are expected in the future, and no significant inflow (outflow) is expected.. (3) Financing activities: The cash inflow mainly relies on the private funding activities intending to enrich the working capital and improve the financial structure. 2. Anticipated remedy for cash deficiency: No such situation.					

IV. Effect upon financial operations of any major capital expenditures in the most recent year: None.

V. Reinvestment policy for the most recent year, the main reasons for the profits/losses generated thereby, the plan for improving re-investment profitability, and investment plans for the coming year

(I) Investment analysis table

December 31, 2022; Unit: NT\$ thousand

Name of subsidiary	Investment amount	Investment gains or losses recognized in 2022	Policy	Main reasons for gain or loss	Improvement plan
J.B.T Industrial Co., Ltd.	207,215	31,214	Overseas base	Adjustment stage for the development of product lines, new products and customer sources.	Strengthen operations management
Ji-Haw Opto-Electrical (Kunshan) Co., Ltd. (J.H.P)	265,728	65,998	Overseas base	Adjustment stage for the development of product lines, new products and customer sources.	Strengthen operations management
Ji-Haw Electronics (Kunshan) Co., Ltd. (J.H.K)	2,768	(36,656)	Overseas base	Disposal of property	Strengthen operations management
Ji-Haw Investment Co., Ltd. (J.H.I.)	9,649	(944)	Overseas base	Profit gained for investment in overseas financial products or stocks.	Strengthen operations management

(II) Future investment plan: Within the regulatory requirements, appropriate adjustment will be made in response to the expansion in the scale of operations.

VI. Analysis and assessment of risks

- (I) Impact upon the company's balance sheet of inflation and changes in interest and exchange rates, and the measures the company plans to adopt in response:

1. Impact of interest rate and exchange rate changes upon the Company's revenue

Unit: NT\$ thousand; %

Item	2022	
	Amount	Percentage of operating revenue (%)
Net interest expense	(4,447)	(0.30)
Foreign exchange gains and losses	52,556	3.51
Net operating income	1,497,478	

Source: Financial report audited by accountants

2. Measures the Company plans to adopt in response to interest rate changes
The Company keeps in close contact with the banks while paying attention to changes in the market in order to obtain more favorable borrowing rates from banks.
3. Impact of exchange rate changes upon the Company's revenue
The Company mainly supplies connector components and parts for various types of information products and consumer electronics products. The proportion of export sales is approximately 90%, with the largest proportion received and paid in U.S. dollars. Given this, the U.S. dollar exchange rate has a significant impact on the Company's exchange rate. While the U.S. dollar is depreciating, the Company has exchange rate losses; when it is appreciating, the Company has exchange rate gains. Overall, the exchange rate gains and losses were within an acceptable range.
4. Measures the Company plans to adopt in response to exchange rate changes
Some of the Company's products are quoted in foreign currencies. In addition to keeping a close eye on the latest exchange rates with real-time information, the Accounting Department keeps abreast of the domestic and foreign economic situation and makes forecasts on exchange rate trends. According to the daily foreign currency balances and projected income and expenditures, the Accounting Departments makes plans for hedging exchange rate risks through advance settlement or pre-selling of foreign currencies.
- (II) 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:
1. The Company has been committed to operating within its industry since its establishment and there have been no high-risk or high-leveraged investment activities.
2. The Company provides loans to others and makes endorsements and guarantees. This is performed in accordance with the regulations set forth in the Company's "Procedures for Loaning Funds to Others" and "Regulations for Endorsements and Guarantees".
3. The Company does not engage in derivative products.
- (III) Future research and development projects, and expenditures expected in connection therewith:
All R&D projects are according to plan.
- (IV) The impact upon the company's financial operations of important policy and legal developments at home and abroad, and the measures the company plans to adopt in response:
Up to the date of publication of the annual report, the Company had no ongoing litigation cases.
- (V) Effect on the company's financial operations of developments in science and technology as well as industrial change, and measures to be taken in response:
Since 2010, the Company has introduced an Enterprise Resource Planning (ERP) system which has been continuously optimized and upgraded to respond to the growth and adjustment of the business. In doing this, the ERP system is in line with the streamlining and

optimization of the Company's integration of system resources. We introduced an e-commerce system in 2012 to optimize the manual process of sales, gradually increasing efficiency. We have set up a secure sockets layer virtual private network for the management of the Company and subsidiaries. This helps effectively utilize information manpower to achieve cost reduction and corporate competition enhancement.

(VI) Effect on the company's crisis management of changes in the company's corporate image, and measures to be taken in response:

The Company has always been committed to operating within its industry, with a goal of establishing a positive social image and fulfilling its social responsibility. There have been no incidents that could have damaged the Company's corporate image.

(VII) Expected benefits and possible risks associated with any merger and acquisition, and mitigation measures being or to be taken: **In the most recent fiscal year or during the current fiscal year up to the date of publication of the annual report, the Company has no M&A plans.**

(VIII) Expected benefits and possible risks associated with any plant expansion, and mitigation measures being or to be taken: **None**

(IX) Risks associated with any consolidation of sales or purchasing operations, and mitigation measures being or to be taken: **None.**

(X) 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 being or to be taken: **The situation described as above did not occur up to the date of publication of the annual report.**

(XI) Effect upon and risk to company associated with any change in governance personnel, and mitigation measures being or to be taken: **There were no concerns of the above situation in the most recent fiscal year or during the current fiscal year up to the date of publication of the annual report.**

(XII) Litigious and non-litigious matters: List major litigious, non-litigious or administrative disputes that: (1) involve the company and/or any company director, supervisor, the general manager, any person with actual responsibility for the firm, any major shareholder holding a stake of greater than 10 percent, and/or any company or companies controlled by the company; and (2) have been concluded by means of a final and unappealable judgment, or are still under litigation. Where such a dispute could materially affect shareholders' equity or the prices of the company's securities, the annual report shall disclose the facts of the dispute, amount of money at stake in the dispute, the date of litigation commencement, the main parties to the dispute, and the status of the dispute as of the date of publication of the annual report: **None**

(XIII) Other important risks and measures to be adopted in response:

The Company has adopted a certain level of operation for information technology as it relies more on and values the information system.

Information risk evaluation and corresponding measures

Risk item	Corresponding measures
Information security management	The Company has formulated the "Information Security Management Regulations" and related operational rules used for carrying out information work plans.
Personal information security maintenance	We have formulated the "Personal Information Security Maintenance Management Regulations" to strictly manage the use and security maintenance of information.
Information risk control measure Information backup and redundancy	We have built our own server room, with a dual hardware redundancy mechanism adopted for host and storage in the server room. In addition to regularly backing up information on a third local device, we also perform off-site

	backup of information at a bank safe deposit 2 kilometers away from the Company.
Information service disruption	If the Company's information system is damaged by a man-made, non-man-made or a natural disaster, the system can be restored within 4 hours after a problem is discovered, reducing the possibility of disruption of the Company's operations.
Other information security risks	We have set up firewalls to control and audit personnel access to the Internet and records, reducing the Company's information security risks.

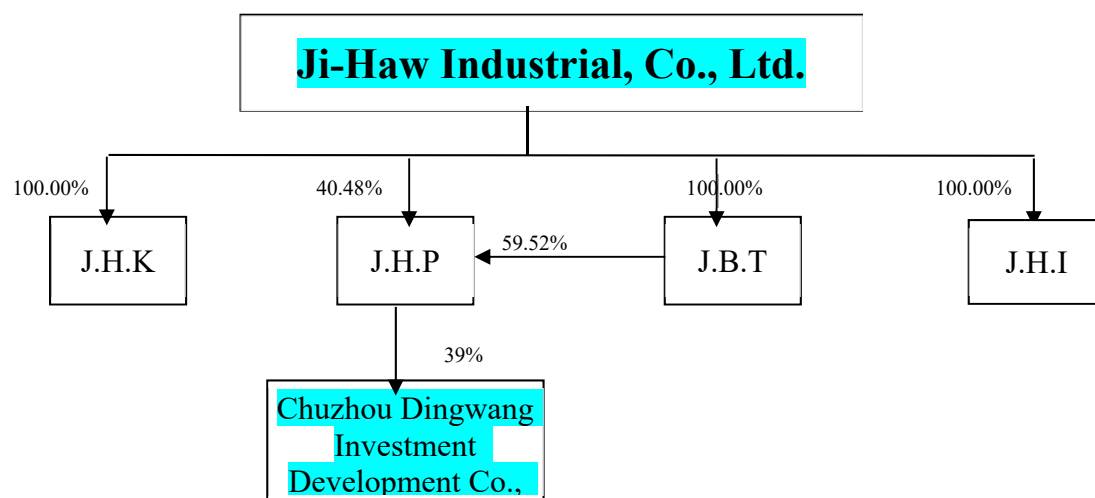
VII. Other important matters: None

Eight Special Items to Be Included

I. Information on affiliates

(I) Consolidated Business Report of Affiliates (up to December 31, 2022)

1. Organizational chart of domestic and foreign affiliates:



2. Basic information on each affiliate:

Name of company	Date of establishment	Address	Paid-in capital	Main business or production items
Ji-Haw Electronics (Kunshan) Co., Ltd. (J.H.K)	1997/12/31	No.110 Jiang Feng Road, Kunshan Economic Technology Development Zone, Zhangpu Complex Area, Jiangsu Province, P.R.C.	USD100,000	Manufacturing and trading of computer cables or plugs
J.B.T Industrial Co., Ltd.	1999/12/31	227/1,M003,Laem Chabang Industrial Estate, Sukhumvit Road,Thungskula, Sriracha, Chonburi 20230 Thailand	Baht 186,000,000	Manufacturing and trading of computer cables or plugs
Ji-Haw Opto-Electrical (Kunshan) Co., Ltd. (J.H.P)	2001/10/25	No.110 Jiang Feng Road, Kunshan Economic Technology Development Zone, Zhangpu Complex Area, Jiangsu Province, P.R.C.	USD12,600,000	Manufacturing and trading of computer cables or plugs, precision ceramics, and precision molds
Chuzhou Dingwang Investment Development Co., Ltd.	2011/11/15	Wu Yi Park, Nanqiao Industrial Development Zone, Chuzhou City	RMB60,180,000	Investment development.
Ji-Haw Investment Co., Ltd. (J.H.I.)	2016/01/06	Sertus Chambers, P.O. Box603, Apia, Samoa	USD 300,000	Investing in overseas financial products and stocks.

3. For companies presumed to have a relationship of control and subordination: None.

4. The industries covered by the business operated by the affiliates overall: Manufacturing and trading of computer cables or plugs.

5. Information on the directors, supervisors and presidents of each affiliate:

Name of company	Title	Name or representative	Number of shares held	
			No. of shares	Shareholding ratio
J.B.T Industrial Co., Ltd.	Chairman President Director	Ji-Haw Industrial, Co., Ltd. Lin Da-Sen Chen Wei-Chung Robert Chen	18,600,000	100 %
Ji-Haw Electronics (Kunshan) Co., Ltd. (J.H.K)	Chairman President Director Supervisor	Ji-Haw Industrial, Co., Ltd. Lin Wen-Huang (representative) Chu Wei-Tung Lin Wen-Huang, Chen Po-Shou, Wu Chia-Shin, Robert Chen Lo Lu-Hua	Note 1	100 %
Ji-Haw Opto-Electrical (Kunshan) Co., Ltd. (J.H.P)	Chairman President Director Supervisor	Ji-Haw Industrial, Co., Ltd. Lin Wen-Huang (representative) Chu Wei-Tung Lin Wen-Huang, Chen Po-Shou, Liu Chuan-Yu Lo Lu-Hua	Note 1	40.48 %
Chuzhou Dingwang Investment Development Co., Ltd.	Chairman	Ji-Haw Industrial, Co., Ltd. Lin Wen-Huang	Note 1	39.00 %
Ji-Haw Investment Co., Ltd.	Director and representative	Ji-Haw Industrial, Co., Ltd. Lin Da-Sen	Note 1	100 %

Note 1: No shares as it is a limited company

6. Financial position and results of the operations of each affiliate:

Unit: NT\$ thousand/EPS in NT\$

Company name	Amount of capital	Total asset value	Total liabilities	Net value	Operating income	Operating profit and loss	Current profit and loss (after tax)	Earnings per share (after tax)
J.B.T Industrial Co., Ltd.(J.B.T.)	207,215	590,031	66,055	523,976	82,153	(12,518)	31,214	0
Ji-Haw Electronics (Kunshan) Co., Ltd. (J.H.K)	2,768	79,816	458	79,358	44	(185)	(36,656)	Not applicable
Ji-Haw Opto-Electrical (Kunshan) Co., Ltd. (J.H.P)	265,728	1,029,613	396,559	633,054	1,308,895	33,129	65,998	Not applicable
Chuzhou Dingwang Investment Development Co., Ltd.	279,316	58,103	556	57,547	0	10	10	Not applicable
Ji-Haw Investment Co., Ltd.	9,649	4,277	0	4,277	0	(27)	(944)	Not applicable

Note 1: Figures in this table are presented in New Taiwan dollars. Foreign currencies involved are translated into New Taiwan dollars at the exchange rate on the financial report date, except for net values and current profit and loss which are based on the carrying amount.

II. Private placement of securities in the most recent fiscal year or during the current fiscal year up to the date of publication of the annual report: None.

III. Holding or disposal of shares in the company by the company's subsidiaries in the most recent fiscal year or during the current fiscal year up to the date of publication of the annual report: None.

IV. Other matters that require additional description: None.

Nine Any of the Situations Listed in Article 36, Paragraph 3, Subparagraph 2 of the Securities and Exchange Act, Which Might Materially Affect Shareholders' Equity or the Price of the Company's Securities, Occurred in the Most Recent Fiscal Year or During the Current Fiscal Year up to the Date of Publication of the Annual Report: None.

Ji-Haw Industrial, Co., Ltd.

Chairman: Lin Wen-Hwang